

Instamart EBITDA break-even likely to get stretched

We believe adjusted EBITDA losses in Swiggy's Instamart business shall remain high at INR 8–9bn/quarter for the next three–four quarters (at least) due to high competitive intensity, take-rate pressures (lower customer monetisation) and growing fixed costs (performance marketing spends). While Instamart's margin profile may still improve in percentage terms, our analysis suggests a breakeven at adjusted EBITDA level is unlikely before FY30E (earlier estimate by FY29). This marks a sharp contrast to our expectation of a breakeven for the market leader, Blinkit, by 1QFY27E and, in our view, implies Instamart's stretched breakeven journey would warrant a continued and significant discount to Blinkit's valuation. We are, hence, revising down the target GOV multiple for Instamart from 0.5x to 0.25x, yielding a revised Dec'26 TP for Swiggy of INR 400 (earlier INR 460) even after a valuation rollover.

- **Instamart caught in growth-profitability trade-off:** While the recent capital infusion gives Swiggy management some breathing space, its Instamart business remains entangled in a classic dilemma of growth or profitability. The underlying reason is that competitive intensity in quick commerce has not rationalised yet. This means the pressure on its NAOV's/take-rates might well persist in the near term. In addition, its quality of customer base is inferior to the market leader, thereby demanding significantly more spending to retain or acquire new transacting customers each quarter. On top of that, a very high fixed cost base (almost equal to Blinkit despite the scale difference) means Instamart must sustain a decently high growth profile to harness operating leverage. All in all, we argue that finding the right balance between growth and profitability shall continue to be a challenge for Instamart in the foreseeable future.
- **Instamart's stretched breakeven pathway to weigh on Swiggy's valuation:** All QC businesses are currently loss-making at an adjusted EBITDA level; the market, hence, typically values them on GOV/NOV multiples. Crucially, what gets missed in these multiples is the quality of business and its ability to make sustainable profits. For instance, Blinkit's transacting base continues to grow rapidly while consistently demonstrating improving ordering frequencies. In contrast, in recent quarters, Instamart has been able to add fewer transacting customers and still seen a significant dilution in ordering frequencies (refer [exhibit 9 and 10](#)). This is despite Instamart incurring a sizable loss of INR 84 per order versus an INR 7 loss for Blinkit in 2QFY26 (refer [exhibit 16](#)). Blinkit reported such a high loss per order way back in 2Q/3Q FY23 (INR 99/INR 72). Accordingly, we argue breakeven visibility for Instamart remains low; the market would thus likely ascribe a negligible valuation to the business vis-à-vis the market leader.
- **Instamart breakeven unlikely before FY30E:** In our view even if Instamart breaks even on contribution margin level by 1QFY27E (in line with management's guidance of 3QFY26–1QFY27), investors have little visibility on adj. EBITDA breakeven for the business. In fact, we posit that Instamart's adjusted EBITDA losses shall continue to be uncomfortable at INR 8–9bn per quarter over the next three–four quarters (at least). Moreover, our analysis suggests that a breakeven at adjusted EBITDA level will not happen before FY30E (versus FY29E earlier).
- **Maintain 'ADD', but lower multiple for Instamart pulls TP down to INR 400:** We value Swiggy's food delivery business at 45x EV/adj. EBITDA, but lower Instamart's business to 0.25x EV/GOV from 0.5x earlier. We value out-of-home consumption at 1x EV/GOV and supply chain and distribution at 0.1x Sales. Meanwhile, we continue to ascribe a lower multiple for balance sheet cash due to expectation of sustained high cash burn in the foreseeable future. Our revised SotP-based Dec'26E TP now stands at INR 400 (earlier INR 460).

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Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	400
Upside/(Downside)	13.4%
Previous Price Target	460
Change	-13.0%

Key Data – SWIGGY IN

Current Market Price	INR353
Market cap (bn)	INR974.0/US\$10.8
Free Float	100%
Shares in issue (mn)	2,760.3
Diluted share (mn)	2,760.3
3-mon avg daily val (mn)	INR4,158.9/US\$46.2
52-week range	521/297
Sensex/Nifty	84,181/25,877
INR/US\$	90.0

Price Performance

%	1M	6M	12M
Absolute	-8.6	-7.5	-28.1
Relative*	-7.6	-8.0	-33.2

* To the BSE Sensex

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Financial Summary (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,12,474	1,52,268	2,26,533	2,83,989	3,46,898
Sales Growth (%)	36.1	35.4	48.8	25.4	22.2
EBITDA	-22,080	-27,858	-32,213	-19,337	-4,517
EBITDA Margin (%)	-19.6	-18.3	-14.2	-6.8	-1.3
Adjusted Net Profit	-23,502	-31,168	-42,767	-28,263	-15,506
Diluted EPS (INR)	-10.7	-13.7	-15.5	-10.2	-5.6
Diluted EPS Growth (%)	44.6	-27.9	-13.2	33.9	45.1
ROIC (%)	-101.7	-101.4	-121.5	-79.7	-40.4
ROE (%)	-27.9	-34.6	-30.3	-16.7	-10.1
P/E (x)	0.0	0.0	0.0	0.0	0.0
P/B (x)	9.9	7.9	5.4	6.1	6.6
EV/EBITDA (x)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 08/Jan/2026

What we expect in 3QFY26

- **Food delivery growth stable, adjusted EBITDA margin expansion to continue:** We believe Swiggy's food delivery business will report stable GOV growth trends (19% YoY) in 3QFY26E, broadly in line with 1Q/2QFY26. From a medium-term perspective, we expect the business to report high-teens GOV growth, which is 1.2–1.5x of the underlying organised food services market. Growth should be aided by changing consumer habits (increasing consumption of out-of-home cooked food), addition of new restaurant supply (new brands, cloud kitchens, differentiated cuisine restaurants, health-focussed restaurant, meals-focussed supply, etc.) and under-penetration (significantly lower than US/Europe/China/SEA). Furthermore, adjusted EBITDA margin is likely to improve to 3% from 2.8% in 2Q, a directional movement towards a sustainable range of 4–5% as a % of GOV.
- **High competitive intensity and limited investments in dark-stores to weigh on growth:** We expect Instamart's sequential NOV growth in 3QFY26 to moderate to 11% QoQ versus 18%/17% in 1Q/2Q, primarily due to high competitive intensity and limited investments in dark-store expansion in recent quarters. While this may still translate to ~76% YoY, broadly in line with its recent quarter trends, we believe maintaining the momentum in FY27E would be difficult unless the company accelerates growth investments.

