BUY One 97 Communications

Firing on all cylinders

Internet | Result Update | **July 21, 2026**

CMP (Rs): 1,301 | TP (Rs): 1,700

One 97 Communications (Paytm)'s 1QFY27 results were strong, with beat on revenue and EBITDA led by strong growth in the Payments Business, continued momentum in the Financial Services (FS) Business, and tight cost control driving operating leverage. GMV growth accelerated to 31.7% yoy, from 27.5% and 23.0% in 4QFY26 and 3QFY26, respectively. While the merchant side of the business continues to scale, monetization on the consumer front is improving aided by Postpaid, personal loans, etc. The 13.6% beat on consensus EBITDA estimates was led by indirect cost rationalization. Overall, 1Q results reaffirm Paytm's strong execution in acquiring consumers and merchants via payments and monetizing on the back of financial services cross-selling. The stock trades at 38.8x/25.1x FY28E/FY29E PER. We view risk-reward as favorable, given the long growth runway and multiple upside optionalities (eg potential UPI MDR, Wallet, scale-up of RuPay Credit Cards, Affordability offerings), supported by a robust cash balance of Rs135bn. We increase FY28E/29E PAT by 5.3%/5.6% on growth momentum and cost control, and raise our DCF-based target price by 13.3% to Rs1,700 from Rs1,500; maintain BUY.

Beat on revenue led by Payments and Financial Services

Paytm posted 27.6% yoy revenue growth to Rs24.5bn, 3.1% ahead of the street. Excluding discontinued PIDF, revenue rose 31% yoy on online merchant momentum following the receipt of PA license. Subscription revenue per device fell to drive cross-sell and merchant retention, slowing net payment margin growth (Rs6.01bn in 1QFY27 vs Rs5.83bn in 4QFY26). FS (up 45.2% yoy) saw strength in Merchant/Consumer Loans, Equity Broking, and Wealth. Contribution margin fell by 25bps qoq to 55.1%, on higher payment processing cost.

Strong cost control drives EBITDA margin; raises margin expectations

Cost discipline was the key highlight: indirect expenses rose only 2.2% qoq to Rs11.5bn, resulting in EBITDA of Rs2.03bn (a 13.6% beat) and margin expansion of 250bps qoq to 8.3%. Non-sales employee and software/cloud costs fell 4.5% and 9.1% qoq, as AI-led productivity absorbed appraisal increments and optimized cloud efficiency. Basis sustainability of these measures, we raise FY28E EBITDA by 3.9%. Net profit stood at Rs2.2bn (in-line), while cash reserves strengthened to Rs135bn (vs Rs133bn in 4QFY26), positioning the company well for organic and inorganic growth.

Outlook and valuations – Multiple optionalities; reasonable valuations

We see a long growth runway for Paytm, anchored by its customer acquisition engine and cross-selling capabilities across financial products. Operating leverage is likely to continue driving medium-term margin expansion. We model 24% revenue CAGR over FY26-29E, expanding EBITDA margin to 16.1% by FY28E (vs 5.9% in FY26). The stock currently trades at 32x FY28E EV/EBITDA and 39x FY28E PER. We reiterate BUY and revise up our DCF-backed TP to Rs1,700 from Rs1,500, implying a 51/33x FY28/29E PER.

Target Price – 12M	Jun-27
Change in TP (%)	**13.3**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	30.7

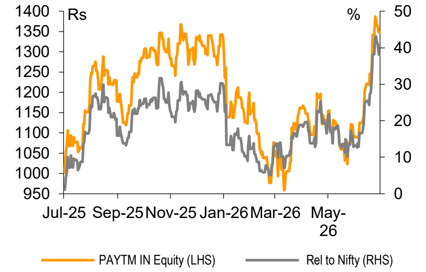
Stock Data	**PAYTM IN**
52-week High (Rs)	1,407
52-week Low (Rs)	931
Shares outstanding (mn)	640.7
Market-cap (Rs bn)	833
Market-cap (USD mn)	8,658
Net-debt, FY27E (Rs mn)	(143,308.7)
ADTV-3M (mn shares)	3.4
ADTV-3M (Rs mn)	3,718.0
ADTV-3M (USD mn)	38.6
Free float (%)	57.4
Nifty-50	24,187.7
INR/USD	96.2

