ANANDRATHI

3 January 2025

E-Commerce

The expansion from food to everything commerce

From building core categories to opting for strategic investments, we believe Zomato and Swiggy's end goal is the same, ie., owning intracity E-commerce. Both companies are stepping up diversification efforts besides food delivery (FD). While they are pursuing the same goal, both companies have chosen different paths to get to it (Swiggy's mostly organic vs. Zomato's acquisition-led strategy; the former's integrated apps approach vs. the latter's separate apps). In FD, the duopoly is well entrenched and cannot be shaken easily. In Quick Commerce, however, we believe multiple players can co-exist. We initiate coverage on Zomato and Swiggy with Buy ratings and 12-mnth target prices of Rs385 and Rs705, respectively (based on SOTP valuations, giving Swiggy 20% discount to Zomato).

In this fast-evolving space, both companies, with their unique strengths, have cemented their positions. Zomato leads in market share and revenue growth, thanks to a larger user base. However, Swiggy, with its relentless expansion plans in QC, launch of Bolt (10-minute FD service) and other new initiatives, remains a strong contender. We believe Swiggy would continue to lag Zomato but see its execution improving with accelerating growth and higher profitability.

Duopoly in FD difficult to shake. India's FD sector was valued at ~Rs640bn in CY23 (source: Swiggy RHP) and is largely duopolistic in nature. It is expected to grow at ~17-22% CAGR over five years. In 2020, Swiggy was the market leader, boasting of ~52% market share. Since then, however, it has gradually ceded ground to Zomato, largely due to the latter's relentless promotion of Gold membership. Since Dec'23 though, Swiggy has not lost any market share. Zomato's GOV/AOV grew at ~23%/3.7% CAGRs over FY22-24. Swiggy, meanwhile, reported ~15.7%/2.5% CAGRs for GOV/AOV over FY22-24.

Multiple players can co-exist in QC. As of CY23, QC's GMV was ~Rs224bn (source: Swiggy RHP) and is set to see a ~60-80% CAGR over 2023-28. Zomato and Swiggy have established their strengths in delivery time because both started out with food. Zepto only operates in QC, whereas Amazon and Flipkart offer assorted products and varied prices. We believe consumers are indifferent to platforms and are only concerned with price, assortment and delivery time. Hence, we believe multiple players can co-exist in this space.

Key risks. Regulatory challenges would be an overhang; intense competition in QC could impact profitability, decline in discretionary spends.

Sensex: 79944

Nifty: 24189

Zomato Valuation		Multiple (x)	(Rsm)
FD	EV/EBITDA	45.0	1,588,705
QC	EV/GOV	2.0	1,311,937
Going Out	EV/GOV	1.5	225,000
Hyperpure	EV/Sales	1.0	131,701

Swiggy Valuation		Multiple (x)	(Rsm)	Discount
FD	EV/EBITDA	40.5	8,23,499	10%
QC	EV/GOV	1.4	5,87,789	30%
Dining Out	EV/GOV	1.0	48,062	33%
Supply Chain	EV/Sales	1.0	95,592	0%
Platform Innovation	EV/Sales	1.0	967	

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Valuation matrix

| Particulars				Revenue (Rsm)			y/y growth (%)			EBITDA Margins (%)			EV/sales (x)		
(Rs m)	CMP (Rs)	Reco	TP (Rs)	FY25e	FY26e	FY27e	FY25e	FY26e	FY27e	FY25e	FY26e	FY27e	FY25e	FY26e	FY27e
Zomato	285	Buy	385	192,992	292,796	411,309	59.3	51.7	40.5	5.7	8.0	10.0	12.7	8.4	6.0
Swiggy	557	Buy	705	150,521	204,175	272,585	33.8	35.6	33.5	-13.5	-6.0	1.0	7.9	5.8	4.4

Source: Bloomberg, Anand Rathi Research

▌ Duopoly in FD difficult to shake

India's FD sector was valued at ~Rs640bn in CY23 (~41.7% revenue CAGR over 2018-2023) and is largely duopolistic in nature. It is expected to grow at ~17-22% CAGR over five years. In 2020, Swiggy was the market leader, boasting of 52% market share. Since then, however, it has gradually ceded ground to Zomato, largely due to the latter's relentless promotion of Gold membership. Since Dec'23 though, Swiggy has not lost any market share.

Zomato reported ~Rs322bn/Rs428 GOV/AOV in FY24, ~23%/3.7% CAGRs over FY22-24. Swiggy, meanwhile, reported ~Rs247bn/Rs428 GOV/AOV in FY24, ~15.7%/2.5% CAGRs over the same period. Clearly, despite the same AOV, higher average MTU on Zomato (~18.4m vs. Swiggy's ~12.7m) led to a better, ~30.4%, GOV and thus, ~28% higher FY24 revenue.

Fig 1 – Zomato's GOV outperforming Swiggy's over the years
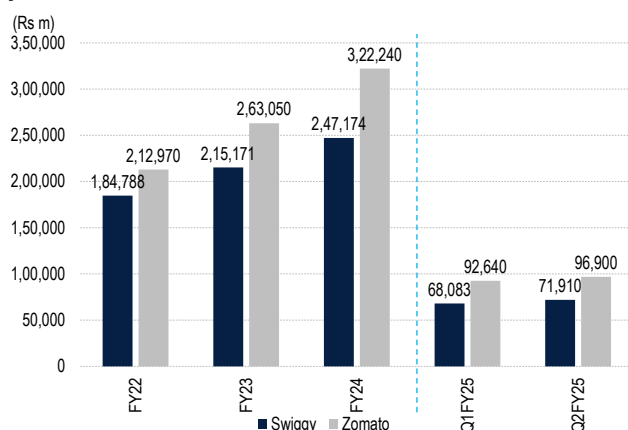
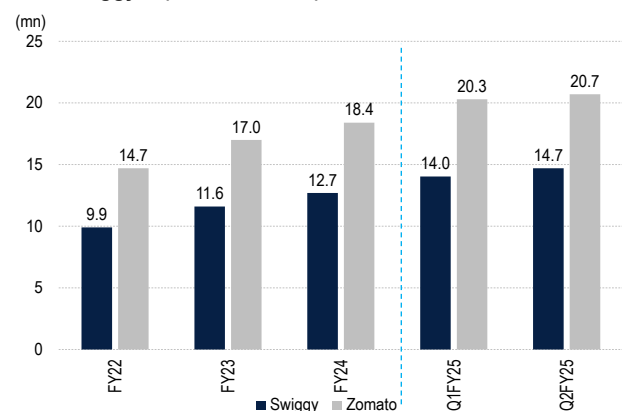Source: Company, Anand Rathi Research

Fig 2 –Both showing increased adj. revenue over the years on better take rates, ad monetization and platform fees
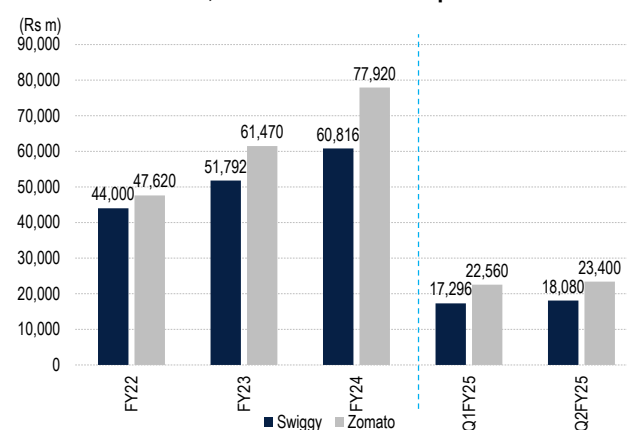
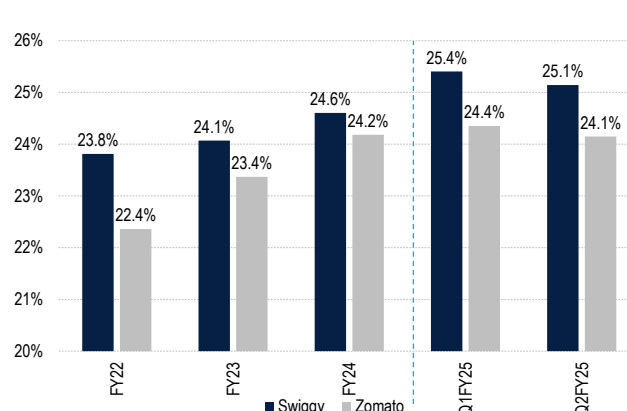Source: Company, Anand Rathi Research

Even though Zomato garnered order volumes, its ~24.1% take rate lagged Swiggy's at ~25.1% in Q2 FY25. What's important to note is that while Swiggy's take rate expanded ~80bps over FY22-24, Zomato's take rate improved ~180bps from the initial ~22.4% in FY22.

Fig 3 – Zomato's avg. monthly transacting users 1.4x higher than Swiggy's (as of Q2 FY25)

Source: Company, Anand Rathi Research

Fig 4 – Swiggy clocked a higher take rate at 25.1% on adj. revenue, compared to Zomato's 24.1% (Q2FY25)
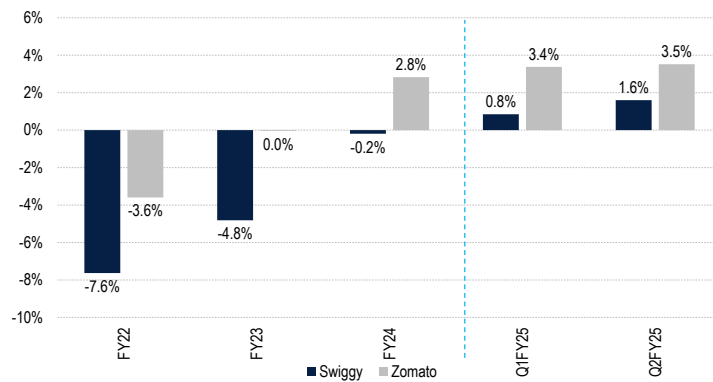

Source: Company, Anand Rathi Research

Zomato's FD segment became Adjusted EBITDA-positive for the first time in FY24, with the margin at ~2.8% as % of GOV (achieved breakeven the year prior), which gained from the introduction of ~Rs2 platform fee in Aug'23 (Rs10 now in selected areas). Swiggy had also achieved Adjusted EBITDA

breakeven in Q3FY24 and in our view, by FY26, Swiggy will be at par with Zomato's current margins.
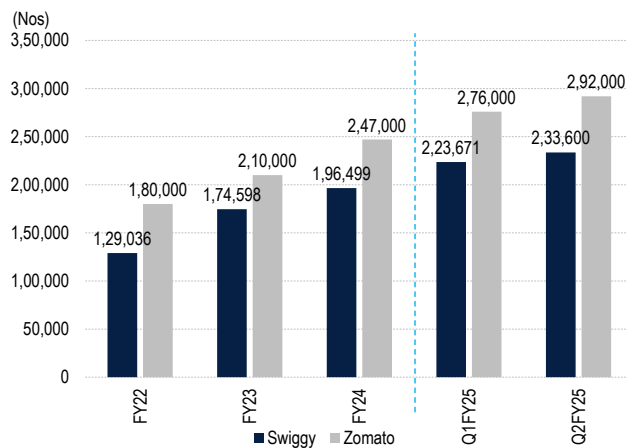
Fig 5 – Competitors boasted of positive adj. EBITDA margins (as of Q2 FY25)

Source: Company, Anand Rathi Research

Being the market leader, Zomato had ~25% more restaurants listed on its platform for food delivery, compared to Swiggy.

Fig 6 – ~25% more restaurants listed on Zomato compared to Swiggy (as of Q2FY25)

Source: Company, Anand Rathi Research

Fig 7 – FD AOV of both saw minimum growth with no difference in FY24
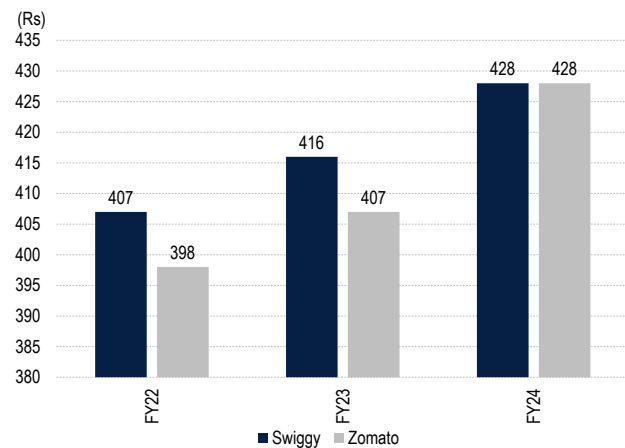
Source: Company, Anand Rathi Research

In terms of food delivery, we see both companies dominating ahead.

Fig 8 – Zomato saw ~30% higher orders than Swiggy as of FY24

Source: Company, Anand Rathi Research

Fig 9 – Contribution margin (as % of GOV) trend

Source: Company, Anand Rathi Research

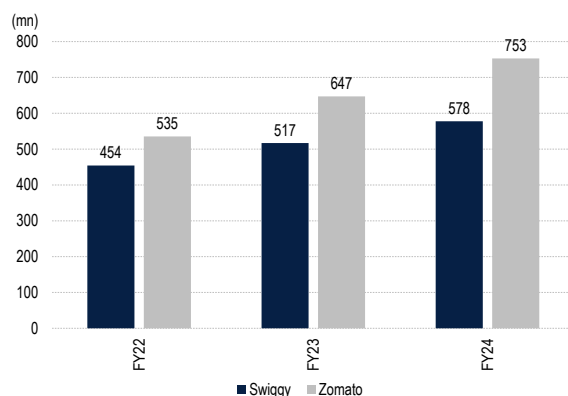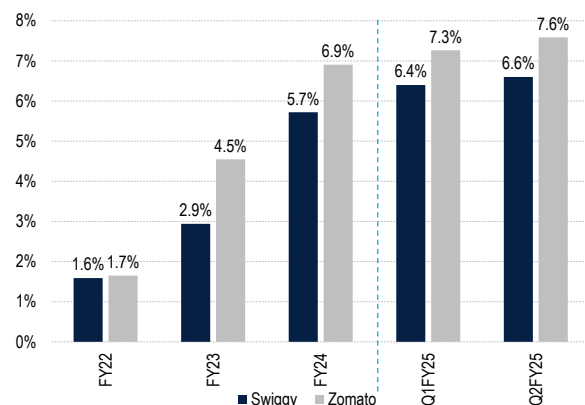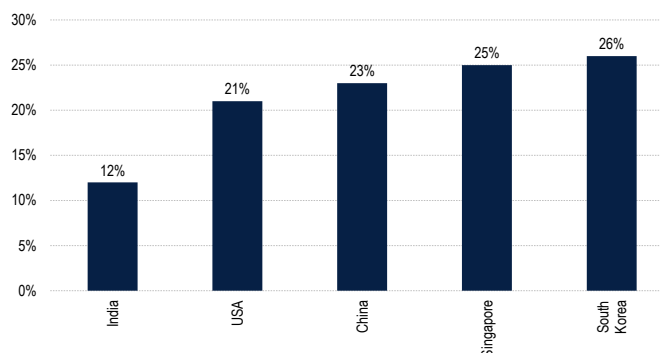## How is FD going to grow?

In the US and China, FD accounted for ~19-23% and ~22-25%, respectively, of their food services markets in CY23. However, for India, this figure was ~12% and is expected to reach ~18% by FY28, thereby likely resulting in ~17-22% CAGR over five years.

Fig 10 – Penetration of online FD of overall food services markets across countries

Source: Bain & Company, Anand Rathi Research

We expect Zomato to continue to lead in FD, with its GOV rising from ~Rs322bn in FY24 to Rs603bn in FY27, at ~23.2% CAGR over FY24-27. GOV growth would be aided by increase in ATUs and the conversion ratio (MTU/ATU) rising from ~29% in FY24 to 32% in FY27. Thus, MTUs would grow from ~18.4m in FY24 to ~25.7m in FY27, with AOV delivering ~4% CAGR (from ~Rs428 to ~Rs481) and order frequency rising at ~6% CAGR (from ~3.4m orders/month to ~4.1m orders/month) over FY24-27.

Swiggy currently lags but has the potential to catch up, thanks to the introduction of its latest feature, Swiggy Bolt (comprises ~5% of FD orders as of Q2 FY25). Through Bolt, it has tied up with selective restaurant chains to deliver some of their menu items within ~10 minutes. We expect Swiggy's GOV to rise from ~ Rs247bn in FY24 to Rs418bn in FY27, at ~19.1% CAGR over FY24-27. GOV growth would be due to Bolt picking up and MTUs rising (from ~12.7m in FY24 to ~18m in FY27), with AOV seeing ~4% CAGR (from ~Rs428 to ~Rs481) and order frequency ~2% CAGR (from ~3.8m orders/month to ~4m orders/month) over FY24-27.

