

Date: May 15, 2026

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National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001
Symbol: MOBIKWIK	Scrip Code: 544305

Sub: Transcript of the Earnings Call for Analysts and Investors held on May 12, 2026

Ref: Disclosure under Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Call, which was held on Tuesday, May 12, 2026.

The same will be hosted on the Company's website at <https://www.mobikwik.com/ir/financial-statements>.

This is for your information & records.

Thanking you,

For One MobiKwik Systems Limited

Ankita Sharma

Company Secretary and Compliance Officer
Membership No.: A37518

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“One MobiKwik Systems Limited (“MobiKwik”)
Q4 FY26 Results Conference Call”

May 12, 2026



MANAGEMENT: **MS. UPASANA TAKU – EXECUTIVE DIRECTOR AND
CHIEF FINANCIAL OFFICER – ONE MOBIKWIK
SYSTEMS LIMITED**
**MR. BIPIN PREET SINGH – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – ONE MOBIKWIK
SYSTEMS LIMITED**

MODERATOR: **MR. RAHUL JAIN – DOLAT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the One MobiKwik Systems Q4 FY26 Results Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rahul Jain from Dolat Capital. Thank you and over to you, sir.

Rahul Jain: Thank you, Swapnali. Good evening, everyone. On behalf of Dolat Capital, I would like to thank One MobiKwik Systems for giving us the opportunity to host this earnings call. I welcome the senior management of the company represented by Mr. Bipin Preet Singh, MD and CEO of the company, Ms. Upasana Taku, who is Executive Director and CFO of the company. Now I would like the management to take us through Q4 FY26 result and request management to take it over from here. Over to you now.

Upasana Taku: Thank you, Rahul. A very good afternoon to all the participants who have joined on our call today. This is Upasana.

To start with, Q4 FY26 was a landmark quarter for MobiKwik. We ended the year with back-to-back profitable quarters. The full year financial year '26 was an inflection year for us. We achieved an EBITDA of near break-even (negative INR 5 crores), with a total swing of INR 742 million from minus INR 794 million in FY25 to minus INR 52 million in FY26. The full year PAT halved to minus INR 621 million, an improvement of INR 594 million year-over-year from the previous financial year where it was negative INR1,215 million.

The payments GMV hit an all-time high of INR 524 billion in the fourth quarter, which is a 58% Y-o-Y improvement and a 9% Q-o-Q improvement. This is the 13th consecutive quarter of record high GMV that the company has reported in the payments business. Within payments, in wallet, we remain the largest wallet in India by GTV as of March 2026 with about 20% market share. In UPI, we are the second fastest growing UPI app in India now. Our customer-initiated UPI transactions grew 170% year-over-year versus the industry which grew at 26% year-over-year. This means that we grew 6.5x the market rate. In the Bharat Bill Payments ecosystem, we are the sixth largest customer operating unit (COU) by GTV as of March 2026. In our overall recharge and bill payments business, which is a mature business for us, the total GMV scaled 2.2x to INR 269 billion in the full financial year '26. We reported a 48% three-year CAGR in this business. To clarify, the BBPS COU GTV is a subset of the recharge and bill payments GMV that I just cited.

In our financial services business, we delivered our highest ever quarterly gross margin at 59% in Q4, which indicates our objective of disciplined expansion - profitability prioritized over volume. Our focus here has remained on increasing disbursements to super-prime and repeat users. Super-prime customer mix improved year-over-year from 10% to 32% in the total disbursements, while repeat loans went up from 20% to 63.5%.

At a consolidated level, in Q4 the total income came at INR 2,960 million, which is a 6% increase year-over-year. Contribution margin expanded to 46% - nearly double of the 23% we had posted

in Q4 FY25. The EBITDA for the quarter came in at INR 174 million, which is a 5.9% margin, reflecting a INR 632 million year-over-year swing. The reported PAT of INR 44 million for the quarter includes a INR 37.6 million one-time exceptional charge due to the changes in the Labor Wage Code. Without this exceptional item, our underlying PAT would have been INR 81 million for the quarter.

In summary, during the first half of FY26 we were catching up, we were rebuilding credit quality, compressing costs, and restoring our margins. By H2, the business had fully turned around. H2 FY26 delivered INR84 million of cumulative PAT, and both Q3 and Q4 were EBITDA and PAT positive as we had committed to all of you in the last few earnings calls.