Shareholding,Jun-26	
Promoters (%)	0.0
FPIs/MFs (%)	48.1/24.9

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	19.3	11.5	27.8
Rel. to Nifty	18.4	13.3	32.6

1-Year share price trend (Rs)



One 97 Communications: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	69,000	84,380	107,539	134,483	163,401
EBITDA	(15,060)	5,020	12,350	21,628	32,874
Adj. PAT	(14,860)	7,380	12,008	21,472	33,181
Adj. EPS (Rs)	(23.3)	11.5	18.8	33.5	51.8
EBITDA margin (%)	(21.8)	5.9	11.5	16.1	20.1
EBITDA growth (%)	0	0	146.0	75.1	52.0
Adj. EPS growth (%)	0	0	62.7	78.8	54.5
RoE (%)	(10.5)	4.8	7.2	11.5	15.3
RoIC (%)	(19.5)	(0.5)	4.5	11.1	19.0
P/E (x)	(125.1)	150.8	69.3	38.8	25.1
EV/EBITDA (x)	(47.5)	142.5	57.9	33.1	21.8
P/B (x)	5.5	5.2	4.8	4.2	3.5
FCFF yield (%)	0.9	0.8	0.1	1.2	2.5

Source: Company, Emkay Research

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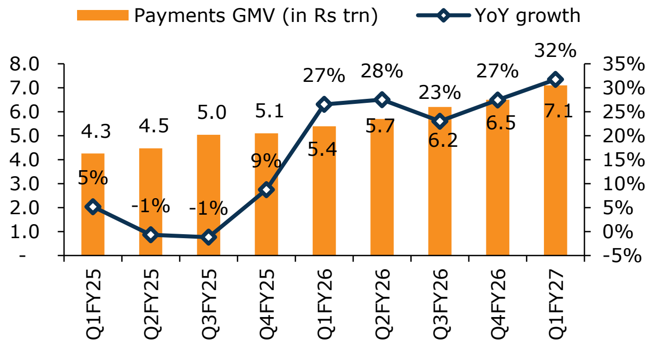
Exhibit 1: Quarterly performance snapshot

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	qoq	yoy
GMV (Rs trn)	5.39	5.70	6.20	6.50	7.10	9.2%	31.7%
Devices (mn)	13.00	13.70	14.40	15.10	15.70	4.0%	20.8%
MTUs (mn)	74.00	75.00	76.00	77.00	80.00	3.9%	8.1%
Payment revenue	10,435	11,460	11,920	12,650	13,840	9.4%	32.6%
Financial services revenue	5,605	6,110	6,720	7,500	8,140	8.5%	45.2%
Marketing services revenue	2,470	2,280	2,380	2,390	2,390	0.0%	-3.2%
Other operating revenue	670	770	920	100	110	10.0%	-83.6%
Revenue from operations	**19,180**	**20,620**	**21,940**	**22,640**	**24,480**	**8.1%**	**27.6%**
Direct expenses	7,660	8,550	9,450	10,100	10,980	8.7%	43.3%
Contribution profit	**11,520**	**12,070**	**12,490**	**12,540**	**13,500**	**7.7%**	**17.2%**
Indirect expenses	10,500	10,310	10,380	10,670	10,870	1.9%	3.5%
Adjusted EBITDA	**1,020**	**1,760**	**2,110**	**1,870**	**2,630**	**40.6%**	**157.8%**
ESOP costs	300	350	540	550	600	9.1%	100.0%
EBITDA	**720**	**1,410**	**1,570**	**1,320**	**2,030**	**53.8%**	**181.9%**
Depreciation	1,660	1,370	1,330	1,320	1,310	-0.8%	-21.1%
EBIT	**-940**	**40**	**240**	**-**	**720**	**NA**	**NA**
Interest	40	50	40	50	70	40.0%	75.0%
Other income	2,410	2,220	2,120	1,780	1,820	2.2%	-24.5%
PBT	**1,430**	**2,210**	**2,320**	**1,730**	**2,470**	**42.8%**	**72.7%**
Share of profit/(loss) of associates/JVs	-	-10	-10	-	-	NA	NA
Tax expense	40	90	50	110	270	145.5%	575.0%
PAT before exceptionals	**1,390**	**2,110**	**2,260**	**1,620**	**2,200**	**35.8%**	**58.3%**
Exceptional items	-170	-1,900	-	210	-	-100.0%	NA
PAT	**1,220**	**210**	**2,260**	**1,830**	**2,200**	**20.2%**	**80.3%**
Margin							
Contribution	60.1%	58.5%	56.9%	55.4%	55.1%	-24bps	-492bps
Adjusted EBITDA	5.3%	8.5%	9.6%	8.3%	10.7%	248bps	543bps
EBITDA	3.8%	6.8%	7.2%	5.8%	8.3%	246bps	454bps
EBIT	-4.9%	0.2%	1.1%	0.0%	2.9%	294bps	784bps
PBT	7.5%	10.7%	10.6%	7.6%	10.1%	245bps	263bps
PAT	6.4%	1.0%	10.3%	8.1%	9.0%	90bps	263bps
Effective tax rate	2.8%	4.1%	2.2%	6.4%	10.9%	457bps	813bps

