May 17, 2023

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

Scrip Code: 543396

National Stock Exchange of India Limited
The Listing Department,
Exchange Plaza,
Bandra Kurla Complex,
Mumbai – 400 051

Symbol: PAYTM

Sub.: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Ma'am,

This is in reference to our letter dated May 5, 2023 w.r.t earnings release for the quarter and year ended March 31, 2023 ('Earnings Release').

The following information in the Earnings Release should be read as follows:

Page no	Particulars	Details
Page 9	Promotional cashbacks and incentives under Heading - Contribution Profit	'2.0bps of GMV' changed to '2.2 bps of GMV'
Page 10	Graph - Indirect Expenses	March 22 number changed from '907Crs' to '906Crs'
Page 15	Table - Indicative Performance Metrics for Loan Distribution (March 2023 quarter)	Bounce rate changed from 'Q3' to 'Q4'
Page 15	Table - Shares Outstanding as of March 2023	Shares Outstanding changed from 'Dec 2022' to 'Mar 2023'

The revised copy of Earnings Release is enclosed herewith.

We regret the inconvenience caused due to the inadvertent error. Please note the revised copy of Earnings Release will also be hosted on the Company's website viz. https://ir.paytm.com/.

Kindly take the same on record.

Thanking you

Yours Sincerely,
For One 97 Communications Limited

MADHUR DEORA Digitally signed by MADHUR DEORA Date: 2023.05.17 19:01:57 +05'30'

Madhur Deora
Executive Director, President and Group CFO

Encl.: As Above

Earnings Release

for quarter & year ending March 2023

5 May 2023

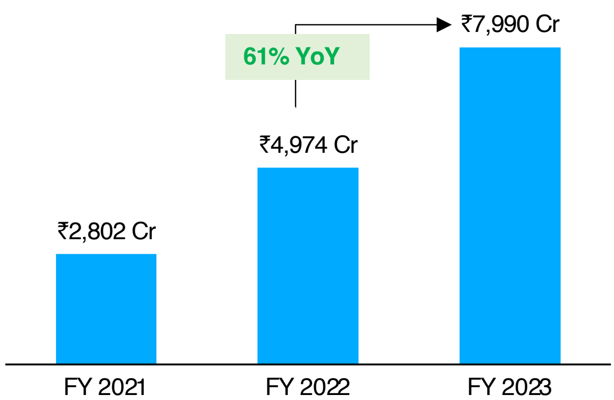
Paytm earns ₹7,990 Cr revenues in FY 2023, up 61% YoY

- **For Q4 FY 2023, revenue up 51% YoY at ₹2,334 Cr**
- **UPI incentive of ₹49 crore for Q4. Total UPI incentive for year at ₹182 Cr (up 102% YoY) recorded in this quarter**
- **Q4 EBITDA before ESOP (Including full year UPI incentive) of ₹234 Cr, improved by ₹602 Cr YoY**
- **Q4 EBITDA before ESOP (including UPI Incentive applicable for this quarter only) of ₹101 Cr, improved by ₹469 Cr YoY**

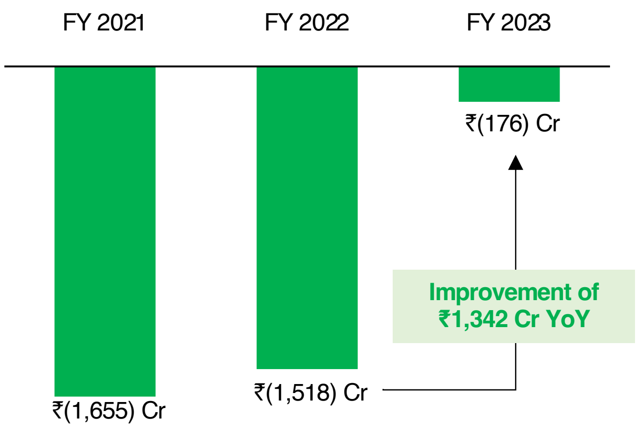
FY 2023: Landmark year during which we achieved operating profitability goal

Our 61% YoY revenue growth for FY 2023 was driven by payments monetization and growing scale of our loan distribution business. Our contribution margin improved from 30% in FY 2022 to 49% in FY 2023, due to improved payments profitability, and growth in high margin loan distribution business. During second half of this year, we achieved operational profitability (EBITDA before ESOP) and we believe we can continue our growth momentum and improve our profitability further. We have made significant investments towards sales manpower, improvement of technology platform, marketing spends etc., which will help us carry this momentum.

FY 2023 Revenue growth of 61% YoY



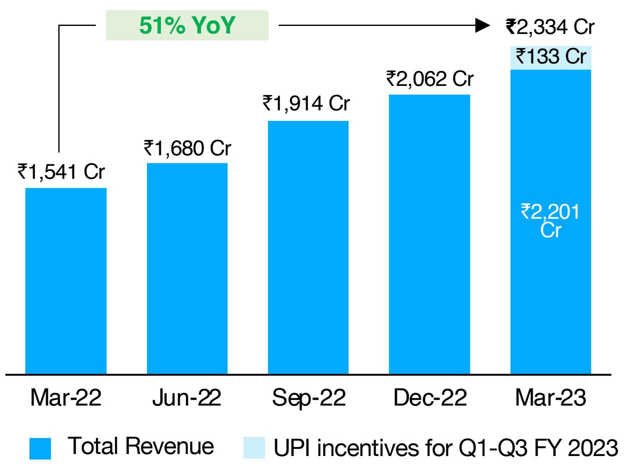
FY 2023 EBITDA before ESOP improved by ₹1,342 Cr YoY