The trajectory entering financial year '27 is therefore much stronger than what our full year numbers indicate. The right way to think about FY26 is this: MobiKwik now has a core business which is generating real profits - INR50 crores of EBITDA is what our core business, payments and lending, has generated. And now we are deliberately reinvesting these profits towards building new growth engines.

To be specific, we are focused on four new growth engines. The first two are merchant payments - offline and online. Together, they represent what we believe is the single largest untapped opportunity in the Indian payments ecosystem. Merchant payments - both offline merchant payments and online merchant payments - operate on MDR, device, and settlement economics with significantly less competition than what we see in consumer payments. Our offline merchant payment business is targeting a 5x device scale-up to enable a 10x revenue growth by FY28. Our online merchant acquiring business (Zaakpay) housed in our wholly owned subsidiary, is targeting a 10x GMV by FY28.

In the payments business GMV growth precedes revenue. The revenue from what we have already invested is in the pipeline and it will start reflecting in FY27. Both merchant payment businesses are on track for EBITDA breakeven by FY28.

The third growth engine is our NBFC application approval, which is the most consequential regulatory milestone in our lending journey. The NBFC helps us establish the right foundation to continue our lending scale-up in the most regulated model available in this country.

The strengths that we have built in doing digital lending in the last 7 years include underwriting and credit risk expertise. Our collections have been tested in stress cycles, and our lender partnerships are in place. All of these will seamlessly transition from our current lending service provider (LSP) model to the new NBFC co-lending model.

The NBFC will unlock better economics, both on own-book as well as in co-lending, where we will be able to partner with many more partners in the banking and NBFC sector. We will be able to get better terms, and we will have access to a much larger universe of regulated PSU and private sector banks.

Beyond just the economics, the NBFC will also provide us product velocity. As an LSP, every product decision goes through lender approval cycles and we build what they can sanction. As an NBFC, we will design products on our own timeline.

The fourth and final growth engine is AI. MobiKwik as a company intends to be an AI-first company by FY28. We are already running AI across the business. 80% of code is AI generated, 55% of early collections are AI driven, and 86% of customer support is self-served by AI.

And we are going further. AI will own the full lending lifecycle, it will identify funnel drops, drive user personalization at scale, and acquire better cohorts at lower spend, and it will also help us detect frauds in real time. For us, AI is not just a productivity tool, it is a compounding competitive moat.

With that, I'll end my opening speech and we'll open it up for questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. We will take the first question from the line of Raj Shah from RK Family Office. Please go ahead.

Raj Shah: Am I audible?

Moderator: Yes, you're audible, sir.

Raj Shah: Hello. So, ma'am, our payments business from last four to five quarters is struggling to grow in terms of revenue. So, what are we doing about this excluding our new growth engines, and do you expect it to cross INR220 crores, INR210 crores revenue per quarter anytime soon?

Upasana Taku: As I just explained in my opening speech, in payments, revenue generally follows GMV. There is substantial GMV growth that we are showcasing in the payments businesses across all the businesses of wallet, UPI, and recharge and bill payments. The margins that we are earning from payments have also increased.

Of course, there is more UPI mix in the overall payments GMV, due to which we have so far not been able to demonstrate significant revenue growth, but like I mentioned, we have invested and we will be delivering growth in the coming years and quarters.

Raj Shah: Ma'am, so any long-term guidance for our payments revenue growth?

Bipin Preet Singh: So, see, basically what Upasana is saying is that here the revenue is going to lag the GMV growth, simply because a lot of the growth that is happening is around UPI. As we mentioned, we have grown 170% on UPI over the last year or so. Even our wallet has grown - but the wallet has grown with PPI over UPI interoperability, which we call Pocket UPI.

And that PPI over UPI MDR, which was supposed to come, has not yet come and, we are expecting it to come. Because of that there is a revenue lag. But you will see consistent growth in the revenue follow the GMV growth in the next few quarters.

