



November 7, 2022

**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 half-year ended September 30, 2022**

Dear Sir / Ma'am,

In continuation to our earlier letter dated October 14, 2022 and in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform that the Board of Directors of the Company at their meeting held today i.e. November 7, 2022 have, *inter-alia*, considered and approved the unaudited standalone & consolidated financial results ("Financial Results") of the Company for the quarter and half-year ended September 30, 2022.

In compliance with regulation 30 of the Listing Regulations, we are enclosing herewith the following for the quarter and half-year ended September 30, 2022:

- Earnings Release
- Financial Results
- Limited Review Reports

The Board meeting commenced at 8:15 p.m. (IST) and concluded at 9:03 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  
September 2022

**Paytm**

07 November 2022

## Key Metrics for the quarter ending September 2022 (Q2 FY 2023)

### Revenue from Operations

Driven by increase in merchant subscription revenues, growth in bill payments due to growing MTU and growth in disbursements of loans through our platform

# ₹1,914 Cr

▲ 76% growth YoY

### Contribution profit

Improved to 44.1% of revenue in Q2 FY 2023 from 24.0% in Q2 FY 2022 and 43.2% in Q1 FY 2023, driven by growth in payments profitability, and faster growth of high margin businesses such as loan distribution

# ₹843 Cr

▲ 224% growth YoY

### EBITDA before ESOP cost

#### Improvement of 61% YoY

Margin improved to (9%) of revenues from (39%) of revenues in Q2 FY 2022, due to strong operating leverage, despite continued investments in technology, sales and marketing

# ₹(166) Cr

▲ ₹259 Cr improvement YoY

**Reported EBITDA improved 15% QoQ, and Net Income improved 11% QoQ**

### Merchant subscriptions (Payment devices)

Continued strong growth in device deployment, with 1.1 mn devices added in Q2 FY 2023

# 4.8 Mn

▲ 3.5 mn added YoY

### Loans Disbursed through Paytm

Loan distribution business has scaled up significantly over the last 12 months, seeing increased adoption by users. Number of loans at 9.2 mn, up 224% YoY

# ₹7,313 Cr

▲ 482% growth YoY

## Key Revenue Metrics

	Q2 FY 2023	YoY growth
<b>Payments Services to Consumers</b>		
Revenue from payments made by consumer on Paytm App (Consumer pays platform fee for select use cases and merchants pay MDR)	₹549 Cr	55%
<b>Payments Services to Merchants</b>		
Revenue for processing payment in merchant store or app or website and subscriptions from merchants for payments devices (Merchants pay MDR for cards, wallet, net banking payments. And devices merchants also pay subscription. Government pays incentive for UPI P2M payments <sup>1</sup> )	₹624 Cr	56%
<b>Financial Services &amp; Others</b>		
Revenue from Financial Services primarily loan distribution. Also, includes Paytm Money (equity trading) and other services	₹349 Cr	293%
<b>Commerce and Cloud Services to Merchants</b>		
Revenue from enabling commerce for merchants. Offerings primarily include advertising, ticketing and deal vouchers. Credit cards also included here	₹377 Cr	55%

## Key operating metrics for loans disbursed through our platform

	Q2 FY 2023	YoY growth
<b>Total Number of Loans Disbursed in Q2</b>		
Number of loans disbursed by our lending partners using our platform	9.2 Million	224%
<b>Personal Loans (value of loans)</b>		
Average ticket size ~ ₹110,000 and average tenure of 14 months	₹2,055 Cr	736%
<b>Merchant Loans (value of loans)</b>		
Average ticket size ~ ₹150,000 and average tenure of 12 months	₹1,208 Cr	342%
<b>Paytm Postpaid (Buy-Now-Pay-Later) (value of loans)</b>		
Consumption credit for purchases at over 15 mn offline and online merchants	₹4,050 Cr	449%

<sup>1</sup>Although government incentives on UPI P2M transactions are announced in annual budget, we will record revenues after the final notification is issued by MEITY. Hence, we recorded nil revenues in Q1 and Q2 FY 2023 (same was nil in Q1 and Q2 FY 2022 too)

# Business Update for quarter ending September 2022 (Q2 FY 2023)

Our Q2 FY 2023 results show momentum across our operating and financial metrics. We are pleased to show strong growth in revenues and contribution profit, combined with operating leverage, which has allowed us to show sharp improvement in EBITDA before ESOP costs.

## Payments Services revenue grew 56% YoY and our net payment margin grew by over 400%, on back of platform expansion

Our Payments business witnessed revenue growth of 56% YoY (and 9% QoQ) on account of:

- Continued platform expansion across MTU, merchant base, subscription merchants and GMV
- Continued growth in subscription (and MDR) revenues from our offline merchants, led by ramp-up of our devices business
- Higher GMV from online merchants in our payment gateway business

Revenue in Payment Services to Consumers business was ₹549 Cr, increasing 55% YoY, while that in Payment Services to Merchants was ₹624 Cr, increasing 56% YoY. There was no UPI incentive recorded in this quarter, similar to Q1 FY 2023<sup>1</sup>.

Our net payments margin<sup>2</sup> stood at ₹443 Cr, increasing 15% QoQ and was up 428% YoY. This was driven by improved monetization and continued improvements in payment processing charges.

We are expanding our monetization base with growth of users and merchants. Merchant subscriptions is an attractive profit pool for us, driving higher payment volumes, subscription revenues as well as merchant loan distribution.

## UPI remains an attractive user acquisition and engagement channel

UPI helps us with efficient user and merchant acquisition, and allows us to better monetize our platform by upselling loans as well as payments devices. UPI merchant payments (which are free for the merchant) have become revenue generating due to government encouragement for digital payments in the form of incentives for UPI P2M transactions. Due to the tailwinds for UPI merchant payments, we are also able to make attractive subscription revenues for payment devices, and MDR for non-UPI payments.

## Loan Distribution: under-penetrated; huge growth opportunity at attractive profitability

Revenue in the Financial Services and Others business was ₹349 Cr, up 293% YoY (increased 29% QoQ), and now accounts for 18% of total revenue (versus 8% in Q2 FY 2022), driven by sourcing and collection revenues in our loan distribution business.

Total loans disbursed, in partnership with our lending partners were 9.2 mn in the quarter (up 224% YoY and 8% QoQ), amounting to ₹7,313 Cr (up 482% YoY and 32% QoQ). We exited Q2 with disbursements in our loan distribution business at an annualized run-rate of about ₹34,000 Cr.

- Paytm Postpaid disbursements were ₹4,050 Cr, (up 449% YoY, and 20% QoQ). This was driven by increasing user adoption and further widening of the merchant acceptance network to 15 mn merchants;
- Personal loans disbursements amounted to ₹2,055 Cr (up 736% YoY, and up 53% QoQ), with more than 40% of the disbursements made to existing Postpaid users;
- Merchant Loans disbursements were ₹1,208 Cr for the quarter (up 342% YoY, and 46% QoQ). This was boosted by growth in our devices business, as 85% of loans disbursed were to merchants who also have Paytm devices

<sup>1</sup>Although government incentives on UPI P2M transactions are announced in annual budget, we will record revenues after the final notification is issued by MEITY. Hence, we recorded nil revenues this quarter.

<sup>2</sup> Net payments margin equals payments revenues plus other operating revenues, less payment processing cost. Other Operating revenue of ₹15 Cr in Q2 FY 2023 is ancillary revenue related to the payments business

While our loan distribution business has scaled significantly in the last few quarters, our penetration level for each product remains low, and gives us a long growth runway ahead. For Q2 FY 2023:

- Postpaid penetration<sup>1</sup> is at 4.0% of average MTU
- Personal loans penetration<sup>1</sup> is at 0.6% of average MTU
- Merchant loans penetration<sup>1</sup> is at 4.4% of total devices deployed

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

### Sustained growth in Commerce & Cloud business

Commerce & Cloud revenues grew 55% YoY. Commerce revenue grew 49% YoY due to higher ticketing sales. Cloud revenues were up 58% YoY as Advertising revenues started recovering while Credit card revenues continue to scale as well.

### Growth in Contribution Profit + Strong Operating Leverage

Our contribution profit for the quarter stood at ₹843 Cr, an increase of 224% YoY and 16% QoQ. Our contribution margin increased to 44% (as % of revenue) from 24% in Q2 FY 2022. During this period, we have driven (a) improvement in net payment margin in our payments business; and (b) increased mix of high margin businesses such as loan distribution.

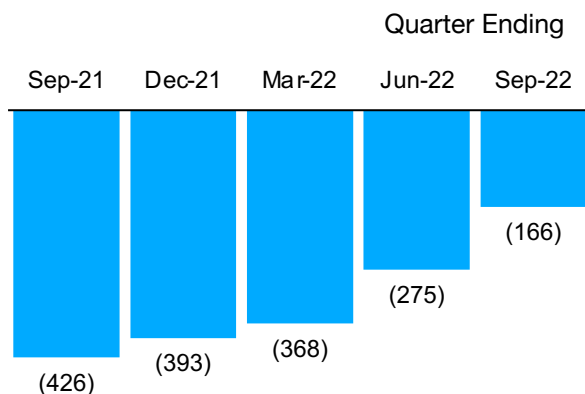
Indirect costs were ₹1,010 Cr in the quarter, flat vs previous quarter's ₹1,001 Cr. We continue to make disciplined investments in areas where we see attractive monetization opportunities, including (a) sales team to increase our merchant base and our merchant subscriptions, (b) investments in our technology teams, (c) targeted marketing for user acquisition and brand. For eg, our investments in our sales team is currently at ₹172 Cr per quarter (compared to ₹94 Cr per quarter a year ago). At the same time, due to increase in contribution profits, and our discipline on costs, we are witnessing significant operating leverage (indirect expenses is at 53% of revenues in the quarter, down from 60% in Q1 FY 2023 and 63% in Q2 FY 2022).

