21 July 2026

1QFY27 Results Update | Sector: Financials

One 97 Communications

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	PAYTM IN
Equity Shares (m)	640
M.Cap.(INRb)/(USDb)	833.2 / 8.7
52-Week Range (INR)	1407 / 931
1, 6, 12 Rel. Per (%)	19/9/31
12M Avg Val (INR M)	4961

Financials & Valuations (INR b)

Y/E	FY26	FY27E	FY28E
Revenue from Op	84.0	107.7	136.7
Contribution Profit	48.2	60.0	77.0
Adjusted EBITDA	6.4	12.4	23.2
EBITDA	4.6	10.1	20.8
PAT	5.1	10.2	19.2
EPS (INR)	10.9	15.5	28.7
EPS Gr. (%)	NM	42.0	84.9
Ratios			
Contribution Margin (%)	57.6	55.7	56.3
EBITDA Margin (%)	5.9	9.4	15.2
Adjusted EBITDA Margin (%)	8.0	11.5	17.0
RoE (%)	4.5	6.3	11.3
RoA (%)	3.1	4.2	7.4
Valuations			
P/E(X)	118.8	83.6	45.2
P/BV (X)	5.2	5.2	5.0
P/Sales (X)	9.9	7.9	6.3

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	24.9	23.1	15.8
FII	48.1	49.4	54.9
Others	27.1	27.5	29.3

FII includes depository receipts

CMP: INR1,301 TP: INR1,475 (+13%) Neutral

Revenue growth steady; EBITDA margin improves

GMV grows 31% YoY

- One 97 Communications (PAYTM) reported strong revenue growth of 28% YoY/8% QoQ to INR24.5b (in line) and robust PAT of INR2.2b (est. INR1.9b) in 1QFY27.
- Healthy revenue growth was aided by strong GMV growth, market share gains in offline business and tailwinds in online business after the receipt of online PA license last year.
- Financial services revenue grew strongly by 45% YoY/9% QoQ, aided by growth in the merchant base and an increase in the repeat borrower mix.
- Net payment margin grew 13% YoY/3% QoQ to INR6b (8bp of GMV vs. 9bp/10bp in 4Q/3QFY26) amid faster growth in payments processing charges. Payment processing margin (PPM) improved to 4bp amid higher growth in profitable MDR-bearing instrument such as CC on UPI, and postpaid.
- Contribution margin stood flat at 55.1% (in line), aided by healthy revenue and GMV growth and controlled expense.
- We raise our contribution profit estimates by 4%/6% for FY27/28E, driven by strong traction in payments and financial services. We now expect PAT of INR10.2b/INR19.2b in FY27/28E. **We value PAYTM at INR1,475, based on 20x FY32E PAT discounted to FY28E. We retain our Neutral rating.**

GMV growth gaining traction; contribution margin steady

- PAYTM reported PAT growth of INR2.2b (est. INR1.9b), aided by strong revenue and GMV growth (up 31% YoY/9% QoQ).
- Revenue growth was robust at 28% YoY/8% QoQ to INR24.5b (in line), led by strong growth in payments and financial services (up 37% YoY/9% QoQ). Separately, financial services grew 45% YoY/9% QoQ. Subscription revenue (calc) was up 14% YoY/4% QoQ.
- Revenue from marketing services was flat QoQ (down 3% YoY) at INR2.4b, while MTU rose 8% YoY/4% QoQ.
- PPM improved to 4bp, expanding from 3bp earlier. PAYTM continues to see an improvement in PPM amid higher growth of credit cards on UPI and expansion of offerings such as EMI.
- Net payment margin expanded 13% YoY/3% QoQ to INR6b (declined to 8bp of GMV in 1QFY27 vs. 9bp in 4Q/10bp in 3Q) amid faster growth in payment processing charges (up 37% YoY/15% QoQ).
- Contribution margin was largely stable at 55% (est. 55%), aided by healthy revenue growth and controlled direct expenses.
- EBITDA margin grew to 8.3% (vs. 5.8% in 4QFY26) amid lower indirect expenses (down 9% YoY/2% QoQ), as operating leverage continues to gain momentum. PAYTM expects EBITDA margin to improve, led by operating leverage, low indirect expenses and AI-led efficiency gains.
- The number of registered merchants grew by 11% YoY/2% QoQ to 50m, while payment devices grew by 21% YoY/4% QoQ to 15.7m.

Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Dixit Sankharva (Dixit.Sankharva@MotilalOswal.com) | **Akshay Badlani** (Akshay.Badlani@MotilalOswal.com)

Highlights from the management commentary

- Management believes the recent acceleration in GMV is sustainable, supported by continued offline merchant digitization, growth in online payments and an expanding consumer base.
- The consumer business continues to gather momentum, supported by improving traction in financial services, particularly after the relaunch of Postpaid.
- Personal loan disbursements are expected to remain strong as lending partners regain confidence in unsecured lending and continue sourcing through Paytm's asset-light distribution model.
- Management expects margins to improve further toward 15% over the next 2-3 years, driven by higher penetration in financial services, operating leverage and lower indirect expenses, with AI also contributing to efficiency gains.

Valuation and view: Reiterate Neutral with TP of INR1,475

- PAYTM reported a strong quarter, driven by robust revenue growth on healthy GMV expansion and continued market share gains in payments. Management expects FY27 revenue growth to exceed the 22% delivered in FY26, while indirect expenses are likely to grow at a slower pace than revenue.
- PPM improved to 4bp (vs. 3bp earlier), aided by a higher mix of profitable MDR-bearing instruments, including credit cards on UPI and EMI transactions.
- The company remains on track toward sustainable profitability, supported by operating leverage and resilient GMV growth. Contribution margin came in at 55.1%, impacted by promotional and cashback incentives, though improving trends in the lending business should support margins ahead.
- We raise our contribution profit estimates by 4%/6% for FY27/28E, driven by strong traction in payments and financial services. We now expect PAT of INR10.2b/INR19.2b for FY27/28E. **We value PAYTM at INR1,475, based on 20x FY32E PAT discounted to FY28E. We retain our Neutral rating on the stock.**

Quarterly Performance (INR b)

	FY26				FY27				FY26	FY27E	FY27E	V/s our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Revenue from Operations	**19.2**	**20.6**	**21.9**	**22.6**	**24.5**	**26.0**	**27.8**	**29.4**	**84.0**	**107.7**	**24.1**	**1%**
% Change (Y-o-Y)	27.7	24.2	20.0	18.4	27.7	26.2	26.9	29.8	21.7	28.3	25.8	
Direct Expenses	7.7	8.6	9.5	10.1	11.0	11.7	12.3	12.7	35.8	47.7	10.7	2%
Contribution Profit	**11.5**	**12.1**	**12.5**	**12.5**	**13.5**	**14.3**	**15.5**	**16.7**	**48.2**	**60.0**	**13.4**	**1%**
% Change (Y-o-Y)	52.5	35.0	30.2	16.9	17.2	18.8	24.1	32.8	31.2	24.5	16.4	
Indirect Expenses	10.5	10.3	10.9	11.2	11.5	11.8	12.0	12.3	41.8	47.6	11.1	3%
EBITDA	**0.7**	**1.4**	**1.6**	**1.3**	**2.0**	**2.5**	**3.5**	**4.3**	**4.6**	**10.1**	**1.8**	
Adj. PAT	**1.4**	**2.1**	**2.3**	**1.6**	**2.2**	**2.5**	**3.5**	**4.3**	**7.0**	**10.2**	**2.0**	12%
PAT	**1.2**	**0.2**	**2.3**	**1.8**	**2.2**	**2.5**	**3.5**	**4.3**	**5.1**	**10.2**	**2.0**	12%
Operating Parameters												
GMV (INRt)	5.4	5.7	6.2	6.5	7.1	7.5	8.0	8.4	23.8	31.0	6.9	4%
GMV Growth (%)	26.8	27.5	23.0	27.5	31.5	30.8	28.7	29.6	26.0	30.0	27.0	
Profitability												
Contribution Margin (%)	60.1	58.5	56.9	55.4	55.1	55.1	55.7	56.7	57.6	55.7	55.5	
EBITDA Margin (%)	3.7	6.9	7.1	5.8	8.3	9.7	12.6	14.7	5.9	9.4	7.3	