- Raj Shah:** Okay. I have some doubts regarding FLDG. So FLDG cost which is majority part of our lending related expenses is actually not a cost, right? This amounts get blocked and if lender doesn't default, it comes back to us. Am I right?
- Bipin Preet Singh:** No, it's not exactly correct. You have to bear up to the 5% of the cost. The exact mechanism of how it gets settled is different. But whether it gets invoked or not, if your credit cost is 5%, then the 5% has to come out of the economics. It doesn't really come back to us also because it's blocked. You're partially right, but it is part of the overall economics.
- Raj Shah:** But if it doesn't get invoked then what happens with that?
- Bipin Preet Singh:** So basically it keeps going on as your book is growing. So let's say that you have INR 100 crores of book - against that you have INR 5 crores of FLDG. Next month you have INR 200 crores, so you have INR 10 crores of FLDG for the book. This is basically against the future losses that are coming, so you have to keep depositing more and more FLDG. If for example the business de-grows for some reason, then you will start getting the money back.
- Raj Shah:** Okay, okay. Got it. Yes. So, sir, regarding our high debt and interest costs, you have mentioned that it is working capital due to some settlement with merchants. So can I infer that that our peer who has zero debt is funding all these through its cash and why we are not doing the same? We have also some cash on our books.
- Upasana Taku:** I'm happy to inform that whatever long-term debt we had, we have already paid it off. So, the only remaining debt as of 31st March is INR 261 crores of working capital lines. These are short-term working capital lines which we generally use for the holidays and long weekends specifically.
- You're right, we can fund it with our own cash also because our net owned unencumbered cash is about INR 434 crores. However, not all of our cash has been available to us at all times. Like out of this, a good chunk of cash is still in the IPO proceeds, and therefore not all of that cash is available to us as yet.
- We do utilize the working capital lines very prudently, and if you can see the disclosure on the debt, both on quarterly basis and annual basis, has come down significantly from the previous financial year.
- Raj Shah:** Okay. And you have mentioned that that our merchant business will scale 10x and then we will break even. So why it has to scale 10x and then break even? In between, like 10x is a big number, right? So why breakeven is taking it to scale 10x?
- Bipin Preet Singh:** Yes, so look, this is a more forward-looking longer-term projection. But the thing is that what we are trying to say is that obviously you can breakeven earlier at a smaller scale, you know. And break even here, means that it actually completely turns and it becomes profitable on its own.

But if you continue to expand and invest, a lot of the cost comes in terms of how you are expanding the network - In terms of the number of people that you have on the ground running sales, because it is sales heavy and operations heavy. Then if you're aiming for a certain scale, until you reach that scale and stabilize that scale, it stays kind of in the negative territory.

But once you have reached that scale, which is what we are targeting, then it just immediately is followed by stabilization of margins and breakeven. To give you an example, we could very well target 3x or 4x growth and a breakeven much earlier. But again, if we get into the investment cycle again, we will have to invest again, because basically the investment and the return on investment in terms of the margins and the revenue, there is a lag.

We have taken this call that the right level to target is 10x. The reason we have taken this call is because we see enough execution rigor that has been achieved in the business already, and also the product and the competitiveness of our offering has reached a level where we can get to 10x without having to change anything else. And so, we've taken this clear call.

Raj Shah: Okay. Fair enough. My last question is regarding interest costs. So, like we are profitable now, we are generating some cash also. So, can we expect that interest costs to come down because it is a huge number which eats our profitability?

Bipin Preet Singh: Yes, so the interest cost like Upasana is saying, is coming from the working capital, and that working capital is a necessary evil in our business. Because you have to fund it with bank-based debt lines. Like say for example you have two days bank holidays, then the volume of settlements runs into hundreds of crores.

Upasana Taku: Just to also explain that we are trying to bring it down. If you see that in quarter four, you know, the finance cost is INR 5.1 crores versus it was INR 7.2 crores in Q3. So, we are definitely trying to bring down the finance cost.

Raj Shah: Okay. Thank you.

Moderator: Thank you. We will take the next question from the line of Sunil Jain from Nirmal Bang Securities Private Limited. Please go ahead.

Sunil Jain: Yes, thank you for taking my question. So, you are venturing into this merchant acquisition process and all. So, in next two year how much investment we need to make for that and will that be routed through P&L? Or in fact I think we had raised money in IPO for this particular objective also. So, will it be used from there?