### Sharp improvement in EBITDA before ESOP cost by 61% YoY

As a result of continued focus on improving monetization capabilities, widening contribution margin as well as significant operating leverage, our EBITDA before ESOP cost stood at (₹166) Cr, improving 61% YoY. Since we shared our operating breakeven guidance in April 2022, we have been able to drive a ₹201 Cr improvement in EBITDA before ESOP cost, and continue to maintain the guidance of turning profitable by September 2023.

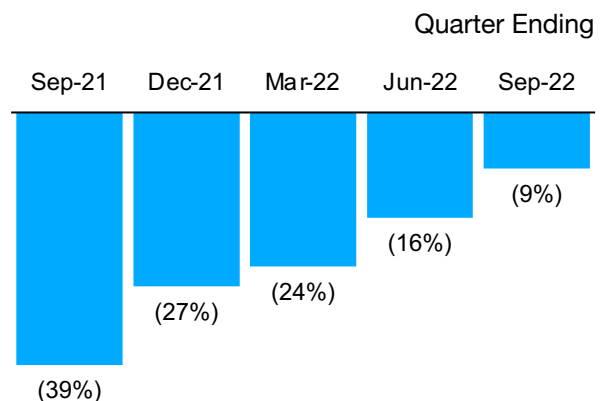
#### EBITDA before ESOP cost

(In ₹ Crore)



#### EBITDA before ESOP cost Margin

(% of revenues)



<sup>1</sup>Calculation of penetration:

(a) Postpaid: Avg monthly number of loans in a quarter as a % of that quarter's avg MTU;

(b) Personal Loans: Number of loans disbursed in last 12 months as a % of avg MTU in Q2 FY 2023;

(c) Merchant loans: Number of loans disbursed in last 12 months as % of devices deployed at end of Q2 FY 2023

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

- PPBL management has confirmed that they are in receipt of the IT auditors report and RBI's observation on that report, vide a written communication
- As per the preliminary assessment carried out by the Bank management team of the above, we are informed that the observations, are largely around continued strengthening of IT outsourcing processes and operational risk management
- The bank management is in the process of responding back to the RBI and will wait for further discussions / directions from the regulator. The bank management continues to accord highest focus and sustained prioritization of its resources towards solving all concerns, and ensuring that it is fully compliant in letter and spirit
- Some stakeholders have asked us to share any expected timelines for PPBL to start onboarding new customers. At the present time, we don't have firm timelines on when we would be permitted by the regulators to do so. It should be noted that we had shared in March 2022 that we believe that the measures imposed upon PPBL will not materially impact Paytm's overall business. Our continuing MTU and revenue growth performance confirms that our initial assessment was correct, and we don't see a material impact on Paytm's overall business
- If there are any other concrete and significant update, we will of course share them with the stock exchanges

# Financial Update for quarter ending September 2022 (Q2 FY 2023)

## Acceleration in monetization driving revenue growth

In Q2 FY 2023, our revenue was ₹1,914 Cr, increasing 76% YoY with growth in lending, expansion in merchant subscriptions driven by accelerated device deployments, and momentum in commerce and cloud with growth in advertising, resumption of ticketing volumes, credit cards and PAI cloud.

On a QoQ basis, revenues grew 14% driven by growth in loan disbursements, continued growth in the merchant subscription base leading to increase in subscription and MDR revenues, and increase in payment gateway revenue driven by higher GMV in online business, primarily e-commerce. We have not recorded any UPI incentive this quarter as well.

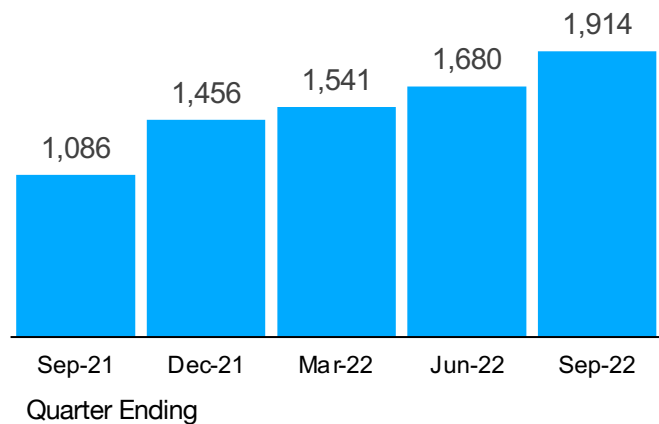
## Payment Services

In Q2 FY 2023, our GMV at ₹3.2 Lakh Cr grew by 63% YoY with sustained growth in our Average Monthly Transacting Users (MTU) which at 79.7 mn grew by 39% YoY driven by customer acquisition through UPI and our registered merchant base which expanded to 29.5 mn.

On a QoQ basis, GMV grew 8% driven by growth in our offline merchant base and increase in GMV from online merchants primarily e-commerce due to festive sales.

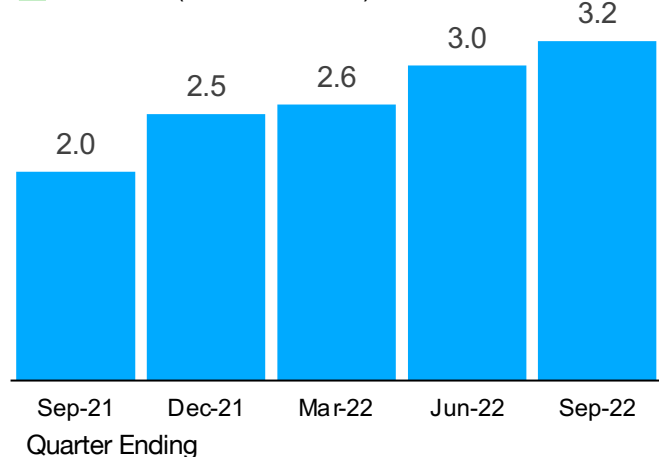
### Revenue from Operations

▲ 76% YoY (in ₹ Crore)



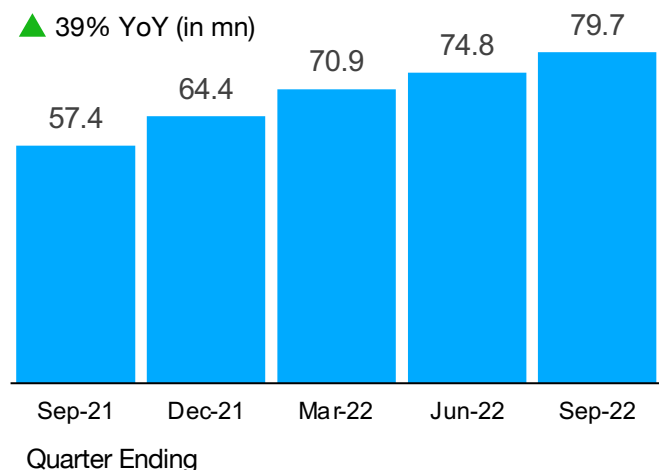
### GMV

▲ 63% YoY (in ₹ Lakh Crore)



### MTU

▲ 39% YoY (in mn)





## Payment Services to Consumers

Payment Services to Consumers includes revenues from the use cases such as bill payments and top-ups on the Paytm app. Consumers pay platform fees for select use cases and merchants pay MDR.

In Q2 FY 2023, revenue grew by 55% YoY and 6% QoQ to ₹549 Cr driven by continued strong growth of our user base on our app for bill payments and other use cases.

## Payment Services to Merchants

Payment Services to Merchants includes revenues from our comprehensive offerings of online and in-store payment acceptance services. Merchants pay MDR for cards, wallet, net banking payments, and subscriptions for devices. The government pays incentives for UPI P2M payments.

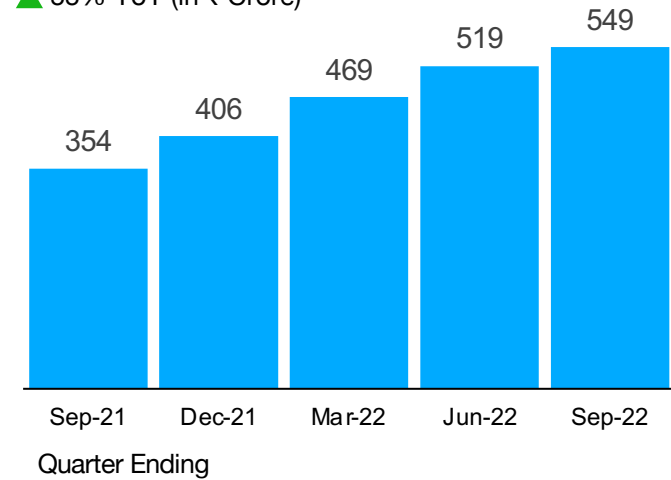
In Q2 FY 2023, our revenue from Payment Services to Merchants grew by 56% YoY to ₹624 Cr, driven by strong growth in our payments devices business, with over 3.5 mn devices added in the last 12 months taking our total deployed base to 4.8 mn by the end of Q2 FY 2023, leading to higher GMV and subscription revenues.