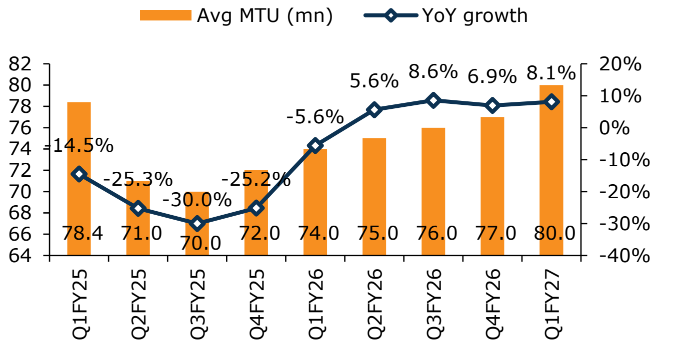
Source: Company, Emkay Research

Exhibit 2: Payments – GMV and yoy growth



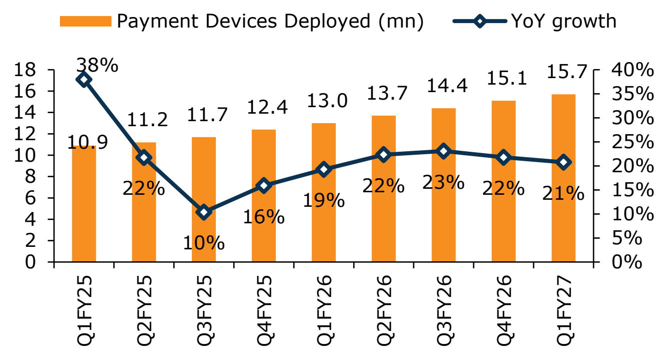
Source: Company, Emkay Research

Exhibit 3: Average MTU count and yoy growth



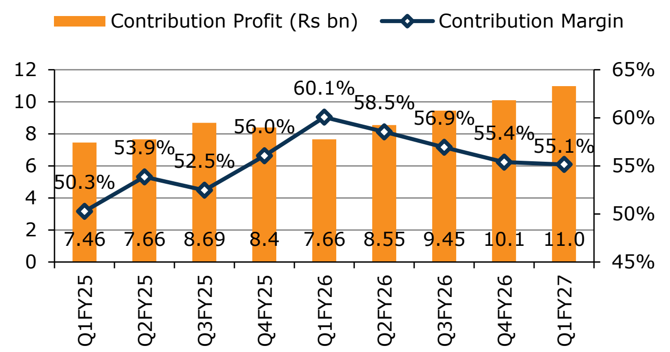
Source: Company, Emkay Research

Exhibit 4: Number of payment devices deployed and yoy growth



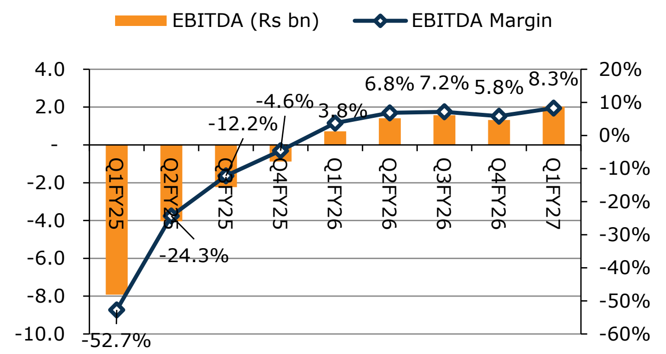
Source: Company, Emkay Research

Exhibit 5: Contribution profit and margin



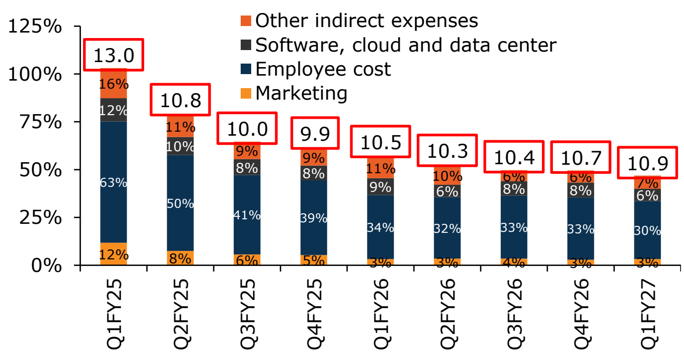
Source: Company, Emkay Research

Exhibit 6: EBITDA trend demonstrating operating leverage



Source: Company, Emkay Research

Exhibit 7: Composition of indirect costs as a percentage of revenue



Source: Company, Emkay Research; Note: Numbers within the Red box represent total indirect cost (Rs bn)

Exhibit 8: Changes in our estimates

(Rs mn)	New			Old			Divergence		
	FY27	FY28	FY29	FY27	FY28	FY29	FY27	FY28	FY29
GMV (Rs trn)	30.5	37.8	46.1	29.6	36.4	44.4	2.9%	3.7%	3.7%
Devices (mn)	18.1	21.3	22.9	18.3	21.5	23.1	-1.1%	-0.9%	-0.9%
MTU (mn)	86	99	114	86	99	114	0.0%	0.0%	0.0%
Revenue	**107,539**	**134,483**	**163,401**	**107,318**	**133,084**	**161,609**	**0.2%**	**1.1%**	**1.1%**
Payments	60,568	74,565	89,276	59,362	71,969	86,037	2.0%	3.6%	3.8%
Device ARPU	63	63	63	65	65	65	-3.5%	-3.1%	-3.1%
