

Rinkle Vira  
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#### Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	38,999
Fresh Issue (No. of Shares in Lakhs)	941.2
Offer for Sale (No. of Shares in Lakhs)	823.5
Bid/Issue opens on	07-Nov-25
Bid/Issue closes on	11-Nov-25
Face Value	Re. 1
Price Band	Rs 210-221
Minimum Lot	67

#### Objects of the Issue:

- **Fresh Issue: ₹ 20,800 Million**
  - Repayment/prepayment of company borrowings & General purpose
  - Investment in subsidiaries, IT assets, cloud infrastructure
- **Offer for sale: 18,199 Million**

#### Book Running Lead Managers

Axis Capital, Morgan Stanley India, J.P Morgan India Pvt, Jefferies India Pvt Ltd, Citigroup Global Markets India Pvt Ltd

#### Registrar to the Offer

KFin Technologies Ltd

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	2,059
Subscribed paid up Capital (Pre-Offer)	1,054
Paid up capital (Post - Offer)	1,148

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	0.0%	15.3%
Public	100%	84.6%
Total	100%	100%

#### Financials

Particulars (Rs. In Million)	3M FY26	3M FY25	FY25	FY24	FY23
Revenue from operations	6,159	5,224	22,743	17,695	15,977
Operating expenses	5,712	4,700	20,558	17,945	15,923
EBITDA	447	525	2,184	(250)	54
Other Income	372	126	528	546	928
Depreciation	652	719	2,921	3,628	3,150
EBIT	166	(69)	(208)	(3,331)	(2,169)
Interest	214	178	790	645	357
Share in Profit/Loss in JV	(1)	-	-	-	-
PBT	(48)	(247)	(998)	(3,976)	(2,526)
Tax	(96)	32	91	(557)	(243)
Exceptional Item	-	-	366	-	368
Consolidated PAT	48	(279)	(1,455)	(3,419)	(2,651)
EPS	0.0	(0.2)	(1.4)	(3.2)	(2.5)
Ratio		3M FY25	FY25	FY24	FY23
EBITDAM	7.3%	10.0%	9.6%	-1.4%	0.3%
PATM	0.8%	-5.3%	-6.4%	-19.3%	-16.6%
Sales growth	17.9%	-	28.5%	10.8%	-

#### Company Description

Pine Labs Ltd. is a leading fintech company focused on digitizing commerce for merchants, consumer brands, enterprises, and financial institutions. Its technology platforms enable digital payments, card issuance, and value-added financial services across India and several international markets including Malaysia, UAE, Singapore, Australia, the U.S., and Africa.

The company operates through 2 core segments: **Digital Infrastructure and Transaction Platform**, which includes in-store and online payment solutions, affordability offerings, value-added services (like dynamic currency conversion), and fintech infrastructure; and **Issuing and Acquiring Platform**, which provides prepaid and engagement solutions and supports credit, debit, prepaid, and forex card issuance and processing.

The company's cloud-based technology helps merchants simplify checkout, integrate billing systems, manage loyalty programs, and offer consumer affordability options. It also supports financial institutions with acquiring, credit disbursement, and card issuance capabilities.

In FY25, the company processed ₹11,424.97 billion in gross transaction value (GTV) across 5.68 billion transactions. As of June 30, 2025, it had 988,304 merchants, 716 consumer brands and enterprises, and 177 financial institutions on its platforms. It is India's largest issuer of closed and semi-closed loop gift cards and a leading player in affordability solutions and in-store digital payments.

Over the years, it has evolved its technology and expanded through key acquisitions—such as Mosambee (SME payment solutions), QFix (workflow management for small merchants), Setu (API-led fintech infrastructure), and Credit+ (full-stack card issuance and processing). It launched Pine Labs Online (formerly Plural) in 2021 to offer omnichannel payment solutions post-COVID.

The company serves diverse sectors including retail, e-commerce, electronics, healthcare, travel, and government bodies, with long-standing partnerships with marquee brands such as Croma and HDFC Bank. As of June 30, 2025, Pine Labs employed 4,465 permanent and 1,761 temporary staff, including 1,499 in sales and marketing.

#### Valuation:

Pine Labs is a leading fintech leading transforming commerce with its digital payment and issuing solutions. Its Digital Infrastructure and Transaction Platform enables in-store and online payments, affordability options, and value-added services like dynamic currency conversion point-of-sale (POS) solutions, payment processing, and merchant financing services.

With its proven technology, strong merchant relationships, and diversified global footprint, Pine Labs is well-positioned to capitalize on the accelerating digitization of commerce. The company has posted growth in its top lines for the reported periods till FY25, but incurred losses. Its only for Q1 of FY26, it turned the corner. Considering digital India move by the Government, it is poised for bright prospects ahead in the long run

On the valuation front, Based on FY25 earnings, Mcap to Sales ratio is 11.4 times and a post-issue market capitalization of approximately Rs 2,53,766 million, making the issue appears to be richly priced. Therefore, given its focus on expanding scale, ecosystem depth, and product innovation is expected to drive sustainable growth and strengthen its competitive positioning in the digital payments and fintech infrastructure space over the medium to long term. Hence, we assign **Subscribe for long term** only rating for the issue.

**Company Overview**

The company is a leading technology-driven commerce enabler focused on digitizing payments and issuing solutions for merchants, consumer brands, enterprises, and financial institutions. Its advanced, cloud-native infrastructure accelerates digital transformation across India and expanding international markets including Malaysia, UAE, Singapore, Australia, the U.S., and Africa.

The business operates through two key segments:

