Internet

Zepto – Scale searching for unit economics

Your success is our success

Internet ▸ Sector Report ▸ **July 12, 2026** **NIFTY 50: 24,207**

Zepto has scaled to become the second-largest player in India's fiercely contested quick commerce (QCom) market, with FY26 NOV 13ppt above Swiggy Instamart's but 53ppt below Blinkit's. It has traded down NAOV to drive scale, delivering the highest orders per day (OPD) per store, yet continues to carry the largest adj EBITDA loss per store. We expect Zepto to follow Swiggy's path of increasing NAOV to narrow losses, likely at the cost of order-volume growth. Scale matters in QCom, but unit economics matters more. Blinkit fixed its unit economics at ~400 dark stores, while Swiggy is doing so at ~1,200; Zepto is yet to make this transition, and the path will be more challenging given its lower NAOV base and an EDLP (everyday low prices) value proposition. Unlike peers, Zepto runs on negative working capital, driven by materially higher payable days. We remain constructive on QCom, supported by demand- and supply-side tailwinds and a long growth runway in tier 2/3 cities. We maintain BUY on Eternal and Swiggy with unchanged DCF-based TPs of Rs370 and Rs350, respectively.

Benchmarking against peers indicates divergent strategies

Zepto's scale-up has been impressive—110% NOV CAGR over FY24-26 vs 68%/115% for Swiggy/Blinkit. Importantly, Zepto achieved this with a much smaller network, resulting in the highest OPD per store—2,117 in Q4FY26 vs 1,098/1,425 for Swiggy/Blinkit. Zepto's FY26 adj EBITDA loss of Rs53.6bn is much higher than Rs35.1bn/Rs2.8bn for Swiggy/Blinkit. We attribute this to low NAOV, Rs357 in FY26, vs Rs491/530 for Swiggy/Blinkit. The scale-up philosophies across players have diverged.

Divergent working capital requirements

While Blinkit, despite its much larger scale, operates with positive working capital, Zepto manages a negative (13) days of working capital, with difference arising largely from higher payable days—55 days for Zepto vs 26 days for Blinkit. We attribute this to procuring inventory on a 'Sale-or-Return' (SOR) basis, which may lead to lower margins. However, the company turned cash-flow positive from working capital in FY26, and we will watch for its sustainability. We note that Zepto's merchant partners also run negative working capital, in line with industry practice.

Outlook: Zepto's large scale in an attractive segment needs a unit economics fix

While the Zepto IPO offers investors an opportunity to invest in a pure-play, scaled QCom business, the company needs to bridge a bigger gap in adj EBITDA loss as compared with Swiggy. It has built its customer base around an EDLP philosophy and low minimum order value (MOV) and hence, may find it difficult to retain orders as it transitions to profitability, especially in an environment where competitive intensity is high. Zepto's last funding round was at a valuation of $7bn, a significant premium to Instamart's.

Exhibit 1: Financial snapshot

Y/E Mar (Rs mn)	FY24	FY25	FY26
Revenue	44,545	111,099	226,236
Adjusted EBITDA	-11,326	-45,641	-53,641
Adj. EBITDA margin (as a % of NOV)	-21.90%	-38.20%	-23.40%
EBITDA	-11,188	-45,893	-52,441
EBITDA margin (as a % of revenue from operations)	-25%	-41%	-23%
PAT	-12,148	-46,997	-59,052
PAT margin (as a % of revenue from operations)	-27%	-42%	-26%
RoE (%)	-71%	-55%	-98%
RoIC (%)	-330%	-295%	-222%
CFO	-10,979	-46,248	-34,624
FCF	-13,059	-57,972	-48,055

Source: Company, Emkay Research

Pranav Kshatriya
pranav.kshatriya@emkayglobal.com
+91-22-66121350

Aryan Tripathi
aryan.tripathi@emkayglobal.com
+91-22-6612337

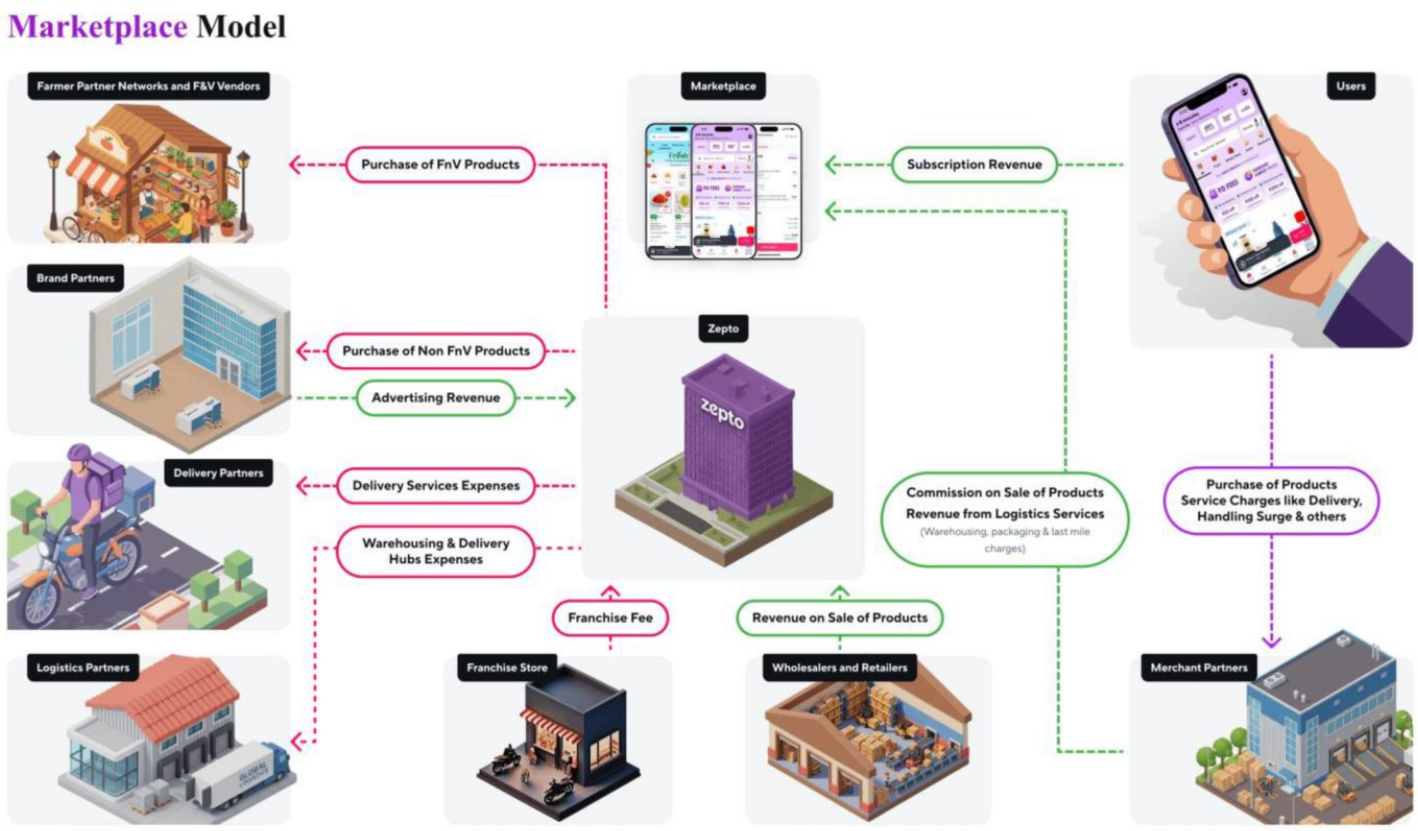
Samruddhi Athanikar
samruddhi.athanikar@emkayglobal.com
+91-22-66242429

Business overview

Zepto is India's second largest QCom player by NOV and # of orders

Zepto operates one of the largest QCom platforms in India, with 2.3mn daily orders supported by 1,139 dark stores and 287k active delivery partners. Since India's FDI policy bars foreign investment in the inventory-based (inventory-led) model, where a platform owns inventory and sells directly to consumers, Zepto—classified as an FOCC—cannot own inventory and sell directly to customers. Hence, the company operates under a model wherein it buys inventory from brands and acts as a B2B wholesaler, while also running a marketplace that allows various sellers to list and sell products on its platform.

