

From Foodiebay to a Food Tech Giant: The Zomato Saga

The Evolution of Zomato

The story of Zomato began in 2008 when Deepinder Goyal and Pankaj Chaddah were working at Bain & Company. They have identified a problem: the time-consuming process of ordering food in the office. The initial challenge led to the development of **FoodieBay**, a website that helps Bain employees easily access restaurant menus. FoodieBay was officially formed in January 2010. Later that same year, it changed its name to **Zomato**.

The year 2015 witnessed a crucial evolution in Zomato's business model with the launch of its food delivery service in India. In 2018, it launched **Hyperpure**, a B2B venture focused on supplying high-quality food ingredients to restaurants. In 2022, Zomata entered the quick commerce market by purchasing **Blinkit**.

Decoding Zomato's Revenue Engine

- **Commission on Food Delivery Orders:** Restaurants pay Zomato **15% to 25%** commission, accounting for **75%** of total revenue. ([Link](#))
- **Advertising and Promotional Services**
- **Subscription Services**

Financial Statement (FY22-FY24)

[Financials](#)

Top-5 observations

- **Revenue up:** Grew from ₹3,611 Cr to ₹6,622 Cr (FY22–FY24), +41% YoY in FY24.
- **Capex cut:** Reduced from ₹8,130.8 Cr in FY22 to ₹1,301 Cr in FY24.
- **Employee costs down:** Dropped 35% over two years, improving operational efficiency.
- **Profitability surged:** From ₹1,097.8 Cr loss in FY22 to ₹1,372 Cr profit in FY24.
- **Other expenses efficient:** Fell from 91% to 67% of revenue by FY24.

Market Value

Metric	Value (INR Crore)
Share Price	₹ 215.19 (as of Apr 08, 15:59)
Market Capitalization	₹1,977,832.19 crores (business-standard)

Reasons

- **Revenue up:** ₹3,611 Cr (FY22) to ₹6,622 Cr (FY24).
- **Cost efficiency:** Other expenses dropped from 91% to 67% of revenue.
- **Profit turnaround:** ₹1,098 Cr loss (FY22) to ₹1,372 Cr profit (FY24).