E: MOFSL Estimates

Quarterly Snapshot

	FY26				FY27	Change (%)	
Profit and Loss (INR b)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY**	**QoQ**
Payment and Financial Services	**16.1**	**17.6**	**18.6**	**20.2**	**22.0**	**37**	**9**
Commerce and Cloud Services	**2.5**	**2.3**	**2.4**	**2.4**	**2.4**	**-3**	**0**
Total revenue from Operations	**19.2**	**20.6**	**21.9**	**22.6**	**24.5**	**28**	**8**
Direct Expenses	7.7	8.6	9.5	10.1	11.0	43	9
Contribution Profit	**11.5**	**12.1**	**12.5**	**12.5**	**13.5**	**17**	**8**
Indirect Expenses	10.5	10.3	10.9	11.2	11.5	9	2
Adjusted EBITDA	**1.0**	**1.8**	**1.6**	**1.3**	**2.0**	**99**	**54**
ESOP Expense	0.3	0.4	0.0	0.0	0.0	-100	
EBITDA	**0.7**	**1.4**	**1.6**	**1.3**	**2.0**	**183**	**54**
Depreciation and Amortization	1.7	1.4	1.3	1.3	1.3	-21	-1
Other Income	2.4	2.2	2.1	1.8	1.8	-25	2
PBT	**1.4**	**2.2**	**2.3**	**1.7**	**2.5**	**72**	**43**
Tax	0.0	0.1	0.1	0.1	0.3	575	145
Adj. PAT	**1.4**	**2.1**	**2.3**	**1.6**	**2.2**	**58**	**36**
PAT	**1.2**	**0.2**	**2.3**	**1.8**	**2.2**	**80**	**20**
Key Metrics (INR b)							
GMV (INRt)	5.4	5.7	6.2	6.5	7.1	31	9
MTU (average over the period) (mn)	74.0	75.0	76.0	77.0	80.0	8	4
Registered Merchants (mn)	45.0	47.0	48.0	49.0	50.0	11	2
Payment Devices (mn)	13.0	13.7	14.4	15.1	15.7	21	4
Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY (bp)**	**QoQ (bp)**
Payment processing charges % of GMV (%)	0.11	0.11	0.11	0.11	0.11	0	0
Net Payment Margin as % of GMV, bp	9.81	10.42	9.89	8.97	8.46	-135	-50
Net Payment Margin (%)	50.8	51.8	51.4	46.1	43.4	-734	-266
Direct Expense % of Revenues	39.9	41.5	43.1	44.6	44.9	491	24
Contribution Margin (%)	60.1	58.5	56.9	55.4	55.1	-491	-24
Indirect Expense % of Revenues	54.7	50.0	49.8	49.6	46.9	-789	-270
Adjusted EBITDA Margin (%)	5.3	8.6	7.1	5.8	8.3	298	246
EBITDA Margin (%)	3.7	6.9	7.1	5.8	8.3	NA	246
PAT Margin (%)	7.3	10.2	10.3	7.2	9.0	NA	183

E: MOFSL Estimates

CONFERENCE CALL

Highlights from the management commentary

Revenue

- Consumer payments continued to gain market share, with transaction growth outpacing the overall UPI industry. Higher customer engagement and daily active users have now surpassed the Jan'24 levels.
- The company remains focused on profitable growth, prioritizing monetization over aggressive customer or merchant acquisition, which should support further margin expansion.
- Three new independent directors have joined the board, strengthening governance and strategic oversight.
- Revenue growth is expected to accelerate, aided by slower growth in indirect expenses and improving operating leverage.
- PAYTM plans to step up both consumer and merchant acquisition while leveraging technology investments and its strengthened leadership team.
- Growth has been broad-based across small merchants, large merchants and consumer payments, with Postpaid also witnessing healthy traction.
- Payments revenue has gained momentum across all key segments, including large merchants, small offline merchants, online merchants and consumers, following the removal of earlier headwinds in the online business.
- Cash generation remains healthy, strengthening the balance sheet.
- The margin trading facility remains a relatively small business today but offers incremental growth opportunities.
- Management expects revenue streams to become increasingly diversified over time.

GMV

- Management believes the recent acceleration in GMV is sustainable, supported by continued offline merchant digitization, growth in online payments and an expanding consumer base.
- GMV growth remains broad-based across merchant and payment categories, reinforcing confidence in the sustainability of growth.