Fig 11 – Swiggy and Zomato Food delivery

	Zomato						Swiggy					
	FY23	FY24	FY25e	FY26e	FY27e	CAGR (%) FY25-27	FY23	FY24	FY25e	FY26e	FY27e	CAGR (%) FY25-27
Monthly Transacting Users (m)	17	18.4	20.7	23.1	25.7	11.5	11.6	12.7	14.4	16.2	18	12.1
y/y growth		8.2	12.3	11.7	11.4			10.0	12.8	12.6	11.5	
Average Order Value (Rs)	407	428	445	463	481	4.0	416	428	445	463	481	4.0
y/y growth		5.2	4.0	4.0	4.0			2.9	4.0	4.0	4.0	
No of Orders (m)	647	753	905	1,071	1,253	17.7	517	578	664	763	868	14.3
y/y growth		16.4	20.2	18.4	16.9			11.8	15.0	14.9	13.7	
Order frequency per month (Nos)	3.2	3.4	3.6	3.9	4.1	5.5	3.7	3.8	3.9	3.9	4.0	2.0
Gross Order Value (Rs bn)	**263**	**322**	**403**	**496**	**603**	**22.4**	**215**	**247**	**296**	**353**	**418**	**18.9**
y/y growth		22.5	25.0	23.1	21.6			14.9	19.7	19.5	18.3	
Adjusted Revenue (Rs bn)	**61.5**	**77.9**	**98.2**	**122.2**	**148.8**	**23.1**	**51.8**	**60.8**	**74.3**	**90.5**	**109.1**	**21.2**
y/y growth		26.8	26.0	24.5	21.8			17.4	22.1	21.9	20.6	
Take Rates (%)	**23.4**	**24.2**	**24.4**	**24.6**	**24.7**		**24.1**	**24.6**	**25.1**	**25.6**	**26.1**	
Contribution Margin (as a % of GOV)	4.6	6.9	7.3	7.7	8.0		2.9	5.7	6.6	7.1	7.6	
Adjusted EBITDA Margins (as a % of GOV)	-0.04	2.8	3.5	4.3	5.0		-4.8	-0.19	1.4	2.6	3.6	

Source: Company, Anand Rathi Research

Multiple players can co-exist in Quick Commerce

India's retail market stood at Rs76trn-78trn in 2023 and is expected to reach ~Rs116trn-124trn by 2028. Of this, QC's contribution is expected to increase from ~0.3% (Rs224bn) in 2023 to 2-3% (Rs2,320bn-4,240bn) in 2028, at ~60-80% CAGR.

How are trends shaping up the segment?

QC is changing both,

a. **Supply side**, where platforms are expanding their offerings to include new categories, along with tech-led distribution, which help in planning and forecasting for brands.

b. **Delivery pace, at lower prices,** compared to *kirana* stores. Thus, QC is providing consumers convenience and is creating a ***habit zone***. This core strategy would continue to attract consumers, owing to increasingly busy and digitally evolving consumer lifestyles. Further, with increased online penetration, housewives, senior citizens, etc., would also get attracted. As a result, MTUs in QC are 3-4x those of slotted delivery platforms.

Fig 12 – The habit zone: Creation of a habit is a function of two elements: Utility and frequency

Source: Company, Anand Rathi Research

Post Covid, a shift is seen in consumers preferring QC over modern retail and *kirana* stores for their daily needs, owing to convenience, faster delivery and a variety of products (~8,000-10000 SKUs vs. 1,500-2,000 for *kirana* stores), which remove the planning/waiting element. Ahead, the path for QC would be category expansion, deeper penetration in top cities (also, beyond metros), e-commerce's shift to QC and private labels.

Changing sales channel mix for FMCG companies

The trend denoted by FMCG companies' commentaries below point to the rising share of QC sales within the e-commerce channel.

- **Parle Products.** The share of QC in e-commerce sales crossed ~50% as of July'24.

- **ITC.** E-commerce and modern trade accounted for ~31% of FY24 sales, compared to ~17% in FY20. This was majorly driven by QC.

- **Nestle.** E-commerce contributed ~7% of domestic sales in FY24, driven by QC. The share of e-commerce sales was ~1.3% five years ago.

- **Honasa Consumer.** Compared to e-commerce, QC is more profitable, delivering higher margins. QC is growing 4-5 times faster than e-commerce, accounting for ~8-10% of total sales as of Q1FY25

- **Dabur** expects ~70% y/y growth in QC and believes that its margins are better than those of e-commerce platforms as of Q1FY25

- **HUL.** ~1/6th of its sales in e-commerce is coming from QC as of Q1FY25

Rapid dark store expansion and deeper penetration

~90% of current QC contribution comes from the top eight cities (metros and tier-1 cities) due to mid-high-income households. Recently all players have started expanding to Tier 2 & Tier 3 cities as well. This shows that the companies are focusing on undiscovered markets beyond the top eight cities to tap into its growth potential and cater to value buyers.

Blinkit scaled its presence to ~45-50 cities in two years, with its store count at ~791 in Q2 FY25. New stores are now being opened in cities like Kochi, Ajmer, Alwar, Nagpur, Vishakhapatnam, along with the latest openings in Lonavala, Khandala and Hisar. The target is to reach ~1,000+ stores by end-FY25 and ~2,000 by end-CY26.

Instamart currently has a presence in ~54 cities with the target of being present in ~75 cities. They increased their dark stores count from ~523 in FY24 to ~609 in Q2FY25 with the aim to reach ~1000 dark stores by FY25 end.

Zepto has ~650 dark stores (~75% in top 10 metro cities) as of Dec'24 from ~340 in FY24. It is seeing a positive traction from its stores in the Tier 2 cities like Nashik, Jaipur & Chandigarh which are hitting ~1000 order per day within ~6-10 weeks.

Flipkart Minutes is only present in 3 cities, Mumbai, Delhi and Bangalore. It currently has ~100 dark stores with plans to penetrate more in Tier 1 cities and Metros.

What would drive higher AOV for QC?

Fig 13 – Mix of non-grocery increasing in the overall industry GMV mix

FY23: NON GROCERY 30%, GROCERY 70%
FY22: NON GROCERY 20%, GROCERY 80%
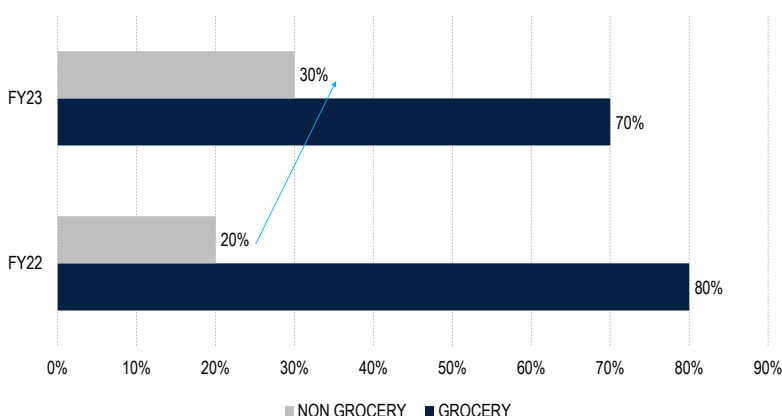
Source: Redseer, Anand Rathi Research

Ahead, the AOV is expected to increase as SKUs are added with a gradual shift in the product mix from grocery to non-grocery. This can be seen as the companies have expanded its assortment from groceries and FMCG products to toys, gaming, luggage, sports, home improvement, electronic items, etc. Further, companies will be looking to explore and test returns/exchanges for apparel, footwear and lifestyle products.
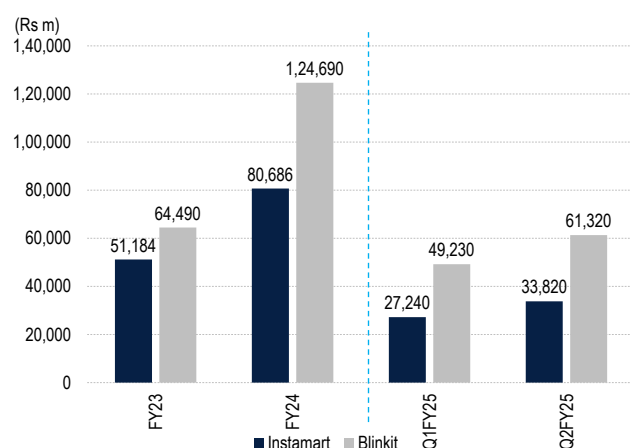
Blinkit vs. Instamart

Launched in Aug'20, Swiggy's Instamart had the first-mover advantage, compared to Blinkit (acquired by Zomato in Aug'22).

In terms of apps, Swiggy has integrated FD and QC on a single platform. However, Zomato and Blinkit are still operating as separate platforms. A similar kind of synergy is seen in Swiggy's loyalty pass, which can be utilised for either of the segments. However, a Zomato Gold user doesn't get this benefit on Blinkit.

In case of offerings, Swiggy piloted 'Instacafe' in 2023 and launched Swiggy Café on 14th Sept'24, which delivers pre-made snacks and other food options, along with groceries via its dark store network (a move, which directly competes with Zepto Café). Blinkit, meanwhile, recently launched its app "Bistro" in some parts of Gurugram to take on its competitors.

Despite being the first mover, Swiggy's Instamart now appears to be about 4-5 quarters behind Blinkit. As of Q2FY25, Blinkit operates in ~45-50 cities with ~791 dark stores, catering to ~8.9m MTCs. During the same period, Instamart operated in ~54 cities via a network of ~609 dark stores, catering to ~6.2m MTCs.

Fig 14 – Blinkit's GOV surpassed Instamart's by ~81% as of Q2 FY25

Source: Company, Anand Rathi Research

Fig 15 – Blinkit generated 2.3x higher adj. revenue than Swiggy
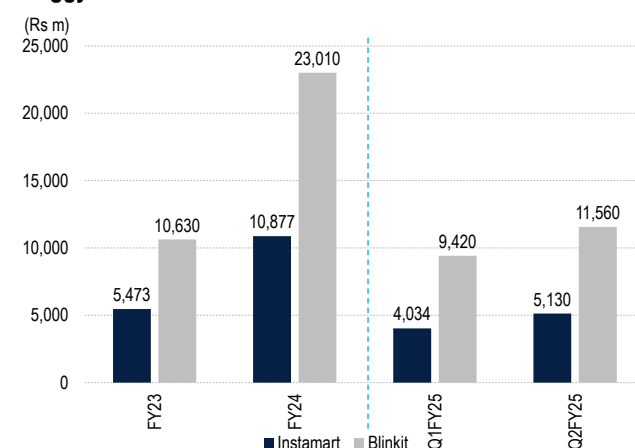
Source: Company, Anand Rathi Research

Blinkit's lead is the result of ~32.3% higher AOV of ~Rs660 vs. Instamart's ~Rs499. This has resulted in Blinkit's higher GOV (1.8x of Instamart) ~Rs110bn vs. Instamart's ~Rs61bn as of H1FY25 (take rates of ~19/15%). In terms of Adj EBITDA breakeven, Blinkit has achieved breakeven level in H1FY25, Instamart is expected to breakeven by FY27.

Fig 16 – Blinkit's AOV ~32.3% higher than Instamart's as of Q2FY25
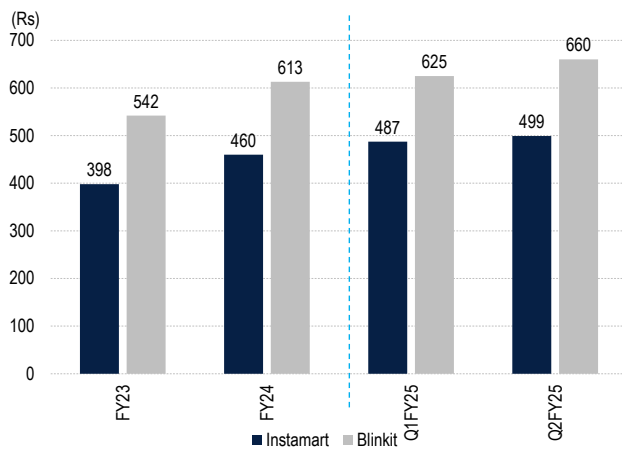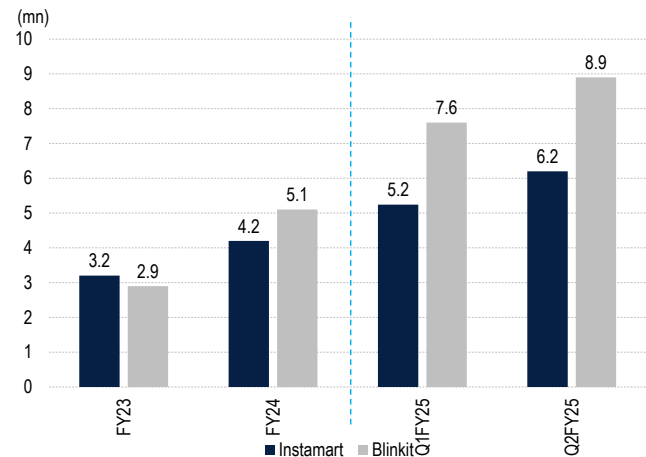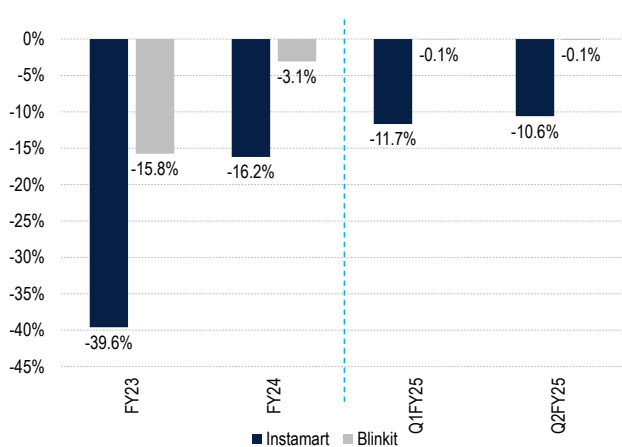

Source: Company, Anand Rathi Research

Fig 17 – Blinkit generated ~75% more MTUs from FY24 to Q2 FY25 vs. Instamart's ~ 46%

Source: Company, Anand Rathi Research

Fig 18 – Blinkit achieved breakeven in adj. EBITDA margin as of H1FY25, Instamart is expected to breakeven by FY27

Source: Company, Anand Rathi Research

Fig 19 –Instamart's take rates gradually improving, despite being outperformed by Blinkit's
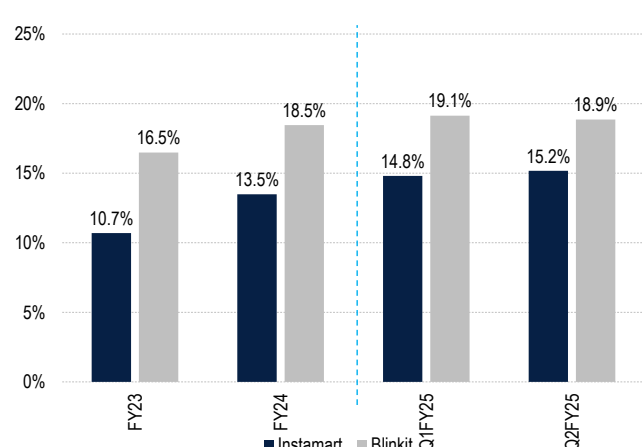
Source: Company, Anand Rathi Research

Fig 20 – Blinkit seeing ~37% more orders through its platform vs. Instamart as of Q2 FY25
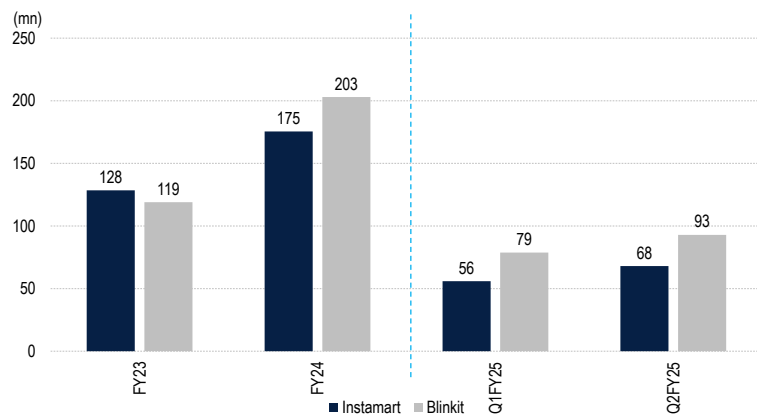
Source: Company, Anand Rathi Research

Fig 21 – Blinkit's average GOV/day per dark store ~1.62x higher than Instamart's as of Q2 FY25
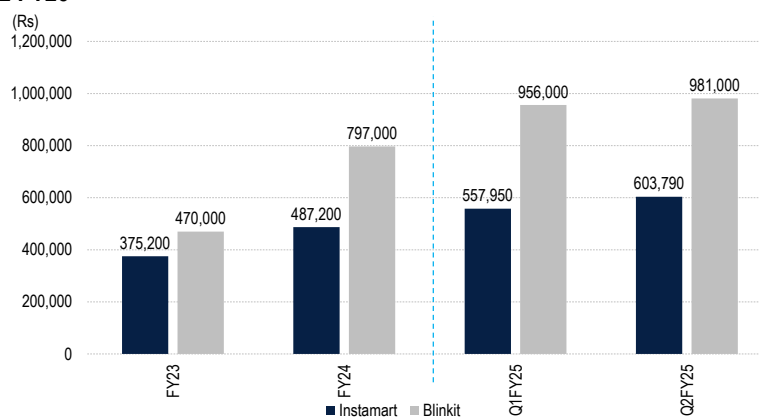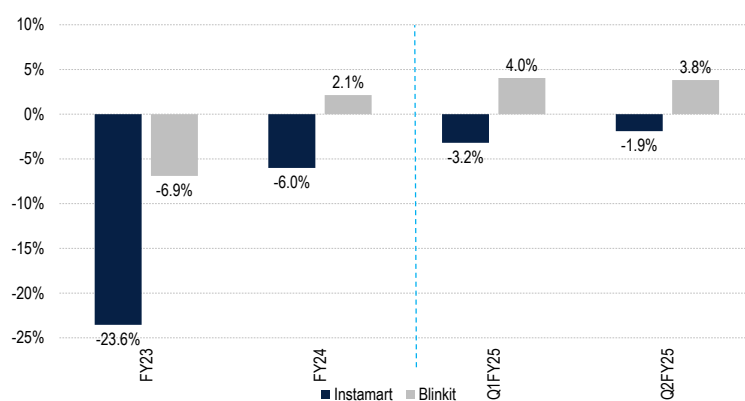