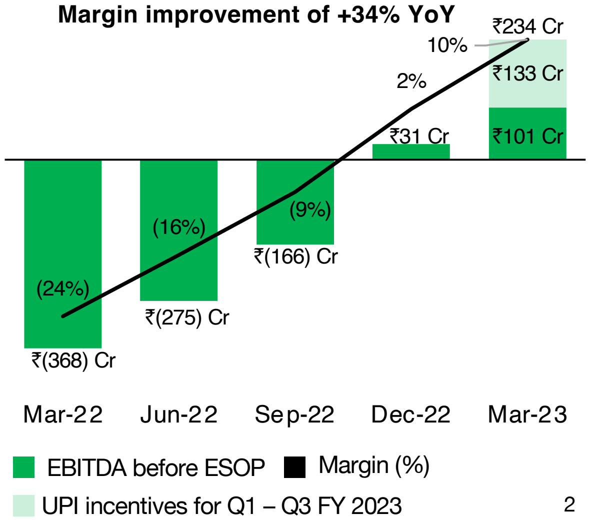
Q4 FY 2023: Exiting FY 2023 with momentum in profitability

For Q4 FY 2023, we clocked 51% YoY revenue growth, led by increase in GMV, higher merchant subscription revenues, and growth of loans distributed through our platform. Including current quarter's UPI incentive only, Q4 FY 2023 revenue growth was 43% YoY and contribution margin was 52%, versus 35% in Q4 FY 2022. Q4 EBITDA before ESOP, excluding ₹133 Cr UPI Incentive pertaining to 9M FY 2023, was ₹101 Cr, an improvement of ₹469 Cr YoY.

Revenue growth of 51% YoY



EBITDA before ESOP improved by ₹602 Cr YoY; Margin improvement of +34% YoY



Expanding platform – rapidly growing & engaged consumer and merchant base

Our two-sided platform across consumers and merchants continued to expand, along with growing user engagement. Average Monthly Transacting Users (MTU) for Q4 FY 2023 grew by 27% YoY to 9.0 Cr as adoption of mobile payments for consumers and merchants in India continues. Subscription services for payment devices, such as Soundbox and POS machine, is also witnessing strong adoption, with 68 Lakh merchants paying us subscriptions as of March 2023, more than doubling from 29 Lakh as of March 2022. We continued to witness sustained growth in Gross Merchandise Value (GMV), which stood at ₹3.62 Lakh Cr for Q4 FY 2023, an increase of 40% YoY.

Our loan distribution business continued to scale, in partnership with our lending partners. In Q4 FY 2023, across our three product offerings (Paytm Postpaid, Personal Loans, and Merchant Loans), loans amounting to ₹12,554 Cr were distributed through the Paytm platform. As of March 2023, 95 lakh borrowers have taken a loan through our platform. With low penetration rates currently for each our loan distribution products, we see a long runway for growth in this business. Device subscriptions offer an attractive cross-sell opportunity for merchant lending, while Postpaid customers are an upsell opportunity to personal loans and credit cards.

	Unit	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	YoY %
Average MTU	Cr	7.1	7.5	8.0	8.5	9.0	27%
Gross Merchandise Value	₹ Lakh Cr	2.59	2.96	3.18	3.46	3.62	40%
Merchant Subscriptions	Lakh	29	38	48	58	68	134%
Number of loans distributed	Lakh	65	85	92	105	119	82%
Value of loans distributed	₹ Cr	3,553	5,554	7,313	9,958	12,554	253%

Capitalizing on Our Growth Potential with Innovative Products

As we step into the new fiscal year of 2024, we are excited by the long term potential for revenue growth and profitability across payment and lending businesses. The growth of UPI and other mobile payment methods presents a wealth of untapped opportunities. We are prepared to capitalise on these opportunities by bringing innovative products to our customers. Since the launch of our UPI Lite platform February 2023, we have already onboarded 55 lakh customers. NPCI's wallet interoperability guidelines will allow Full KYC Paytm Wallet to be universally acceptable on all UPI QRs and online merchants.

We believe India has potential of at least 10 Cr merchants and more than 50 Cr payment users in the near future. Considering this large scale of opportunity, and our ability to monetise our customer base, we will continue to invest in consumer marketing and expand merchant acquiring sales teams. With addition of nearly 9,000 members, our sales team now has more than 28,000 members, and caters to nearly 550 towns and cities.

Our payments business is our acquisition engine which brings customers to our platform. We monetise these customers by cross selling various financial & commerce services. In India, the penetration of consumer credit, especially products like Personal loans, Merchant loans, and small ticket consumption credit (Postpaid and Credit Card) remains low, providing us with ample opportunity for leveraging our platform by working with lending partners in distributing such products. We have partnered with large NBFCs and Banks and we continue to focus on quality of loans distributed through our platform. We currently have 7 lending partners and we aim to onboard 3-4 partners in FY 2024.

Technology platform upgrade to enable 10x growth in payments

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

The development of this grounds-up platform was done in-house, and shows our prowess in technology development. This also proves that India has capability to build scalable world-class technology software of scale. With this powerful technology stack at our disposal, we are confident that we are well positioned to leverage the rapidly evolving opportunities in the mobile payments landscape of the country.

Key Metrics for the quarter ending March 2023 (Q4 FY 2023)

Revenue from Operations

Led by growth in payments & loan distribution business. In Q4 FY 2023, we recorded UPI incentive of ₹182 Cr for FY 2023, of which ₹49 Cr pertains to Q4 FY 2023. Including current quarter's UPI incentive only, revenue growth was 43%.

₹ 2,334 Cr

▲ 51% YoY

Contribution Profit

Including UPI incentive for current quarter only, margin increased to 52% from 35% in Q4 FY 2022.

₹ 1,283 Cr

▲ 138% YoY

EBITDA before ESOP

Margin improved to 10% of revenues from (24%) of revenues YoY. Including UPI incentive for the current quarter only, margin improved to 5%, on account of expansion of contribution profit and operating leverage, even with continued investments made for future growth.