Exhibit 2: Zepto's marketplace model



Source: Company, Emkay Research

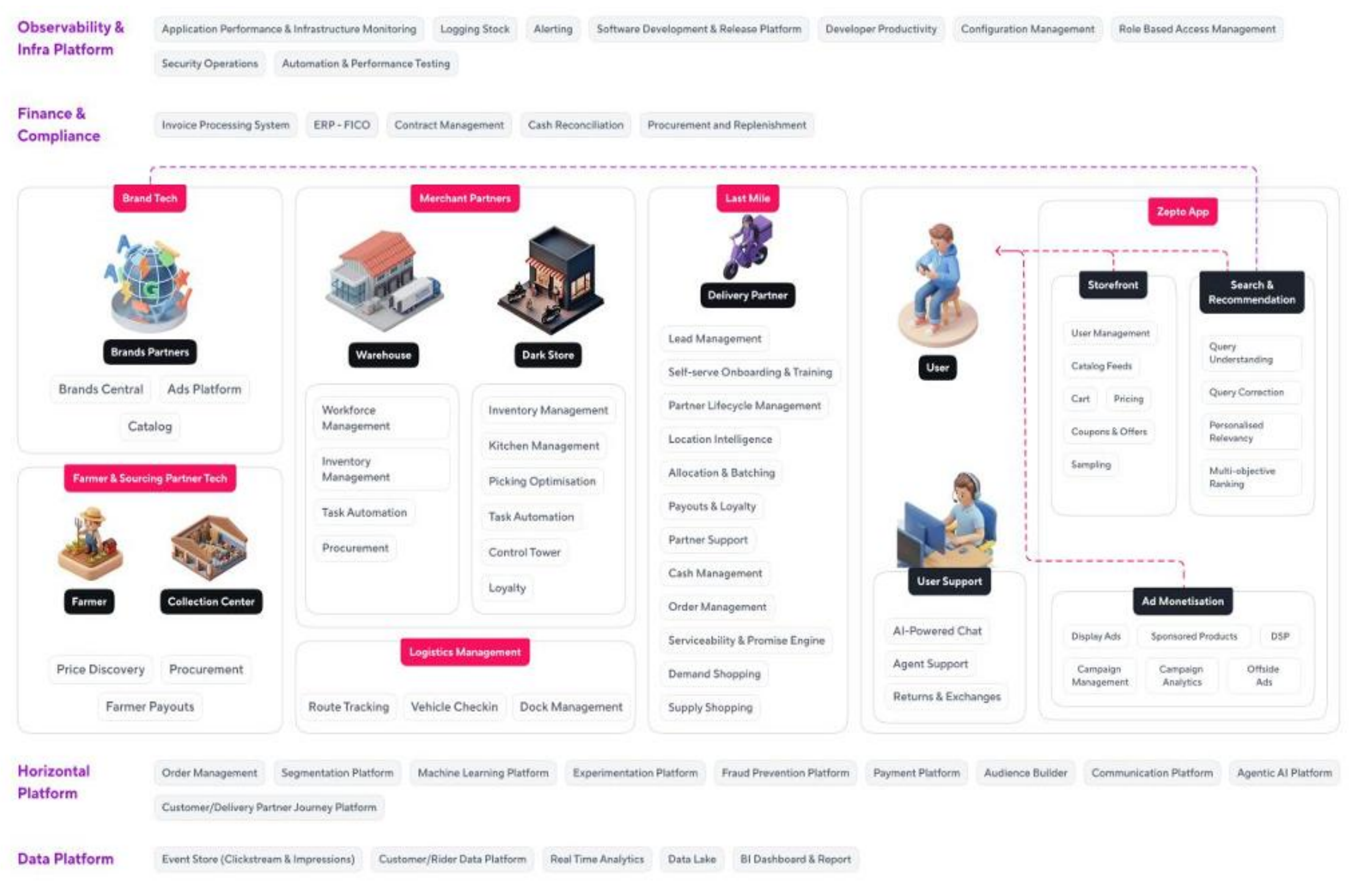
As explained in Exhibit 2, the company earns revenue from customers, brand partners (advertisement revenue for promoting brands), growth partners (third-party operators that run dark stores under a franchisee arrangement), merchant partners (third-party sellers that list and sell products to users on the platform), and wholesalers and retailers.

Zepto earns revenue from merchant partners through: 1) warehousing, packaging and last-mile charges—fees for fulfillment services provided through the dark store network and delivery partners, plus ancillary supply-chain management services; Zepto stores, sorts, picks, packs, handles, and delivers merchant partners' goods to end consumers on a B2B basis; 2) platform commission charges—commissions paid by merchant partners to sell merchandise on the Zepto platform, and 3) license (IP) charges (discontinued in Jan-25)—charges paid for the technology, brand, and intellectual property owned by Zepto.

Zepto also works with various brand partners to enable them to sell their products on the platform through merchant partners. It offers brand insights and advertising engine, providing hyperlocal, targeted campaigns at the point of sale, executable at the brand, product, and city level, with post-campaign scheme-benefit calculations. This advertisement revenue is a key source of income for the company.

Zepto also works with third-party operators that run dark stores under a franchise or similar operating arrangement. These third-party operators, called growth partners, pay franchise fees, which form a small portion of revenue.

Exhibit 3: Zepto's QCom tech stack



Source: Company, Emkay Research

While the consumer buys goods on the Zepto platform, the company operates under a marketplace model, and the sale happens between the merchant partner and the consumer. However, Zepto charges customers handling fees, convenience fees, etc, which it books as revenue.

Zepto also works as a B2B platform, earning revenue from the sale of products to wholesalers and retailers as part of its procurement and distribution operations. This is the B2B trading leg that supplies the seller layer.

Exhibit 4: Zepto's revenue composition from various parties

Stream	Payer	FY24	FY25	FY26
Sale of traded goods	Wholesalers/retailers	39,052	91,448	175,879
Warehousing, packaging and last mile	Merchant partners	4,984	12,056	27,798
Platform services and License (IP) charges	Merchant partners	-	941	5,642
Advertisement revenue	Brand partners	492	6,512	16,357
Franchisee fees	Growth partners	-	24	145
Subscription fee	Users	-	70	283
Other operating revenue		17	49	131
Revenue from operations		**44,545**	**111,099**	**226,236**

Source: Company, Emkay Research

Statutory mandate for FOCC marketplaces

As an FOCC entity, Zepto is strictly prohibited to engage in B2C retail

Under the Indian government's Foreign Exchange Management Act's (FEMA) Foreign Direct Investment (FDI) policy, FOCCs are strictly prohibited from engaging in B2C retail using inventory held on their own books. To operate legally in the B2C space, these platforms must function exclusively as a technology marketplace and as ancillary service providers (eg, offering warehousing, logistics, and fulfillment services). Crucially, FOCC marketplace operator is explicitly barred from exercising any control over consumer pricing or inventory. By law, these core retail functions must be entirely managed and driven by independent Indian Owned and Controlled Company (IOCC) sellers. The FOCC is, however, permitted to engage in outright B2B wholesale retail.

To prevent FOCCs from using their permitted B2B arms to proxy-control the B2C marketplace through captive vendors, the government mandates that any seller procuring more than 25% of its total inventory from an FOCC's B2B entity will be legally deemed to be controlled by the FOCC itself, thereby violating FDI norms. It is critical to note a specific nuance that 25% restriction applies to the upstream procurement of inventory by the seller. It does not govern downstream distribution. Consequently, it is entirely legal for an independent merchant seller to sell 100% of its procured inventory exclusively through a single FOCC marketplace platform.