Upasana Taku: Hi Sunil. As I mentioned, what we are doing is we are trying to generate margins from our scale businesses which are lending and consumer payments. And from that we are trying to reinvest into building the merchant payments business. We will continue investing into this for the next at least 18 months.

We expect that investments will be required before these businesses start becoming close to break-even. To answer your question, we did raise funds in the IPO proceeds also for this. So,

we will be utilizing it from the IPO proceeds also, but in that case also it will hit the P&L because there is no concept of capitalization for these expenses.

Sunil Jain: So, you will be giving this sound boxes and all. So that will not be considered capital expenditure, means that will be more of a subscription base you will be giving to the customers.

Upasana Taku: No, so on the devices piece, we are putting it in depreciation. You can see the depreciation costs are going up. But only the device piece. But outside of that also there is investment in manpower, there is investment in the product that we are building. So outside of the device capitalization which goes into the depreciation cost, everything else is directly hitting the P&L.

Sunil Jain: And can you quantify how much could be the investment?

Upasana Taku: Yes, for FY26 which we are just closing, we have mentioned that we have invested INR 55 crores, and had we not invested that, our EBITDA would not be negative INR 5 crores - it would be positive INR 50 crores.

Sunil Jain: Okay. And for coming year, any figure?

Upasana Taku: In similar range.

Sunil Jain: Okay. Fine. Great. Thank you very much.

Moderator: Thank you. We have the next question from the line of Ankush Agarwal from Surge Capital. Please go ahead.

Ankush Agarwal: Yes, hi, thank you for taking my question. So firstly, I'm just trying to get a sense that on last quarter we had this commentary that the fixed cost base is expected to settle between INR 105 crores – INR 110 crores and that we are investing around INR 10 crores – INR 15 crores, like we're burning INR 10 crores – INR 15 crores on the merchant business which we expect to sort of reach break-even in three-four quarters.

But if I look at this quarter, I think the fixed cost base has grown to like INR 120 crores and the commentary now is that we expect the merchant business to sort of reach breakeven in FY '28. So just wanted to get a sense of what has changed and, what is driving this. At the same time, one of the commentary that you specifically mention in the presentation is that we expect to remain baseline profitable over next two years. So, can you highlight what do you mean by this?

Upasana Taku: Yes, hi. So actually, these are two different questions. Firstly, yes, we are making our fixed cost increases on purpose to build the new businesses which I highlighted at the beginning of the call and it's also detailed out in our earnings presentation. To qualify, if I tell you that in Q4 we have reported INR117 crores in fixed costs, which is about INR 4 crores higher than last quarter. There is also a one off exceptional cost of INR 4 crores included in the same.

Now outside of that when we are saying that we will be baseline profitable, what do I mean by that? What I mean is that we are generating profit margins from our baseline business of

consumer payments and lending which are our scale businesses. We are redeploying/reinvesting some of that and building the new businesses. And despite making that investment, we have ensured that we are PAT profitable for the quarter by INR 4.4 crores. What we are trying to say is that in FY27 we will have these new businesses which will scale, which we want to build new moats, new verticals.

But also as those businesses scale, their burn will keep going down. And at all times we intend to be profitable at the bottom line. That is definitely our intention, is what we are saying. Which means that same thing that I'm saying this financial year, had I not invested in building a merchant payment business I would have reported a plus INR 50 crores EBITDA instead of reporting a negative INR 5 crores EBITDA for the full financial year FY26.

So, I'm trying to say that in FY27, let's say hypothetically I could have reached a 2x positive EBITDA; I may not reach 2x, I may reach x or x plus something. The balance between x and 2x I would have invested in continued investments in building these businesses, so that in two years' time they will also become 10%–20% of the revenue pie of the company.

Ankush Agarwal: Right, right. But so the broad sense would be that I mean I think to the earlier participant you sort of mentioned that you expect similar kind of investment in the merchant business as FY26 going into FY27. So if that is going to be the case and the fact that you mentioned that as this business scale you expect them to sort of reduce the burn, ideally the profitability should see sharp improvement going ahead, right? Despite these investments being there. Because the core business either way is substantially profitable assuming that the fixed cost base doesn't grow for that business?

Upasana Taku: Yes, I think we're both saying the same thing.

Ankush Agarwal: Okay. Maybe I have a different read of the wording.