Source: Company, Anand Rathi Research

Fig 22 – Contribution margin (as % of GOV)

Source: Company, Anand Rathi Research

Fig 23 – Swiggy and Zomato QC segment

	Zomato						Swiggy					
	FY23	FY24	FY25	FY26	FY27	CAGR (%) FY25-27	FY23	FY24	FY25	FY26	FY27	CAGR % FY25-27
Monthly Transacting Users (m)	2.9	5.1	9.0	14.4	19.0	45.3	3.2	4.2	6.6	9.9	13.8	44.9
y/y growth		75.9	76.0	60.0	32.0			32.5	55.0	50.0	40.0	
Average Order Value (Rs)	541	613	662	695.1	729.9	5.0	398	460	506	557	612	10.0
y/y growth		13.3	8.0	5.0	5.0			15.6	10.0	10.0	10.0	
No of Orders (m)	119	203	379	642	899	54.0	128	175	306	498	686	49.7
y/y growth		70.6	86.6	69.6	39.9			36.6	74.5	62.5	37.8	
Order frequency per month (Nos)	3.4	3.3	3.5	3.7	4.0		3.34	3.45	3.9	4.2	4.1	
No of Dark Stores (Nos)	377	526	1,000	1,500	2,000		421	523	1,000	1,300	1,600	
Gross Order Value (Rs bn)	64.5	124.7	250.7	446.5	656.0	61.7	51.2	80.7	154.9	276.9	419.8	64.6
y/y growth		93.3	101.1	78.1	46.9			57.6	92.0	78.7	51.6	
Adjusted Revenue (Rs bn)	10.6	23.0	47.6	87.1	131.2	66.0	5.5	10.9	24.7	49.6	82.8	83.2
y/y growth		116.5	107.0	82.8	50.7			98.7	126.8	101.2	66.9	
Take Rates (%)	16.5	18.5	19.0	19.5	20.0		10.7	13.5	15.9	17.9	19.7	
Contribution Margin (as a % of GOV)	-6.9	2.1	4.0	4.5	5.0		-23.6	-6.0	-2.0	-1.0	1.5	
Adjusted EBITDA Margins (as a % of GOV)	-15.8	-3.1	0.0	0.7	1.6		-39.6	-16.2	-10.0	-5.1	-1.0	

Source: Company, Anand Rathi Research

Domestic QC: Competitive landscape

ZEPTO

Company's current performance

- Reached $2.2bn GOV as of Nov'24, showing ~200% y/y growth

- MoM GOV growth ~10-15%

- Store Growth: Grew from ~340 stores in FY24 to ~650+ stores currently

- Presence: Covers 70% of metro cities.

Margins and Financial Metrics

- Contribution Margin: Breakeven requires ~1,400-1,600 OPDs per store.

- Take Rate: Blended take rate stands at 24-25%.

- Current run rate of Advertising Revenue: ~Rs 1bn

- Dark Store Lease: Average lease tenure of 3 years.

- Grocery vs Non-Grocery Split: 80%-20%

- Dark Store Presence: ~75% of dark stores are in metro cities.

OPD Trends

- Initially stores took 8-10 months to hit 1,000 OPDs.

- Tier 2 and Tier 3 cities: New stores achieve 1,000 OPDs in 6-10 weeks.

- Total OPDs: ~1m as of No'24

Zepto Cafe

- Gross Margins: 2.5x the platform's overall gross margins.

- Revenue: Zepto Cafe annualised revenue runrate ~Rs 1-2bn

- Order Insights: ~65% of Zepto Cafe orders also include grocery orders.

- Owned vs Franchised Stores: ~10-15% of stores are franchisees.

Consumer Insights

- D-Mart Average Bill: Rs 1,600-1,700; Super Saver Average Bill: Rs 1,200-1,300.

- Indian consumers order 2-2.5 times per week, compared to US consumer ordering 2-2.5 times per month.

Flipkart minutes

Amazon vs. Flipkart

- Amazon holds ~70% share in tier 1 cities in e-commerce; Flipkart holds ~30% share; however, in tier 2, 3 cities, Flipkart enjoys higher share.

- Flipkart did attempt to increase penetration in Tier 1 through pricing levers but still, Amazon had an upper hand due to supply chain infrastructure and delivery timelines.

- Tier 2 cities not a priority for Amazon.

- In terms of supply chain costs, Amazon cost is 3x of Flipkart as it caters to demand in bigger cities

- Flipkart's main motivation to quick commerce is to increase presence in Tier 1 cities not by cannibalising but from increasing the TAM

Dark Stores

- Current Dark store count - ~100 stores (2000-3000 sq.ft)

- Currently present in three cities - Mumbai, Delhi and Bangalore

- To expand to 12 cities including Lucknow, Indore but no plan to expand to tier 2 cities as the cost of setting supply chain is higher

- For expanding to new city, it should meet certain criteria e.g. mother warehouse should cater to at least ~20 dark stores to establish a decent supply chain plan

Synergy benefits with parent app

- Currently, exploring synergy benefits of Flipkart minutes with parent app in case of customer base, long-standing relations with lifestyle and electronic brands, using fleet of parent app for catering to peak demand

- Synergy could potentially lead to higher AOV compared to competition

- Possibility of Flipkart minutes having a larger section of products due to synergy with parent company

- Flipkart has higher traffic compared to Swiggy and Zomato combined - advantage for Flipkart minutes which is an "app inside app"

Miscellaneous

- Fashion and textile challenging category due to - return policy, size and variants availability taking up more space

- In terms of electronics, Flipkart is at an advantage as Buy rate for quick commerce is much lower compared to e-commerce

Fig 24 – SKU categories across different QCs

Blinkit	Instamart	Zepto	Flipkart Minutes	BBNOW
Grocery and kitchen	Grocery and kitchen	Grocery and kitchen	Grocery and kitchen	Grocery and kitchen
Snacks and drinks	Snacks and drinks	Snacks and drinks	Snacks and drinks	Snacks and drinks
Beauty and personal care	Beauty and personal care	Beauty and personal care	Beauty and personal care	Beauty and personal care
Household essentials	Household essentials	Household essentials	Household essentials	Household essentials
	Home & kitchen stores		Home & kitchen appliances	Home & kitchen appliances
	Electronic & appliances		Mobiles & Electronics	Mobiles & Electronics
Shop by Store:	Shop by Store:	Shop by Store:		Fashion
Print store	Toy & Stationery store	Zepto Café		Pet care
Toy store	Beauty store	Toy Store		Gourmet & world food
Stationery store	Pooja store	Apparels		Pooja Essentials
Fashion and Basic store	Gift store	Electronics		
Pharma store	Health and fitness store	Kitchen		
Sports store	Winter store	Makeup		
Pooja store	Gourmet store			
Global Store	Wedding store			

Source: Company, Anand Rathi Research

Channel checks

Per our channel check, a store can handle ~2000 orders/day. Ideally, a store targets a radius of 2-2.5km and orders in a particular area are more region-specific. Any player understanding customer preference and data analysis, along with enhanced customer experience and a wide assortment would have an edge in capturing customer mind share and creating stickiness.

Fig 25 – Channel checks of dark stores

Platform	Particular	Store & set-up cost	Orders per day & margins	SKUs	Employees and delivery personnel	Miscellaneous
Zepto	Store 1	-~2,500sq. ft. owned by Zepto - Main stores in Taloja and Bhiwandi - Mumbai -58 stores	- Orders per day: On weekdays ~2,500-2,700, Weekends~3200 - Sales: Zepto Café ~15%, grocery~30%, frozen~20%, food & non-food ~30-35% - ~15% profit margin/order, assuming order value of ~Rs500 - Zepto Café has the highest margins ~35%. - Home needs have better margins than that of grocery. - non-grocery increasing and attracting more orders	~6,000-10,000 SKUs - 18 seconds per SKU packaging time	- Registration cost for delivery partner free (with cycle); Zepto t-shirt cost ~₹500 - Rider earning more on Zepto vs. Blinkit & Instamart - Weekly earnings - Rs10,000 with incentives & delivery leading to ~Rs12,000-14,000 during festival season, along with weekly incentives	-Delivery time: 11-12 minutes - Store hours, distance and employees: Vehicle comes at 4am for stocking and store is live at 6am and runs till 2am at night - 12 employees per shift, ~35-36 total - Delivery radius is ~2-2.5kms - GOV: ~Rs1.2-1.4m/month - New cities: Jaipur is the latest city; in last three months, launched in ~5+ cities
Zepto	Store 2	~4,500sq ft. with rent ~Rs0.15m/month ~59 stores in Mumbai	~2,200-2,300/day; Zepto Café ~150-200 orders/day Franchise: 60-40 split with Zepto in terms of margins	~15,000-20,000 SKUs	~Rs18,000-19,000 for a rider with incentives/month - Incentives change per day; rain surge is also a factor to decide fare. Money gets deducted for delivery person on not reaching dark store on time ~52 employees in total - All employees in the dark store are hired by the franchise owner and not Zepto	-As soon as an order gets placed, a particular time is given to pack the product; approx. ~18 seconds - Store manager comments: Blinkit invested more in terms of last mile; packers and riders should get an increase in pay; Zepto won't fire employees in case of bad performance; it will shift their department Risks in dark stores- Theft by packer
BBNOW	Store 1	~3,000sq. ft. store owned by Big Basket Rent ~5-6lakhs a month. ~50 stores in Mumbai. Main warehouse- Bhiwandi	Orders per day ~300 on weekdays and ~400 on weekends. Sales mix: 60% grocery 35% non- grocery 5% frozen items	~5,000	~15 employees and 25 riders for dark store. Shift for employees: 6am to 3pm or 2pm to 11pm	~15 minutes is the delivery time, covering a radius of ~4kms. -Orders per day is less as customers usually order in bulk and hence, AOV is ~₹700 -Store manager comments: Work culture is excellent and no scare of layoffs as trust is built within employees, being a TATA company
Flipkart	Store 1	- ~3,000sq. ft. - Main warehouse - Bhiwandi	~1,000 orders/day	~15,000-20,000+	~6 per shift, 18 total	Flipkart will have more electronic items, which other players do not offer (an advantage)

Source: Company, Anand Rathi Research

Fig 26 – Channel checks across companies among delivery personnel

Platform	Particular	Earnings per delivery	Incentives	Joining Bonus	Others
Zomato	Food delivery 1	- Zomato gives ~Rs25/delivery whereas Swiggy gives ~Rs20/delivery (within ~2kms and ~Rs10 for each additional kilometer)	- Must deliver ~18-21 orders/day for incentives - Every Sunday, on delivering 7 orders ~Rs225 incentive - During festivals, same target gives ~Rs300-400	Rs3,000-4,000	NA
Blinkit	Delivery person 1	Per order earnings~ ₹30-40 If delivery is beyond 2-3kms~ ₹50-60.	Weekly on completion of: 105 orders~ ₹470 150 orders~₹825 180 orders~₹1170 210 orders~₹1785 255 orders~₹3440	₹ 1,300	Log in time - 10 hours Yulu weekly rent ~₹1,500 Blinkit: a delivery person only delivers one order at a time whereas for Zepto and Instamart, a delivery person can deliver more.
Blinkit	Delivery person 2	~Rs45/delivery and can go to ~Rs70 for farther locales. - Under 1km ~Rs35/delivery	-For ~35 orders daily~ ₹340 is given as incentive	NA	NA
Swiggy	Food delivery 1	~Rs20 upto 3 kms	- On completion of 11 orders, ~Rs110 additional - On completion of 15 orders, ~Rs225 additional - Friday, Saturday & Sunday, incentive amounts hiked by ~Rs 30-40	NA	- 20-22 mins/order delivery time - Rider feedback: Zomato user interface is hard and difficult to understand compared to Swiggy - Swiggy outsources delivery partners to Shadowfax and Rapdio
Swiggy	Food delivery 2	~₹18-20 per order and additional ₹6 per order is given Per day ~20-22 orders are delivered	17 orders~₹225 26 orders~₹400	NA	Log in time is either 12 pm- 3pm or 7pm-11pm for incentives Payout of incentives is weekly Yulu cost~ ₹200 daily Swiggy assigns the delivery person orders of selected areas, whereas Zomato can give for any area.
Swiggy	Food delivery 3	~Rs17-20 per order and fee increases as per distance	- 30 orders ~Rs1,200; 35 orders ~Rs1,350 - Rs20-25 extra/order during rains ~Rs15-20 extra on night deliveries - On weekends, incentives increase on orders. Eg., for ~25 orders, rider gets ~Rs1,250 on weekdays and ~Rs1,450 on weekends - On delivery of bulk order, payout is more	- 1 bag and 2 t-shirts provided for ~Rs325 along with training - Joining bonus ~Rs4,000 and referral ~Rs2,000	Log in time- 8 hours 2 shifts:4pm-11pm and 8am-5pm
BBNOW	Delivery person 1	~₹40 per order up to 4km.	-~₹200 per day on completion of 10 orders, same for weekdays and weekends. -Payout for the incentives is on a weekly basis	NA, but a referral bonus of ₹3,000	-Yulu rent ~₹200 per day -All deliveries are usually under 3km unlike Blinkit,Instamart and Zepto where the kms can be higher. Bbnow does not outsource any delivery partners to third party. Log in time- 6:30 am to 3pm or 3pm-11pm. Dark store shuts at 11pm every day. Delivery partner gets ~₹10 extra per order during festival season.
Zepto	Delivery person 1	~Rs 18/order, distance ~2kms	- Zepto has a monthly payout structure for incentives (Blinkit & Instamart have weekly payout structures) - Weekly incentive structure: 125 orders ~Rs6,250 175 orders ~Rs9,700 225 orders ~Rs14,000	NA	- Log in time: 8 hours per day compulsory - Delivery radius- Zepto's delivery radius is lesser compared to peers - Other points: Blinkit has the best incentives compared to others with joining fee of ~Rs1,500 - Mode of delivery: Cycle covers 2kms; Rs15/delivery Bike covers 4-5kms; ~Rs 25/delivery

Source: Company, Anand Rathi Research

Channel checks of dark stores (cont..)

Platform	Particular	Store & set-up cost	Orders per day & margins	SKUs	Employees and delivery personnel	Miscellaneous
Swiggy	Store 1	- Owned by Swiggy, ~2000sq.ft - 2 main stores in Mumbai - Bhiwandi and Taloja; companies send their products to these stores from where they are delivered across all dark stores in the city. - Mumbai comprises ~82 dark stores; first store in Versova. - Gujarat, Surat & Pune among multiple locations of stores - Approx. dark store set-up cost ~Rs3m - Typical rent ~Rs0.8m-0.9m per month; prime stores may have rent around ~₹1.2m/year. ~Rs0.10m-0.15m electricity cost/month	- Orders/day: Weekdays ~1,000+, weekends ~1,200-1,300+, festival season ~1,200-1,300+ - AOV ~Rs500-600 - Prime locations get higher no. of orders compared to others, e.g. Bandra store generates 2,000-2,500 orders/day - Grocery constitutes ~70% and non-grocery constitutes ~30%; weightage of non-grocery items increasing. Margin dynamics: - Grocery drives a better margin than non-grocery products (~35%) - Electronics ~5% - Fruits and F&B ~35-40% - Average profit margin ~15%	~10,000 SKUs in the store; prime locations have more (did not provide figure).	- Delivery person earns ~Rs18-20 per order up to 2kms; cost increases with distance - Rider with more experience gets higher pay ~Rs30 per order; ~30-35 assigned to this dark store - Swiggy food delivery person can get Instamart orders, but not the opposite - Difference in pay among delivery persons between bike rider and cycle; bike rider gets ~Rs60 till 5kms and cycle gets ~ Rs40 - Truck comes daily for delivery of stocks from main store in Bhiwandi Employees & shifts - ~30 employees in this store (2 store managers, 3 assistant store managers, 4 pickers and 7 loaders, 2 security guards ,10-part timers etc); more in prime locations - Delivery personnel get incentivised after crossing certain orders/day threshold - Rider earns ~Rs30,000/month ~Rs1,000 is paid to the picker and packers or employees - ~Rs15,500 is the basic salary of employees	'- In case of complaints or defective products, Swiggy immediately refunds to customers; loss borne by Swiggy - Store manager feedback (working since 2 years with Swiggy): Blinkit better than Instamart and Zepto as it generates higher orders/day; keeps ~10,000+ SKUs on an average in every store Metrics of stores: - 02C (order to confirm) – 20 seconds - C2P (confirm to pick) – 1.2 mins - 02P (order to pack) – 2 mins
	Store 2	Swiggy owned store of ~4000sq ft.	Orders/day: Weekdays ~ 2,500+, weekends ~3,000+	~5000 SKUs: Grocery ~60%, non-grocery ~40%	~15 employees per shift, ~45/50 total	NA
	Store 3	- It is an owned store by Swiggy, ~2,000-2,500sq. ft	Orders/day: Weekday ~1,400-1,500, weekend ~2,000	~20,000 SKUs	~50 employees; 'Blinkit pays better than others; QC earns double of e-commerce in terms of pay	NA
Blinkit	Store 1	-~1,800sq. ft and open since a year - Takes ~2 weeks to set up, layout comes from centre for opening new store, parking, racks, etc. - Rent ~ Rs0.35m/month, Bandra ~Rs0.85m/month (for 2,200sq. ft)	- Orders per day: Blinkit~2,000+ (first day ~300 orders), Zepto~1,500+, Instamart ~1,000-1,200 - Grocery margins are higher compared to other products. ~Rs0.6m-0.7m sales/day	- 10,000+ in this store, prime locations have more	- Riders paid as per time slot delivery; a specific time slot usually in afternoon and evening, where riders get higher pay/order; also get paid more during festival season. - Zomato and Blinkit riders cannot be the same - Employees: ~50 in this dark store as it handles burden of 2 dark stores	- Packer gets 2 mins to pack - Truck comes twice a day, once in the morning ~3,000 quantity and ~7,000 at night - F&B~3,500 - Ice cream/frozen~1,200 - Chocolates~650 -Per customer bucket size is 5 items