As Zepto is classified as an FOCC, it operates its B2B and marketplace transactions through a set of subsidiaries as detailed below:

- Zepto (standalone)—houses the B2B trading arm through which the company also earns a material portion of its advertisement income and franchise fees. It also licenses the IP and digital assets (including the mobile application) to platform licensees.
- Kiranakart Wholesale (KWPL)—B2B trade in fruits and vegetables (FnV)
- Zepto Marketplace—owns and operates the marketplace from Mar-25
- Zepto Commerce—currently dormant

Effectively, Zepto structures its operation into separate B2B and marketplace transactions. Zepto (under its standalone entity) procures non-FnV products from brand partners for sale on a B2B basis. Similarly, it contracts with farmer partner networks—third parties that engage with farmers—to procure FnV for sale on a B2B basis through KWPL. The B2B leg is carried out under the standalone entity or KWPL, wherein it sells the inventory to wholesalers or retailers.

In a transaction separate from the B2B leg, Zepto operates as a marketplace where vendors or sellers, called merchant partners, list and sell products. Media articles and primary research suggest there are at least three entities 1) Drogheria Sellers; 2) Geddit Convenience; and 3) Commodum Groceries.

Revenue recognition for Zepto and Merchant Partners

The net receivable value (NRV) disclosed by Zepto includes the NOV plus subscription and advertisement income (both inclusive of tax). The NOV is billed to the customer by the merchant partner. However, as merchant partners book revenue ex-tax in their financials, their revenue screens lower than the NOV. The back-calculation of merchant partners' revenue is given in Exhibit 5, in which we assume that no other party is involved in the sale on the Zepto platform, the entire difference is explained by the tax on goods, and the merchant partners' revenue is entirely from sales on the Zepto platform. In the working below, we assume there are only three merchant partners directly engaged in the B2B transaction. However, there could be an intermediary or other merchant partners, which would render these calculations invalid. Our assumption is based on matching Zepto's receivable days with the merchant partners' payable days of, as shown in Exhibit 8.

Exhibit 5: Back-calculation of merchant partners' revenue from Zepto's NRV

Rs mn	FY25
NRV (a)	127,037
Subscription revenue (i)	70
Tax on subscription revenue (ii)	13
Tax rate on subscription revenue	*18%*
Advertisement revenue (iii)	6,512
Tax rate on ad revenue (iv)	1,172
Tax rate on ad revenue	*18%*
NRV to sellers (b) [a-i-ii-iii-iv]	119,270
Tax included in NOV (c) [b-d]	17,445
Tax rate (c/d)	*17.1%*
Merchant partners' revenue (d)	101,825

Source: Company, Emkay Research

Zepto recognizes revenue through the sale of goods and services to multiple counterparties, including customers, brands, and merchant partners. Assuming there is no intermediary, the revenue Zepto books from merchant partner acts as a corresponding cost on the merchant partners' independent income statements. An analysis of seller income statements across Blinkit, Swiggy Instamart, and Zepto reveals operational parity in how revenue and costs are recorded. Across all three platforms, sellers report gross profit that is almost equal to the "other expenses" with majority of these costs attributed to transportation and distribution, which we believe pertains to the logistics cost.

Unlike Blinkit during its pre-IOCC phase, Zepto books revenue for fulfilling these mid-mile logistics (categorized under warehousing services) for the sellers, while recording the corresponding costs on its own books. This accounting structure provides two distinct sources to analyze merchant partner margins: Zepto's consolidated filings and the independent financial statements of the merchant partners. Exhibit 5 details the income statement line items up to the EBITDA line from both sources.

Exhibit 6: Merchant partners' revenue and costs according to Zepto's and their own disclosures

FY25	Merchant partners' economics implied by Zepto	Drogheria	Geddit	Commodum	Merchant partners' total
NOV (ex-tax) / merchant partners' revenue	101,825	24,928	44,376	32,521	101,825
Revenue from sale of traded goods	91,448				
% of NOV	*89.8%*				
Revenue from sale of services to merchant partners	12,984				
% of NOV	*12.8%*				
Merchant partners' opex	104,431	24,921	44,388	32,527	101,836
Merchant partners' EBITDA	-2,606	7	-12	-6	-11
Merchant partners' EBITDAM	*-2.6%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

Source: Company, Emkay Research; Note: revenue from sale of services includes only revenue from providing services of 'warehousing, packaging, and last mile' and 'platform services'

A comparison of the two sources in Exhibit 5 reveals a gap between the EBITDA margin (EBITDAM) implied by Zepto and the margin actually reported by the merchant partners. Zepto discloses that its product sales revenue is derived from wholesalers and retailers, while its logistics services revenue is derived directly from merchant partners. To explain the margin discrepancy, we evaluate a hypothetical scenario in which an intermediary exists—specifically, one where merchant partners procure their inventory from the wholesalers and retailers supplied by Zepto B2B, rather than purchasing from Zepto B2B directly.

If this intermediary structure existed, the data in Exhibit 6 dictates that the wholesalers would have to sell inventory to the merchant sellers at a price lower than what they originally paid Zepto B2B. This would force the wholesalers and retailers to operate at negative gross margins.

Working capital cycle

To evaluate the working capital management of the marketplace ecosystem, we construct a working capital timeline tracking inventory from upstream suppliers, through the Zepto B2B arm, to the merchant partners, and finally to the end-consumers. While merchant partners provide annual FY25 financial disclosures, Zepto reports on a quarterly basis. Because, in a high growth business, quarterly metrics offer a more precise reflection of working capital dynamics than annualized figures, we derived quarterly estimates for the merchant partners' revenue and operational expenses (opex) using Zepto's disclosures as a baseline. To arrive at merchant partners' Q4FY25 performance, we assumed that their revenue distribution is in the same proportion as Zepto's. By applying these derived Q4FY25 revenue and opex estimates against the working capital line items on the merchant partners' FY25 balance sheets, we computed the quarterly working capital terms for all three merchant partners. For the platform level, we used Zepto's consolidated Q4FY25 working capital terms.

Exhibit 7: Computed Q4FY25 working capital statistics for merchant partners

Q4FY25E	Drogheria	Geddit	Commodum	Weighted average
Inventory turns (x)	3.9	3.3	2.9	
Inventory days (no of days)	23	27	31	27
Payable turns (x)	3.2	2.3	2.4	
Payable days (no of days)	28	40	37	36
Receivable turns (x)	21.5	65.1	19.7	
Receivable days (no of days)	4	1	5	3
Cash conversion cycle (no of days)	-6	-18	-8	-6

Source: Company, Emkay Research

Exhibit 8: Working capital terms per Zepto's Q4FY25 and merchant partners' Q4FY25E financials

in days	Payable days	Receivable days	Inventory days	Cash conversion cycle (days)
Zepto	55	38	15	-3
Merchant partners	36	3	27	-6

Source: Company, Zepto merchant partners' financials, Emkay Research; Note: using trade receivables, trade payables, inventories, revenue from operations and COGS entries on the consolidated Q4FY25 financials for Zepto and adjusting FY25 sellers' financials using Zepto's financials

Zepto structurally operates on negative working capital, driven largely by an extended 55 payable days. This results in a highly favorable cash conversion cycle (CCC) of -3 days for Zepto in Q4FY25. In contrast, Blinkit operates on 26 payable days (calculated using trade payables and COGS from Eternal's consolidated financials), resulting in a positive CCC of two days.

