

M&A best outcome for investors; downgrade to REDUCE

Swiggy Instamart is mired in a growth-versus-profitability deadlock due to a fixation on meeting contribution margin guidance, thereby stunting the scale-up required for long-term viability. Despite a fortified balance sheet following the recent fund-raise, management’s apparent reluctance to compete full-on is racking up market share loss. In fact, we fear this strategy, if not recalibrated, would put the business in an orbit of irrelevance soon, particularly as traditional e-commerce incumbents accelerate their QC expansion. Therefore, any near-term narrowing of absolute losses should be seen as a temporary patch-up rather than a sustainable structural gain. Given no clear visibility of a credible turnaround, we argue Instamart with its current strategy will only destruct value for Swiggy shareholders, even if its food delivery (FD) segment surprises positively. Under these circumstances, the best possible outcome for investors in our view is to hope that a larger player acquires Swiggy. Till any telltale signs to this effect emerge, we recommend investors avoid the stock. We are downgrading Swiggy to REDUCE (from ADD) with a lower Mar’27E TP of INR 270—without ascribing any value to Instamart or cash on BS. We also pared the target adj. EBITDA for FD to 38x (from 45x) amid threat of new competition.

- M&A could be the best outcome for investors:** We had earlier posited Swiggy management should consider a fund-raise to bankroll an accelerated scale-up of Instamart and fend off competition ([refer our earlier note](#)). While the company did raise INR 100bn through a QIP in Dec’25, Instamart’s growth is expected to decelerate over the next few quarters on account of lack of investments. This is because the company has chosen to focus on achieving its contribution margin guidance of breakeven by 1QFY27E instead of defending its market share. This strategy is perplexing to us (as well as institutional investors based on our recent interactions), particularly because competitive dynamics have only stiffened due to aggressive expansion being undertaken by traditional e-commerce players ([refer to media report](#)). If that were not enough, the business is also unlikely to report any meaningful reduction from the INR 9bn loss reported in 3QFY26. This means, even if we were to take a five-year view, the business is unlikely to break even at adjusted EBITDA level, let alone demonstrate a meaningful profit. This makes us believe the business would continue to erode shareholder value in the foreseeable future. In this context, M&A with a larger player remains the only residual optionality for value realisation, in our opinion.
- Instamart: Structural deadlock with rising risk of irrelevance:** Instamart’s current trajectory reflects a structural deadlock. Management intends to turn contribution margin breakeven by trading off some growth, but has no visibility of the path to EBITDA breakeven (guidance of breakeven by 2QFY27 was never reiterated post-2QFY25 results). This approach is steadily eroding its market share as traditional e-commerce players are expanding fast and may soon dethrone Instamart. In our view, continuation of this strategy risks pushing Instamart towards strategic irrelevance, where it may neither achieve scale nor deliver profitability in the foreseeable future.
- Downgrade Swiggy to REDUCE with TP revised down to INR 270:** We revisit our valuation framework to reflect aforementioned challenges. We ascribe zero value to the Instamart and supply chain segments given the lack of visibility on a turnaround and the increasing probability of prolonged value destruction. We also exclude cash from our valuation, as continued losses will only deplete the balance each passing quarter. Lastly, we lower the target adjusted EBITDA multiple for the FD business to 38x (from 45x) amidst emergence of new competition, and value the out-of-home segment on EV/adjusted EBITDA (instead of EV/GOV). Refer to exhibit 10 for details. These yield a revised Mar’27E TP of INR 270.

Swapnil Potdukhe
 swapnil.potdukhe@jmfml.com | Tel: (91 22) 62241876

Sachin Dixit
 sachin.dixit@jmfml.com | Tel: (91 22) 66303078

Atul Borse
 atul.borse@jmfml.com | Tel: (91 22) 66303134

Avnish Sharma
 avnish.sharma@jmfml.com | Tel: (91 22) 66303054

Recommendation and Price Target	
Current Reco.	REDUCE
Previous Reco.	ADD
Current Price Target (12M)	270
Upside/(Downside)	0.4%
Previous Price Target	370
Change	-27.0%

Key Data – SWIGGY IN	
Current Market Price	INR269
Market cap (bn)	INR743.4/US\$8.0
Free Float (%)	100.0
Shares in issue (mn)	2,760.3
Diluted share (mn)	2,760.3
3-mon avg daily val (mn)	INR4,230.2/US\$45.5
52-week range	INR474/256
Sensex/Nifty	74,617/23,124
INR/US\$	93.0

Price Performance			
%	1M	6M	12M
Absolute	-10.7	-36.0	-16.3
Relative*	-5.5	-29.9	-16.7