GMV	30.5	37.8	46.1	29.6	36.4	44.4	2.9%	3.7%	3.7%
Payment processing margin (ex-UPI incentive) (bps)	4.5	4.6	4.7	4.5	4.7	4.7	-0.2%	-2.1%	0.0%
Financial Services	36,866	47,901	59,744	37,088	48,191	60,105	-0.6%	-0.6%	-0.6%
Disbursements	474,160	617,830	770,577	474,160	617,830	770,577	0.0%	0.0%	0.0%
Take rate	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	-4.7bps	-4.7bps	-4.7bps
Marketing	10,105	12,017	14,380	10,868	12,925	15,467	-7.0%	-7.0%	-7.0%
Revenue per MTU	9.8	10.1	10.5	10.5	10.9	11.3	-7.0%	-7.0%	-7.0%
Direct cost	46,769	58,096	70,124	47,001	56,963	69,164	-0.5%	2.0%	1.4%
Contribution	**60,769**	**76,387**	**93,277**	**60,317**	**76,122**	**92,445**	**0.8%**	**0.3%**	**0.9%**
Contribution margin	56.5%	56.8%	57.1%	56.2%	57.2%	57.2%	30.5bps	-39.8bps	-11.8bps
Indirect cost	48,420	54,759	60,403	48,564	55,578	61,314	-0.3%	-1.5%	-1.5%
EBITDA	**12,350**	**21,628**	**32,874**	**11,753**	**20,543**	**31,131**	**5.1%**	**5.3%**	**5.6%**
EBITDA margin	11.5%	16.1%	20.1%	11.0%	15.4%	19.3%	53.2bps	64.6bps	85.6bps
EBIT	6,609	15,772	26,901	6,012	14,688	25,158	9.9%	7.4%	6.9%
PBT	13,585	23,372	35,906	13,043	22,260	34,077	4.2%	5.0%	5.4%
Tax rate	11.6%	8.1%	7.6%	11.9%	8.5%	7.9%	-27.7bps	-37.5bps	-31.2bps
PAT	**12,008**	**21,472**	**33,181**	**11,493**	**20,367**	**31,385**	**4.5%**	**5.4%**	**5.7%**