Source: Company, Anand Rathi Research

Fig 27 – Comparison of operating metrics based on our Channel checks

Segments	BLINKIT	Instamart	Zepto	Flipkart Minutes	BBNOW
Store size	2,000-2,200sq. ft	2,000-2,500sq. ft	2,500-3,000sq. ft	3,000sq. ft	3,000sq. ft
Orders per day	2,000+	1100-1400	1,800-2,000	1,000	~300-400
SKUs	10,000+	10,000+	8,000-10,000	15,000+	5,000
Employees per dark store	30	30-40	30-40	25	15
Customer support	Average	Bad	Good	Very Good	NA
Sales mix	Grocery~70%	Grocery~70%	Zepto Café ~15%	NA	Grocery ~ 60%
	Non-grocery- 30%	Non-grocery- 30%	Grocery~30%		non-grocery~35%
			Frozen~20%		Frozen ietms~5%
			Food & non-food ~35%		
Delivery time	10-15 minutes	15-20 minutes	10-15 minutes	10-15 minutes	15-20 minutes
Average order value	₹600-₹630	₹460-₹480	₹420-₹440	NA	600-700
Cities	45-50	54	35	3	35+
Delivery radius	2-4.5kms	2-4kms	Upto 2kms	4-5kms	4kms
Metrics	02P- Order to delivery executive picked.	02P- Order to delivery executive picked.	02P- Order to delivery executive picked.	NA	NA
	O2C-Order to picking start.	O2C-Order to picking start.	O2C-Order to picking start.		
	C2P-Item picking time	C2P-Item picking time	C2P-Item picking time		
Rider earnings per delivery	Rs30+	Rs18-20	Rs18-20	NA	Rs40
Incentives payout structure	Weekly	Weekly	Monthly	NA	NA

Source: Company, Anand Rathi Research

Based on our checks, we believe a customer shift could happen in three scenarios: 1) availability of products (assortments at dark stores); 2) free wallet cash/discounts and 3) delivery time. Companies are also following external triggers to attract customers (given below).

Fig 28 – Companies are also following external triggers to attract customers

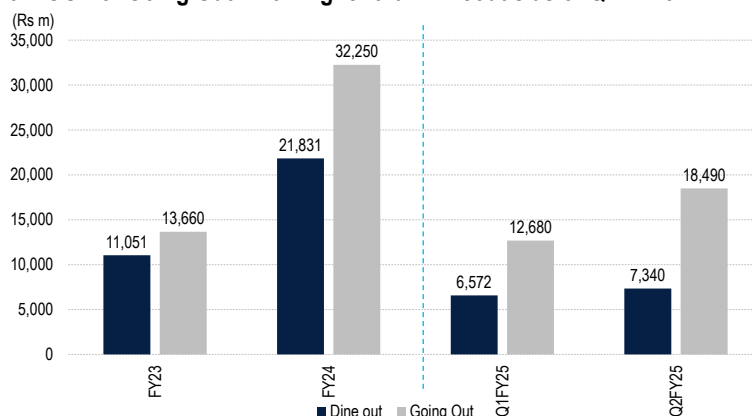

Source: Company, Anand Rathi Research   *Bigger size indicates high focus on a particular vertical to attract customers

Dineout vs. Going Out: B2C businesses

Contrary to the QC segment, where Zomato had to acquire Blinkit for competing with Instamart, in case of Going Out, the company had an in-house segment already integrated with other offerings on its main application. Swiggy forayed into this segment by acquiring Dineout from Times Internet for ~Rs 6.4bn; this was later integrated on the main app.

Zomato's Going Out segment offers two features – dining out (for restaurant discovery, based on a customer's unique requirement) and Zomato Live (booking tickets for live events, shows, concerts, etc.). Its recent acquisition of Paytm's ticketing business was a step toward expanding offerings in the events business. Recently, Zomato has launched its new app, "District", which includes booking tickets for live events, shows, concerts, etc and the Dining Out feature which was on their main app as well. Swiggy's Dineout only competes with the first offering (Discovery and booking of restaurants).

**Fig 29 – GOV of Going Out ~2.5x higher than Dineout's as of Q2 FY25**

Source: Company, Anand Rathi Research *Note: Zomato GOV excluding Paytm's acquisition ~Rs 16299.8m as of Q2 FY25
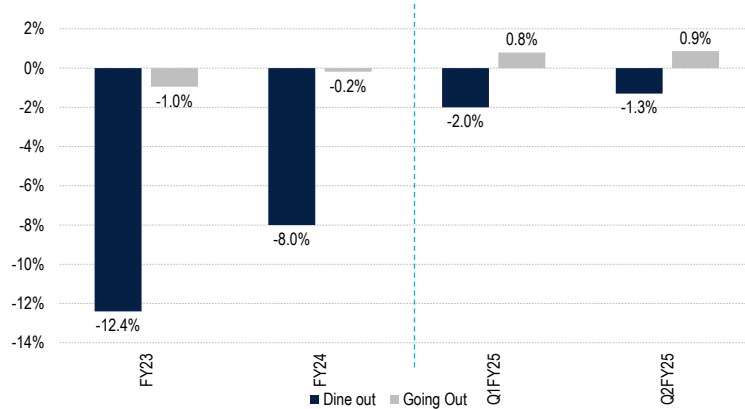
Fig 30 – Going Out generated ~2.6x adj. revenue vs. Dineout as of Q2 FY25
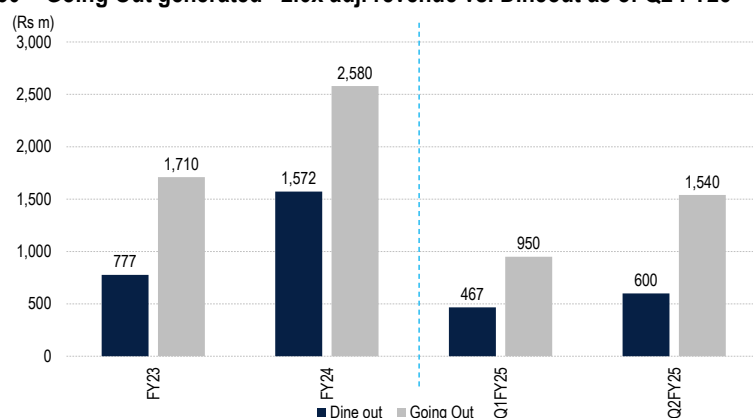
Source: Company, Anand Rathi Research *Note: Zomato Revenue excluding Paytm's acquisition ~Rs 1,249.5m as of Q2 FY25

Fig 31 – Negligible difference in take rates of both
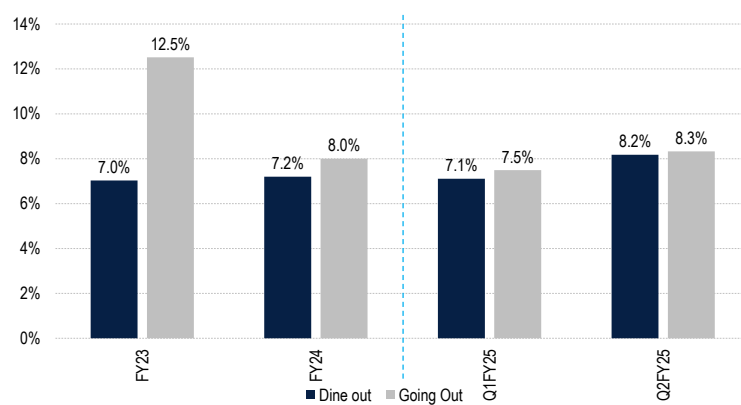
Source: Company, Anand Rathi Research

Fig 32 – Going Out became EBITDA-positive in Q1 FY25; Dineout likely by Q4FY25

Source: Company, Anand Rathi Research

Global competition

The US

Like India, in the US, the food delivery space is largely operated by two key players - DoorDash and UberEats, each having its own unique trajectory to gain market share. While UberEats succeeded in penetrating the FD space on across geographies, DoorDash stuck to its home market, gaining two-third share in online meal deliveries in the US.

DoorDash

Founded in 2013, DoorDash is a US-based restaurant aggregator, food delivery and quick-commerce platform. Enjoying ~60% market share, it competes with Uber Eats and GrubHub in the food delivery segment. In 2020, it forayed into the quick-commerce segment via DashMart, in response to growing demand for fast and convenient delivery options, especially during the COVID-19 pandemic period.

The company grew significantly in orders delivered (~0.8bn in FY20 to ~2.1bn in FY24; ~38.4% CAGR), while revenue clocked ~44% CAGR over the same period.

Uber Eats

Initially called UberFresh and launched in 2014 by the international ride-hailing service provider Uber, UberEats is an online food ordering and delivery platform allowing users to order food from local restaurants in their vicinity via a dedicated mobile app. Second biggest in the sector in the US, with ~23-25% market share and operational across ~45 countries, the platform has expanded to include verticals like grocery delivery, convenience store delivery, along with alcohol delivery in certain markets.

Platform's delivery GOV grew from ~$30.2 bn in FY20 to ~$63.7bn in FY23, at a ~28.2% CAGR over the same period. Take rate in delivery segment rose from ~10.3% in FY20a to ~19.2% in FY23.

China

Meituan

Founded in 2010, Meituan is a Chinese technology company operating in the on-demand services segment. Initially starting out as a group-buying platform, the platform later expanded its services to include food delivery, restaurant reviews and reservations, hotel and travel bookings, movie ticketing, grocery delivery, home services, etc.

The company launched its food delivery platform, Meituan Waimai in 2013, which currently enjoys ~60-70% market share in the country. Later, in 2020, it launched Meituan Instashopping, tying up with local stores to deliver products within 30-60 minutes.

The pandemic accelerated demand for food delivery and e-commerce services, leading to Meituan's orders growing from ~10bn pre-Covid to ~21bn in FY24 and annual transacting customers increasing from ~4.5bn in FY20 to ~6.7bn in FY22.

Ele Me

Founded in 2008, Ele.me is the second largest player in the food delivery space in China, with ~25-30% market share. Initially focused on local restaurant deliveries, company expanded to grocery delivery and other QC services in 2020, during the pandemic. In 2018, Ele.me was acquired by the Alibaba Group, allowing it to compete more effectively with rivals like Meituan.

The UK

The UK is the third largest online food delivery market in the world, just behind China and the US. The food delivery market in the UK was estimated at ~$48bn in 2024 with key players like Deliveroo and Takeaway's Just Eat (also owns Grubhub in the US) operating in this space.

Just Eat Takeaway

Founded in 2020 through the merger of Just Eat (UK-based) and Takeaway.com (Netherlands-based), the platform currently enjoys ~30-35% market share in the UK and strong presence across the Netherlands, Germany, Canada, Australia and other regions across Europe. The company saw its revenue and orders clocking ~9.2%/3% CAGR over FY21-24.

Deliveroo

Founded in 2013, company operates in the food delivery space across the UK, along with Australia, the Netherlands, and parts of the Middle East and Asia, connecting consumers with local restaurant via dedicated website and mobile application. Over FY21-24, platform's orders grew from ~174m in FY21 to ~290m in FY24, at ~18.7% CAGR with take rate largely remaining constant ~28-29% over the same period.

Fig 33 – International peers' metrics as of CY23

	DoorDash	Uber Eats	Just Eat Takeaway	Deliveroo	Meituan	Instacart
Orders (m)	2,161	NA	891	290	NA	269
GOV ($m)	66,771	63,726	27,456	8,828	4,88,851	30,322
Revenue ($m)	8,635	12,204	5,374	2,538	66,265	3,042
Unit economics						
Average order value ($)	30.90	NA	30.8	30.4	NA	112.6
Rev/order	**4.00**	**NA**	**6.03**	**8.75**	**NA**	**11.3**
Take rate (%)	12.9	19.2	19.6	28.7	13.6	10.0
Adj. EBITDA ($ m)	1190	1506	337	107	2178	641
Adj. EBITDA per order	0.55	NA	0.38	0.37	NA	2.38
As a % of AOV	1.8	NA	1.2	1.2	NA	2.1

Source: Company, Anand Rathi Research

Peer analysis

Fig 34 – Peer comparison – Overall Net take rates

Particulars	Net take rate (%)					
	FY19	FY20	FY21	FY22	FY23	FY24
Uber	22.6	19.8	19.2	19.3	27.6	27.0
DoorDash	10.4	11.0	11.70	11.7	12.3	12.9
Deliveroo	30.3	30.9	29.2	27.5	27.9	28.7
Delivery Hero	13.5	13.6	16.0	18.1	21.5	23.1
Just Eat Takeaway	3.6	2.9	9.5	15.9	19.7	19.6
Zomato	22.2	21.0	18.4	17.0	16.3	18.7
Swiggy	NA	NA	NA	17.3	16.8	18.0

Source: Company, Anand Rathi Research

Fig 35 – Peer comparison – international (FD&QC)

Particulars	Gross order value (USD m)					Orders (in m)				
	FY20	FY21	FY22	FY23	FY24	FY20	FY21	FY22	FY23	FY24
Uber Eats	14,489	30,244	51,645	55,778	63,726	NA	NA	NA	NA	NA
Meituan	56,859	70,923	108,856	NA	NA	8,772	10,147	14,367	NA	NA
Doordash	8,039	24,664	41,944	53,414	66,771	263	816	1,390	1,736	2,161
Deliveroo	3,192	5,108	8,674	8,467	8,785	NA	174	284	299	290
Delivery Hero	14,158	24,896	44,915	46,992	48,967	980	1,891	2,960	NA	NA
Just Eat Takeaway	16,021	24,488	33,354	29,724	28,602	593	816	1,086	984	891
Zomato	1368	1156	2597	3994	5450	403	239	535	766	956
Swiggy	NA	NA	2454	3248	3998	NA	NA	496	645	753

Source: Company, Anand Rathi Research. Note: For Zomato, we have considered Blinkit and food delivery GOV and orders for FY23 and FY24. For Swiggy, we have considered Instamart and food delivery GOV and orders for FY22, FY23 and FY24. For Uber Eats, we have considered only Delivery segment.

Fig 36 – Peer comparison – international (FD&QC)

Particulars	Revenue (USD m)					Take rate (%)				
	FY20	FY21	FY22	FY23	FY24	FY20	FY21	FY22	FY23	FY24
Uber Eats	1,401	3,904	8,362	10,901	12,204	9.7	12.9	16.2	19.5	19.2
Meituan	7,941	9,614	14,934	NA	NA	14.0	13.6	13.7	NA	NA
Doordash	885	2,886	4,888	6,583	8,635	11.0	11.7	11.7	12.3	12.9
Deliveroo	985	1,529	2,510	2,442	2,525	30.9	29.2	27.5	27.9	28.7
Delivery Hero	1,385	2,822	6,927	9,034	10,753	13.6	16.0	18.1	21.5	23.1
Just EatTakeaway	457	2,740	6,269	5,855	5,588	2.9	9.5	15.9	19.7	19.6
Zomato	214	184	416	651	1056	15.7	15.9	16.0	16.3	19.4
Swiggy	NA	NA	424	559	749	NA	NA	17.3	17.2	18.7

Source: Company, Anand Rathi Research. Note: For Zomato, we have added revenue for Blinkit in FY23 and FY24. For Swiggy, we have considered Instamart's revenue for FY22, FY23 and FY24.