On a QoQ basis, our revenue increased by 12% primarily due to revenue growth in payment gateway business from higher GMV in online merchants, particularly e-commerce and growth in the number of device subscriptions (which drives both subscription revenues and MDR revenues). There was a marginal negative impact of the full quarter effect of account level rationalization done during Q1 FY 2023.

Our net payments margin, defined as payment revenue plus other operating revenue less payment processing cost, grew 15% QoQ to ₹443 Cr, driven by growth in device subscription revenues as well as continued focus on transaction routing optimization.

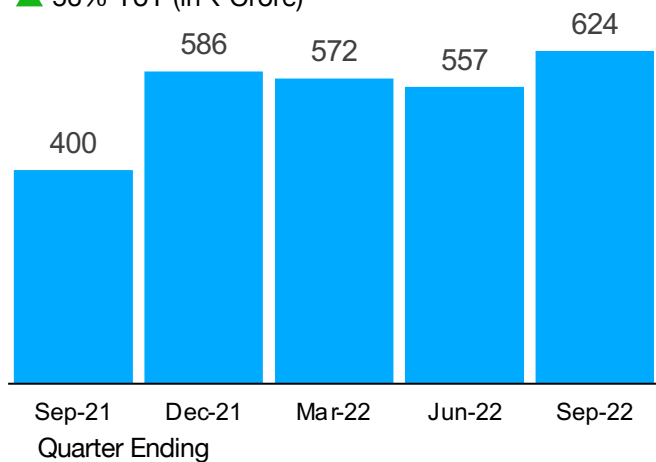
### Revenue: Payment Services to Consumers

▲ 55% YoY (in ₹ Crore)



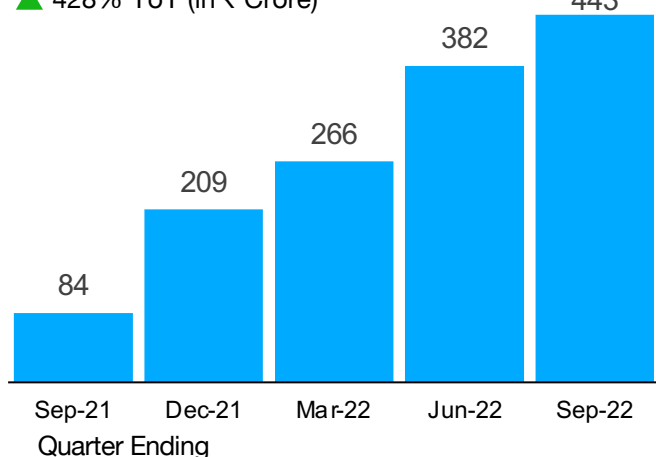
### Revenue: Payment Services to Merchants

▲ 56% YoY (in ₹ Crore)



### Net Payments Margin

▲ 428% YoY (in ₹ Crore)



## Offline Payment Services to Merchants

We continued strong growth in payments device deployment with over 1 mn devices added in the Q2 FY 2023, while we continue to focus on the quality of merchants onboarded. Device merchants accounted for over 85% of merchant loan disburseals.

## Financial Services and Others

Financial Services and Others include revenues that we make from our financial services partners (eg, for loan distribution) or consumers, (eg, for equity trading).

In Q2 FY 2023, revenue from Financial Services and Others grew 293% YoY to ₹349 Cr and accounts for 18% of total revenues, up from 8% in Q2 FY 2022. The growth in revenue was primarily driven by 482% YoY growth in the value of loans disbursed. The QoQ growth in revenue was 29%, driven by strong uptake in disbursement of Personal Loans which grew from ₹1,344 Cr to ₹2,055 Cr.

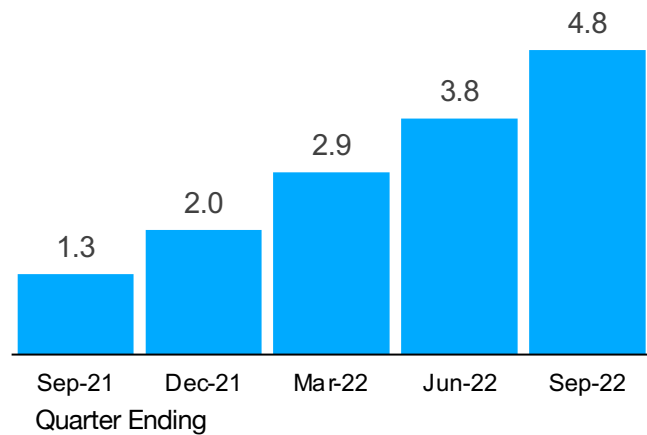
## Loan Distribution

In Q2 FY 2023, the number of loans disbursed through our platform grew to 9.2 mn, representing a growth of 224% YoY and 8% QoQ.

The value of loans disbursed grew to ₹7,313 Cr, a growth of 482% YoY and 32% QoQ. We continue to see strong growth and upsell opportunities across all our products: Paytm Postpaid (BNPL), personal loans and merchant loans.

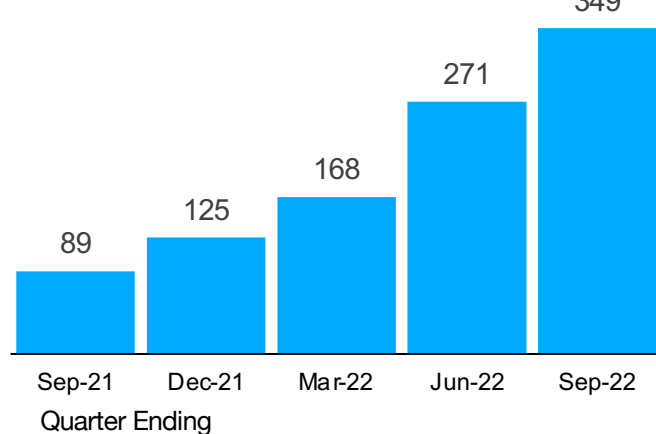
## Merchant Subscriptions (Payments Devices)

▲ 3.5 mn in 12 months



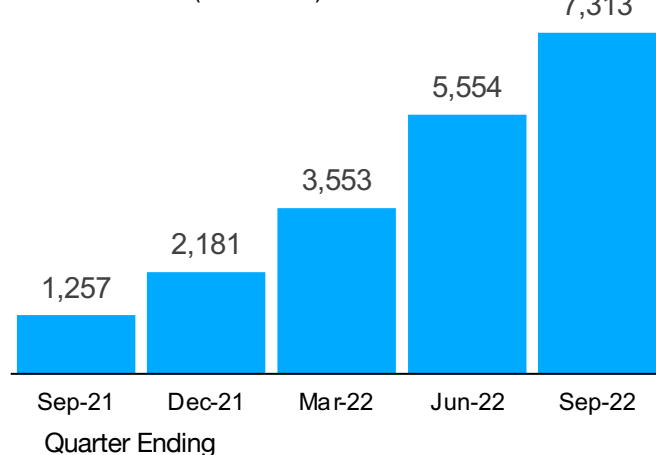
## Revenue: Financials Services and Others

▲ 293% YoY (in ₹ Crore)



## Value of Loans Disbursed through Paytm

▲ 482% YoY (in ₹ Crore)

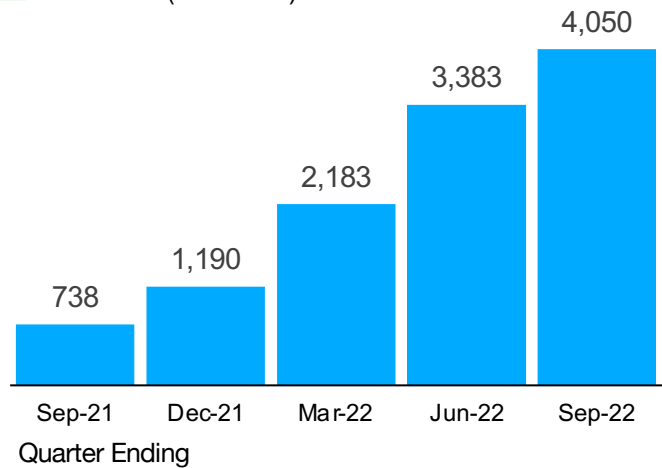


## Paytm Postpaid

The number of Postpaid Loans disbursed grew 220% YoY in Q2 FY 2023, while the value of Postpaid Loans grew 449% YoY. We have witnessed strong growth in new user sign-ups, and the signed-up user base has now crossed 6 mn. Merchant acceptance continues to grow, and Paytm Postpaid is now accepted by more than 15 mn online and offline merchants. Postpaid continues to show significant cross-sell opportunities in Personal Loans and Credit cards.

