One 97 Communications | BUY

JM FINANCIAL

Potential regulatory triggers enabling strong optionality

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With Paytm working its way up post the disruption last year, we anticipate three potential regulatory triggers over the coming fiscal year – 1) MDR on higher ticket / larger merchants' UPI payments, 2) Removal of embargo on Paytm Payments Bank, and 3) Grant of PA (Payment Aggregator) /PG (Payment Gateway) license. While even one of these coming to fruition could create significant upside opportunity, timing is trickier to predict. The company has already received a reprieve with NPCI allowing it to onboard UPI customers. With CMP implying 25x FY27E Adj. EBITDA multiple, we find limited downside but upside movement could be sharp and substantial, particularly considering our FY27 EBITDA estimate can rise by c.35% if either of trigger 1 or trigger 2 materialise. Hence, we reiterate BUY with Mar'26 TP of INR 1,010 with potential for sharp upside risks. However, we lower target multiple to 60x FY27E PER, lowered from 70x earlier considering the rising volatility in equity markets.

Trigger 1: Tiered MDR on UPI payments – payments above a threshold or at large merchants

- **Strong business case for tiered monetisation via MDR:** Pre Jan-2020, 0.30% MDR was applicable on UPI P2M transactions that was reduced to zero to promote digital transactions. With merchant penetration still having headroom to grow in smaller tier cities, we do not expect a blanket MDR implementation on UPI anytime soon. However, there is a strong business case for MDR on higher ticket payments or on payments made at larger merchants as these merchants anyways accept payments from debit / credit cards where MDR is already applicable. This shelters the small merchants while also taking away the burden from the government that needs to fund UPI incentives for the ecosystem. In fact, 0.3% MDR on INR 2,000+ P2M transactions in FY25 can generate INR 140-150bn for the UPI ecosystem (refer exhibit 1), enough to compensate for the expense of maintaining and expanding it, as per PCI.

- **Precursors to MDR reactivation emanating recently:** There has been rising chatter of MDR since the government announced INR 4.37bn allocation for UPI incentives in FY26, roughly 12% / 29% of FY24/FY25 payment of INR 35bn / 15bn. Industry checks suggest that the dip is a big precursor that government is likely to move away from subsidy to tiered monetisation. Moreover, FY25 UPI incentive circular also noted a couple of firsts (1. demarcation between small and large merchants with incentive only on small merchants, and 2. detailed background on MDR before it was made zero) that suggest that groundwork for MDR is being laid out. There have also been media reports suggesting finance ministry officials being amenable to 25bps MDR on large merchants.

- **MDR on UPI can enable 50-100% upgrade to Paytm's EBITDA estimates:** Our estimates have Paytm's FY26 GMV at INR 23,000 bn. We further estimate c.85% GMV from UPI and 60-70% of UPI GMV being generated from transactions above INR 2,000. Assuming 0.3% MDR on INR 2,000+ transactions, Paytm's FY26 GMV would generate INR 38bn. Furthermore, we assume Paytm's share of this MDR to stay similar to FY24 UPI incentive distribution, suggesting c.25% MDR being paid to the company. This calculation suggests Paytm would likely see its FY26 revenue rise by INR 9.5bn. Though the costs of generating

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,010
Upside/(Downside)	28.8%
Previous Price Target	1,250
Change	-19.2%

Key Data – PAYTM IN	
Current Market Price	INR784
Market cap (bn)	INR499.9/US$5.9
Free Float	100%
Shares in issue (mn)	637.4
Diluted share (mn)	679.0
3-mon avg daily val (mn)	INR5,450.2/US$63.5
52-week range	1,063/310
Sensex/Nifty	77,606/23,592
INR/US$	85.8

Price Performance

%	1M	6M	12M
Absolute	11.7	20.5	104.2
Relative*	5.3	32.9	93.8

* To the BSE Sensex

Financial Summary (INR mn)