Including full year UPI incentive received during the quarter

₹ 234 Cr

▲ ₹602 Cr YoY

Including UPI incentive for current quarter only

₹ 101 Cr

▲ ₹469 Cr YoY

Merchant Subscriptions (including devices)

Our leadership in payment monetization continues. Added 10 lakh new subscriptions in last quarter.

68 Lakh

▲ 134% YoY

Loans Distributed through Paytm

As of March 2023, our lending partners have distributed loans through our platform to 95 Lakh Paytm consumers and merchants. Paytm active user base continues to present significant upsell opportunities.

₹ 12,554 Cr

▲ 253% YoY

Financial Update for quarter ending March 2023 (Q4 FY 2023)

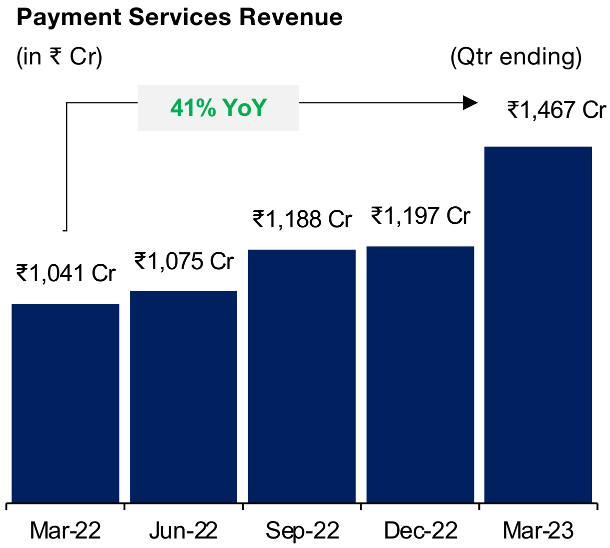
Payment Services: Leadership in payment monetization with improving profitability

Our payment business continues to scale led by increase in GMV, and higher subscription revenue. In Q4 FY 2023, payments revenue grew by 41% YoY to ₹1,467 Cr. Including current quarter's UPI incentive only, payment revenue grew 28% YoY.

Quarter ending, in ₹ Cr	Mar-22	Mar-23	YoY %
Payments Revenues	1,041	1,467	41%
Less: UPI incentive for 9M FY 2023	*NA*	*(133)*	
Like-for-like Payments Revenue	**1,041**	**1,334**	**28%**

Note: Q4 FY 2023 revenue includes ₹182 Cr of UPI incentive for FY 2023, of which ₹133 Cr pertains to the prior three quarters. In Q4 FY 2022, we recorded UPI incentive accruing for that quarter only.

For FY 2023, payment revenue grew 44% to ₹4,928 Cr.



Improved payments profitability

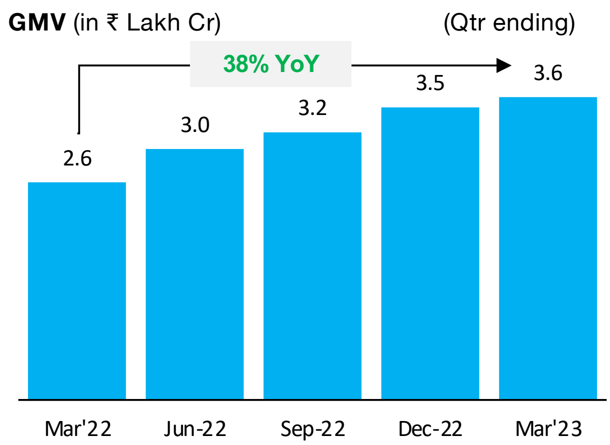
Payments profitability further improved with Q4 FY 2023 net payment margin expanding 158% YoY to ₹687 Cr. Including only current quarter's UPI incentive only, net payments margin for Q4 FY 2023 was ₹554 Cr, up 107% YoY.

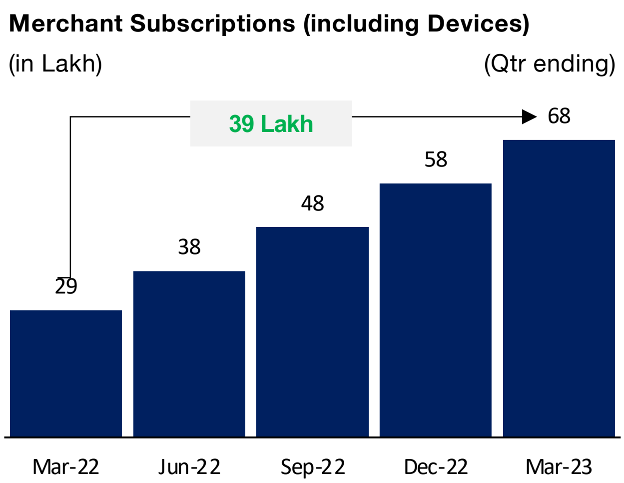
1. Payment Processing Margin: Q4 FY 2023 GMV grew 40% YoY to ₹3.6 Lakh Cr. For FY 2023 and Q4 FY 2023, payment processing margin was at the higher end of 7-9bps range (of GMV) as indicated in December 2022. With rising UPI share, we expect payment processing margin to stabilize at 5-7 bps over long term.

2. Subscription Charges: As of March 2023, merchant subscriptions were 68 Lakh, increasing 39 Lakh YoY. We see sustained traction and earn more than ₹100 per month per device.

Quarter ending, in ₹ Cr	Mar-22	Mar-23	YoY %
Payments Revenues	1,041	1,467	41%
Less: Payment Processing Charges	774	780	1%
Net Payments Margin	**266**	**687**	**158%**
Less: UPI incentive for 9M FY 2023	*NA*	*(133)*	
Like-for-like Net Payments Margin	**266**	**554**	**107%**

FY 2023 net payments margin increased 2.9x to ₹1,970 Cr, demonstrating profitability of payment business despite higher share of UPI. Improvement in net payments margin was a result of a) better rates from banks due to increase in our scale, b) increased adoption of device merchants and c) account level rationalization.