Exhibit 1. Swiggy: Key forecasts for 3QFY26

Food delivery	3QFY26E	3QFY25	YoY	2QFY25	QoQ
GOV (INR bn)	88	74	18.7%	85	3.3%
Adj. Revenue (INR bn)	23	19	22.8%	22	3.5%
Take-rate	25.9%	25.0%	86bps	25.8%	6bps
Reported Revenue (INR bn)	20	16	21.9%	19	3.7%
Take-rate	22.6%	22.0%	60bps	22.5%	9bps
Contribution margin (% of GOV)	7.8%	7.4%	40bps	7.3%	50bps
Adj. EBITDA (INR bn)	2.7	1.8	45.2%	2.4	11.2%
Adj. EBITDA margin (% of GOV)	3.0%	2.5%	55bps	2.8%	21bps

Quick Commerce	3QFY26E	3QFY25	YoY	2QFY25	QoQ
GOV (INR bn)	81	39	106.1%	70	14.7%
NOV (INR bn)	55	31	76.5%	49	11.4%
Adj. Revenue (INR bn)	11.6	6.0	92.1%	10.4	11.6%
Take-rate (% of GOV)	14.4%	15.4%	-105bps	14.8%	-40bps
Take-rate (% of NOV)	21.2%	37.3%	-1618bps	23.6%	-241bps
Reported Revenue (INR bn)	10.9	5.8	89.3%	9.8	11.4%
Take-rate (% of GOV)	13.6%	14.8%	-120bps	14.0%	-40bps
Take-rate (% of NOV)	19.9%	18.6%	135bps	19.9%	0bps
Contribution margin (% of GOV)	-2.4%	-4.6%	214bps	-2.6%	16bps
Contribution margin (% of NOV)	-3.6%	-6.3%	0bps	-3.7%	0bps
Adj. EBITDA (INR bn)	-9.0	-5.8	56.2%	-8.5	6.2%
Adj. EBITDA margin (% of GOV)	-11.2%	-14.8%	357bps	-12.1%	89bps
Adj. EBITDA margin (% of NOV)	-16.5%	-18.6%	214bps	-17.3%	81bps

Consol.	3QFY26E	3QFY25	YoY	2QFY25	QoQ
Revenue (INR bn)	60	40	50.2%	56	7.9%
Reported EBITDA (INR bn)	-7.7	-7.3	5.6%	-8.0	-3.9%
Reported EBITDA Margin (as % of revenue)	-13%	-18%	539bps	-14%	157bps
Adj. EBITDA (INR bn)	-7.0	-4.9	42.9%	-7.0	0.7%
Adj. EBITDA Margin (as % of revenue)	-11.7%	-12.3%	60bps	-12.5%	83bps
Adj. PAT (INR bn)	-10.4	-8.0	30.2%	-10.9	-4.3%
Diluted EPS (INR)	-4.09	-3.48	17.6%	-4.59	-10.8%

Source: Company, JM Financial

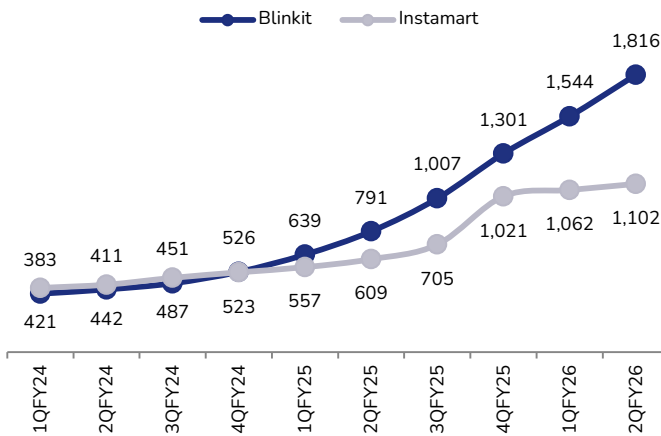
Exhibit 2. Key operating metrics and financial assumptions

All numbers in INR bn, unless stated otherwise	FY26E	FY27E	FY28E	FY29E	FY30E
Food Delivery					
GOV	342	403	475	557	647
Gross Revenue (including delivery fees)	89	105	124	146	170
Contribution Margin	7.6%	8.3%	8.2%	8.2%	8.2%
Adj. EBITDA	9.8	15.2	19.0	23.4	28.3
EBITDA margin (as % of GOV)	2.9%	3.8%	4.0%	4.2%	4.4%
Instamart					
GOV	298	452	623	780	935
NOV	208	316	436	546	655
Gross Revenue	44	69	99	126	151
Contribution Margin	-2.7%	0.2%	2.2%	3.8%	4.5%
Adj. EBITDA	-35.4	-35.0	-28.5	-17.1	-7.7
EBITDA margin (as % of GOV)	-11.9%	-7.7%	-4.6%	-2.2%	-0.8%
EBITDA margin (as % of NOV)	-17.1%	-11.1%	-6.5%	-3.1%	-1.2%
Out-of home consumption					
GOV	47	61	74	89	105
Gross Revenue	4	5	6	7	9
Contribution Margin	4.6%	4.9%	5.1%	5.2%	5.4%
Adj. EBITDA	0.4	0.9	1.5	2.1	3.0
EBITDA margin (as % of GOV)	0.8%	1.5%	2.0%	2.4%	2.8%
Supply Chain					
Gross Revenue	104	122	140	160	181
Contribution Margin	8.5%	8.5%	8.5%	8.5%	8.5%
Adj. EBITDA	-2.0	-1.2	-0.4	0.4	1.2
EBITDA margin (as % of revenue)	-1.9%	-1.0%	-0.3%	0.2%	0.7%
Platform innovations					
Gross Revenue	0.8	1.0	1.2	1.4	1.6
Adj. EBITDA	-1.7	-1.5	-1.6	-1.7	-1.7
EBITDA margin (as % of revenue)	-222.5%	-168.8%	-144.1%	-131.4%	-119.3%
Group					
Gross Revenue	241	303	370	441	512
Reported Revenue	227	284	347	412	477
Adj. EBITDA	-29	-22	-10	7	23
EBITDA margin (as % of revenue)	-12.8%	-7.6%	-2.9%	1.7%	4.8%
Reported EBITDA	-32	-19	-5	16	33
EBITDA margin (as % of revenue)	-14.2%	-6.8%	-1.3%	3.8%	6.9%
PAT	-43	-28	-16	2	16

Source: Company, JM Financial

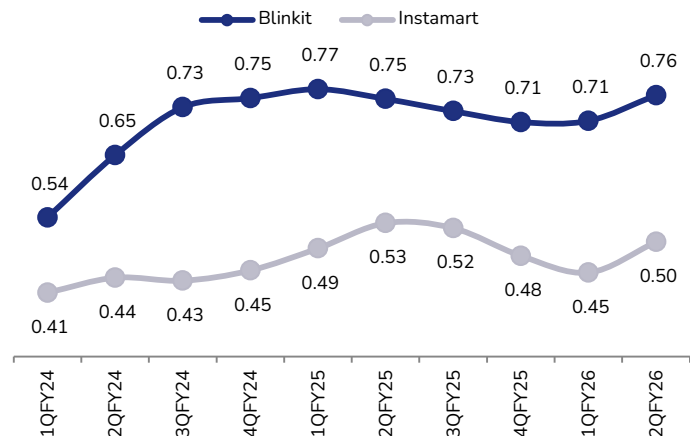
Quick commerce: Blinkit versus Instamart