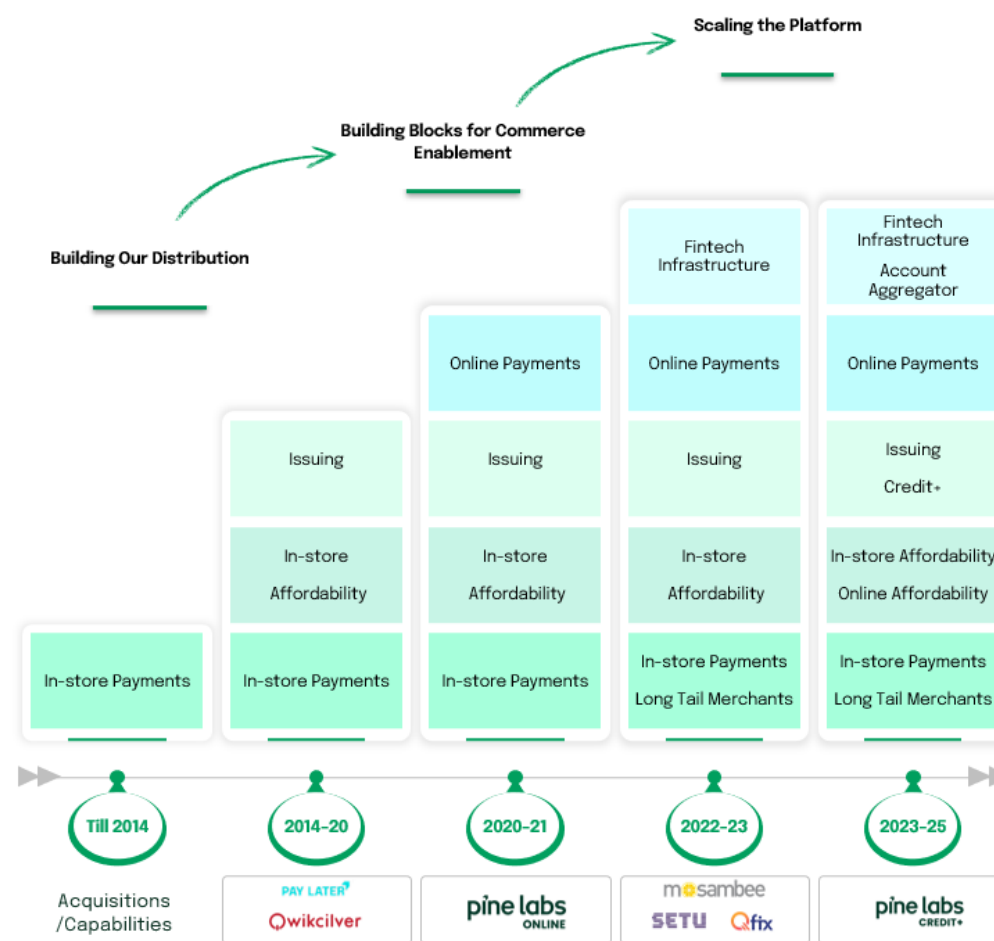
- Digital Infrastructure and Transaction Platform, comprising in-store and online payment solutions, affordability and value-added services (VAS), and FinTech infrastructure software; and
- Issuing and Acquiring Platform, which includes prepaid issuance, processing, distribution, and unified acquiring solutions.

In FY2025, the company processed ₹11.4 trillion in GTV across 5.68 billion transactions, serving 988,304 merchants, 716 consumer brands and enterprises, and 177 financial institutions, It was India’s largest issuer of closed and semi-closed loop gift cards by transaction value and the largest digital affordability solution enabler at digital checkout points, in addition to being among the top five in-store digital platforms in FY2025.

Since inception, the company has evolved alongside India’s commerce and financial technology infrastructure, scaling its offerings through both organic innovation and strategic acquisitions. Key milestones include:

- 2012: Launch of a cloud-based payments platform integrating multiple acquirers for simplified in-store checkout.
- 2013: Expansion into affordability solutions for consumer brands and financial institutions.
- 2019: Acquisition of Qwiksilver (now Pine Labs Prepaid), strengthening prepaid issuing and processing capabilities.
- 2021: Launch of Plural (now Pine Labs Online), an omni-channel online payments suite post COVID-led digital shift.
- 2022: Acquisitions of Mosambee (expanding SME reach) and QFix (workflow and commerce management for small merchants).
- 2022: Acquisition of Setu, enhancing API-based FinTech infrastructure for payments, data, and identity.
- 2023: Acquisition of Credit+, enabling full-stack issuing and acquiring solutions for credit, debit, prepaid, and forex cards.

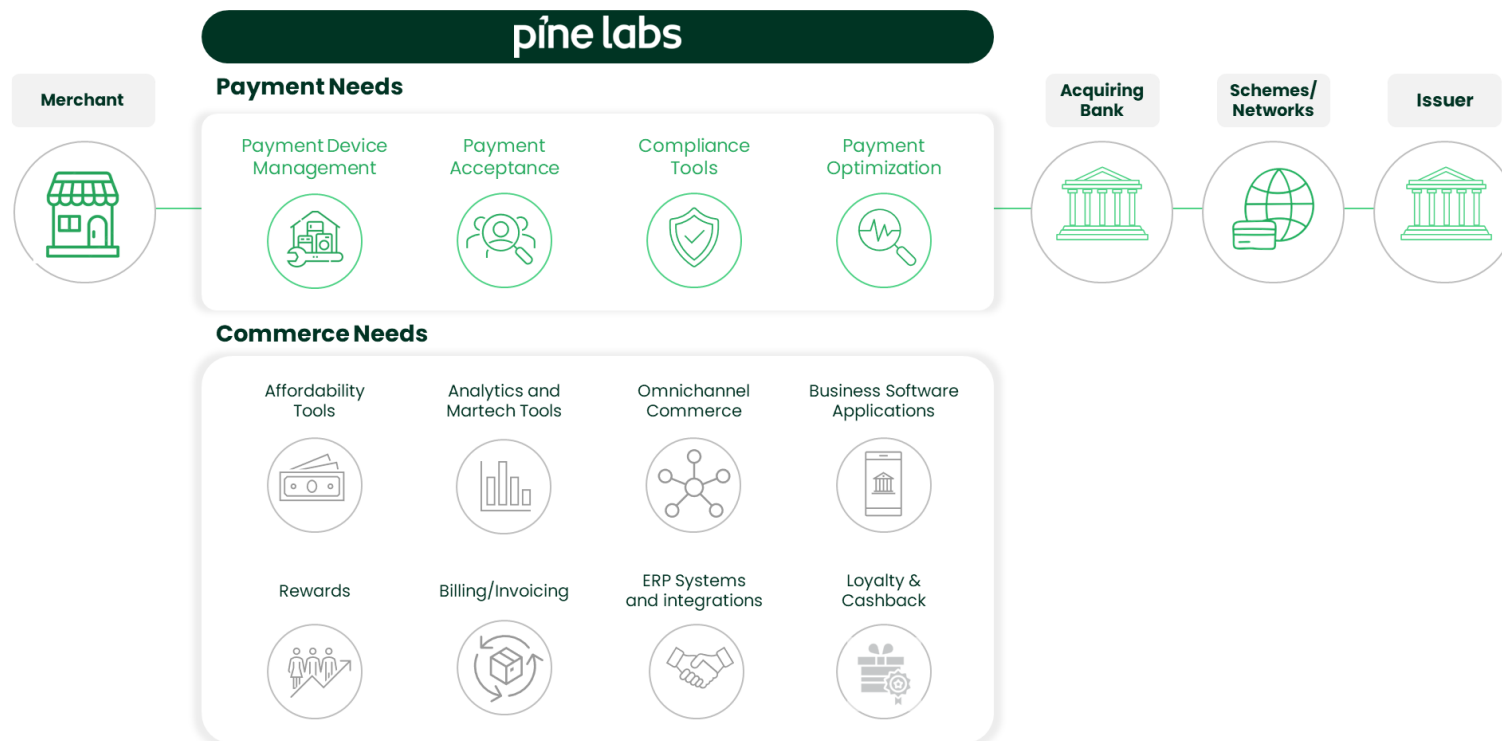
Through these initiatives, the company has built a robust, scalable platform that integrates payments, affordability, and digital commerce infrastructure across the ecosystem.