*To the NSE Nifty 50

Financial Summary (INR mn)					
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	112,474	152,268	231,555	308,790	372,541
Sales Growth (%)	36.1	35.4	52.1	33.4	20.6
EBITDA	-22,080	-27,858	-32,297	-19,171	-6,664
EBITDA Margin (%)	-19.6	-18.3	-13.9	-6.2	-1.8
Adjusted Net Profit	-23,196	-31,051	-43,057	-29,673	-20,277
Diluted EPS (INR)	-10.6	-13.6	-15.6	-10.7	-7.3
Diluted EPS Growth (%)	-	-	-	-	-
ROIC (%)	-101.7	-101.4	-112.1	-64.0	-31.9
ROE (%)	-27.5	-34.5	-30.5	-17.6	-13.6
P/E (x)	-	-	-	-	-
P/B (x)	7.6	6.0	4.1	4.7	5.3
EV/EBITDA (x)	-	-	-	-	-
Dividend Yield (x)	-	-	-	-	-

Source: Company data, JM Financial. Note: Valuations as of April 07, 2026

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.

- Food Delivery: Not strong enough to offset Instamart drag** Swiggy's FD business continues to demonstrate operational resilience with stable demand trends. Margins too are expanding in a duopolistic market wherein both players seem content on maintaining their current share. However, there are early signs of rising competitive intensity as Rapido and Flipkart are considering expansion in this space (refer media report [1](#) and [2](#)). Moreover, the business profit is unlikely to offset losses in the Instamart, supply chain and platform innovations segments anytime soon. At a consolidated level, our analysis suggests Swiggy's adjusted EBITDA shall continue to be in the red at least till FY29.

Exhibit 1: Swiggy guidance evolution (post IPO)

Category	Initial guidance	Latest guidance	Note
Instamart	Contribution break-even by 3QFY26	Contribution break-even by 1QFY27	Likely to miss guidance as per our estimate
Instamart	Adjusted EBITDA break-even by 2QFY27	No formal timeline	Stopped guiding after 2QFY25 result
Food delivery	Annual GOV growth of 18-22% YoY	Annual GOV growth of 18-20% YoY	Lowered the upper-end of guidance in 3QFY26 result
Consolidated group	Adjusted EBITDA break-even by 3QFY26	No formal timeline	Stopped guiding after 2QFY25 result
Cash	Internal accruals sufficient to fund Instamart	Raised INR 100bn through QIP, sold Rapido stake	QIP announced along with 2QFY26 result

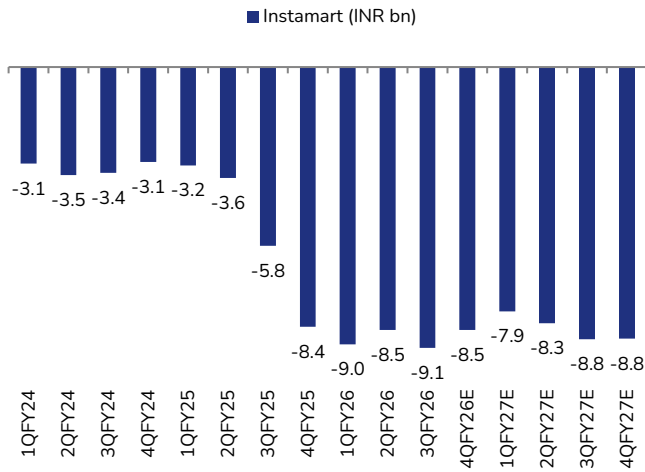
Source: Company, JM Financial

Exhibit 2: Instamart: Differentiation attempts have not gained any meaningful traction

Only Instamart offers membership amongst the top 3	Partnership with India's largest CC issuer offering many benefits	Maxxsaver drove up AOV but affected volumes	Own brands have failed to create any buzz	Not enough TAM for gourmet products

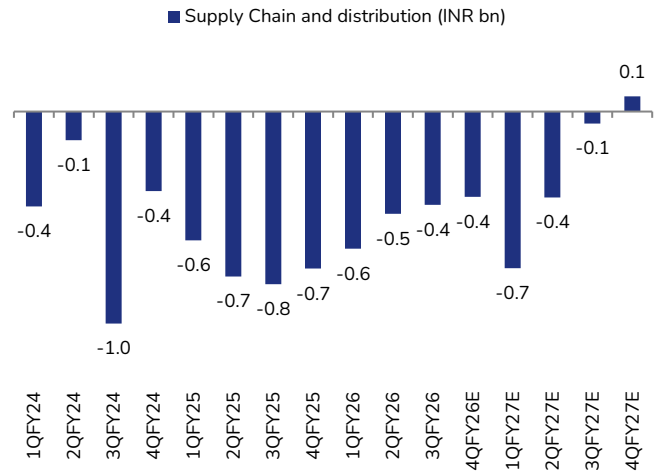
Source: Company platform, Media reports, JM Financial