Fig 37 – Peer comparison (global)

Particulars	Revenue ($ m)				Revenue growth y/y (%)				EBITDA ($ m)				EBITDA margins (%)			
	FY24	FY25e	FY26e	FY27e	FY24	FY25e	FY26e	FY27e	FY24	FY25e	FY26e	FY27e	FY24	FY25e	FY26e	FY27e
Uber	37,281	43,356	50,239	58,172	17.0	16.3	15.9	15.7	2,416	6,382	8,465	10,948	6.5	14.7	16.8	18.8
Meituan	39,081	46,578	54,068	62,534	25.8	19.2	16.1	13.5	3,165	5,901	7,896	10,203	8.1	12.7	14.6	16.3
DoorDash	8,635	10,546	12,336	14,398	31.2	22.1	17.0	16.2	201	1,840	2,466	3,267	2.3	17.4	20.0	22.7
Deliveroo	2,525	2,785	3,082	3,338	2.8	10.3	10.7	9.9	25	171	260	346	1.0	6.1	8.4	10.4
Delivery Hero	10,753	12,937	14,580	16,067	15.9	20.3	12.7	9.9	-167	832	1,323	1,657	-1.6	6.4	9.1	10.3
Takeaway	5,588	5,845	6,140	6,381	-7.1	4.6	5.0	5.5	121	512	634	733	2.2	8.8	10.3	11.5

Particulars	EV/sales				P/E			
	FY24	FY25e	FY26e	FY27e	FY24	FY25e	FY26e	FY27e
Uber	3.6	3.1	2.7	2.4	233.0	28.8	22.5	16.9
Meituan	1.4	2.3	1.9	1.7	33.4	20.0	16.1	13.2
DoorDash	4.1	6.1	5.1	4.4	NA	58.6	43.2	32.2
Deliveroo	0.8	1.0	0.9	0.9	NA	NA	33.2	17.2
Delivery Hero	1.1	1.0	0.9	0.9	NA	NA	NA	19.3
Just Eat Takeaway	0.7	0.7	0.7	0.6	NA	NA	NA	27.3

Source: Bloomberg

Fig 38 – Peer comparison (Indian)

Particulars	Revenue (Rs bn)				Revenue growth y/y (%)				EBITDA (Rsm)				EBITDA margins (%)			
	FY24	FY25e	FY26e	FY27e	FY24	FY25e	FY26e	FY27e	FY24	FY25e	FY26e	FY27e	FY24	FY25e	FY26e	FY27e
India Internet																
Zomato*	121	193	293	411	71.1	59.3	51.7	40.5	420	11,001	23,424	41,131	0.3	5.7	8.0	10.0
Swiggy*	112	151	204	273	36.1	33.8	35.6	33.5	-22,080	-20,320	-12,250	2,726	-19.6	-13.5	-6	-1
MapMyIndia*	4	5	7	9	34.8	30.3	33.8	40.5	1,562	2,085	2,846	3,766	41.2	42.2	43.0	40.5
Indiamart*	12	14	17	19	21.5	20.0	21.7	8.9	3,314	4,743	5,951	6,330	27.7	33.0	34.1	33.2
Affle*	18	23	29	33	28.5	25.0	25.2	15.6	3,600	4,793	6,347	7,641	19.5	20.8	22.0	22.9
TBO Tek*	14	18	23	30	30.8	25.9	30.0	31.6	2,583	3,314	4,605	6,062	18.5	18.9	20.2	20.2
Rategain	10	11	14	17	69.3	20.0	22.9	23.1	1,897	2,446	3,204	4,223	19.8	21.3	22.7	24.3
Paytm	100	79	101	120	24.9	-20.8	28.6	18.3	9,064	-18,034	-2,182	6,045	-9.1	-22.8	-2.1	5.0
PolicyBazaar	35	46	58	74	34.4	32.7	28.0	27.2	-2,234	2,548	7,841	12,003	-6.5	5.6	13.4	16.2
Naukri	25	28	33	39	8.1	10.6	18.1	19.3	8,291	11,158	14,135	18,108	32.7	39.8	42.7	46.0

Particulars	EV/ sales				P/E			
	FY24	FY25e	FY26e	FY27e	FY24	FY25e	FY26e	FY27e
India Internet								
Zomato*	20.3	12.7	8.4	6.0	704.8	202.0	106.1	64.6
Swiggy*	10.6	7.9	5.8	4.4	NA	NA	NA	NA
MapMyIndia*	29.0	22.3	16.6	11.8	85.7	68.5	50.1	36.5
Indiamart*	14.7	12.2	10.1	8.0	54.8	41.3	33.8	28.8
Affle*	11.3	9.1	7.2	6,25	77.2	62.3	47.6	34.9
TBO Tek*	12.7	10.1	7.8	5.9	91.0	72.2	51.7	39.3.3
Rategain*	7.6	6.6	5.5	4.5	56.5	41.3	33.4	25.8.8
Paytm	4.1	7.8	6.2	NA	NA	NA	NA	NA
PolicyBazaar	15.2	21.1	16.0	12.3	749.5	190.5	94.2	61.6
Naukri	29.5	42.0	35.5	30.3	86.8	125.6	95.5	80.1

*Source: Bloomberg, *Our estimate for FY25 & FY26*

Company Section

3 January 2025

Zomato

Consumption ecosystem offering experiential play; initiating with a Buy

Rating: **Buy**
Target Price (12-mth): Rs.385
Share Price: Rs.285

Riding on the stunning turnaround in quick commerce (QC) and steady growth in food delivery (FD), Zomato leads in market share and revenue growth, from its larger user base. It has evolved from a restaurant listing and recommendation portal to a multi-category service provider, incl. FD, QC, Hyperpure (B2B) and Going Out (GO), thereby connecting customers, restaurants and delivery partners. Its acquisition-led strategy and robust execution have made it a scalable platform, creating a data bank, which helps further strengthen products for partners and customers. This has led to it creating an ecosystem, ranging from consumption to experiential play. We, therefore, initiate coverage on the stock with a Buy rating and a Rs385 TP (assuming 45x FY27e EBITDA to FD, 2x/1.5x EV/GOV to QC/GO, 1x EV/Sales to Hyperpure).

Leads in fast-evolving FD/QC. In Q2 FY25, under FD, ~20.7m customers across 700+ cities were served by ~498,000 delivery partners, with ~292,000 restaurants listed on the platform. Further, the platform served ~8.9m monthly transacting customers (MTCs) in QC via ~127,000 monthly active riders and ~791 stores.

Overall, GOV/revenue to see ~43.3/50.3% CAGRs over FY24-27. We expect FD/QC/GO to deliver 23.2/73.9/66.9% GOV. We expect FD/QC/GO/Hyperpure to report ~26.8/78.6/93.7/60.7 revenue CAGRs over FY24-27, thereby improving the B2C revenue take rate from ~18.6% in FY24 to 19.8% in FY27. Being a multi-business platform helps the company cross-sell to its user base and bring additional transacting users as it penetrates deeper across-India. This brings in operating leverage and cost efficiency across businesses. We expect EBITDA margins improving from 0.3% in FY24 to ~10% in FY27.

Risk: Intense competition in QC, which might lead to market-share loss and slowdown in FD.

Key data	ZOMATO IN
52-week high / low	Rs305 / 122
Sensex / Nifty	79944 / 24189
3-m average volume	$189m
Market cap	Rs2746bn / $32025.7m
Shares outstanding	9650m

Shareholding pattern (%)	Sep'24	Jun'24	Mar'24
Promoter	-	-	-
- of which, Pledged	-	-	-
-Free float	100.0	100.0	100.0
- Foreign institutions	52.5	54.1	55.1
- Domestic institutions	17.4	15.8	15.3
- Public	30.1	30.1	29.6

Relative price performance

Source: Bloomberg

Key financials (YE Mar)	FY23	FY24	FY25e	FY26e	FY27e
Sales (Rs m)	70,790	121,140	192,992	292,796	411,309
Net profit (Rs m)	-9,710	3,510	12,245	23,321	38,313
EPS (Rs)	-1.2	0.4	1.4	2.7	4.4
EV / Sales (x)	34.7	20.3	12.7	8.4	6.0
EV / EBITDA (x)	NA	NA	223.1	104.8	59.7
P/BV (x)	12.7	12.1	8.2	7.6	6.8
RoE (%)	-5.4	1.8	4.8	7.4	11.1
RoCE (%)	-8.6	-2.8	1.4	3.6	6.7
Dividend yield (%)	-	-	-	-	-
Net debt / equity (x)	-0.3	-0.6	-0.7	-0.7	-0.7

Source: Company, Anand Rathi Research

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Quick Glance – Financials and Valuations

Fig 1 – Income statement (Rsm)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
Net revenues	70,790	1,21,140	1,92,992	2,92,796	4,11,309
Growth (%)	*68.9*	*71.1*	*59.3*	*51.7*	*40.5*
Direct costs	13,950	28,820	51,143	77,591	1,08,997
Gross profit	56,840	92,320	1,41,849	2,15,205	3,02,312
Gross margins (%)	*80.3*	*76.2*	*73.5*	*73.5*	*73.5*
SG&A	68,940	91,900	1,30,848	1,91,781	2,61,181
EBITDA	**-12,100**	**420**	**11,001**	**23,424**	**41,131**
EBITDA margins (%)	*-17.1*	*0.3*	*5.7*	*8.0*	*10.0*
Depreciation	-4,370	-5,260	-6,948	-10,541	-14,807
Other income	6,820	8,470	10,615	14,640	18,509
Interest expenses	-490	-720	-1,061	-1,610	-2,262
PBT	-10,140	2,910	13,606	25,912	42,571
Effective tax rates (%)	*4*	*-21*	*10*	*10*	*10*
+Associates / (Minorities)	-10	-	-	-	-
Net income	(9,710)	3,510	12,245	23,321	38,313
WANS	8,101	8,755	8720	8720	8720
FDEPS (Rs)	-1.2	0.4	1.4	2.7	4.4

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
Share capital	8,360	8,680	8,720	8,720	8,720
Net worth	1,94,600	2,04,130	3,01,415	3,24,737	3,63,050
Debt	410	-	-	-	-
Deferred tax liability	2,490	1,880	1,880	1,880	1,880
Lease & long-term liabilities	4,500	6,790	10,220	10,220	10,220
Capital employed	**2,01,930**	**2,12,730**	**3,13,445**	**3,36,767**	**3,75,080**
Net tangible assets	2,090	2,870	6,440	5,152	3,375
Net intangible assets	9,910	7,540	7,997	8,501	9,093
Goodwill	47,170	47,170	57,370	57,370	57,370
Right of use assets	4,270	6,900	10,740	10,740	10,740
CWIP (tang. &intang.)	70	180	590	590	590
Investments (strategic)	-	-	-	-	-
Investments (financial)	44,170	1,14,320	1,14,320	1,14,320	1,14,320
Current assets (excl. cash)	98,140	47,270	52,013	59,027	67,356
Cash	10,170	7,310	90,750	115,498	155,759
Current liabilities	14,060	20,830	26,775	34,431	43,523
Working capital	84,080	26,440	25,238	24,596	23,834
Capital deployed	**2,01,580**	**2,12,730**	**3,13,445**	**3,36,767**	**3,75,080**

Fig 3 – Cash-flow statement (Rsm)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
PBT	-10,140	2,910	13,606	25,912	42,571
+ Non-cash items	3,780	3,420	-2,605	-2,489	-1,440
Oper. prof. before WC	-6,370	6,330	11,001	23,424	41,131
- Incr. / (decr.) in WC	1,760	-1,180	-4,632	-642	-763
Others incl. taxes	-310	-1,050	-1,361	-2,591	-4,257
Operating cash-flow	-8,440	6,460	14,272	21,475	37,636
Free cash-flow	-9,470	4,310	9,447	15,619	30,233
- Capex	1,030	2,150	4,825	5,856	7,404
Acquisitions	-610	-	-20,140	-	-
- Div. (incl. buyback & taxes)	-	-	-	-	-
+ Equity raised	40	220	85,040	-0	-0
+ Debt raised	-230	-400	-	-	-
- Fin investments	-8,790	7,640	-6,390	-	-
- Misc. (CFI + CFF)	4,105	-650	-2,703	-13,029	-16,247
Net cash-flow	-5,585	-2,860	83,440	24,748	40,261

Source: Company, Anand Rathi Research

Fig 4 – Ratio analysis

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
P/E (x)	NA	704.8	202.0	106.1	64.6
EV / EBITDA (x)	NA	NA	223.1	104.8	59.7
EV / Sales (x)	34.7	20.3	12.7	8.4	6.0
P/B (x)	12.7	12.1	8.2	7.6	6.8
RoE (%)	*-5.4*	*1.8*	*4.8*	*7.4*	*11.1*
RoCE (%) - after tax	*-8.6*	*-2.8*	*1.4*	*3.6*	*6.7*
ROIC (%)- after tax	*-9.2*	*-2.9*	*1.7*	*5.2*	*10.8*
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Dividend payout (%) - incl. DDT	*-*	*-*	*-*	*-*	*-*
Net debt / equity (x)	-0.3	-0.6	-0.7	-0.7	-0.7
Receivables (days)	24	24	23	23	23
Inventory (days)	4	3	3	3	3
Payables (days)	35	27	28	28	28
CFO:EBITDA %	*NA*	*NA*	*129.7*	*91.7*	*91.5*

Source: Company, Anand Rathi Research

Fig 5 – Price movement

Source: Bloomberg

Fig 6 – Segment-wise revenue (Q2FY25)
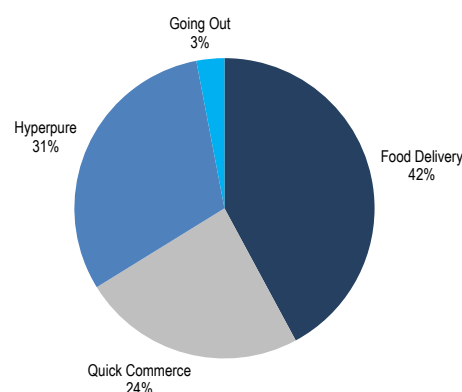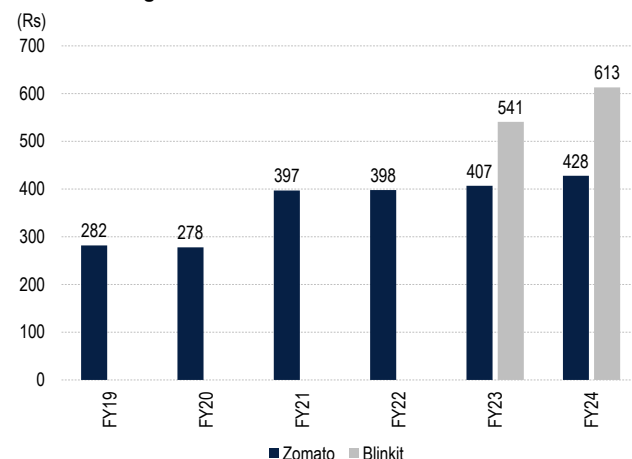

Source: Company

Story in charts

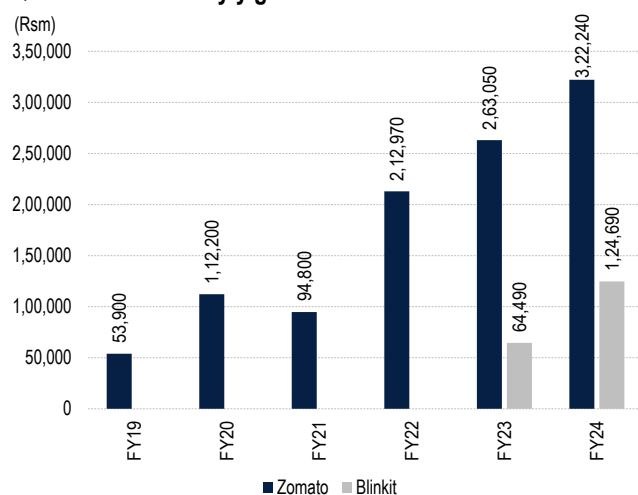**Fig 7 – No. of orders grew ~4x for FD over FY19-24, while QC orders grew ~1.7x over FY23-24**
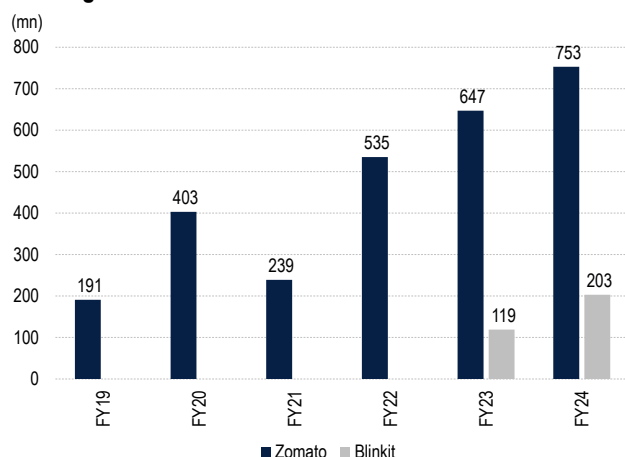
Source: Company

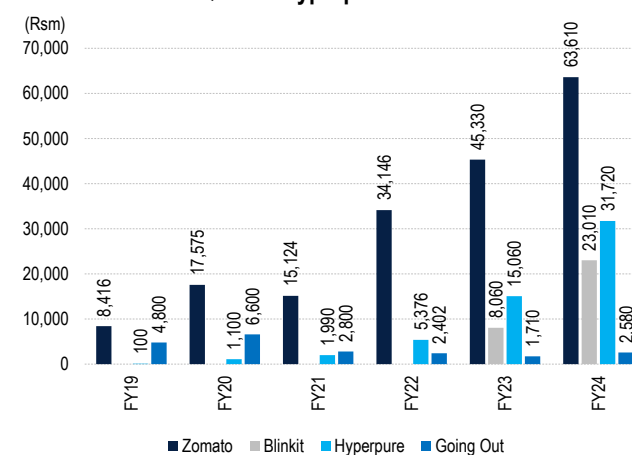**Fig 8 – FD AOV grew at an ~8.7% CAGR over FY19-24; QC AOV ~1.4x higher than FD AOV in FY24**

Source: Company

**Fig 9 – FD GOV clocked a ~43% CAGR over FY19-24, while QC clocked ~93.3% y/y growth in FY23-24**

Source: Company

**Fig 10 – Revenue CAGR at ~55.9% in FY19-24, with increasing contribution from QC and Hyperpure**

Source: Company, note: 1. Before FY23, we have considered "Others" revenue for the "Going Out" segment. 2, QC's FY23 revenue is considered from Aug 10, 2022 (date of acquisition of Blinkit).

