

Date: May 23, 2025

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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
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Sub: Transcript of the Earnings Conference Call for Analysts and Investors conducted on May 20, 2025

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, we hereby provide the transcript of the Earnings Conference Call for Analysts and Investors conducted on Tuesday, May 20, 2025.

Enclosed is the transcript of the Earnings Conference Call, which is also 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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“MobiKwik Q4 FY '25 Earnings Conference Call”

{May 20, 2025}



MANAGEMENT: **MR. BIPIN PREET SINGH – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, MOBIKWIK**
MS. UPASANA TAKU – CHAIRPERSON, EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER, MOBIKWIK
MS. KOMAL SHARAN – HEAD, FINANCE, CORPORATE DEVELOPMENT AND INVESTOR RELATIONS, MOBIKWIK
MR. ANAND KUMAR – HEAD OF CORPORATE DEVELOPMENT AND INVESTOR RELATIONS, MOBIKWIK

MODERATOR: **MR. NIDHESH JAIN – INVESTEC CAPITAL SERVICES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to MobiKwik Q4 FY '25 Conference Call hosted by Investec Capital Services Private Limited.

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 the conference call, please signal an operator by pressing ‘*’, then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nidhesh Jain from Investec India. Thank you and over to you, sir.

Nidhesh Jain: Thank you. Good evening, everyone. Welcome to the Quarter 4 FY '25 Earnings Conference Call of One MobiKwik Systems Limited.

To discuss MobiKwik’s Financial Performance and address your queries, we have with us Mr. Bipin Preet Singh - Managing Director and CEO; Ms. Upasana Taku - Chairperson, Executive Director and CFO; Ms. Komal Sharan – Head, Finance, Corporate Development and IR and Mr. Anand Kumar - Head of Corporate Development and Investor Relations.

I would now like to hand over the call to Ms. Komal for her opening comments. Over to you, Komal.

Komal Sharan: I will start by giving a short overview about what MobiKwik is, what it does and little bit of our performance and we will then hand back over for question.

MobiKwik, as you know has built a business primarily focused on wallet over the last 15 years. We have seen significant growth in our payments GMV in this space and we believe we have carved a niche for ourselves as a leading wallet player in India.

We have also introduced innovative products like wallet on UPI, which is a smarter way of doing UPI, keeping our bank accounts safe, clutter free. Over and above that, we have built a lending vertical. Lending as a market we believe has massive potential in India given it’s under penetrated nature. Across these two businesses, we have been earning an overall 30% contribution margin. Payments as a business, as you know, affords is about 20% margin, lending at a portfolio level was about 40% translating to 30% margins at the company level.

Going forward, we feel there are three key drivers for our business:

- The first pillar of our growth will be the fortuning growth in the payments business. The major bet for our business continues to be in the payment space. As you saw in our IR presentation last year, we have grown our GMV by over 200% to cross the 1 trillion or 1,00,000 crore of GMV on our network. We see payments GMV only accelerating from here on given the increasing digitization of the economy and use cases. Within payments, besides the existing use cases, we also expect exponential

growth in not just Pocket UPI but also RuPay card. RuPay card we feel can become as big as Pocket UPI given its inherent product market fit and good unit economics.

- Moving on to lending, while we have all seen the past few quarters, we have had certain regulatory changes which have impacted this space; however, we feel recovery is imminent in this space and it should start reflecting in numbers in the second-half of the year. We are already seeing positive commentary from banks in NBFC partners for an H2 recovery. The regulatory changes, while they had a short-term negative impact have also had an overall positive impact in space, including streamlining the pricing for unsecured PL as well as making the business stable from overall business. Therefore, lending we feel is coming off the back of few week quarters, but it will soon see an inflection point and it will take a few more quarters before it starts getting back to its portfolio levels of contribution margin.
- The third key pillar of our growth is our ZaakPay business, which is another arrow in our arsenal which we have not yet filed. We have received the full PAPG license from RBI and now we believe we can play an even larger role in the payments ecosystem. Overall, we do feel that while we are a smaller player in the Fintech ecosystem, we remain confident that our headroom for growth is much higher, much disproportionate from here on and therefore we are investing for this growth. Profitability is inevitable. We have demonstrated in 6 out of the 8 last quarter. Last two quarters, of course, our EBITDA has been negative due to lower CM coming from lending business. Even as we continue that higher investments for future growth, we do feel we are at a point of time where we are well invested for future growth. We are confident of seeing an inflection and the inherent operating leverage in the business model playing on from here on.

