



SMC Ranking

★ ★ ☆ ☆ ☆ (2/5)

### Issue Highlights

Industry	Fintech
Offer for sale (Shares)	82,348,779
Fresh Issue (Shares)	94,117,647
<b>Net Offer to the Public</b>	<b>176,466,426</b>
Issue Size (Rs. Cr.)	3705-3900
Price Band (Rs.)	210-221
Employee Discount	21
Offer Date	7-Nov-25
Close Date	11-Nov-25
Face Value	1
Lot Size	67

### Issue Composition

	In shares
Total Issue for Sale	176,466,426
QIB	132,349,820
NIB	26,469,964
Retail	17,646,643

### Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	0.00%	0.00%
QIB	100.00%	96.16%
NIB	0.00%	2.31%
Retail	0.00%	1.54%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\*calculated on the upper price band

### Objects of the Issue

The Company Pine Labs IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Repayment / prepayment, in full or in part, of certain borrowings availed of by the company and certain of its Subsidiaries,
2. Investment in certain of its Subsidiaries, namely Qwiksilver Singapore, Pine Payment Solutions, Malaysia and Pine Labs UAE for expanding its presence outside India
3. Investment in IT assets, expenditure towards cloud infrastructure, technology development initiatives and procurement of DCPs
4. General corporate purposes and unidentified inorganic acquisitions

### Book Running Lead Manager

- Axis Capital Limited
- Morgan Stanley India Company Private Limited
- Citigroup Global Markets India Private Limited
- J.P. Morgan India Private Limited
- Jefferies India Private Limited

### Name of the registrar

- KFin Technologies Limited

### About the company

Incorporated in 1998, Pine Labs is a leading Indian merchant commerce platform offering integrated point-of-sale (POS) solutions, payment processing, and merchant financing services. The company empowers businesses of all sizes—from small retailers to large enterprises—with advanced digital payment technologies and value-added services. Its offerings include smart POS devices that accept multiple payment modes such as cards, UPI, wallets, and EMIs; Buy Now Pay Later (BNPL) options enabling instant EMIs at checkout; merchant financing through partnerships with financial institutions; and loyalty and gift solutions that help brands engage customers via digital gift cards and reward programs. Pine Labs also provides APIs and payment gateway services for e-commerce platforms and digital applications. As of June 30, 2025, the company served 988,304 merchants, 716 consumer brands and enterprises, and 177 financial institutions, including leading names such as Amazon Pay, LG Electronics, Flipkart, Redington, HDFC Bank, Axis Bank, and ICICI Bank. Having evolved from a card-based payment provider into a comprehensive fintech platform, Pine Labs plays a pivotal role in advancing India's cashless, digitally empowered retail economy.

### Strength

**Ecosystem Connecting Merchants, Brands, and Financial Institutions:** Pine Labs operates a dynamic ecosystem that seamlessly connects merchants, consumer brands, enterprises, financial institutions, and technology partners to enable smooth commerce transactions and create powerful network effects. As more participants engage with the platform, transaction volumes and data generation rise, enhancing the platform's intelligence and value proposition. Each new participant—whether a merchant, consumer, or partner—further strengthens the ecosystem by improving convenience and driving greater adoption. This virtuous cycle fuels growth and monetization opportunities across all segments. The platform's expanding network is evident from its growth to 9.88 lakh merchants, 716 consumer brands and enterprises, and 177 financial institutions as of June 30, 2025, up from 5.30 lakh merchants, 444 consumer brands and enterprises, and 80 financial institutions as of March 31, 2023.