Exhibit 3. Blinkit versus Instamart: Dark store count



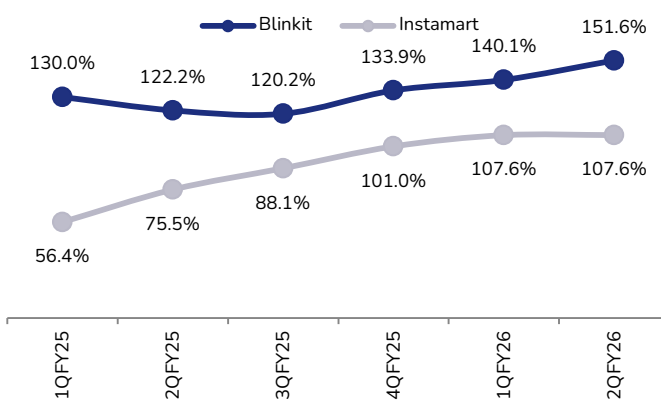
Source: Company, JM Financial

Exhibit 4. Blinkit versus Instamart: NOV per day per store (INR mn)



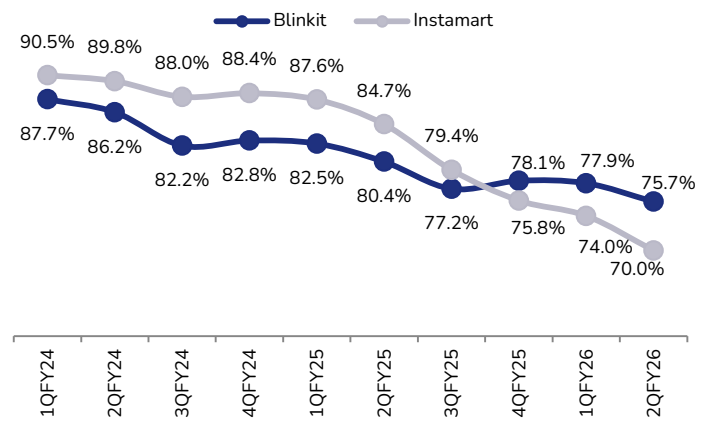
Source: Company, JM Financial

Exhibit 5. Blinkit versus Instamart: GOV YoY growth trends



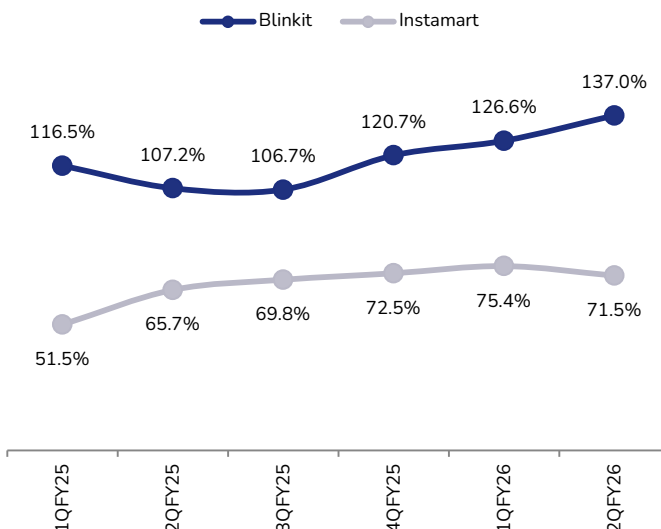
Source: Company, JM Financial

Exhibit 6. Blinkit versus Instamart: GOV to NOV conversion trends



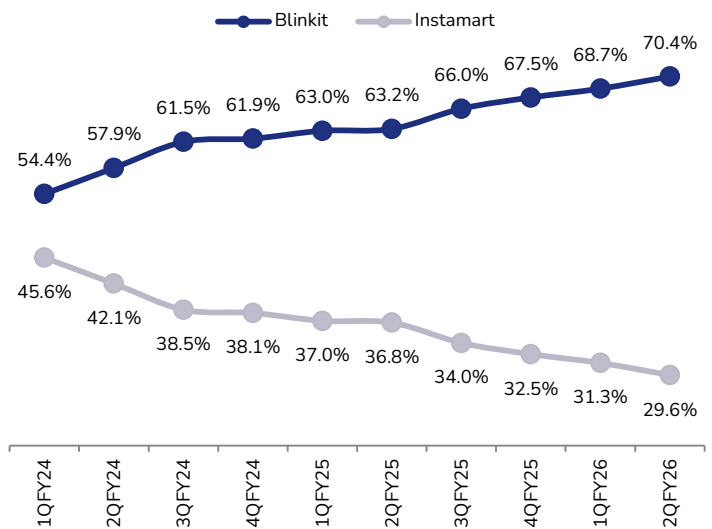
Source: Company, JM Financial

Exhibit 7. Blinkit versus Instamart: NOV YoY growth trends

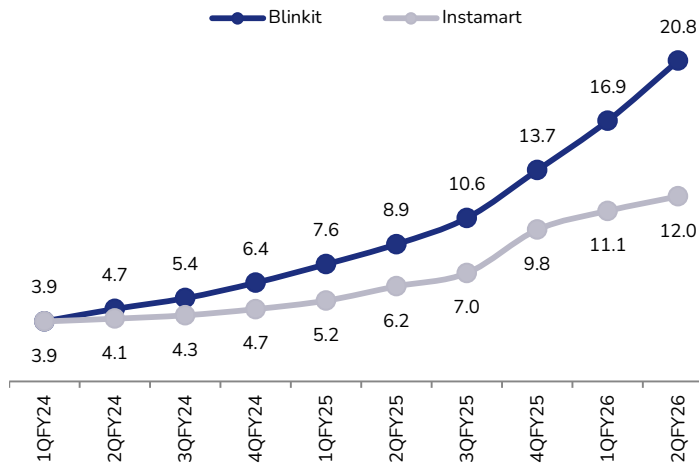


Source: Company, JM Financial

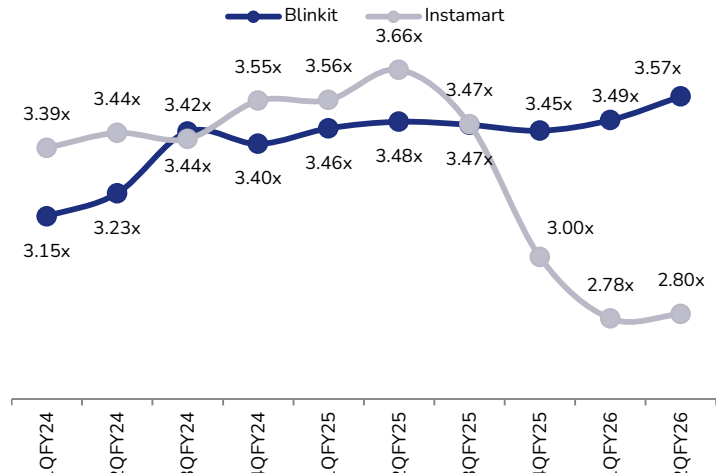
Exhibit 8. Blinkit versus Instamart: Relative market share QoQ (NOV)