Upasana Taku: No, I'm trying to say that the core business will also scale up, the net new businesses will also start generating revenue. And as a result of that we expect that the company's overall revenue will grow while maintaining the current profitability which is baseline profitability. You know, we are not reporting right now 10% PAT, we are reporting 1% PAT. So that is what we are trying to say that with a very moderate baseline profitability we will further scale up the business - both existing businesses and net new businesses.

Ankush Agarwal: Got it, got it. The second thing that I want to understand is in the payments business, the GTV ex of UPI is still not up 30% plus the growth that we've seen for last many quarters. Obviously, the revenue hasn't been growing, but obviously the profitability has been improving. So except for UPI, in the remaining business are we seeing some sort of mix change into certain products which are sort of less on revenue higher on margins because if the GTV ex of UPI is still growing in north of 30%.

And the revenue is not growing but the profitability is growing that means there should be something more than UPI that is driving this sort of change in the product mix in the payments business.

Bipin Preet Singh:

So, see basically that is not currently broken down fully. And it is shown in some places is basically we have started making some revenue in the UPI business also in some parts on the consumer side, even though the PPI over UPI MDR has not come. So once that comes it will completely add on to that. But even on the bank UPI side the 170% growth that happened over the last one year has started generating revenue in small amounts in different pockets. So as it scales that will directly flow into the bottom line of the company.

The other segment which is showing a lot of promise is bill payments. And in bill payments like Upasana mentioned we've already reached a decent scale in terms of Bharat Bill Payments and there the revenue contribution is also picking up. And we expect that in 12 months' time both of these, both UPI as well as bill payments, will be contributing significant amount to the growth of the revenue of consumer payments beyond what you see today.

Ankush Agarwal:

I mean I get that but what I'm trying to understand is if for last three-four quarters we are seeing ex of UPI GTV growth being north of 30%, ideally it should start reflecting in revenue growth, right? In the payments business. So that divergence is something that that I'm not able to understand because obviously the total GTV growth is much stronger because of UPI and assuming that UPI doesn't make any revenue. But even excluding that I mean revenue being flat and ex of UPI GTV growth being north of 30%, so that is not adding up honestly?

Bipin Preet Singh:

No, so look I mean there's been obviously moderation of the take rates in some of the existing business also that we have seen. And because of which you see in the overall payments business the gross take rate has come down. At the net level we are still making money but at the gross level there is a mix change that has happened thanks to UPI, and thanks to addition of some categories which don't make as much money as possible.

So that's what I can tell you today. And so, because of that, the revenue growth in the non-UPI part is also not as much as we would have expected in the past.

Ankush Agarwal:

Right. Okay, lastly just any sense of what kind of fixed cost we can expect going ahead? Rough sense would help?

Soham Roy :

Hi, I'll just take this question. This is Soham from MobiKwik. So in terms of fixed costs, right now we are on the INR 115 crores to INR 120 crores per quarter range. Now as the merchant business keeps growing, obviously there will be increases in depreciation, as well as we will also increase the people cost for further distribution of those devices. So you can roughly assume a 15% to 20% increase in fixed costs in the next year.

Moderator:

We have the next question from the line of Smit Shah from JHP Securities.

Smit Shah:

So basically on the NBFC side from when can we start our own lending and how will we arrange for the funds for that particular lending?

Upasana Taku: Yes, hi Smit, this is Upasana. So on the NBFC side, as we have detailed out in the earnings slides also, currently the TAT from the regulator is that we have to first move our existing digital lending LSP business to a wholly owned subsidiary of MobiKwik, which we intend to finish in the next two to three months. Post which we will start the NBFC setup work, which we expect that, if I count from today, then at least three to six months is the time frame in which the NBFC will be set up.

And after that in the six to nine month timeframe is when I expect that we will launch the operations and start disbursals in the co-lending model. So this is sort of the high-level guidance that I can give - these are the steps that I just mentioned.

First we have to move our existing business from the parent to a wholly owned subsidiary. And only then we can start the NBFC operations in yet another wholly owned subsidiary. With regard to the capital allocation - because it's a wholly owned subsidiary of MobiKwik, we will be shortly going through the Board and shareholder approval process to infuse funds into this entity.

