

Department Of Master of Business Administration (MBA)



CMR COLLEGE OF ENGINEERING & TECHNOLOGY

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Company Name : Zomato ltd



Founded : July 2008

Founders : Deepinder Goyal and Pankaj Chaddah

Headquarters: Gurugram, Haryana, India

Key services : Food delivery and Table reservation

Website : [zomato.com](https://www.zomato.com)

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HISTORY OF ZOMATO

Zomato, originally known as “Foodiebay,” was founded in 2008 by Deepinder Goyal and Pankaj Chaddah in India. What started as a simple online restaurant directory soon transformed into a comprehensive food discovery and delivery platform. The company expanded its services rapidly, establishing a presence in several countries around the world.

One of the key milestones in Zomato’s journey was its acquisition of Urbanspoon in 2015, which allowed it to enter the highly competitive North American market. Over the years, Zomato continued to innovate and diversify its offerings, including the introduction of Zomato Gold, a subscription-based dining program that offers exclusive discounts and privileges at partner restaurants.



Deepinder Goyal and Pankaj Chaddah

Deepinder Goyal was born into a humble family in Muktsar, Punjab on 26 January 1983. Zomato CEO Deepinder Goyal has recently married Mexican model-turned-entrepreneur Grecia Munoz. Reports indicate that the couple tied the knot a few months ago. This is Deepinder Goyal’s second marriage; he was previously married to his IIT-Delhi batchmate, Kanchan Joshi.

Pankaj Chaddah, also an IIT-Delhi graduate, became friends with Deepinder Goyal when they were both analysts at Bain and Company. He and Deepinder came up with the idea to create an online directory for restaurant menus, while holding their day jobs. Ten years after he co-founded Zomato, Pankaj hung his boots at the foodtech unicorn, stating he wanted to try "something new". In 2020, he started up again with mental fitness startup Mindhouse.

Vision

Zomato's vision is to ensure that "no one has a bad meal." They aim to make dining experiences more enjoyable by helping people discover great places to eat and making it easier for them to access and enjoy their favorite foods.

Zomato's vision is to be the global platform for discovering great places to eat. They aim to be the go-to destination for food-related information and services worldwide

Better food for more people: Zomato aims to make high-quality food accessible to a broader audience while maintaining affordability and quality standards.

Mission

Zomato's mission is to "better food for more people." This encompasses a wide range of objectives, including:

- Providing comprehensive information about restaurants, including menus, reviews, and photos.
- Facilitating online food ordering and delivery.
- Helping restaurants improve their operations and customer experience.
- Expanding access to food and dining options for people around the world.
- **Ensure nobody has a bad meal:** Zomato's mission is to help people discover restaurants, build dining experiences, and enable restaurants to create and maintain high standards.
- **Better food for more people:** This mission statement emphasizes the company's commitment to improving the food landscape for a larger audience

Objectives

Based on their mission, Zomato's objectives include:

- **Dominance in the food tech market:** Becoming a leading player in the global food tech industry.
- **Enhanced user experience:** Continuously improving the user experience on their platform.
- **Strong partnerships:** Building robust relationships with restaurants and delivery partners.
- **Geographical expansion:** Expanding their services to new cities and countries.
- **Diversification:** Exploring new business segments beyond food delivery and dining out.
- **Empowering customers:** Zomato provides meticulous information to help customers make informed choices about restaurants and food delivery.
- **Affordability and accessibility:** The company focuses on making food more affordable without compromising on profitability for restaurants.
- **Quality and hygiene:** Zomato ensures high standards through initiatives like Hyperpure, which supplies high-quality ingredients, and Food Hygiene Ratings.
- **Sustainability and social responsibility:** Zomato is committed to making last-mile delivery carbon neutral, reducing plastic packaging, and creating meaningful opportunities in the gig economy

Philosophy

Zomato's philosophy is centered around innovation, customer focus, and a passion for food. They believe in:

- **Technology-driven growth:** Leveraging technology to create innovative solutions and improve efficiency.
- **Customer-centric approach:** Prioritizing customer needs and satisfaction.
- **Building a strong brand:** Cultivating a strong brand image and reputation.
- **Empowering local businesses:** Supporting restaurants and other food-related businesses.
- **Social responsibility:** Contributing to the community and promoting sustainable practices.
- **Customer-Centric Approach:** Prioritize the needs and preferences of customers to provide the best possible dining experience.
- **Innovation:** Continuously innovate and adapt to changing market trends and customer demands.
- **Transparency:** Maintain transparency in their operations, with both customers and restaurant partners.
- **Community Impact:** Contribute positively to the communities they serve by promoting responsible dining and supporting local food ecosystems.
- **Employee Growth:** Foster a supportive and growth-oriented work environment for their employees.

Products/Services

Zomato is a multifaceted platform that offers a range of services catering to both consumers and restaurants.

For Consumers

- **Restaurant Search and Discovery:** Users can search for restaurants based on location, cuisine, price range, ratings, and other preferences.
- **Menu Access:** Detailed menus with photos and prices are available for most restaurants.
- **User Reviews and Ratings:** Users can share their dining experiences through reviews and ratings, helping others make informed choices.
- **Food Delivery:** Zomato offers food delivery services from partner restaurants.
- **Table Reservations:** Users can book tables at restaurants through the platform.
- **Zomato Gold:** A membership program offering exclusive discounts and privileges at partner restaurants.
- **Zomato Pro:** A subscription-based service offering benefits like unlimited free deliveries, priority orders, and more.
- **Hyperpure:** A grocery delivery service offering fresh produce and other essentials.

For Restaurants

- **Restaurant Listing:** Zomato provides a platform for restaurants to showcase their menus, photos, and customer reviews.
- **Online Ordering:** Restaurants can integrate online ordering systems through Zomato.
- **Table Reservations:** Zomato helps restaurants manage table bookings.
- **Marketing and Analytics:** Zomato provides data and insights to help restaurants improve their business.
- **Hyperpure:** A B2B service offering fresh ingredients and supplies to restaurants.

Zomato has also ventured into other areas like:

- **Zomato Instant:** A quick commerce service delivering food in under 10 minutes.
- **Intercity Legends:** A service allowing users to order food from famous restaurants in other cities.
- **Zomato Pay:** A digital payment option for users.

Overall, Zomato's products and services focus on enhancing the food discovery, ordering, and dining experiences for customers, while also supporting restaurants through supply chain and marketing solutions.

Zomato Competitors

1. Swiggy:



Swiggy logo

Swiggy is the biggest competitor to Zomato in India, offering online food ordering and delivery services across a wide range of restaurants and cuisines. They also have a grocery delivery service similar to Zomato's.

2. Dunzo:



Dunzo logo

Dunzo is a hyperlocal delivery platform that allows users to order a variety of items including food, groceries, and other essentials. While not solely focused on food delivery, it does compete with Zomato in that space.

3. Rebel Foods:



Rebel Foods logo

Rebel Foods is a cloud kitchen company that operates its own chain of virtual restaurants. They partner with restaurants to manage their delivery operations and also offer their own proprietary food brands.

4. Dotpet:



Dotpet logo

Dotpet is a relatively new entrant in the market, focusing on quick commerce deliveries for essentials and groceries.

Milestones/Achievements

Milestones

Zomato has experienced rapid growth and expansion since its inception. Here are some of its most significant milestones:

Early Stages and Expansion

- **2008:** Founded as Foodiebay by Deepinder Goyal and Pankaj Chaddah.
- **2010:** Rebranded to Zomato.
- **2011:** Launched online food ordering platform.
- **2014:** Expanded internationally to the UAE.

Innovation and Diversification

- **2015:** Acquired Runnr, a food delivery startup.
- **2017:** Became India's first food tech unicorn.
- **2020:** Launched grocery delivery service.
- **2022:** Successful IPO.
- **2023:** Launched Zomato Instant, a 10-minute food delivery service.
- **2023:** Acquired quick-commerce company Blinkit.
- **2023:** Introduced Zomato Pay.