Financial Services and Others: Perfect product market fit for small, digital credit

Our loan distribution & collection platform leverages the payment ecosystem to facilitate our lending partners to distribute loans & collect the same. In Q4 FY 2023, revenue for financial services and others grew 183% YoY to ₹475 Cr. The growth in revenue was primarily driven by 253% YoY growth in the value of loans distributed.

For FY 2023, revenue from Financial Services and Others jumped 252% in FY 2023 to ₹1,540 Cr, from ₹437 Cr in FY 2022. This was largely on account of 364% increase in the value of loans distributed through our platform.

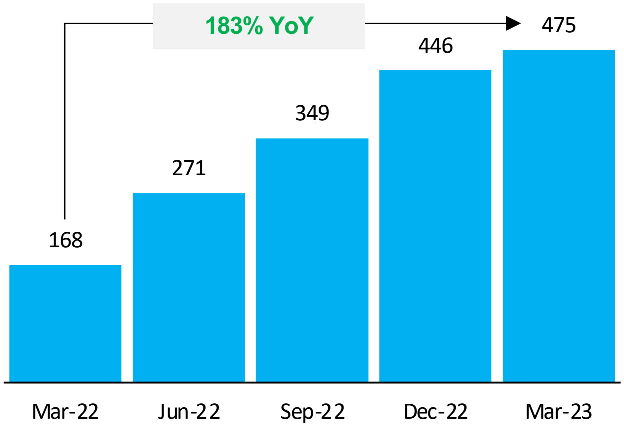
Loan Distribution & Collection

In Q4 FY 2023, the number of loans distributed through our platform grew to 1.2 Cr, a growth of 82% YoY. The value of loans distributed grew to ₹12,554 Cr, a growth of 253% YoY.

We believe there is long runway for growth as our payments consumer and merchant base offers a large addressable market. In FY 2023, the number of loans distributed through our platform grew 163% to 4.0 Cr. Total number of unique borrowers who have taken a loan through our platform has increased by 49 Lakh in FY 2023 to 95 Lakh. This growing borrower base offers us tremendous upsell and lifecycle benefits. We have partnered with 7 banks and NBFCs across all our products.

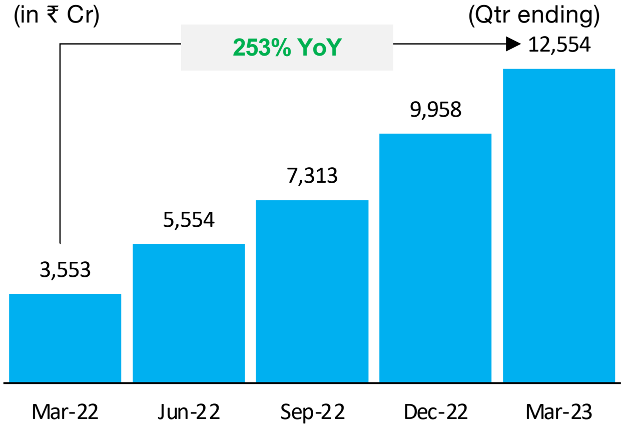
Revenue: Financial Services and Others

(in ₹ Cr) (Qtr ending)



Value of Loans Distributed through Paytm

(in ₹ Cr) (Qtr ending)



# of Loans (Cr)

Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
0.7	0.8	0.9	1.0	1.2

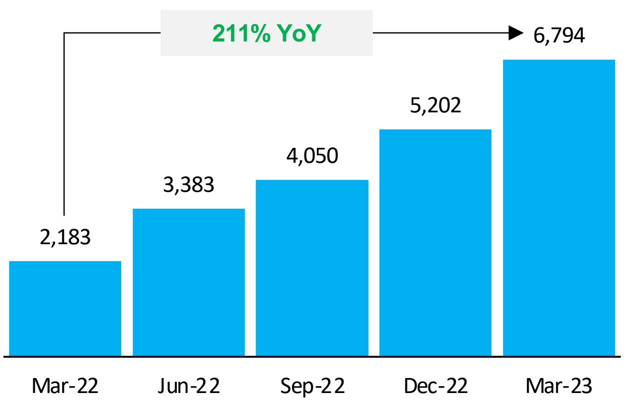
Paytm Postpaid

The number of Postpaid Loans distributed grew 86% YoY in Q4 FY 2023, while the value of Postpaid Loans grew 211% YoY. Total number of unique user base base has crossed 86 lakh customers. Merchant acceptance continues to grow, and Paytm Postpaid is now accepted by 1.9 Cr online and offline merchants, which has grown rapidly from 35 Lakh in Q4 FY 2022. Our large Postpaid customer base also provides cross-sell opportunities for Personal Loans and Credit Cards.

Penetration[1] for Postpaid is at 4.3% of MTU.

Value of Loans: Postpaid

(in ₹ Cr) (Qtr ending)



# of Loans (Cr)

Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
0.6	0.8	0.9	1.0	1.2

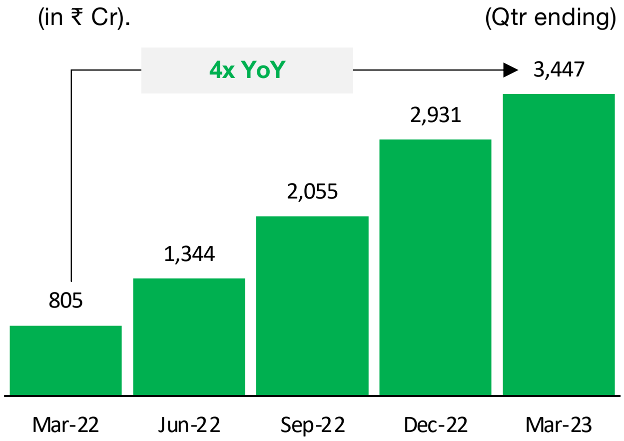
Note - The MDR from merchants on Paytm Postpaid and the revenues from our credit card partnerships is not recorded in Revenue from Financial Services and Others. MDR is recorded in Payment Services, whereas revenue from our credit card partnerships is recorded in Cloud revenues.