With this, I would like to pass back to the operator to open the floor for Q&A.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aman Jain from Gopaisa Netventures Private Limited. Please go ahead.
- Aman Jain:** Hello. Hi, team wanted to inquire specifically on, there is a special feature on the app called the RentPay feature, where exactly are the revenues for that accounted for? In which particular line item?
- Komal Sharan:** So this is accounted for payment line item only.
- Aman Jain:** Payment GMV?
- Komal Sharan:** Payments GMV and revenue from payment services.
- Aman Jain:** Revenue from payment service and what kind of gross take we have on this specific line of business?

- Anand Kumar:** So we are actually not tracking on a category basis. Our blended take rate for this quarter is 0.64% including all the.
- Aman Jain:** This is for the entire business or specifically for payment GMV?
- Anand Kumar:** Payment GMV. So in this quarter, we have done Rs. 33,100 crores of GMV in this quarter. For the entire year, we did Rs. 1,15,000 crores. So for this Rs. 33,000 crores, our take rate is 0.64%.
- Aman Jain:** And what is the contribution of this specific line of business for the rent business, rent execution payment?
- Anand Kumar:** We are not tracking it actually on the use case basis.
- Aman Jain:** And what would be the toxic use cases within this and exactly how are you seeing the growth going forward for within the payments vertical?
- Anand Kumar:** So if you see our numbers, last year we have done Rs. 38,000 crores in FY '24 for the full year, we had payment GMV of Rs. 38,000 crores and this year we have done Rs. 1,15,000 crores of total GMV, right. So you would see use cases like UPI, BBPS, wallet, these are growing extremely well. So we are seeing growth across categories.
- Aman Jain:** Sure. Thank you, sir. That is all from my side. Thank you very much. I will come back.
- Anand Kumar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Rahul Jain from Dolat Capital. Please go ahead.
- Rahul Jain:** Yes, hi. Thanks for the opportunity. I just have a few questions. Firstly related to the lending business, which continues to see some challenge and the Q4 exit rate is pretty weak versus what we started off with. So any color if you could talk in terms of what kind of growth we are expecting in this segment for FY '26. Do we think we can do a positive growth given the exit run rate and similarly if you could give flavor to the full year because even on a full year revenue basis, the Q4 revenue is same as what it was Q4 FY '24? So are we seeing any growth for FY '26 and what should be the driver for the same? Thank you.
- Komal Sharan:** Thanks for the question, Rahul. I think in terms of the overall digital credit numbers that we report, I would urge you to strip out the ZIP GMV which again we have highlighted in our presentation that the shorter duration product is something that we are discontinuing. So the real number to see is the ZIP EMI GMV and that number actually has continued to grow. We do feel that Q3 was really the sort of bottom quarter as far as lending is concerned. Between Q3 and Q4 that number has grown 32% quarter-on-quarter and like I mentioned at the top of the call in my opening remarks that given in any case, we work with partners both banks, NBFCs, we are seeing positive commentary from lending partners about a potential recovery in the second-half of the year and we do appreciate the pace at which our partners want to disperse, right. So we will only

grow at the pace they want to grow, but we are equally confident that the **worst 9.05** is behind us. And to that extent, what you were seeing in terms of exit for March, definitely while again those numbers are not disclosed, but that was I would say higher compared to the previous 2 months of the quarter. In terms of overall revenue, it is the function of what the disbursement is. In fact, you would see that given the fact that we have continued the shorter duration product, the take rate has only increased. So therefore to that extent, revenue should flow through from higher disbursement and that is something which we continue to track. Secondly, I would also say that in the lending space, besides an overall recovery, I think we are also enhancing 2 things. One is the product suite, which is effectively also focusing on risk free distribution where we have ramped up over the last quarter or so. And secondly, also increasing the products that we offer, the RuPay credit card like we have been seeing in the past is a replacement of the shorter duration product that creates a good 30-day credit product while also creating a funnel for the overall longer duration product. So we are continuing to focus on that and focus on profitable.

Anand Kumar: The secured products, secured products, so basically loans against mutual fund, right first card which she has highlighted earlier.

Rahul Jain: Right. And just one last piece on the lending part, our lending expenses continues to rise. Is it pertaining that realignment with one of the customers that we have reported some exceptional charges is that what is causing this recurring cost to increase while the revenue have not in the same way? Or is it pertaining to some DLG allocation which might have happened while the revenue might come much later? So any color on why lending expense continues to rise while revenue goes down?