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	79,930	99,800	70,569	96,849	1,22,107
Sales Growth (%)	60.7	24.9	-29.3	37.2	26.1
EBITDA	-16,310	-9,080	-14,499	-210	12,236
EBITDA Margin (%)	-20.4	-9.1	-20.5	-0.2	10.0
Adjusted Net Profit	-17,630	-11,522	-14,263	973	11,379
Diluted EPS (INR)	-27.3	-18.2	-21.0	1.4	16.8
Diluted EPS Growth (%)	0.0	0.0	0.0	0.0	1,069.0
ROIC (%)	-37.9	-47.8	-109.5	-29.7	23.2
ROE (%)	-13.0	-8.7	-10.4	0.7	7.4
P/E (x)	NA	NA	NA	565.0	48.3
P/B (x)	4.0	3.9	3.7	3.5	3.2
EV/EBITDA (x)	NA	NA	NA	NA	30.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 27/Mar/2025 this GMV are already there in the income statement, we still believe that the company would spend money on promotional activities to gain market share once monetisation is allowed. Hence, we assume 60% incremental margin on this revenue resulting in INR 5.7bn EBITDA rise, almost doubling JMFe of INR 5.3bn. Similar maths on FY27 numbers suggests EBITDA becoming c.1.5x if MDR comes into play.

Exhibit 1. 30bps MDR on INR 2k+ P2M transactions assures cost recovery for UPI ecosystem

All numbers in INR bn	FY25	Comments
UPI P2M transaction value	71,658	Assumed 10% YoY growth in transaction value for Mar'25
UPI P2M transaction value for >INR 2k transactions	47,887	As per NPCI
Incremental monetisation potential	144	Assuming MDR of 0.3%
Cost of maintaining and expanding the UPI ecosystem	100	As per Payments Council of India (PCI), industry body comprising c.140 Fintech players

Source: Media reports, NPCI, JM Financial

Exhibit 2. Our revenue estimates bake-in 20-25% probability of tiered MDR introduction in FY26-FY28

All numbers in INR mn unless specified otherwise	FY26E	FY27E	FY28E	Comments
GMV (INR bn)	23,073	27,688	32,672	
GMV from UPI (INR bn)	19,612	23,535	27,771	Assuming 85% of GMV is from UPI based transactions
GMV over which MDR is applicable (INR bn)	12,748	15,297	18,051	Assuming 65% of GMV is from UPI P2M transactions above INR 2,000
Share of MDR to Paytm (INR mn)	9,561	11,473	13,538	Assuming 25% MDR to Paytm out of proposed 30bps MDR on UPI P2M transactions
Payments revenue (ex - subscription revenue)	42,719	54,585	67,841	As per JMFL model
Payments revenue (ex- subscription revenue)	40,839	51,776	64,396	Assuming 1bps rise in take rate over FY25 (0.167%); driven by rising mix of PG and Rupay CC
Incremental revenue baked in our model	1,879	2,809	3,445	
Probability of MDR baked in our model	**20%**	**24%**	**25%**	

Source: Media reports, Company, JM Financial estimates

Trigger 2: Embargo clearance for Paytm Payments Bank

- **Paytm Payments Bank (PPBL) focused on compliance:** Since the embargo that came up in January 2024, PPBL has been focused on ramping up compliance with Vijay Shekhar Sharma recently suggesting that PPBL is at an arm's length and hoped to have this sorted soon. PPBL reconstituted its board in March 2024 with former bureaucrats and public sector bankers coming in while the Paytm CEO resigned from the board. The payments bank also hired a new CEO in July 2024 and filed a comprehensive compliance report with RBI in August 2024. Recently, there have been media reports of PPBL nudging existing users to reactivate wallets.

