

One 97 Communications

Estimate change



TP change

Rating change



Bloomberg	PAYTM IN
Equity Shares (m)	639
M.Cap.(INRb)/(USD\$)	810.4 / 9.1
52-Week Range (INR)	1324 / 652
1, 6, 12 Rel. Per (%)	6/47/62
12M Avg Val (INR M)	6249

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Revenue from Op	69.0	83.5	98.2
Contribution Profit	36.8	49.8	61.7
Adjusted EBITDA	(6.9)	7.1	12.8
EBITDA	(15.1)	5.6	11.3
PAT	(6.7)	6.4	12.7
EPS (INR)	(23.3)	13.1	19.0
EPS Gr. (%)	NM	NM	45.5

Ratios

Contribution			
Margin (%)	53.3	59.7	62.9
EBITDA Margin (%)	(21.9)	6.7	11.5
Adj.			
EBITDA Margin (%)	(10.0)	8.5	13.0
RoE (%)	(10.5)	5.6	8.1
RoA (%)	(7.7)	3.7	5.0

Valuations

P/E(X)	NA	97.0	66.6
P/BV (X)	5.4	5.3	5.3
P/Sales (X)	11.7	9.9	8.6

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	0.0	0.0	0.0
DII	20.0	15.8	8.5
FII	51.7	54.9	55.5
Others	28.4	29.3	36.0

FII includes depository receipts

CMP: INR1268

TP: INR1,200 (-5%)

Neutral

Healthy performance; GMV growth on track

Revenue slightly ahead of our estimate; one-off loss hurts profitability

- One 97 Communications (Paytm) reported a strong operational performance with adj. net profit of INR2.1b (vs. our estimate of INR1.3b). However, its reported PAT stood at INR210m due to a one-time impairment of INR1.9b on its loan to JV First Games.
- Paytm's revenue performance remained robust, growing 24% YoY / 8% QoQ to INR20.6b (3% ahead of our estimates), driven by healthy trends across both payments and financial services.
- Payment revenue grew 21% YoY / 10% QoQ to INR11.5b, aided by higher merchant activity, a festive season uptick in EMI-based transactions, and strong traction in device deployment.
- Financial services revenues surged 63% YoY / 9% QoQ to INR6.1b, supported by sustained momentum in merchant loans and lending partnerships.
- Net payment margin improved 12% QoQ (up 28% YoY) to INR5.9b/10bp of GMV vs. 10bp in 1QFY26. However, the contained DLG costs led to a 5% QoQ growth in contribution profit to INR12.1b (up 35% YoY, largely in line).
- We marginally raise our contribution margin assumptions for Paytm, driven by stronger revenue traction and prudent opex control. Despite the one-off impairment charge in 2Q, we maintain our profitability estimates. We project a PAT of INR6.4b in FY26 and INR12.7b in FY27. **We value Paytm at INR1,200, based on 22x FY30E EBITDA discounted to FY27E, translating into 8.2x FY27E sales. We reiterate our NEUTRAL rating on the stock.**

Merchant expansion on track; AI capabilities contributing to cost control

- Paytm reported an adj. net profit of INR2.1b (vs. our estimate of INR1.3b). Reported PAT came in at INR210m (as the company has taken a one-time charge of full impairment). GMV increased by 28% YoY/ 6% QoQ at INR5.7t.
- Revenue grew by 24% YoY/ 8% QoQ to INR20.6b (3% beat), aided by growth in payment and financial services (up 33% YoY/ 9% QoQ), while payments revenue grew by 21% YoY/ 10% QoQ.
- Revenue from marketing services declined 25% YoY and 8% QoQ to INR2.3b.
- The payment processing margin was comfortably above the guided range of 3bp. Paytm continues to see an improvement in payment processing margin amid the higher growth of credit cards on UPI and other offerings such as EMI. Net payment margin expanded 28% YoY/12% QoQ to INR5.9b/10bp vs. 10bp in 1Q.
- Management highlighted AI as a key growth and efficiency lever, driving sharper cross-sell opportunities, cost optimization, and deeper merchant engagement. AI-led automation across sales and risk functions is expected to structurally improve operating metrics over time.
- Direct expenses grew 12% QoQ (up 12% YoY, largely in line), amid lower DLG cost. Contribution profit rose 5% QoQ (up 35% YoY), with the contribution profit margin standing at 58.5% (vs. 58.7% in 1QFY26). EBITDA was INR1.8b (vs. our estimated loss of INR1.3b). This was aided by contained opex and a healthy revenue. ESOP costs were lower at INR350m vs. our estimate of INR540m.