**Digital Infrastructure and Transaction Platform**

Particulars	As of/ For the three months period ended June 30, 2025	As of/ For the three months period ended June 30, 2024	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
Digital Infrastructure and Transaction Platform GTV (₹ million)	3,917	1,743	10,910	5,705	4,063
Number of DCPs	1.8	1.5	1.8	1.4	1.2

In FY2025, the company enabled payment acceptance across 1.78 million in-store digital checkout points (DCPs) and online, processing ₹10,909.8 billion in GTV, including ₹3,916.66 billion in the quarter ended June 30, 2025. Its in-store and online infrastructure allows merchants to consolidate multiple acquirers on a single cloud-based platform integrated with billing systems, enabling acceptance of various payment modes—cards, wallets, UPI, and loyalty points—across India, Malaysia, and the UAE. The company’s affordability, VAS, and transaction processing offerings include affordability solutions, dynamic currency conversion, and payments aggregation. As of June 30, 2025, it worked with 40 credit partners, enabling real-time consumer financing without assuming credit risk, supported by the mobile app Benow. The platform processed ₹2,011.63 billion GTV from affordability, VAS, and transaction processing in FY2025 and ₹592.82 billion in Q1FY26. Through its application marketplace, the company offered 330+ business software applications for merchants to digitize operations, including online store creation, inventory management, billing, and loyalty programs. Its FinTech infrastructure, powered by Setu, provides API-enabled digital public infrastructure for payments, data, and identity. Setu supports eKYC, account aggregation, UPI enablement, and collections for financial institutions and billers, enhancing consumer onboarding, underwriting, and engagement. This solution currently operates in India.



**Issuing and Acquiring Platform**

Particulars	As of/ For the three months period ended June 30, 2025	As of/ For the three months period ended June 30, 2024	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
<b>Affordability, VAS and Transaction Processing GTV (₹ billion)</b>	593	479	2012	1420	1003
<b>Number of credit partners</b>	40	38	40	41	41
<b>Number of consumer brands and enterprises</b>	404	306	393	248	188

As of June 30, 2025, the company had cumulatively issued over 3.67 billion prepaid cards for consumer brands and enterprises. It processed ₹515.17 billion in gross transaction value (GTV) in FY2025 and ₹139.56 billion in Q1FY26. The platform is used by 28 issuers across 77 million card accounts for issuing credit, debit, prepaid, and forex cards.

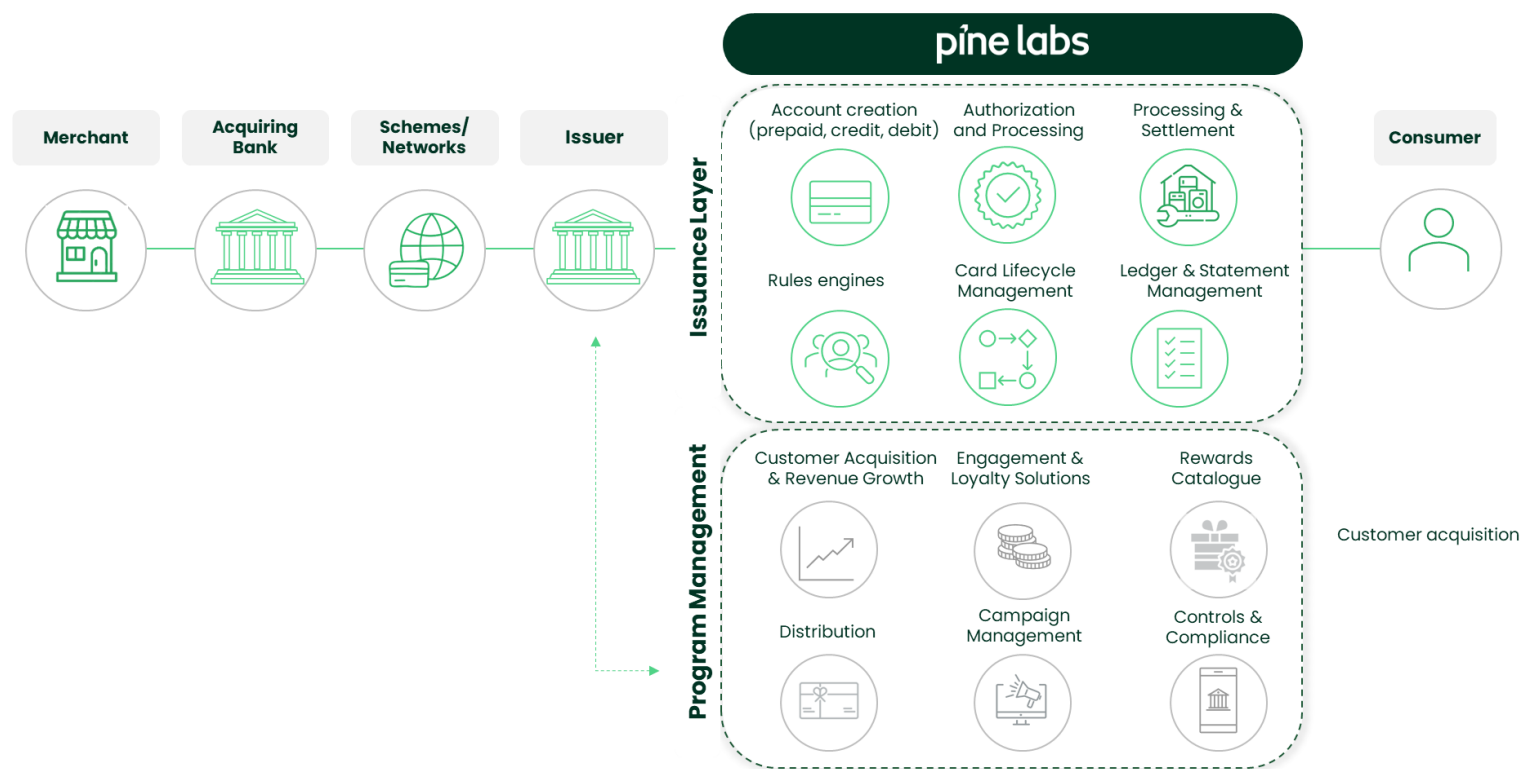
The company’s prepaid solutions enable brands and enterprises to issue and manage both digital and physical prepaid instruments for multiple use cases such as gifting, promotions, rewards, cashback, loyalty, refunds, employee and channel incentives. These offerings are available across India, Southeast Asia, Australia, and the U.S.

Following the acquisition of Credit+, the company strengthened its end-to-end API-first issuing and acquiring infrastructure, providing banks and FinTechs with capabilities across onboarding, card issuance, transaction processing, fraud management, collections, settlement, and billing. Credit+ is primarily offered in India, Africa, and Southeast Asia.