- **PPBL approval can enable 14-16% jump in Paytm's revenue estimates:** When compared with FY24, Paytm's take-rate (as % of GMV) is likely to dip by 12bps in FY25. While this could partially (c. 2bps) be due to lower UPI incentives expected in FY25 along with rise in GMV mix of UPI, majority of the impact could be attributed to the loss of Paytm Payments Bank businesses. Our triangulation (refer exhibit 3) on impact of PPBL on Paytm's FY23/FY24 take-rates suggests 8/6 bps increment. Reactivation of PPBL businesses can add INR 1,250bn to FY27 GMV (FY24 GMV of INR 1,450bn) and at 0.75% take-rate, Payment services revenue would rise by c. INR 10bn. At 50% incremental EBITDA margin, this rise would almost enable INR 5bn upgrade in FY27 EBITDA – roughly similar to the annual EBITDA impact highlighted by the company post PPBL disruption.

Exhibit 3. Incremental take rate due to wallet business

All numbers in INR bn	FY23	FY24	Comments
Paytm Payments Bank – GMV (A)	1,569	1,493	
Revenue attributable to PPBL business lines (B)	15.7	14.9	Assuming 1% take rate for OCL
Paytm – GMV (C)	13,280	18,340	
Paytm GMV (ex-PPBL) (D = C-A)	11,711	16,847	
Payment Services Revenue (E)	49	62	
Payment Services Revenue (ex-devices & PPBL) (F = E-B)	34	47	
Take rate (ex-PPBL) (G = F / D)	0.29%	0.28%	
Take rate (Payment Services) (H = E / C)	0.37%	0.34%	
Incremental take rate due to wallet (I = H - G)	8bps	6bps	

Source: Company, JM Financial

Trigger 3: Approval of Payment Aggregator / Payment Gateway (PA/PG) License

- Backdrop on PA/PG license regime: Before PA/PG licensing requirement, payment gateway (PG) companies were working in partnership with banks and were not regulated. With digital payments growing rapidly over the last decade, RBI decided that it was time to bring these entities handling large sums of customer money under its direct regulation. Besides this, with direct access to details on such transactions, RBI could oversee any suspicious activities. The regulator also had issues with diligence in KYC of merchants by these platforms, particularly with regards to money laundering. Now with the PA license mandation, the responsibility for merchant quality falls clearly on the PA firms.

- RBI's Circular on PA license: In Mar'20, RBI released a circular on guidelines on regulation of PA and PG. Under this, RBI asked existing non-bank payment platforms to apply for authorisation on or before June 30th, 2021. These platforms were allowed to continue their operations till they receive further communication from RBI on their application. This is why, Paytm, despite not receiving approval, continues to operate as PA platform. However, the platforms were restricted from onboarding new customers in the interim.

- Key requirements for a PA license: **1) Net worth criteria:** Existing PAs shall achieve a net-worth of INR 150mn by FY21 and INR 250mn by FY23, and maintain it thereafter. New applicants shall have minimum net-worth of INR 150mn at the time of application, and should reaching INR 250mn within three years of approval. **2) Governance standards:** Promoters and directors must meet RBI's "fit and proper" criteria. The business should be professionally managed with a strong governance framework. **3) Regulatory compliance:** PA must be a company incorporated under companies act and require authorisation from RBI under Payment and Settlement Systems Act, 2007. PAs are required to implement merchant due diligence, fraud prevention measures, and customer grievance redressal mechanisms. **4) Escrow account requirement:** PAs must maintain a nodal/escrow account with a scheduled bank to manage transactions securely.

- Approval process: 1) **In-principle approval:** This is a provisional nod from the RBI, indicating that the applicant meets initial requirements stated above. With in-principle approval, PA can start onboarding new merchants on its platform and build its digital payment infrastructure. However, it does not allow the company to start PA operations yet. **2) Final approval:** Once the applicant receives in-principle approval, applicants must submit a System Audit Report (SAR) conducted by a CERT-In empaneled auditor to RBI before receiving final approval and commencing operations. It usually takes 6-12 months after the in-principle nod for a company to get the final approval from the regulator.