Exhibit 3: Instamart: Adj. EBITDA losses (INR bn)



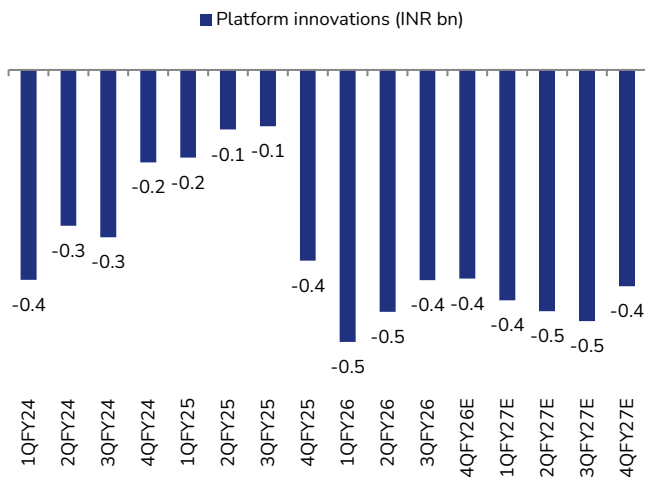
Source: Company, JM Financial estimates

Exhibit 4: Supply chain and distribution: Adj. EBITDA losses (INR bn)



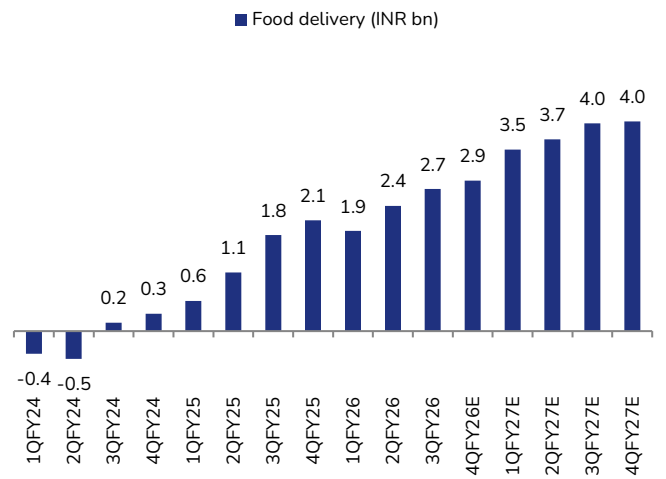
Source: Company, JM Financial estimates

Exhibit 5: Platform innovation: Adj. EBITDA losses (INR bn)



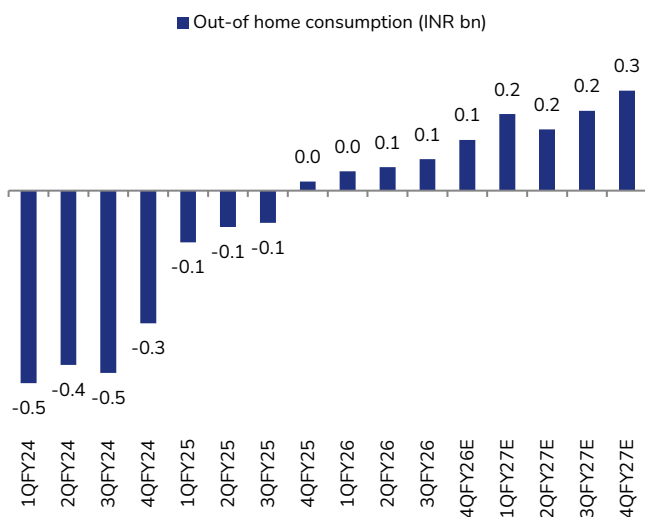
Source: Company, JM Financial estimates

Exhibit 6: Food delivery: Adj. EBITDA profit (INR bn)