Costs

- Higher payment processing costs are largely a function of a richer payments mix, driven by higher credit card processing and credit line on UPI transactions.
- The increase in processing costs is accompanied by stronger monetization, with higher-yield payment products supporting payment margin expansion.

AI-related commentary

- AI is expected to emerge as a meaningful revenue contributor, with internally developed AI products already generating initial revenue and commercial scale-up planned over the next few quarters.
- The company has built its own AI stack by compressing a 200bn-parameter model into a 4bn-parameter Indian language model, deployed on its own infrastructure to reduce inference costs, improve latency and eliminate third-party AI and call-center costs.
- Following successful internal deployment, PAYTM plans to offer these AI solutions to merchants and enterprises, creating a new revenue stream beyond payments and financial services.

Postpaid/Wallet

- Postpaid is expected to become a meaningful contributor from FY28 onward.
- The product continues to gain traction, with the current ramp-up running at nearly twice the previous pace.

Merchant business

- The merchant business continues to contribute the bulk of profits, although the consumer business is also scaling up steadily. Around 80% of the revenue mix continues to come from merchants.
- Device rental discounts are selectively offered to merchants where cross-selling opportunities improve long-term monetization.
- Paytm is proactively expanding lower-APR offerings and is well positioned to compete aggressively while leveraging its multi-product merchant ecosystem.
- Management remains confident on merchant monetization and expects device deployment to continue, supported by improving payback periods and stronger profitability.

Consumer business

- The consumer business continues to gather momentum, aided by improving traction in financial services, particularly after the relaunch of Postpaid.
- The focus remains on increasing customer engagement and retention rather than customer acquisition, while P2P remains a revenue-generating business.
- Consumer engagement has improved meaningfully, with higher retention and transaction activity driving better monetization. Marketing services revenue, however, was temporarily affected by weaker travel demand.
- Monetization continues to improve across personal loans, postpaid, wealth products and P2P payments, resulting in customer lifetime value approaching that of the merchant business.

Lending business

- The company has onboarded a small finance bank and added two large banking partners.
- It now has a double-digit number of lending partners across both merchant loans and personal loans, providing a healthy growth runway.
- Personal loan disbursements are expected to remain strong as lending partners regain confidence in unsecured lending and continue sourcing through Paytm's asset-light distribution model.
- Financial services remain a key long-term growth driver, supported by higher customer monetization, cross-selling opportunities and scalable profitability.

Paytm Money and Wealth

- Wealth management is emerging as the next growth engine, with greater focus on equity broking and mutual fund distribution to deepen consumer monetization beyond lending.
- The wealth business, housed under the subsidiary, has reached a meaningful scale and continues to show steady improvement.

EBITDA margin

- EBITDA margin improved to 8% during the quarter, reflecting better profitability.

- Management expects margins to improve further towards 15-20% over the next 2-3 years, driven by higher penetration in financial services, operating leverage and lower indirect expenses, with AI also contributing to efficiency gains.

MDR

- The company does not yet have clarity on the ongoing MDR discussions and will continue to monitor developments.
- Regardless of the outcome, PAYTM does not expect any change to its business model and remains confident in its ability to monetize both small merchants and large enterprises.

Story in charts

Exhibit 1: Trend in segmental mix (%)

