Pine Labs Ltd.

6th November, 2025

IPO Details

IPO Date	November 7, 2025 to November 11, 2025
Face Value	₹1 per share
Price Band	₹210 to ₹221 per share
Lot Size	67 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	17,64,66,426 shares (aggregating up to ₹3,899.91 Cr)
Fresh Issue	9,41,17,647 shares (aggregating up to ₹2,080.00 Cr)
Offer for Sale	8,23,48,779 shares of ₹1 (aggregating up to ₹1,819.91 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	1,05,41,46,853 shares
Shareholding post issue	1,14,82,64,500 shares
QIB Shares Offered	At least 75% of the Net Offer
Retail Shares Offered	Not more than 10% of the Net Offer
NII (HNI) Shares Offered	Not more than 15% of the Net Offer
Retail (Min & Max) shares	67 Shares & 871 shares
Retail (Min & Max) application amount	₹14,807 & ₹1,92,491
S-HNI (Min shares & application amount)	938 shares & ₹2,07,298
S-HNI (Max shares & application amount)	4,489 shares & ₹9,92,069
B-HNI (Min shares & application amount)	4,556 shares & ₹10,06,876
Basis of Allotment	Wed, Nov 12, 2025
Initiation of Refunds	Thu, Nov 13, 2025
Credit of Shares to Demat	Thu, Nov 13, 2025
Listing Date	Fri, Nov 14, 2025
Cut-off time for UPI mandate confirmation	5 PM on Tue, Nov 11, 2025
Registrar	Kfin Technologies Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Pine Labs is a technology company focused on digitizing commerce through digital payments and issuing solutions for merchants, consumer brands and enterprises, and financial institutions. Their advanced technology infrastructure helps to accelerate their digitization journey in India and a growing number of international markets including Malaysia, UAE, Singapore, Australia, the U.S. and Africa. Their "Digital Infrastructure and Transaction Platform" comprises in-store and online payment infrastructure, affordability, value added services (VAS) such as dynamic currency conversion and transaction processing, and financial technology (FinTech) infrastructure solutions and software applications. Their Issuing and Acquiring Platform comprises issuing, processing and distribution of prepaid solutions and engagement solutions, along with their unified issuing and acquirer processing platforms. Consumer brands and enterprises use their Issuing solutions to offer prepaid cards for gifting, promotions, cashback, wallets, refunds, rewards, loyalty, company- issued expense cards for their employees and employee and channel incentives.

Pine Lab's recorded revenue growth of 28.52% YoY and narrowed their loss by 57.45% in FY25.

Objects of the issue

- Repayment/prepayment, in full or in part, of certain borrowings – Rs. 532 crore
- Investment in certain of their Subsidiaries for expanding their presence outside India – Rs. 60 crore
- Investment in IT assets, expenditure towards cloud infrastructure, technology development initiatives and procurement of DCPs – Rs. 760 crore
- General corporate purposes and unidentified inorganic acquisitions – Rs. 728 crore
- Offer for sale – Rs. 1,820 crore

Financial Details

Particulars (Amount in Crores)	30-Jun-25	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations	615.91	2,274	1,770	1,598
Other income	37.16	53	55	93
Total Income	**653.07**	2,327	1,824	1,690
Expenses				
- Transaction and related costs	59.50	260	227	208
- Purchases of stock-in-trade	70.71	287	143	134
- Changes in inventories	5.89	(2)	13	(25)
- Employee benefit expenses	291.32	984	887	895
- Impairment of non-current assets	0.34	9	64	8
- Impairment losses on financial assets	13.62	30	19	25
- Other expenses	129.78	487	440	347
EBITDA	**44.64**	218	(25)	5
EBITDA Margin (%)	**7.24%**	**9.60%**	**(1.41%)**	**0.34%**
- Depreciation	65.24	292	363	315
- Finance Cost	21.41	79	64	36
Profit/(Loss) before exc. items and tax	**(4.78)**	(100)	(398)	(253)
- Share in net loss of an associate	(0.06)	-	-	-
Exceptional items	-	37	-	37
Tax expense/(credit)	(9.63)	9	(56)	(24)
Profit/(Loss) After Tax	**4.78**	(145)	(342)	(265)
PAT Margin (%)	**0.73%**	**(6.25%)**	**(18.74%)**	**(15.68%)**
Basic EPS (in Rs.)	0.05	(1.45)	(3.46)	(2.70)
Key Metrics	**30-Jun-25**	**Mar-25**	**Mar-24**	**Mar-23**
Platform GTV (Rs. Lakh Crore)	4,05,622	11,42,497	6,08,436	4,39,727
Number of Transactions (Billions)	1.75	5.68	3.44	2.57
Number of Merchants	9,88,300	9,54,420	6,44,500	5,30,320