[1]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 distributed grew 193% YoY in Q4 FY 2023, while the value of Personal Loans grew 328% YoY to ₹3,447 Cr. Average ticket size is ~₹130,000 with average tenure of 15 months. Cross-sell from Postpaid continues to see traction with over 40% of personal loans distributed in Q4 FY 2023 to existing Paytm Postpaid users. Penetration[1] for Personal loans is at 0.9% of MTU.

Value of Loans: Personal Loans



# of Loans (Lakh)

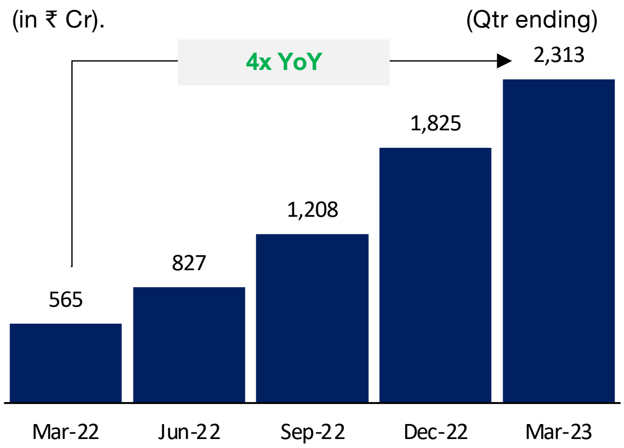
0.9	1.3	1.9	2.4	2.7

Merchant Loans

The number of Merchant Loans distributed grew 258% YoY in Q4 FY 2023, while the value of Merchant Loans grew 309% YoY to ₹2,313 Cr. More than 85% of value distributed this quarter was to merchants with a deployed Paytm payment device. Average ticket size is ~₹170,000 with average tenure of 13 months. We are also seeing healthy pickup in repeat loans with 45% of distribution to merchants who have taken a loan before. More than 85% of loan value distributed is to merchants with a deployed Paytm device.

Penetration[1] for Merchant Loans is 5.9% of device merchants.

Value of Loans: Merchant Loans



# of Loans (Lakh)

0.4	0.6	0.8	1.2	1.4

[1] *Calculation of penetration*
Personal Loans: Number of loans distributed in last 12 months as a % of avg MTU in Q4 FY 2023;
Merchant loans: Number of loans distributed in last 12 months as % of devices deployed at end of Q4 FY 2023

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

In our Commerce and Cloud segment, we continue to monetize Paytm app traffic by providing marketing services to our merchants. In Q4 FY 2023, Commerce & Cloud revenue grew by 23% YoY. In FY 2023, commerce and cloud revenue grew by 38% to ₹1,520 Cr.

Commerce

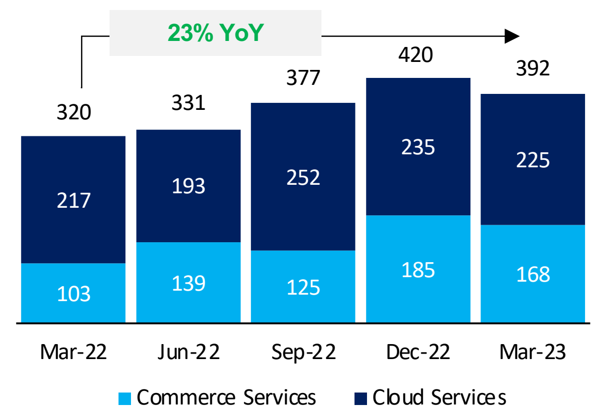
Our commerce business include travel, movie, entertainment ticketing, deals and gift vouchers. Q4 FY 2023 Commerce GMV grew 22% YoY to ₹2,185 Cr while revenue grew by 63% YoY to ₹168 Cr. Faster revenue growth versus GMV is largely on account of seasonally high volume of events in the entertainment business, which has high take-rates but also higher direct costs. This has resulted in take rate inching to 8%. Excluding events business, take rate was stable within our guided range of 5-6%. FY 2023 revenue was ₹615 Cr, a growth of 65% YoY.

Cloud

Cloud business include advertising, co-branded credit cards, marketing cloud, and loyalty business. As of March 2023, we have 5.9 Lakh activated cards, an increase of 1.4 Lakh cards in the quarter. Q4 FY 2023 revenue for Cloud business grew by 4% YoY to ₹225 Cr, as growth in credit card distribution was offset by weakness in marketing cloud. We see cross-sell opportunities from our existing user base who have taken loans through our platform. FY 2023 cloud revenue was up 24% YoY to ₹905 Cr.

Revenue: Commerce and Cloud Services

(in ₹ Cr) (Qtr ending)



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

Our Q4 FY 2023 contribution profit of ₹1,283 Cr represents a growth of 138% YoY. Contribution margin improved to 55% from 35% a year ago. Including current quarter's UPI incentive only, contribution profit was ₹1,150 Cr, implying 52% contribution margin.

For FY 2023, the contribution profit at ₹3,900 Cr represents a growth of 160%. Contribution margin improved to 49% from 30% a year ago.