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Highlights from the management commentary

- GMV growth has been margin-accretive, with gains in both consumer and merchant market share alongside improving economics. If UPI grows at 20%, Paytm expects its GMV growth to surpass that level.
- The postpaid opportunity is large, though it is currently at a nascent stage. The company expects strong growth as it expands consumer adoption and bank partnerships. The business benefits from high throughput and lower cost of capital.
- Market share in credit card-linked UPI has increased. The company foresees subscription revenue eventually being overtaken by MDR-based revenue.
- Indirect expenses have declined and are expected to remain range-bound in 2H. Marketing and software expenses have improved. The company plans to invest selectively in sales personnel while optimizing other cost areas.

Valuation and view: Reiterate NEUTRAL with a TP of INR1,200

- Paytm delivered a healthy quarter, largely in line with estimates, supported by robust revenue growth and disciplined cost management, resulting in a strong adjusted profit.
- It continues to make steady progress toward sustainable profitability, aided by its cost control measures and improving operating leverage, translating into better EBITDA margins, while GMV growth remains consistent.
- Contribution margin stood at a healthy 58.5%, and momentum in the financial services segment is expected to remain strong amid improving tailwinds in unsecured lending and the relaunch of Paytm Postpaid.
- AI-led differentiation remains a key strategic pillar, with Paytm leveraging its technology stack to enhance distribution, cross-sell opportunities, and merchant-level monetization efficiency. Postpaid business offers a large scalable opportunity, as Paytm deepens consumer adoption by leveraging its prior experience and strong data insights in credit origination.
- With a robust cash balance of INR167b, the company maintains ample flexibility to fund growth initiatives and potential international expansion, which could start contributing meaningfully over the medium term (2–3 years).
- We marginally raise our contribution margin assumptions for Paytm, driven by stronger revenue traction and prudent opex control. Despite the one-off impairment charge in 2Q, we maintain our profitability estimates. We project a PAT of INR6.4b in FY26 and INR12.7b in FY27. **We value Paytm at INR1,200, based on 22x FY30E EBITDA discounted to FY27E, translating into 8.2x FY27E sales. We reiterate our NEUTRAL rating on the stock.**

Quarterly Performance

	FY25				FY26E				FY25	FY26E	FY26E	(INR b) V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Payment Services to Consumers	0.8	0.9	0.9	1.0	1.0	1.1	1.5	2.2	3.6	5.8	1.4	-0.2
Payment Services to Merchants	8.0	8.6	9.1	9.5	9.5	10.4	10.6	10.5	35.2	40.9	9.7	0.1
Financial Services and Others	2.8	3.8	5.0	5.5	5.6	6.1	6.4	6.7	17.0	24.8	6.2	-0.0
Payment and Financial Services	11.6	13.2	15.1	15.9	16.1	17.6	18.4	19.4	55.8	71.4	17.3	0.0
% Change (Y-o-Y)	-39.3	-36.2	-34.2	-14.4	37.9	32.9	22.5	21.9	-31.3	28.0	31.1	0.1
Commerce and Cloud Services	3.2	3.0	2.7	2.7	2.5	2.3	2.4	2.4	11.6	9.5	2.3	-0.0
Revenue from Operations	15.0	16.6	18.3	19.1	19.2	20.6	21.3	22.3	69.0	83.5	20.1	0.0
% Change (Y-o-Y)	-35.9	-34.1	-35.9	-15.7	27.7	24.2	16.6	16.9	-30.9	21.0	21.2	0.1
Direct Expenses	7.5	7.7	8.7	8.4	7.7	8.6	8.6	8.8	32.2	33.7	8.3	0.0
Contribution Profit	7.5	8.9	9.6	10.7	11.5	12.1	12.7	13.5	36.8	49.8	11.8	0.0
% Change (Y-o-Y)	-42.1	-37.3	-36.9	-16.7	52.5	35.0	32.4	25.9	-33.6	35.5	32.0	0.1
Indirect Expenses	13.0	10.8	10.0	9.9	10.5	10.3	10.9	11.0	43.7	42.7	10.5	-0.0
Adjusted EBITDA	-5.5	-1.9	-0.4	0.8	1.0	1.8	1.8	2.5	-6.9	7.1	1.3	0.3
EBITDA	-7.9	-4.0	-2.2	-0.9	0.7	1.4	1.5	2.0	-15.1	5.6	0.8	
Adj. PAT	-8.4	-4.2	-2.1	-0.2	1.4	2.1	2.2	2.8	-14.9	8.5	1.3	
PAT	-8.4	9.3	-2.1	-5.4	1.2	0.2	2.2	2.8	-6.7	6.4	1.3	
Profitability												-
Contribution Margin (%)	50.3	53.9	52.5	56.1	60.1	58.5	59.6	60.4	53.3	59.7	58.7	
Adjusted EBITDA Margin (%)	-36.4	-11.2	-2.2	4.2	5.3	8.6	8.6	11.2	-10.0	8.5	6.5	
EBITDA Margin (%)	-52.8	-24.3	-12.2	-4.6	3.7	6.9	6.8	9.0	-21.9	6.7	3.8	