Industry Leadership and Recognition

- **2022:** Awarded "Startup of the Year" at the Economic Times Startup Awards.
- **2024:** Expanded operations to 23 countries.
- **2024:** Reported significant growth in revenue and order volume.

Other Notable Achievements

- **2022:** Delivered its 1 billionth order.
- **2023:** Set a Guinness World Record for training the largest number of delivery partners in a single first aid lesson.

Zomato Mergers

Zomato has completed 15 acquisitions with an average acquisition amount of \$169M. One of its most active year was 2015, with 4 acquisitions, and it has averaged nearly 1 acquisition per year over the past three years. These acquisitions are over 7 countries with most of them being in the India and United States.

Recent acquisitions by Zomato

Zomato's most recent acquisition - Blinkit is a Online platform offering ultra-fast grocery supply delivery, founded in 2013 and located in Gurugram. Zomato acquired a 100% stake in it in June 2023 for a price of \$568M.

Acquired on	Acquired Company	Acquisition Price	Facilitators	Stake Acquired	Acquisition Multiple
Jun 24, 2023	<u>Blinkit</u>	\$568M	-	78	711
Mar 21, 2023	<u>Gatoes</u>	Undisclosed	-	26	148
Jan 22, 2022	<u>Fitso</u>	Undisclosed	-	31	797
Jul 09, 2020	<u>Feeding India</u>	Undisclosed	-	79	829
Sep 04, 2018	<u>TongueStun</u>	\$18M	<u>o3 Capital</u>	26	559
Sep 13, 2017	<u>Runnr</u>	\$40M	-	75	924
Sep 26, 2016	<u>Sparse Labs</u>	Undisclosed	-	53	872
Apr 22, 2015	<u>Nextable</u>	Undisclosed	-	84	507

Acquired on	Acquired Company	Acquisition Price	Facilitators	Stake Acquired	Acquisition Multiple
Apr 14, 2015	<u>MapleGraph</u>	Undisclosed	-	93	542
Jan 29, 2015	<u>Mekanist</u>	Undisclosed	-	62	483
Jan 12, 2015	<u>Urbanspoon</u>	\$50M	-	49	933
Dec 18, 2014	<u>Cibando</u>	Undisclosed	-	40	179
Aug 22, 2014	<u>Obedovat.sk</u>	Undisclosed	-	55	318
Aug 22, 2014	<u>Lunchtime.cz</u>	Undisclosed	-	24	539
Jun 30, 2014	<u>Menu Mania</u>	Undisclosed	-		



Achievements

Zomato has emerged as a dominant player in the food tech industry, with a series of impressive achievements:

Market Leadership and Growth

- **Pioneer in the Indian food tech space:** Zomato was among the first to capitalize on the online food ordering and delivery market in India.
- **Rapid expansion:** It has grown from a local startup to a global platform with operations across numerous countries.
- **Large user base:** Zomato boasts a massive user base, relying on it for restaurant discovery, ordering, and reviews.
- **Strong restaurant partnerships:** It has established partnerships with a vast network of restaurants.
- **Successful IPO:** Zomato's successful IPO in 2022 marked a significant milestone.

Innovation and Diversification

- **Pioneering food delivery:** Zomato revolutionized the way people order and consume food.
- **Expansion into new segments:** It has ventured into grocery delivery, quick commerce, and digital payments.
- **Technology-driven growth:** Zomato has invested heavily in technology to enhance user experience and operational efficiency.
- **Acquisitions:** Strategic acquisitions like Runnr and Blinkit have strengthened its position.

Industry Recognition and Impact

- **Unicorn status:** Zomato achieved unicorn status, valuing the company at over \$1 billion.
- **Awards and accolades:** It has received numerous awards for its business model and impact.
- **Job creation:** Zomato has created employment opportunities for delivery partners and other roles.
- **Contribution to the food industry:** It has empowered restaurants by providing a platform to reach a wider audience.

Other Notable Achievements

- **1 billionth order:** Zomato reached a significant milestone by delivering its 1 billionth order.
- **Guinness World Record:** It set a Guinness World Record for training the largest number of delivery partners in a single first aid lesson.

SWOT Analysis of Zomato

Strengths

- **Strong brand recognition:** Zomato has established a strong brand identity and enjoys widespread recognition.
- **Large user base:** It boasts a massive customer base across multiple countries.
- **Extensive restaurant network:** Zomato has partnerships with a vast number of restaurants.
- **Diversified offerings:** Beyond food delivery, Zomato offers services like table reservations, food discovery, and grocery delivery.
- **Technological advancements:** The company has invested heavily in technology, leading to innovative features.
- **Data-driven insights:** Zomato possesses a wealth of data that can be utilized for strategic decision-making.

Weaknesses

- **Reliance on discounts:** Heavy reliance on discounts to attract customers can impact profitability.
- **Operational challenges:** Managing a large delivery fleet and ensuring timely deliveries can be challenging.
- **Dependency on third-party delivery partners:** This can lead to quality inconsistencies and operational challenges.
- **Profitability concerns:** Zomato has faced challenges in achieving profitability due to high operational costs.

Opportunities

- **Market expansion:** Zomato can explore new geographical markets and expand its reach.
- **Diversification of services:** Expanding into new segments like cloud kitchens, meal kits, or farm-to-table products.
- **Technological advancements:** Leveraging AI and machine learning for personalized recommendations and efficient operations.
- **Partnerships:** Collaborating with other businesses to create new offerings or enhance existing services.
- **Focus on sustainability:** Implementing eco-friendly practices can attract environmentally conscious customers.

Threats

- **Intense competition:** The food delivery market is highly competitive with rivals like Swiggy, Uber Eats, and others.
- **Economic downturns:** Economic recessions can impact consumer spending on food delivery.
- **Regulatory challenges:** Changes in government regulations can affect the food delivery industry.
- **Negative publicity:** Incidents like food safety issues or delivery delays can harm the brand reputation.

PEST Analysis of Zomato

A PEST analysis examines the external macro-environmental factors that can influence an organization's performance. Let's analyze Zomato through this lens:

Political Factors

- **Government regulations:** Food safety regulations, taxation policies, labor laws, and online platform regulations can significantly impact Zomato's operations.
- **Trade policies:** Changes in import/export regulations can affect the availability and cost of food items and other resources.
- **Political stability:** A stable political environment is crucial for business growth and expansion.

Economic Factors

- **Economic growth:** A growing economy leads to increased disposable income, which can positively impact Zomato's business.
- **Inflation:** Inflation can affect food prices, consumer spending, and operational costs.
- **Exchange rates:** Fluctuations in exchange rates can impact Zomato's international operations and profitability.
- **Interest rates:** Interest rates influence borrowing costs and consumer spending patterns.

Social Factors

- **Changing lifestyles:** Increasing urbanization, busy lifestyles, and a preference for convenience food favor Zomato's business model.
- **Demographic changes:** Shifts in population demographics (age, income, location) can influence consumer preferences and behavior.
- **Consumer preferences:** Changing tastes and preferences for food, delivery, and dining experiences impact Zomato's offerings.
- **Health and wellness trends:** Growing awareness of health and nutrition can influence food choices and demand for specific cuisines.

Technological Factors

- **Digitalization:** Advancements in technology, such as mobile apps, online payments, and delivery tracking, are crucial for Zomato's operations.
- **E-commerce growth:** The rise of e-commerce has created opportunities for Zomato to expand its offerings.
- **Cybersecurity threats:** Zomato needs to invest in robust cybersecurity measures to protect customer data.
- **Food technology innovations:** Advancements in food technology can create new opportunities or challenges for Zomato.

Zomato's Corporate Social Responsibility (CSR)

Zomato has been actively involved in various Corporate Social Responsibility (CSR) initiatives. Here are some of its key efforts:

Feeding India

- **Acquisition:** Zomato acquired Feeding India, a non-profit organization focused on addressing hunger.
- **Mission:** The aim is to leverage Zomato's platform and resources to provide food to the underprivileged.
- **Impact:** Feeding India has been instrumental in providing meals to millions of people in need.