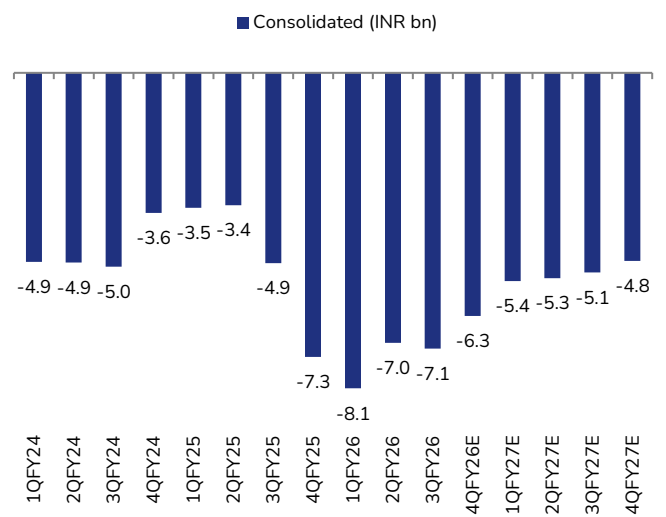
Source: Company, JM Financial estimates

Exhibit 7: Out-of-home consumption: Adj. EBITDA profit (INR bn)



Source: Company, JM Financial estimates

Exhibit 8: Consolidated: Adj. EBITDA losses (INR bn)



Source: Company, JM Financial estimates

Exhibit 9: Key operating metrics and financial assumptions

All numbers in INR bn	FY26E	FY27E	FY28E	FY29E	FY30E
Food Delivery					
GOV	344	403	471	552	641
Gross Revenue (including delivery fees)	88	104	120	141	163
Contribution Margin	7.6%	8.2%	8.2%	8.1%	8.0%
Adj. EBITDA	9.9	15.1	19.0	22.9	27.0
EBITDA margin (as % of GOV)	2.9%	3.8%	4.0%	4.1%	4.2%
Instamart					
GOV	288	405	532	666	798
NOV	203	283	372	466	559
Gross Revenue	42	61	83	104	125
Contribution Margin	-2.7%	0.0%	1.7%	2.4%	3.2%
Adj. EBITDA	-35.0	-33.7	-29.5	-27.9	-23.9
EBITDA margin (as % of GOV)	-12.2%	-8.3%	-5.5%	-4.2%	-3.0%
EBITDA margin (as % of NOV)	-17.3%	-11.9%	-7.9%	-6.0%	-4.3%
Out-of home consumption					
GOV	47	61	73	88	104
Gross Revenue	4	5	6	8	9
Contribution Margin	4.5%	4.9%	5.3%	5.4%	5.6%
Adj. EBITDA	0.3	0.8	1.3	1.9	2.8
EBITDA margin (as % of GOV)	0.7%	1.3%	1.8%	2.2%	2.7%
Supply Chain					
Gross Revenue	110	155	182	215	243
Contribution Margin	8.2%	8.5%	8.7%	8.7%	8.7%
Adj. EBITDA	-1.9	-1.1	-0.5	-0.1	0.5
EBITDA margin (as % of revenue)	-1.7%	-0.7%	-0.3%	0.0%	0.2%
Platform innovations					
Gross Revenue	0.6	0.6	0.6	0.6	0.6
Adj. EBITDA	-1.8	-1.8	-1.7	-1.7	-1.7
EBITDA margin (as % of revenue)	-346.3%	-290.5%	-225.5%	-225.5%	-225.5%
Group					
Gross Revenue	245	325	392	468	541
Reported Revenue	232	309	373	444	513
Adj. EBITDA	-28	-21	-11	-5	5
EBITDA margin (as % of revenue)	-12.3%	-6.7%	-3.0%	-1.1%	0.9%
Reported EBITDA	-32	-19	-7	3	13
EBITDA margin (as % of revenue)	-13.9%	-6.2%	-1.8%	0.6%	2.6%
PAT	-43	-30	-20	-13	-5

Source: JM Financial

Exhibit 10: SOTP valuation of Swiggy

Swiggy Valuations	Valuation Metric	Target Multiple (x)	Metric	Mar'28 Estimate (INR bn)	Valuation (INR bn)	Per Share (INR)	Rationale
Food Delivery	EV/EBITDA	38.0x	Adj. EBITDA	19	721	261	Valued at 38x EBITDA vs 45x earlier, reflecting rising competitive intensity
Instamart	EV/NOV	0.0x	NOV	372	0	0	Valued at Zero, given the absence of a credible path to scale or profitability and continued execution-led underperformance
Out-of home consumption	EV/EBITDA	25.0x	Adj. EBITDA	1	33	12	Valued in line with Eternal's dining-out business at 25x EBITDA, reflecting the relatively stable, near break-even nature of the segment.
Supply chain and distribution	EV/Sales	0.0x	Sales	182	0	0	Valued at Zero, given weak unit economics, sub-scale operations and lack of visibility on profitability.
Platform Innovations	EV/Sales	0.0x	Sales	1	0	0	Valued at Zero, as we do not foresee the business achieving break-even in the foreseeable future
Cash (Mar'28)		0.0x	Net Cash	66	0	0	With no foreseeable signs of a meaningful turnaround in Instamart, supply chain and platform innovations segments, cash on balance becomes irrelevant as it will only continue to deplete.
Target Market Cap (INR bn)					753	270	
Current Market Price (INR)					269		
Upside from CMP (%)					0.3%		
Outstanding shares (bn)					2.76		Fully diluted shares including ungranted and unvested portion
TP (INR)					270		Fair value per share

Source: JM Financial estimates

Exhibit 11: Our current TP for Eternal stands at INR 400 basis 65x Mar FY28 PER. However, if were to value Eternal on SOTP basis our FV would have been INR 380 as shown below.