Built on a proprietary, cloud-native technology stack, the platform ensures flexibility, scalability, and reliability—achieving 99.99% uptime for prepaid issuing and 99.93% uptime for in-store and online payments between FY2023–FY2025. The modular API-driven architecture supports customized solutions such as deferred EMIs, flexible instalment plans, and instant cashback programs.

The company operates multiple revenue streams across its ecosystem:

- In-store payments: Subscription-based fees from merchants and acquiring banks, linked to the number of DCPs.
- Online payments: Transaction-based merchant fees.
- Affordability, VAS, and transaction processing: GTV-linked processing fees from merchants, consumer brands, and financial institutions.
- FinTech infrastructure: Transaction-based fees from financial institutions.
- Issuing and Acquiring Platform: Processing fees linked to GTV processed or distributed.



**Pinelab's Ecosystem**

Multiple offerings for distinct constituents across their ecosystem including merchants, consumer brands and enterprises and financial institutions

**Merchants** form the core of the company's business, with 988,304 merchants as of June 30, 2025. Leveraging its open-API architecture, the company enables seamless integration across its Digital Infrastructure and Issuing & Acquiring Platforms, facilitating rapid digitization of the informal retail sector.

Its merchant proposition is built on:

- **Comprehensive Payment Solutions:** Unified platform supporting multiple acquirers and diverse digital payment modes, integrated with merchant systems for smooth check-out and reconciliation.
- **Consumer Growth Enablement:** Prepaid and affordability solutions that enhance consumer acquisition, engagement, and spending for merchants and brands.
- **Operational Efficiency:** Integration with billing, ERP, and CRM systems to automate back-office operations.
- **Customizable Technology:** Access to 330+ third-party business apps enabling merchants to digitize operations, manage inventory, billing, and loyalty programs.
- **Flexibility and Choice:** Merchants can freely choose acquirers, partners, and solutions to optimize cost, performance, and consumer convenience.

**Consumer Brands:** The Company enables leading consumer brands to expand market reach and improve affordability across income segments and geographies. Through its Issuing and Acquiring Platform, brands issue prepaid cards to drive consumer acquisition and retention. Key partners include Amazon Pay, LG Electronics, Flipkart, and Redington.

- **Unified Market Access:** Affordability and value-added services enable consistent promotions, reconciliation, and sales analytics across retail networks.
- **Higher Conversions:** Real-time authentication and credit enablement at checkout enhance affordability, drive sales, and reduce fraud.
- **Loyalty and Retention:** Brand-specific prepaid cards and data-driven promotions deepen consumer engagement.

**Financial Institutions:** The platform supports 177 financial institutions as of June 30, 2025, including major banks such as HDFC Bank, Axis Bank, and ICICI Bank, offering end-to-end issuing, acquiring, and transaction processing across 16 countries.

- **Ecosystem Access:** Broad merchant network and digital infrastructure enhance institutional reach.
- **Modern FinTech Infrastructure:** Cloud-native solutions via *Setu* enable faster checkouts, improved collections, and advanced risk models.
- **Growth Enablement:** Affordability solutions drive loan volumes, while issuing services strengthen customer engagement and retention.

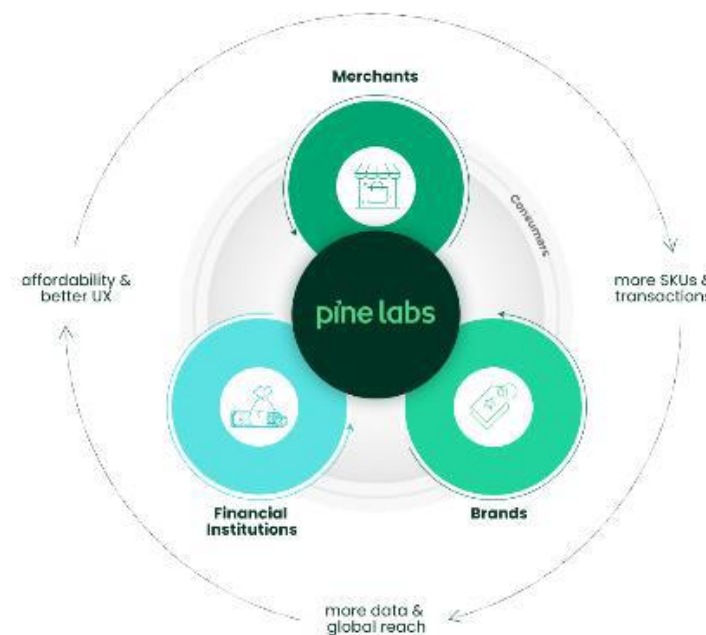
**Consumers**



### Strengths:

- **Ecosystem which brings together merchants, consumer brands and enterprises, and financial institutions enabling commerce transactions and creating network effects.**

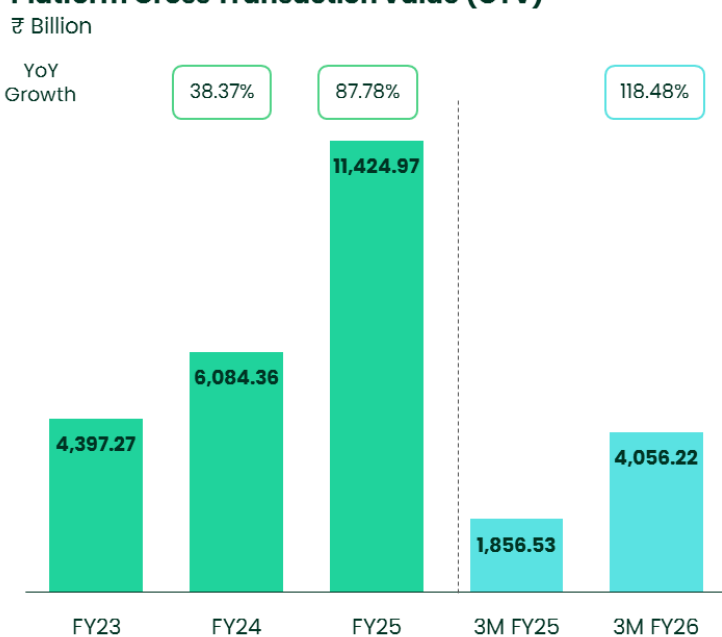
The company operates a multifaceted ecosystem connecting merchants, consumer brands and enterprises, financial institutions, and an expanding base of partners, including business software providers. As ecosystem participation deepens, increased transaction volumes generate richer data, enabling process optimization and enhanced product offerings. Each new participant strengthens platform utility, driving a self-reinforcing network effect that attracts additional stakeholders and broadens monetization opportunities across multiple segments. The ecosystem has demonstrated consistent densification since FY2022. As of June 30, 2025, the company engaged 988,304 merchants, 716 consumer brands and enterprises, and 177 financial institutions, up from 530,318 merchants, 444 brands and enterprises, and 80 financial institutions as of March 31, 2023—reflecting strong ecosystem expansion and growing platform adoption.