Source: Emkay Research

Valuation

Exhibit 9: Global DCF assumptions

Parameter	Value
Beta	1.00
Risk free rate (Rf)	6.7%
Market return (Km)	12.7%
Risk premium	6.0%
Required rate of return (cost of equity)	12.7%
Cost of debt	10.0%
Tax rate	25.0%
After tax cost of debt	7.5%
Total debt	0%
Shareholders' fund	100%
WACC	**12.7%**

Source: Emkay Research

Exhibit 10: Our DCF-based valuation framework

	(Rs bn)
Duration of forecasted stage 0 (no of years)	3
PV of stage 0 (i)	115
Growth of Stage 1	15.0%
Stage 1 duration	10
PV of stage 1 (ii)	337
Terminal growth rate	5%
PV of terminal stage (iii)	503
EV (i+ii+iii)	954
Net cash	135
Target Mcap	**1,090**
TP (Rs)	**1,700**

Source: Emkay Research

Investment thesis

- **Leading merchant network:** With 15.7mn active devices (Soundboxes and POS), Paytm leads in merchant acquisition. Backed by over 40,000 on-ground sales personnel, Paytm's distribution capabilities are better than peers'. This massive sales force has helped Paytm win over small- and mid-size merchants across India. Using this strong distribution network, it is now capturing larger enterprise merchants as well.
- **Strong loan distribution:** Most of Paytm's merchants need short-term working capital. By controlling the payment devices and tracking daily sales data, the company distributes small loans with daily repayments. Currently, only ~7% of its merchants use these loans, leaving significant room to grow loan distribution fees without putting Paytm's own capital at risk, along with an increasing merchant base and rising ticket sizes.
- **Ready for UPI credit growth:** India is shifting toward credit on UPI and RuPay credit cards. With over 40mn merchants and millions of active app users, Paytm is among the best positioned to benefit from this shift.
- **Improving profit margins and added upside:** We expect Paytm's profit margins to reach ~16% by FY28E. This growth is expected to be driven by a higher share of profitable lending fees and continued control over technology and marketing costs. The business also has meaningful upside optionality if the government allows fees (MDR) on large merchants for UPI transactions, or if Wallet is restarted, or as consumer lending picks up.

Key risks

- Deterioration in asset quality will impact loan distribution service and its take rate.
- Paytm operates in a highly regulated financial services sector. Any adverse regulations could impact the business.
- Increased competitive intensity could result in lower margins/market-share erosion.

1QFY27 earnings call KTAs

Consolidated business level

- Management is content with a high order of cash building in the balance sheet. It added, however, that it is still on the lookout for high ROI opportunities. And, MTF is one such high ROI opportunity where the company has allocated cash.
- Terminal EBITDA margin of Paytm is structurally higher than the guided 15-20%. The management though did not commit to a theoretical ceiling. It added that focus remains not only on higher profitability but on higher absolute profits.
- Revenue growth is broad-based across business segments and customer profiles. This was attributed to Paytm decoding the product market fit (PMF) across products in different business segments. As the proof of concept of PMF is broadly evident across products, execution remains the only hurdle to successful monetization.
- Management confirmed the rationalization of the indirect cost stack in 1QFY27 as a sustainable baseline. It highlighted there was no ESOP cost deferral or any appraisal related one-off in 1QFY27.