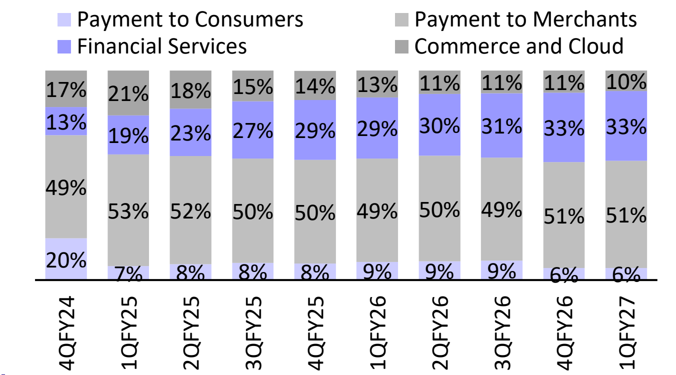


Exhibit 2: GMV grew robust at 31%YoY/9% QoQ to INR7.1t

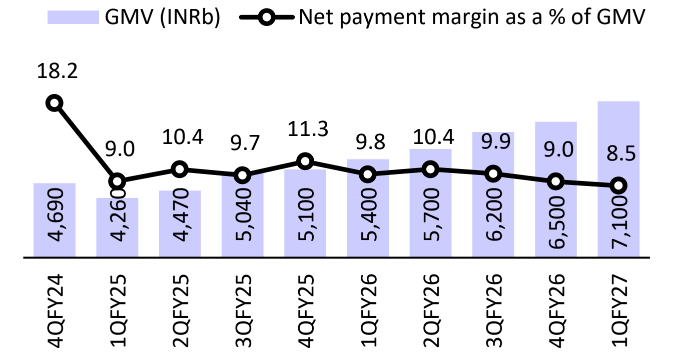


Exhibit 3: Average MTU improved to 80m in 1QFY27

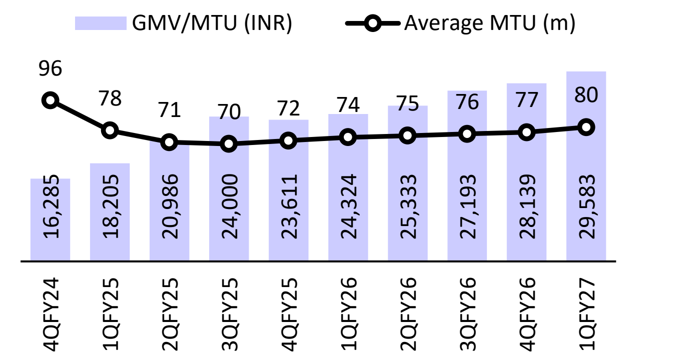


Exhibit 4: Merchant base grew to 50m in 1QFY27

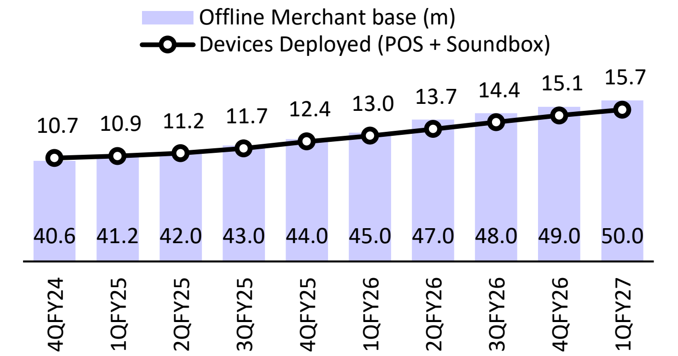


Exhibit 5: Payment processing charges as a % of GMV stood steady at 11bp

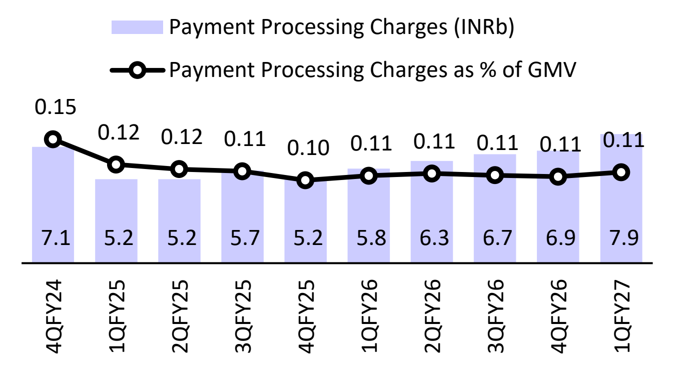


Exhibit 6: Contribution margin stood steady at 55.1% (55.4% as of 4QFY26)