E: MOFSL Estimates

Quarterly Snapshot

Profit and Loss (INR m)	FY25				FY26		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Payment and Financial Services	11,640	13,220	15,050	15,910	16,050	17,570	33	9
Financial Services and Others	2,800	3,760	5,020	5,450	5,610	6,110	63	9
Commerce and Cloud Services	3,210	3,020	2,670	2,670	2,470	2,280	-25	-8
Total revenue from Operations	15,010	16,600	18,280	19,115	19,175	20,620	24	8
Direct Expenses	7,461	7,660	8,690	8,390	7,660	8,550	12	12
Contribution Profit	7,549	8,940	9,590	10,725	11,515	12,070	35	5
Indirect Expenses	13,010	10,800	10,000	9,920	10,497	10,300	-5	-2
Adjusted EBITDA	-5,461	-1,860	-410	805	1,018	1,770	NA	74
ESOP Expense	2,470	2,180	1,820	1,690	300	350	-84	17
EBITDA	-7,931	-4,040	-2,230	-885	718	1,420	NA	98
Depreciation and Amortization	1,780	1,790	1,650	1,500	1,660	1,370	-23	-17
Other Income	1,380	1,750	1,890	2,240	2,414	2,220	27	-8
PBT	-8,381	-4,070	-2,030	-185	1,432	2,210	NA	54
Tax	20	90	50	30	40	100	11	150
Adj. PAT	-8,401	-4,160	-2,080	-215	1,392	2,110	NA	52
PAT	-8,401	9,290	-2,080	-5,435	1,225	210	NA	-83
Key Metrics (INR b)								
GMV (INRt)	4.3	4.5	5.0	5.1	5.4	5.7	28	6
MTU (average over the period; m)	78.0	71.0	70.0	72.0	74.0	75.0	6	1
Registered Merchants (m)	41.2	42.0	43.0	44.0	45.0	47.0	12	4
Payment Devices (m)	10.9	11.2	11.7	12.4	13.0	13.7	22	5
Ratios (%)	1Q	2Q	3Q	4Q	1Q	2Q	YoY (bp)	QoQ (bp)
Payment processing charges % of GMV (%)	0.12	0.12	0.11	0.10	0.11	0.11	-1	0
Net Payment Margin as % of GMV, bp	8.99	10.40	9.70	11.33	9.81	10.42	2	61
Net Payment Margin (%)	43.3	49.2	48.8	55.3	50.8	51.8	268	107
Direct Expense % of Revenues	49.7	46.1	47.5	43.9	39.9	41.5	-468	152
Contribution Margin (%)	50.3	53.9	52.5	56.1	60.1	58.5	468	-152
Indirect Expense % of Revenues	86.7	65.1	54.7	51.9	54.7	50.0	-1,511	-479
Adjusted EBITDA Margin (%)	-36.4	-11.2	-2.2	4.2	5.3	8.6	NA	327
EBITDA Margin (%)	-52.8	-24.3	-12.2	-4.6	3.7	6.9	NA	NA
PAT Margin (%)	-56.0	-25.1	-11.4	-1.1	7.3	10.2	NA	NA