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Competitive Strengths

- **Ecosystem which brings together merchants, consumer brands and enterprises:** They directly engage and connect multiple distinct constituents in their ecosystem including merchants, consumer brands and enterprises, financial institutions, consumers. As of June 30, 2025, June 30, 2024, March 31, 2025, March 31, 2024 and March 31, 2023, they had 9,88,304, 7,34,586, 9,54,426, 6,44,500 and 5,30,318 merchants, 7,16,600, 6,90,528 and 444 consumer brands and enterprises and 177, 175, 198, 94 and 80 financial institutions, respectively.
- **Platform with proven scale and growth in operating profitability:** They provide a wide suite of services within their Digital Infrastructure and Transaction Platform and Issuing and Acquiring Platform. According to the Redseer Report, in India, their core market, they were the largest player in closed and semi-closed loop gift card issuances by transaction value in FY25. They were also the largest digital affordability solution enablers at DCPs in terms of total processed value, among the top five in-store digital platforms, and a prominent Bharat Connect transactions processing solutions provider in FY25, according to the Redseer Report.
- **Deep partnerships with large merchants, consumer brands and enterprises, and financial institutions:** They have a deep presence in India, and an emerging presence internationally across their ecosystem partners. As of June 30, 2025, they served an ecosystem spanning across merchants in key verticals such as department stores and retailers, supermarkets, e-commerce, restaurants, grocery, lifestyle, consumer electronics, healthcare, travel and hospitality as well as financial institutions and banks, financial technology companies, and new-age technology companies.
- **Full stack, cloud-based flexible and scalable technology platform:** Their technology stack is purpose built to support the scale, speed and security required in digital commerce. It leverages a cloud-native infrastructure that facilitates high availability and elastic scalability, enabling the platform to handle substantial transaction volumes. The API-first design promotes rapid integration, interoperability, and ease of customization.
- **Ability to Consistently Innovate New Solutions and Features:** They have successfully introduced a wide suite of commerce solutions through innovations and opportunistic inorganic acquisitions. Their ability to consistently innovate and launch new solutions and features is driven by their deep understanding of their ecosystem partner needs and their purpose-built technology stack. They started their journey by developing Plutus, a cloud based payments offering, to simplify in-store check-out by integrating multiple acquirers and payment methods.