Fig 11 – FD take rate stabilising (adj.revenue) ~24%; QC seeing better take rates
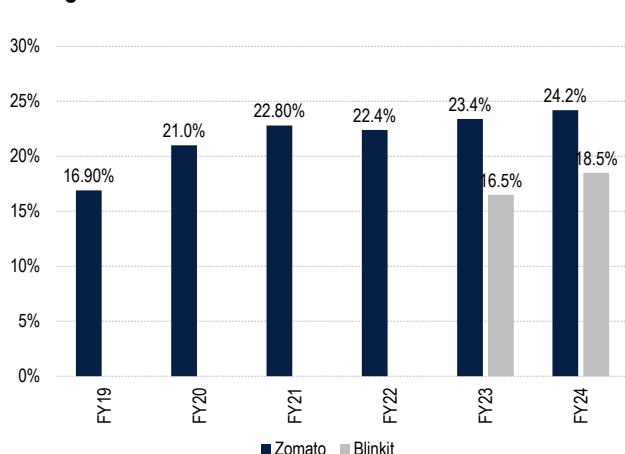
Source: Company

Fig 12 – Restaurants on FD, restaurants billed on Hyperpure and QC dark store expansion
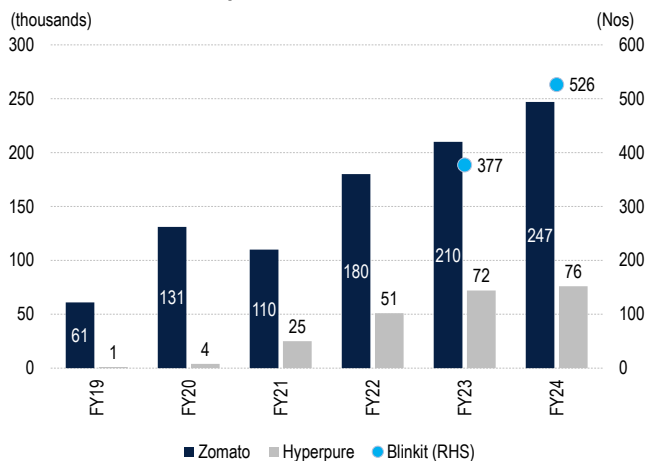
Source: Company

Company update, Key developments

Food delivery

- Expecting ~20% y/y GOV growth ahead (Q2 FY25: ~21.4% y/y); no impact of economic slowdown seen

- Revenue take rate fluctuated (20.8% in Q2 FY25 vs. 21% the prior quarter) due to order seasonality, varied marketing spends by restaurants and change in restaurant mix (various kinds of restaurants have different take rates).

Quick commerce

- Q/q increase in AOV (Q2 FY25 ~Rs660,. Q1 FY25 ~Rs625) on account of rains; ahead, to hold at present levels

- Q2 take rate impacted (~18.9%, vs. 19.1% the quarter prior) due to more stores opened (152, vs. 113 the previous quarter)

- Delhi NCR's market share of stores fell y/y from ~47% to ~40% in Q2 FY25.

- Store expansion: immediate focus to continue on penetrating in the top eight cities followed by deeper penetration outside the top cities; the company prefers franchise route or its own leased stores

- Warehousing cost (of people, rentals) piled pressure on the contribution margin (~3.82%, vs. ~4.04% of GOV in Q1 FY25).

- Categories: Last year, the company launched beauty, toys and electronics, which are still growing, and is learning from category performances

- SKUs: Management would keep its focus on increasing product availability for consumers, considering categories which it is servicing

- QC appealing to a wider demography than FD; so the overlap in customers between the two is decreasing over time

- No plans now for a private label but will continue to evaluate options.

Launch of District app and new features

Continuing its multi-app trajectory, the company announced a separate app (District), which includes booking tickets for movies, sports, shopping, live performances, staycations, etc., thus, consolidating the 'Going Out' segment. Several plans are in place to incentivise customers to move from Paytm to the District app.

A key example of these initiatives is the "book now, sell anytime" feature (part of its 'Feeding India' concert event featuring Dua Lipa), which allows purchasing a ticket and selling it later on the platform (up to 2x the price).

Acquisition of Paytm's ticketing business

To further strengthen its position in entertainment, the platform acquired Paytm's ticketing business (for movies, sports, live events) for ~Rs20.5bn on 21st Aug'24. As of FY24, Paytm's ticketing business reported GOV of ~Rs20bn by enabling sale of ~78m tickets to ~10m+ customers, resulting in ~Rs2.9bn revenue (~14.5% take rate)., Zomato's Going Out business reported ~Rs32.2bn GOV and ~Rs2.6bn revenue (an ~8% take rate).

Fig 13 – For movie business, Paytm's share is ~10%
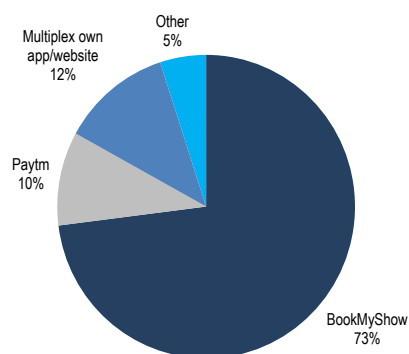
Source: 1Lattice, Anand Rathi Research

Fig 14 – Paytm has ~42% market share in the events business
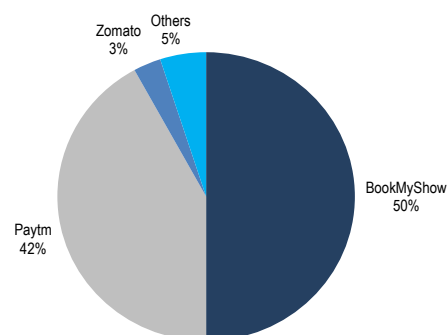
Source: 1Lattice, Anand Rathi Research

Growth story ahead for Hyperpure

Hyperpure offers convenience and end-to-end offerings for the restaurant ecosystem, assisting in branding supplies, delivering inventory on time, along with a wider SKU selection and better quality. We expect growth in Hyperpure to be the result of cross-selling to the existing restaurant base (~276,000) and higher restaurant billing/day from ~Rs1,135 in FY24 to Rs3,099 in FY27, at ~39.8% revenue CAGR during FY24-27.

Fig 15 – Leveraging existing FD restaurant base to cross-sell Hyperpure's offerings
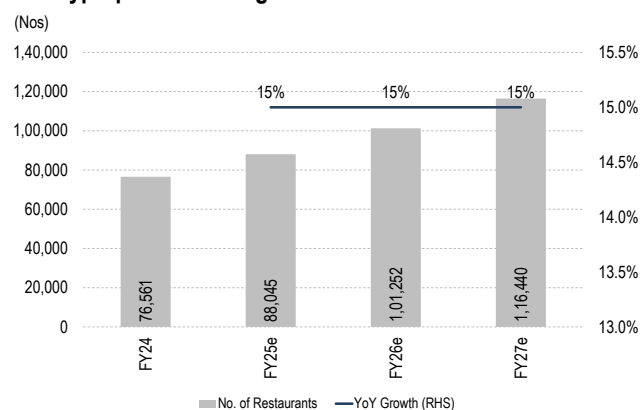
Source: Company, Anand Rathi Research

Fig 16 – Revenue to clock ~60.7% CAGR over FY24-27, with increased adoption across restaurants
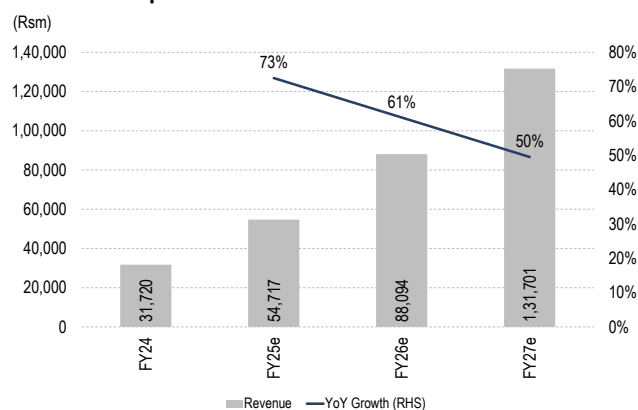
Source: Company, Anand Rathi Research

Financials

The company earns from FD, QC, Hyperpure and Going Out. Over FY22-24, the FD's GOV saw a ~23% CAGR; the vertical contributed ~52.5% to FY24 revenue, with a ~24.2% take rate (adj. revenue). The company boasted of ~18.4m MTCs and catered to ~753m orders in >700 cities, with ~247,000 restaurants listed on its platform in FY24 in FD. QC GOV grew 93.3% y/y, contributing ~19% to revenue with an ~18.5% take rate. In FY24, QC's y/y growth in GOV was ~4x (post consolidation in FY23) that of FD reached ~Rs124.6bn, crossing ~Rs100bn in just two years (FD took ~three years to cross Rs100bn).

We expect a ~43.3% overall GOV CAGR over FY24-27, FD/QC/GO delivering 23.2%/73.9%/66.9%. And FD/QC/GO/Hyperpure to report ~26.8/78.6/93.7/60.7% revenue CAGRs, with overall revenue at a 50.3% CAGR over FY24-27.

Fig 17 – Revenue details

Segment-wise GOV (Rs bn)	FY22	FY23	FY24	FY25e	FY26e	FY27e	FY22-24 CAGR %	FY24-27e CAGR%	CAGR %
Food delivery GOV	213	263	322	403	496	603	23	23.2	23
% of total GOV	98.9	77.1	67.2	56.1	47.6	42.8			
Quick commerce GOV	0	64	125	251	446	656		73.9	89
% of total GOV		18.9	26	34.9	42.8	46.6			
Going Out GOV	2.4	14	32	65	100	150	266.6	66.9	67
% of total GOV		4	6.7	9	9.6	10.6			
Total GOV	**215**	**341**	**479**	**718**	**1042**	**1409**	**49.2**	**43.3**	**49**
Y/Y growth (%)		58.4	40.4	49.8	45.2	35.2			
Segment-wise revenue (Rs bn)									
Food delivery revenue	34	45	64	84	106	130	36.5	26.8	26
% of total revenue	81.4	64	52.5	43.6	36.1	31.5			
Quick commerce revenue		8	23	48	87	131		78.6	93
% of total revenue		11.4	19	24.7	29.7	31.9			
Hyperpure revenue	5	15	32	55	88	132	142.9	60.7	33
% of total revenue	12.8	21.3	26.2	28.4	30.1	32			
Going Out revenue	2	2	3	6	12	19	3.6	93.7	94
% of total revenue	5.7	2.4	2.1	3.3	4.1	4.6			
Total revenue	**42**	**71**	**121**	**193**	**293**	**411**	**70**	**50.3**	**47**
Y/Y growth (%)		68.9	71.1	59.3	51.7	40.5			
Segment-wise take rate (Adjusted Revenue,%)									
Food delivery take rate	22.4	23.4	24.2	24.4	24.6	24.7			
Quick commerce take rate		16.5	18.5	19	19.5	20			
Going Out take rate		12.5	8	10	12	12.5			
Net take rate	17	16.3	18.7	19.3	19.6	19.8			

Source: Anand Rathi Research. Note: QC for FY23 is taken for full year, however, for FY23's total revenue of Rs70,790m, QC revenue used for calculation is Rs8,060m.

Being a multi-business platform helps the company to cross-sell its offerings to its existing user base and bring additional transacting users as it penetrates deeper pan-India. This brings in operating leverage across businesses and cost efficiency. We expect EBITDA margins improving from ~0.3% in FY24 to ~10% in FY27.

Fig 18 – Cost of operations

(Rs bn)	FY22	FY23	FY24	FY25e	FY26e	FY27e	FY22-24 CAGR %	FY24-27 CAGR %
Cost of providing service	5	14	29	51	78	109	134.4	55.8
% of revenue	*12.5*	*19.7*	*23.8*	*26.5*	*26.5*	*26.5*		
Employee Benefit expense	16	15	17	24	37	51	0.8	45.8
% of revenue	*39.0*	*20.7*	*13.7*	*12.5*	*12.5*	*12.5*		
Opex	18	25	39	57	83	113	46.9	42.4
% of revenue	*43.3*	*35.8*	*32.3*	*29.5*	*28.5*	*27.5*		
Other expenses	8	16	22	32	47	64	59.3	43.6
% of revenue	*20.2*	*23.2*	*17.8*	*16.8*	*16.0*	*15.5*		
S&M expense	12	13	15	17	25	33	9.4	31.0
% of revenue	*29.2*	*17.7*	*12.1*	*9.0*	*8.5*	*8.0*		
Total Cost	**60**	**83**	**121**	**182**	**269**	**370**	**41.3**	**45.3**
EBITDA	**-19**	**-12**	**0**	**11**	**23**	**41**		**360.9**
EBITDA margins (%)	*-44.1*	*-17.1*	*0.3*	*5.7*	*8.0*	*10.0*		

Source: Company, Anand Rathi Research

Valuations

In Q2 FY25, Zomato served ~20.7m customers across 700+ cities via its network of ~498,000 delivery partners under its FD category, with ~292,000 restaurants listed on the platform. Further, it served ~8.9m MTCs in QC via ~127,000 monthly active riders and ~791 stores.

The Platform's acquisition-led strategy and robust execution have made it a scalable one, creating a data bank which helps further strengthen products for partners and customers. This has led to the company creating an ecosystem ranging from consumption to experiential play. We, therefore, initiate coverage on the stock with a Buy rating and a TP of Rs385 (assuming 45x FY27e EBITDA to FD, 2x/1.5x EV/GOV to QC/GO, and 1x EV/Sales to Hyperpure).

Fig 19 – Valuation

Particulars		FY27e	Multiples (x)		(Rsm)
FD	EBITDA	35,305	45.0	EV/EBITDA	15,88,705
QC	GOV	6,55,969	2.0	EV/GOV	13,11,937
Going Out	GOV	1,50,000	1.5	EV/GOV	2,25,000
Hyperpure	Revenue	1,31,701	1.0	EV/Sales	1,31,701
Total					32,57,343
Less: Net Debt					(1,03,550)
Market Cap (Rs m)					33,60,893
No of shares					8720
Per share value					**385**
CMP					285
Upside					35%

Source: Anand Rathi Research

Risks

- **Intense competition**. The QC segment is faced with keen competition with Flipkart Minutes and Amazon (planning to enter), and those such as Zepto, Swiggy and BB Now.

- **Profitability hit.** With the constant increase in dark stores, GOV per store may take a hit, along with cost escalation as QC operators would be eyeing areas where delivery time could be managed. This would lead to more demand for selective locations, raising rentals.

- **Exposure to many businesses** may hamper growth as the company's focus might blur, affecting resource allocation.

- **Multiple app** strategy could be a threat as users may not want to download separate apps for different uses.

Company background, management

Founded in 2008 (Foodiebay till 2010), the company evolved from a restaurant listing and recommendation portal to a multi-category service provider, including FD, QC, Hyperpure (B2B) and Going Out, connecting customers, restaurants and delivery partners.