E: MOFSL Estimates



Highlights from the management commentary

Revenue

- Paytm Postpaid: The Paytm Postpaid product is back in operation, and the company has resumed monetization in its financial services vertical. It is also adding more banks as partners.
- Net Payment Margin: The margin has been improving, driven by increased use of credit instruments by merchants and higher EMI volumes during the festive season. The company is focusing on expanding its EMI product portfolio, while Soundbox and device sales continue to grow strongly.
- Marketing Revenues: Travel remains the largest contributor and continues to benefit from strong tailwinds, with Paytm witnessing market share gains in this segment.
- BNPL: There are two types of Pay-Later products — transactional and EMI-based (3 months to 1 year). Paytm focuses on the transaction-based model, which is fee-driven rather than interest-driven, offering zero fees to customers with strong credit profiles.
- Payment Processing Margins: Margins have improved, and the trend is expected to sustain, with consistent improvement seen over the past few quarters.
- Consumer Segment: The customer experience has been simplified. Paytm expects its UPI market share to have improved and sees better monetization opportunities through its transition into wealth products such as equities, F&O, and gold mutual funds.
- Festive Season Performance: The company recorded strong traction during Diwali with notable pricing improvement and continues to maintain flexibility in its merchant business model.
- Margin Trade Finance: This is operated under Paytm Money and sits on the equity broker's balance sheet. The business has been scaling up well.
- Revenue Outlook: While festive demand could further lift revenue growth, the company remains focused on monetization and bottom-line performance.
- GMV Growth: GMV growth has been margin-accretive, with gains in both consumer and merchant market share alongside improving economics. If UPI grows at 20%, Paytm expects its GMV growth to surpass that level.
- Credit Card UPI: Market share in credit card-linked UPI has increased. The company foresees subscription revenue eventually being overtaken by MDR-based revenue.
- Omni-channel Business: Paytm has enhanced its online capabilities and is generating more income through an omni-channel strategy combining online and offline channels. Online EMI remains a large opportunity, and the company continues to expand product offerings in the digital space.

Cost related

- Indirect expenses have declined and are expected to remain range-bound in 2H. Marketing and software expenses have improved. The company plans to invest selectively in sales personnel while optimizing other cost areas.
- No major capex is planned; operations will continue on a “business-as-usual” basis.

AI related

- AI is emerging as a key revenue and cost-optimization driver. Paytm's large merchant base offers significant cross-selling potential, and the commerce business will benefit from AI-driven synergies.

- The company aims to extend AI tools even to small merchants, who act as micro-agents for small businesses, paying subscription fees for AI-enabled solutions. Soundbox is evolving into a “smart” device offering AI-based merchant services.
- The use of AI has led to significant cost optimization, and the company is building infrastructure to expand these capabilities further.
- Paytm plans to replicate its successful product and technology frameworks across new verticals.
- The company also intends to integrate insurance into its AI stack and is already deploying AI within Paytm Money.
- AI provides deeper insights and enhances revenue-generation potential, leading to higher income with lower associated costs.
- Through AI-driven differentiation, Paytm plans to boost distribution and cross-selling opportunities.

Postpaid

- The postpaid opportunity is large, though currently at a nascent stage. Paytm expects strong growth as it expands consumer adoption and bank partnerships. The business benefits from high throughput and lower cost of capital.
- The company will be making 20bp of the margin that the company used to get in the wallet business earlier. It will be like a credit business.
- The company has partnered with an SFB that provides sufficient capital to support growth.
- Having accumulated rich behavioral data from both consumers and merchants, Paytm is well-positioned to scale this business efficiently.
- Expansion of the sales team will primarily target merchant acquisition, with an ambition to establish leadership in this segment.

Merchant business

- Device growth has remained robust. Paytm ensures high device utilization by recycling and refurbishing older machines, keeping most of its deployed base active.
- There remains substantial penetration potential on the merchant side, offering strong growth visibility.
- Refurbishment costs are only 25–30% of the price of new devices, helping the company reduce costs significantly.