- Paytm's PA license journey so far: Paytm Payments Services Limited (PPSL), a subsidiary of Paytm, first applied for PA license after RBI introduced new regulations in March 2020. However, in Nov'22, RBI returned Paytm's application and asked the company to reapply due to compliance issues related to foreign direct investment (FDI) rules. The primary issue was linked to Press Note 3, a government policy that requires companies with investments from countries sharing land borders with India to seek prior approval from the Ministry of Finance. Alibaba and Ant Group together held ~31% stake in Paytm as of Sep'22, potentially triggering the need for this additional clearance. To resolve this, Paytm sought the necessary approvals and received necessary FDI clearance from the Ministry of Finance in Aug'24. This allowed the company to reapply for the license in Sep'24. As of Mar'25, Paytm's application is still under review.

- Grant of license can enable INR 900bn incremental GMV in FY27: While Paytm continues to operate as a payment aggregator, the company is unable to onboard new merchants and hence has missed out the growth from some of the fast growing businesses in D2C and quick commerce space. Upon grant of license, we believe the company should be able to add c. 50% to its FY25 TPV to add INR 900bn. At 3bps of GMV as take-rate, this GMV will result in INR 270mn in revenue and c. 110mn in incremental EBITDA.

Maintain BUY; TP lowered to INR 1,010

With UPI incentives being tapered markedly in FY25 (INR 15bn) and FY26 (INR 4.37bn), we lower our revenue estimates for Paytm with the corresponding impact to EBITDA and PAT estimates as well. We, however, do bake in c.25% probability of MDR on INR 2K+ transactions in FY27 and would reiterate that there could be a substantial upgrade to these estimates in case MDR or PPBL approval comes through with **each trigger likely to add INR 5bn+ to FY27 EBITDA estimates**.

Exhibit 4. We lower our revenue estimates on account of lower UPI incentives going forward

	Old			New			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Consolidated revenue (INR mn)	72,384	98,627	124,056	70,569	96,849	122,107	-2.5%	-1.8%	-1.6%
Revenue growth rate (YoY)	-27.5%	36.3%	25.8%	-35.5%	37.2%	26.1%	-799bp	99bp	30bp
Contribution Margin	54.5%	57.3%	59.0%	53.6%	55.2%	55.9%	-87bp	-211bp	-309bp
Adj. EBITDA (INR mn)	-4,801	5,942	15,521	-6,091	5,290	14,736	-26.9%	-11.0%	-5.1%
Adj. EBITDA margin	-6.6%	6.0%	12.5%	-8.6%	5.5%	12.1%	-200bp	-56bp	-44bp
PBT (INR mn)	599	1,481	13,465	-579	1,173	13,004	-196.7%	-20.8%	-3.4%
PBT margin	0.8%	1.5%	10.9%	-0.8%	1.2%	10.7%	-165bp	-29bp	-20bp
Adj. PAT (INR mn)	-13,034	1,370	12,119	-14,263	973	11,379	-9.4%	-28.9%	-6.1%
Diluted EPS (INR)	0.62	2.02	17.85	-1.15	1.43	16.76	nm	-28.9%	-6.1%

Source: Company, JM Financial

What does the Bull scenario look like?

In case all the three triggers materialise, we highlight the potential changes to our FY27 estimates:

- **GMV Impact:** PPBL GMV in FY24 was at INR 1,450bn and we believe embargo clearance could again add INR 1,250bn to FY27 GMV. Additionally, PA/PG license would allow them to onboard new merchants for online payments and can add another INR 900bn.
- **Revenue Impact:** As highlighted in exhibit 2, MDR allowance can add INR 8.7bn to Payments revenue. At 0.75% take-rate, PPBL GMV of INR 1,250bn can further add INR 9.4bn to revenue along with INR 270mn (at 0.03% of GMV) from payment aggregator (PA) revenue. Combined the three triggers can generate incremental revenue of INR 18.3bn.
- **EBITDA Impact:** Assuming that monetisation` on UPI transactions will also empower the company to attempt to gain further market share, we expect 60% incremental EBITDA margin on MDR Revenue. Similarly, PPBL revenue can generate 50% incremental EBITDA margin along with 40% margin on PA revenue. Combined, these three can potentially add INR 10bn to JMFe FY27 Adj. EBITDA of INR 14.7bn.

