

Paytm partners with Piramal Finance to offer loans to merchants and small businesses of Bharat

- *Enable Paytm's merchant partners from India's small cities and towns to meet their capital requirements and conveniently apply for loans digitally with minimum documentation*
- *Offer Merchants loans of upto ₹10 lakh, with a tenure of 6-24 months*
- *Building on the widespread adoption of Paytm's platform and Piramal Finance's lending products by MSME's*
- *Enable deeper penetration in India's hinterland through Piramal Finance's wide reach*

India, Mumbai, 10 August 2022: One97 Communications Limited that owns the brand Paytm, India's leading digital payments and financial services company and the pioneer of QR and mobile payments, today announced a partnership with Piramal Capital & Housing Finance Ltd., herein referred as Piramal Finance, to expand distribution of merchant loans to the small cities and towns of India. Piramal Capital & Housing Finance Ltd. is a wholly-owned subsidiary of Piramal Enterprises Limited and an established financial services company in India. This partnership will expand Paytm's loan distribution business, supported by Piramal Finance's wide network of over 300 branches across India. It will also help drive financial inclusion by bringing access-to-credit to small businesses and retailers.

Paytm has acquired a large number of merchants from big and small cities across the country, amassing a large base which Piramal Finance plans to leverage and bring ease of credit to small business owners through data-driven underwriting along with credit sanctions based on business income. Additionally, this partnership will be expanded soon to include personal loans, where Piramal Finance brings its deep understanding of risk and customer segment.

Paytm's lending business has seen massive adoption and this partnership will further bring new-to-credit merchant partners to the platform. It will allow them to seamlessly avail loans and meet the capital requirements for their business. Merchant partners will be able to avail loans of up to ₹10 lakh with a tenure of 6-24 months. To drive convenience, Paytm will enable a completely digital onboarding process with minimum documentation.

With 309 active branches, Piramal Finance continues to invest in its expansion plans to be present in 1000 towns and cities in the country over the near term. Piramal Finance has built a new-age, innovative, multi-product retail lending platform and through its *phygital* strategy, the company aims to serve Bharat at scale. The company has leveraged AI and Machine Learning tools to offer personalized experiences for individuals and businesses,

thereby transforming the way lending works for unserved consumers.

The wide acceptance of merchant loans on the Paytm platform is reflected through the high volume of repeat loans, with over 50% of the total value of loans disbursed to merchants who had taken a loan earlier. This demonstrates the stickiness of the merchant on the Paytm platform. Moreover, the company has also seen an increase in the average ticket size of the loans.

Bhavesh Gupta, CEO of Lending and Head of payments at Paytm, said, “We continue to see rapid growth across all our lending products, where we empower MSMEs from smaller cities and towns with access to digital credit. The success and scale of our lending products gives us the confidence to expand and further boost our credit offerings. Our partnership with Piramal Finance is another step in that direction, where we will together bring more merchants into the formal credit economy.”

Jairam Sridharan, Managing Director, Piramal Capital & Housing Finance Ltd., said, “We aim to cater to the lending needs of the merchants in the Bharat markets through a variety of products that are relevant to this core segment. Many of these merchants are loyal Paytm customers and this partnership will bolster our proposition through a mix of technology and network of branches located in tier-II and tier-III towns. Our ability to underwrite this segment and collect in local markets, coupled with Paytm’s digital access to this base, we believe we can offer compelling lending solutions.”

Paytm has created a strong foothold in the digital lending market in India. The company continues to witness rapid growth across all its lending verticals (Paytm Postpaid, Personal Loans and Merchants Loans) that are offered on its platform in partnership with marquee lenders. In Q1FY23, Paytm disbursed 8.5 million loans, marking a Y-o-Y growth of 492%. In terms of value, the company disbursed loans worth Rs 5,554 crore, registering a 779% Y-o-Y growth.

How merchants can avail loans on the Paytm For Business App:

- Tap on the “Business Loan” icon on the Paytm for Business App home screen and enter the desired loan amount
- Check details like loan amount, amount to be disbursed, total payable, daily installment, tenure & more
- Confirm details and click on the check box & tap on ‘Get Started’ to process. Merchants can give consent to give KYC details from the CKYC to complete the loan application process quickly

- On the next screen, confirm personal details – PAN, date of birth, email address. After this, credit score will be checked for loan eligibility and KYC details will be verified.
- One the application is verified successfully, the loan amount will be disbursed instantly in the selected bank account of the merchant.

Piramal Finance is expanding its branch network across Bharat and working towards converting all erstwhile DHFL branches into multi-product branches. In Q1FY23, the company's retail loan disbursements grew 66% quarter-on-quarter to INR 2,459 crores, as a result of the activation of multiple branches and customer acquisition.

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.

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About Piramal Capital & Housing Finance Limited:

Piramal Capital & Housing Finance Limited (referred as Piramal Finance), a wholly owned subsidiary of Piramal Enterprises Limited (flagship company of the Piramal Group), is a housing finance company engaged in retail and wholesale lending.

In retail lending, Piramal Finance is one of the leading players that addresses the diverse financing needs of the under-served and unserved people of 'Bharat' market. It has over 1 million customers and presence in 24 states with a network of over 300 branches. It offers multiple products, including home loans, loan against property, used car loans, small business loans to Indian budget conscious customers at the periphery of metros and in Tier I, II and III cities. In wholesale lending, it caters to both real estate as well as non-real estate sector and offers multiple products including construction finance, structured debt and senior secured debt.

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