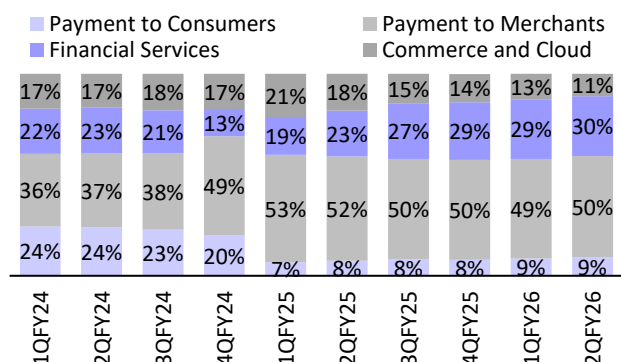
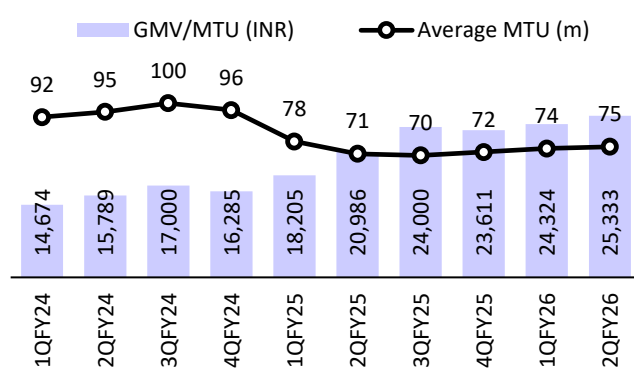
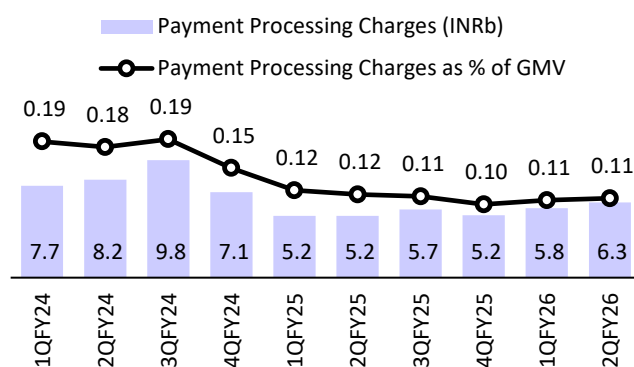
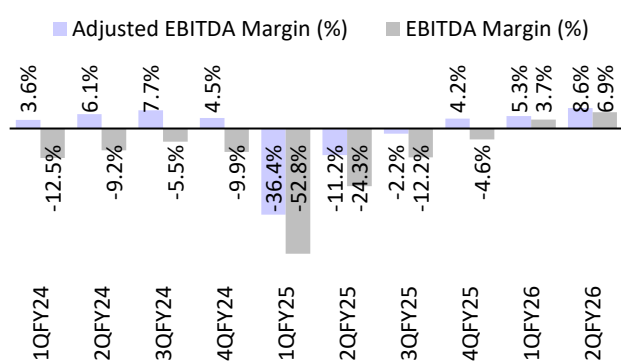
Lending business

- The postpaid business was relaunched in September and remains small in scale, though collections have been healthy. Personal loan growth has been constrained by external headwinds, but take rates are improving.
- Lender Partner 1 has shown strong traction, with business volumes more than doubling over the past year.

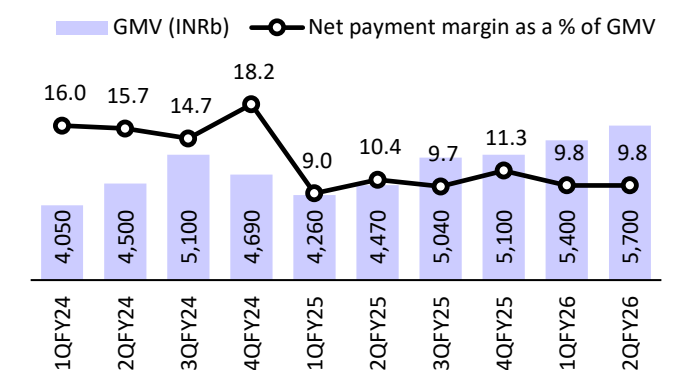
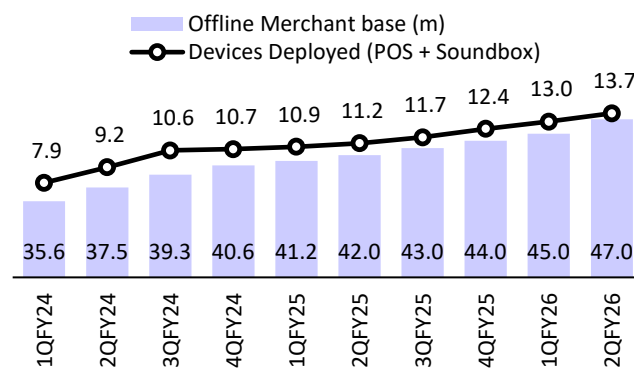
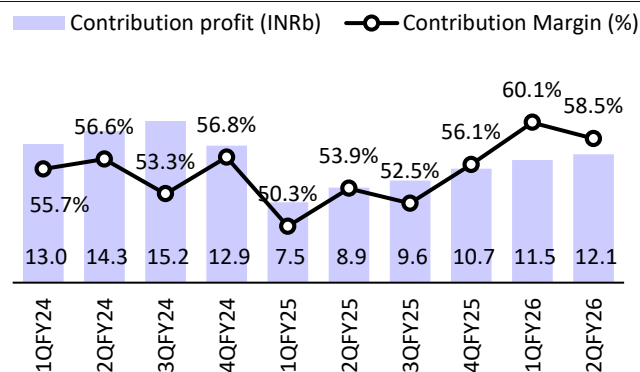
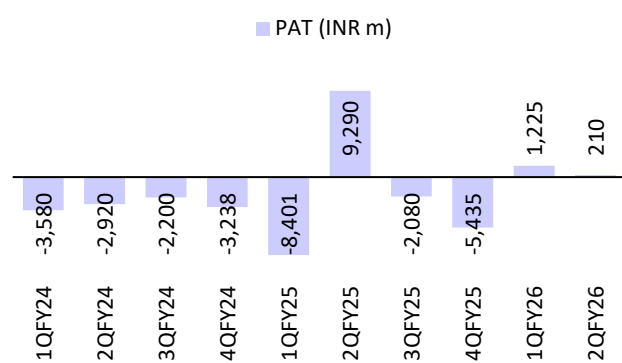
International expansion