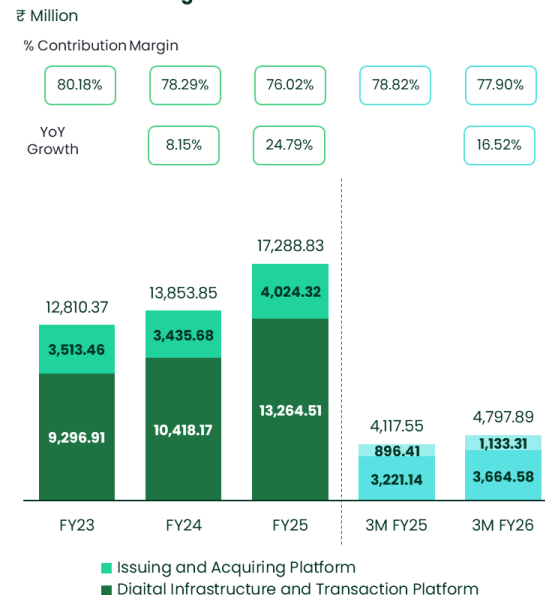
- **Platform with proven scale and growth in operating profitability**

The company operates an extensive suite of services under its Digital Infrastructure and Transaction Platform and Issuing and Acquiring Platform. In India—its core market—the company was the largest player in closed and semi-closed loop gift card issuances by transaction value in FY2025, the leading enabler of digital affordability solutions at DCPs, among the top five in-store digital platforms, and a prominent Bharat Connect transaction processing solutions provider. In FY2025, the platform processed ₹11,424.97 billion in Gross Transaction Value (GTV) across 5.68 billion transactions. As of June 30, 2025, the company’s ecosystem comprised 988,304 merchants, 716 consumer brands and enterprises, and 177 financial institutions, underscoring its extensive market reach. Financially, revenue from operations grew 28.5% YoY to ₹22,742.74 million in FY2025 from ₹17,695.46 million in FY2024, following a 10.8% growth in FY2024. The company reported a loss after tax of ₹1,454.87 million in FY2025, narrowing from ₹3,419.03 million in FY2024 and ₹2,651.45 million in FY2023, with a corresponding improvement in loss after tax margin from (16.6%) in FY2023 to (6.4%) in FY2025. Profitability metrics also strengthened, with Contribution Margin rising from ₹12,810.37 million in FY2023 to ₹17,288.83 million in FY2025, representing 76.0% of revenue, while Adjusted EBITDA Margin improved from 12.3% in FY2023 to 15.7% in FY2025. The company continues to demonstrate strong operating leverage and improving profitability trends driven by platform scale and operational efficiency.

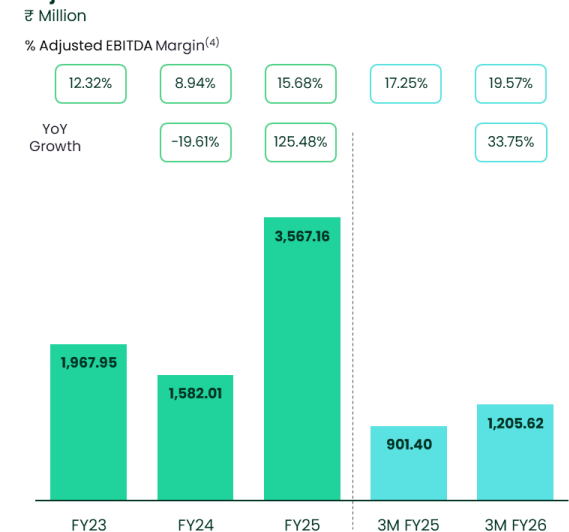
### Platform Gross Transaction Value (GTV) <sup>(1)</sup>



### Contribution Margin <sup>(2)</sup>



### Adjusted EBITDA <sup>(3)</sup>



- **Deep partnerships with large merchants, consumer brands and enterprises, and financial institutions**

The company maintains a strong presence in India with a growing international footprint across its ecosystem of partners. As of June 30, 2025, it served merchants across key verticals including retail, supermarkets, e-commerce, restaurants, grocery, lifestyle, consumer electronics, healthcare, travel, and hospitality, alongside financial institutions, fintechs, and technology companies. Through its comprehensive suite of offerings, the company has established deep relationships with leading consumer brands and enterprises such as **Croma** and **HDFC Bank**. Having evolved from an in-store digital payments provider, it has diversified into multi-issuer affordability solutions, full-stack issuing capabilities, and advanced merchant solutions such as billing integrations, analytics dashboards, customer spend insights, and loyalty programs—enhancing value across its ecosystem.

➤ **Full stack, cloud-based flexible and scalable technology platform**

The company's technology stack is purpose-built to deliver scale, speed, and security across digital commerce. Its cloud-native, API-first, and modular architecture enables high availability, rapid integration, and seamless scalability to support large transaction volumes globally. In FY2025, the platform processed 5.68 billion transactions (vs. 3.44 billion in FY2024 and 1.75 billion in FY2023) with 99.93% uptime for payments and 99.99% for prepaid issuing. It issued 713 million prepaid cards, supporting 28 issuers across 16 countries, underscoring its international scalability. The cloud-based platform ensures uniform performance, enhanced security, and quick deployment of new capabilities. The API-driven architecture, powered by Setu, enables third-party developers to integrate easily via SDKs and developer tools, supporting rapid go-live timelines. An open and configurable ecosystem allows merchants to tailor solutions to specific business needs, while the company maintains rigorous security and compliance standards including PCI-DSS, ISO 27001, SOC 1 & 2, and RBI encryption norms. A dedicated Security Operations Centre ensures continuous monitoring and platform integrity across markets.

➤ **Ability to Consistently Innovate New Solutions and Features**

The company has built a comprehensive suite of commerce solutions through continuous innovation and strategic acquisitions. Its product development is driven by a strong understanding of ecosystem needs and a scalable, purpose-built technology stack. The journey began with Plutus, a cloud-based in-store payments platform integrating multiple acquirers and payment methods. Subsequently, the company expanded into Affordability Solutions and prepaid distribution, enhancing consumer affordability, transaction volumes, and partner growth. In October 2021, it launched a proprietary online payments platform, offering merchants an omni-channel solution post the COVID-led digital shift. These innovations are underpinned by an API-driven, modular, and secure architecture enabling seamless integrations and high transaction throughput. Strategic acquisitions such as Qwikilver (Pine Labs Prepaid), Mosambee, Qfix, Setu, and Credit+ have further strengthened technological capabilities and product diversification.

➤ **Experienced, professional management team with entrepreneurial leadership**

The company is led by a management team with extensive experience in developing and scaling technology solutions, having held leadership roles across prominent technology firms in India and globally. Through strategic acquisitions, the company has further strengthened its leadership bench by integrating world-class management teams and fostering a strong entrepreneurial culture. The team's diverse expertise across FinTech, payments, financial services, technology, and e-commerce serves as a key competitive advantage, supporting the company's growth across ecosystems and international markets.