Payments Services segment

- MTU addition of 8% yoy has come with 45% consumer GTV yoy, highlighting the higher customer retention, attributable to app simplification. Growth rate in UPI GTV is double the industry growth rate.
- Management adopted a wait and watch approach with regard to UPI MDR, highlighting that the business is not in dire need of UPI MDR or any other incentives; this is being seen as an optionality with direct flow-through to the bottom-line.
- Shrinkage of net payment margins was attributed to tighter revenue recognition policy and a higher mix of card payments in the GMV. Paytm Postpaid revenue and cost recognition is a small component sitting inside MDR revenue and payment processing charges, respectively.
- GMV growth is broad-based, with market share retention and gains across the userbase of small and large merchant omnichannel as well as consumers.
- P2P transactions contribute as revenue line items, with the monetization coming from the issuing and acquiring banks in a transaction; however, monetization for P2M is linked to UPI incentives offered by the government which have not yet been announced for FY26.

Financial Services (FS) segment

- The personal loans headwind is past us, with personal loans showing a similar growth profile as merchant loans this quarter. The management stated the indicative split was 80% and 20% between merchants loans and personal loans, respectively.
- The number of lending partners is in double digits for both merchant loans and personal loans.
- Paytm does not do collection in the personal loans segment. Personal loans distributed by Paytm do not operate under the FLDG model.
- According to the management, the company does not require to be aggressive in the payments or loan distribution business. Albeit, there is need for aggression in the wealth-broking business. To that effect, Paytm has an MTF (margin trading facility).
- It took 4-5 years to scale quarterly postpaid disbursals to Rs90bn in the previous Postpaid rollout. Current Postpaid rollout is growing at double the rate compared to previous Postpaid rollout. Postpaid is at a sub-Rs10bn monthly disbursal scale currently, but the product market fit is successful given the adoption seen among consumers.

- Availability of lending partners and lending capital is not a bottleneck for the FS business. Management mentioned having access to 4-6 times more capital than currently being disbursed.
- For the merchant base that has already been cross-sold FS is being offered waivers pertaining to the payments business, thus eliminating the possibility of merchant base attrition due to competitors' pricing proposition in the payments business.
- Management highlighted that the loan portfolio being distributed does not exhibit high concentration toward high APR loans, and constitutes multiple FS products across the low-to-high APR spectrum.
- With lending partners exhibiting high conservatism to build an unsecured loan book for the last 8-12 quarters, there seems to be a revival in interest to ramp up their unsecured loan books.
- There is vast upside potential in the FS business: possible scale-up of another order of magnitude in penetration, in terms of both customers and disbursal values. Management expects the FS customer base to increase monotonically with time.

Marketing Services

- Crossed the all-time high MTU seen in Jan-24, with 80mn MTUs this quarter .
- Marketing Services revenue growth has taken a hit despite healthy MTU addition, on account of headwinds in the travel services industry last quarter. MTU addition and consumer market-share gain are expected to translate into higher monetization in Marketing Services with some lag.

AI

- Building non-payments and non-FS business line items pertaining to AI services, to be catered to merchants (both large and small) and not to consumers.
- Extensively using internal AI tools, applications, and agents within the business. This has helped streamline workflows with dramatic cost optimizations, as seen in this quarter's indirect cost rationalization.
- Hosting a self-trained 4bn-parameter model on own cloud infrastructure has helped lower latency in business workflows like customer care workflows as well as dramatically lowered costs.
- Management highlighted that AI monetization for fintechs would be heavily contingent on their distribution capabilities, as the eventual use case solved with AI by fintechs would be linked to the profile of their captive customer-base, which in turn will be a function of the fintech company's distribution capabilities.