**Proven Platform Scale and Growing Profitability:** Pine Labs has established a strong foundation of scale and profitability through its Digital Infrastructure and Transaction Platform, and its Issuing and Acquiring Platform. In India, the company ranked as the largest issuer of closed and semi-closed loop gift cards and the leading enabler of digital affordability solutions on digital commerce platforms in FY2025, according to Redseer. It processed Rs. 1,142,497 crore in Gross Transaction Value (GTV) and 568 crore transactions in FY2025, underscoring its massive operational footprint. Revenue from operations grew 28.52% year-on-year to Rs. 2,274.27 crore in FY2025, while annual losses narrowed to Rs. 145.49 crore from Rs. 265.15 crore in FY2023, improving the loss after tax margin from (16.60%) to (6.40%). Operating metrics also strengthened, with a contribution margin of Rs. 1,728.88 crore (76.02% of revenue) and an adjusted EBITDA margin of 15.68% in FY2025.

**Strong Partnerships with Merchants, Brands, and Financial Institutions:** The company's success is anchored in its deep, long-standing partnerships with merchants across diverse sectors such as retail, e-commerce, healthcare, hospitality, and restaurants, as well as with major financial institutions and technology companies. Having evolved from an in-store payments provider to a full-stack fintech platform, Pine Labs now offers multi-

issuer affordability solutions, issuing capabilities, billing integrations, merchant dashboards, and loyalty programs. The platform's cloud-native architecture enables high scalability and reliability, maintaining uptime of 99.93% for both in-store and online payments. In FY2025, it processed 568 crore transactions and extended its footprint beyond India to Malaysia, the UAE, and the U.S. Its API-driven model, powered by the Setu toolkit, allows seamless third-party integrations, while robust compliance with PCI-DSS and ISO 27001 standards ensures top-tier security and trust across its partner network.

**Consistent Innovation and Strategic Expansion:** Pine Labs has consistently demonstrated its ability to innovate and scale through both organic development and strategic acquisitions. Starting with Plutus—a cloud-based platform simplifying in-store checkouts by integrating multiple payment options—it has expanded to include affordability and prepaid distribution solutions that boost consumer access and partner engagement. In response to the COVID-19 pandemic, the company launched its proprietary online payments platform in October 2021, offering merchants a unified omni-channel payments experience. These innovations are supported by a secure, API-first technology stack capable of processing large transaction volumes. Strategic acquisitions, including Qwikilver (now Pine Labs Prepaid), Mosambee, Qfix, Setu, and Credit+, have further enhanced its capabilities, establishing Pine Labs as a comprehensive, full-stack payments and commerce leader.

**Experienced and Entrepreneurial Leadership Team:** Pine Labs is guided by a highly experienced and entrepreneurial management team with deep expertise across technology, fintech, financial services, and e-commerce. Many of its leaders have previously held senior roles at global technology firms, bringing valuable insights and strategic depth to the organization. The company's acquisition-driven growth has also enabled it to integrate diverse leadership teams and foster a culture of innovation and collaboration. This blend of strategic vision, technological expertise, and entrepreneurial agility positions Pine Labs to sustain its growth trajectory and expand its influence across domestic and international markets.

## Strategy

**Scale and Expand the Offerings Suite:** Pine Labs' future growth strategy focuses on scaling its existing solutions and continuously evolving them to meet the changing needs of customers through an expanded distribution network. The company aims to strengthen its Digital Infrastructure and Transaction Platform by promoting and cross-selling its full suite of products, including in-store and online payment infrastructure, affordability solutions, Value-Added Services (VAS), and fintech tools such as loyalty programs and analytics. A major emphasis is on extending its reach to mid-market and small merchants through UPI-first solutions like the Mini DCP, which facilitates seamless digital payment adoption among small and micro businesses. Additionally, the company plans to diversify its Affordability and VAS segment beyond electronics and mobiles into new verticals such as fashion, healthcare, lifestyle, and education. On the Issuing and Acquiring front, Pine Labs intends to create new use cases across prepaid, debit, and credit issuing, including refund, promotion, wallet, and expense management solutions, backed by sustained investment in technology and infrastructure.