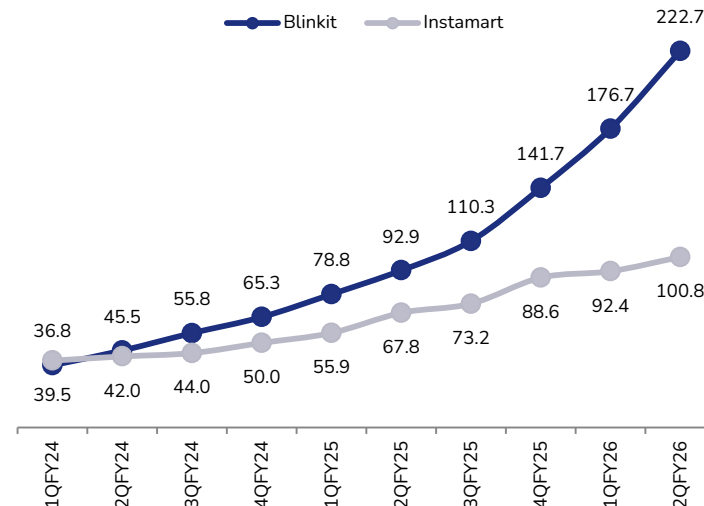
Source: Company, JM Financial

Exhibit 9. Blinkit versus Instamart: MTUs (million)

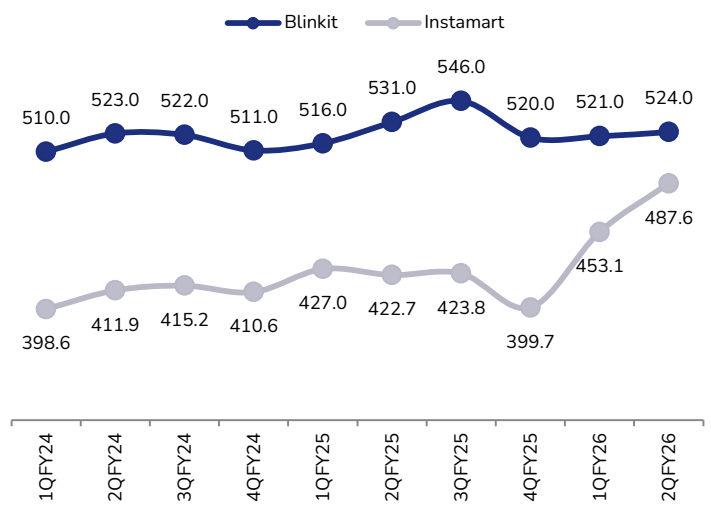
Source: Company, JM Financial

Exhibit 10. Instamart: Order frequency deteriorates – poor stickiness

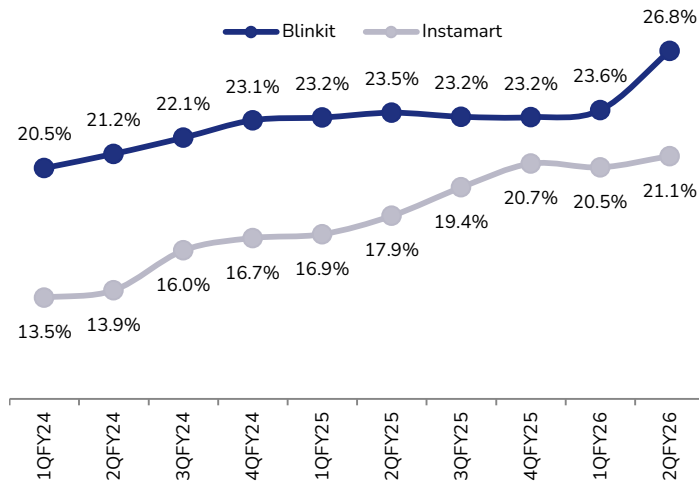
Source: Company, JM Financial

Exhibit 11. Blinkit versus Instamart: Order volume (million)

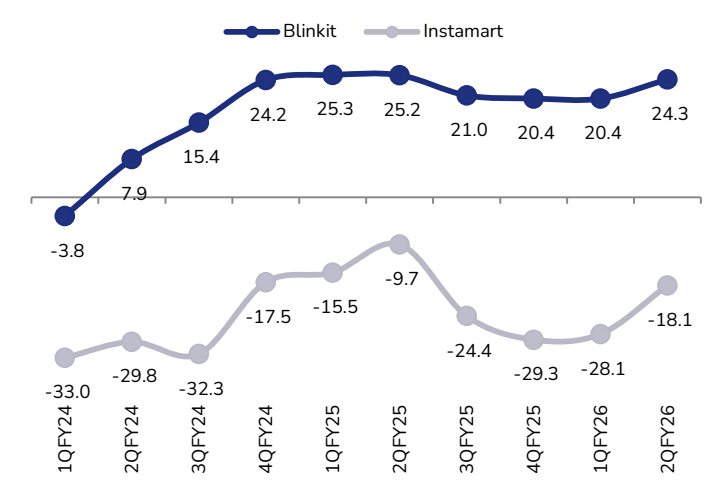
Source: Company, JM Financial

Exhibit 12. Blinkit versus Instamart: NAOV (INR)

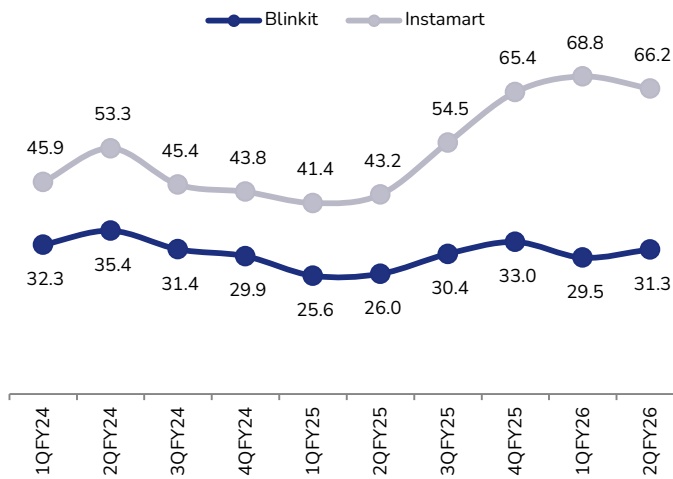
Source: Company, JM Financial

Exhibit 13. Take rate: Blinkit extends lead (change in inventory model)

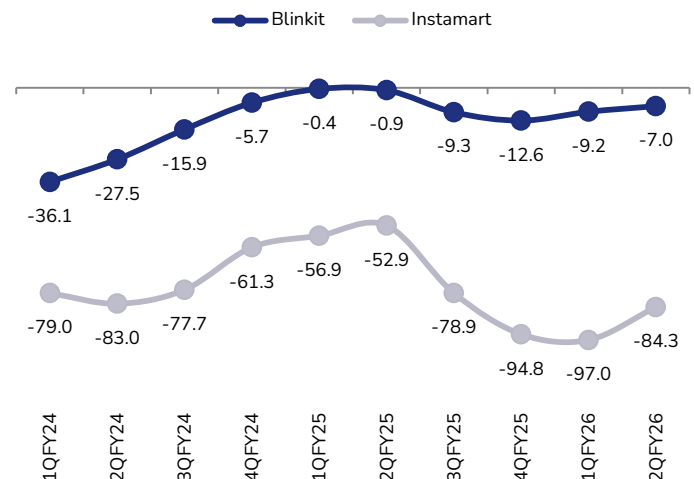
Source: Company, JM Financial

Exhibit 14. Blinkit versus Instamart: Contribution margin* (INR)