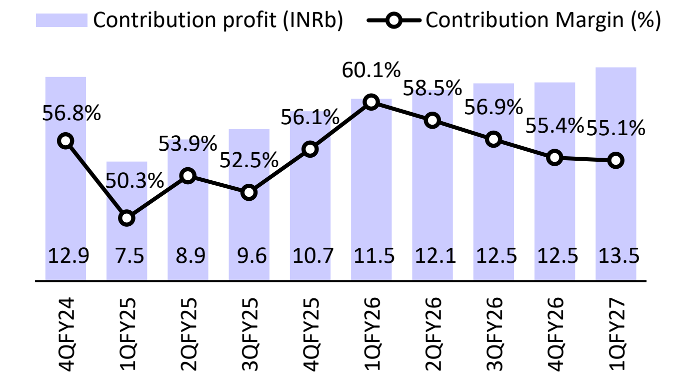
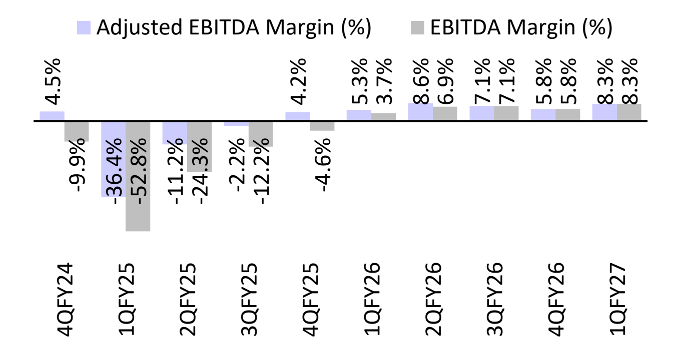
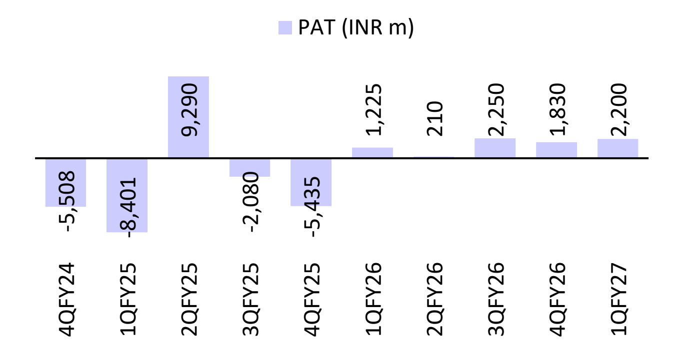


Exhibit 7: Adj EBITDA & EBITDA margin expanded in 1QFY27



Source: MOFSL, Company

Exhibit 8: PAT improved to INR2.2b in 1QFY27



Source: MOFSL, Company

Valuation and view: Reiterate Neutral with TP of INR1,475

- PAYTM reported a strong quarter, driven by robust revenue growth on healthy GMV expansion and continued market share gains in payments. Management expects FY27 revenue growth to exceed the 22% delivered in FY26, while indirect expenses are likely to grow at a slower pace than revenue.
- PPM improved to 4bp (vs. 3bp earlier), aided by a higher mix of profitable MDR-bearing instruments, including credit cards on UPI and EMI transactions.
- The company remains on track toward sustainable profitability, supported by operating leverage and resilient GMV growth. Contribution margin came in at 55.1%, impacted by promotional and cashback incentives, though improving trends in the lending business should support margins ahead.
- We raise our contribution profit estimates by 4%/6% for FY27/28E, driven by strong traction in payments and financial services. We now expect PAT of INR10.2b/INR19.2b for FY27/28E. **We value PAYTM at INR1,475, based on 20x FY32E PAT discounted to FY28E. We retain our Neutral rating on the stock.**

Exhibit 9: We cut our contribution/EBITDA margin estimates for Paytm

(INR b)	Old Estimates		New Estimates		Change (%/bps)	
	FY27	FY28	FY27	FY28	FY27	FY28
Payment and Financial Services	92.7	116.4	96.6	124.1	4.2	6.6
Commerce and Cloud Services	10.7	12.2	10.7	12.2	0.0	0.0
Revenue from Operations	**103.8**	**129.0**	**107.7**	**136.7**	**3.8**	**5.9**
Direct Expenses	45.9	56.4	47.7	59.7	3.9	6.0
Contribution Profit	**57.9**	**72.7**	**60.0**	**77.0**	**3.6**	**5.9**
Indirect Expenses	46.2	51.3	47.6	53.8	3.1	4.8
Adjusted EBITDA	**11.7**	**21.3**	**12.4**	**23.2**	**5.7**	**8.7**
EBITDA	**9.5**	**19.0**	**10.1**	**20.8**	**7.1**	**9.3**
PAT	**9.9**	**18.1**	**10.2**	**19.2**	**2.9**	**5.8**
GMV (INRt)	29.8	37.2	31.0	39.6	4.0	6.5
Disbursements	413	557	413	557	0.0	0.0
Contribution Margin (%)	55.7	56.3	55.7	56.3	-6	-1
Adjusted EBITDA Margin (%)	11.3	16.5	11.5	17.0	21	43
EBITDA Margin (%)	9.1	14.7	9.4	15.2	29	47
PAT Margin (%)	9.6	14.1	9.5	14.0	-8	-2