Exhibit 5. Bull case scenario analysis on FY27 estimates

All numbers in INR bn	FY27		
	Base case	Bull case	Remarks
Total GMV	**27,688**	**29,838**	**7.8% upgrade**
GMV from PPBL		1,250	c.80% of pre-disruption year
GMV from PA / PG		900	c.50% of FY25 TPV
Total revenue	**122.1**	**140.4**	**15.0% upgrade**
Revenue from MDR		8.7	7.5bps of UPI GMV of INR 2K+ txns
Revenue from PPBL		9.4	0.75% of GMV
Revenue from PA / PG		0.2	3bps of GMV
EBITDA	**14.7**	**24.7**	**67.8%**
EBITDA from MDR		5.2	60% of Incremental Revenue
EBITDA from PPBL		4.7	50% of Incremental Revenue
EBITDA from PA / PG		0.1	40% of Incremental Revenue

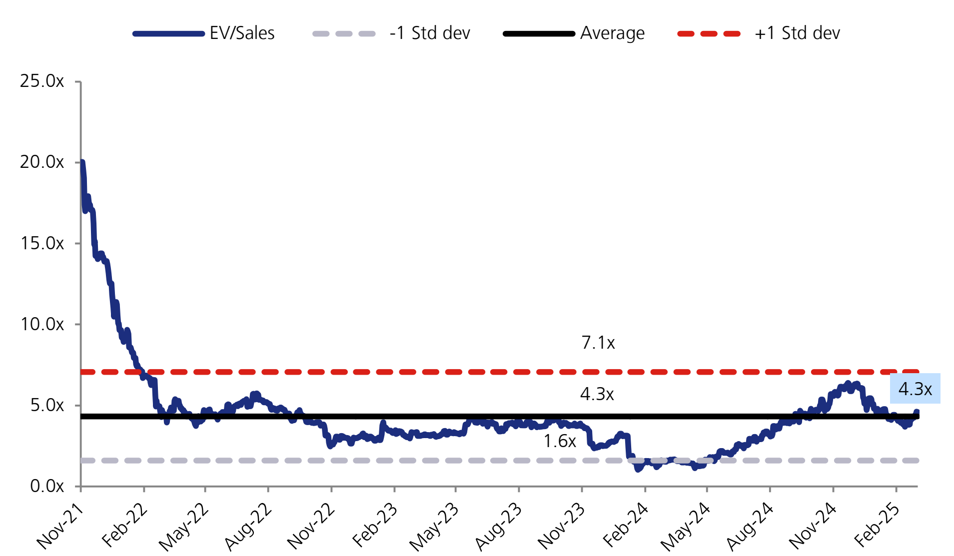
Source: Company, JM Financial estimates

Exhibit 6. Valuation comps: Paytm vs. new-age technology companies / global fintech companies