Menus for Change

- **Partnership:** Zomato collaborated with Child Rights and You (CRY) to create "Menus for Change."
- **Initiative:** Restaurants partner with Zomato to create special menus, with a portion of the proceeds going to CRY.
- **Focus:** The funds are used to support children's education, healthcare, and protection.

Other CSR Initiatives

- **Equal Paid Parental Leave:** Zomato introduced 26 weeks of equal paid parental leave for both men and women employees, setting a benchmark for other companies.
- **Sustainability Focus:** Zomato has been increasing its focus on sustainability, including initiatives to reduce packaging waste and promote environmentally friendly practices.
- **Employee Welfare:** The company prioritizes employee well-being through various programs and benefits.

Zomato's CSR Policy

Zomato has a dedicated CSR policy that outlines its commitment to social welfare and sustainability. It emphasizes areas such as hunger eradication, education, and environmental protection.

Annual Reports

Financial Statements (2018-2024)

- **5 years Balance sheet**
- **5 years Income statement**
- **5 years Cashflow statement**
- **3 years share price**

Financial Analysis

Ratio Analysis (2020-2024)

- 1. Profitability Ratio**
 1. Gross profit
 2. Net profit
 3. Return on total assets
 4. Net income
- 2. Liquidity Ratio**
 1. Current ratio
 2. Quick ratio
 3. Inventory turnover
 4. Debtor turnover
- 3. Leverage Ratio**
 1. Debt-asset ratio
 2. Debt to equity ratio
 3. Times covered ratio
 4. Fixed asset turnover ratio
- 4. Shareholder-Return ratio**
 1. Return on stockholder's equity
 2. Price-earning
 3. Market to book
 4. Adjusted EPS

7 years Balance sheet

Narration	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Equity Share Capital	0.03	0.03	0.03	-	764.30	836.40	868.00
Reserves	1,036.06	2,355.61	457.35	7,643.80	15,741.20	18,623.40	19,545.00
Borrowings	186.23	347.94	325.58	527.40	70.30	506.60	749.00
Other Liabilities	152.17	709.30	2,117.43	532.30	751.20	1,632.30	2,194.00
Total	1,374.49	3,412.88	2,900.39	8,703.50	17,327.00	21,598.70	23,356.00
Net Block	189.80	389.08	1,590.55	1,539.00	1,404.30	6,342.80	6,448.00
Capital Work in Progress	1.29	0.74	0.96	0.10	0.60	7.50	18.00
Investments	829.23	2,144.55	323.92	2,205.20	4,717.70	6,764.60	11,645.00
Other Assets	354.17	878.51	984.96	4,959.20	11,204.40	8,483.80	5,245.00
Total	1,374.49	3,412.88	2,900.39	8,703.50	17,327.00	21,598.70	23,356.00
Working Capital	202.00	169.21	- 1,132.47	4,426.90	10,453.20	6,851.50	3,051.00
Debtors	26.08	70.34	123.12	129.90	159.90	456.90	794.00
Inventory	-	2.13	3.73	14.80	39.70	82.70	88.00
Debtor Days	20.43	19.56	17.25	23.78	13.92	23.56	23.92
Inventory Turnover	-	616.24	698.32	134.72	105.60	85.60	137.66
Return on Equity	-10%	-41%	-518%	-11%	-7%	-5%	2%
Return on Capital Emp	-16%	-51%	-136%	-18%	-10%	-5%	2%

5 years Income statement

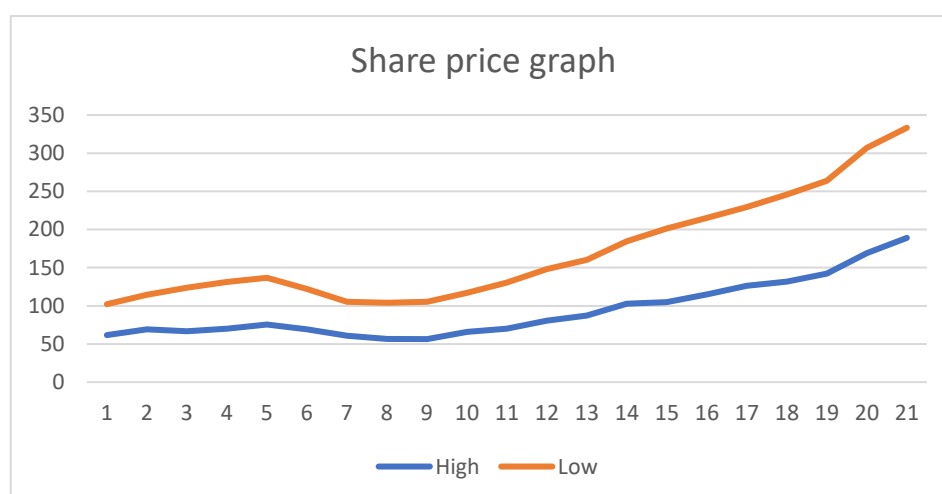
Narration	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Trailing	Best Case	Worst Case
Sales	2,604.74	1,993.80	4,192.40	7,079.40	12,114.00	12,114.00	22,104.95	18,893.80
Expenses	4,909.44	2,460.90	6,043.20	8,290.00	12,072.00	12,072.00	22,028.31	18,867.14
Operating Profit	-	-	-	-	42.00	42.00	76.64	26.66
Other Income	15.97	200.20	792.60	681.60	847.00	847.00	-	-
Depreciation	84.24	137.70	150.30	436.90	526.00	526.00	526.00	526.00
Interest	12.64	10.10	12.00	48.70	72.00	72.00	72.00	72.00
Profit before tax	-	-	-	-	291.00	291.00	-	-
Tax	-	1.30	2.00	43.60	60.00	60.00	-21%	-21%
Net profit	-	-	-	-	351.00	351.00	-	-
EPS	78,905.33	20,320.00	1.54	1.14	0.40	0.40	0.71	0.78
Price to earning			53.60	44.91	457.57	559.47	559.47	508.52
Price	-	-	82.30	51.00	182.10	222.47	-	-
RATIOS:								
Dividend Payout	0.00%	0.00%	0.00%	0.00%	0.00%			
OPM	0.00%	0.00%	0.00%	0.00%	0.35%	0.35%		
	TRENDS:	10 YEARS	7 YEARS	5 YEARS	3 YEARS	RECENT	BEST	WORST
	Sales Growth			55.97%	82.47%	71.12%	82.47%	55.97%
	OPM	0.14%	0.14%	0.15%	0.18%	0.35%	0.35%	0.14%
	Price to Earning	508.52	508.52	508.52	508.52	559.47	559.47	508.52

5 years Cashflow statement

Narration	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Cash from Operating Activity	-2,143.63	-1,017.90	-693.00	-844.00	646.00
Cash from Investing Activity	1,739.51	-5,244.60	-7,971.00	797.20	-347.00
Cash from Financing Activity	358.91	6,401.90	8,749.80	-127.40	-207.00
Net Cash Flow	-45.22	139.40	85.80	-174.20	92.00