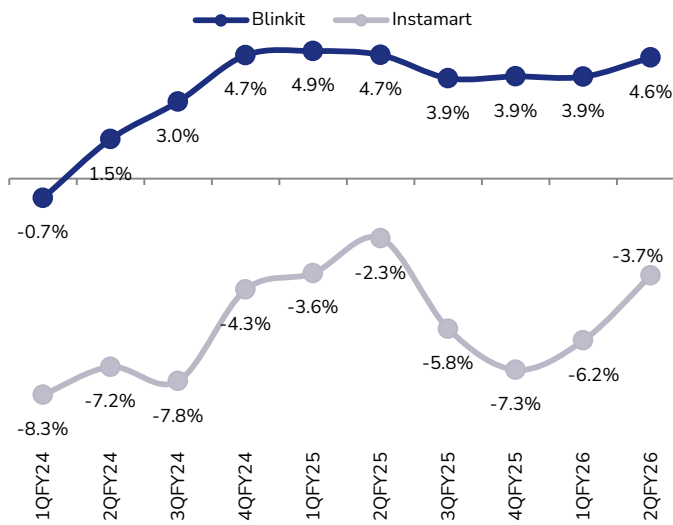
Source: Company, JM Financial *on a per order basis

Exhibit 15. Blinkit versus Instamart: Fixed cost/order (INR)