Zepto maintains a negative cash conversion cycle through an extended payables cycle with brands: 55 days vs 26 days for Eternal (consolidated for both Blinkit and Hyperpure)

Historically, Zepto has sustained this structural advantage, with its quarterly CCC tracking between -3 and -18 days throughout FY25, and -10 and -16 days in FY26. Zepto and its merchant partners' inventory of 15 and 27 days, respectively, falls comfortably inside Zepto's 55 payable days, which implies that Zepto could be procuring a sizable portion of its inventory on a "Sale-or-Return" (SOR) basis. Under an SOR arrangement, Zepto's financial liability to pay the upstream brand or distributor is only triggered upon the final execution of the retail sale to the consumer on its platform.

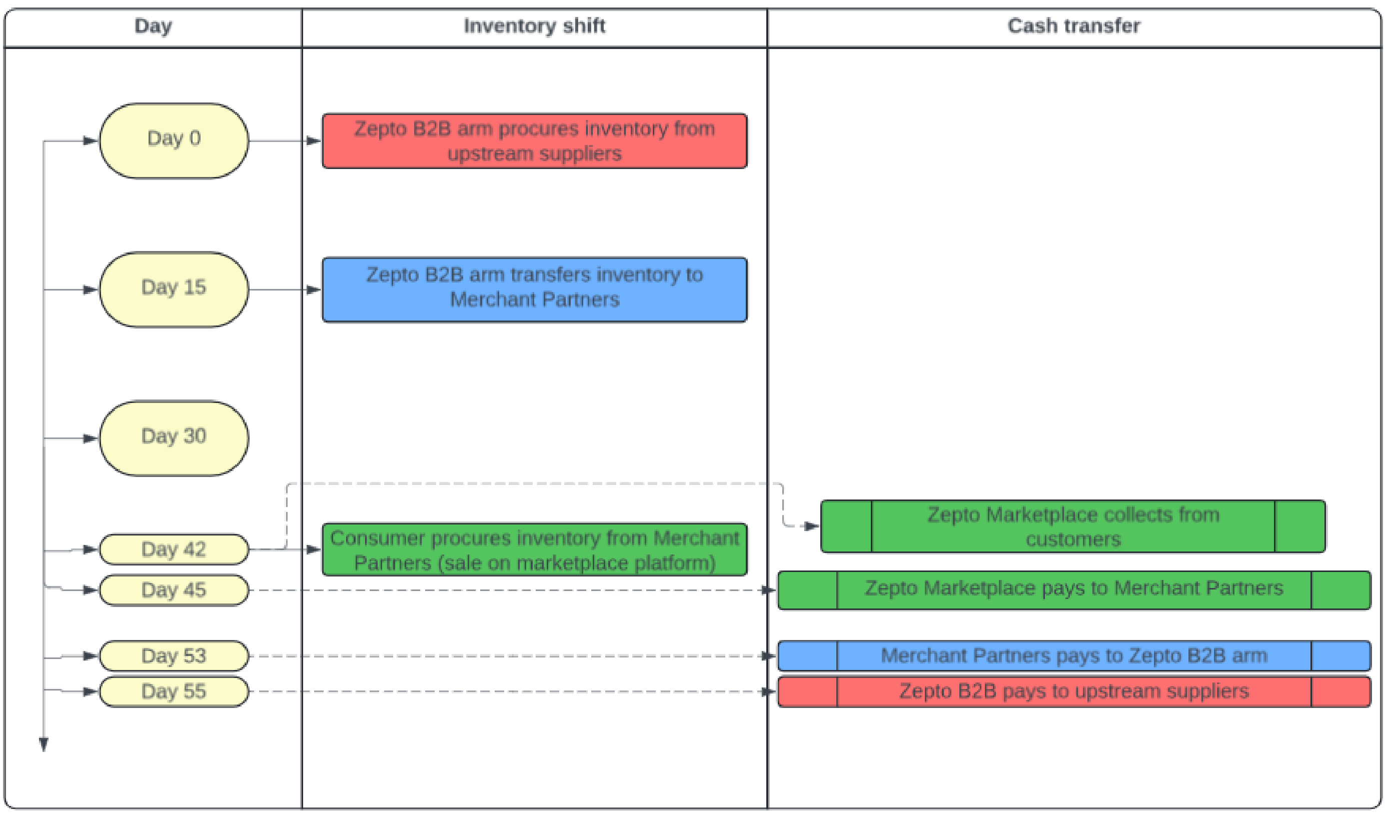
This inventory strategy artificially extends Zepto's trade payable days to an elevated range of 55 to 75 days across FY26. Conversely, Blinkit (under Eternal), after transitioning to an IOCC model in Q2FY26, maintained its trade payables within a tight, standard retail band of 25 to 26 days. While the SOR model grants highly favorable working capital terms, it may lead to lower margins, as upstream suppliers charge a procurement premium to absorb the unsold-inventory return liability.

Inventory and cash flow timeline

Using the above CCC for the ecosystem, we illustrate the working capital timeline, mapping the lifecycle of a standard inventory unit moving through the Zepto ecosystem:

- **Day 0: Upstream procurement** – Zepto's B2B wholesale arm procures inventory from the upstream source (brand/manufacturer/distributor). The countdown for Zepto's 15-day inventory cycle and 55-day payables cycle officially commences.
- **Day 15: Inventory title transfer** – Zepto transfers the inventory to the designated wholesaler, and Zepto's 38-day receivables counter begins. Simultaneously, the merchant partners' 36-day payables and 27-day inventory counters are initiated. Zepto's receivable days match the merchant partners' payable days.
- **Day 42: Sale to end-consumers on the Zepto platform** – Inventory days of 27 on the merchant partners' financials imply a sale on the 42nd day. Zepto Marketplace collects payments from the customer, creating a payable from Zepto Marketplace to the merchant partners.
- **Day 45: Zepto Marketplace pays back merchant partners** – Implied by the 3-day receivable on merchant partners' books and 5-day payable cycle on Zepto Marketplace's books. The payment collected by Zepto Marketplace is passed on to the merchant partners.
- **Day 53: Merchant partners pay to Zepto B2B** – Implied by the 36-day payables cycle for the merchant partners and 38-day receivables cycle for Zepto. This settles payment from the merchant partners for the transaction carried out on Day 15.
- **Day 55: Upstream settlement** – Zepto's payable days of 55 days imply upstream settlement of the transaction carried out on Day 0.

Exhibit 9: Working capital timeline implied by the QCom marketplace ecosystem participants' FY25 financials



Source: Company, mentioned merchant sellers' FY25 financials, Emkay Research

Benchmarking with competition

Unit economics comparison: divergent strategies on the growth-profitability frontier

Over the years, Eternal and Swiggy have reported their QCom business segment using a standard set of metrics with which the investor community is well versed. This established standard comprises net order value (NOV), adjusted revenue, contribution profit, and adjusted EBITDA. NOV includes the total value of goods ordered by the customer (net of discounts) and customer-side monetization (handling, surge, and convenience fees). Adjusted revenue is calculated by deducting the cost of goods sold (COGS) and merchant seller commissions from NOV and adding brand-side monetization (advertising revenue); it serves as the platform's core proxy for gross profit. Next comes contribution profit, arrived at by deducting the direct fulfillment-related cost heads (logistics, warehouse, and dark store costs, including rental payments, and other small variable costs). Below the contribution profits line, indirect costs such as advertisement and marketing expense, SG&A, and employee benefit expense are subtracted to arrive at adjusted EBITDA.