- Paytm plans to enter new markets through technology partnerships with established local players. Under this model, Paytm will provide its proven payment platform and devices, while partners handle sales, distribution, and operations to serve MSMEs.
- The company is also evaluating opportunities in developed markets, though near-term expansion will focus on India-like geographies.

Story in charts

Exhibit 1: Trend in segmental mix (%)

Exhibit 3: Average MTU improved to 75m in 2QFY26

Exhibit 5: Payment processing charges as a % of GMV stood at 11bp

Exhibit 7: Adj EBITDA & EBITDA margin improved in 2QFY26


Source: MOFSL, Company

Exhibit 2: GMV improved 28%YoY/6% QoQ to INR5.7t

Exhibit 4: Merchant base grew to 47m in 2QFY26

Exhibit 6: Contribution margin stood healthy at 58.5% (60.1% as of 1QFY26)

Exhibit 8: PAT was INR210m, after impairment loss on JV


Source: MOFSL, Company

Valuation and view: Reiterate NEUTRAL with a TP of INR1,200

- Paytm delivered a healthy quarter, largely in line with estimates, supported by robust revenue growth and disciplined cost management, resulting in a strong adjusted profit.
- It continues to make steady progress toward sustainable profitability, aided by its cost control measures and improving operating leverage, translating into better EBITDA margins, while GMV growth remains consistent.
- Contribution margin stood at a healthy 58.5%, and momentum in the financial services segment is expected to remain strong amid improving tailwinds in unsecured lending and the relaunch of Paytm Postpaid.
- AI-led differentiation remains a key strategic pillar, with Paytm leveraging its technology stack to enhance distribution, cross-sell opportunities, and merchant-level monetization efficiency. Postpaid business offers a large scalable opportunity, as Paytm deepens consumer adoption by leveraging its prior experience and strong data insights in credit origination.
- With a robust cash balance of INR167b, the company maintains ample flexibility to fund growth initiatives and potential international expansion, which could start contributing meaningfully over the medium term (2–3 years).
- We marginally raise our contribution margin assumptions for Paytm, driven by stronger revenue traction and prudent opex control. Despite the one-off impairment charge in 2Q, we maintain our profitability estimates. We project a PAT of INR6.4b in FY26 and INR12.7b in FY27. **We value Paytm at INR1,200, based on 22x FY30E EBITDA discounted to FY27E, translating into 8.2x FY27E sales. We reiterate our NEUTRAL rating on the stock.**