Smit Shah: Okay, understood. And our digital credit GMV growth on a sequential basis has been subdued this quarter. What are the reasons for the same because on this base like driving single like high single digit or 10% kind of sequential growth wouldn't be too difficult. So what were the reasons for the subdued growth?

Upasana Taku: Yes Smit, the high-level answer to that is that we are prioritizing quality and profitability over volume. So like I mentioned, we have increased our loans to repeat customers from about 20% to 63%. We have also increased our loans to the super-prime users which used to be 10% of the disbursal to now 32%. So we are moving a lot of our lending focus towards prime and super-prime customers, and of course we have about 22% near-prime customers also.

And therefore, the larger point I want to make is that the portfolio is tilting towards repeat and super-prime cohorts, and we will be continuing to grow in this manner where the focus is more on higher quality book resulting in higher net margins, instead of just focusing on higher disbursals.

Smit Shah: Okay understood. And FY26 digital credit GMV stands at roughly around INR3,200 odd crores. What should be the growth rate in FY27?

Upasana Taku: I think broadly 30%–35% growth is what you can assume.

Smit Shah: Okay, okay. And can you guide on the like a broad EBITDA margin range for FY27?

Upasana Taku: Similar to the 5% range that we are at. Just to clarify Smit, we are saying that we will make better margins but we will be making more investments and therefore the net EBITDA margin that will be reported will be in the same broad range of 5%, where we are.

Moderator: We will take the next question from the line of Shlok Akolia from Xylem Investments. Shlok, you may proceed with the question. Due to no response, we will take the next participant. We have the next question from the line of Divyansh Thakur from Finterest Capital.

- Divyansh Thakur:** So actually I had the same question and I was not able to get the answer. So why are we not using our cash and using the short-term facilities for the to meet our working capital requirements? I missed the answer?
- Soham Roy:** Hi, I'll take the question. So effectively what we are saying is out of the total unencumbered cash, a significant portion of it is still part of our IPO proceeds, which we do not have access to yet. The IPO proceeds keep trickling in as and when they are used. Secondly, the working capital is required more so to fund during the weekends, when 2 to 3 days we do not get the funds from the banks, but we have to make the payments to the merchants and our customers.
- So, in those days the usage is more, which typically tends to be higher than our remaining cash. Hence a working capital loan there helps us to maintain the balances. But nevertheless, we have tried to ensure that we keep this working capital under check. So if you see, our payments GMV has exploded, it has grown multi-folds, but our working capital has remained stable over this period.
- Upasana Taku:** Actually it has come down from INR 7.2 crores in Q3 to INR 5 crores in Q4 in terms of finance cost.
- Divyansh Thakur:** Okay, got it. Thanks and all the best for the future.
- Moderator:** Thank you. We have the next question from the line of Shlok Akolia from Xylem Investments. Please go ahead.
- Shlok Akolia:** Good evening, ma'am. So first of all, congratulations on the strong set of numbers. So ma'am, I had two questions. First, for FY27 and FY28, what is the revenue growth trajectory that we anticipate for our payments business as well as lending business? And on another question around the sustainability of our margin, like our lending spreads are at 5.4%, is that sustainable? So I think we had guided that 4% to 4.5% was a sweet spot for us. So around that, if some guidance.
- Upasana Taku:** Yes, hi Shlok. Thanks for asking the question. So we do expect that our GMV growth will be in the range of 30% to 35% in both of our businesses - payments and lending. In terms of the lending margin, we have shown that the performance of the cohorts is coming stronger where 35% lower credit cost is coming on the maturing portfolio. And we also have some previously matured cohorts from which we are getting gains due to superb collection effort.
- Given all of these, we have landed at the 5.3% margin. But from a long-term perspective, we are not guiding 5%, we are comfortable with the 4% range. We do believe that that is the sweet spot. I think that we've done well and we've collected deferred revenue also from previously maturing portfolios, but I'm not sure whether we can commit long-term that we'll be able to deliver these margins. I think 4.5% still sounds more sustainable.
- Shlok Akolia:** Okay, ma'am. And ma'am, just around payments margin, is this 16 basis points workable number for next 2 to 3 years?