Source: MOFSL, Company

Financials and valuations

Income Statement

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Payment and Financial Services	**63.8**	**81.3**	**55.8**	**72.0**	**96.6**	**124.1**
Growth (%)	65.5	27.4	-31.3	29.0	34.2	28.4
Commerce and Cloud Services	**15.2**	**17.4**	**11.6**	**9.5**	**10.7**	**12.2**
Growth (%)	37.6	14.4	-33.4	-17.8	12.0	14.0
Other Operating Revenue	0.9	1.1	1.6	2.5	0.4	0.5
Revenue from Operations	**79.9**	**99.8**	**69.0**	**84.0**	**107.7**	**136.7**
Growth (%)	60.6	24.9	-30.9	21.7	28.3	26.9
Payment processing charges	29.6	32.8	21.2	25.7	34.1	43.6
Promotional cashback & incentives	5.0	3.1	1.5	2.6	4.8	5.5
Other Expenses	6.3	8.5	9.5	7.4	8.9	10.6
Direct Expenses	**40.9**	**44.4**	**32.2**	**35.8**	**47.7**	**59.7**
Growth (%)	17.7	8.6	-27.4	11.0	33.5	25.2
Contribution Profit	**39.0**	**55.4**	**36.8**	**48.2**	**60.0**	**77.0**
Growth (%)	160.4	42.0	-33.6	31.2	24.5	28.3
Marketing	5.7	6.1	5.1	2.8	4.0	5.1
Employee cost (Excl ESOPs)	23.2	31.2	24.7	25.9	30.1	33.7
Software, cloud and data center	6.9	6.4	6.4	6.4	7.0	7.8
Other indirect expenses	4.9	6.0	7.5	6.8	6.5	7.2
Indirect Expenses	**40.8**	**49.8**	**43.7**	**41.8**	**47.6**	**53.8**
Growth (%)	35.2	22.1	-12.2	-4.2	13.8	13.0
Adjusted EBITDA	**-1.8**	**5.6**	**-6.9**	**6.4**	**12.4**	**23.2**
Growth (%)	-88.4	-418.2	-224.0	-191.9	94.7	87.1
ESOP Expense	14.6	14.7	8.2	1.7	2.3	2.5
EBITDA	**-16.3**	**-9.1**	**-15.1**	**4.6**	**10.1**	**20.8**
Growth (%)	-29.9	-44.4	66.4	-130.7	119.2	104.5
Finance Costs	0.2	0.2	0.2	0.2	0.2	0.3
Depreciation and Amortization Expenses	4.9	7.4	6.7	5.7	6.0	6.4
Other Income	4.1	5.5	7.2	8.5	7.4	7.8
PBT	**-17.3**	**-11.2**	**-14.7**	**7.3**	**11.4**	**21.8**
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	0.3	1.1	2.6
Adjusted PAT	**-17.8**	**-11.9**	**-14.9**	**7.0**	**10.2**	**19.2**
Growth (%)	-25.8	-33.0	25.1	-147.0	46.3	87.7
Exceptional items	0.0	-2.3	8.2	-1.9	0.0	0.0
PAT	**-17.8**	**-14.2**	**-6.7**	**5.1**	**10.2**	**19.2**
Growth (%)	-25.9	-19.9	-53.2	-177.1	99.3	87.7

(INRb)