**Key Strategies:**

➤ **Scale and increase adoption of existing offerings and expand their offerings suite**

The company plans to scale existing offerings by strengthening distribution, enhancing its Digital Infrastructure and Transaction Platform, and driving cross-sell across in-store, online, affordability, VAS, and FinTech solutions. Focus areas include expanding into mid-market and small merchants through UPI-first products like Mini DCP, extending affordability and VAS offerings beyond electronics to sectors such as fashion, healthcare, and travel, and developing new use cases on the Issuing and Acquiring Platform. Continued investments in technology and infrastructure will support scalability and growth.

➤ **Broaden and deepen our partnership ecosystem**

The company operates an integrated ecosystem comprising merchants, consumer brands, enterprises, and financial institutions, where increasing participation enhances transaction volumes and data-driven insights, further strengthening the platform. The company aims to expand this ecosystem by adding new financial institution and brand partners, supported by a strong direct sales and field force network. On the Issuing and Acquiring Platform, efforts are focused on deepening existing partnerships and onboarding new financial institutions across issuing, processing, acquiring, and program management solutions. Additionally, the company plans to extend its ecosystem to include third-party software providers, corporates, and distribution partners, positioning itself as an agnostic commerce solutions provider integrating in-house and partner offerings.

➤ **Invest in technology platform**

The company remains focused on strengthening its technology capabilities through continued investments in IT assets, cloud infrastructure, and product innovation. Plans include expanding deployment of DCPs to enhance point-of-sale presence and reinforcing core technology infrastructure to support advanced financial product development. Under its Setu platform, the company has launched a UPI switch enabling financial institutions to offer UPI-based services and introduced the Insights product—an account aggregator TSP solution leveraging Large Language Models (LLMs) and machine learning to enhance credit underwriting, fraud detection, and loan monitoring through India's digital public infrastructure (DPI) stack.

➤ **Enter new international markets and expand within existing international markets**

The company aims to extend its offerings to selective international markets, leveraging the global potential of its Issuing and Acquiring Platform, this platform has strong international appeal, and the company plans to onboard clients across Southeast Asia, the UAE, the US, and Australia. Additionally, a strategic partnership with a major network partner has been established to expand affordability solutions across Southeast Asia.

➤ **Continue to pursue strategic acquisitions and investments**

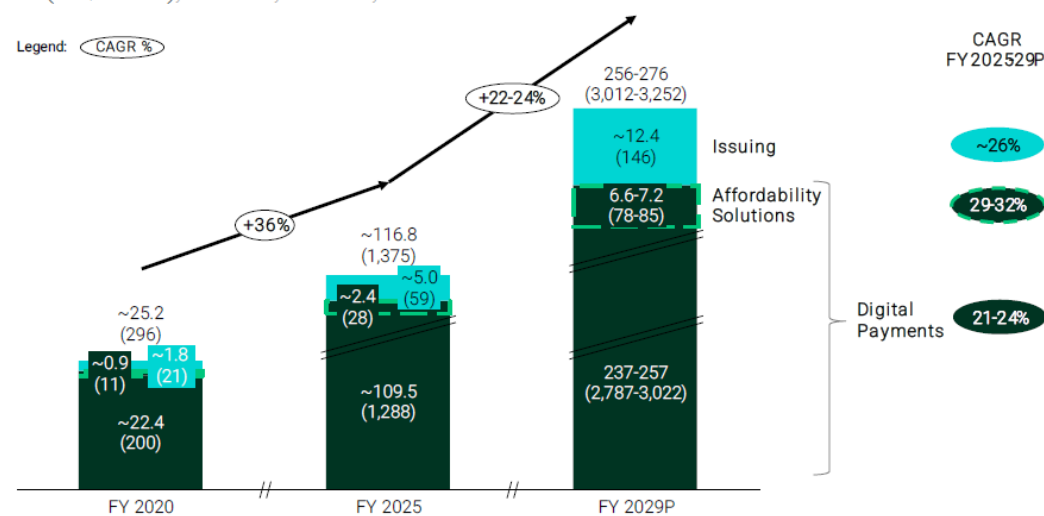
The company intends to selectively pursue strategic acquisitions and investments to strengthen its competitive position, enhance technological capabilities, broaden product offerings, and expand into new markets. Its inorganic growth approach has been demonstrated through acquisitions such as Qwikilver, Fave, Mosambee, QFix, Setu, Saluto, and Credit+. Future plans include investing in Qwikilver to build prepaid issuing, processing, and distribution capabilities; in Mosambee and QFix to deepen penetration among small and medium merchants; and in Setu to advance API-led digital public infrastructure solutions across payments, data insights, and identity. The acquisition framework, guided by the Board, focuses on opportunities that (i) enhance market competitiveness, (ii) introduce new products or technologies, (iii) strengthen domain expertise, and (iv) extend presence across existing and new geographies.

**Industry Snapshot:**

**The India Opportunity**

The total market opportunity in terms of total payment value (TPV) for Pine Labs in India ~₹116.8 trillion (US\$1.4 trillion) in FY 2025, having grown at a CAGR of 36% from ~₹25.2 trillion (US\$296 billion) in FY 2020. It is projected to grow further to ₹256-276 trillion (US\$3.0-3.3 trillion) by FY 2029 at a CAGR of 22-24% with increasing penetration of affordability solutions and cards usage as the digital payment ecosystem across in-store and online matures. India’s payments have evolved from cash-heavy transactions to AI-driven digital ecosystems. A decade ago, the initial shift saw POS terminals and credit cards replacing cash, driven by transaction banking and in-store innovations. Subsequently, about five years ago this was followed by a surge in digital wallets, UPI, and QR code adoption, fueled by fintech platforms and online commerce. Now, the focus is on AI, data-driven personalization and insights, and fintech infrastructure, moving beyond hardware dependency to create seamless and intelligent payment experiences through embedded journeys.