Fig 20 – Milestones

Year	Key events
2008	Incorporation
2011	First institutional fund raise
2015	Launch of food delivery in India
2016	Launch of table reservation
2017	Launch of customer membership programs
2018	Acquisition of CartheroTech Pvt. Ltd.
2018	Became aunicorn
2019	Launch of Hyperpure
2020	Expansion of food delivery in >500 cities
2020	Acquisition of Uber Eats in India
2021	Got listed on the stock exchange
2022	Acquisition of Blinkit
2024	Acquisition of Paytm's movie and ticketing business

Source: Company RHP, Anand Rathi Research

Fig 21 – Acquisitions by Zomato

Name	Year of acquisition	About target company	Presence of target company	Consideration ($ m)
Cibando	Dec-14	An app that enables users to find restaurants in Italy	Italy	6
Urban Spoon	Jan-15	A platform, which allows users to find restaurants and submit recommendations and reviews	India	~50-60
Mekanist	Jan-15	A Turkish online search engine for finding restaurants	Turkey	Not Disclosed
Maple Graph Solutions	April-15	A cloud-first and mobile-first solutions provider	India	Not Disclosed
Next Table	April-15	A cloud-based reservation and table management system	USA	Not disclosed
Sparse Labs	Sep-16	A logistics tech startup	India	Not Disclosed
Runnr	Jun-17	A hyper-local logistics service provider	India	40
TongueStun	Sep-18	Aggregator of restaurants and caterers for office canteens	India	18
Uber Eats India	Jan-20	An online food delivery app	India	171
Fitso (Jogo Technologies) *	Jan-21	A fitness-based mobile app	India	13
Mukunda Foods	March-22	A food robotics company that designs and manufactures smart robotic equipment to automate food preparation for restaurants	India	5
Blinkit	Jun-22	A quick commerce platform	India	578
Paytm Ticketing and Events	Aug-24	Movies and ticketing business	India	250

Source: Anand Rathi Research
*In FY22, company sold-off ~100% stake to Curefit Services and Curefit Healthcare for consideration of Rs 3,750m

Fig 22 – Investments by Zomato

Name	Date of investment	About target company	Presence of target company	Consideration ($ m)
Magicpin	Nov-21	Discovery app, which drives omni-channel growth for local retailers	India	50 (16% stake)
Shiprocket	Nov-21	A B2B logistics-tech company	India	75 (8% stake)
Curefit	Nov-21	It offers online and offline experiences across fitness and health	India	50 (6% stake)
UrbanPiper	Jan-22	A B2B software platform for restaurants and food ordering	India	5 (5% stake)
Adonmo	Jan-22	Specializes in targeted digital advertising	India	15 (19% stake)

Source: Anand Rathi Research

Fig 23 – Board of directors

Name	Designation	Details	Committees	Directorships
Deepinder Goyal	Managing Director, Chief Executive Officer	Integrated M.Tech degree in mathematics and computing from IIT Delhi. Before founding Zomato, e worked with Bain and Co. as management consultant	Risk Management, Stakeholder relationship,CSR, IPO, Investment	
Kaushik Dutta	Chairman, Non-Executive Director, Independent Director	With 25+ years as a Partner, associated with Price Waterhouse & Co. Chartered Accountants LLP and Lovelock & Lewes; has been working as an expert on corporate governance with IICA, the Ministry of Corporate Affairs in matters relating to the future of corporate governance in India.	Audit, Risk Management, CSR, Nomination and Remuneration, IPO	PB Fintech HCL Infosystems Newgen Software
Akshant Goyal	Chief Financial Officer	He holds a B. E. in computer science from Delhi University and PGDM from IIM Bangalore; previously associated with Kotak Mahindra Capital	NA	
Aparna Popat Ved	Non-Executive, Independent Director	Bachelor's degree, Mumbai University; master's degree in business administration from Sikkim Manipal University; professional badminton player, having represented India at various international forums, incl. the Commonwealth Games and the Olympics.	CSR	
Namita Gupta	Independent Director	Integrated M.Tech in mathematics and computing from the IIT Delhi; previously associated with Facebook and Microsoft	Audit, Nomination & Remuneration, Stakeholder Relationship, Risk Management, CSR	Honasa Consumer
Sanjeev Bikhchandani	Non-Executive, Independent director	Founder of Info Edge; B.A. Econ Delhi University; PGDM, IIM Ahmedabad	Audit, Nomination & Remuneration, Stakeholder Relationship, Investment, IPO	Info Edge
Sutapa Banerjee	Independent Director	PGDM (Hon) personnel management and industrial relations, XLRI School of Management, Jamshedpur, and advanced leadership fellow at Harvard University; extensive experience in financial services, having worked at ABN AMRO Bank and Ambit Capital Pvt. Ltd. for several years.	Audit, Investment	Godrej Properties Polycab India Ideaforge Technology Camlin Fine Sciences JSW Holdings
Deloitte Haskins & sells	Statutory Auditor			

Source: Company

Fig 24 – Contingent liabilities

Particulars (Rs m)	FY21	FY22	FY23	FY24
Service tax demand – in dispute	920.99	921	921	-
Income tax demand – in dispute	7.66	8	-	-
Action with respect to copyrighted work	20	-	-	
Consumer and other legal matters	8.74	51	40	100
Show cause notice by GST authorities with respect to non-payment of GST on delivery charges	-	-	-	4,200
Total	*957.4*	**981**	**961**	**4,300**

Source: Company, Anand Rathi Research

3 January 2025

Swiggy

Narrowing the gap, initiating, with a Buy

Through continuous innovation and strategic expansion, Swiggy has evolved into a comprehensive tech company, expanding its offerings to include services such as Swiggy Instamart (grocery delivery), Swiggy Genie (pickup/drop-off services), Swiggy Dineout (restaurant reservations), etc. It appears to be about 4-5 quarters behind Zomato in food delivery (FD) and quick commerce (QC). However, we believe the company's focus on expansion, initiatives and network optimization would help revenue, while lowering cost. As the market continues to grow, driven by shifting customer preferences, the company would be well-set to benefit. It, therefore, remains a strong contender. We, thus, initiate coverage on the stock with a Buy rating and a TP of Rs705 (assuming 40.5x FY27 EBITDA to FD, 1.4x/1x EV/GOV to QC/DO, 1x EV/Sales to Supply chain/Platform innovation, giving discount of 20% to Zomato)

Fundamentals highlight robust expansion. In Q2 FY25, the platform served 14.7m monthly active users in FD, complemented by 6.2m users on its QC platform, Instamart. The company operates in ~680 cities nationwide, catering to customers through its vast network of restaurant partners and dark stores, with a massive fleet of ~500,000 delivery executives. As a result, consolidated operating revenue reached $1.4bn in FY24, up 36% y/y.

Overall, GOV/revenue to see ~36.3%/34.3% CAGRs over FY24-27. We expect FD/QC/DO to deliver 19.1%/73.3%/30.1% GOV over the same period. Further, over FY24-27, we expect FD/QC/DO/supply chain to report ~22.1%/100.3%/30.1%/26% revenue CAGRs. The multi-business platform allows for cross-sell offerings to existing users, while bringing in additional transacting users as it penetrates deeper pan-India. This brings in operating leverage and cost efficiency resulting in the company turning EBITDA-positive by FY27.

Risk: Intense competition in QC segment which might lead to a loss in market share and a slowdown in the FD segment.

Key data	SWIGGY IN
52-week high / low	Rs617 / 391
Sensex / Nifty	79944 / 24189
3-m average volume	-
Market cap	Rs1246bn / $14524.3m
Shares outstanding	2238m

Shareholding pattern (%)	Sep'24
Promoter	-
- of which, Pledged	-
-Free float	100
- Foreign institutions	5.2
- Domestic institutions	8.1
- Public	86.7

Relative price performance

Source: Bloomberg

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Key financials (YE Mar)	FY23	FY24	FY25e	FY26e	FY27e
Sales (Rs m)	82,646	112,474	150,521	204,175	272,585
Net profit (Rs m)	-41,793	-23,502	-22,480	-16,609	-4,456
EPS (Rs)	-19.3	-10.7	-9.7	-7.2	-1.9
EV / Sales (x)	14.4	10.6	7.9	5.8	4.4
EV / EBITDA (x)	NA	NA	NA	NA	437.1
P/BV (x)	13.8	16.1	12.5	15.0	15.8
RoE (%)	-39.2	-27.9	-25.2	-18.1	-5.5
RoCE (%)	-40.9	-29.0	-26.5	-19.5	-7.7
Dividend yield (%)	-	-	-	-	-
Net debt / equity (x)	-0.3	-0.3	-0.4	-0.3	-0.3

Source: Company, Anand Rathi Research

Quick Glance – Financials and Valuations

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
Net revenues	82,646	112,474	150,521	204,175	272,585
Growth (%)	*44.9*	*36.1*	*33.8*	*35.6*	*33.5*
Direct costs	33,809	46,042	57,198	75,545	98,130
Gross profit	48,837	66,432	93,323	128,630	174,454
Gross margins (%)	*59.1*	*59.1*	*62.0*	*63.0*	*64.0*
SG&A	91,595	88,512	113,643	140,880	171,728
EBITDA	**-42,758**	**-22,080**	**-20,320**	**-12,250**	**2,726**
EBITDA margins (%)	*-51.7*	*-19.6*	*-13.5*	*-6.0*	*1.0*
Depreciation	-2,858	-4,206	-5,268	-7,146	-9,540
Other income	4,406	3,564	4,064	4,083	4,089
Interest expenses	-582	-714	-956	-1,296	-1,730
PBT	-41,792	-23,436	-22,480	-16,609	-4,456
Effective tax rates (%)	*-*	*-*	*-*	*-*	*-*
+Associates / (Minorities)	-1	-66	-	-	-
Net income	-41,793	-23,502	-22,480	-16,609	-4,456
WANS	2,162	2,196	2,312	2,312	2,312
FDEPS (Rs)	-19.3	-10.7	-9.7	-7.2	-1.9

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
Share capital	27	30	30	30	30
Net worth	90,566	77,915	100,309	83,700	79,244
Debt	-	2,112	2,112	2,112	2,112
Deferred tax liability	-	-	-	-	-
Lease & long-term liabilities	5,205	5,352	5,352	5,352	5,352
Capital employed	**95,771**	**85,378**	**107,773**	**91,164**	**86,707**
Net tangible assets	3,137	4,528	5,243	5,335	4,285
Net intangible assets	3,197	3,043	3,833	4,762	5,812
Goodwill	3,258	6,965	6,965	6,965	6,965
Right of use assets	5,458	5,878	7,557	7,557	7,557
CWIP (tang. & intang.)	-	-	-	-	-
Investments (strategic)	670	604	604	604	604
Investments (financial)	18,859	16,911	18,857	18,857	18,857
Current assets (excl. cash)	69,588	58,458	61,356	65,998	71,917
Cash	8,639	8,909	26,255	8,184	3,167
Current liabilities	17,035	19,916	22,896	27,098	32,456
Working capital	52,553	38,542	38,460	38,900	39,461
Capital deployed	**95,771**	**85,378**	**107,773**	**91,164**	**86,707**

Fig 3 – Cash-flow statement (Rs m)

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
PBT	-41,792	-23,436	-22,480	-16,609	-4,456
+ Non-cash items	2,781	8,283	2,160	4,359	7,182
Oper. prof. before WC	-39,011	-15,153	-20,320	-12,250	2,726
- Incr. / (decr.) in WC	1,139	-1,988	3,543	440	561
Others incl. taxes	-449	38	-	-	-
Operating cash-flow	-40,599	-13,127	-23,864	-12,690	2,165
Free cash-flow	-42,282	-16,644	-30,637	-20,857	-7,376
- Capex	1,683	3,517	6,773	8,167	9,540
Acquisitions	-	-18	-	-	-
- Div. (incl. buyback & taxes)	-	-	-	-	-
+ Equity raised	-	-	44,875	-0	0
+ Debt raised	-	1,076	-	-	-
- Fin investments	-40,523	-17,677	-	-	-
- Misc. (CFI + CFF)	641	1,821	-3,108	-2,787	-2,358
Net cash-flow	-2,400	269	17,346	-18,070	-5,017

Source: Company, Anand Rathi Research

Fig 4 – Ratio analysis

Year-end: Mar	FY23	FY24	FY25e	FY26e	FY27e
P/E (x)	NA	NA	NA	NA	NA
EV / EBITDA (x)	NA	NA	NA	NA	437.1
EV / Sales (x)	14.4	10.6	7.9	5.8	4.4
P/B (x)	13.8	16.1	12.5	15.0	15.8
RoE (%)	*-39.2*	*-27.9*	*-25.2*	*-18.1*	*-5.5*
RoCE (%) - after tax	*-40.9*	*-29.0*	*-26.5*	*-19.5*	*-7.7*
ROIC (%)- after tax	*-44.9*	*-32.1*	*-32.4*	*-23.6*	*-8.2*
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Dividend payout (%) - incl. DDT	*-*	*-*	*-*	*-*	*-*
Net debt / equity (x)	-0.3	-0.3	-0.4	-0.3	-0.3
Receivables (days)	46.9	31.3	30.0	30.0	30.0
Inventory (days)	0	2	2	2	2
Payables (days)	39	29	29	29	29
CFO : EBITDA %	*NA*	*NA*	*NA*	*NA*	*79.4*

Source: Company, Anand Rathi Research

Fig 5 – Price movement

Source: Bloomberg

Fig 6 – Segment-wise revenue (Q2FY25)

Food delivery 44%
Quick Commerce 13%
Out of Home 2%
Platfrom Innovation 1%
Supply Chain and Distribution 40%

Source: Company

Story in charts

Fig 7 – No. of orders grew 1.3x for FD and ~4.2x for QC over FY22-24

Source: Company

Fig 8 – FD AOV grew at ~2.5% CAGR over FY22-24; QC AOV ~1.1x higher than FD AOV

Source: Company

Fig 9 – FD GOV clocked ~15.7% CAGR over FY22-24, while QC saw ~57.6% y/y growth in FY23-24
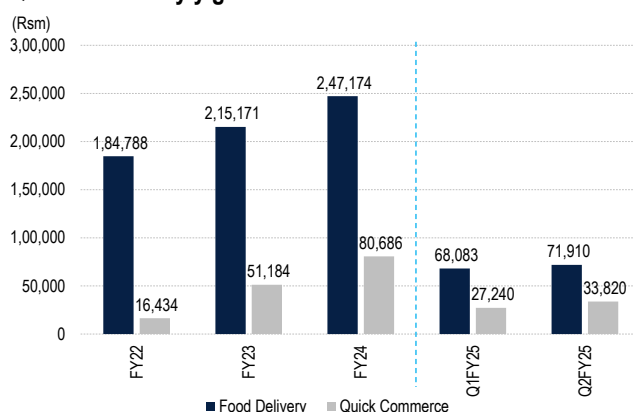
Source: Company

Fig 10 – Revenue CAGR was ~40.4% in FY22-24, with increasing contribution from supply chain & distribution
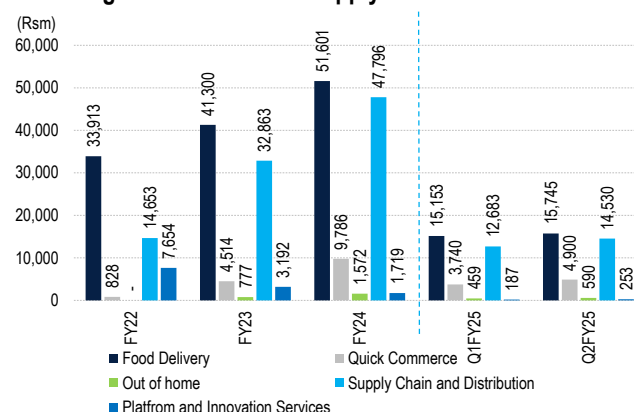
Source: Company

Fig 11 – FD take rate stabilising (adj. revenue) ~25%, QC seeing better take rates
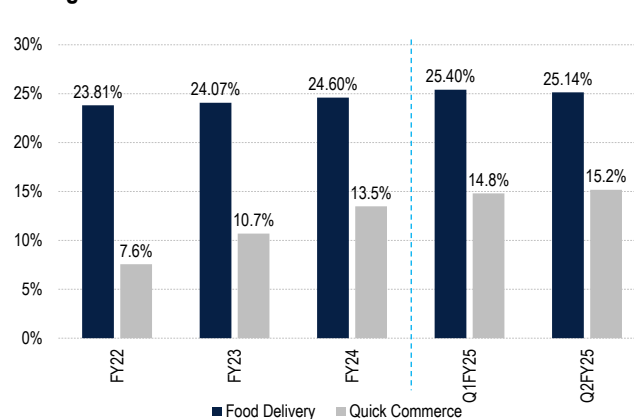
Source: Company

Fig 12 – Restaurants listed on FD and QC dark store expansion
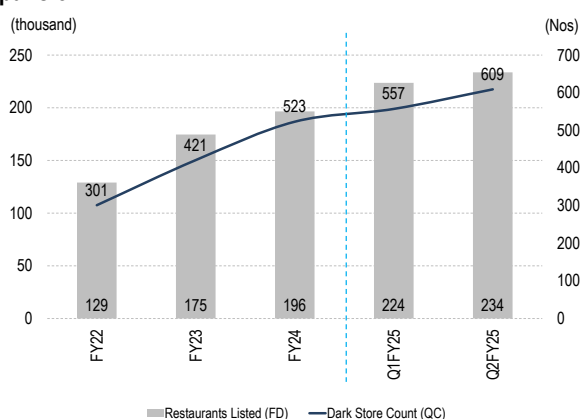
Source: Company

Company Update

Outlook and guidance

- Anticipating ~150bp take rate improvement in FD (Q2FY25: ~25.1%) with ~5% EBITDA margins as percent of GOV (Q2FY25: ~1.6%) going forward.

- Expecting profitability in FD category om par with Zomato's current levels by FY26 (Zomato's FD Q2FY25 adjusted EBITDA margin ~3.5%) with ad income rising to ~5% of segment GOV.

- Expecting QC adj. EBITDA breakeven by Q3FY26 (Q2FY25: -10.6%).

- Aiming to reach ~2,000 orders per day per dark store in near-term (Q2FY25: ~1,210), growing presence across ~75 cities (Q2FY25: ~54 cities).

Food delivery

- Company expects ~18-20% GOV growth in the near term (H1FY25: ~14.4% y/y growth), faster than the industry average.

- The category has not lost any market share since Dec'23; prior to that, it lost some market share due to Zomato's relentless promotion of Gold membership.

- Currently, it has operations in ~680 cities; top 25-30 cities bring ~70% to the category revenue.

- In tier-2/-3 cities/towns, AOV as well as costs to fulfil orders is lower owing to comparatively less demand, fewer riders required demand, lower wages.

- Restaurant commission dynamics: Newer restaurants are ready to pay higher commission and ad fees; in existing restaurants, despite reaching a plateau in peak commission paid by restaurants, the momentum in ad spends remains robust.

- Number of free deliveries are increasing which are not being adequately compensated by platform fees; thus, the company sees potential for per-customer realisation to increase ahead.

- Swing fleet shared between QC and FD: Of ~10 orders, 1-2 are delivered by swing fleet (seen more during lean or peak periods; also, helps to create another source of income for the rider).

- The slight, ~26bp, dip in take rate in Q2FY25 was due to a subscription program.

Quick commerce

- The company is targeting ~1,000 stores by end-FY25 (as of Q2 FY25: 609), with store size increasing ~30% and GOV to be doubled by FY26.

- Dark store economics: Once a store reaches ~2,000 orders per day, the company splits between two stores instead of juicing out capacity from just one store.

- A dark store on average is of 3,500-4,000 sq.ft which can cater up to ~3,000 orders per day.