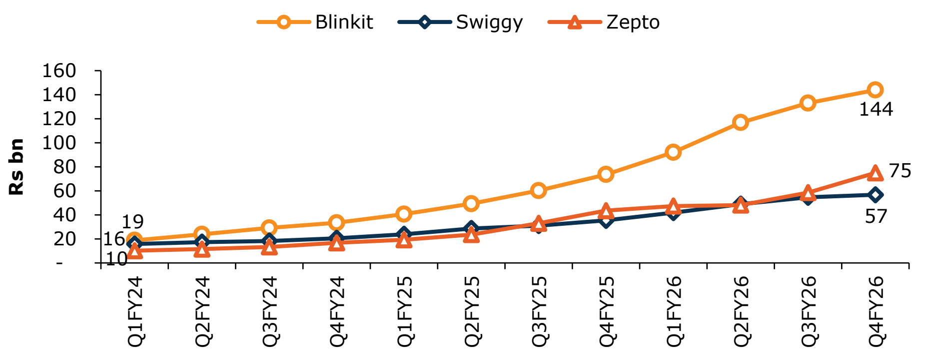
Zepto has not followed this standard, instead reporting supply chain variable cost, digital marketing cost, and fixed costs. Some of the variable fulfillment expenses (such as store rental payments, warehousing expenses etc) are bunched under fixed expenses instead of being included in direct costs. Digital marketing expenses are separated from total marketing expenses. In the absence of standardized reporting, we have adjusted Zepto's reporting structure with some assumptions to compare it with its listed peers—Blinkit and Swiggy Instamart.

Zepto optimizing for throughput

Zepto's NOV growth has been driven by ramp-up in order per day per dark store and low NAOVs

We see a divergent scale-up of NOV across players, wherein Zepto has scaled up significantly over the last few quarters, whereas Swiggy has seen slower growth in its quest for profitability. Blinkit, on the other hand, has seen a steady scale-up, widening the gap with the competition.

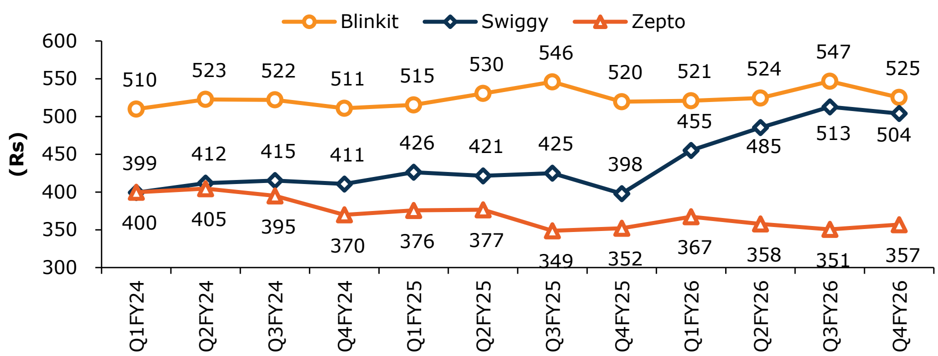
Exhibit 10: NOV trend plotted over FY24-FY26



Source: Company, Emkay Research

Zepto's NOV growth strategy relies on aggressive pricing to drive maximum operating leverage across its physical dark store network. A low minimum order value (MOV) of Rs100 and zero additional fees have resulted in a suppressed net average order value (NAOV) in the Rs350-400 band over the last two years. Our basket analysis indicates Zepto nearly matches DMart's pricing, maintaining a steep 10-15% discount to Blinkit. Despite industry-leading monetization on brand advertisements, suppressed basket sizes, and discounting make Zepto loss-making at the contribution margin (CM) level.

Exhibit 11: Divergent NAOV trajectory for the three players

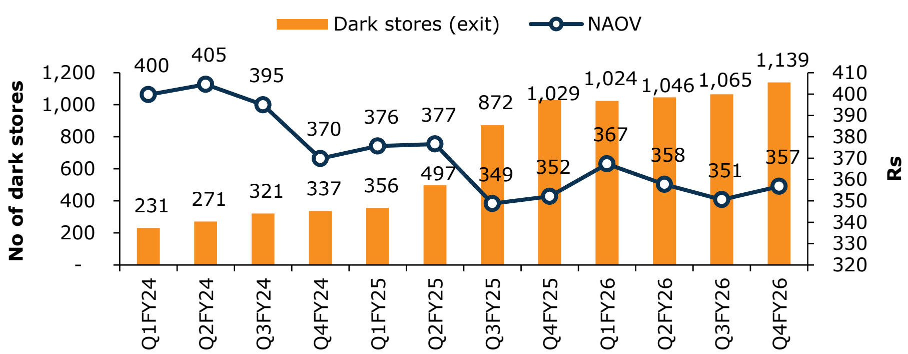


Source: Company, Emkay Research

Zepto scaled up significantly in H2FY25, which coincided with a sharp decline in NAOV

On the infrastructure front, Zepto executed a massive expansion in H2FY25, adding a cumulative 532 dark stores—representing a staggering 107% net capacity addition. To drive throughput in these stores, the company compromised on NAOV, which declined from Rs377 in Q2FY25 to Rs352 in Q4FY25. Following this surge, capacity additions essentially stalled, with only 110 stores added in FY26. As the company optimized for throughput, NAOV has remained low, with Q4FY26 NAOV at Rs357. Despite an 84% reduction in store additions in FY26—110 vs 692 in FY25—FY26 capex fell only 24% (Rs6.7bn vs Rs8.8bn in FY25). The company may have expanded warehousing capacity rather than front-end consumer nodes.

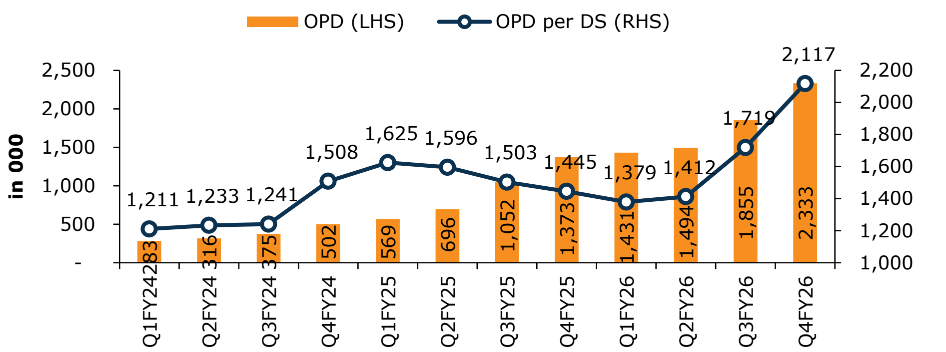
Exhibit 12: Zepto scale-up came without a pricing fix



Source: Company, Emkay Research

By cranking its pricing lever during the massive H2FY25 rollout, Zepto restricted its OPD-per-dark-store decrement to just <15%, driving a massive 35.9% NOV CQGR. After navigating a temporary public relations setback over app dark patterns, fresh funding in Oct-25 refueled this price-led strategy. Consequently, OPD levels surged 53.6% over the Q2FY26-Q4FY26 period, pushing throughput to an industry-leading 2,117 orders per day. While Zepto successfully achieved high order volume, the strategic outcome raises long-term viability concerns. A pricing-led NOV growth model inherently relies on low-loyalty, value-seeking customer cohorts, making the top-line growth highly fragile.