**Broaden and Deepen the Partnership Ecosystem:** Pine Labs continues to strengthen and expand its interconnected ecosystem of merchants, consumer brands, enterprises, and financial institutions—all linked by its commerce and payment solutions. As the platform grows, network effects emerge: each new participant adds transaction volume and data insights, which enhance offerings and attract more users. The company plans to grow this base by onboarding new banks and consumer brands while deepening ties with existing partners. Its trained sales and field teams remain a key differentiator in expanding its presence across merchant segments and industries. For the Issuing and Acquiring Platform, Pine Labs aims to deepen partnerships with existing brands and engage new financial institutions for issuing, acquiring, and transaction processing services. The company also seeks to adopt an agnostic, partnership-driven approach by collaborating with third-party software providers, corporate clients, and enterprise software platforms to deliver integrated commerce and payments solutions.

**Invest in the Technology Platform:** Pine Labs remains committed to investing heavily in its IT infrastructure, cloud ecosystem, and technology innovation to strengthen its digital backbone and enable the creation of advanced financial solutions. A major focus area is expanding its network of Digital Commerce Platforms (DCPs) to enhance its reach at merchant touchpoints. Supported by a 289-member R&D, engineering, and technology team, recent advancements include the launch of a UPI switch under Setu, empowering financial institutions to offer UPI services efficiently. Additionally, Setu’s account aggregator product now includes an “Insights” module for lenders and fintechs that leverages Large Language Models (LLMs) and machine learning on India’s Digital Public Infrastructure (DPI) to improve credit underwriting, fraud detection, and loan monitoring.

**Enter and Expand International Markets:** Pine Labs plans to extend its footprint in global markets by targeting high-potential regions for its Issuing and Acquiring Platform, as highlighted by the Redseer Report. The company intends to strengthen its presence in Southeast Asia, the UAE, the U.S., and Australia by onboarding new clients and partners. It has also entered into a partnership with a major global network to expand its affordability solutions across Southeast Asia, showcasing a strategic and focused approach to international growth.

**Pursue Strategic Acquisitions and Investments:** Building on its proven track record of successful inorganic growth, Pine Labs plans to pursue selective acquisitions and investments to enhance its competitive position, expand capabilities, and enter new markets. Past acquisitions such as Qwiksilver (now Pine Labs Prepaid), Fave, Mosambee, QFix, Setu, Saluto, and Credit+ have strengthened its technology stack and diversified its product suite. Going forward, the company intends to deepen investments within these entities—expanding issuing and prepaid distribution at Qwiksilver, growing the SME merchant base through Mosambee and QFix, and advancing Setu’s API-enabled platform across payments, data insights, and identity layers. Each acquisition will be strategically aligned with Pine Labs’ objectives of enhancing market reach, acquiring new technologies, building domain expertise, and scaling across geographies.

### Risk Factor

- The company reported a loss of Rs. 145.49 crore in FY2025, driven by expenses exceeding income (104.29%). Future profitability remains uncertain.
- Operating cash flows were negative, with Rs. 281.19 crore used in operations in Q1 FY2026. Continued negative cash flows may impact liquidity.
- Inability to retain or attract customers may adversely affect business performance and growth.
- The top 10 customers contributed over 30% of revenue in FY2025, creating dependence that could hurt results if any major client disengages.
- Auditors issued adverse remarks for FY2023–FY2025. Future audit observations may further affect financial credibility and operations.
- Operations are regulated by RBI and ReBIT; any adverse action or notice from these authorities may impact business and prospects.
- Unauthorized use or infringement of intellectual property could harm competitiveness or result in legal disputes.

### Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
One 97	7718.30	-604.10	0.00	0.00	5.39	235.12	1	1268.25	81054.84
Zaggle Prepaid	1383.53	97.29	7.25	49.94	3.90	92.96	1	362.10	4861.34
Pine Labs Ltd.	2274.27	-145.49	-ve	-ve	4.50	49.17	1	221.00	25376.65

\*Peer companies financials are TTM based

\*\*\*Pine Labs Ltd. Financial are based on TTM

## Valuation

The company is loss making so we are considering the P/BV valuation, Looking at the P/B ratio at higher band of Rs. 221, pre - issue book value of Rs. 33.82 of P/Bvx 6.53x. Post issue book value of Rs. 49.17 of P/Bvx 4.50x.