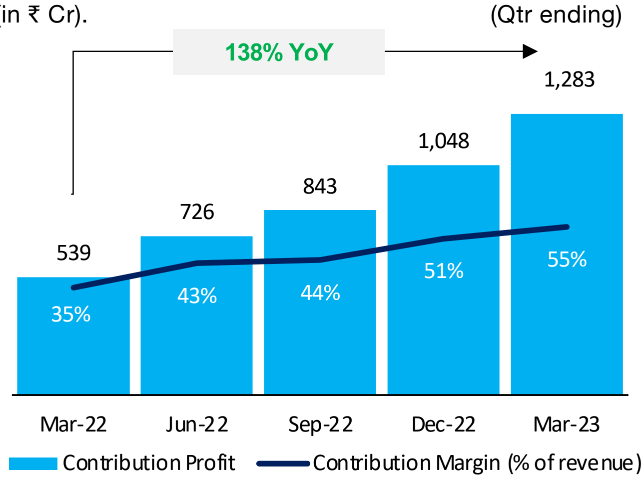
Payment processing charges were ₹780 Cr in Q4 FY 2023 (up 1% YoY and 6% QoQ).

Promotional cashbacks and incentives were ₹78 Cr, or 2.2bps of GMV for Q4 FY 2023.

Other direct expenses were ₹193 Cr, 75% higher YoY on account of expenses associated with high volume in events business and higher collection costs due to the growth of lending business.

Contribution Profit

(in ₹ Cr). (Qtr ending)



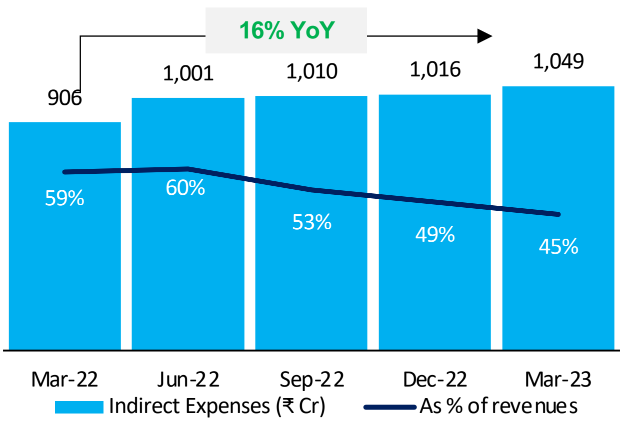
Indirect Expenses down to 45% of revenues driven by operating leverage

In Q4 FY 2023, indirect expenses (as a % of revenues), declined to 45%. However, excluding prior quarters' UPI incentive from the revenue base, indirect expenses were 48% of revenue. Indirect Expenses (excluding ESOP cost) has increased 3% QoQ and 16% YoY to ₹1,049 Cr for Q4 FY 2023.

For FY 2023, we invested in marketing, sales employee and strengthening of the tech platform. With sharper revenue growth, indirect cost as % of revenue declined to 51%, from 61% in FY 2022.

- For Q4 FY 2023, cost of building the platform (defined as employee cost excluding cost of sales staff), was ₹427 Cr, increasing 22% YoY. For the next quarter, we expect employee cost to increase due to annual appraisals.
- Cost of expanding the platform, which is defined as marketing costs and sales employee cost, stood at ₹313 Cr, flat YoY. We continue to make investments in marketing and sales, to expand our platform of customer and merchants, as we have been able to monetize our existing customer base.
- Software, Cloud, and Data Center costs were ₹188 Cr, up 25% YoY.
- In Q4 FY 2023, our Other Indirect costs at ₹121 Cr, down 1% YoY.

Indirect Expenses (Qtr ending)



(in ₹ Cr)	Mar-22	Dec-22	Mar-23
Cost of building platform: Employee (excluding sales)	351	406	427
Cost of expanding platform:	282	313	313
Marketing	131	136	127
Sales employees	151	178	186
Software & Cloud expenses	151	171	188
Other indirect expenses	122	126	121
Total Indirect Expenses	**906**	**1,016**	**1,049**

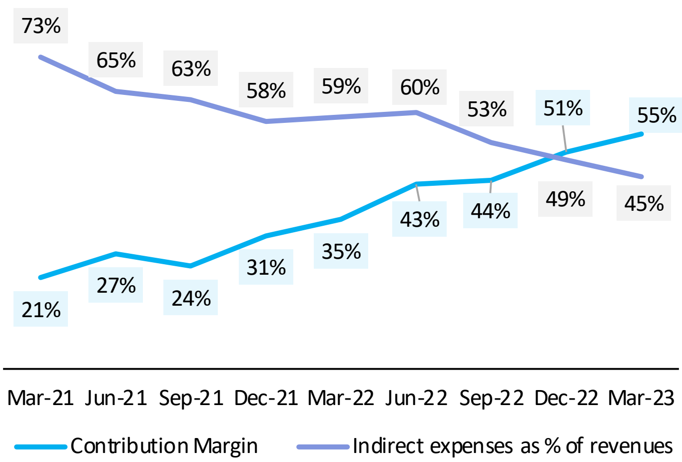
Continuous improvement in EBITDA before ESOP

We continue to see sharp and consistent improvement in profitability due to strong revenue growth, increasing contribution margin and operating leverage. In Q4 FY 2023, our EBITDA before ESOP was ₹234 Cr as compared to (₹368 Cr) in Q4 FY 2022 and ₹31 Cr in Q3 FY 2023. Including current quarter's UPI incentive only, EBITDA before ESOP was ₹101 Cr for Q4 FY 2023. EBITDA before ESOP margin improved to 10% of revenues in Q4 FY 2023 from (24%) of revenues in Q4 FY 2022. Including UPI incentive for current quarter only, EBITDA before ESOP margin was 5%.

For the full year FY 2023, our EBITDA before ESOP was (₹176) Cr as compared to (₹1,518 Cr) in FY 2022. EBITDA before ESOP margin improved to (2%) of revenues in FY 2023 from (31%) of revenues in FY 2022 and (59%) of revenues in FY 2021.