Eternal Valuations	Valuation Metric	Target Multiple (x)	Metric	Mar'28 Estimate (INR bn)	Valuation (INR bn)	Per Share (INR)	Rationale
Food Delivery	EV/EBITDA	40.0x	Adj. EBITDA	31	1,241	129	Valued at 40x EBITDA vs 45x earlier, reflecting rising competitive intensity
Blinkit	EV/EBITDA	50.0x	Adj. EBITDA	42	2,093	217	Valued at 50x EBITDA instead of EV/NOV of 2.0x earlier as we anticipate significant improvement in profitability over the next couple of years. Premium to food delivery is due to larger TAM and product category diversification.
Dining-out	EV/EBITDA	25.0x	Adj. EBITDA	1	34	3	Could be a 5-6% Adjusted EBITDA as % of NOV business when operating at scale
Hyperpure	EV/EBITDA	10.0x	Adj. EBITDA	2	20	2	Low margin trading business, will at best make mid-single digits EBITDA margin. Business was break-even as of 3QFY26.
Others	EV/Sales	0.0x	Sales	1	0	0	Valued at Zero, as we do not foresee the business achieving break-even in the foreseeable future
Cash (Mar'28)		1.0x	Net Cash	248	248	26	Book value (Mar'28)
Target Market Cap (INR bn)					3,635	380	
Current Market Price (INR)					231.4		
Upside from CMP (%)					63%		
Outstanding shares (bn)					9.65		Fully diluted shares including ungranted and unvested portion
TP (INR)					380		Fair value per share

Source: JM Financial estimates

What we expect in 4QFY26

- Instamart's NOV growth to decelerate to ~60% YoY:** Instamart is likely to see a moderation in growth momentum with sequential NOV growth expected to grow 61% YoY (4% QoQ), materially lower than 72–76% over 1Q-3QFY26. The deceleration reflects the impact of high competitive intensity along with significant customer retention issues and limited investments in dark-store expansion in recent quarters.

While one may argue that the business is prioritising contribution margin breakeven, we forecast only limited gains of ~140bps QoQ (as % of NOV) in 4QFY26, implying an uphill task of ~220bps QoQ improvement in 1QFY27E. Moreover, fixed expenses are likely to expand once again due to performance marketing spends, which means Adj. EBITDA loss will narrow down to only ~INR 8.5bn from INR 9.0bn.

- Food delivery to report stable GOV growth and profits:** Swiggy's FD business is likely to deliver stable growth in 4QFY26E with GOV expected to grow ~20% YoY, broadly in line with trends seen over the past three quarters. Adjusted EBITDA margin is also likely to expand to 3.3% as % of GOV in 4QFY26E versus 3% in 3QFY26, driven by contribution margin expansion and operating leverage.

From a medium-term perspective, we continue to expect high-teens' growth supported by increasing consumer preference for out-of-home food consumption, continued addition of restaurant supply across formats and low penetration relative to global benchmarks.