Exhibit 9: We raise our estimates slightly for Paytm

INR b	Old Estimates			New Estimates			Change (%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Payment and Financial Services	70.8	86.4	104.3	71.4	82.9	101.5	0.9	-4.0	-2.7
Commerce and Cloud Services	10.1	11.9	13.9	9.5	12.4	15.4	-5.7	3.8	10.9
Revenue from Operations	82.8	100.7	121.1	83.5	98.2	120.4	0.8	-2.4	-0.6
Direct Expenses	33.6	38.0	44.9	33.7	36.5	43.2	0.2	-3.9	-3.8
Contribution Profit	49.2	62.7	76.2	49.8	61.7	77.1	1.2	-1.5	1.3
Indirect Expenses	43.3	49.8	56.6	42.7	48.9	55.8	-1.4	-1.7	-1.4
Adjusted EBITDA	5.9	12.9	19.5	7.1	12.8	21.3	20.6	-1.1	9.2
EBITDA	3.8	11.5	18.1	5.6	11.3	19.9	NA	-1.2	9.9
PAT	6.4	12.7	18.0	6.4	12.7	19.8	1.0	0.1	10.0
GMV (INRt)	23.1	28.2	34.4	23.1	28.2	34.4	0.0	0.0	0.0
Disbursements	295	399	534	295	399	534	0.0	0.0	0.0
Contribution Margin (%)	59.4	62.3	62.9	59.7	62.9	64.1	25	57	119
Adjusted EBITDA Margin (%)	7.1	12.8	16.1	8.5	13.0	17.7	140	18	158
EBITDA Margin (%)	4.5	11.4	15.0	6.7	11.5	16.6	220	14	158
PAT Margin (%)	7.7	12.6	14.9	10.2	13.0	16.5	249	33	158

Source: MOFSL, Company

Financials and valuations

Income Statement						(INRb)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Payment Services to Consumers	21.1	21.7	3.6	5.8	6.8	8.3
Payment Services to Merchants	27.4	39.6	35.2	40.9	48.3	58.5
Financial Services and Others	15.4	20.0	17.0	24.8	27.9	34.7
Payment and Financial Services	63.8	81.3	55.8	71.4	82.9	101.5
Growth (%)	65.5	27.4	-31.3	28.0	16.1	22.4
Commerce	6.2	7.0	0.0	0.0	0.0	0.0
Cloud	9.0	10.3	0.0	0.0	0.0	0.0
Commerce and Cloud Services	15.2	17.4	11.6	9.5	12.4	15.4
Growth (%)	37.6	14.4	-33.4	-18.0	30.0	25.0
Other Operating Revenue	0.9	1.1	1.6	2.5	2.9	3.4
Revenue from Operations	79.9	99.8	69.0	83.5	98.2	120.4
Growth (%)	60.6	24.9	-30.9	21.0	17.7	22.5
Payment processing charges	29.6	32.8	21.2	24.9	26.2	31.6
Promotional cashback & incentives	5.0	3.1	1.5	1.8	2.5	2.8
Other Expenses	6.3	8.5	9.5	6.9	7.7	8.8
Direct Expenses	40.9	44.4	32.2	33.7	36.5	43.2
Growth (%)	17.7	8.6	-27.4	4.4	8.4	18.4
Contribution Profit	39.0	55.4	36.8	49.8	61.7	77.1
Growth (%)	160.4	42.0	-33.6	35.5	24.0	25.0
Marketing	5.7	6.1	5.1	3.1	4.9	6.4
Employee cost (Excl ESOPs)	23.2	31.2	24.7	25.2	28.0	31.4
Software, cloud, and data center	6.9	6.4	6.4	6.2	6.8	7.5
Other indirect expenses	4.9	6.0	7.5	8.2	9.2	10.6
Indirect Expenses	40.8	49.8	43.7	42.7	48.9	55.8
Growth (%)	35.2	22.1	-12.2	-2.3	14.7	14.1
Adjusted EBITDA	-1.8	5.6	-6.9	7.1	12.8	21.3
Growth (%)	-88.4	-418.2	-224.0	-202.9	79.3	66.6
ESOP Expense	14.6	14.7	8.2	1.5	1.5	1.4
EBITDA	-16.3	-9.1	-15.1	5.6	11.3	19.9
Growth (%)	-29.9	-44.4	66.4	-137.3	101.2	76.2
Finance Costs	0.2	0.2	0.2	0.2	0.2	0.3
Depreciation and Amortization Expenses	4.9	7.4	6.7	6.1	6.8	7.8
Other Income	4.1	5.5	7.2	8.6	9.1	9.7
PBT	-17.3	-11.2	-14.7	8.0	13.4	21.5
Share of (profit)/loss of associates/JV	0.1	0.4	0.0	0.0	0.0	0.0
Tax	0.3	0.3	0.2	-0.5	0.7	1.7
Adjusted PAT	-17.8	-11.9	-14.9	8.5	12.7	19.8
Growth (%)	-25.8	-33.0	25.1	-157.1	49.8	55.8
Exceptional items	0.0	-2.3	8.2	-2.1	0.0	0.0
PAT	-17.8	-14.2	-6.7	6.4	12.7	19.8
Growth (%)	-25.9	-19.9	-53.2	-196.7	98.0	55.8
Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	0.6	0.6	0.6	0.7	0.7	0.7
Reserves & Surplus	129.5	132.6	149.6	153.9	160.2	170.2
Non-Controlling Interest	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4
Net Worth	129.9	133.0	150.0	154.2	160.6	170.5
Non-Current Liabilities	6.4	5.9	4.8	0.4	0.4	0.4
Current Liabilities	43.3	32.5	62.9	93.7	102.7	110.0
Total Liabilities	179.7	171.4	217.7	248.3	263.7	280.9
Fixed Assets	12.2	12.6	9.1	9.5	10.0	10.5
Investments	13.2	22.6	25.4	28.4	31.2	34.4
Other Non-Current Assets	8.7	11.6	9.4	10.5	11.8	13.3
Non-Current Assets	36.6	47.2	44.3	48.4	53.0	58.1
Investments	11.2	23.3	15.9	15.9	15.9	15.9
Cash and Bank Balances	103.8	73.0	136.1	162.3	168.7	175.4
Other Current Assets	28.0	27.9	18.2	21.7	26.0	31.4
Current Assets	143.0	124.2	170.2	199.9	210.7	222.7
Total Assets	179.7	171.4	214.5	248.3	263.7	280.9