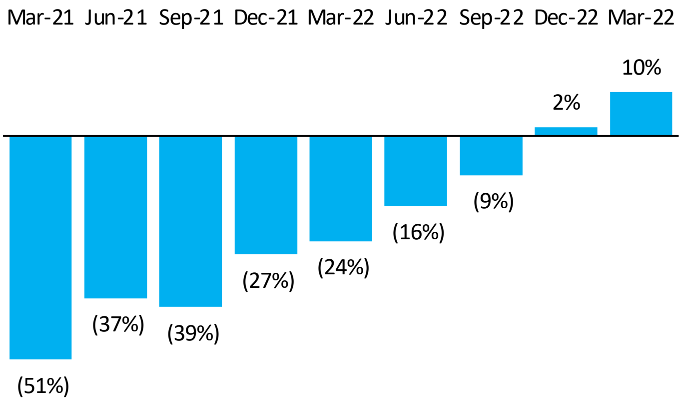
Net Income for Q4 FY 2023 was (₹168 Cr), an improvement of ₹595 Cr YoY.

Higher Contribution Margin + Better Operating Leverage = Improved Profitability



EBITDA before ESOP Margin

As a % of revenues (Qtr ending)



Capex driven by device rollout

We are investing in rollout of our Soundbox and POS devices which constitutes a large portion of our capex. For FY 2023, capex was ₹712 Cr as compared to ₹504 Cr in FY 2022. Increase in capex was largely due to higher device deployment during the year.

We depreciate our devices in 2-3 years. Corresponding to increase in device rollout, depreciation & amortization for FY 2023 increased to ₹485 Cr from ₹247 Cr in FY 2022.

Cash Balance & Share Buyback

We are well funded considering net cash balance and improving profitability. As of quarter ending March 2023, we have ₹8,275 Cr as cash balances as compared to ₹9,271 Cr as on March 2022. We completed buy-back of 1.56 Cr shares by utilizing ₹850 Cr of cash, implying average purchase price of ₹545 per share. Including buyback tax and other transaction costs, the total outlay towards buy-back was ₹1,056 Cr. While we purchased 15 lakh shares by utilizing ₹68 Cr cash in the December 2022 quarter, we purchased 1.41 Cr shares by utilizing ₹782 Cr cash in March 2023 quarter. Effectively, our outstanding share count as on March 2022 has reduced to 63.4 Cr, from 64.9 Cr prior to buy-back.

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

RBI vide its letter dated March 23, 2023 said that PPSL can continue with the Online Payment Aggregation business, while it awaits approval from Government of India ('GoI') for past investment from One97 Communications Ltd. (OCL) into PPSL as per FDI Guidelines.

As per RBI's letter, on receipt of approval from GoI, PPSL will have fifteen days to submit the application seeking authorisation for PPSL to operate as an online PA. However, if any adverse decision is taken by the GoI, then the same shall be informed to RBI immediately. During this process, PPSL can continue with its online payment aggregation business for existing partners, without onboarding any new merchants.

This continues to have no material impact on our business and revenues, since the communication from RBI is applicable only to onboarding of new online merchants and we can continue to provide payment services to our existing online merchants.

Update on Reserve Bank of India direction to our associate company Paytm Payments Bank Limited (PPBL)

Our associate company, PPBL, continues to work towards implementing various recommendations of RBI as part of the IT review undertaken earlier during FY2023. A significant part of implementation has been completed and submitted further for validation.

Key Metrics for the full year ending March 2023 (FY 2023)

Revenue from Operations

Led by growth in payments & loan distribution business

₹7,990 Cr

▲ 61% YoY

Contribution Profit

Improved to 49% of revenue in FY 2023 from 30% in FY 2022, driven by improvement in payments profitability, and growth of high margin businesses, such as loan distribution

₹3,900 Cr

▲ 160% YoY

EBITDA before ESOP

Achieved break even at EBITDA before ESOP costs 3 quarter ahead of guidance, due to sustained improvement in contribution profit and operating leverage. This is despite continued investments for long-term growth.

₹(176) Cr

▲ Improvement of ₹1,342 Cr YoY

Merchant Subscriptions (including devices)

Our leadership in payment monetization continues. Added 39 lakh new subscriptions in last year.

68 Lakh

▲ 134% YoY

Loans Distributed through Paytm

As of March 2023, our lending partners have distributed loans through our platform to 95 Lakh Paytm consumers and merchants. Paytm active user base continues to present significant upsell opportunities.