Upasana Taku: So, from my perspective I would have liked to say that. But of course it's not in my control - as you know that India is a very heavily regulated market and we have various licenses also in the payments business. So the various regulatory changes can impact that, which is why from a mid to long-term perspective we are guiding 12 to 15 basis points, even though every quarter so far we've been doing better than that.

But I don't think from a 2-year time frame I would recommend modeling for 16 basis points because we really can't tell if and when any regulatory change could change that. Therefore we always recommend a more conservative approach.

Shlok Akolia: Okay, ma'am. Okay. Thank you and all the best for the next quarter.

Moderator: Thank you. We have the next follow-up question from the line of Smit Shah from JHP Securities. Please go ahead.

Smit Shah: Yes, so the merchant partners currently are 4.9 million. Where do you see the merchant partner number going in FY28? Like this year we grew at a mere 7%. So like now we are going to aggressively onboard a lot of merchants. So where do you see this number in FY28?

Bipin Preet Singh: So we are not obsessing about the number of merchants. I think what we are looking at is we have looked at our offline merchant partners in terms of different categories, especially three different categories. One is the organized retail, second is petrol, and third is small mom-and-pop stores. Our aim is that we get to like maybe between 10% to 20% of the market leader's size in the next 18 to 24 months, or perhaps before that. And with that view, we are investing and building in this business.

Smit Shah: Okay, understood. Yes, that's it from my side. Thank you so much and all the best.

Moderator: Thank you. We have the next question from the line of Rahul Jain from Dolat Capital. Please go ahead.

Rahul Jain: Yes, hi. Thanks for the opportunity. Basically I want to understand on your strategy on the merchant acquisition side. We have this goal of increasing our Zaakpay revenue meaningfully and also on the offline side of it. If you could explain what kind of investment that would entail, what could be the easy picking relatively for us to have that kind of a growth potential? Is it more like reviving the same customer or is it led by more customer acquisition? Any color on those factors would help. Thank you.

Bipin Preet Singh: Yes, so thanks Rahul for the great question. So what we are doing is, both the merchant side, both on the online and as well as offline side, obviously the businesses have become very, very big in the market, I mean. And so what we are looking at is identifying specific categories within which we will try to gain a meaningful share of the market.

And so for example in the offline space our business is divided into three categories. One is small mom-and-pop stores, second is oil and gas, and third is organized which is basically mid-market and above. We are not necessarily focusing too much on enterprise.

In at least two out of the three categories we are focusing and identified that combined with the better product experience end-to-end and great service we can get to 10% to 20% of the market leader's size in the 18 to 24 month mark. And with that aim we are investing in this business.

On the online piece (Zaakpay), again we have identified few categories. We have identified for example education as a great category; we've identified government as a great category. And some of these categories are really, really very big and even a double-digit percentage share in these markets will easily help us reach the goals of 10x that we are targeting for the next 18 months.

And BBPS is another category in the Bharat Bill Payment System, where our online PA Zaakpay is going to be particularly relevant, as a category that we are scaling very rapidly. So, because our scale is less right now, for us to get to 10x in the next 18 to 24 months looks doable by just identifying the right categories and investing and going deep into it.

Rahul Jain:

Sure. And one question on the lending side of the business since now we have this NBFC route also to tap into this opportunity. So is there a change in strategy on the LSP side of the business or that remain as is and this could be an incremental thing? And is there any kind of a conflict of interest that we need to identify on the user acquisition side or we just become one of the another lending partner and rest everything looks same from an LSP point of view?

Bipin Preet Singh:

From a regulatory point of view, you have to ring-fence the businesses, and so therefore as you know NBFC approval has been received in one of the subsidiaries, and the LSP business is being migrated to another subsidiary. So the Holdco, which is One MobiKwik, will not have any LSP business or will not have any NBFC business.

These businesses will sit separately in two subsidiaries, and they will all have basically agreements with each other on how the sourcing of customers is there, or how the billing of customers and revenue happens. So this is how it will be set up. As far as the NBFC is concerned - LSP is still lightly regulated, but in NBFC the regulator expects proper governance, proper compliance, especially as you become bigger.

So therefore we expect that these companies with their management will be operating independently in their interest and in the interest of the Holdco, which is One MobiKwik, with their own individual managements. So I hope that answers your question.