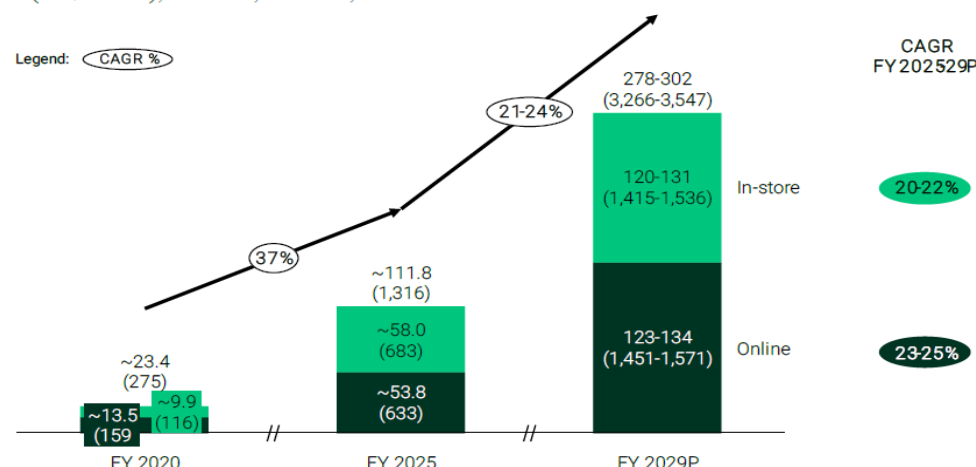
**Figure 1: Total Market Size (TPV) – by segments**  
In ₹ trillion (US\$ billion), FY 2020, FY 2025, FY 2029P



➤ **Peer to Merchant (“P2M”) Digital Payments**

The P2M payments in India have experienced rapid growth, expanding from ~₹23.4 trillion (US\$275 billion) transaction value in FY 2020 to ~₹111.8 trillion (US\$1.3 trillion) in FY 2025 at a CAGR of approximately 37%. The transaction value is further projected to reach ₹244-264 trillion (US\$2.9-3.1 trillion) by FY 2029 at a CAGR of 21-24% from FY 2025. 45% of all private consumption transactions were conducted digitally (non-cash) in FY 2025. Digital payments are made through various methods, including credit cards, debit cards, UPI, prepaid cards, and netbanking. Merchants enable these payments through DCPs, soundboxes and QR stickers, and online payment gateways and aggregators. In-store P2M is ~₹58.0 trillion (US\$683 billion) in FY 2025, growing at 42% CAGR from FY 2020. The in-store payments are expected to reach ₹120-131 trillion (US\$1,415-1,536 billion) by FY 2029, growing 20-22% annually. Online P2M is ~₹53.8 trillion (US\$633 billion) in FY2025, growing at 32% CAGR from FY 2020 and is expected to reach ₹123-134 trillion (US\$1,451-1,571 billion) by FY 2029, growing 23-25% annually. These digital payment methods have reduced the reliance on cash, which has consequently dropped from 81% of all P2M payments in FY 2020 to 55% in FY 2025 and is further expected to drop to 19-21% by FY 2029.

**Figure 4: India Digital P2M TPV<sup>1</sup> – by in-store vs. online payments**  
In ₹ trillions (US\$ billion), FY 2020, FY 2025, FY 2029P

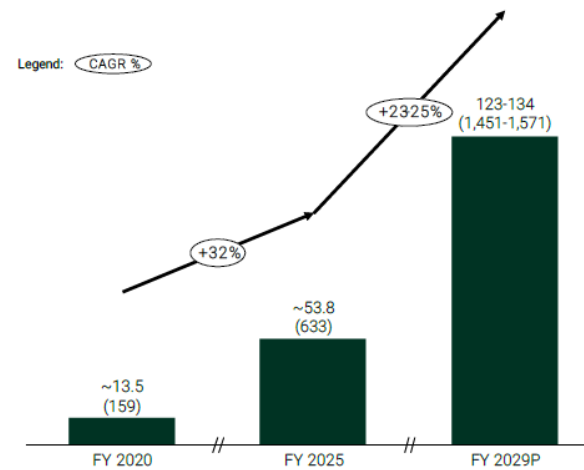


➤ Online payments

Transaction value of online payments has surged at a CAGR of 32% over the last 5 years

The transaction value processed in India has shown a strong upward trajectory, rising from ~₹13.5 trillion (US\$159 billion) in FY 2020 to an estimated ~₹53.8 trillion (US\$633 billion) by FY 2025, representing a CAGR of ~32%, driven by online payments in sectors such as e-commerce, recharge and bill payments, online insurance premiums, wealth management fund transfers, online loan repayments, education payments, online travel and accommodation, food services, and mobility. This growth is expected to continue to increase with projections indicating the transaction value to reach ₹123-134 trillion (US\$1,451-1,571 billion) by FY 2029, driven by a CAGR of 23-25% from FY 2025 onwards.

Figure 8: Online payments TPV  
In ₹ trillions (US\$ billion), FY 2020, FY 2025, FY 2029P



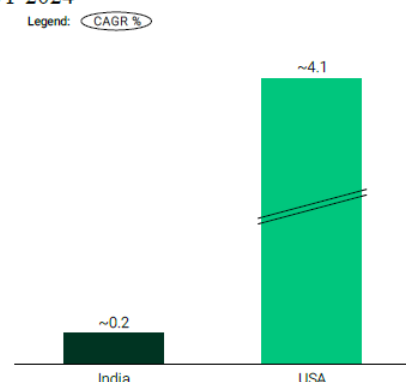
➤ Prepaid Cards opportunity

Prepaid cards represent a versatile payment instrument that can be issued in physical or virtual forms. Based on their usability, they are classified into:

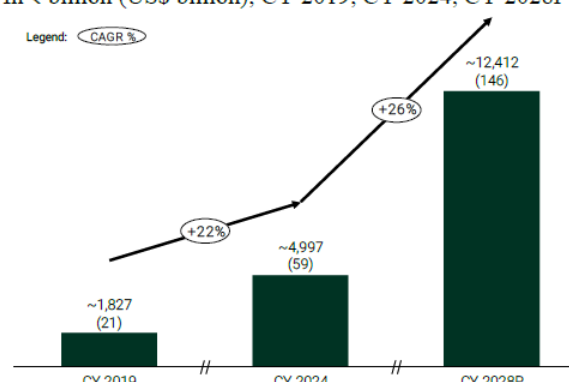
- **Open-Loop Cards:** Usable at any merchant accepting card networks (e.g., Visa, Mastercard, RuPay), typically issued by banks for applications like forex, travel, and corporate expenses.
- **Semi-Closed-Loop Cards:** Restricted to specific merchant ecosystems (e.g., e-commerce platforms, retail chains), issued by banks and RBI-registered non-banking entities.
- **Closed-Loop Cards:** Usable only with the issuing merchant (e.g., gift cards, fuel payments, loyalty programs), issued by any entity, even non-RBI registered ones.

Closed and semi-closed loop prepaid (SCLP) cards are under-penetrated in India, with ~0.2 cards per capita compared to ~4.1 in USA. The total transaction value of prepaid cards is ~₹5.0 trillion (US\$59 billion) in 2024, having grown at a CAGR of 22% from ~₹1.8 trillion (US\$21 billion) in 2019. Closed and SCLP cards value is further expected to grow at a CAGR of 26% to ~₹12.4 trillion (US\$146 billion) by CY 2028P.