### Value of Loans: Postpaid

▲ 449% YoY (in ₹ Crore)

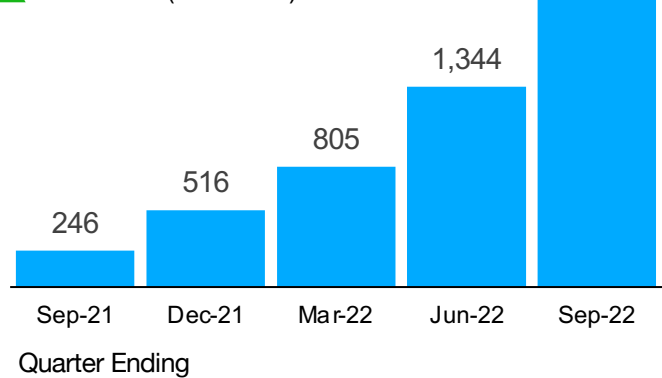


## Personal Loans

The number of Personal Loans disbursed grew 555% YoY in Q2 FY 2023, while the value of Personal Loans grew 736% YoY to ₹2,055 Cr. Average ticket size increased by 7% QoQ, and is currently at approximately ₹110,000 with average tenure of 14 months. Cross-sell from Postpaid continues to see traction with over 40% of personal loans disbursed in Q2 FY 2023 to existing Paytm Postpaid users.

### Value of Loans: Personal Loans

▲ 736% YoY (in ₹ Crore)

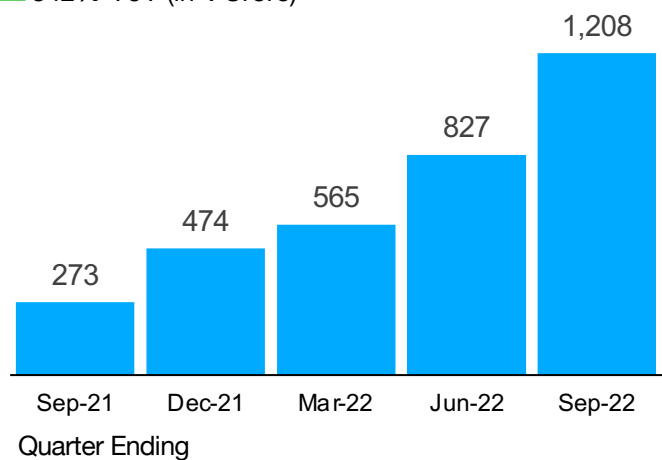


## Merchant Loans

The number of Merchant Loans disbursed grew 254% YoY in Q2 FY 2023, while the value of Merchant Loans grew 342% YoY to ₹1,208 Cr. Average ticket size continues to remain at approximately ₹150,000 with average tenure of 12 months. Repeat loans continue to see a healthy take up with 50% of merchants having taken a loan more than once. More than 85% of value disbursed this quarter was to merchants with a deployed Paytm payment device.

### Value of Loans: Merchant Loans

▲ 342% YoY (in ₹ Crore)



## Commerce and Cloud Services

For Q2 FY 2023, revenues from Commerce and Cloud services went up by 55% YoY and 14% QoQ to ₹377 Cr.

### Commerce

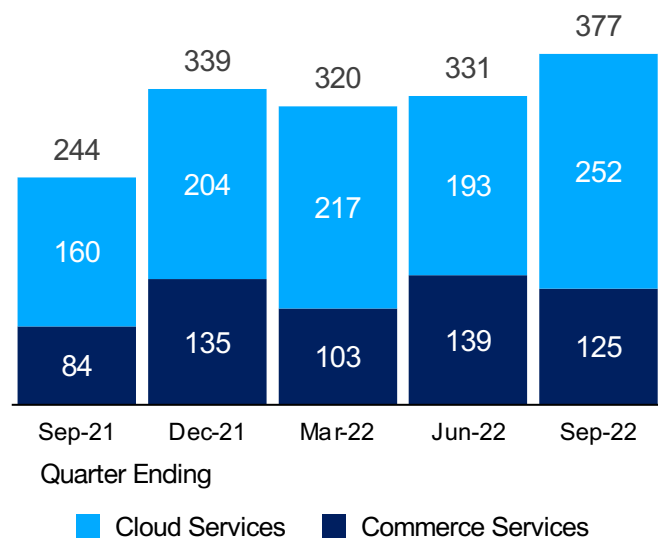
In Q2 FY 2023, revenue from Commerce grew by 49% YoY to ₹125 Cr but declined 10% QoQ, as it was a seasonally weak quarter for the entertainment ticketing business.

### Cloud

In Q2 FY 2023, revenue from Cloud grew by 58% YoY and 31% QoQ to ₹252 Cr, driven by strong uptake in our credit card distribution and a seasonally strong quarter for PAI cloud.

### Revenue: Commerce and Cloud Services

▲ 55% YoY (in ₹ Crore)



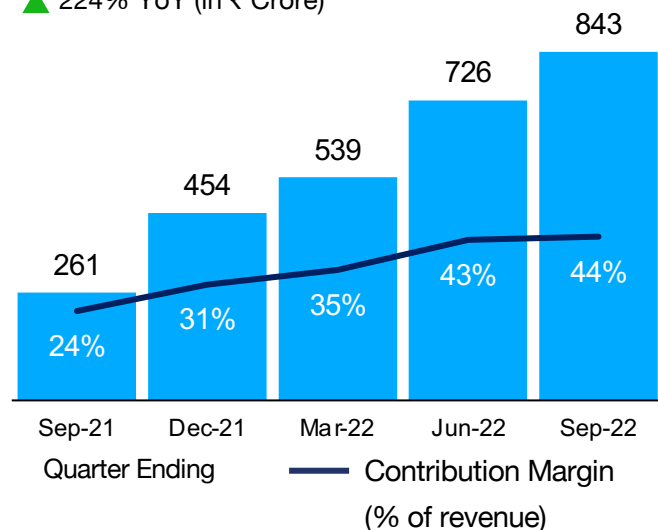
## Focused on profitable revenue growth: Contribution Profit up by 224% YoY

In Q2 FY 2023, the contribution profit at ₹843 Cr represents a 224% YoY and 16% QoQ growth, due to huge improvement in net payments margin, and growth of high margin businesses, particularly lending.

Accordingly, our contribution margin improved to 44% in Q2 FY 2023 from 24% in Q2 FY 2022 and 43% in Q1 FY 2023.

### Contribution Profit

▲ 224% YoY (in ₹ Crore)



## Indirect Expenses

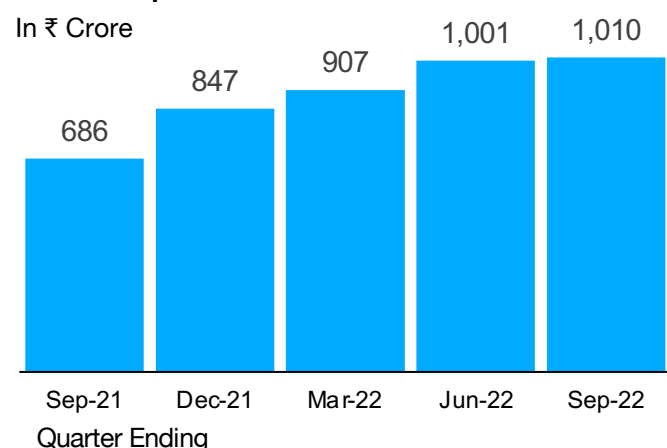
Indirect Expenses (excluding ESOP cost) reduced from 63% of revenues in Q2 FY 2022 to 53% of revenues in Q2 FY 2023 and in absolute terms have remained flat QoQ at 1,010 Cr, despite continued investments to support the growth of our platform and businesses.

In Q2 FY 2023, our Marketing costs (excluding promotional cashback and incentives) at ₹137 Cr reduced to 7% of revenues from 10% in Q1 FY 2023 and 9% in Q2 FY 2022.

On an absolute basis, these costs were up 34% YoY but down 22% QoQ. The QoQ decline was driven by reduced seasonal sponsorship spend in Q2 FY 2023.

### Indirect Expenses

In ₹ Crore



In Q2 FY 2023, our Employee costs (excluding ESOP cost) at ₹573 Cr were 30% of revenues, down from 34% of revenues in Q2 FY 2022. On an absolute basis, these costs were up 56% YoY and 4% QoQ as we continue to invest in sales channels to drive the penetration of our devices that have attractive economics and upsell opportunities.

In Q2 FY 2023, our Software, Cloud, and Data Center costs at ₹173 Cr were 9% of revenues down from 10% in Q2 FY 2022. On an absolute basis, these costs were up 53% YoY and 7% QoQ primarily due to an increase in our cloud infrastructure costs, due to growth of our business.

In Q2 FY 2023, our Other Indirect costs at ₹127 Cr were 7% of revenues, down from 10% of revenues in Q2 FY 2022 and flat compared to 7% in Q1 FY 2023. On an absolute basis, these costs were up 22% YoY and 14% QoQ, primarily due to an increase in repairs of our soundbox and POS devices.

**EBITDA before ESOP cost improved by ₹259 Cr YoY and ₹108 Cr QoQ**

In Q2 FY 2023, our EBITDA before ESOP cost was (₹166 Cr) as compared to (₹426 Cr) in Q2 FY 2022 (61% improvement) and (₹275 Cr) in Q1 FY 2023 (39% improvement).