Komal Sharan: That is correct. So I think you have answered the question yourself. Mathematically, one the revenue is low, so therefore the lending related expense on a lower base shows higher. Secondly, we have also moved to the DLG model starting September where a larger part of the cost gets booked upfront, pretty much all the cost gets booked upfront and very small revenue comes upfront. So the revenue is back-ended, cost is front-ended and that is causing the overall lending related expenses to be slightly elevated mathematically. But from an overall credit quality of the book, we remain confident that quality has continued to hold.

Rahul Jain: And Upasana on the, usage of funds point of view, we see that basis the utilization of fund that most of the investment so far has gone into the payment side of it and not so much on the devices or the lending side of it. So when we plan to scale that up and where this investment on the payment side is going, is it going towards advertisement or customer acquisition side, if you could elaborate that?

Komal Sharan: Sorry, Rahul. This is Komal here. I will take that question. So you are right. I think last part given the fact that the IPO proceeds only came to us at the flag end of December and we started using them in a way towards the second-half of January as we did those expenses, right. Therefore you see the utilization has been lower, but within payments, it is going across pre-funding of a product across acquiring customers, across incentives, etc., and of course within

lending the stated use case is the FD for the new FLDG contracts, and it is being tracked as per the plan and as per the business performance.

Rahul Jain: Right. And so one part of it remains unaddressed like when we plan to scale that investment on DLG and devices side and when we start reporting the other devices or count or in terms of subscriber base when we reach that scale, when we start reporting that data?

Upasana Taku: Yes. Hi, Rahul. This is Upasana. So thanks for the question. So on the lending side, with regard to using the money for the DLG FD's that we have already started doing, starting from January and on the merchant side also in terms of the deployment and scaling up in terms of new merchant acquisitions, sound box, card, EDC machine deployment as well as on the merchant loan side, we are making steady progress, but if you track the overall status of the business, we have been predominantly stronger on the consumer side and therefore more investment and more growth on the consumer side. We are trying to scale up on the merchant side also across devices as well as merchant lending, but currently that is a small business for us and it will take us a little bit of time to scale that up.

Rahul Jain: And on the balance sheet side, if I see our borrowing plus other liabilities as a combination have scaled up from Rs. 450-Rs. 620 crores from H1 to now. I understand that proceeds have come in December, but still the liabilities continue to remain high. So is it like the covenants of the past liabilities are such that we cannot pay for it for now or is it a restriction from usage of fund perspective which is limiting this?

Upasana Taku: So Rahul, as you have seen that the payment business has scaled 3x during the year FY '25 and basically in the payments business, we have a large wallet play and so therefore there is a user outstanding and merchant outstanding at the end of every single day and that would be the case in terms of 31st March also, perhaps it would even be two days if it is generally a holiday on 1st of April, so that is what it is. Because of the scale up of the business, you should expect that the liabilities for one day will go up and if we scale up payments even further next year, this will be again a higher number, but that gets paid off the next day.

Rahul Jain: Understood. And it is like a 2 day investment on the GMV side of it?

Anand Kumar: That is right.

Rahul Jain: And just the last question from my side, if I may, on the payment business side, I understand our "Quasi Wallet" continues to be the star performer, but our take rate continues to go off. So is it like the UPI mix is impacting this number and what is your sustainable expectation on the take rates because it has been coming off last 3-4 quarters on the payments?

Anand Kumar: Yes. So see on the take rate side, I think you are highlighting revenue divided by the GMV, right for recent quarters. So if you look at the UPI number also, so our UPI contribution of the overall GMV has gone up in Q4. So earlier, roughly it was nearly 30%, which has gone to 36% now,

right. So the take rate is roughly in the same range if you remove UPI, but because of UPI contribution is going up the take rate you look like is slightly on the lower side. That is not the case. But the ideal way to look at is the net payment margin, which is basically take rate minus payment gateway cost minus user incentive. In the last quarter, actually the net payment margin has gone up from 13 bps to 15 bps as you compared quarter-on-quarter.

Rahul Jain: Right.

Anand Kumar: If you see the EBITDA margin last quarter, the gross margin is at 23.9%, which is net payment revenue minus payment gateway cost minus user incentive, if you do net divided by revenue which is 23.9% for payment business.

Rahul Jain: Yes, we have noticed that there is a gain on the payments margin. Fair enough. That is it from my side, I will fall back in the queue. Thank you.

Anand Kumar: Thanks, Rahul.