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Share Capital	0.6	0.6	0.6	0.6	0.7	0.7
Reserves & Surplus	129.5	132.6	149.6	159.6	164.7	174.3
Non-Controlling Interest	-0.2	-0.3	-0.3	0.0	0.0	0.0
Net Worth	**129.9**	**133.0**	**150.0**	**160.3**	**165.4**	**175.0**
Non-Current Liabilities	6.4	5.9	4.8	0.2	0.2	0.2
Current Liabilities	43.3	32.5	59.7	78.7	87.3	93.0
Total Liabilities	**179.7**	**171.4**	**214.5**	**239.2**	**253.0**	**268.3**
Fixed Assets	12.2	12.6	9.1	9.3	9.8	10.3
Investments	13.2	22.6	25.4	29.0	31.8	35.0
Other Non-Current Assets	8.7	11.6	9.4	9.8	10.9	12.3
Non-Current Assets	**36.6**	**47.2**	**44.3**	**48.0**	**52.6**	**57.6**
Investments	11.2	23.3	15.9	15.7	15.7	15.7
Cash and Bank Balances	103.8	73.0	136.1	158.1	164.2	170.4
Other Current Assets	28.0	27.9	18.2	17.4	20.6	24.6
Current Assets	**143.0**	**124.2**	**170.2**	**191.1**	**200.4**	**210.7**
Total Assets	**179.7**	**171.4**	**214.5**	**239.2**	**253.0**	**268.3**

Financials and valuations

Key Operating Metrics

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
GMV (INRt)	13.2	18.3	18.9	23.8	31.0	39.6
Disbursements (INR b)	353.8	523.7	216.0	294.9	412.8	557.3
Net Payment Margins (INRm)	18.9	28.5	-16.0	9.9	15.4	18.7
Revenue from Operations Mix (%)						
Payment Services to Consumers	27%	23%	8%	8%	8%	8%
Payment Services to Merchants	34%	40%	51%	49%	50%	49%
Financial Services and Others	19%	20%	25%	31%	32%	35%
Payment and Financial Services	**81%**	**83%**	**83%**	**88%**	**90%**	**91%**
Commerce and Cloud Services	**19%**	**17%**	**0%**	**11%**	**10%**	**9%**

E: MOSL Estimates

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Payment Services to Consumers % of GMV	0.16	0.12	0.02	0.02	0.03	0.03
Payment Services to Merchants % of GMV	0.21	0.22	0.19	0.17	0.17	0.17
Take rates - Financial Services (%)	0.004	0.004	0.008	0.009	0.008	0.009
Payment processing charges % of GMV	0.22	0.18	0.11	0.11	0.11	0.11
Net Payment Margin (%)	0.14	0.16	-0.08	0.04	0.05	0.05
Direct Expense % of Revenues	51.2	44.5	46.7	42.6	44.3	43.7
Contribution Margin (%)	48.8	55.5	53.3	57.6	55.7	56.3
Indirect Expense % of Revenues	51.0	49.9	63.3	49.8	44.2	39.3
EBITDA Margin (%)	-20.4	-9.1	-21.9	5.9	9.4	15.2
Adjusted EBITDA Margin (%)	-2.2	5.6	-10.0	8.0	11.5	17.0
PAT Margin (%)	-22.2	-11.9	-21.6	8.3	9.5	14.0

Valuation

	FY23	FY24	FY25	FY26	FY27E	FY28E
RoE	-13.1	-9.0	-10.5	4.5	6.3	11.3
RoA	-9.9	-6.8	-7.7	3.1	4.2	7.4
Sales per share (INR)	126	157	108	131	163	204
Growth (%)	64.4	24.5	-31.1	21.4	24.6	25.0
Price-Sales (x)	**10.3**	**8.3**	**12.0**	**9.9**	**7.9**	**6.3**
Book Value per share (INR)	205	209	235	250	251	262
Growth (%)	-5.9	2.0	12.4	6.5	0.2	4.2
Price-BV (x)	**6.3**	**6.2**	**5.5**	**5.2**	**5.2**	**5.0**
EBITDA per share (INR)	-26	-14	-24	7	15	31
Price-EBITDA (x)	**NA**	**NA**	**NA**	**179.3**	**84.2**	**41.8**
EPS (INR)	-28.0	-18.7	-23.3	10.9	15.5	28.7
Growth (%)	-24.0	-33.2	24.7	-146.8	42.0	84.9
Price-Earnings (x)	**NA**	**NA**	**NA**	**118.8**	**83.6**	**45.2**

E: MOFSL Estimates

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

Disclaimer:

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.