Exhibit 12: Swiggy: Key forecasts for 4QFY26

Food delivery	4QFY26E	4QFY25	YoY	3QFY26	QoQ	4QFY26 Cons.	JMFe vs Cons.
GOV (INR bn)	88	73	20.1%	90	-1.5%	89	-0.8%
Adj. Revenue (INR bn)	22	19	20.4%	23	-1.3%	23	-1.7%
Take-rate	25.5%	25.4%	6bps	25.4%	5bps	25.7%	-24bps
Reported Revenue (INR bn)	20	16	24.0%	20	-1.0%	20	0.3%
Take-rate	22.9%	22.2%	71bps	22.8%	12bps	22.6%	25bps
Contribution margin (% of GOV)	8.0%	7.8%	27bps	7.6%	44bps	7.7%	30bps
Adj. EBITDA (INR bn)	2.9	2.1	35.7%	2.7	5.9%	2.8	3.2%
Adj. EBITDA margin (% of GOV)	3.3%	2.9%	38bps	3.0%	23bps	3.1%	13bps
Quick Commerce	4QFY26E	4QFY25	YoY	3QFY26	QoQ	4QFY26 Cons.	JMFe vs Cons.
GOV (INR bn)	82	47	75.3%	79	3.1%	84	-2.7%
NOV (INR bn)	57	35	61.1%	55	4.3%	NA	NA
Adj. Revenue (INR bn)	12.3	7.3	68.0%	10.5	17.1%	11.7	5.3%
Take-rate (% of GOV)	15.1%	15.7%	-65bps	13.3%	180bps	13.9%	114bps
Take-rate (% of NOV)	21.6%	29.7%	-810bps	19.2%	237bps	NA	NA
Reported Revenue (INR bn)	11.1	6.9	61.1%	10.2	9.3%	11.4	-2.4%
Take-rate (% of GOV)	13.6%	14.8%	-119bps	12.8%	77bps	13.5%	4bps
Take-rate (% of NOV)	19.5%	19.5%	1bps	18.6%	89bps	NA	NA
Contribution margin (% of GOV)	-1.5%	-5.6%	403bps	-2.5%	96bps	-1.6%	10bps
Contribution margin (% of NOV)	-2.2%	-5.6%	-1bps	-3.6%	0bps	NA	NA
Adj. EBITDA (INR bn)	-8.5	-8.4	1.1%	-9.1	-6.5%	-8.4	-1.0%
Adj. EBITDA margin (% of GOV)	-10.4%	-18.0%	761bps	-11.4%	106bps	-10.0%	-38bps
Adj. EBITDA margin (% of NOV)	-14.9%	-23.7%	882bps	-16.6%	171bps	NA	NA
Consol.	4QFY26E	4QFY25	YoY	3QFY26	QoQ	4QFY26 Cons.	JMFe vs Cons.
Revenue (INR bn)	65	44	47.1%	61	5.5%	62	3.9%
Reported EBITDA (INR bn)	-7.0	-9.6	-27.7%	-7.8	-11.0%	-7.0	-0.4%
Reported EBITDA Margin (as % of revenue)	-11%	-22%	1108bps	-13%	199bps	-11.2%	46bps
Adj. EBITDA (INR bn)	-6.3	-7.3	-14.4%	-7.1	-11.8%	-6.4	1.7%
Adj. EBITDA Margin (as % of revenue)	-9.7%	-16.6%	694bps	-11.5%	189bps	-10.2%	55bps
Adj. PAT (INR bn)	-9.6	-10.8	-11.0%	-10.6	-8.8%	-9.6	-0.2%
Diluted EPS (INR)	-3.48	-4.60	-24.2%	-3.82	-8.8%	-3.36	-3.7%

Source: Visible Alpha, Company, JM Financial

Downgrade to REDUCE; TP revised down to INR 270

Exhibit 13: 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	344,106	404,347	476,450	344,106	403,278	470,611	0.0%	-0.3%	-1.2%
Adj. Revenue	88,098	103,117	121,028	88,098	103,651	120,015	0.0%	0.5%	-0.8%
Revenue	77,775	92,604	109,117	77,775	93,165	108,721	0.0%	0.6%	-0.4%
Adj. EBITDA	9,738	15,343	18,936	9,918	15,147	18,964	1.9%	-1.3%	0.1%
Adj. EBITDA Margin (as % of GOV)	2.8%	3.8%	4.0%	2.9%	3.8%	4.0%	5bp	-4bp	6bp
Instamart									
NOV	203,035	283,433	372,218	202,747	283,433	372,218	-0.1%	0.0%	0.0%
Adj. Revenue	42,299	62,550	84,135	41,809	61,490	82,890	-1.2%	-1.7%	-1.5%
Revenue	39,611	58,121	77,922	39,122	55,399	74,348	-1.2%	-4.7%	-4.6%
Adj. EBITDA	-34,948	-33,898	-29,291	-35,029	-33,740	-29,479	-0.2%	0.5%	-0.6%
Adj. EBITDA Margin (as % of NOV)	-17.2%	-12.0%	-7.9%	-17.3%	-11.9%	-7.9%	-6bp	6bp	-5bp
Out-of home consumption									
GOV	46,877	60,940	73,128	46,877	60,940	73,128	0.0%	0.0%	0.0%
Adj. EBITDA	318	809	1,307	318	809	1,307	0.0%	0.0%	0.0%
Adj. EBITDA Margin (as % of GOV)	0.7%	1.3%	1.8%	0.7%	1.3%	1.8%	0bp	0bp	0bp
Supply chain and distribution									
Revenue	110,381	154,533	182,349	110,381	154,533	182,349	0.0%	0.0%	0.0%
Adj. EBITDA	-1,880	-1,076	-478	-1,880	-1,076	-478	0.0%	0.0%	0.0%
Adj. EBITDA Margin (as % of revenue)	-1.7%	-0.7%	-0.3%	-1.7%	-0.7%	-0.3%	0bp	0bp	0bp
Platform Innovations									
Revenue	512	615	738	512	615	738	0.0%	0.0%	0.0%
Adj. EBITDA	-1,774	-1,672	-1,549	-1,774	-1,786	-1,663	0.0%	-6.8%	-7.4%
Adj. EBITDA Margin (as % of revenue)	-346.3%	-271.9%	-210.0%	-346.3%	-290.5%	-225.5%	0bp	-1860bp	-1550bp