Upasana Taku:

Just last piece which you didn't answer, Bipin, is that Rahul we expect that the LSP will continue in the similar fashion in the wholly owned subsidiary and the business generated from the from the NBFC will be incremental to the business that we are already doing as an LSP.

Bipin Preet Singh:

So NBFC will be one of the partners for the LSP. It doesn't mean that other lending partners will obviously go away.

Rahul Jain:

Sure, sure. Just one further into the point you raised, Bipin, that since both of the businesses would work in their own interest, so the customer acquisition side of the NBFC will completely

rely on the app, or they might find business opportunity outside the One MobiKwik app ecosystem?

Bipin Preet Singh: At this level of detail we haven't figured out, but we have to expect that NBFC will be built as its own independent company, which initially obviously will work with MobiKwik. But eventually, if it follows its own independent trajectory, will be able to work in the market openly.

Rahul Jain: Sure. Thanks for the color and best wishes for so many new things that you are working upon. Thank you.

Bipin Preet Singh: Thank you.

Moderator: Thank you. We will take the next follow-up question from the line of Ankush Agarwal from Surge Capital. Please go ahead.

Ankush Agarwal: Thank you for the opportunity again. So just two quick clarifications. On the merchant side when you sort of give a sense that, you know, you will be investing INR 50 crores, INR 60 crores or whatever that amount would be, is it just the opex or it also includes the capital investment in the devices?

Upasana Taku: No, this is just the opex we are talking about.

Ankush Agarwal: Okay. And secondly, on the lending business in the medium to long run, what would be the say targeted split between the NBFC piece and the, you know, the pure distribution sort of mix? Any sense?

Upasana Taku: I think it is too soon to say right now. First, we have to first set it up and launch it. Maybe in a couple of quarters you can ask this question.

Ankush Agarwal: Right. Because I mean the sense is that since you have taken this big decision of starting an NBFC, you would have some idea, you know, this is how much big that you because if it's going to be just 10%, 20%?

Then ideally I mean the kind of investment and the infrastructure that is needed and compliance that is needed for an NBFC might not really make that much sense. So just was trying to get a sense that you might have some bigger plans to, you know, go ahead with this?

Upasana Taku: We may have, but I think it is too soon to reveal. First we want to reveal that we have completed the setup, then we will talk about how we will deploy it to grow the company overall.

Ankush Agarwal: Got it. Okay. Thank you. That was helpful.

Moderator: Thank you. We will take the next follow-up question from the line of Shlok Akolia from Xylem Investments. Please go ahead.

Shlok Akolia: Yes, so I had a follow-up on the previous question. So, we wanted to understand what are the target unit economics for the merchant business, right? And also, how are you tracking the

efficiencies of our investments in the merchant business till now? Like are there any signs of early wins as we've already invested about INR 50 crores in that?

Upasana Taku:

So, I think that this is the first quarter where we have actually broken down and given some level of detail in terms of the various subcategories within payments - whether it is bill payments, whether it is merchant payments, etcetera.

I think in the coming quarters we will be revealing more. But needless to say, we have revealed it as a growth engine, so you should be assured that the management is looking at it with a hawk-eye view.

And we would also like to mention that the investments that we have already made are panning out in terms of certain growth KPIs, and we will start disclosing them in the rightful manner in the upcoming quarters.

But one should be clear that especially on merchant payments also, UPI transactions don't generate MDR. It is the credit on UPI rails or the RuPay credit card transactions that generate the MDR. And then there is a device rentals.

And then, after there is a strong merchant engagement, then one can build the merchant credit pipe also. So that is the long-term build-out of the economics from a merchant business perspective.

Shlok Akolia:

Fair enough, ma'am. Looking forward for the next quarter. Thank you.

Upasana Taku:

Thank you so much.

Moderator:

Thank you very much. Ladies and gentlemen, we will take that as the last question and with that concludes the question-and-answer session. I now hand the conference back to the management for closing comments. Thank you and over to you.

Upasana Taku:

Thank you so much for hosting us, Rahul and the Dolat Capital team. And thank you to all the participants who actively engaged with us in understanding how MobiKwik is building the future of fintech in India. Thank you. Have a good evening.

Moderator:

Thank you, members of the management. On behalf of Dolat Capital, that concludes this conference. Thank you all for joining with us today and you may now disconnect your lines. Thank you.