Financials and valuations

Key Operating Metrics

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
GMV (INRt)	13.2	18.3	18.9	23.1	28.2	34.4
Disbursements (INR b)	353.8	523.7	216.0	294.9	398.7	534.2
Net Payment Margins (INRm)	18.9	28.5	-16.0	10.5	16.3	19.7
Revenue from Operations Mix (%)						
Payment Services to Consumers	27%	23%	8%	10%	10%	10%
Payment Services to Merchants	34%	40%	51%	49%	49%	49%
Financial Services and Others	19%	20%	25%	30%	28%	29%
Payment and Financial Services	81%	83%	83%	89%	87%	87%
Commerce	8%	7%	0%	0%	0%	0%
Cloud	11%	10%	0%	0%	0%	0%
Commerce and Cloud Services	19%	17%	0%	11%	13%	13%

E: MOFSL Estimates

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Payment Services to Consumers % of GMV	0.16	0.12	0.02	0.03	0.02	0.02
Payment Services to Merchants % of GMV	0.21	0.22	0.19	0.18	0.17	0.17
Take rates - Financial Services (%)	0.004	0.004	0.008	0.008	0.007	0.007
Payment processing charges % of GMV	0.22	0.18	0.11	0.11	0.09	0.09
Net Payment Margin (%)	0.14	0.16	-0.08	0.05	0.06	0.06
Direct Expense % of Revenues	51.2	44.5	46.7	40.3	37.1	35.9
Contribution Margin (%)	48.8	55.5	53.3	59.7	62.9	64.1
Indirect Expense % of Revenues	51.0	49.9	63.3	51.1	49.8	46.4
EBITDA Margin (%)	-20.4	-9.1	-21.9	6.7	11.5	16.6
Adjusted EBITDA Margin (%)	-2.2	5.6	-10.0	8.5	13.0	17.7
PAT Margin (%)	-22.2	-11.9	-21.6	10.2	13.0	16.5

Valuation

RoE	-13.1	-9.0	-10.5	5.6	8.1	12.0
RoA	-9.9	-6.8	-7.7	3.7	5.0	7.3
Sales per share (INR)	126	157	108	128	147	177
Growth (%)	64.4	24.5	-31.1	18.8	14.3	20.7
Price-Sales (x)	10.1	8.1	11.7	9.9	8.6	7.2
Book Value per share (INR)	205	209	235	237	240	251
Growth (%)	-5.9	2.0	12.4	0.9	1.2	4.6
Price-BV (x)	6.2	6.1	5.4	5.3	5.3	5.1
EBITDA per share (INR)	-26	-14	-24	9	17	29
Price-EBITDA (x)	NA	NA	NA	146.6	75.0	43.2
EPS (INR)	-28.0	-18.7	-23.3	13.1	19.0	29.2
Growth (%)	-24.0	-33.2	24.7	-156.1	45.5	53.5
Price-Earnings (x)	NA	NA	NA	97.0	66.6	43.4

E: MOFSL Estimates

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Investment Rating	Expected return (over 12-month)
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