Exhibit 13: Zepto's throughput has scaled up dramatically



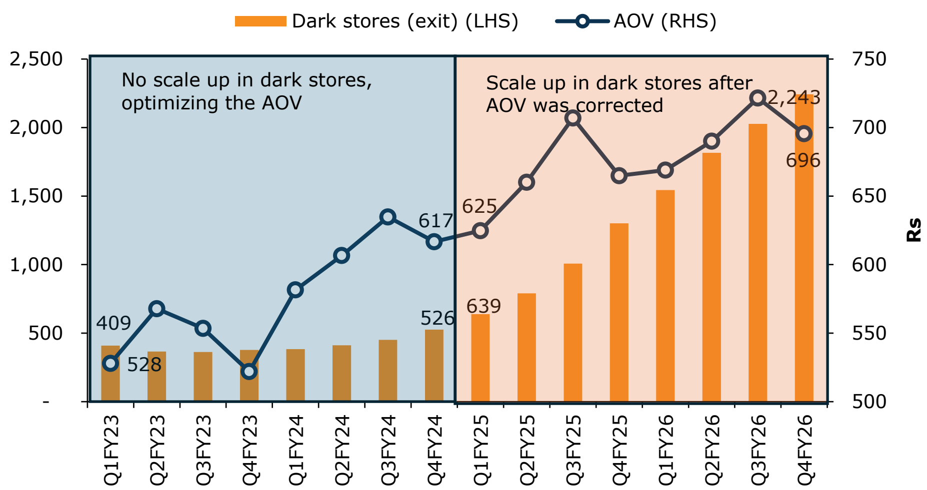
Source: Company, Emkay Research

Blinkit calibrating growth with optimal unit economics

Blinkit's NOV growth is attributable to consistent dark store footprint expansion while maintaining healthy unit economics

Blinkit's NOV growth is anchored by a premium service proposition, an expanding assortment, and aggressive geographic penetration. On the unit economics front, the platform has optimized NAOV by keeping minimum order values high, avoiding deep discounting, and applying appropriate platform fees. We note that Blinkit fixed its unit economics over Q1FY23-Q3FY24, wherein it added minimal dark stores but increased the AOV from Rs528 to Rs635. The company also increased its contribution margin (as a % of GOV) from -17.3% to 2.4% through a combination of better monetization and cost control.

Exhibit 14: Blinkit scaled up its dark store footprint after fixing its unit economics



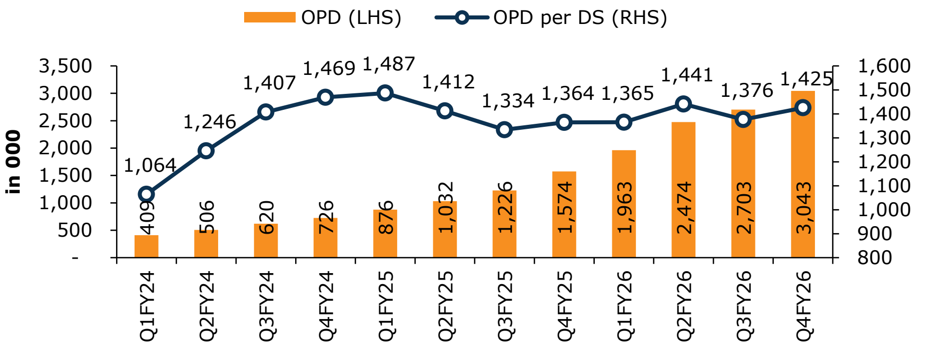
Source: Company, Emkay Research

Blinkit has been consistently adding new dark stores, while maintaining its OPD per dark stores in a narrow range

After fixing unit economics, Blinkit has avoided the trap of driving growth through discounting and its pricing discipline has preserved an NAOV of +Rs500. Consequently, NOV growth has been driven purely by order volume expansion, tied directly to the consistent rollout of new dark stores rather than pricing differentiation. What separates Blinkit from the pack is the management's clarity on the structural sources of its growth. With the sector's product-market fit clearly validated, Blinkit has continuously positioned itself to capture disproportionate growth by relentlessly expanding its footprint. Crucially, as it executed these expansions, Blinkit managed the volume ramp-up of incremental dark stores at a pace competitors struggled to match, avoiding the severe throughput degradation that plagued peers following large capacity additions.

Blinkit demonstrated an unmatched ability to ramp up throughput at these new locations, ensuring its average orders per day (OPD) per dark store remained insulated despite consistently adding ~20% capacity to its deployed base as it scaled from 500 to 2,000 stores. This stability is the direct result of a disciplined scale-up of dark stores. Bringing massive capacity online takes time to mature, and thus OPD per DS takes a hit. While Zepto evaded this ramp-up drag by subsidizing pricing to pull volume, Blinkit relied on assortment and higher service levels, along with scaling a wide geographic presence. At its current scale, adding 200 incremental stores represents a highly manageable, sub-10% capacity expansion for Blinkit. This operational superiority translates into deep customer stickiness.

Exhibit 15: Blinkit's throughput has scaled up with stable OPD per dark store



Source: Company, Emkay Research

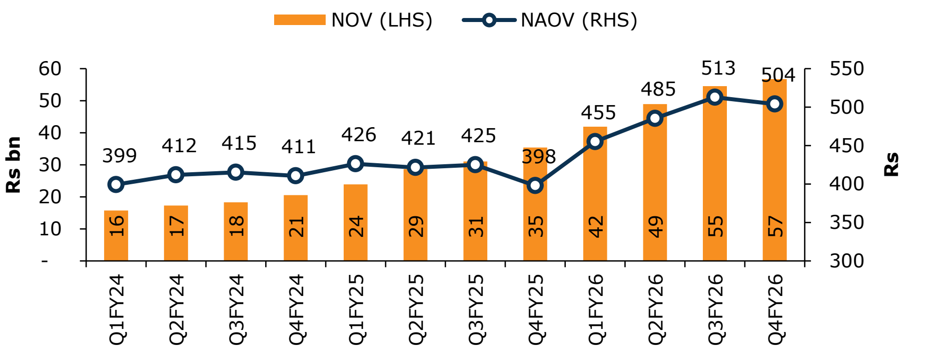
In mature Tier-1 and Tier-2 markets, Blinkit's penetrated consumer base continues to drive consistent volumes without the crutch of deep product discounting or subsidized fees. Simultaneously, its expansion into Tier-3 and Tier-4 cities acts as a pure greenfield volume driver. Because these lower-tier geographies largely lack a localized modern retail presence, Blinkit's wide assortment itself becomes the primary differentiator that organically pulls order volume. This geographic expansion executes Blinkit's long-term vision, capitalizing on structural macro advantages unique to India: Tier-3 and Tier-4 cities offer adequate population densities, while inadequate mobility infrastructure natively incentivizes consumer reliance on hyper-local delivery. Supported by low domestic labor costs that make the gig-economy fulfillment model operationally viable at scale, Blinkit has successfully manufactured tangible switching costs, powering highly defensible NOV growth.

Swiggy optimizing for unit economics

In FY26, Swiggy focused on improving unit economics by ramping up platform NAOVs and GMs, at the expense of halting footprint expansion, leading to slow order volume growth in an increasingly price-competitive market

Swiggy Instamart's NOV trajectory reflects a pivot from price-led volume growth toward profitability-led value extraction. On the unit economics front, constrained by a cash balance of ~Rs50bn and an average quarterly cash burn of ~Rs10bn, the management recognized the precarity of funding negative contribution margins simply to chase market share. Swiggy adopted Blinkit's playbook—fix the unit economics first. The platform systematically reduced product discounting, limited its participation in lower MOVs, and focused on assortment expansion. This pricing discipline successfully lifted its NAOV from ~Rs400 to over Rs500 in FY26, aligning the business toward its guided CM breakeven by Q1FY27.

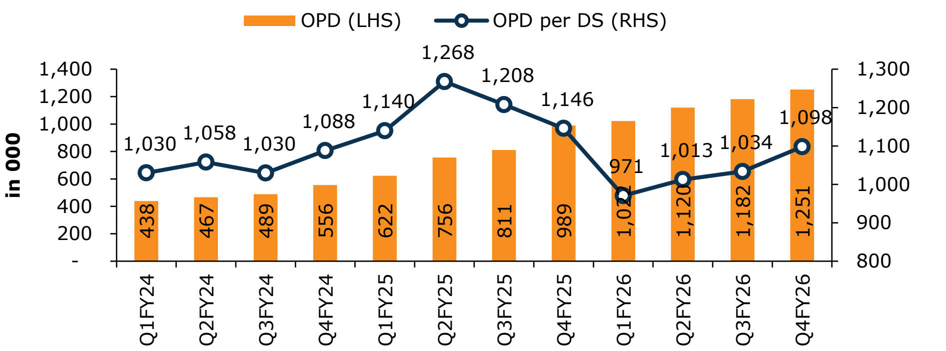
Exhibit 16: Swiggy's NOV and NAOV trajectory



Source: Company, Emkay Research

On the infrastructure front, Swiggy also expanded dark stores by 68% over H2FY25—412 additions on a base of 609 stores. However, the timing of this capacity addition complicated the subsequent ramp-up phase. Because Swiggy pulled back on its pricing levers to boost NAOV at the exact moment Zepto, Flipkart, and Amazon flooded the market with aggressive pricing, its throughput took a direct hit. Without the crutch of deep discounting to drive immediate traction on its newly expanded store base, Swiggy saw its OPD per dark store plummet by 23.4% over the Q3FY25-Q1FY26 period. Similar to Zepto, Swiggy essentially halted new store additions in subsequent quarters to focus purely on driving volumes through this heavily expanded fulfillment base.