₹35,378 Cr

▲ 357% YoY

Summary of Consolidated Financial Performance

Particulars (in ₹ Cr)	Quarter Ended					Year Ended		
	Mar-23 (Audited)	Mar-22 (Audited)	Y-o-Y	Dec-22 (Unaudited)	Q-o-Q	Mar-23 (Audited)	Mar-22 (Audited)	Y-o-Y
Payments & Financial Services	1,918	1,209	*59%*	1,599	*20%*	6,385	3,858	*66%*
Payment Services to Consumers	524	469	*12%*	513	*2%*	2,105	1,528	*38%*
Payment Services to Merchants	918	572	*61%*	640	*43%*	2,739	1,892	*45%*
Financial Services and Others	475	168	*183%*	446	*7%*	1,540	437	*252%*
Commerce & Cloud Services	392	320	*23%*	420	*(7)%*	1,520	1,105	*38%*
Commerce	168	103	*63%*	185	*(9)%*	615	374	*65%*
Cloud	225	217	*4%*	235	*(4)%*	905	731	*24%*
Other Operating Revenue	25	12	*105%*	44	*(44)%*	86	12	*615%*
Revenue from Operations	**2,334**	**1,541**	***51%***	**2,062**	***13%***	**7,990**	**4,974**	***61%***
Payment processing charges	780	774	*1%*	738	*6%*	2,958	2,754	*7%*
As % of GMV	*0.22%*	*0.30%*	*(8 bps)*	*0.21%*	*1 bps*	*0.22%*	*0.32%*	*(10 bps)*
Promotional cashback & incentives	78	118	*(34)%*	91	*(14)%*	502	378	*33%*
Other Expenses	193	110	*75%*	186	*4%*	630	344	*83%*
Total Direct Expenses	**1,051**	**1,002**	***5%***	**1,015**	***4%***	**4,090**	**3,476**	***18%***
Contribution Profit	**1,283**	**539**	***138%***	**1,048**	***23%***	**3,900**	**1,498**	***160%***
Contribution Margin %	*55%*	*35%*	*2,000 bps*	*51%*	*418 bps*	*49%*	*30%*	*1,870 bps*
Indirect Expenses								
Marketing	127	131	*(3)%*	136	*(7)%*	574	477	*20%*
Employee cost (Excl ESOPs)	614	502	*22%*	584	*5%*	2323	1623	*43%*
Software, cloud and data center	188	151	*25%*	171	*10%*	694	500	*39%*
Other indirect expenses	121	122	*(1)%*	126	*(4)%*	485	416	*17%*
EBITDA before ESOP expense	**234**	**(368)**	***(164)%***	**31**	***648%***	**(176)**	**(1,518)**	***(88)%***
Margin %	*10%*	*(24)%*	*3391 bps*	*2%*	*851 bps*	*(2)%*	*(31)%*	*2,832 bps*

Summary of Key Operational Metrics

Operational KPIs	Units	Quarter Ended			
		Mar-23	Mar-22	YoY	Dec-22
GMV	₹ Lakh Cr	3.6	2.6	40%	3.5
Merchant Transactions	Cr	685	414	65%	628
Total Transactions	Cr	835	503	66%	763
MTU (average over the period)	Cr	9.0	7.1	27%	8.5
Registered Merchants (end of period)	Cr	3.35	2.67	25%	3.14
Loans	Cr	1.19	0.63	89%	1.05
Value of Loans	₹ Cr	12,554	3,553	253%	9,958
Payment Devices (cumulative; end of period)	Lakh	68	29	134%	58
Average number of Sales Employees*	#	28,479	19,648	45%	25,994
Cost of sales employees (including training)	₹ Cr	186	151	23%	178

** Note: Starting Q4, we would be reporting our active Sales headcount. We have restated numbers for prior quarters for like-for-like comparison*

Indicative Performance Metrics for Loan Distribution (March-23 quarter)

	Postpaid	Personal Loans	Merchant Loans
Bounce Rates Healthy bounce rates continued to be exhibited in Q4 for our lending partners	10.5% to 12.0%	10.75% to 11.75%	NA
Bucket 1 Resolution % Capacity building with scale; Postpaid, Personal loans and Merchant loan resolution hold steady with rapidly expanding book size	82% to 84%	88% to 92%	80% to 85%
Recovery Rate Post 90+ Postpaid, Personal loans and Merchant loans continue to exhibit robust recovery rates	30% to 35%	27% to 29%	30% to 35%
ECL% Steady loss rates on static pool in line with Low and Grow model of scaling	0.75% to 1.0%	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 March 2023

As of Mar 2023	In Cr
Basic shares outstanding	**63.4**
ESOPs vested and unexercised	0.1
ESOPs granted and unvested	3.6
ESOPs available for distribution	0.8
Estimated fully diluted shares	**67.9**

Reconciliation of EBITDA before ESOP with Loss for the period

Particulars (in ₹ Cr)	Quarter Ended					Year Ended		
	Mar-23 (Audited)	Mar-22 (Audited)	Y-o-Y	Dec-22 (Unaudited)	Q-o-Q	Mar-23 (Audited)	Mar-22 (Audited)	Y-o-Y
EBITDA before share based payment expenses (A)	**234**	**(368)**	***(164)%***	**31**	***647%***	**(176)**	**(1,518)**	***(88)%***
Share based payment expenses (B)	(363)	(362)	*0%*	(362)	*0%*	(1,456)	(809)	*80%*
Initial Public Offer expenses (C)	-	-	*nm*	-	*nm*	-	(13)	*(100)%*
Finance costs (D)	(7)	(7)	*1%*	(5)	*31%*	(23)	(39)	*(41)%*
Depreciation and amortization expense (E)	(160)	(95)	*68%*	(124)	*29%*	(485)	(247)	*96%*
Other income (F)	130	108	*21%*	78	*67%*	410	290	*41%*
Share of profit / (loss) of associates / joint ventures (G)	(2)	(38)	*(94)%*	5	*(146)%*	(13)	(46)	*(73)%*
Exceptional items (H)	-	-	*nm*	-	*nm*	-	(2)	*(100)%*
Income Tax expense (I)	1	(1)	*(217)%*	(15)	*(105)%*	(34)	(11)	*197%*
Loss for the period/year (J=sum of A to I)	(168)	(763)	*(78)%*	(392)	*(57)%*	(1,776)	(2,396)	*(26)%*

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

Particulars (INR Cr)	Jun-22	Sep-22	Dec-22	Mar-23
Cash and Bank Balances in Current Accounts (Net of Borrowings)	1,768	1,399	1,953	2,737
Deposits with banks	6,991	5,875	5,311	4,328
Current Investments (Mutual Funds, Treasury bills and Commercial papers)	652	1,908	1,692	1,209
Total Balances	**9,411**	**9,182**	**8,957**	**8,275**

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.

Q4 FY 2023 Earnings Call Information

Paytm will hold its earnings conference call for shareholders, investors and analysts on **Saturday, May 6, 2023 from 11:00 A.M. to 12:00 P.M. (IST),** to discuss the financial results of the Company for the quarter ended March 31, 2022.

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

https://paytm.zoom.us/webinar/register/WN_iZ-yvq85TzSTQdKxH9kEwQ

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.

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.