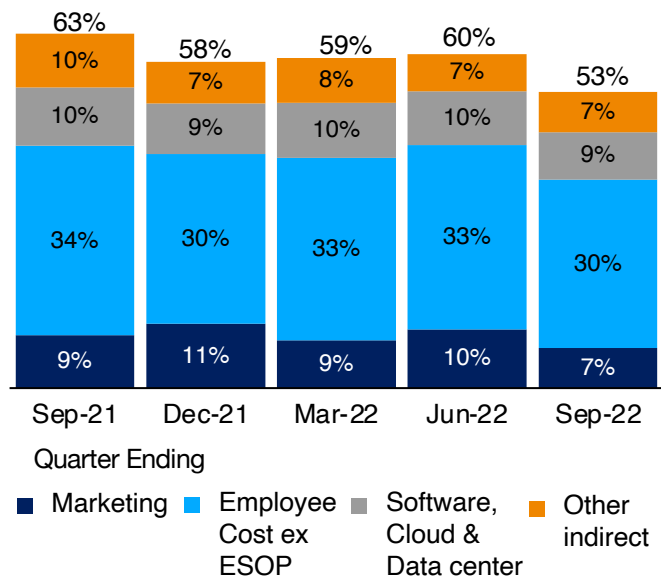
EBITDA before ESOP cost margin improved to (9%) of revenues in Q2 FY 2023 from (39%) of revenues in Q2 FY 2022 and (16%) of revenues in Q1 FY 2023 demonstrating the strength of our business model, our ability to monetize our platform and our continued efforts in controlling our cost structure.

**Cash balance**

We are well funded with Net Cash, Cash Equivalent and investable balance of ₹9,182 Cr as of Sep 2022.

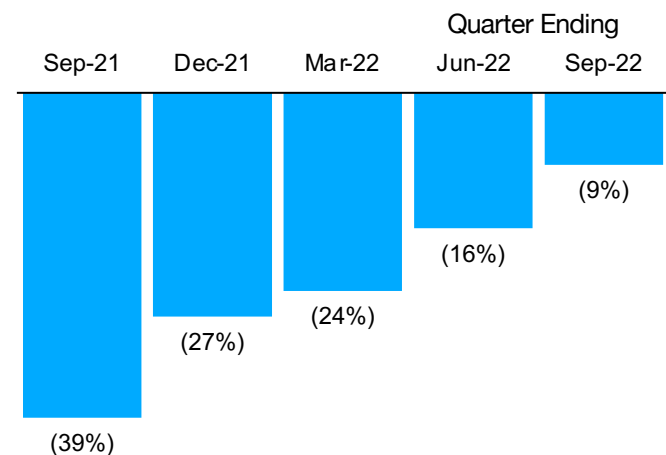
**Indirect Expenses**

As % of revenue



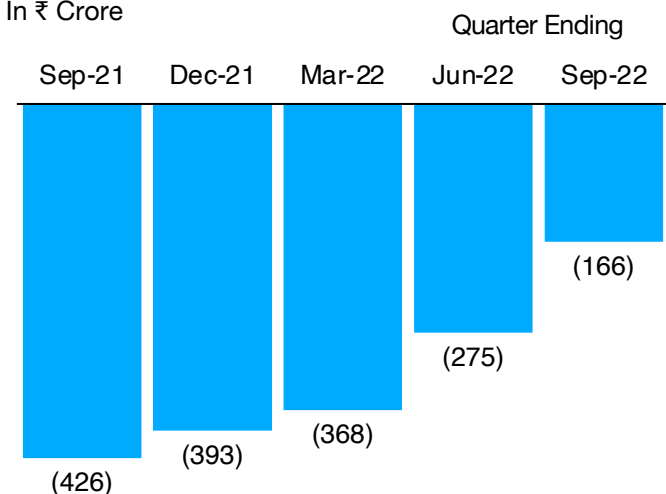
**EBITDA before ESOP cost Margin**

As a % of revenues



**EBITDA before ESOP cost**

In ₹ Crore



## Note on non-cash ESOP charges accounting

ESOP charges recorded in Q2 FY 2023 were at ₹371 Cr, 3% higher QoQ. ESOP costs are accounted for as per the following:

- ESOP costs (non-cash share-based compensation expenses) are recognized in our books, in accordance with the applicable accounting standard (Ind-AS), over the vesting period of the respective grant. Based on this methodology, the ESOP charge is front ended, as explained below.
- Paytm's current standard ESOP vesting schedule for new grants is generally spread over 5 years: Year 1 (10%), Year 2 (20%), Year 3 (20%), Year 4 (25%), and Year 5 (25%)
- For illustration, a grant of 1 ESOP at INR 1,000 fair value per share (estimated as on the day of grant, based on the share price on the day of the grant, among other factors) would be accounted for in the following manner, starting from the date of grant:
  - For Year 1: 10% of INR 1,000, spread over the next 4 quarters
  - For Year 2: 20% of INR 1,000, spread equally over the next 8 quarters.. and so on
  - Hence, the charge (total fair value of the grant) is spread across 5 years with approximately 38% in Year 1, 28% in Year 2, 18% in Year 3, 11% in Year 4 and 5% in Year 5

Movements of share price after the date of the grant do not affect the ESOP charge for already granted ESOPs. For any lapses of unvested ESOPs, normally on attrition, the cost of unvested ESOP recorded so far is reversed in that quarter

Please note, the Founder ESOPs are structured in different manner. They are more back-ended in their vesting schedule. Further, Founder ESOPs will vest only when the market cap has crossed IPO levels on a sustained basis (as highlighted in our April shareholder letter).

## Summary of Consolidated Financial Performance

Particulars (in ₹ Cr)	Quarter Ended					Half Year Ended		
	Sep-22 (Unaudited)	Sep-21 (Unaudited)	Y-o-Y	Jun-22 (Unaudited)	Q-o-Q	Sep-22 (Unaudited)	Sep-21 (Unaudited)	Y-o-Y
Payments & Financial Services	1,522	843	81%	1,346	13%	2,868	1,532	87%
Payment Services to Consumers	549	354	55%	519	6%	1,068	654	63%
Payment Services to Merchants	624	400	56%	557	12%	1,181	734	61%
Financial Services and Others	349	89	293%	271	29%	619	144	331%
Commerce & Cloud Services	377	244	55%	331	14%	708	445	59%
Commerce	125	84	49%	139	(10%)	263	135	94%
Cloud	252	160	58%	193	31%	445	310	44%
Other Operating Revenue	15	0	nm	2	525%	17	0	nm
<b>Revenue from Operations</b>	<b>1,914</b>	<b>1,086</b>	<b>76%</b>	<b>1,680</b>	<b>14%</b>	<b>3,594</b>	<b>1,977</b>	<b>82%</b>
Payment processing charges	746	670	11%	694	8%	1,440	1,196	20%
As % of GMV	0.23%	0.34%	(11 bps)	0.23%	(0 bps)	0.23%	0.35%	(11 bps)
Promotional cashback & incentives	191	83	128%	143	33%	334	144	132%
Other Expenses	134	72	85%	117	15%	251	131	91%
<b>Total Direct Expenses</b>	<b>1,071</b>	<b>826</b>	<b>30%</b>	<b>954</b>	<b>12%</b>	<b>2,024</b>	<b>1,471</b>	<b>38%</b>
<b>Contribution Profit</b>	<b>843</b>	<b>261</b>	<b>224%</b>	<b>726</b>	<b>16%</b>	<b>1,569</b>	<b>506</b>	<b>211%</b>
Contribution Margin %	44.1%	24.0%	2,008 bps	43.2%	84 bps	43.7%	25.6%	1,812 bps
<b>Indirect Expenses</b>								
Marketing	137	102	34%	175	(22%)	312	179	74%
Employee cost (Excl ESOPs)	573	367	56%	553	4%	1,126	679	66%
Software, cloud and data center	173	113	53%	162	7%	335	219	53%
Other indirect expenses	127	104	22%	111	14%	238	186	28%
<b>EBITDA before ESOP expense</b>	<b>(166)</b>	<b>(426)</b>	<b>(61%)</b>	<b>(275)</b>	<b>(39%)</b>	<b>(441)</b>	<b>(757)</b>	<b>(42%)</b>
Margin %	(8.7%)	(39.2%)	3,048 bps	(16.4%)	766 bps	(12.3%)	(38.3%)	2,603 bps

## Summary of Key Operational Metrics

Operational KPIs	Units	Quarter Ended			
		Sep-22	Sep-21	YoY	Jun-22
GMV	₹ Lakh Cr	3.2	2.0	63%	3.0
Merchant Transactions	million	5,752	2,692	114%	5,124
Total Transactions	million	6,885	3,316	108%	6,126
MTU (average over the period)	million	79.7	57.4	39%	74.8
Registered Merchants (end of period)	million	29.5	23.0	na	28.3
Loans	'000	9,192	2,841	224%	8,478
Value of Loans	₹ Cr	7,313	1,257	482%	5,554
Payment Devices (cumulative; end of period)	million	4.8	1.3	na	3.8
Average number of Sales Employees	#	24,703	11,225	na	21,775
Cost of sales employees (including training)	₹ Cr	172	94	83%	161