Looking at the P/B ratio at lower band of Rs. 210, pre - issue book value of Rs. 33.82 of P/Bvx 6.21x. Post issue book value of Rs. 49.17 of P/Bvx 4.27x.

## Industry Outlook

The digital payments industry, particularly in India, is poised for strong growth and transformation. The payment ecosystem is evolving from traditional POS terminals and digital wallets toward AI-driven, data-enabled platforms that offer personalized, seamless payment experiences, reducing reliance on physical hardware. Despite increasing digitization, India remains highly underpenetrated, with high cash usage, low credit card adoption, and limited in-store Digital Commerce Platform (DCP) coverage, signaling significant growth potential. The total payment market in India is projected to expand from approximately Rs. 11,68,000 crore in FY2025 to Rs. 25,60,000–27,60,000 crore by FY2029, at a CAGR of 22–24%. The number of DCPs is expected to nearly double, rising from 1.11 crore in FY2025 to 2.0–2.1 crore by FY2029, with the payment value processed through them reaching Rs. 4,800–5,200 lakh crore. Globally, key markets such as Southeast Asia, the UAE, Australia, and the USA are also expected to see substantial growth, with total payment value increasing from Rs. 1,60,000 crore (US\$2.0 trillion) in 2024 to Rs. 2,48,000–2,56,000 crore (US\$3.1–3.2 trillion) by 2028, driven by mature digital payment ecosystems and broader adoption of affordability solutions.

## Outlook

Pine Labs, a leading fintech platform, leverages a strong ecosystem connecting merchants, brands, and financial institutions, supported by scalable technology and deep partnerships. Its growth strategy focuses on expanding offerings, scaling distribution, investing in digital infrastructure, and entering international markets. While past losses, negative cash flows, customer concentration, regulatory oversight, and IP risks pose challenges, the company's innovative platform, robust partnerships, and strategic acquisitions position it for long-term growth in India and select global markets.

## An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	7-November-25
BID/ISSUE CLOSES ON	11-November-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	12-November-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	13-November-25
Credit of Equity Shares to Demat Accounts of Allottees	13-November-25
Commencement of trading of the Equity Shares on the Stock Exchanges	14-November-25

## Annexure

### Consolidated Financials

#### Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-25 (3 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	615.91	2274.27	1769.55
Total expenditure	571.20	2055.85	1794.50
<b>Operating Profit</b>	<b>44.71</b>	<b>218.43</b>	<b>-24.95</b>
OPM%	7.26	9.60	-1.41
Other Income	37.17	52.82	54.61
<b>Total Net Income</b>	<b>81.87</b>	<b>271.25</b>	<b>29.66</b>
Interest	21.42	78.96	64.46
<b>PBDT</b>	<b>60.46</b>	<b>192.29</b>	<b>-34.79</b>
Depreciation	65.24	292.09	362.77
<b>Loss before share of loss of associate, exceptional items and tax</b>	<b>-4.79</b>	<b>-99.81</b>	<b>-397.57</b>
<b>Share in net loss of an associate</b>	<b>-0.06</b>	<b>0.00</b>	<b>0.00</b>
<b>Loss before exceptional items and tax</b>	<b>-4.85</b>	<b>-99.81</b>	<b>-397.57</b>
Exceptional Items	0.00	36.58	0.00
<b>PBDT</b>	<b>-4.85</b>	<b>-136.39</b>	<b>-397.57</b>
Tax	-9.64	9.10	-55.66
<b>Profit &amp; Loss</b>	<b>4.79</b>	<b>-145.49</b>	<b>-341.90</b>