One 97 Communications: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**69,000**	**84,380**	**107,539**	**134,483**	**163,401**
Revenue growth (%)	(30.8)	22.3	27.4	25.1	21.5
EBITDA	**(15,060)**	**5,020**	**12,350**	**21,628**	**32,874**
EBITDA growth (%)	0	0	146.0	75.1	52.0
Depreciation & Amortization	6,730	5,680	5,741	5,856	5,973
EBIT	**(21,790)**	**(660)**	**6,609**	**15,772**	**26,901**
EBIT growth (%)	0	0	0	138.7	70.6
Other operating income	0	0	0	0	0
Other income	7,240	8,530	7,046	7,600	9,004
Financial expense	160	180	70	0	0
PBT	**(14,710)**	**7,690**	**13,585**	**23,372**	**35,906**
Extraordinary items	8,230	(1,860)	0	0	0
Taxes	180	290	1,577	1,900	2,725
Minority interest	-	-	-	-	-
Income from JV/Associates	30	(20)	0	0	0
Reported PAT	**(6,630)**	**5,520**	**12,008**	**21,472**	**33,181**
PAT growth (%)	0	0	117.5	78.8	54.5
Adjusted PAT	**(14,860)**	**7,380**	**12,008**	**21,472**	**33,181**
Diluted EPS (Rs)	**(23.3)**	**11.5**	**18.8**	**33.5**	**51.8**
Diluted EPS growth (%)	0	0	62.7	78.8	54.5
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	(21.8)	5.9	11.5	16.1	20.1
EBIT margin (%)	(31.6)	(0.8)	6.1	11.7	16.5
Effective tax rate (%)	(1.2)	3.8	11.6	8.1	7.6
NOPLAT (pre-IndAS)	**(22,057)**	**(635)**	**5,842**	**14,490**	**24,860**
Shares outstanding (mn)	638	640	640	640	640

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	638	640	640	640	640
Reserves & Surplus	149,629	159,620	174,328	198,635	234,793
Net worth	**150,267**	**160,260**	**174,968**	**199,275**	**235,433**
Minority interests	(296)	20	20	20	20
Non-current liab. & prov.	(112)	(120)	(120)	(120)	(120)
Total debt	**1,476**	**1,540**	**1,540**	**1,540**	**1,540**
Total liabilities & equity	**152,891**	**163,420**	**178,128**	**202,435**	**238,593**
Net tangible fixed assets	6,497	6,520	6,630	6,800	7,154
Net intangible assets	438	420	420	420	420
Net ROU assets	2,117	2,230	2,230	2,230	2,230
Capital WIP	43	70	70	70	70
Goodwill	0	0	0	0	0
Investments [JV/Associates]	26,082	29,770	29,770	29,770	29,770
Cash & equivalents	**115,572**	**130,250**	**144,849**	**168,985**	**204,788**
Current assets (ex-cash)	55,273	63,160	63,160	63,160	63,160
Current Liab. & Prov.	61,474	75,610	75,610	75,610	75,610
NWC (ex-cash)	**(6,201)**	**(12,450)**	**(12,450)**	**(12,450)**	**(12,450)**
Total assets	**152,891**	**163,420**	**178,128**	**202,435**	**238,593**
Net debt	(114,096)	(128,710)	(143,309)	(167,445)	(203,248)
Capital employed	152,891	163,420	178,128	202,435	238,593
Invested capital	**132,122**	**130,570**	**130,680**	**130,850**	**131,204**
BVPS (Rs)	235.6	250.4	273.4	311.3	367.8
Net Debt/Equity (x)	(0.8)	(0.8)	(0.8)	(0.8)	(0.9)
Net Debt/EBITDA (x)	7.6	(25.6)	(11.6)	(7.7)	(6.2)
Interest coverage (x)	(90.9)	43.7	195.1	0	0
RoCE (%)	**(10.2)**	**5.0**	**8.1**	**12.4**	**16.4**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	(21,920)	(860)	6,539	15,772	26,901
Others (non-cash items)	-	-	-	-	-
Taxes paid	180	(330)	(1,577)	(1,900)	(2,725)
Change in NWC	25,010	6,241	0	0	0
Operating cash flow	**9,822**	**11,171**	**6,427**	**14,963**	**24,122**
Capital expenditure	(3,340)	(5,758)	(5,850)	(6,026)	(6,327)
Acquisition of business	34	(3,688)	0	0	0
Interest & dividend income	4,318	7,670	7,046	7,600	9,004
Investing cash flow	**3,934**	**(916)**	**1,196**	**1,574**	**2,677**
Equity raised/(repaid)	17,001	9,993	14,708	24,307	36,157
Debt raised/(repaid)	(329)	64	0	0	0
Payment of lease liabilities	34	51	0	0	0
Interest paid	(160)	(180)	(70)	0	0
Dividend paid (incl tax)	-	-	-	-	-
Others	(63)	20	0	0	0
Financing cash flow	**16,483**	**9,948**	**14,638**	**24,307**	**36,157**
Net chg in Cash	30,239	20,203	22,261	40,844	62,956
OCF	9,822	11,171	6,427	14,963	24,122
Adj. OCF (w/o NWC chg.)	(15,188)	4,930	6,427	14,963	24,122
FCFF	6,482	5,413	577	8,937	17,795
FCFE	10,640	12,903	7,553	16,537	26,799
OCF/EBITDA (%)	(65.2)	222.5	52.0	69.2	73.4
FCFE/PAT (%)	(160.5)	233.7	62.9	77.0	80.8
FCFF/NOPLAT (%)	**(29.4)**	**(852.3)**	**9.9**	**61.7**	**71.6**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	(125.1)	150.8	69.3	38.8	25.1
EV/CE(x)	4.7	4.4	4.1	3.6	3.0
P/B (x)	5.5	5.2	4.8	4.2	3.5
EV/Sales (x)	10.4	8.5	6.7	5.3	4.4
EV/EBITDA (x)	(47.5)	142.5	57.9	33.1	21.8
EV/EBIT(x)	(32.8)	(1,084.0)	108.3	45.4	26.6
EV/IC (x)	5.4	5.5	5.5	5.5	5.5
FCFF yield (%)	0.9	0.8	0.1	1.2	2.5
FCFE yield (%)	1.3	1.5	0.9	2.0	3.2
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	(21.5)	8.7	11.2	16.0	20.3
Total asset turnover (x)	0.3	0.4	0.4	0.5	0.6
Assets/Equity (x)	1.4	1.5	1.5	1.4	1.4
RoE (%)	**(10.5)**	**4.8**	**7.2**	**11.5**	**15.3**
DuPont-RoIC					
NOPLAT margin (%)	(32.0)	(0.8)	5.4	10.8	15.2
IC turnover (x)	0.6	0.6	0.8	1.0	1.2
RoIC (%)	**(19.5)**	**(0.5)**	**4.5**	**11.1**	**19.0**
Operating metrics					
Core NWC days	(32.8)	(53.9)	(42.3)	(33.8)	(27.8)
Total NWC days	**(32.8)**	**(53.9)**	**(42.3)**	**(33.8)**	**(27.8)**
Fixed asset turnover	8.2	12.4	15.6	19.1	22.4
Opex-to-revenue (%)	75.1	51.7	45.0	40.7	37.0