Source: JM Financial estimates

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E	
Net Sales	112,474	152,268	231,555	308,790	372,541	
Sales Growth (%)	36.1	35.4	52.1	33.4	20.6	
Other Operating Income	-	-	-	-	-	
Total Revenue	112,474	152,268	231,555	308,790	372,541	
Cost of Goods Sold/Op. Exp	46,042	60,015	101,330	141,398	166,485	
Personnel Cost	20,122	25,489	28,802	31,106	33,595	
Other Expenses	68,390	94,622	133,720	155,457	179,125	
EBITDA	-22,080	-27,858	-32,297	-19,171	-6,664	
EBITDA Margin (%)	-19.6	-18.3	-13.9	-6.2	-1.8	
EBITDA Growth (%)	-	-	-	-	-	
Depn. & Amort.	4,206	6,123	12,481	13,873	15,238	
EBIT	-26,286	-33,981	-44,778	-33,045	-21,901	
Other Income	-	-	-	-	-	
Finance Cost	-	-	-	-	-	
PBT before Excep. & Forex	-23,130	-31,025	-43,017	-29,633	-20,237	
Excep. & Forex Inc./Loss(-)	-	-	-	-	-	
PBT	-23,130	-31,025	-43,017	-29,633	-20,237	
Taxes	-	-	-	-	-	
Extraordinary Inc./Loss(-)	-306	-117	-	-	-	
Assoc. Profit/Min. Int.(-)	-66	-26	-40	-40	-40	
Reported Net Profit	-23,502	-31,168	-43,057	-29,673	-20,277	
Adjusted Net Profit	-23,196	-31,051	-43,057	-29,673	-20,277	
Net Margin (%)	-20.6	-20.4	-18.6	-9.6	-5.4	
Diluted Share Cap. (mn)	2,196	2,277	2,760	2,760	2,760	
Diluted EPS (INR)	-10.6	-13.6	-15.6	-10.7	-7.3	
Diluted EPS Growth (%)	-	-	-	-	-	
Total Dividend + Tax	-	-	-	-	-	
Dividend Per Share (INR)	-	-	-	-	-	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E	
Profit before Tax	-23,502	-31,168	-43,057	-29,673	-20,277	
Depn. & Amort.	4,206	6,123	12,481	13,873	15,238	
Net Interest Exp. / Inc. (-)	-544	-1,295	-1,761	-3,412	-1,664	
Inc (-) / Dec in WCap.	1,988	-6,221	-11,555	-22,275	-12,506	
Others	4,687	10,467	9,969	6,480	4,860	
Taxes Paid	38	400	-601	-618	-510	
Operating Cash Flow	-13,127	-21,695	-34,524	-35,624	-14,860	
Capex	-3,440	-7,433	-14,419	-13,919	-14,737	
Free Cash Flow	-16,567	-29,128	-48,943	-49,543	-29,597	
Inc (-) / Dec in Investments	17,677	-7,734	50,000	-	-	
Others	348	1,443	25,083	5,671	4,002	
Investing Cash Flow	14,585	-13,724	60,664	-8,248	-10,735	
Inc / Dec (-) in Capital	-	44,990	100,000	-	0	
Dividend + Tax thereon	-	-	-	-	-	
Inc / Dec (-) in Loans	-1,162	-4,658	1,990	1,251	107	
Others	-66	-1,299	-2,073	-2,259	-2,337	
Financing Cash Flow	-1,228	39,034	99,917	-1,008	-2,230	
Inc / Dec (-) in Cash	229	3,615	126,057	-44,880	-27,825	
Opening Cash Balance	8,462	8,691	12,306	138,363	93,483	
Closing Cash Balance	8,870	12,306	138,363	93,483	65,658	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E	
Shareholders Fund	77,915	102,195	179,865	156,673	141,256	
Share Capital	30	2,286	2,286	2,286	2,286	
Reserves & Surplus	77,885	99,908	177,579	154,386	138,969	
Preference Share Capital	-	-	-	-	-	
Minority Interest	-	-	-	-	-	
Total Loans	2,112	282	300	300	300	
Def. Tax Liab. / Assets (-)	-1,603	-1,252	-1,852	-2,470	-2,980	
Other non-current liabilities / Lease Liabilities	6,530	17,067	19,039	20,290	20,397	
Total - Equity & Liab.	86,557	119,544	199,204	177,262	161,953	
Net Fixed Assets	14,536	20,062	28,103	36,082	44,309	
Gross Fixed Assets	8,077	14,141	28,560	42,479	57,216	
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	-	-	-	-	-	
Investments	43,277	51,034	1,034	1,034	1,034	
Current Assets	40,000	63,460	195,405	169,476	152,777	
Inventories	487	555	1,209	1,252	1,646	
Sundry Debtors	9,639	24,625	38,814	54,246	62,110	
Cash & Bank Balances	8,871	12,306	138,363	93,483	65,658	
Loans & Advances	-	-	-	-	-	
Other Current Assets	21,005	25,974	17,019	20,495	23,364	
Current Liab. & Prov.	18,738	32,509	46,487	52,386	59,844	
Current Liabilities	21,612	40,604	42,999	46,717	52,376	
Provisions & Others	-2,874	-8,094	3,488	5,669	7,468	
Net Current Assets	8,460	8,527	135,450	100,146	73,120	
Other Non Current Assets/ROU Assets	18,681	38,670	32,765	37,531	40,510	
Total - Assets	86,557	119,544	199,204	177,262	161,953	