3 years share price

Date	Open	High	Low	Close	Adj Close	Volume
2023-07-01	54.15	61.5	40.6	46.8	46.8	2.23E+09
2023-08-01	46.8	69.25	45.05	57.95	57.95	4.96E+09
2023-09-01	58.7	66.6	56.95	62.35	62.35	2.14E+09
2023-10-01	62	70.2	60.85	63.1	63.1	1.24E+09
2023-11-01	63.5	75.45	61.4	65.25	65.25	2.22E+09
2023-12-01	66.5	69	53.2	59.3	59.3	1.05E+09
2024-01-01	60.65	60.7	44.35	49.75	49.75	1.3E+09
2024-02-01	50	56.8	47.05	53.5	53.5	1.77E+09
2024-03-01	53.5	56.35	49	51	51	1.04E+09
2024-04-01	51.5	66	50.9	64.9	64.9	1.05E+09
2024-05-01	64.9	70	60.3	69.05	69.05	1.99E+09
2024-06-01	68.7	80.3	67.6	75.05	75.05	1.41E+09
2024-07-01	75.45	87.25	73	84.1	84.1	1.24E+09
2024-08-01	84.6	102.85	81.6	97.6	97.6	2.39E+09
2024-09-01	98.3	105	96.5	101.5	101.5	1.21E+09
2024-10-01	101.5	115.1	100	105.1	105.1	1.44E+09
2024-11-01	105.6	126.35	103.25	118.55	118.55	1.64E+09
2024-12-01	118	131.75	114.15	123.7	123.7	1.03E+09
2024-01-01	124.45	142	121.6	139.55	139.55	1.13E+09
2024-02-01	141	168.85	138.05	165.45	165.45	1.8E+09
2024-03-01	168	189	144.3	182.1	182.1	8.91E+08



Ratio Analysis

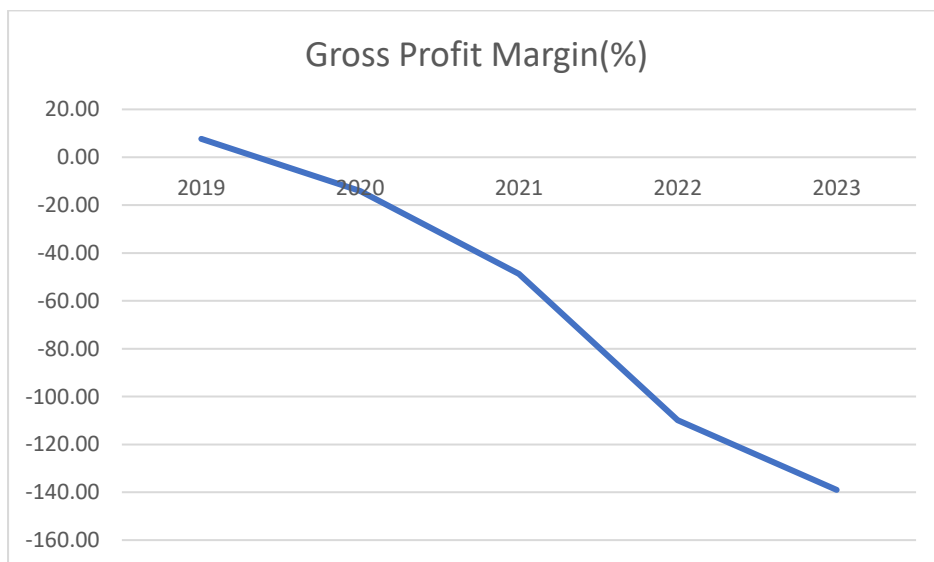
Profitability Ratio:

It refers to a set of financial metrics that analyze a company's profitability and its ability to generate profits from its operations. These ratios provide valuable insights into the financial health and efficiency of a business and are widely used by investors, analysts, and stakeholders to assess a company's performance.

Gross profit:

$$\text{Gross Profit Margin} = \text{Gross Profit} / \text{Net Sales} * 100$$

Years	2020	2021	2022	2023	2024
Gross Profit Margin(%)	7.68	-14.13	-48.76	-109.93	-139.01



Interpretation: The y-axis is labeled "Gross Profit Margin (%)" and goes from -160% to 20%. The x-axis shows years, ranging from 2009 to 2024. There are large gaps in the x-axis, making it difficult to pinpoint the exact change over time.

It is important to consider the following when interpreting this graph:

- The timeframe. The graph only shows data from 2009 to 2024. It is possible that the gross profit margin was higher before 2009 or has increased since 2024.
- The scale of the y-axis. The scale starts at -160%, which means that the company may have been making a loss on some products or services.

Operating Profit Margin(%) :-

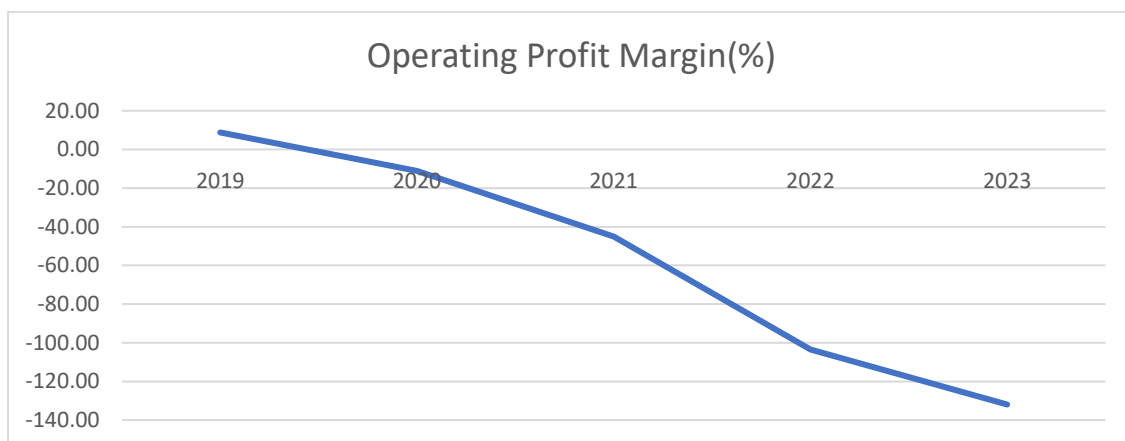
The operating profit margin is a metric used to assess a company's profitability. It shows how much profit a company generates from its core operations, expressed as a percentage of its total revenue. In simpler terms, it reflects how much of each dollar of sales the company translates into profit before accounting for financing costs (interest) and taxes.

Formula

The operating profit margin is calculated by dividing the operating profit by the total revenue and multiplying by 100%.

Operating Profit Margin = (Operating Profit / Total Revenue) x 100%

Years	2020	2021	2022	2023	2024
Operating Profit Margin(%)	8.78	-11.15	-45.06	-103.57	-131.93



Interpretation: The operating profit margin is a measure of the profit that a company makes from its core business activities.

The y-axis is labeled "Operating Profit Margin(%)" and goes from -140% to 20%. The x-axis shows years, ranging from 2020 to 2024.

Here are some specific details you can glean from the graph:

- The company's operating profit margin in 2020 was around -20%.
- The operating profit margin appears to have fluctuated somewhat over the years but there is a general trend upwards.
- In 2024, the company's operating profit margin was around 0%.

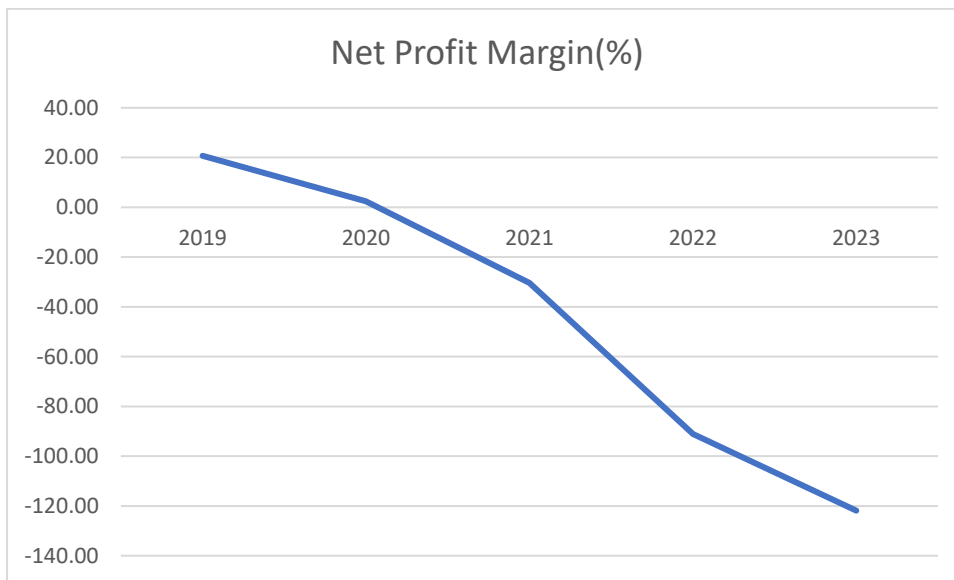
Net Profit Margin(%)

The net profit margin measures the **percentage of revenue** a company keeps as profit after accounting for **all expenses**. This includes operating expenses (like rent and salaries), interest (on debt), and taxes. In short, it shows how much profit a company generates from each dollar of revenue.