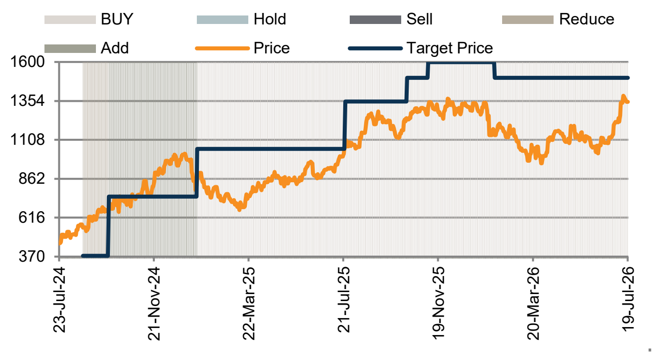
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
07-May-26	1,197	1,500	Buy	Pranav Kshatriya
25-Apr-26	1,147	1,500	Buy	Pranav Kshatriya
30-Jan-26	1,138	1,500	Buy	Pranav Kshatriya
06-Nov-25	1,321	1,600	Buy	Pranav Kshatriya
10-Oct-25	1,237	1,500	Buy	Pranav Kshatriya
18-Sep-25	1,229	1,350	Buy	Pranav Kshatriya
13-Aug-25	1,155	1,350	Buy	Pranav Kshatriya
23-Jul-25	1,071	1,350	Buy	Pranav Kshatriya
07-May-25	874	1,050	Buy	Anand Dama
09-Apr-25	811	1,050	Buy	Anand Dama
21-Jan-25	854	1,050	Buy	Anand Dama
15-Jan-25	859	1,050	Buy	Anand Dama
23-Oct-24	745	750	Add	Anand Dama
07-Oct-24	652	750	Add	Anand Dama
24-Sep-24	681	750	Add	Anand Dama
22-Aug-24	554	375	Reduce	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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