

Equity Research | CRUNCHFISH: An important but expected stamp of approval from RBI

After the clarifications regarding NPCI's UPI Lite X, RBI has now officially approved Crunchfish Digital Cash's technology in a newly released evaluation. This news triggered a +100% surge in the share on Tuesday, underpinning the potential we are seeing in the case. While a slight pullback is only natural, we maintain our forecast and our fair value of SEK 15-17 per share.

Certified by the Reserve Bank of India

On December 11th, the Reserve Bank of India (RBI) released its evaluation, concerning the regulatory sandbox pilot project for offline digital payments involving Crunchfish, HDFC Bank, and IDFC First Bank. The verdict was positive, with RBI approving Crunchfish Digital Cash for offline retail payments. Although Crunchfish had communicated this since the pilot concluded before the summer, the absence of an official RBI statement had raised some concerns, which have now be addressed. The statement provides Crunchfish Digital Cash with a quality stamp of approval, reducing the perceived risks among potential clients such as banks and payment service providers.

Closing in on a HDFC Bank-deal

Ever since the pilot was concluded, HDFC Bank has been promoting an [Offline Digital Payment service](#) on its website. This service allows customers to load INR 2000 (SEK 250) into an offline wallet and proceed with transactions up to INR 200 (SEK 25) in areas with limited or no internet connectivity. The recent statement from RBI is also referred to in financial media as '[HDFC Bank's Offline Retail Payments](#)'. This does however leave some room for some uncertainty with regards to what HDFC Bank actually offers, and we still await the first commercial agreement between HDFC Bank and Crunchfish.

Pieces added to the Indian market puzzle

While we had already assumed the RBI pilot to be successful, obtaining an official statement from RBI marks an important step in terms of credibility. With it, Crunchfish should find it easier to navigate both ongoing and new commercial discussions. However, until we see some more commercial progress and details about earnings capacity, we maintain our forecast and fair value range of SEK 15–17 per share.

Read the full report here https://www.emergers.se/crunchfish_m/

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