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

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

	Postpaid	Personal Loans	Merchant Loans
<b>Bounce Rates</b> Healthy bounce rates continued to be exhibited in Q2 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 (NBFCs and Banks) in their balance sheet. Paytm acts as a collection outsourcing partner and the numbers are hence indicative of those efforts

## Calculation of Net Payments Margin

(in ₹ Cr)	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
Payments Services to Consumers	354	406	469	519	549
Payments Services to Merchants	400	586	572	557	624
Other Operating Revenue	--	--	--	--	15
<b>Total Payments Revenue</b>	<b>754</b>	<b>992</b>	<b>1,041</b>	<b>1,075</b>	<b>1,188</b>
Payment processing charges	(670)	(783)	(774)	(694)	(746)
<b>Net Payments Margin</b>	<b>84</b>	<b>209</b>	<b>266</b>	<b>382</b>	<b>443</b>

<sup>1</sup> Other operating revenue of ₹15 Cr is ancillary revenue related to Payments business and is included in calculation of Net Payments Margin



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

Particulars (in ₹ Cr)	Quarter Ended					Half Year Ended		
	Sep-22 (Unaudited)	Sep-21 (Unaudited)	Y-o-Y	Jun-22 (Unaudited)	Q-o-Q	Sep-22 (Unaudited)	Sep-21 (Unaudited)	Y-o-Y
<b>EBITDA before share based payment expenses (A)</b>	<b>(166)</b>	<b>(426)</b>	<b>(61%)</b>	<b>(275)</b>	<b>(39%)</b>	<b>(441)</b>	<b>(757)</b>	<b>(42%)</b>
Share based payment expenses (B)	(371)	(19)	1823%	(359)	3%	(730)	(58)	1153%
Initial Public Offer expenses (C)	0	(8)	nm	0	nm	0	(8)	nm
Finance costs (D)	(5)	(10)	(48%)	(6)	(4%)	(11)	(20)	(46%)
Depreciation and amortization expense (E)	(104)	(50)	107%	(97)	7%	(202)	(91)	121%
Other income (F)	100	48	107%	102	(2%)	202	105	91%
Share of profit / (loss) of associates / joint ventures (G)	(9)	(7)	40%	(6)	54%	(15)	(19)	(18%)
Exceptional items (H)	0	0	nm	0	nm	0	(2)	nm
Income Tax expense (I)	(15)	(2)	625%	(5)	202%	(19)	(5)	279%
Loss for the period/year (J=sum of A to I)	(571)	(474)	21%	(645)	(11%)	(1,217)	(855)	42%

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

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

## Q2 FY 2023 Earnings Call Information

Paytm will hold its earnings conference call for shareholders, investors and analysts on **Tuesday, November 08, 2022, from 18:00-19:15 Indian Standard Time**, to discuss the financial results of the Company for the quarter ended September 30, 2022.

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

[https://paytm.zoom.us/webinar/register/WN\\_sNGIMnknS-Guek5B1cocjw](https://paytm.zoom.us/webinar/register/WN_sNGIMnknS-Guek5B1cocjw)

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).



## 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.



## 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 September 30, 2022 and the year to date results for the period April 1, 2022 to September 30, 2022 which are included in the accompanying Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2022, the Unaudited Consolidated Statement of Assets and Liabilities as on that date and the Unaudited Consolidated Statement of Cash Flows for the half-year ended on that date (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 compiled from the related Unaudited Special Purpose Interim Condensed Consolidated Financial Statements of the Group, its joint ventures and associates for the quarter and six months period ended September 30, 2022 and Consolidated Financial Statements for the year ended March 31, 2022. These have 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.



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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 September 30, 2022 aggregating to INR 296 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 6(a) to the Statement, which indicates that one of the Subsidiary Company's financial assets as at March 31, 2021 were more than 50% of its total assets and its income from financial assets was more than 50% of the total income for the year. As per the press release dated April 8, 1999 issued by Reserve Bank of India (RBI), the Subsidiary Company fulfils the principal business criteria for being classified as a Non-Banking Financial Company (NBFC) as at March 31, 2021 and accordingly is required to obtain registration as such. However, the Subsidiary Company's Management has stated that this position is temporary in nature and the Subsidiary Company has no intention of conducting the business as an NBFC, and accordingly it had filed an application and other documents with the RBI seeking dispensation from registration as NBFC.

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 October 29, 2022 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(g) regarding report of IT Auditor appointed at the instance of the RBI and the evaluation thereof of the Bank Management which is under process. Our conclusion on the Statement is not modified in respect of the above matters."


Note 2(g) referred above corresponds to Note 6(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 assets of INR 16,124 million and net assets of INR 11,443 million as at September 30, 2022 and total revenues of INR 1,593 million and 2,674 million, total net profit after tax of INR 220 million and INR 109 million and total comprehensive loss of INR 12 million and INR 946 million, for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively, and cash flows (net) of INR 806 million for the period April 1, 2022 to September 30, 2022, as considered in the Unaudited Consolidated Financial Results. The Unaudited Consolidated Financial Results also includes the Group's share of net loss after tax of INR 45 million and INR 68 million and total comprehensive loss of INR 48 million and INR 71 million for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 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 8 subsidiaries which have not been reviewed by their auditors, whose interim financial statements/ financial information reflect total assets of INR 265 million and net assets of INR (-) 114 million as at September 30, 2022 and total revenue of INR 27 million and INR 48 million, total net loss after tax of INR 19 million and INR 24 million and total comprehensive loss of INR 19 million and INR 24 million for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively, and cash flows (net) of INR 2 million for the period from April 1, 2022 to September 30, 2022, as considered in the Unaudited Consolidated Financial Results. The Unaudited Consolidated Financial Results also includes the Group's share of net loss after tax of INR 6 million and INR 9 million and total comprehensive loss of INR 6 and 9 million for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 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: 22058507BCILVZ7293

Place: Gurugram  
Date: November 7, 2022

## Annexure A

## List of entities

Sl. No.	Name of the Company
<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 half year ended September 30, 2022

(Amounts in INR Million, unless otherwise stated)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	March 31, 2022 (Audited)
<b>Income</b>						
Revenue from operations	19,140	16,796	10,864	35,936	19,772	49,742
Other income	996	1,020	481	2,016	1,053	2,901
<b>Total income</b>	<b>20,136</b>	<b>17,816</b>	<b>11,345</b>	<b>37,952</b>	<b>20,825</b>	<b>52,643</b>
<b>Expenses</b>						
Payment processing charges	7,458	6,938	6,700	14,396	11,965	27,538
Marketing and promotional expenses	3,275	3,181	1,857	6,456	3,234	8,554
Employee benefits expense#	9,441	9,117	3,865	18,558	7,372	24,319
Software, cloud and data centre expenses	1,728	1,622	1,129	3,350	2,187	4,999
Depreciation and amortization expense	1,043	972	504	2,015	913	2,473
Finance costs	53	55	102	108	199	394
Other expenses	2,616	2,277	1,837	4,893	3,247	7,734
<b>Total expenses</b>	<b>25,614</b>	<b>24,162</b>	<b>15,994</b>	<b>49,776</b>	<b>29,117</b>	<b>76,011</b>
<b>Loss before share of profit / (loss) of associates / joint ventures, exceptional items and tax</b>	<b>(5,478)</b>	<b>(6,346)</b>	<b>(4,649)</b>	<b>(11,824)</b>	<b>(8,292)</b>	<b>(23,368)</b>
Share of profit/ (loss) of associates / joint ventures	(92)	(60)	(66)	(152)	(187)	(459)
<b>Loss before exceptional items and tax</b>	<b>(5,570)</b>	<b>(6,406)</b>	<b>(4,715)</b>	<b>(11,976)</b>	<b>(8,479)</b>	<b>(23,827)</b>
Exceptional items##	-	-	-	-	(24)	(24)
<b>Loss before tax</b>	<b>(5,570)</b>	<b>(6,406)</b>	<b>(4,715)</b>	<b>(11,976)</b>	<b>(8,503)</b>	<b>(23,851)</b>
<b>Income Tax expense</b>						
Current tax	130	48	5	178	48	151
Deferred tax expense/(credit)	15	*	15	15	3	(38)
<b>Total Tax expense</b>	<b>145</b>	<b>48</b>	<b>20</b>	<b>193</b>	<b>51</b>	<b>113</b>
<b>Loss for the period / year</b>	<b>(5,715)</b>	<b>(6,454)</b>	<b>(4,735)</b>	<b>(12,169)</b>	<b>(8,554)</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	(10)	(38)	(45)	(48)	(38)	(21)
Changes in fair value of equity instruments at FVTOCI (Refer note 7)	(230)	(822)	-	(1,052)	-	9,376
<b>Items that may be reclassified to profit or loss in subsequent period / year</b>						
Exchange differences on translation of foreign operations	12	149	(37)	161	9	194
<b>Total other comprehensive income/ (loss) for the period / year</b>	<b>(228)</b>	<b>(711)</b>	<b>(82)</b>	<b>(939)</b>	<b>(29)</b>	<b>9,549</b>
<b>Total comprehensive income/ (loss) for the period / year</b>	<b>(5,943)</b>	<b>(7,165)</b>	<b>(4,817)</b>	<b>(13,108)</b>	<b>(8,583)</b>	<b>(14,415)</b>
<b>Loss for the period / year</b>						
Attributable to:						
Owners of the parent	(5,711)	(6,444)	(4,729)	(12,155)	(8,531)	(23,929)
Non-controlling interests	(4)	(10)	(6)	(14)	(23)	(35)
<b>Other comprehensive income for the period / year</b>						
Attributable to:						
Owners of the parent	(228)	(711)	(82)	(939)	(29)	9,549
Non-controlling interests	*	*	*	*	*	*
<b>Total comprehensive income/(loss) for the period / year</b>						
Attributable to:						
Owners of the parent	(5,939)	(7,155)	(4,811)	(13,094)	(8,560)	(14,380)
Non-controlling interests	(4)	(10)	(6)	(14)	(23)	(35)
<b>Paid up equity share capital</b>	<b>649</b>	<b>649</b>	<b>610</b>	<b>649</b>	<b>610</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	(9)	(10)	(8)	(19)	(14)	(38)
Diluted	(9)	(10)	(8)	(19)	(14)	(38)
#includes Share based payment expenses	3,711	3,592	193	7,303	583	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

Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2022

(Amounts in INR Million, unless otherwise stated)

Particulars	As at	As at
	September 30, 2022 (Unaudited)	March 31, 2022 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,417	5,616
Right-of-use-assets	3,086	2,945
Capital work-in-progress	82	102
Goodwill	443	443
Other intangible assets	117	135
Intangible assets under development	246	18
Financial assets		
Investment in joint ventures	-	-
Investment in associates	2,283	2,233
Other investments	9,492	10,062
Loans	1,419	1,362
Other financial assets	21,999	42,131
Current tax assets	5,170	4,317
Deferred tax assets	57	70
Other non-current assets	3,129	3,032
<b>Total Non-Current Assets</b>	<b>53,940</b>	<b>72,466</b>
<b>Current assets</b>		
Financial assets		
Other investments	19,077	-
Trade receivables	10,942	7,464
Cash and cash equivalents	17,076	13,790
Bank balances other than cash and cash equivalents	35,287	38,230
Loans	55	514
Other financial assets	31,656	32,295
Other current assets	11,737	15,157
<b>Total Current Assets</b>	<b>125,830</b>	<b>107,450</b>
<b>TOTAL ASSETS</b>	<b>179,770</b>	<b>179,916</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	649	649
Other equity	135,222	140,867
<b>Equity attributable to owners of the parent</b>	<b>135,871</b>	<b>141,516</b>
Non-controlling interests	(235)	(221)
<b>Total Equity</b>	<b>135,636</b>	<b>141,295</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	2,005	1,822
Deferred tax liabilities	4	2
Contract liabilities	2,917	3,165
Provisions	431	307
<b>Total Non-Current Liabilities</b>	<b>5,357</b>	<b>5,296</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	19	1
Lease liabilities	326	392
Trade payables		
(a) Total Outstanding dues of micro and small enterprises	111	229
(b) Total Outstanding dues other than (a) above	8,128	7,285
Other financial liabilities	24,198	18,005
Contract liabilities	2,369	2,076
Other current liabilities	2,479	4,514
Provisions	1,147	823
<b>Total Current Liabilities</b>	<b>38,777</b>	<b>33,325</b>
<b>Total Liabilities</b>	<b>44,134</b>	<b>38,621</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>179,770</b>	<b>179,916</b>

See accompanying notes to the Unaudited Consolidated Financial Results



One 97 Communications Limited

Unaudited Consolidated Statement of Cash Flows for half year ended September 30, 2022

(Amounts in INR Million, unless otherwise stated)

Particulars	Half Year Ended	
	September 30, 2022	September 30, 2021
	(Unaudited)	(Unaudited)
<b>Cash flow from operating activities:</b>		
<b>Loss before tax</b>	(11,976)	(8,503)
Depreciation and amortization expense	2,015	913
Interest income	(1,542)	(842)
Interest Income on unwinding of discount - financial assets measured at amortized cost	(46)	(44)
Interest on borrowing at amortized cost	1	165
Interest and finance charges on lease liabilities	97	29
Gain on lease termination	-	(3)
Trade receivables / advances written off	12	246
Provision for advances	105	3
Loss allowance for financial assets	399	128
Liabilities no longer required written back	(62)	(5)
Property, plant and equipment and intangible assets written off	3	*
Impairment of goodwill	-	24
Share based payment expenses	7,303	583
Provision for employee incentive	(5)	14
Share of result of associates/ joint ventures	152	187
Fair value gain on financial instruments measured at FVTPL (net)	(257)	(135)
Profit on sale of property, plant and equipment (net)	(25)	(2)
<b>Operating loss before working capital changes</b>	<b>(3,826)</b>	<b>(7,242)</b>
<b>Working capital adjustments:</b>		
Increase/(decrease) in trade payables	787	772
Increase/(decrease) in provisions	399	283
Increase/(decrease) in other current liabilities and contract liabilities	(1,990)	909
Increase/(decrease) in other financial liabilities	6,348	10,445
(Increase)/decrease in trade receivables	(3,665)	(1,687)
(Increase)/decrease in other financial assets	1,108	(3,223)
(Increase)/decrease in other current and non-current assets	3,419	2,253
<b>Cash generated from/ (used in) operations</b>	<b>2,580</b>	<b>2,510</b>
Tax paid, net of refunds	(1,041)	(376)
<b>Net cash inflow / (outflow) from operating activities (A)</b>	<b>1,539</b>	<b>2,134</b>
<b>Cash flow from/ (used in) investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(3,158)	(1,530)
Proceeds from sale of property, plant and equipment	54	17
Investment in fixed and other deposits with bank	(8,706)	(15,691)
Maturity of bank deposits	31,940	17,761
Proceeds from repayment of inter corporate loans	475	920
Inter corporate loans given	(10)	(1,245)
Proceeds from sale of non-current investments	-	13
Payment for purchase of non-current investments	(350)	(205)
Proceeds from sale of current investments	161,025	51,440
Payment for purchase of current investments	(179,903)	(51,176)
Interest received	718	1,487
<b>Net cash inflow/ (outflow) from investing activities (B)</b>	<b>2,085</b>	<b>1,791</b>
<b>Cash flow from/ (used in) financing activities</b>		
Proceeds from issue of shares (including securities premium)	3	64
Share application money received during the period (pending allotment)	*	-
Net change in working capital demand loan	-	5,265
Interest paid	(98)	(194)
Principal elements of lease payments	(247)	(131)
<b>Net cash inflow/ (outflow) from financing activities (C)</b>	<b>(342)</b>	<b>5,004</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>3,282</b>	<b>8,929</b>
Cash and cash equivalents at the beginning of the period	13,790	454
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(15)	9
<b>Cash and cash equivalents at the end of the period</b>	<b>17,057</b>	<b>9,392</b>
<b>Cash and cash equivalents as per above comprises of following</b>	<b>September 30, 2022</b>	<b>September 30, 2021</b>
Cash on hand	*	*
Balance with banks		
- On current accounts	14,013	6,323
- Deposits with original maturity of less than 3 months	3,062	3,071
<b>Cash and cash equivalents</b>	<b>17,076</b>	<b>9,394</b>
Bank overdraft	(19)	(2)
<b>Cash and cash equivalents for the purpose of statement of cash flows</b>	<b>17,057</b>	<b>9,392</b>

\*Amount below rounding off norms adopted by the Group

See accompanying notes to the Unaudited Consolidated Financial Results



One 97 Communications Limited  
Notes to the Unaudited Consolidated Financial Results

1. The above statement of Unaudited Consolidated Financial Results are extracted from the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements of the Company for the quarter and half year ended September 30, 2022 and Consolidated Financial Statements for the year ended March 31, 2022 which have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules thereunder. 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 November 7, 2022.
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 September 30, 2022, the Group has certain foreign currency receivable balances aggregating to INR 21 million, INR 27 million and INR 248 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 47 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 150 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 half year ended September 30, 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.



One 97 Communications Limited  
Notes to the Unaudited Consolidated Financial Results

5. 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 September 30, 2022	Amount Un-utilised as on September 30, 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		22,685
	i) Marketing and promotional expenses		3,975	
	ii) Expanding our merchant base and deepening our partnership with our merchants		8,035	
	iii) Strengthening and expanding our technology powered payments platform		8,305	
	<b>Total (A)</b>	<b>43,000</b>	<b>20,315</b>	<b>22,685</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	4,823	13,311
	<b>Total (C)</b>	<b>18,134</b>	<b>4,823</b>	<b>13,311</b>
	<b>Total (A+B+C)</b>	<b>81,134</b>	<b>25,138</b>	<b>55,996</b>

Net IPO proceeds which were un-utilised as at September 30, 2022 were temporarily invested in fixed deposits with scheduled commercial banks and in monitoring agency account.