Source: Company, JM Financial

Dupont Analysis						
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E	
Net Margin (%)	-20.6	-20.4	-18.6	-9.6	-5.4	
Asset Turnover (x)	1.2	1.5	1.5	1.6	2.2	
Leverage Factor (x)	1.1	1.1	1.1	1.1	1.1	
RoE (%)	-27.5	-34.5	-30.5	-17.6	-13.6	

Source: Company, JM Financial

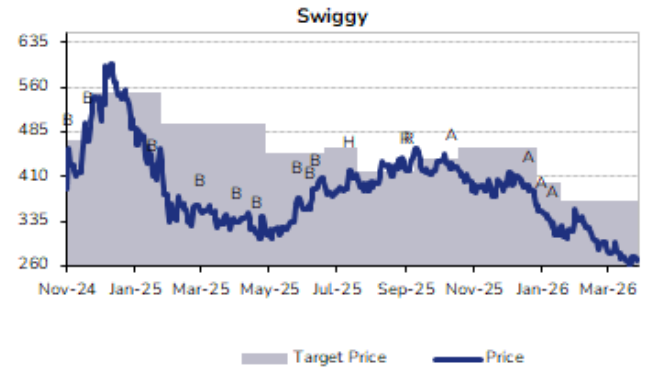
Key Ratios						
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E	
BV/Share (INR)	35.5	44.9	65.2	56.8	51.2	
ROIC (%)	-101.7	-101.4	-112.1	-64.0	-31.9	
ROE (%)	-27.5	-34.5	-30.5	-17.6	-13.6	
Net Debt/Equity (x)	-0.6	-0.6	-0.8	-0.6	-0.5	
P/E (x)	-	-	-	-	-	
P/B (x)	7.6	6.0	4.1	4.7	5.3	
EV/EBITDA (x)	-	-	-	-	-	
EV/Sales (x)	6.2	4.5	2.6	2.1	1.8	
Debtor days	31	59	61	64	61	
Inventory days	2	1	2	1	2	
Creditor days	24	37	41	33	31	

Source: Company, JM Financial

Recommendation History Table

Date	Recommendation	Target Price	% Chg.
30-Jan-26	Add	370	-7.5
20-Jan-26	Add	400	0.0
8-Jan-26	Add	400	-13.0
31-Oct-25	Add	460	4.5
24-Sep-25	Reduce	440	0.0
20-Sep-25	Reduce	440	4.8
1-Aug-25	Hold	420	-8.7
2-Jul-25	Buy	460	2.2
27-Jun-25	Buy	450	0.0
16-Jun-25	Buy	450	0.0
10-May-25	Buy	450	-10.0
23-Apr-25	Buy	500	0.0
20-Mar-25	Buy	500	0.0
6-Feb-25	Buy	500	-9.1
11-Dec-24	Buy	550	0.0
4-Dec-24	Buy	550	17.0
2-Dec-24	Buy	470	0.0
13-Nov-24	Buy	470	

Recommendation History Chart



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

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)

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions. Please click [here](#) to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1177 Avenue of the Americas, 5th Floor, Offices 5045 and 5046, New York, New York 10036. Telephone +1 (332) 900 4956 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com

Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com