Moderator: Thank you. The next question is from the line of Harshvardhan Agrawal from Bandhan AMC. Please go ahead.

Harshvardhan Agrawal: Thanks for the opportunity and just wanted to understand on the lending piece. What kind of run rate in the disbursement one should assume? And also if you can give some ballpark ideas as to what the take rates could be and what the related expenses could be, that would be really helpful?

Komal Sharan: So on lending, I think like we have been highlighting while we will not be able to give any specific numbers, but we are expecting and seeing early green shoots of recovery. We should sort of go back to at least what we used to do 4 quarters back as far as lending is concerned over the second-half of this year. I think happy to also state that take rates in lending have continued to remain stable. So from a unit economics perspective, net take that we earn, which is after the DLG costs and other credit costs, etc., can be about 4%-4.5% range and lending in a steady state once the book is stable earns us a contribution margin of 40%. So we do feel that over the next few quarters we will vector towards that.

Harshvardhan Agrawal: So ma'am, just to understand for this quarter, our revenues were at around Rs. 56 crores in the lending business and their EBITDA was around Rs. 2.5 Cr, so we expect this waterfall to be maintained over the coming quarters is that how one should look at it?

Anand Kumar: So Harshvardhan, you said the revenue of Rs. 56 crores in the recent quarter, what was the second point that you highlighted?

Harshvardhan Agrawal: So if I did the lending revenue, then if I were to subtract the expenses, let us say, it is around some Rs. 53.8 crores of expenses. So you are left at around Rs. 2.4-Rs. 2.5 Cr. So should one expect this waterfall to remain steady over the coming quarters?

- Komal Sharan:** So like I explained at the beginning of the call, there has been a triple timing of sorts where disbursement is lower, right and therefore the base is lower. Over and above that given that we have moved to the new DLG contract starting September, this is a full quarter impact of the new DLG contracts where a large part of the cost or the expected credit loss gets booked upfront and that is reflecting in the higher cost. At the same time, the revenue is deferred. So revenue is back-ended, cost is front-ended and that is what is causing the overall contribution margin to be lower. We do feel that as it stabilizes over the next 2 or 3 quarters, the portfolio contribution margin which lending used to get to us of about 40% that should stabilize in the same ballpark.
- Harshvardhan Agrawal:** So saying maybe at around 40% is what it should stabilize over the period of time?
- Komal Sharan:** That is correct. As the book stabilizes, today roughly about 50% of our contracts are on the FLDG model. It will take a little bit of time, 2 quarter, perhaps a little bit more for 100% of book to be on the new contracts. Once that happens, and once lending also stabilizes and steps up in terms of disbursement, we do feel that it will come back to the overall gross margin, which was 40%, if you see last year or inherently as a product, it is a 40% margin business.
- Harshvardhan Agrawal:** Great. And sir, just one last question on the payments GMV, what kind of growth rate one should expect? Maybe I understand you may not give a number, but maybe let us say in the industry growth rate versus plus 10% or how should one look at it?
- Anand Kumar:** See Harshvardhan, if you see our yearly numbers right, if you see last 2-3 years number in FY '23, we did Rs. 20,000 crores; in FY '24 we did Rs. 38,000 crores; in FY '25 we did Rs. 1,15,000 crores, right. So we are kind of, last year we have over achieved more than like 100% plus, in FY '24, nearly 100%. So we are kind of doubling every year, right. So we expect a healthy growth rate going forward on the payments and we are quite positive on this business.
- Harshvardhan Agrawal:** Fair, sir. Great. Thanks, sir. All the best.
- Moderator:** Thank you. The next question is from the line of Aravind Kodipaka from IME Portfolio Managers. Please go ahead.
- Aravind Kodipaka:** Hi, thanks for the opportunity. I just wanted to get a couple of things around the payment side. What will be the key driver? I understand payments growth is something that has been accelerating in terms of Pocket UPI and RuPay card or RuPay card is the potential that everyone has been talking about? What will be the driving force, your average ticket size, frequency or in terms of your registered users among those 3 factors that typically everyone talks about on a platform, what could be your main driver there?
- Bibin Preet Singh:** So, Aravind, so I will take. This is Bipin. So look, what we have seen is that our hero product currently is Pocket UPI and followed by RuPay card, which is in the process of actually just getting the right growth numbers. Right now, it is very early, which is the first card. Both of these are indexed on UPI. The first one is specially Pocket UPI because of the deep experience

we have built over the years on the wallet business and also the recall that we have with the customers of being a wallet. There is a great benefit we are getting as more and more customers are discovering that they can bypass their bank account in order to use UPI and they can use wallet. So the kind of retention numbers that we see there, the kind of growth numbers that we see there are significantly better than our overall business and of course much better than anything that is there in the industry. So we do believe that this business will become extremely important, continues to be extremely important for the growth of user engagement and then thereby resulting in the same users can then use the card in different circumstances and the same user can then sometimes use Bank UPI also. So overall, we believe this Pocket UPI is the kind of hero product and with its high retention and the fact that we are the kind of a very natural choice given that there is not much alternatives available for such a product that we will continue to get the benefit over the next years to come.