One 97 Communications Limited  
Notes to the Unaudited Consolidated Financial Results

6. Notes given by the subsidiary and associate in their respective Unaudited Special Purpose Interim Condensed Financial Statements-

a) Paytm Entertainment Limited:

“The Company's financial assets as at March 31, 2021 were more than 50% of its total assets and its income from financial assets was more than 50% of the total income for FY 20-21. As per the press release dated April 8, 1999 issued by Reserve Bank of India (RBI) the Company fulfilled the principal business criteria for being classified as a Non-Banking Financial Company (NBFC) as at March 31, 2021 and accordingly required to obtain registration as such. However, management has stated that this position was temporary in nature and arose on account of interest income on short term loan amounting to INR 809,164 thousands as at March 31, 2021 given to its Joint Venture Company, Paytm First Games Private Limited (PFG) on account of a commercial exigency and sudden business needs owing to the ongoing pandemic and this loan was due for repayment in the month of September, 2021 (“One Time Short-Term Loan”). The loan was a one-off loan and is not a part of the ordinary course of business of the Company. It was not intended that this would be a systemic practice going forward. Out of the above said loan, INR 250,000 thousands was repaid back by the borrower on May 25, 2021 and remaining amount was repaid in full on September 24, 2021 along with the accrued interest. Accordingly, the Company has filed an application dated May 26, 2021 and other documents on December 14, 2021 with the RBI seeking dispensation from registration as an NBFC. Further communication from RBI is awaited in this regard.”

b) Paytm Payments Bank Limited:

“Subsequent to the half yearly limited review period, the Bank has received the IT Audit Report from RBI which was issued by the auditors appointed by them, the same is acknowledged by Bank on October 25, 2022. The Bank is in the process of evaluating the impact of this report to respond to the Reserve Bank of India which is due on November 15, 2022. However, management is reasonably certain that there will not be any material financial impact of such report on the financial results of the Bank for the quarter and half year ended September 30, 2022.”

7. 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.
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: New Delhi  
Date: November 7, 2022

# 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 September 30, 2022 and the year to date results for the period April 1, 2022 to September 30, 2022 which are included in the accompanying Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2022, the Unaudited Standalone Statement of Assets and Liabilities as on that date and the Unaudited Standalone Statement of Cash Flows for the half year ended on that date (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 compiled from the related Unaudited Special Purpose Interim Condensed Standalone Financial Statements of the Company for the quarter and half year ended September 30, 2022 and Standalone Financial Statements for the year ended March 31, 2022. These have 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.
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.



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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 Note 4 to the Statement relating to non-realisation of foreign currency receivable balances as at September 30, 2022 aggregating to INR 290 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 above matter.

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



Amitesh Dutta  
Partner  
Membership Number: 058507  
UDIN: 22058507BCILVZ7293

Place: Gurugram  
Date: November 7, 2022

One 97 Communications Limited  
CIN: L72200DL2000PLC108985

Registered Office: First Floor, Devika Tower, Nehru Place, New Delhi 110019, India; Tel: +91 11 2628 0280; Website: www.paytm.com  
Corporate Office: Paytm Corporate Office, One Skymark, Tower-D, Plot No. H-10B, Sector-98, Noida 201304, Uttar Pradesh, India, Tel: +91 120 4770770;  
E-mail: compliance.officer@paytm.com; Fax: +91 120 4770771

Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2022

(Amounts in INR Million, unless otherwise stated)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	September 30, 2022 (Unaudited)	June 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)	March 31, 2022 (Audited)
<b>Income</b>						
Revenue from operations	14,044	12,354	10,515	26,498	18,983	38,924
Other income	858	1,013	441	1,871	966	2,830
<b>Total Income</b>	<b>14,902</b>	<b>13,467</b>	<b>10,956</b>	<b>28,369</b>	<b>19,949</b>	<b>41,754</b>
<b>Expenses</b>						
Payment processing charges	4,078	3,993	6,686	8,071	11,940	19,855
Marketing and promotional expenses	2,956	2,876	1,802	5,832	3,141	7,907
Employee benefits expense##	8,014	7,636	2,884	15,650	5,532	19,072
Software, cloud and data centre expenses	1,677	1,522	1,069	3,199	2,066	4,516
Depreciation and amortization expense	997	926	456	1,923	822	2,282
Finance costs	50	52	99	102	191	381
Other expenses	3,018	2,742	2,493	5,760	4,375	10,548
<b>Total expenses</b>	<b>20,790</b>	<b>19,747</b>	<b>15,489</b>	<b>40,537</b>	<b>28,067</b>	<b>64,561</b>
<b>Loss before exceptional items and tax</b>	<b>(5,888)</b>	<b>(6,280)</b>	<b>(4,533)</b>	<b>(12,168)</b>	<b>(8,118)</b>	<b>(22,807)</b>
Exceptional items##	-	-	(79)	-	(441)	(441)
<b>Loss before tax</b>	<b>(5,888)</b>	<b>(6,280)</b>	<b>(4,612)</b>	<b>(12,168)</b>	<b>(8,559)</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>(5,888)</b>	<b>(6,280)</b>	<b>(4,612)</b>	<b>(12,168)</b>	<b>(8,562)</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	(5)	(34)	(42)	(39)	(34)	(18)
<b>Total other comprehensive income/ (loss) for the period / year</b>	<b>(5)</b>	<b>(34)</b>	<b>(42)</b>	<b>(39)</b>	<b>(34)</b>	<b>(18)</b>
<b>Total comprehensive income/ (loss) for the period / year</b>	<b>(5,893)</b>	<b>(6,314)</b>	<b>(4,654)</b>	<b>(12,207)</b>	<b>(8,596)</b>	<b>(23,269)</b>
<b>Paid up equity share capital</b>	<b>649</b>	<b>649</b>	<b>610</b>	<b>649</b>	<b>610</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	(9)	(10)	(8)	(19)	(14)	(37)
Diluted	(9)	(10)	(8)	(19)	(14)	(37)
#includes Share based payment expenses	3,470	3,354	161	6,824	470	7,498
##includes Impairment of investment in associates and subsidiaries	-	-	(79)	-	(441)	(441)

See accompanying notes to the Unaudited Standalone Financial Results



One 97 Communications Limited

Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2022

(Amounts in INR Million, unless otherwise stated)

Particulars	As at	As at
	September 30, 2022	March 31, 2022
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,254	5,431
Right-of-use-assets	2,962	2,786
Capital work-in-progress	76	97
Intangible assets	76	83
Intangible assets under development	235	15
Financial assets		
Investment in subsidiaries	11,248	10,695
Investment in associates	2,063	1,932
Other investments	674	426
Loans	1,649	1,681
Other financial assets	21,749	41,778
Current tax assets	4,493	3,838
Other non-current assets	3,125	3,031
<b>Total Non-Current Assets</b>	<b>54,604</b>	<b>71,793</b>
<b>Current assets</b>		
Financial assets		
Other investments	18,942	-
Trade receivables	10,297	7,059
Cash and cash equivalents	13,156	10,664
Bank balances other than cash and cash equivalents	34,591	37,690
Loans	150	514
Other financial assets	22,955	22,339
Other current assets	10,376	13,507
<b>Total Current Assets</b>	<b>110,467</b>	<b>91,773</b>
<b>TOTAL ASSETS</b>	<b>165,071</b>	<b>163,566</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	649	649
Other equity	131,720	136,476
<b>Total Equity</b>	<b>132,369</b>	<b>137,125</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	1,908	1,724
Contract liabilities	2,917	3,165
Provisions	328	235
<b>Total Non-Current Liabilities</b>	<b>5,153</b>	<b>5,124</b>
<b>Current liabilities</b>		
Financial liabilities		
Lease liabilities	288	318
Trade payables		
(a) Total Outstanding dues of micro and small enterprises	98	193
(b) Total Outstanding dues other than (a) above	7,621	6,914
Other financial liabilities	14,384	7,308
Contract liabilities	2,260	2,001
Other current liabilities	1,890	3,865
Provisions	1,008	718
<b>Total Current Liabilities</b>	<b>27,549</b>	<b>21,317</b>
<b>Total Liabilities</b>	<b>32,702</b>	<b>26,441</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>165,071</b>	<b>163,566</b>

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 are extracted from the Unaudited Special Purpose Interim Condensed Standalone Financial Statements of the Company for the quarter and half year ended September 30, 2022 and Standalone Financial Statements for the year ended March 31, 2022 which have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules thereunder. 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 November 7, 2022.
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 quarter and half year ended September 30, 2021 are not comparable with the results of current quarter and half year ended.
4. As of September 30, 2022, the Company has certain foreign currency receivable balances aggregating to INR 20 million, INR 26 million and INR 244 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 45 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 150 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 half year ended September 30, 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. 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.



One 97 Communications Limited  
Notes to the Unaudited Standalone Financial Results

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 September 30, 2022	Amount Un-utilised as on September 30, 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		22,685
	i) Marketing and promotional expenses		3,975	
	ii) Expanding our merchant base and deepening our partnership with our merchants		8,035	
	iii) Strengthening and expanding our technology powered payments platform		8,305	
	<b>Total (A)</b>	<b>43,000</b>	<b>20,315</b>	<b>22,685</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	4,823	13,311
	<b>Total (C)</b>	<b>18,134</b>	<b>4,823</b>	<b>13,311</b>
	<b>Total (A+B+C)</b>	<b>81,134</b>	<b>25,138</b>	<b>55,996</b>

Net IPO proceeds which were un-utilised as at September 30, 2022 were temporarily invested in fixed deposits with scheduled commercial banks and in monitoring agency account.

7. 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: New Delhi  
Date: November 7, 2022