Exhibit 17: Swiggy's OPD per dark store declined post scale up in H2FY25



Source: Company, Emkay Research

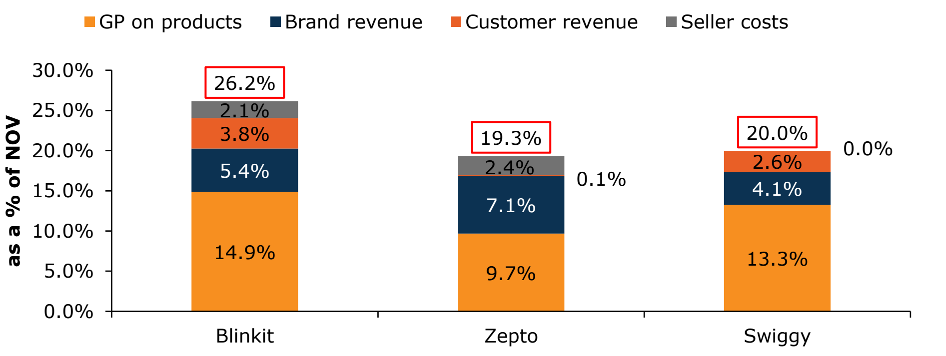
While Swiggy's volume ramp-up on incremental capacity has been significantly slower than Zepto's—given that Zepto remained the only native incumbent offering a deep pricing proposition—the strategic outcome remains far healthier. The slow but steady recovery to previous OPD-per-dark-store levels, now at significantly higher NAOV, highlights genuine customer stickiness in the face of higher consumer fees and lower product discounts. This structurally sound NOV growth makes Swiggy's trajectory far more defensible than Zepto's pricing-led model.

Adjusted revenue

Adjusted revenue represents the core monetization of a QCom platform. It is calculated as the gross profit generated on the sale of products, minus merchant seller commissions, plus customer-side monetization (platform fees) and brand-side monetization (advertising income). While customer-side income is recorded within the NOV, brand-side income flows directly into adjusted revenue.

A platform's gross margin profile is fundamentally dictated by its front-end discounting and procurement costs. Procurement pricing is a direct function of operational scale and the working capital terms negotiated with upstream suppliers.

Exhibit 18: QCom peer set's breakup of adjusted revenue components on our estimates



Source: Company, Emkay Research; Note: the number in red box shows adjusted revenue take rate on NOV

Blinkit: Blinkit operates on a standard 30-day credit cycle with upstream suppliers. Acknowledging that its procurement costs cannot match modern retail players operating on sub-10-day cycles, Blinkit focuses on assortment and convenience rather than matching DMart's discounted pricing. By maintaining strict discipline on front-end discounting—keeping discounts on GOV at 23.9% in FY26—Blinkit protected its unit economics. This allowed the platform to maintain its gross margin on products at an estimated 15.5% in FY26.

Zepto: We believe Zepto utilizes a "sale or return" (SOR) working capital model for a majority of its inventory, paying brands only when inventory is sold. However, the trade-off is higher procurement pricing, as upstream suppliers charge a premium for absorbing higher working capital. Despite this, Zepto maintains a strategy of price-matching DMart (+/- 5%). This disconnect between higher procurement costs and heavily discounted front-end pricing dragged Zepto's gross margin on products to an estimated 9.7% in FY26.

Swiggy Instamart: Ascertaining specific working capital terms for Swiggy Instamart's B2C business is complex, as its inventory is consolidated under a broader Supply Chain and Distribution arm. In case of Swiggy, B2B does not procure all the inventory which flows through the B2C marketplace. This makes finding the WC terms pertaining to inventory sold through the B2C marketplace tricky. Historically, Swiggy engaged in heavy discounting, which peaked at 31.3% (as a % of GOV) in Q3FY26. Recognizing the structural incompatibility of deep discounting with the QCom cost stack, Swiggy pivoted toward Blinkit's philosophy: prioritizing assortment expansion and convenience over price competition. By normalizing its discount rate to 28.0% in Q4FY26, Swiggy stabilized its gross margin on products, tracking at 13.6% in FY26.

Beyond gross profit on products sold, adjusted revenue is anchored by customer-side fees and brand-side advertising. Because neither of these revenue streams carries a corresponding direct COGS or localized fulfillment expenses, they drop straight to the bottom line as 100% CM revenue.

Customer-side monetization

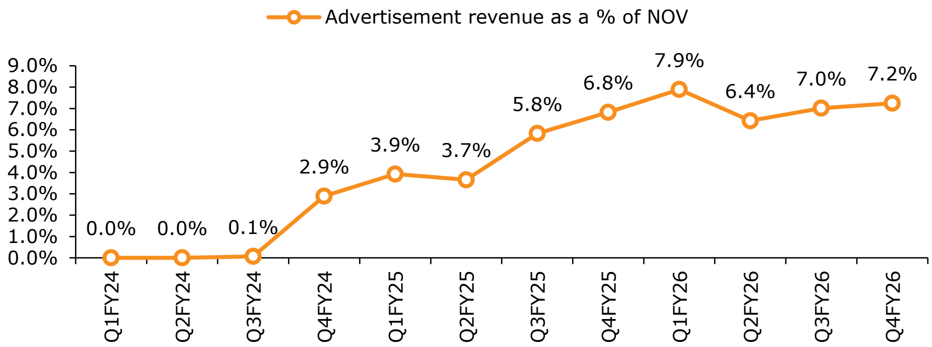
Customer-side monetization—comprising handling, convenience, and surge fees—is a directly tweakable lever that requires zero structural changes to the underlying business model. However, operating this lever introduces a strict volume trade-off governed by the fee elasticity of demand.

In a market defined by extreme competitive intensity, where newer challengers are actively subsidizing customer fees to capture market share, levying high fees inherently repels value-seeking consumer cohorts. Sustaining order volume growth while simultaneously extracting high customer fees is a direct testament to a platform's customer stickiness and service-level moat. While the companies do not disclose their consumer side monetization separately, we estimate that Blinkit has the highest, contributing 3.8% of NOV, followed by Swiggy at 2.6% of NOV. Zepto has negligible customer fee with MOV set at Rs100.