Aravind Kodipaka:

Yes, sure. No, I understand that because I personally also experienced the Pocket UPI and bunch of people that I know have sort of used it in that way. So I understand the hero product proposition and it is excellently advertised. But what I am trying to get to is over the next say, 2, 3, 4 years, right, even with competition, without competition, will the MKwik growth drive the majority of payment growth or is it more the existing users, you keep mining more and more and increasing wallet share, right, because it is obviously a combination of that, but which one is the bigger driver that you guys are focusing on?

Bibin Preet Singh:

So I would say that you answered it. It is a combination of both. But what I would think is a significant percentage of UPI users in the industry have not yet experienced Pocket UPI and the benefits and convenience of something like Pocket UPI. So what we are trying to do is to make sure this communication we can take as far and wide as possible. It is also obviously we have lots of KYC customers. We have one of the big KYC bases as a wallet company in India. So even amongst our current base, there is a decent percentage of customers who have not yet started using Pocket UPI because historically many of them were using wallet and then as wallets became less relevant, they moved to UPI. But now we are seeing that they are actually discovering Pocket UPI and getting back on the UPI bandwagon, Pocket UPI and the wallet bandwagon. And of course, if you see the overall user base and just the brand penetration of MobiKwik, it is obviously not the biggest in the industry, right. So we like Komal was saying, we have a huge headroom for growth in terms of just adding users. So we believe that doubling or tripling this user base is something that is very much doable over the next, let us say, 3-5 years. Of course, our current run rate is about 20 million or so, which we are adding on a yearly basis. What that does is actually exposes more people to the idea of Pocket UPI and therefore increases the opportunity for them to come and become retained in our customer base.

Aravind Kodipaka:

Secondly, on the MDR on UPI, I understand this is of course the NTTI subject and we have to finalize this, given the fact that about 30%-35% UPI, what proportion of this do you think will benefit from this MDR in terms of say, I think the condition was what created in Rs. 2,000 per transaction, I forgot the condition, apologies, what is the question of this would benefit from the new introduction of MDR?

Bibin Preet Singh: So I think we can't give, even we will have to do some math's to come up with what portion we will get it. But like you said, MDR on UPI, MDR on PPI, UPI, something that is already in motion from RBI and it is under discussion in the payments ecosystem across multiple industry players and should go live soon. From our perspective, it will definitely bring like a new source of revenue, which today we are not getting. And so it is basically all 100% profit for us from where we stand today of anybody using Pocket UPI and we do believe a decent chunk, a decent double digit percentage of our GMV will benefit from this MDR.

Aravind Kodipaka: Sure. And one final question on the payment front. I understand you have given me a 40% contribution margin stabilized sort of financial services guidance or target, what does the net payment margin say before we start digging in or before we start looking at MDR benefit, because that is something they don't have a full picture of, although that looks like, is that the same mid 20 phase as we have seen in this quarter?

Bibin Preet Singh: So I think if you see the last many quarters of MobiKwik where actually we have been publishing results even before we went public, we have been publishing yearly and even before that 2 years back we have been publishing reports. I think for us, the payment business has always been a contribution margin positive business and historically it was 15%, 16%, 17% and as we doubled down and got more high quality users that has gone to above 20% right now and it has stayed in that 18%, 19%, 20% and now above 20% zone consistently. So when the MDR comes on PPI, UPI this itself will be directly impacted because it will directly contribute to the net contribution margin of the payments business.

Aravind Kodipaka: Yes. No, sorry actually, what I meant was before the MDR fixing, like what would the stable normalized net margin profile that payment business would like you see because I know what you are saying, the 16%, 17%, 18 that you have seen in the last, in June, September, December quarter, but in the quarter ending March, we have seen it jump to about 25. So that is a healthy jump and I am not complaining about that. But the question is, is that sustainable?

Bibin Preet Singh: Yes, I think it should stay in the same zone, 20% plus even without the PPI and UPI there.