				EV / Revenue (x)			Rev CAGR	EV / EBITDA (x)			EBITDA CAGR	P / E (x)			EPS CAGR
Company	Base Country	MCap (USD bn)	EV (USD bn)	CY24E/ FY25E	CY25E/ FY26E	CY26E/ FY27E	25-27E	CY24E/ FY25E	CY25E/ FY26E	CY26E/ FY27E	25-27E	CY24E/ FY25E	CY25E/ FY26E	CY26E/ FY27E	25-27E
Paytm*	India	6.0	4.6	5.4x	3.9x	3.0x	34%	nm	nm	28.7x	nm	nm	nm	45.4x	nm
India Internet*															
Affle	India	2.7	2.6	9.7x	8.2x	6.9x	19%	45.8x	38.1x	31.6x	20%	61.2x	49.9x	40.6x	23%
BlackBuck	India	0.9	0.8	16.7x	11.9x	8.9x	37%	83.1x	44.9x	24.0x	86%	-31.6x	50.0x	31.2x	nm
CarTrade	India	1.3	1.2	11.3x	9.5x	8.0x	19%	49.6x	34.5x	25.0x	41%	61.7x	43.9x	32.8x	37%
Delhivery	India	3.1	2.4	1.6x	1.3x	1.1x	18%	39.2x	18.8x	11.9x	82%	158.3x	66.8x	36.6x	108%
FirstCry	India	2.4	2.4	2.6x	2.2x	1.8x	20%	81.4x	54.8x	24.7x	82%	nm	nm	102.5x	nm
IndiaMART	India	1.4	1.1	6.8x	6.1x	5.6x	11%	18.4x	16.8x	15.9x	7%	25.8x	24.5x	23.1x	6%
Info Edge (Standalone)	India	10.9	10.4	26.6x	23.1x	19.7x	16%	63.6x	51.6x	41.4x	24%	71.4x	46.8x	37.4x	38%
ixigo	India	0.6	0.6	6.1x	4.8x	3.9x	24%	72.4x	51.2x	35.8x	42%	109.5x	73.7x	50.7x	47%
Just Dial	India	0.8	0.2	1.8x	1.6x	1.6x	6%	6.1x	5.5x	5.1x	9%	12.9x	13.4x	12.2x	3%
Nykaa	India	5.8	5.9	6.4x	5.0x	3.9x	28%	108.6x	62.7x	40.6x	63%	609.9x	166.9x	79.9x	176%
PB Fintech	India	8.8	8.4	14.2x	10.9x	8.8x	27%	nm	130.1x	65.8x	380%	287.2x	110.1x	68.9x	104%
Route Mobile	India	0.7	0.6	1.1x	1.0x	0.9x	15%	9.8x	8.1x	6.7x	21%	17.0x	13.9x	10.9x	25%
Swiggy	India	8.9	8.0	4.6x	3.4x	2.7x	31%	nm	nm	nm	nm	nm	nm	nm	nm
TBO	India	1.5	1.4	6.7x	5.4x	4.4x	23%	37.5x	30.0x	22.6x	29%	57.7x	42.7x	30.8x	37%
Yatra	India	0.2	0.1	1.4x	1.1x	0.9x	24%	29.8x	16.1x	11.5x	61%	43.4x	27.3x	17.7x	57%
Global Financial Services															
Adyen	Amsterdam	49.3	39.2	18.1x	14.2x	11.4x	26%	37.3x	27.2x	20.6x	35%	50.5x	39.2x	30.9x	28%
Affirm	USA	15.1	16.6	5.2x	4.2x	3.3x	25%	22.2x	15.8x	11.2x	41%	nm	53.9x	26.9x	532%
Block	USA	35.3	33.2	1.4x	1.3x	1.1x	9%	11.0x	9.2x	7.4x	23%	30.1x	22.9x	16.4x	36%
Fiserv	USA	123.0	148.0	7.7x	7.1x	6.5x	9%	16.1x	14.5x	13.2x	11%	38.2x	27.2x	22.5x	30%
Global Payments	USA	24.5	39.8	4.3x	4.3x	4.1x	3%	8.6x	8.5x	7.9x	4%	18.2x	15.0x	12.3x	22%
Kakaopay	South Korea	2.8	1.8	3.6x	3.0x	2.7x	15%	685.1x	62.7x	42.5x	302%	nm	112.4x	70.1x	462%
Mastercard	USA	508.3	518.6	18.5x	16.4x	14.6x	12%	30.1x	26.8x	23.4x	13%	39.5x	35.2x	29.8x	15%
Paypal	USA	68.1	67.9	2.1x	2.1x	1.9x	5%	10.7x	9.6x	9.0x	9%	17.3x	14.1x	12.5x	17%
Paysafe	USA	1.0	3.2	1.9x	1.9x	1.8x	3%	7.0x	6.9x	6.3x	6%	358.3x	40.6x	16.5x	366%
Visa	USA	703.1	704.1	17.8x	16.1x	14.6x	10%	25.2x	22.7x	20.6x	11%	31.6x	27.6x	24.4x	14%

Source: Bloomberg, JM Financial. Note: *JMFL estimates, rest are Bloomberg consensus estimates. Valuation as of 27th Mar 2025.