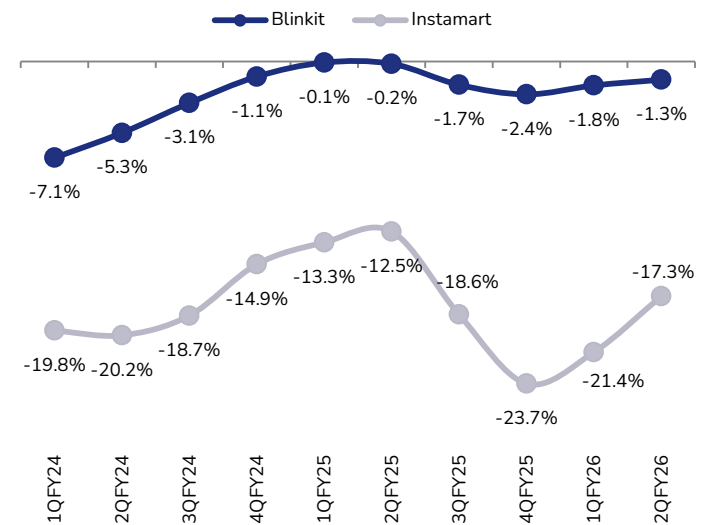
Source: Company, JM Financial

Exhibit 16. Swiggy loses INR 84 per order; Blinkit a paltry INR 7

Source: Company, JM Financial

Exhibit 17. Contribution as % of NOV: Blinkit versus Instamart

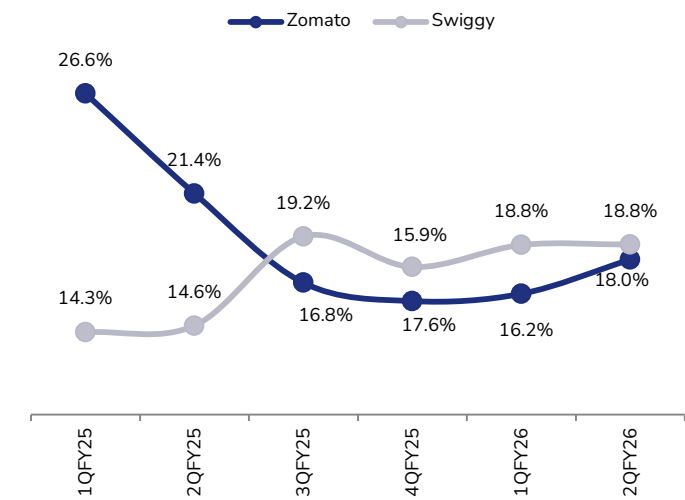
Source: Company, JM Financial

Exhibit 18. Adjusted EBITDA as % of NOV: Blinkit versus Instamart

Source: Company, JM Financial

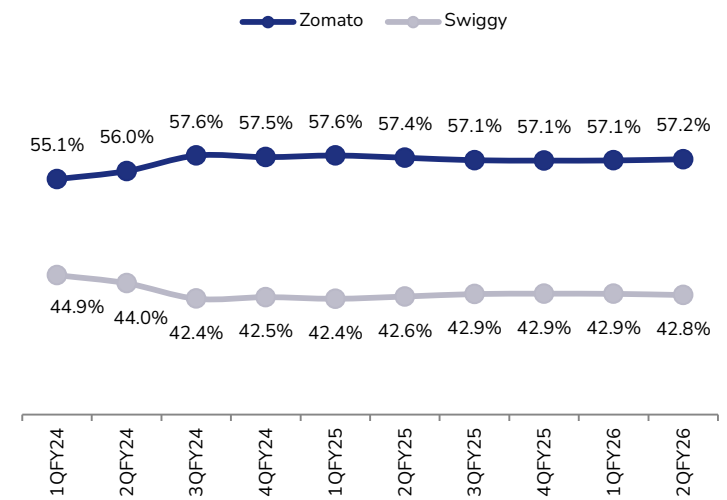
Food delivery: Zomato versus Swiggy

Exhibit 19. GOV YoY growth trends



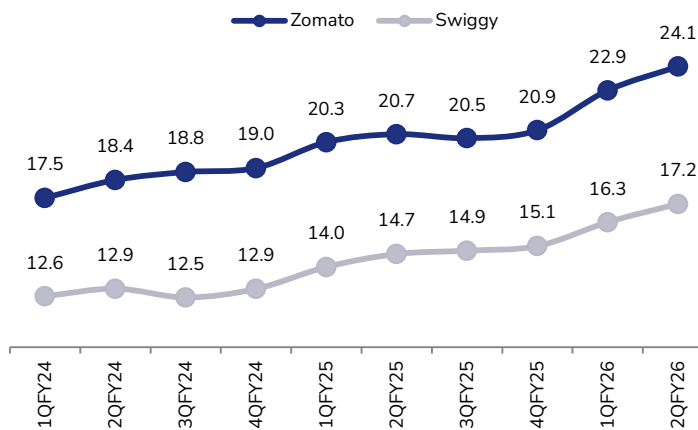
Source: Company, JM Financial

Exhibit 20. Market share trends by GOV: Zomato and Swiggy



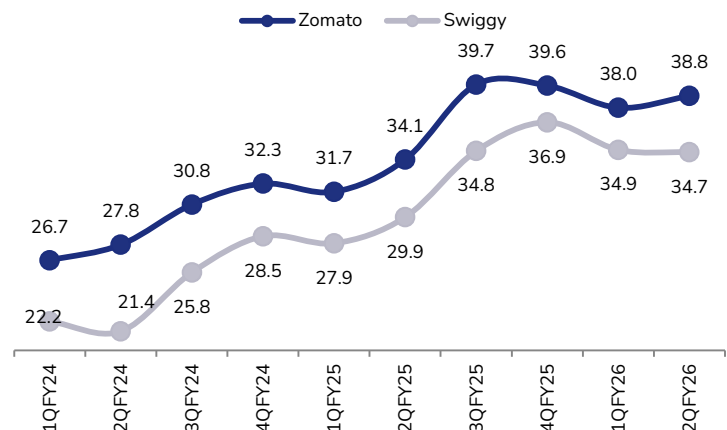
Source: Company, JM Financial

Exhibit 21. MTUs (million): Zomato outs Swiggy



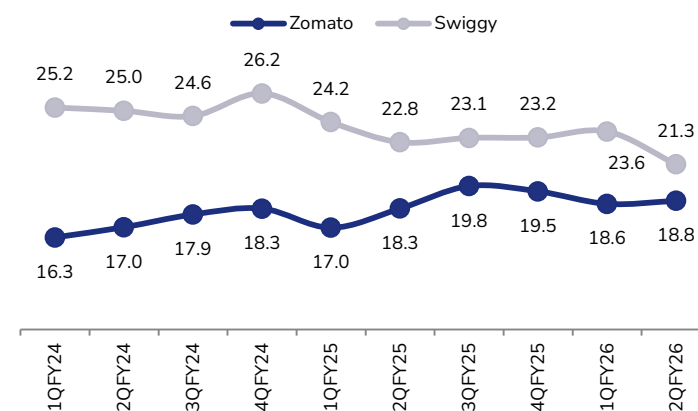
Source: Company, JM Financial

Exhibit 22. Contribution/order (INR): Zomato pips Swiggy



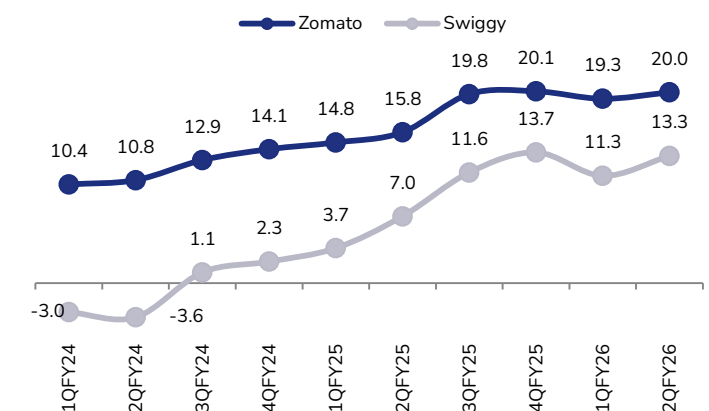
* courtesy Zomato's lower delivery cost and discounting Source: Company, JM Financial

Exhibit 23. Fixed costs/order (INR): Zomato versus Swiggy



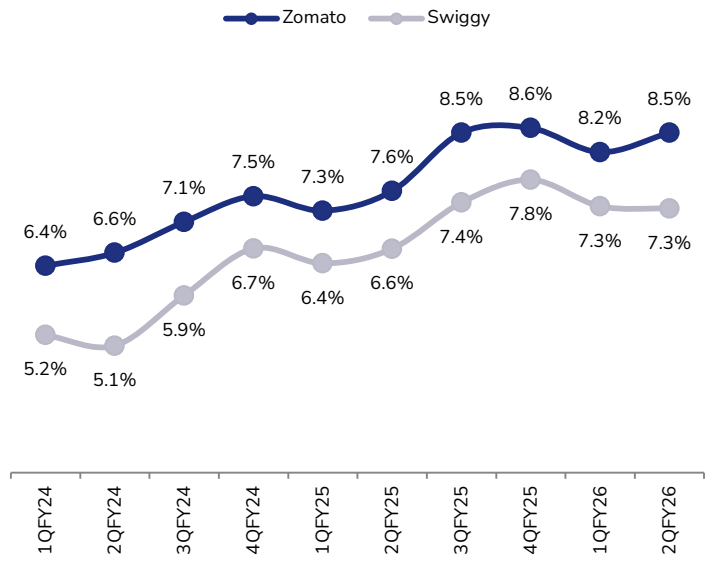
Source: Company, JM Financial

Exhibit 24. Adj. EBITDA/order (INR): Zomato versus Swiggy



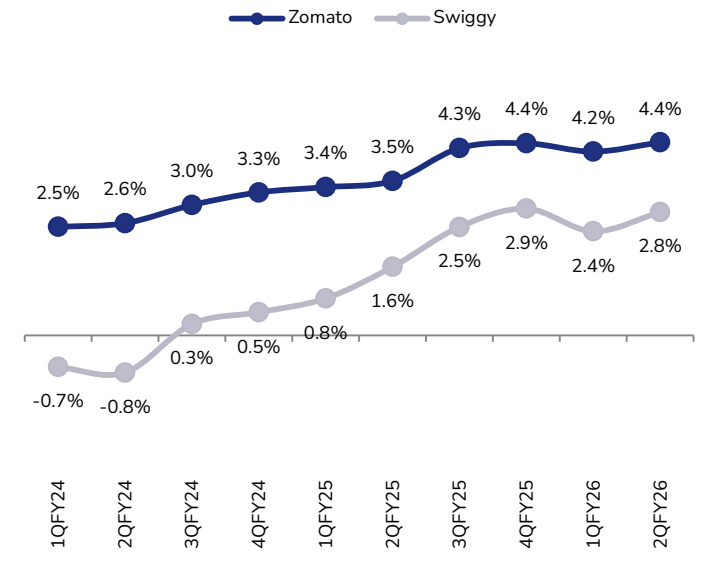
Source: Company, JM Financial

Exhibit 25. Contribution as % of NOV: Zomato versus Swiggy



Source: Company, JM Financial

Exhibit 26. Adjusted EBITDA as % of NOV: Zomato versus Swiggy



Source: Company, JM Financial

Exhibit 27. SOTP valuation of Swiggy

Swiggy Valuations	Valuation Metric	Target Multiple (x)	Metric	Dec'27 Estimate (INR bn)	Valuation (INR bn)	Per Share (INR)	Rationale
Food Delivery	EV/EBITDA	45x	Adj. EBITDA	18	811	294	In-line Zomato's 45x EBITDA multiple in our SOTP. We believe in Food Services industry valuation multiple of food-techs should be > QSR's
Instamart	EV/GOV	0.25x	GOV	580	145	53	80%+ discount to Blinkit's 1.5x GOV (or 2.0x NOV) multiple in our SOTP due to relatively inferior execution by Instamart in the past. They lost meaningful market and have very inferior contribution margins to Blinkit
Out-of home consumption	EV/GOV	1.0x	GOV	71	71	26	Premium to going-out business of Eternal which we value at 0.5x NOV (0.6x GOV) due to break-even nature of the business
Supply chain and distribution	EV/Sales	0.1x	Sales	136	14	5	80% discount to Eternal's 0.5x Sales multiple for Hyperpure in our SOTP due to poor gross margins/EBITDA margin
Platform Innovations	EV/Sales	0x	Sales	1	0	0	Do not see this business turning break-even, so zero multiple
Cash (Mar'27)		0.5x	Net Cash	109	55	20	50% discount to book value as Instamart related burn continue to deplete cash balance. Cash here includes expected proceeds from Rapido stake sale and recent QIP proceeds
Target Market Cap (INR bn)					1,096	400	
Current Market Price (INR)					353		
Upside from CMP (%)					13.4%		
Outstanding shares (bn)					2.76		Fully diluted shares including ungranted and unvested portion
TP (INR)					400		Fair value per share

Source: JM Financial estimates

Exhibit 28. Our current TP for Eternal stands at INR 400 basis 75x Dec FY27 PER. However, if were to value Zomato on SOTP basis our FV would have been INR 430 as shown below.