Key Risk Factors

- **Incurred losses in the past:** For the three months ended June 30, 2025, the company posted a modest profit of Rs. 4.7 crore, barely recovering from a loss of Rs. 27.8 crore in the same period last year. Despite revenue rising to Rs. 615.9 million, profit margins remained weak at just 0.78%. For the FY25, the company continued to struggle, reporting a loss of Rs. 145.4 crore - its third consecutive annual loss -though slightly lower than Rs. 341.9 crore in 2024. Even with revenue growth to Rs. 2,274.2 crore, the loss margin stayed high at 6.40%, underscoring ongoing profitability challenges.
- **Negative cash flow from operations:** For the three months ended June 30, 2025, the company saw a steep decline in cash flow, with net cash used in operating activities widening to Rs. 281.1 crore compared to Rs. 95 crore in the same period of 2024. Despite showing a small positive cash inflow of Rs. 49.7 crore for the fiscal year 2025, this improvement followed two consecutive years of heavy outflows – Rs. 229 crore in 2024 and Rs. 152.3 crore in 2023 - indicating persistent weakness in operational cash generation.
- **Client retention:** As of June 30, 2025, the platform showed moderate growth in its customer base but signs of slowing momentum. Merchant count rose slightly to 988.30 thousand from 953.43 thousand at the start of the period, reflecting weaker additions and higher departures compared to the previous year. Consumer brands and enterprises increased to 716 thousand from 690 thousand, indicating limited expansion. Meanwhile, financial institutions declined to 177 thousand from 198 thousand, suggesting a loss of partners in that segment. Overall, customer retention remains a concern, with gains increasingly offset by higher attrition.
- **Customer revenue concentration:** For the three months ended June 30, 2025, the company's top 10 customers contributed 29.30% of total revenue, indicating heavy dependence on a few key clients. The top customer alone accounted for 8.24% of revenue, a decline from 11.41% in the same period last year. For fiscal year 2025, the top 10 customers made up 30.95% of total revenue, slightly down from 35.17% in 2024 and 38.67% in 2023. This high concentration highlights vulnerability - any loss or reduction in business from these major customers could significantly impact overall performance.
- **Auditor's adverse remarks:** The auditor's reports for Fiscal Years 2023, 2024, and 2025 included adverse remarks highlighting weaknesses in the company's internal financial controls, particularly in General IT Controls (GITCs) related to user access, program development, and change management. Although the company has taken steps to strengthen its control environment - through enhanced monitoring tools, training, and improved documentation - some deficiencies remain unresolved. While improvements were noted, ongoing weaknesses and the possibility of future audit remarks continue to pose risks to the company's financial reporting reliability and overall compliance.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW	NAV (per Share)
Pine Labs Limited	N.A	1	N.A	(1.26)*	(1.26)*	(4.15%)	(22.43)
Peers:							
One97 Communication	1,273	1	N.A	(10.35)	(10.35)	(4.69)	235.54
Zaggle Prepaid Ocean Services	364	1	52.07	6.99	6.96	9.64	99.25
Global Listed Peers:							
Adyen N.V.	1,48,011	1.03	48.40	3,058.07	3,047.77	25.06%	13,987.40
Shopify Inc.	14,705	N.A	110.19	133.45	131.75	19.58%	761.60
Block, Inc.	6,315	0.00	15.80	399.50	387.60	14.51%	2,925.70
Marqeta, Inc.	382	0.01	89.88	4.25	4.25	2.34%	180.20

* EPS calculated including fresh issue shares.

Summary

Pine Labs Limited operates a technology platform business model focused on digitizing commerce for a wide ecosystem encompassing merchants, consumer brands/enterprises, and financial institutions,. This model is divided into two primary offerings: the Digital Infrastructure and Transaction Platform (DITP) and the Issuing and Acquiring Platform (IAP). The DITP generates revenue predominantly through subscription fees for tools like Digital Checkout Points (DCPs), equipment sales, and transaction-linked fees earned from merchants, credit partners, and acquirers for services such as affordability solutions and payment processing. Conversely, the IAP focuses on issuing and managing digital payment instruments (like prepaid and credit cards), deriving its revenue primarily from processing fees based on Gross Transaction Value (GTV), along with interest income earned on funds held for customers and breakage income. This integrated approach allows Pine Labs to monetize transaction flows and subscription services across both in-store and online channels.

The industry in which Pine Labs Limited operates, encompassing digital payments and issuing solutions, is forecast for substantial growth in both domestic and international markets, supported by findings in the Redseer Report. The total market opportunity in India, measured by Total Payment Value (TPV), stood at approximately Rs. 116.8 lakh crore in FY25 and is projected to grow at a CAGR of 22−24% by FY29. Simultaneously, the market across select international geographies, including Southeast Asia, the UAE, Australia, and the USA, is forecast to expand at a CAGR of 10−11% 2028. This robust growth is primarily attributed to the continued maturity of the digital payment ecosystem and the increasing penetration of affordability solutions globally.

The Company intends to utilize the capital tor reduce their debt, which will reduce their finance costs and improve their bottom line. They are planning to expand by investing in tech and certain subsidiaries to spread their market presence. The Management seems confident about the growth trajectory continuing forward, which has been seen in the last three fiscals. The Company has turned profitable and as the Company continues to grow, margins may expand.

Therefore, it is recommended to "**Subscribe**" to the IPO for long-term investment, considering it's valuation and growth potential.

DISCLAIMER

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