Exhibit 7. Paytm NTM EV/Sales valuation chart



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	79,930	99,800	70,569	96,849	1,22,107
Sales Growth	60.7%	24.9%	-29.3%	37.2%	26.1%
Other Operating Income	0	0	0	0	0
Total Revenue	**79,930**	**99,800**	**70,569**	**96,849**	**1,22,107**
Cost of Goods Sold/Op. Exp	40,910	44,410	32,747	43,371	53,832
Personnel Cost	37,790	45,920	33,087	32,450	32,131
Other Expenses	17,540	18,550	19,233	21,238	23,907
EBITDA	**-16,310**	**-9,080**	**-14,499**	**-210**	**12,236**
EBITDA Margin	-20.4%	-9.1%	-20.5%	-0.2%	10.0%
EBITDA Growth	0.0%	0.0%	0.0%	0.0%	0.0%
Depn. & Amort.	4,850	7,356	6,664	5,890	6,905
EBIT	-21,160	-16,436	-21,163	-6,100	5,331
Other Income	4,100	5,477	7,265	7,492	7,933
Finance Cost	230	242	162	220	259
PBT before Excep. & Forex	-17,290	-11,201	-14,061	1,173	13,004
Excep. & Forex Inc./Loss(-)	0	-60	13,454	0	0
PBT	-17,290	-11,261	-607	1,173	13,004
Taxes	340	321	202	199	1,626
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-120	-2,648	28	0	0
Reported Net Profit	-17,750	-14,230	-781	973	11,379
Adjusted Net Profit	**-17,630**	**-11,522**	**-14,263**	**973**	**11,379**
Net Margin	-22.1%	-11.5%	-20.2%	1.0%	9.3%
Diluted Share Cap. (mn)	645.2	634.7	679.0	679.0	679.0
Diluted EPS (INR)	**-27.3**	**-18.2**	**-21.0**	**1.4**	**16.8**
Diluted EPS Growth	0.0%	0.0%	0.0%	0.0%	1,069.0%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Balance Sheet (INR mn)

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Shareholders' Fund	1,30,156	1,33,266	1,40,894	1,47,368	1,61,246
Share Capital	634	636	637	637	637
Reserves & Surplus	1,30,156	1,33,266	1,40,894	1,47,368	1,61,246
Preference Share Capital	0	0	0	0	0
Minority Interest	-227	-282	-282	-282	-282
Total Loans	2,233	1,766	1,624	2,195	2,726
Def. Tax Liab. / Assets (-)	-5,882	-6,704	-4,221	-5,550	-6,692
Total - Equity & Liab.	**1,26,280**	**1,28,046**	**1,38,016**	**1,43,731**	**1,56,998**
Net Fixed Assets	12,202	12,609	9,482	11,431	13,628
Gross Fixed Assets	20,658	26,388	29,702	36,989	45,479
Intangible Assets	954	839	531	531	531
Less: Depn. & Amort.	9,482	14,718	20,809	26,148	32,441
Capital WIP	72	100	59	59	59
Investments	64,246	55,973	98,727	98,727	98,727
Current Assets	97,328	96,105	60,799	71,597	88,829
Inventories	0	0	0	0	0
Sundry Debtors	12,378	16,507	11,020	14,726	18,400
Cash & Bank Balances	33,120	42,772	27,989	31,947	43,296
Loans & Advances	1,564	1,731	1,934	1,934	1,934
Other Current Assets	50,266	35,095	19,856	22,989	25,199
Current Liab. & Prov.	47,496	36,641	30,993	38,024	44,185
Current Liabilities	8,589	7,048	7,351	8,236	9,324
Provisions & Others	38,907	29,593	23,641	29,788	34,861
Net Current Assets	49,832	59,464	29,807	33,573	44,644
Total – Assets	**1,26,280**	**1,28,046**	**1,38,016**	**1,43,731**	**1,56,998**