Eternal Valuations	Valuation Metric	Target Multiple (x)	Metric	Dec'27 Estimate (INR bn)	Valuation (INR bn)	Per Share (INR)	Rationale
Food Delivery	EV/EBITDA	45x	Adj. EBITDA	30	1,339	139	Deserves premium valuations to listed QSRs due to negligible capex and negative working capital cycle business model. In addition, Zomato is a diversified play on the entire food services industry whereas QSR's are a play on just two or three cuisines. We also expect the company to grow 1.2x-1.5x of the underlying QSR industry over a sustainable period of time.
Blinkit	EV/GOV	2.0x	NOV	1,252	2,504	259	Roughly 35% discount to Dmart's historical 2-yr forward EV/Sales multiple of 3.0x+
Dining-out	EV/GOV	0.5x	NOV	145	73	8	Could be a 5-6% Adjusted EBITDA as % of NOV business when operating at scale
Hyperpure	EV/Sales	0.5x	Sales	54	27	3	Low margin trading business, will at best make mid-single digits EBITDA margin
Cash (Mar'27)		1x	Net Cash	198	198	21	Book value (Mar'27)
Target Market Cap (INR bn)					4,140	430	
Current Market Price (INR)					283		
Upside from CMP (%)					52%		
Outstanding shares (bn)					9.65		Fully diluted shares including ungranted and unvested portion
TP (INR)					430		Fair value per share

Source: JM Financial estimates

Maintain ADD; TP revised down to INR 400

Exhibit 29. What has changed in our forecasts and assumptions?

All numbers are in INR mn except EPS	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Food Delivery									
GOV	340,541	401,142	472,674	342,296	403,210	475,110	0.5%	0.5%	0.5%
Adj. Revenue	88,105	104,786	123,472	88,559	105,327	124,108	0.5%	0.5%	0.5%
Revenue	76,697	91,148	107,401	77,092	91,617	107,955	0.5%	0.5%	0.5%
Adj. EBITDA	9,775	15,192	18,955	9,762	15,200	18,974	-0.1%	0.1%	0.1%
Adj. EBITDA Margin (as % of GOV)	2.9%	3.8%	4.0%	2.9%	3.8%	4.0%	-2bp	-2bp	-2bp
Instamart									
GOV	299,503	453,477	625,423	298,431	451,854	623,183	-0.4%	-0.4%	-0.4%
NOV	212,647	317,434	437,796	207,708	316,298	436,228	-2.3%	-0.4%	-0.4%
Adj. Revenue	46,196	77,157	109,387	44,069	69,388	98,657	-4.6%	-10.1%	-9.8%
Revenue	43,141	72,122	101,970	41,047	64,408	91,323	-4.9%	-10.7%	-10.4%
Adj. EBITDA	-33,512	-23,805	-13,748	-35,430	-35,012	-28,540	-5.7%	-47.1%	-107.6%
Adj. EBITDA Margin (as % of GOV)	-11.2%	-5.2%	-2.2%	-11.9%	-7.7%	-4.6%	-68bp	-250bp	-238bp
Adj. EBITDA Margin (as % of NOV)	-15.8%	-7.5%	-3.1%	-17.1%	-11.1%	-6.5%	-130bp	-357bp	-340bp
Out-of home consumption									
GOV	46,877	60,940	74,347	46,877	60,940	74,347	0.0%	0.0%	0.0%
Adj. EBITDA	354	927	1,488	354	927	1,488	0.0%	0.0%	0.0%
Adj. EBITDA Margin (as % of GOV)	0.8%	1.5%	2.0%	0.8%	1.5%	2.0%	0bp	0bp	0bp
Supply chain and distribution									
Revenue	102,680	120,649	138,746	103,964	122,157	140,481	1.3%	1.3%	1.3%
Adj. EBITDA	-2,064	-1,293	-563	-1,955	-1,164	-415	5.3%	9.9%	26.2%
Adj. EBITDA Margin (as % of revenue)	-2.0%	-1.1%	-0.4%	-1.9%	-1.0%	-0.3%	13bp	12bp	11bp
Platform Innovations									
Revenue	1,060	1,272	1,526	760	912	1,094	-28.3%	-28.3%	-28.3%
Adj. EBITDA	-1,847	-1,926	-1,959	-1,690	-1,538	-1,577	8.5%	20.1%	19.5%
Adj. EBITDA Margin (as % of revenue)	-174.3%	-151.4%	-128.4%	-222.5%	-168.8%	-144.1%	-4823bp	-1734bp	-1575bp
Consolidated									
Consolidated revenue	270,454	346,131	423,991	269,739	340,034	415,199	-0.3%	-1.8%	-2.1%
Reported EBITDA	-30,548	-8,654	9,725	-32,213	-19,337	-4,517	-5.5%	-123.5%	-146.4%
Reported EBITDA margin	-11.3%	-2.5%	2.3%	-11.9%	-5.7%	-1.1%	-65bp	-319bp	-338bp
Adj. PAT	-42,209	-23,955	-7,058	-42,767	-28,263	-15,506	-1.3%	-18.0%	-119.7%
Diluted EPS (INR)	-16.93	-9.61	-2.83	-15.49	-10.24	-5.62	8.5%	-6.6%	-98.5%

Source: JM Financial estimates

Key risks

- **Key upside risks** to our TP: i) Sharp rise in transacting users driven by a growing share of working age digitally-native millennial/GenZ population. ii) Better-than- expected AOV growth. iii) Synergy benefits from rapid expansion of supply chain and dining-out businesses. iv) Significant value accretion from organic/inorganic expansion in adjacent verticals.
- **Key downside risks:** i) Slower-than-expected tech penetration in India. ii) Sharp increase in competitive intensity. iii) Continued stakeholder conflicts such as allegations of unfair trade practices from food services industry bodies such as NRAI, amongst others. iv) Technology failures and data breaches. v) Organic/inorganic investments fail to deliver.