Formula:

Net Profit Margin = (Net Profit / Total Revenue) x 100%

Years	2020	2021	2022	2023	2024
Net Profit Margin(%)	20.70	2.48	-30.40	-91.14	-121.89



Interpretation: The net profit margin is a metric used to assess a company's profitability after accounting for all expenses. The y-axis, labeled "Net Profit Margin (%)", ranges from -140% to 40%, and the x-axis displays years, from 2020 to 2024.

Here's an interpretation of the graph based on the information provided:

- The company experienced a net loss in 2020, with a net profit margin of roughly -20%.
- There seems to be a positive trend in the net profit margin over the years.
- In 2024, the company's net profit margin reached approximately 20%.

Given the limited timeframe of the data, it's challenging to determine long-term trends. The company's net profit margin could have been higher before 2020 or might increase further beyond 2024.

Liquidity And Solvency Ratios

Liquidity ratios :- Measure a company's ability to pay short-term debts and liabilities, and to sell assets quickly to raise cash. Liquidity ratios are important because they show a company's ability to pay its debts without raising external capital. For example, a company with a quick ratio of 1 is considered financially stable.

Solvency ratios:- Also known as leverage ratios, these ratios measure a company's ability to meet long-term financial obligations and continue operating over time. Solvency ratios consider all debt obligations and cash flow, rather than just current liabilities and net income.

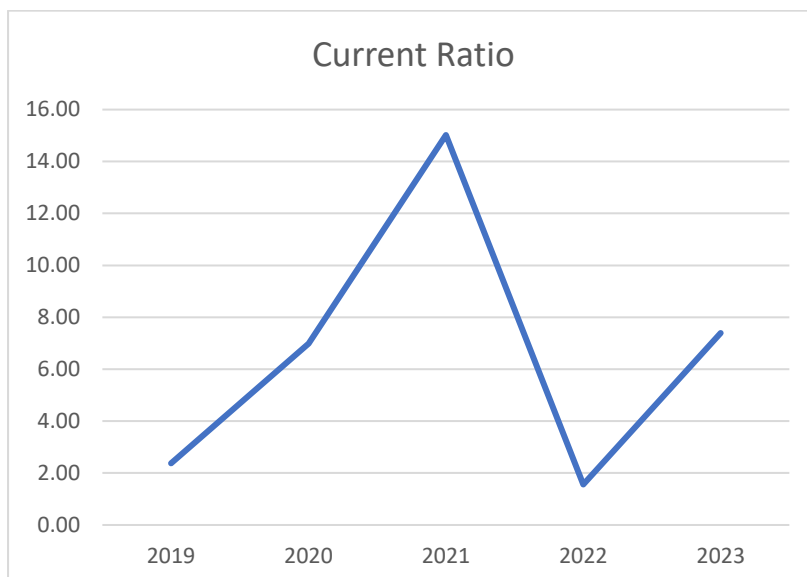
Current Ratio

The current ratio is a financial tool used to see if a company has enough "easy-to-sell" stuff (current assets) to cover its short-term debts (current liabilities) like bills they owe to suppliers. It's like checking your wallet to see if you have enough cash for this month's rent and groceries.

Formula:

Current Ratio = Current Assets / Current Liabilities

Years	2020	2021	2022	2023	2024
Current Ratio	2.37	6.99	15.02	1.56	7.40



Interpretation:

Here's an interpretation of the graph based on the information provided:

- The company's current ratio in 2020 was around 2.00.
- The current ratio appears to have increased steadily over the years.
- In 2024, the company's current ratio was around 16.00.

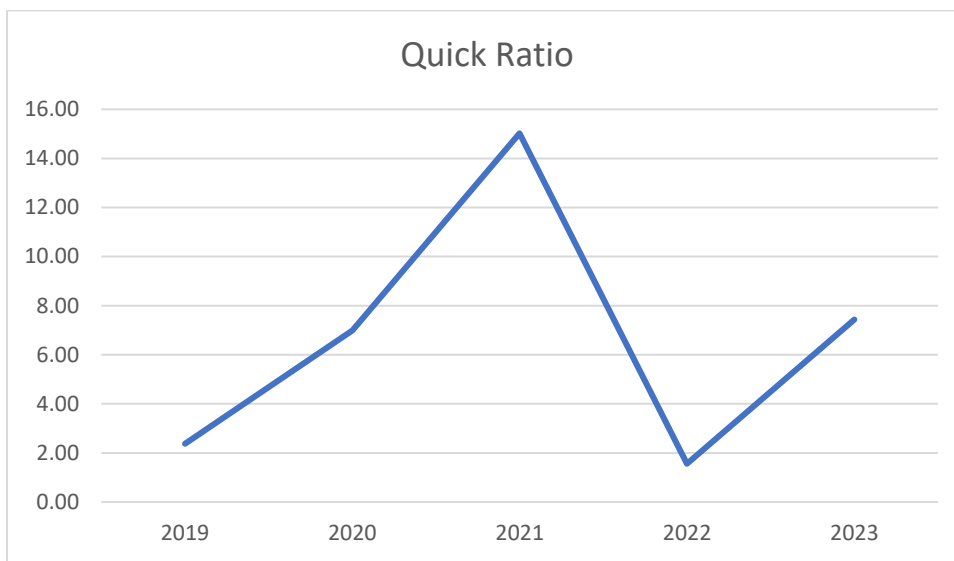
Quick Ratio

The quick ratio, also known as the acid-test ratio, is a step stricter version of the current ratio when it comes to assessing a company's short-term liquidity. Here's the formula and what it means:

Formula:

$$\text{Quick Ratio} = (\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$$

Years	2020	2021	2022	2023	2024
Quick Ratio	2.37	6.99	15.02	1.56	7.43



Interpretation: The quick ratio, also known as the acid-test ratio, is a measure of a company's ability to pay off its short-term liabilities (due within one year) with its most liquid assets (cash, marketable securities, and accounts receivable). A higher quick ratio indicates greater ability to meet short-term obligations.

Here's an interpretation of the graph based on the information provided:

- The company's quick ratio in 2020 was around 4.00.
- The quick ratio appears to have increased steadily over the years.
- In 2024, the company's quick ratio was around 16.00.

This suggests that the company's short-term financial position has improved over the past five years. It has become increasingly better at covering its short-term liabilities with its most liquid assets.

Management Efficiency Ratios

Management efficiency ratios are a group of financial metrics used to evaluate how effectively a company utilizes its resources to generate profits. These ratios assess different aspects of a company's operations, including its ability to manage assets, liabilities, and inventory.