Source: Company, JM Financial

Cash Flow Statement (INR mn)

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Profit before Tax	-17,429	-13,904	-579	1,173	13,004
Depn. & Amort.	4,853	7,357	6,664	5,890	6,905
Net Interest Exp. / Inc. (-)	-2,990	-4,375	-7,102	-7,273	-7,674
Inc (-) / Dec in WCap.	6,489	-149	17,457	-1,138	-864
Others	14,995	18,664	-3,761	5,500	2,500
Taxes Paid	-1,762	-1,085	-202	-199	-1,626
Operating Cash Flow	**4,156**	**6,508**	**12,477**	**3,953**	**12,246**
Capex	-6,967	-8,121	-3,499	-6,790	-8,045
Free Cash Flow	-2,811	-1,613	8,978	-2,836	4,201
Inc (-) / Dec in Investments	-11,703	-18,770	-50,690	0	0
Others	44,925	30,071	27,271	7,492	7,933
Investing Cash Flow	**26,255**	**3,180**	**-26,918**	**703**	**-113**
Inc / Dec (-) in Capital	-10,554	13	1	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	0	0	0	0	0
Others	-546	-29	-343	-698	-784
Financing Cash Flow	**-11,100**	**-16**	**-342**	**-698**	**-784**
Inc / Dec (-) in Cash	**19,311**	**9,672**	**-14,783**	**3,958**	**11,349**
Opening Cash Balance	13,809	33,100	42,772	27,989	31,947
Closing Cash Balance	33,120	42,772	27,989	31,947	43,296

Source: Company, JM Financial

Dupont Analysis

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Margin	-22.1%	-11.5%	-20.2%	1.0%	9.3%
Asset Turnover (x)	0.6	0.7	0.5	0.7	0.8
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	-13.0%	-8.7%	-10.4%	0.7%	7.4%

Key Ratios

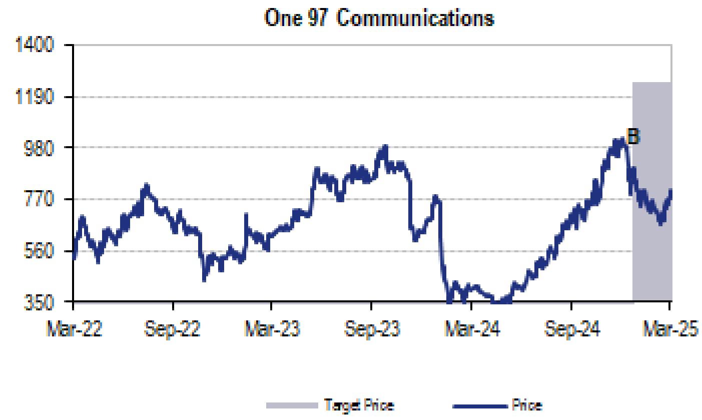
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
BV/Share (INR)	201.7	210.0	221.2	231.2	253.0
ROIC	-37.9%	-47.8%	-109.5%	-29.7%	23.2%
ROE	-13.0%	-8.7%	-10.4%	0.7%	7.4%
Net Debt/Equity (x)	-0.7	-0.7	-0.9	-0.9	-0.9
P/E (x)	NA	NA	NA	565.0	48.3
P/B (x)	4.0	3.9	3.7	3.5	3.2
EV/EBITDA (x)	NA	NA	NA	NA	30.8
EV/Sales (x)	5.3	4.2	5.5	4.0	3.1
Debtor days	57	60	57	56	55
Inventory days	0	0	0	0	0
Creditor days	33	23	31	30	30

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
17-Jan-25	Buy	1,250	
20-Jan-25	Buy	1,250	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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