- Megapod model: 8,000-10,000 sq.ft, ~50,000 SKUs (compared to ~20,000 SKUs for average stores). This model would help split orders into ~10 minutes and ~30 minutes (a split-cart model, based on demand for SKUs,

fast-moving SKUs vs. slow-moving ones). For eg., electronics would be delivered in 30 minutes, while chips/basic items would be delivered sooner.

- Of 100 darks store in a city, 8-10 would be megapods.

- Rapid expansion of stores ahead will help the overall store profile to mature in 2025.

- Company looking at essential categories like pharma to help increase AOV.

Others

- Swiggy One's contribution to the entire business' GOV is ~50-55%.

- Current conversion from ATU to MTU is ~30%.

- 3-5% of FD orders require customer support.

- HDFC Bank card's 10% cashback is fully funded by the partners.

Supply chain and distribution

- There are ~0.1m users currently.

- Near-term investment is behind, and the company expects profits ahead.

- Instamart sellers can make use of this business' warehousing space, which would lead to better take rates.

- The take rate is lower in this segment because QC partners don't use warehousing services.

Financials

The company earns from FD, QC, supply chain & distribution, platform & innovation services and Dining Out businesses. Over FY22-24, FD GOV saw ~15.7% CAGR; the vertical contributed ~46% to FY24 revenue, with the take rate at ~25.1%. The company boasted of ~12.7m (FD) & ~4.2m(QC) MTCs in FY24 and catered to ~753m (FD+QC) orders in >680 cities, with ~233,000 restaurants listed on its platform. Over FY22-24, QC GOV saw ~121.6% CAGR; the vertical contributed ~8.7% to FY24 revenue, with the take rate at ~13.5%.

We expect overall GOV to see ~36.3% CAGR over FY24-27, with FD/QC/DO GOV delivering 19.1%/73.3%/30.1% CAGRs. Further, we expect FD/QC/DO/supply chain to report ~22.1%/100.3%/30.1%/26% revenue CAGRs over FY24-27. We see overall revenue growing at a 34.3% CAGR during FY24-27.

Fig 13 – Revenue details

Segment-wise GOV (Rs bn)	FY22	FY23	FY24	FY25e	FY26e	FY27e	FY22-24 CAGR %	FY24-27e CAGR%
Food delivery GOV	185	215	247	296	353	418	15.7	19.1
% of total GOV	*91.8*	*77.6*	*70.7*	*61.6*	*52.8*	*47.2*		
Quick commerce GOV	16	51	81	155	277	420	121.6	73.3
% of total GOV	*8.2*	*18.5*	*23.1*	*32.3*	*41.4*	*47.4*		
Out of Home GOV	NA	11	22	30	39	48		30.1
% of total GOV	*NA*	*4.0*	*6.2*	*6.2*	*5.8*	*5.4*		
Total GOV	**201**	**277**	**350**	**480**	**669**	**886**	*31.8*	*36.3*
Y/Y growth (%)		*37.9*	*26.1*	*37.3*	*39.3*	*32.4*		
Segment-wise revenue (Rs bn)								
Food delivery revenue	34	41	52	64	78	94	23.4	22.1
% of total revenue	*59.4*	*50.0*	*45.9*	*42.2*	*38.0*	*34.5*		
Quick commerce revenue	1	5	10	23	46	79	243.7	100.3
% of total revenue	*1.5*	*5.5*	*8.7*	*15.2*	*22.7*	*28.8*		
Supply Chain & Distribution revenue	15	33	48	61	76	96	80.6	26.0
% of total revenue	*25.7*	*39.8*	*42.5*	*40.6*	*37.5*	*35.1*		
Out of Home revenue	NA	1	2	2	3	3	*NA*	30.1
% of total revenue	*NA*	*0.9*	*1.4*	*1.4*	*1.4*	*1.3*		
Platform Innovation	8	3	2	1	1	1		
% of total revenue	*13.4*	*3.9*	*1.5*	*0.6*	*0.5*	*0.4*		
Total revenue	**57**	**83**	**112**	**150**	**204**	**273**	*40.4*	*34.3*
Y/Y growth (%)	*NA*	*16.8*	*18.0*	*18.4*	*18.9*	*19.9*		
Segment-wise take rate (Adjusted revenue, %)								
Food delivery take rate	23.8	24.1	24.6	25.1	25.6	26.1		
Quick commerce take rate	7.6	10.7	13.5	15.9	17.9	19.7		
Out of Home take rate		7.0	7.2	7.4	7.4	7.4		
Net take rate	***15.7***	***13.9***	***15.1***	***16.1***	***17.0***	***17.7***		

Source: Company, Anand Rathi Research.

Having a multi-business platform helps the company to cross-sell its offerings to existing users while also bringing in additional transacting users as it

penetrates deeper pan-India. This brings in operating leverage and cost efficiency. We expect company to become EBITDA-positive by FY27.

Fig 14 – Cost of operations

(Rs bn)	FY22	FY23	FY24	FY25e	FY26e	FY27e	FY22-24 CAGR %	FY24-27e CAGR %
Cost of providing service	22.7	33.8	46.0	57.2	75.5	98.1	42.5	28.7
% of revenue	*39.8*	*40.9*	*40.9*	*38.0*	*37.0*	*36.0*		
Employee benefit expense	17.1	21.3	20.1	24.8	32.7	40.9	8.5	26.7
% of revenue	*29.9*	*25.8*	*17.9*	*16.5*	*16.0*	*15.0*		
Opex	20.7	28.3	33.5	45.2	57.2	70.9	27.3	28.4
% of revenue	*36.3*	*34.3*	*29.8*	*30.0*	*28.0*	*26.0*		
Other expenses	12.7	16.6	15.9	21.1	26.5	32.7	12.1	27.1
% of revenue	*22.2*	*20.0*	*14.2*	*14.0*	*13.0*	*12.0*		
S&M expense	20.4	25.4	19.0	22.6	24.5	27.3	-3.7	12.9
% of revenue	*35.8*	*30.7*	*16.8*	*15.0*	*12.0*	*10.0*		
Total cost	**93.6**	**125.4**	**134.6**	**170.8**	**216.4**	**269.9**	19.9	26.1
EBITDA	**-36.5**	**-42.8**	**-22.1**	**-20.3**	**-12.3**	**2.7**		
EBITDA margins (%)	*-64.0*	*-51.7*	*-19.6*	*-13.5*	*-6*	*1*		

Source: Company, Anand Rathi Research

Valuations

Founded in 2013, the company evolved from being an FD platform to a multi-category service provider, incl. QC, supply chain and distribution (B2B), Dining Out (DO) and platform and innovation services, thereby connecting customers, restaurants and delivery partners.

In Q2 FY25, under FD, it catered to ~14.7m active customers across 650+ cities and under QC, it catered to ~6.2m active customers across 50+ cities, served by ~457,000 delivery partners, along with ~233,600 restaurants listed on the platform. Further, the platform served ~46.8m annual transacting customers with ~5.7m Swiggy One members.

We believe the company's focus on expansion, initiatives and optimization of its network would help revenue, while also lowering cost. As the market continues to grow, driven by shifting customer preferences, the company would be well-positioned to benefit. It, therefore, remains a strong contender. We, thus, initiate coverage on the stock with a Buy rating and a TP of Rs705 (assuming 40.5x FY27 EBITDA to FD, 1.4x/1x EV/GOV to QC/DO, 1x EV/Sales to Supply chain/Platform innovation, giving overall discount of 20% to Zomato)

Fig 15 – Valuation

Particulars		FY27e	Multiples (x)		(Rs m)
FD	EBITDA	20,333	40.5	EV/EBITDA	8,23,499
QC	GOV	4,19,849	1.4	EV/GOV	5,87,789
Dining Out	GOV	48,062	1.0	EV/GOV	48,062
Supply Chain & Distribution	Revenue	95,592	1.0	EV/Sales	95,592
Platform & Innovation Service	Revenue	967	1.0	EV/Sales	967
Total					15,55,908
Less:Net Debt					(61,427)
Market Cap (Rs m)					16,17,336
No of shares					2,312
Per share value					705
CMP					557
Upside					27%

Source: Anand Rathi Research

Risks

- **Intense competition**. The QC segment sees intense competition with new players like Flipkart minutes, Amazon (planning to enter), along with existing ones like Zepto, Zomato and BBNow.

- **Exposure to multiple businesses** may hamper growth ahead, as the company's focus might deviate, which could affect resource allocation.

Company background, management

A pioneer in India's hyperlocal commerce culture, Swiggy commenced operations in 2013 and launched its food delivery services in 2014. subsequently, in 2020, it forayed into the quick commerce segment. Through its single-app strategy, the company caters to five segments: – (i) Food Delivery; (ii) Out-of-home Consumption (dining out and events), (iii) Quick Commerce (on-demand delivery of grocery and household items), (iv) Supply Chain and Distribution (B2B supplies, warehousing, logistics and distribution for wholesalers and retailers), and (v) Platform Innovations (unique initiatives and offerings like Swiggy Genie, Swiggy Minis, etc).

Fig 16 – Milestones

Year	Key events
2013	Incorporation
2014	Launched food delivery business
2015	First major fund raise
2019	Expansion of food delivery business to cover 500+ cities
2020	Launched "Swiggy Instamart" and "Swiggy Genie"
2021	Launched membership program, "Swiggy One"
2022	Acquisition of DineOut business
2022	Launched "Swiggy Minis"
2023	Launched Swiggy-HDFC Bank co-branded credit-card
2023	Acquired 100% stake in Lynks
2023	Launched "Swiggy Mall"
2024	SwiggyOne members crossed over 5.7m and ~110m transacting users
2024	Started "Bolt" for food deliveries under 10-15mins

Source: Company RHP, Anand Rathi Research

Fig 17 – Acquisitions by Swiggy

Name	Year of acquisition	About target company	Presence of target company	Consideration (Rs m)
48 East	Dec-17	Internet-first restaurant offering Asian cuisine.	India	NA
Supr Daily	Jun-18	Retail platform offering multi-category grocery products.	India	NA
Scootsy	Aug-18	Online platform providing local delivery of food and groceries.	India	NA
Kint.io	Feb-19	Object recognition solution for videos.	India	NA
Dineout	May-22	Online restaurant table reservations.	India	6445.6
Lynk Logistics	July-23	Provider of software solutions for brands and grocery retailers.	India	3885.4

Source: Company, Anand Rathi Research

Fig 18 – Investments by Swiggy

Name	Year of investment	About target company	Presence of target company	Consideration (Rs m)
Maverix Platforms	Feb-19*	It is a software product company offering a market-leading application security correlation and orchestration (ASOC) platform.	India	NA
Fingerlix	Feb-21	It is a food processing company that prepares and produces ready-to-cook food and provides fresh almost-ready food solutions.	India	350 (25.03% stake)
Urban Piper	Apr-22	It provides restaurateurs with essential tools to build successful restaurants.	India	374 (~5% stake)
Rapido	Mar-23	An Indian ride-hailing service, which primarily operates as a bike taxi aggregator and their offerings also include auto rickshaw and taxicab hailing, parcel delivery and third-party logistics services.	India	9,505 (15.1% stake)

Source: Company, Anand Rathi Research
*In FY22, company disinvested ~19% stake in Maverix which was sold off to Curefoods India. For total consideration of ~Rs 837m; post this, Maverix Platforms ceased to exist as part of company's associates.

Fig 19 – Board of directors

Name	Designation	Details	Committees	Directorships
Sriharsha Majety	Managing Director and Group CEO	With a B.E in electrical and electronics engineering from BITS Pilani, and a post graduate diploma in management from IIM Calcutta, he has been associated with the company for 10+ years, holding key positions of responsibility	Risk Management, CSR	Supr Infotech Solutions Private Limited
Anand Kripalu	Chairman and Independent Director	With a B.Tech in electrical engineering from IIT Madras, and post graduate diploma in management from IIM Calcutta, he is currently the MD and global CEO at EPL; previously associated with Diageo in India - United Spirits for 8 years.	Audit, Nominee & Remuneration, CSR	EPL Limited PGP Glass Private Limited United Breweries Limited
Lakshmi Nandan Reddy Obul	Whole time Director- Head of Innovation	Being associated with the company for 10+ years, he holds a master's degree in science (honors) in physics from BITS Pilani; previously worked with Intellectual Capital Advisory Services Pvt. Ltd. (Intellecap) as an associate in business consulting.	Stakeholders & Relationship	Scootsy Logistics Private Limited Supr Infotech Solutions Private Limited
Rahul Bothra	Chief Financial Officer	A qualified chartered accountant and associate member of ICAI; holds B. Com. Degree from Bangalore University and enjoys both domestic and international experience in accounting, business finance, treasury, taxation, mergers and acquisitions, and assurance; previously associated with Wipro, Britannia Industries and Olam International	NA	
Shailesh Vishnubhai Haribhakti	Independent Director	Member of ICAI, associate member of the Association of Certified Fraud Examiners and a certified financial planner under the Financial Planning Standards Board India, he is a certified internal auditor under the Institute of Internal Auditors, Inc; enjoys ~15 years of rich experience being previously associated with Blue Star, L&T Finance Holdings, Raymonds, Ambuja Cements and Torrent Pharmaceuticals.	Audit, Risk Management	Aakash Educational Services Limited Adani Total Gas Limited Bajaj Electricals Limited Bharat Clean Rivers Foundation Brookprop Management Services Private Limited Cnergyis Infotech India Private Limited Continuum Green Energy Limited Future Generali India Insurance Company Limited Future Generali India Life Insurance Company Limited Gaja Trustee Company Private Limited GovEva Private Limited IBS Fintech India Private Limited Mirae Asset Investment Managers (India) Private Limited Planet People and Profit Consulting Private Limited Protean E-gov Technologies Limited Rapidue Technologies Private Limited Stair Digital Private Limited TVS Motor Company Limited YCWI Green Solutions Private Limited
Sahil Barua	Independent Director	Holds a bachelor's degree in technology from NIT Surathkal, and post graduate diploma in management from IIM Bangalore; Co-founder and CEO of Delhivery for over 11 years, he previously worked with Bain and Company India Private Limited as a consultant for over 2 years.	Nominee & Remuneration, Risk Management	Delhivery Limited Scootsy Logistics Private Limited Delhivery HK Pte. Ltd Delhivery USA LLC
Suparna Mitra	Independent Director	Holds a bachelor's degree in electrical engineering from Jadavpur University and a post graduate diploma in management from IIM Calcutta, she is the CEO of watches and wearables division of Titan and has been associated with it for 18 years; also served on the Board of Governors for IIM Kozhikode for 5 years and previously served on the board of Tata Power Solar Systems	Nominee & Remuneration, Stakeholders & Relationship, CSR	All India Federation of Horological Industries Titan Engineering and Automation Limited
Anand Daniel	Nominee Director	Holds a bachelor's degree in engineering (computer science) from the University of Madras, a master's degree in engineering from Purdue University and MBA from Massachusetts Institute of Technology; previously associated with Accel India Management LLP for 4 years and currently associated with Accel Partners India LLP as a Partner	Stakeholders & Relationship	Finnew Solutions Private Limited Forus Health Private Limited Rupeek Fintech Private Limited Sanghvi Beauty & Technologies Private Limited Valuedrive Technologies Private Limited Vedantu Innovations Private Limited Zinka Logistics Solutions Limited Eruditus Learning Solutions Pte Ltd Niyo Solutions Inc Sense Talent Labs, Inc

Source: Company

Board of directors cont…

Name	Designation	Details	Committees	Directorships
Ashutosh Sharma	Nominee Director	Holds a bachelor's degree in electronic engineering from Banaras Hindu University and MBA from Booth School of Business, University of Chicago; currently associated with MIH Internet India Private Limited as an Investment Partner and has been associated with the Prosus Group for more than 7 years; previously associated with Norwest Venture Partners (as a Vice President) and Qualcomm India Private Limited.	Nominee & Remuneration	API Holdings Limited Idisha Info Labs Private Limited Meesho Inc
Sumar Juneja	Nominee Director	Holds a Bachelor of Science degree from the London School of Economics and Political Science, University of London; currently the managing partner and head of Europe, Middle East and Africa (EMEA) and India at SB Investment Advisers (UK); previously associated with entities affiliated to SB Investment Advisers (UK)		ANI Technologies Private Limited Lenskart Solutions Private Limited Sorting Hat Technologies Private Limited Oravel Stays Limited Automate Holdings S.A.R.L Content Square S.A.S Eruditus Learning Solutions Pte Ltd Rimac Group D.O.O
Roger Clark Rabalais	Nominee Director	Holds a B.A degree in economics from the University of Texas and an M.A in economics from Harvard University; currently associated with Prosus Services B.V and has been associated with the Prosus Group for more than 10 years	Audit	Dante International S.A. Delivery Hero SE iFood Holdings B.V M.I. Payments B.V. MIH B2C Holdings B.V. MIH Food Delivery Holdings B.V. MIH Food Holdings B.V. MIH India Food Holdings B.V. MIH India Holdings Limited. Movile International Holdings B.V Movile Mobile Commerce Holdings B.V Multiply Singapore Pte. Ltd Takealot Online (RF) (Pty) Ltd
BSR & Co. LLp	Statutory auditor			

Source: Company

Fig 20 – Contingent liabilities

Particulars (Rs m)	FY22	FY23	FY24	Q1 FY25
Service tax demand	13.65	-	-	-
Income tax demand	16.02	16.02	16.02	16.02
Legal claim	26.88	31.02	1.21	1.21
Total	**56.55**	**47.04**	**17.23**	**17.23**

Source: Company RHP