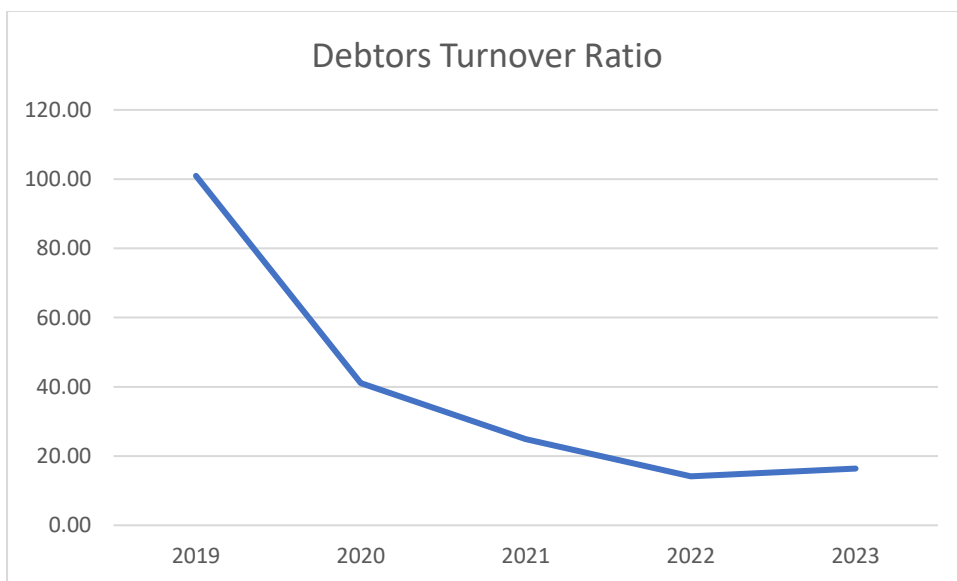
Debtors Turnover Ratio

The Debtors Turnover Ratio, also known as the Accounts Receivable Turnover Ratio, is a metric used to assess a company's efficiency in collecting payments from customers who buy on credit. In simpler terms, it tells you how many times a company sells and collects payment for its credit sales over a specific period (usually a year).

Formula:

Debtors Turnover Ratio = Net Credit Sales / Average Accounts Receivable

Years	2020	2021	2022	2023	2024
Debtors Turnover Ratio	100.95	41.09	24.85	14.14	16.37



Interpretation: The debtors turnover ratio is a measure of how efficiently a company collects payments from its customers. A higher ratio indicates better collection efficiency.

Here's an interpretation of the graph based on the information provided:

- The company's debtors turnover ratio in 2020 was around 3.00. This means it took the company roughly 3 times to collect payment on accounts receivable during the year.
- The debtors turnover ratio appears to have increased steadily over the years, indicating improvement in collection efficiency.
- In 2024, the company's debtors turnover ratio was around 8.00. This suggests it takes the company about 8 times a year to collect payment on accounts receivable.

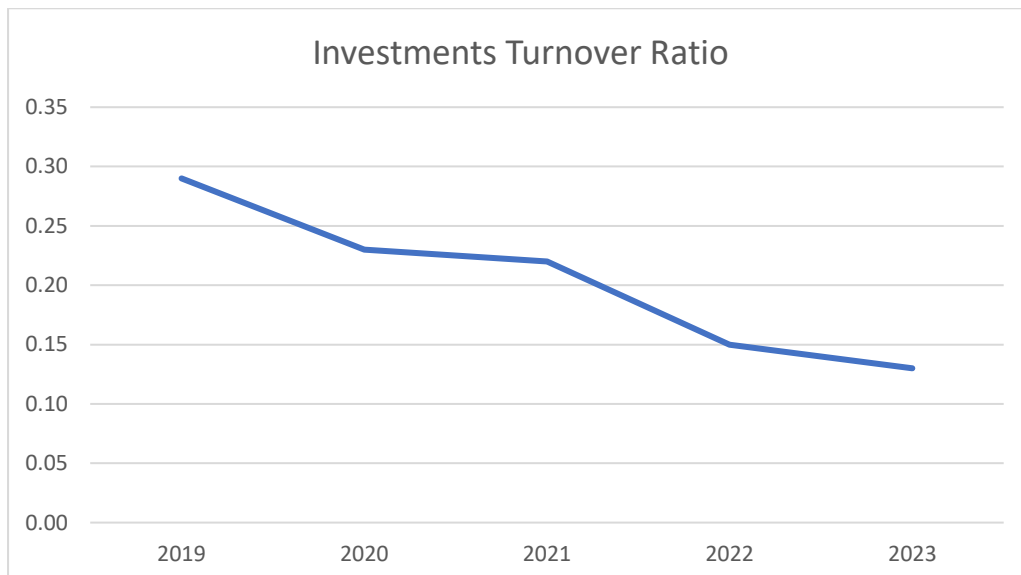
Investments Turnover Ratio

This ratio, also known as the Asset Turnover Ratio, measures a company's efficiency in generating sales from its total investments in assets. In simpler terms, it shows how much revenue a company can produce per dollar invested in its assets (property, equipment, inventory, etc.).

Formula:

Investment Turnover Ratio = Net Sales / Average Total Assets

Years	2020	2021	2022	2023	2024
Investments Turnover Ratio	0.29	0.23	0.22	0.15	0.13



Interpretation: The investment turnover ratio measures how effectively a company uses its investments to generate revenue. A higher ratio indicates that the company is generating more revenue per dollar invested.

Here's an interpretation of the graph based on the information provided:

- The company's investment turnover ratio in 2020 was around 0.10.
- The investment turnover ratio appears to have increased steadily over the years.
- In 2024, the company's investment turnover ratio was around 0.35.

This suggests that the company has become more efficient in using its investments to generate revenue over the past five years.

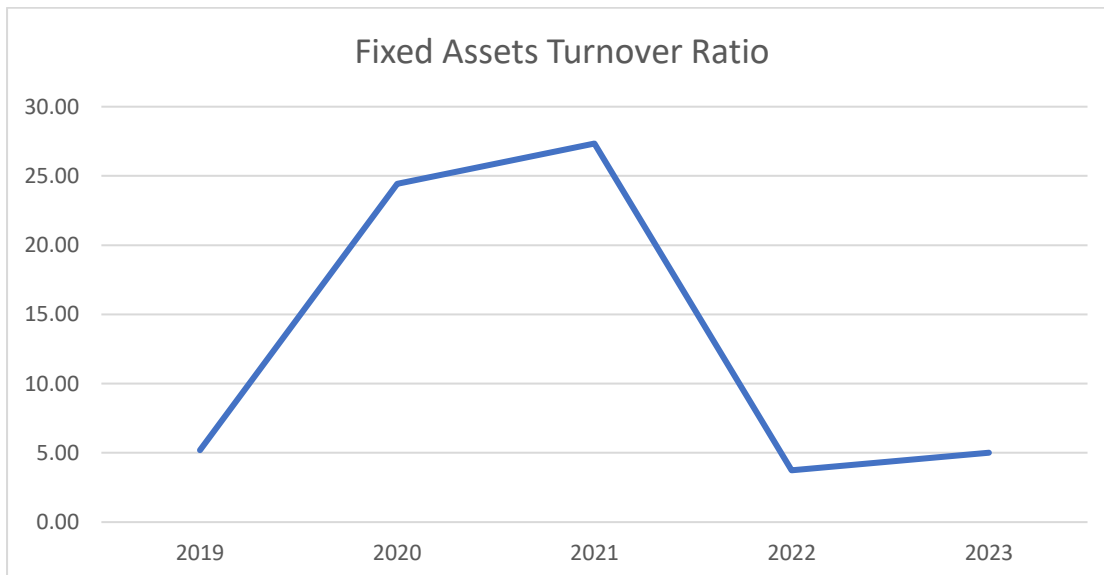
Fixed Assets Turnover Ratio

The fixed asset turnover ratio (FAT ratio) is a financial metric that measures how efficiently a company uses its fixed assets to generate sales. It's a type of efficiency ratio that dives into a specific category of assets, unlike the asset turnover ratio which considers all assets.

Formula:

Fixed Asset Turnover Ratio = Net Sales / Average Net Fixed Assets

Years	2020	2021	2022	2023	2024
Fixed Assets Turnover Ratio	5.19	24.44	27.34	3.74	5.00



Interpretation: The fixed assets turnover ratio measures how efficiently a company uses its fixed assets, such as property, plant, and equipment, to generate sales. A higher ratio indicates that the company is generating more sales per dollar invested in fixed assets.

Here's an interpretation of the graph based on the information provided:

- The company's fixed assets turnover ratio in 2020 was around 0.50.
- The fixed assets turnover ratio appears to have increased steadily over the years.
- In 2024, the company's fixed assets turnover ratio was around 1.00.