Figure 15: Prepaid cards per capita  
In #, CY 2024



India Closed and SCLP cards TPV  
In ₹ billion (US\$ billion), CY 2019, CY 2024, CY 2028P

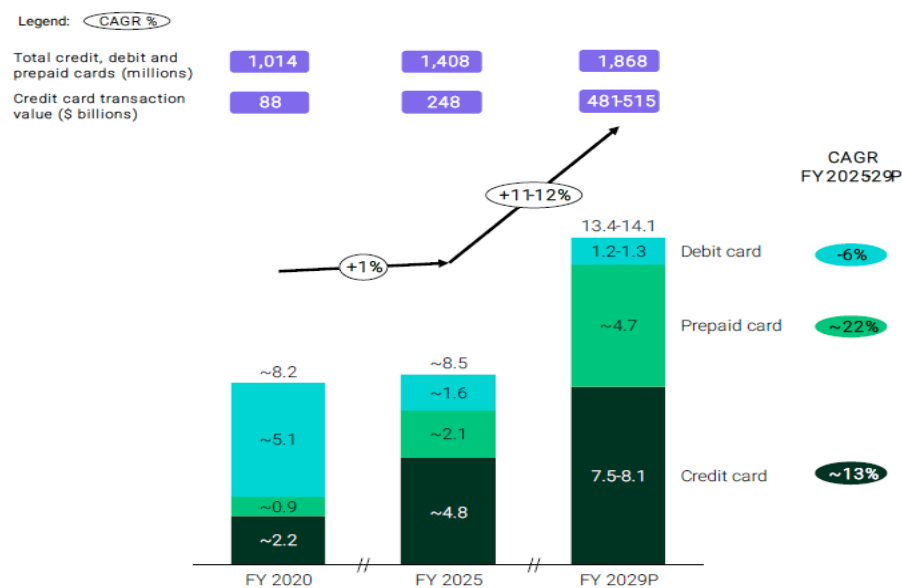


➤ Issuing & Acquiring solutions for Open loop cards

With the growth of digital payments financial institutions (fintech firms, small finance banks, NBFCs, and banks) are looking to issue more credit, debit, and prepaid cards, and hence seek issuing solutions for consumers and acquiring solutions to enable digital payments for merchants. Number of cards issued and the volume of transactions through these cards represents the total addressable market for issuing and acquiring solutions.

Over the last 5 years, India has witnessed continued growth in the total number of cards (credit, debit, and prepaid), which have risen by ~7% from ~1.0 billion in FY 2020 to ~1.4 billion in FY 2025 with 60+ issuing and acquiring banks driving this growth. Looking ahead, the number of cards is expected to grow to ~1.9 billion by FY 2029. Between the year FY 2020 and FY 2025, credit card transactions grew at 17%, prepaid transactions grew at 20% and debit transaction declined at -21%. The credit card transactions are further projected to grow at 13% CAGR between FY 2025 and FY 2029 with credit card on UPI being a key driver, whereas prepaid cards transactions is projected to grow at ~22% CAGR and debit cards transactions is projected to decline at 6% CAGR during the same period.

Figure 17: Total card transactions volume for India – split by credit, debit and prepaid cards  
In billion, FY 2020, FY 2025, FY 2029P



### Comparison with Industry listed peers

Name of the company	Face Value (₹ per share)	Revenue from operations (₹ in millions)	Basic EPS	P/E	RONW (%)	NAV (₹)	P/BV (x)
Pine labs Ltd	1	22,742	(1.4)	-	(4.15%)	(22.4)	9.8
<b>Listed Peers</b>							
One97 Communications Ltd (Paytm)	1	69,000	(10.35)	(110.9)	(4.6%)	235.5	5.6
Zaggle Prepaid Ocean Services Ltd (Zaggle)	1	13,037	7.0	50.5	9.6%	93.2	3.7

\*Note – 1) P/E, P/BV Ratio has been computed based on the closing market price of equity shares on NSE on Nov 06, 2025, other Financial highlights as 31<sup>st</sup> March 2025.

2) P/BV, NAV, EPS, P/E of the Pine Labs is calculated on EPS of FY25, and post issue no. of equity shares issued.

### Key Risk:

- **Dependence on Customer and Partner Retention:** The Company's growth is contingent upon its ability to retain and expand a diversified customer and partner base comprising merchants, consumer brands, enterprises, and financial institutions. Sustained engagement from these stakeholders depends on the relative competitiveness and value proposition of the platform. Any deterioration in partner relationships or customer stickiness could adversely impact revenue visibility and long-term growth prospects.
- **Regulatory and Compliance Risk:** The Company operates under the regulatory supervision of the Reserve Bank of India (RBI) and the Reserve Bank Information Technology Private Limited (ReBIT). Any adverse observations, directives, or enforcement actions arising from regulatory reviews or inspections could impact the company's operations, compliance framework, and overall financial and operational performance.
- **Intellectual Property Risk:** The Company may face challenges in preventing unauthorized use or infringement of its intellectual property. Additionally, it may be exposed to claims of infringement, misappropriation, or violation of third-party proprietary rights. Such disputes could result in litigation, financial liabilities, or reputational damage, adversely affecting the company's business operations and competitive positioning.
- **Cybersecurity and Data Privacy Risk:** The Company has previously experienced, and may in the future face, cybersecurity incidents or data privacy breaches that could disrupt operations. Any compromise of confidential or customer data may lead to regulatory scrutiny, reputational damage, and financial or operational setbacks, thereby adversely impacting the company's brand equity and business performance.
- **Dependence on Digital Payment Ecosystem:** The Company's growth and financial performance are closely tied to the continued adoption and usage of digital payment instruments such as credit cards, debit cards, prepaid cards, UPI, and wallets. Any decline in consumer usage of these payment modes, adverse regulatory or technological developments in the payment processing industry, or reduced demand for alternative financial services could negatively impact transaction volumes, revenue generation, and long-term growth prospects.
- **Regulatory Compliance and Anti-Money Laundering Risk:** The Company's Prepaid and Online businesses are subject to AML, KYC, and counter-terrorism regulations under the PMLA. Any non-compliance with these requirements could lead to regulatory action, penalties, or reputational impact, adversely affecting operations and financial performance.

### Valuation:

Pine Labs is a leading fintech leading transforming commerce with its digital payment and issuing solutions. Its Digital Infrastructure and Transaction Platform enables in-store and online payments, affordability options, and value-added services like dynamic currency conversion point-of-sale (POS) solutions, payment processing, and merchant financing services.

With its proven technology, strong merchant relationships, and diversified global footprint, Pine Labs is well-positioned to capitalize on the accelerating digitization of commerce. The company has posted growth in its top lines for the reported periods till FY25, but incurred losses. Its only for Q1 of FY26, it turned the corner. Considering digital India move by the Government, it is poised for bright prospects ahead in the long run

On the valuation front, Based on FY25 earnings, Mcap to Sales ratio is 11.4 times and a post-issue market capitalization of approximately Rs 2,53,766 million, making the issue appears to be richly priced. Therefore, given its focus on expanding scale, ecosystem depth, and product innovation is expected to drive sustainable growth and strengthen its competitive positioning in the digital payments and fintech infrastructure space over the medium to long term. Hence, we assign **Subscribe for long term** only rating for the issue.

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Small Caps (251st company onwards)	>25%	0-25%	<0%

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