Aravind Kodipaka: Perfect. Can you just elaborate one last thing on from my end, can you elaborate on the ZaakPay strategy? You obviously received the PA license and this will be targeted towards online merchants and just wanted to understand what would the spending on that front PA and what would the merchant negligence strategy look like on that front and how big do you think this will change because I have seen the historical numbers on payment gateway and it did grow healthily. And then I think we had some suspension of temporary blip there because of the license requirement. So how do you see this business shaping up and what would the profitability look like, so a broader strategy on this?

Bibin Preet Singh: So on ZaakPay, look it is a business as a subsidiary that has existed for long time, and we have built the platform, first we actually build the platform to process payments for MobiKwik and still a decent percentage of MobiKwik's payment processing does happen via ZaakPay. Over a

period of time, we opened it up for other merchants as well, which is I am talking about many years ago with very high quality and large merchants in the travel space, in the e-commerce space and they continue to use ZaakPay. However, we have historically under invested in this business. And specifically what happened after COVID is when the licensing piece came, we got stuck because we didn't get the license on time and so I think there was a period of uncertainty. Thankfully, that period of uncertainty is now behind us. We have got the full license for ZaakPay. Now, if you imagine the digital payments ecosystem, specially the online payments ecosystem, over the next few years, everybody knows that payment gateway and payment aggregator is going to play a significant role. ZaakPay is extremely small right now compared to the industry leaders, but it also means that there is a significant opportunity for us to unlock value. By focusing and selecting the right use cases, the right set of merchants and the right set of partnerships that we are very confident of building, to build a sizeable business which will start contributing not just to the GMV, but also to the profitability of the overall business. Coming back to profitability specifically look, B2B payment business like ZaakPay is inherently profitable because you have a cost which you incur on processing a payment and then there is a charge that you make to the merchant and the difference is what is your profit. So inherently it is profitable. Marketing costs are usually low, it is just fixed costs. So therefore we are very confident that the profitability that ZaakPay has shown by the way consistently over the last many years and it has disclosed in our ZaakPay's statements also means that this business is going to be very important for us over the next couple of years as we scale it and its margins and profit will start contributing to MobiKwik overall.

Aravind Kodipaka: Sure. Perfect. Just the last question, we have seen one of the major wallet players is not been operational for a while and they have spoken about some partnership on the verge, maybe another few months. How are we positioned to say any further horizon competition on the wallet side?

Upasana Taku: Hi, this is Upasana. So I think that it is excellent if there is more competition in the wallet space, we do want wallet as a sector within all the larger payments sector to also grow. Currently, we are the dominating player in this sector, but there are other players also that have a play. But we expect that with more entrants coming in and building on the wallet side, the overall pie will increase and we will continue to gain rapidly from that growth.

Aravind Kodipaka: Sure. That is about it from my end. Thank you.

Moderator: Thank you. The next question is from the line of Nidhesh Jain. Please go ahead.

Nidhesh Jain: Hi, thanks for the opportunity. Just one question is, how should we think about the indirect cost going forward, currently we are at a run rate of Rs. 120 crores per quarter. How should we think about going into FY '26?

Komal Sharan: So indirect cost if you see on quarter-on-quarter basis, we have optimized. We have in fact come down from about Rs. 119 crores to about Rs. 110 crores this quarter. And I think going forward,

we will continue to optimize on these costs. We are also using AI to reimagine a lot of customer journeys, a lot of cost line items and ensure we strip out costs wherever possible. And secondly, I would also say that through last year, you did see some investment in fixed cost as the company was getting up for higher growth to really function as a listed entity. I think going forward, we will only continue to synergize and optimize on this cost. So this would remain at this level if not lower.

Nidhesh Jain:

Sure. That is it from my side.

Moderator:

Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Upasana Taku:

Hi, this is Upasana. Thank you very much to all the participants in today's earnings call. We do believe that we have given you a view of our overall business, where payments continues to be the foundation and is the hero in terms of driving growth for the company, in terms of users, GMV as well as revenue and the cross seller financial products is sort of the cream on top. We do believe that with payments doing really well, the overall contribution margins have slightly gone down in the last couple of quarters, but with the distribution of credit products coming back, we are already seeing some early signs of strong momentum there. We do expect that overall margins for the company will come back upwards of 30% and that will allow us to cover our fixed costs and therefore drive profitability back into the results. Thank you so much.

Moderator:

Thank you. On behalf of Investec Capital Services Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.