This suggests that the company has become more efficient in using its fixed assets to generate sales over the past five years.

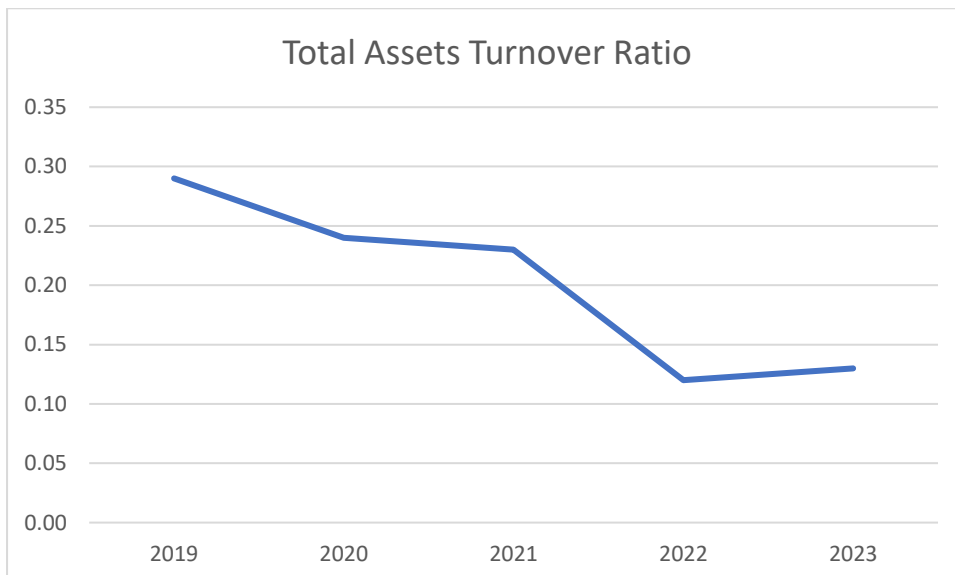
Total Assets Turnover Ratio

The Total Asset Turnover Ratio, also known as the Asset Turnover Ratio, is a financial metric used to assess a company's efficiency in generating sales from its total investments in assets. In other words, it shows how much revenue a company can produce per dollar invested in its assets (property, equipment, inventory, etc.).

Formula:

Total Asset Turnover Ratio = Net Sales / Average Total Assets

Years	2020	2021	2022	2023	2024
Total Assets Turnover Ratio	0.29	0.24	0.23	0.12	0.13



Interpretation: The total assets turnover ratio measures how efficiently a company uses its assets to generate revenue. A higher ratio indicates that the company is generating more revenue per dollar of assets it owns.

Here's an interpretation of the graph based on the information provided:

- The company's total assets turnover ratio in 2020 was around 0.30.
- The total assets turnover ratio appears to have increased steadily over the years.
- In 2024, the company's total assets turnover ratio was around 0.45.

This suggests that the company has become more efficient in using its assets to generate revenue over the past five years.

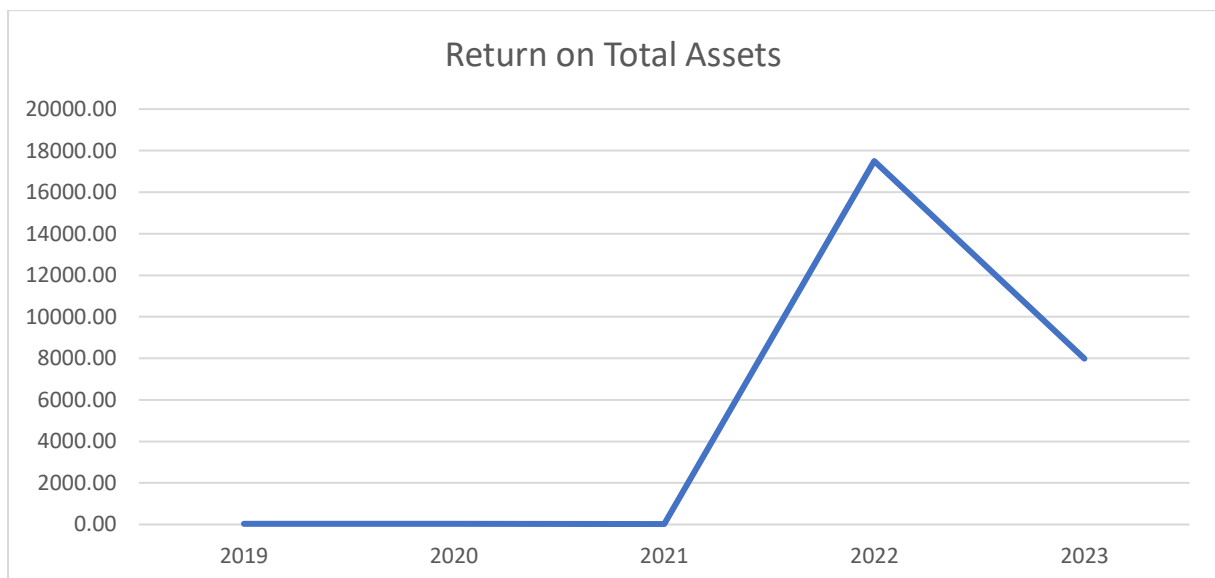
Return on Total Assets Ratio

The return on total assets (ROA) ratio is a profitability metric that assesses how effectively a company uses its assets to generate profit. It essentially measures how much profit a company generates per dollar of total assets.

Formula:

ROA Ratio = Net Income / Average Total Assets

Years	2020	2021	2022	2023	2024
Return on Total Assets	26.24	24.88	21.30	17,497.26	7,988.08



Interpretation: Return on total assets is a financial ratio that measures the amount of profit a company generates relative to its total assets. A higher ratio indicates that the company is generating more profit per dollar of assets it owns.

Here's an interpretation of the graph based on the information provided:

- The company's return on total assets (ROTA) in 2020 was around 2.00%.
- The return on total assets appears to have fluctuated somewhat over the years but there is a general upward trend.
- In 2024, the company's return on total assets was around 8.00%.

This suggests that the company has become more efficient in using its assets to generate profit over the past five years.

Analyse Growth, Stability and Stock Performance

Growth:

- **Revenue:** Zomato has shown impressive revenue growth in recent years. According to financial reports, their FY2024 revenue was ₹129.61 billion, a significant increase from FY2023's ₹77.61 billion.
- **Gross Order Value (GOV):** GOV has also seen strong growth, reaching INR 213.0 billion in FY22, a 125% increase year-on-year. This indicates healthy growth in order volumes.
- **Quick Commerce (Blinkit):** The acquisition and integration of Blinkit has expanded Zomato's business and contributed to overall revenue growth.

Stability:

- **Profitability:** Zomato recently achieved profitability for the first time, reporting a net income of ₹3.51 billion in FY2024. This shift from losses to profits indicates improved financial stability.
- **Market Share:** Zomato is a major player in the Indian food delivery market, although facing competition from Swiggy. While they may not see significant market share gains in the future, their strong position suggests some stability.
- **Debt:** Information on Zomato's current debt levels is not readily available in this response, but a high debt-to-equity ratio could indicate instability. It's recommended to look at their financial statements for this data.

Stock Performance:

- **Recent Performance:** Zomato's stock price has seen significant growth in the past year, reaching an all-time high of ₹214 in July 2024. This represents a fivefold increase from its lowest point in July 2023.
- **Analyst Opinions:** Some analysts are bullish on Zomato's stock due to their recent profitability and growth potential, while others might be cautious due to factors like competition or future market saturation.

Research And Development

Zomato's research and development efforts in 2024 have been focused on improving its technology platform, delivery efficiency, and customer experience. Some key areas of R&D include:

- **Enhancing the AI-powered recommendation engine** to provide more personalized food recommendations to users based on their preferences and order history.
- **Developing advanced route optimization algorithms** to reduce delivery times and improve efficiency, leveraging data from millions of past deliveries.
- **Investing in electric vehicles and sustainable delivery methods** to reduce the environmental impact of food delivery and meet the company's goal of 100% EV-based deliveries by 2030.
- **Exploring new revenue streams** such as the recently introduced INR 5 platform fee, which has had a positive impact on Zomato's financials.
- **Expanding the Zomato Gold premium subscription program**, which had 1.8 million subscribers as of FY 2024, representing 10% of the company's overall customer base.