Balance sheet is on next page

## Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-25	As on 31-Mar-25	As on 31-Mar-24
<b>Non-current assets</b>			
Property plant and equipment	322.64	346.80	420.50
Capital work-in-progress	43.60	47.12	121.45
Right-of-use assets	117.49	123.61	105.97
Goodwill	1163.73	1163.73	1191.44
Other intangible assets	174.26	190.75	202.19
Intangible assets under development	133.23	113.17	100.09
Investments accounted for using the equity method	9.66	9.12	0.00
<b>Financial assets</b>			
i. Investment	27.87	21.08	21.29
ii. Trade receivables	10.00	9.95	0.00
iii. Other financial assets	86.51	83.09	53.77
Deferred tax assets (net)	168.64	157.53	161.11
Non-current tax assets (net)	215.21	190.04	157.85
Other non-current assets	26.53	18.60	13.24
<b>Total non-current assets</b>	<b>2499.37</b>	<b>2474.60</b>	<b>2548.91</b>
<b>Current asset</b>			
<b>Inventories</b>	<b>28.42</b>	<b>30.10</b>	<b>28.00</b>
<b>Financial Assets</b>			
i. Trade receivables	984.07	844.92	652.02
ii. Cash and cash equivalents	586.44	951.46	882.09
iii. Bank balances other than (ii) above	5214.74	5081.67	4352.83
iv. Loans	0.91	1.45	1.01
v. Other financial assets	1349.93	1077.66	816.38
Current tax assets	1.20	1.20	75.82
Contract assets	1.43	30.25	114.05
Other current assets	237.82	222.43	177.43
<b>Total Current asset</b>	<b>8404.95</b>	<b>8241.14</b>	<b>7099.63</b>
<b>Total Assets</b>	<b>10904.32</b>	<b>10715.74</b>	<b>9648.53</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	33.69	47.18	113.59
ii. Lease liabilities	116.01	119.80	100.47
iii. Other financial liabilities	0.14	0.14	27.94
Deferred tax liabilities (net)	15.29	17.34	30.35
Contract liabilities	11.14	8.78	5.33
Deferred government grants	10.09	13.79	14.21
Provisions	51.97	48.71	39.61
<b>Total Non- Current liabilities</b>	<b>238.33</b>	<b>255.74</b>	<b>331.50</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	855.05	782.31	419.33
ii. Lease liabilities	20.12	21.11	20.78
iii. Trade payables			
Total outstanding dues of micro enterprises and small enterprises	31.06	33.49	13.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	357.26	508.19	375.80
iv. Liabilities towards prepaid cards	4773.64	4772.65	4137.43
v. Other financial liabilities	923.48	689.04	682.47
Contract liabilities	4.36	1.93	2.72
Current tax liabilities (net)	52.76	57.03	47.16
Deferred government grants	14.50	14.35	17.77
Provisions	25.06	23.74	17.99
Other current liabilities	43.20	50.01	39.69
<b>Total - Current Liabilities</b>	<b>7100.48</b>	<b>6953.85</b>	<b>5775.10</b>
<b>Total Liabilities</b>	<b>7338.81</b>	<b>7209.59</b>	<b>6106.60</b>
Net worth represented by:			
Equity share capital	44.71	0.10	0.10
Equity share capital pending issuance	0.00	27.18	23.72
Instruments entirely equity in nature	57.95	0.00	0.00
Instruments entirely equity in nature pending issuance	0.00	75.39	75.39
Other equity	3462.84	3403.49	3442.73
<b>Total Equity</b>	<b>3565.50</b>	<b>3506.15</b>	<b>3541.93</b>

## RANKING METHODOLOGY

<b>WEAK</b>	★
<b>NEUTRAL</b>	★★
<b>FAIR</b>	★★★
<b>GOOD</b>	★★★★
<b>EXCELLENT</b>	★★★★★

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