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,12,474	1,52,268	2,26,533	2,83,989	3,46,898
Sales Growth	36.1%	35.4%	48.8%	25.4%	22.2%
Other Operating Income	0	0	0	0	0
Total Revenue	1,12,474	1,52,268	2,26,533	2,83,989	3,46,898
Cost of Goods Sold/Op. Exp	46,042	60,015	95,127	1,11,774	1,28,540
Personnel Cost	20,122	25,489	28,802	31,106	33,595
Other Expenses	68,390	94,622	1,34,817	1,60,446	1,89,280
EBITDA	-22,080	-27,858	-32,213	-19,337	-4,517
EBITDA Margin	-19.6%	-18.3%	-14.2%	-6.8%	-1.3%
EBITDA Growth	48.4%	-26.2%	-15.6%	40.0%	76.6%
Depn. & Amort.	4,206	6,123	12,481	13,873	15,238
EBIT	-26,286	-33,981	-44,694	-33,210	-19,755
Other Income	3,156	2,956	1,967	4,987	4,289
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	-23,130	-31,025	-42,727	-28,223	-15,466
Excep. & Forex Inc/Loss(-)	-306	-117	0	0	0
PBT	-23,436	-31,142	-42,727	-28,223	-15,466
Taxes	0	0	0	0	0
Extraordinary Inc./Loss(-)	-306	-117	0	0	0
Assoc. Profit/Min. Int.(-)	-66	-26	-40	-40	-40
Reported Net Profit	-23,196	-31,051	-42,767	-28,263	-15,506
Adjusted Net Profit	-23,502	-31,168	-42,767	-28,263	-15,506
Net Margin	-20.9%	-20.5%	-18.9%	-10.0%	-4.5%
Diluted Share Cap. (mn)	2,196.5	2,277.2	2,760.3	2,760.3	2,760.3
Diluted EPS (INR)	-10.7	-13.7	-15.5	-10.2	-5.6
Diluted EPS Growth	44.6%	-27.9%	-13.2%	33.9%	45.1%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	-23,502	-31,168	-42,767	-28,263	-15,506
Depn. & Amort.	4,206	6,123	12,481	13,873	15,238
Net Interest Exp. / Inc. (-)	-544	-1,295	-1,967	-4,987	-4,289
Inc (-) / Dec in WCap.	1,988	-6,221	-10,718	-19,185	-5,028
Others	4,687	10,467	9,969	6,480	4,925
Taxes Paid	38	400	-561	-460	-503
Operating Cash Flow	-13,127	-21,695	-33,562	-32,541	-5,164
Capex	-3,440	-7,433	-8,527	-8,847	-9,860
Free Cash Flow	-16,567	-29,128	-42,090	-41,388	-15,024
Inc (-) / Dec in Investments	17,677	-7,734	50,000	0	0
Others	348	1,443	25,266	7,131	6,454
Investing Cash Flow	14,585	-13,724	66,739	-1,716	-3,406
Inc / Dec (-) in Capital	0	44,990	1,00,000	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-1,162	-4,658	1,584	53	329
Others	-66	-1,299	-2,049	-2,144	-2,166
Financing Cash Flow	-1,228	39,034	99,534	-2,090	-1,836
Inc / Dec (-) in Cash	229	3,615	1,32,711	-36,347	-10,406
Opening Cash Balance	8,462	8,691	12,306	1,45,017	1,08,669
Closing Cash Balance	8,691	12,306	1,45,017	1,08,669	98,263

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	77,915	1,02,195	1,80,155	1,58,372	1,47,791
Share Capital	30	2,286	2,286	2,286	2,286
Reserves & Surplus	77,885	99,908	1,77,869	1,56,086	1,45,504
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	2,112	282	300	300	300
Def. Tax Liab. / Assets (-)	-1,603	-1,252	-1,812	-2,272	-2,775
Total - Equity & Liab.	78,423	1,01,226	1,78,643	1,56,400	1,45,316
Net Fixed Assets	14,536	20,062	22,211	25,118	28,468
Gross Fixed Assets	8,077	14,141	22,668	31,515	41,375
Intangible Assets	10,008	9,470	8,806	8,010	7,055
Less: Depn. & Amort.	3,549	3,549	9,264	14,407	19,962
Capital WIP	0	0	0	0	0
Investments	43,277	51,034	1,034	1,034	1,034
Current Assets	45,878	79,706	2,19,227	1,95,972	1,97,535
Inventories	487	555	1,101	845	1,393
Sundry Debtors	9,639	24,625	37,438	48,147	56,397
Cash & Bank Balances	8,871	12,306	1,45,017	1,08,669	98,263
Loans & Advances	0	0	0	0	0
Other Current Assets	26,883	42,220	35,671	38,311	41,482
Current Liab. & Prov.	25,268	49,576	63,829	65,724	81,721
Current Liabilities	15,339	35,247	47,239	44,927	56,317
Provisions & Others	9,929	14,329	16,589	20,797	25,404
Net Current Assets	20,611	30,130	1,55,398	1,30,248	1,15,814
Total - Assets	78,423	1,01,226	1,78,643	1,56,400	1,45,316

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	-20.9%	-20.5%	-18.9%	-10.0%	-4.5%
Asset Turnover (x)	1.2	1.5	1.4	1.5	2.0
Leverage Factor (x)	1.1	1.1	1.1	1.1	1.1
RoE	-27.9%	-34.6%	-30.3%	-16.7%	-10.1%

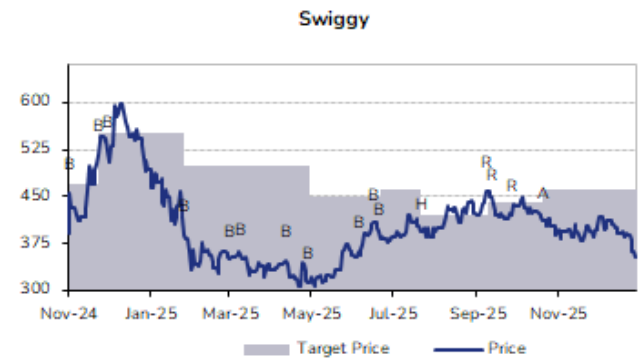
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	35.5	44.9	65.3	57.4	53.5
ROIC	-101.7%	-101.4%	-121.5%	-79.7%	-40.4%
ROE	-27.9%	-34.6%	-30.3%	-16.7%	-10.1%
Net Debt/Equity (x)	-0.6	-0.6	-0.8	-0.7	-0.7
P/E (x)	0.0	0.0	0.0	0.0	0.0
P/B (x)	9.9	7.9	5.4	6.1	6.6
EV/EBITDA (x)	0.0	0.0	0.0	0.0	0.0
EV/Sales (x)	8.2	6.0	3.7	3.0	2.5
Debtor days	31	59	60	62	59
Inventory days	2	1	2	1	1
Creditor days	24	37	40	32	39

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
13-Nov-24	Buy	470	
4-Dec-24	Buy	550	17.0
11-Dec-24	Buy	550	0.0
6-Feb-25	Buy	500	-9.1
12-Mar-25	Buy	500	0.0
21-Mar-25	Buy	500	0.0
23-Apr-25	Buy	500	0.0
10-May-25	Buy	450	-10.0
16-Jun-25	Buy	450	0.0
27-Jun-25	Buy	450	0.0
2-Jul-25	Buy	460	2.2
1-Aug-25	Hold	420	-8.7
20-Sep-25	Reduce	440	4.8
24-Sep-25	Reduce	440	0.0
8-Oct-25	Reduce	440	0.0
31-Oct-25	Add	460	4.5

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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