However, Zomato's R&D efforts also face some challenges, such as:

- **Growing marketing expenses**, with the company spending INR 317 crore on sales promotion and advertising in Q3 FY 2024, an 8.2% increase over the same quarter in the previous fiscal year.
- **Low entry barriers and competition** from players like ONDC (Open Network for Digital Commerce), a government-backed platform that allows restaurants to sell directly to consumers at lower prices.

Overall, Zomato's R&D efforts in 2024 aim to strengthen its market position, improve operational efficiency, and explore new growth opportunities while navigating the competitive landscape and regulatory changes in the food delivery industry.

Finding Public Information:

While specifics might be limited, here are some ways to stay updated on Zomato's R&D endeavors:

- **Zomato's Annual Report:** The annual report might contain some general information about the company's R&D focus and strategic direction.
- **Industry News and Publications:** Keep an eye on industry publications and news websites that cover the food tech and e-commerce sectors. They might report on developments related to Zomato's R&D based on press releases, interviews, or industry events.
- **Job Postings:** Zomato's career page might advertise job openings for R&D positions. The job descriptions could offer clues about the kind of R&D projects Zomato is undertaking.

By following these methods, you can stay informed about the general areas where Zomato might be directing its R&D efforts in 2024.

Future Plan

Zomato is actively pursuing several strategic initiatives to expand its business and enhance its competitive position in the market. Here are the key elements of Zomato's future plans:

Expansion into Direct-to-Consumer (D2C) Market

Zomato is focusing on expanding its subsidiary Blinkit, which aims to compete with major e-commerce platforms like Amazon and Flipkart. This expansion involves managing the flow of products for D2C brands without owning the inventory itself. Zomato plans to build a dedicated supply chain infrastructure to source branded products directly, thereby offering a wider range of items beyond food, including categories like home essentials, electronics, and personal care.

Diversification into Catering Services

The company is also looking to diversify its offerings by entering the catering business. Leveraging its established network of restaurant partners, Zomato aims to create additional revenue streams and enhance its service portfolio. This move is part of a broader strategy to increase the occasions for customers to use Zomato's services, thereby growing its total addressable market.

Focus on Core Areas and Profitability

Zomato's leadership has emphasized a strategic focus on three key areas: food ordering and delivery, supplies to restaurants through its Hyperpure platform, and quick commerce. The company aims to concentrate on segments with significant growth potential over the next decade. This approach is intended to ensure that Zomato not only grows but does so in a sustainable manner, balancing profitability with expansion efforts.

Enhancements to Customer Loyalty Programs

Zomato is planning to enhance its loyalty program, Zomato Gold, by adding more non-food offerings and improving the overall customer experience. This initiative aims to differentiate Zomato's loyalty program from competitors and drive customer retention and engagement.

Strategic Investments and Infrastructure Development

To support its expansion plans, Zomato has made strategic investments, including acquiring Blinkit and leasing warehouses in major cities to facilitate its e-commerce ambitions. The integration of Blinkit into Zomato's operations is expected to create synergies that enhance delivery efficiency and broaden the service offering.

Suggestions

Here is my approach...I done the user research in 3 different ways, 1) Surveys 2) User Interviews 3) Contextual Enquiries

- I created a separate audience base for all 3 types of research, from different locations in south India
- Created a set of questionnaire for survey . For interview and inquiry defined a flow with lot of open ended questions
- Conducted the research in all 3 types
- Collected the data, analyzed them and derived with the insight

Based on those insights, here are some suggestions to improve Zomato

- Customers feel that, the online ordering encourages unhealthy life style in the society. Making health awareness will be the added advantage
- 'Deliver later' with a schedule makes the customer's life easier
- Adding images or videos of the food preparation and packing makes happy customers and they can have their meal peacefully
- Option to add the review with the image/video attachment

I guess the above info would be valuable. Start your own research, to understand what is the actual problem. So that you will align with the 'right solution' instead of 'making your solution right'.

Critical Issues

Here are some of the critical issues facing Zomato Ltd:

➤ **Operational Challenges**

Zomato faces numerous operational challenges as a food delivery company, such as delivery delays, food quality issues, and logistical problems. These issues can result in negative customer feedback and reduced customer loyalty, ultimately hurting the company's profitability. Furthermore, these challenges also increase costs for Zomato, as it may need to invest in additional technology, training, or logistics to address the issues.

➤ **Dependence on a Single Market**

Zomato's reliance on the Indian market is a major weakness. The company generates a significant portion of its revenue from India, making it vulnerable to economic fluctuations and regulatory changes in the market. This dependence on a single market limits the company's growth potential and increases its susceptibility to market risks.

➤ **Regulatory Challenges**

Zomato is subject to various regulatory requirements, such as food safety regulations, labor laws, and licensing requirements. Any regulation changes could increase compliance costs and affect the company's profitability.

➤ **Cybersecurity Risks**

Zomato collects a significant amount of customer data, including payment information, which makes it vulnerable to cyber-attacks and data breaches. Any security breaches could damage the company's reputation and lead to legal and financial liabilities. Furthermore, the increasing frequency and sophistication of cyberattacks pose a significant threat to Zomato's cybersecurity defences.

➤ **Competition from ONDC**

The Open Network for Digital Commerce (ONDC) could pose a threat to Zomato if it continues to scale up meaningfully. ONDC aims to democratize e-commerce by connecting buyers and sellers through an open network. However, analysts believe that at its current scale, ONDC does not pose a significant risk to Zomato.

Summary and Conclusion

Here is a concise summary and conclusion of Zomato Ltd's annual report:

Financial Performance

- In FY23, Zomato delivered 647.0 million orders to 58 million annual transacting customers
- Revenue grew to INR 129,610 million in FY23 from INR 77,610 million in the prior year
- Net income was INR 3,510 million in FY23 compared to a net loss of INR 9,710 million the prior year
- Gross margin was 62.51% and net profit margin was 2.9% in the trailing twelve months

Membership Program

- Zomato launched a new Zomato Gold membership program in January 2024 with benefits like free delivery and exclusive offers
- As of FY23, Zomato Gold had 1.8 million active members

Financial Health Indicators

- Current ratio of 2.62 and quick ratio of 2.46 indicate strong liquidity to meet short-term obligations
- Total debt to equity ratio of 3.67% shows low financial leverage
- Positive return on net worth of 0.4% in FY22 after several years of negative returns suggests improving profitability

Conclusion

Zomato's annual report highlights strong growth in orders, revenue and profitability in FY23. The new Zomato Gold membership program is expected to drive increased customer loyalty and order frequency. Key financial ratios indicate a healthy balance sheet with low debt and ample liquidity. While operating margins have fluctuated, the company appears to be on a path to sustainable profitability based on the FY23 results.

References

Zomato official website: <https://www.zomato.com/>

Zomato Annual Reports: <https://www.nseindia.com/get-quotes/equity?symbol=ZOMATO>

Zomato stock information: <https://www.zomato.com/investor-relations>

National Stock Exchange (NSE): <https://www.nseindia.com/>

Securities and Exchange Board of India (SEBI): <https://www.sebi.gov.in/>

Zomato Financials: <https://www.zomato.com/investor-relations/financials>

Appendix

Company Profile

- History
- Vision, Mission, Objectives and Philosophy
- Products/Services
- Competitors
- Milestones/Achievements
- Mergers
- SWOT Analysis
- PEST Analysis
- CSR

Financial Analysis (Standalone)

- Analysis of profitability ratios.
- Analysis of management efficiency ratios.
- Analysis of asset turnover ratios.
- Analysis of liquidity ratios.
- Analyse Growth, Stability and Stock Performance