Brand-side monetization

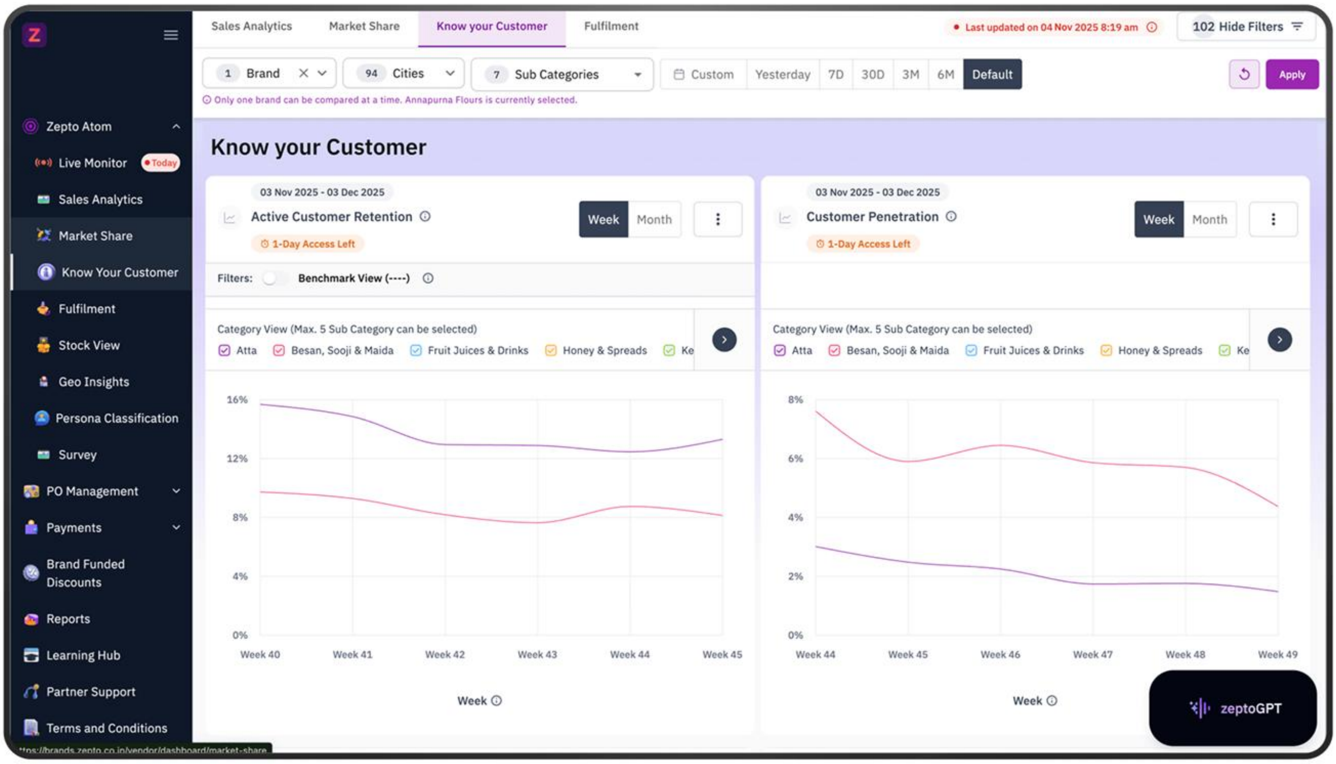
Brand-side fees are driven almost entirely by digital advertising income. QCom platforms have successfully inherited the established e-commerce advertising playbook, monetizing digital real estate through search keyword bidding and app display inventory via sophisticated, in-house self-serve ad platforms. Because digital advertising operates on a cost per mille (CPM) and cost per conversion (CPC) model, ad revenue is a function of platform traffic and order volume. Consequently, on a strict per-order basis, advertising revenue is tracking within a band of Rs20 to Rs30 per order. However, Zepto, with its greater focus on monetization from D2C brands, leads brand-side monetization at 7.1% of NOV. Blinkit and Swiggy, which have not yet optimized for brand monetization, are estimated at 5.4% and 4.1% of NOV, respectively.

Exhibit 19: Zepto has aggressively expanded the brand-side monetization



Source: Company, Emkay Research

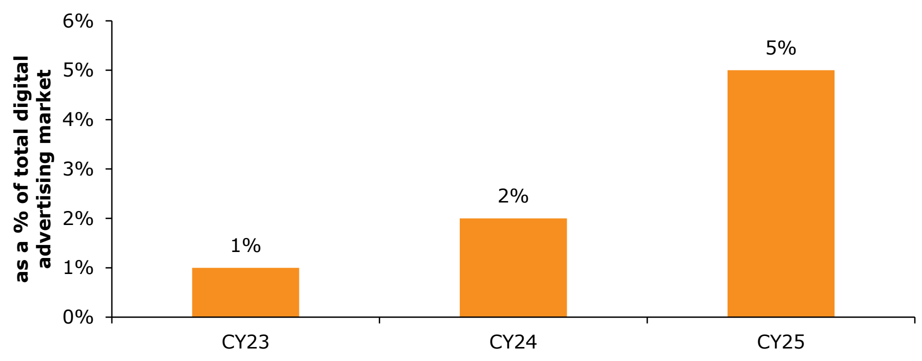
Exhibit 20: Zepto's 'brand insights and advertising engine' dashboard catered to brands on the platform



Source: Company, Emkay Research

Marketing budgets are undergoing a structural shift away from broad-based brand advertising toward performance-led, point-of-sale campaigns that directly influence immediate purchase decisions. QCom is uniquely positioned to capitalize on this shift. The QCom model offers brands hyper-local, geography-specific advertising opportunities built on real-time consumer behavior, location data, and instant order history. This level of granular personalization generates an exceptional Return on Ad Spend (RoAS) of 5x to 8x for brands. Driven by expanding consumer demand for instant fulfillment across non-traditional and higher-ticket categories, QCom is rapidly becoming a focal point for high-ROI marketing budgets. As a result, QCom's share of the total Indian digital advertising market has surged from ~1% in CY2023 to ~5% by CY2025, providing massive top-line headroom for platforms that can sustain high traffic volumes.

Exhibit 21: QCom's share as a % of digital advertising market



Source: Redseer, Emkay Research

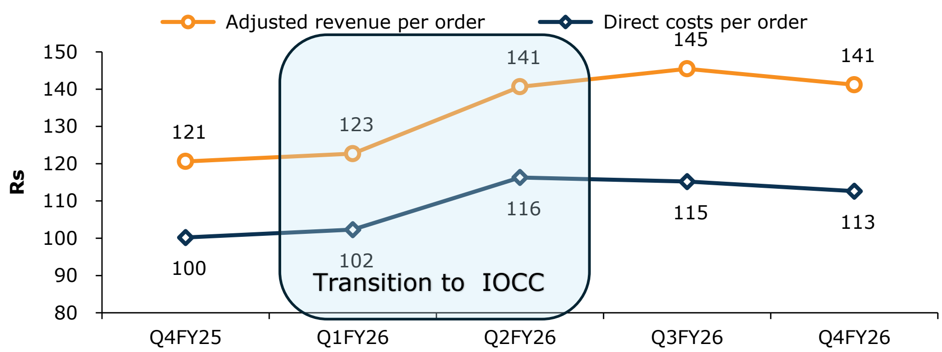
Accounting nuance: FOCC vs IOCC models

There is an added nuance on adjusted revenue (and on the direct cost side) depending on whether the platform is IOCC or FOCC. Empirically, we have observed that FOCC platforms do not book mid-mile logistics costs, along with some other small fulfillment costs on their own books; instead, these are booked on the merchant sellers' books. As a result, both adjusted revenue and direct expenses for FOCC companies are lower.

Zepto includes mid-mile and related seller costs in the financial statements, making its adjusted revenue and direct cost stack like-for-like with Blinkit post-IOCC transition.

As Blinkit transitioned from an FOCC marketplace to an IOCC model in Q2FY26, it gained regulatory clearance to directly own and manage its inventory. By eliminating the intermediary merchant sellers, Blinkit started booking the revenue generated from executing mid-mile operations, alongside the corresponding expenses, directly onto its own P&L. This accounting shift increased direct expenses by approximately Rs14 per order, as mid-mile logistics are formally absorbed onto the platform's books. Adjusted revenue also expanded correspondingly, by Rs18 per order, to reflect the internalized logistics revenue, optically expanding the platform's take rate.

Exhibit 22: Spike in Blinkit's adjusted revenue and direct cost on a per order basis in Q2FY26 is attributable to FOCC to IOCC transition



Source: Company, Emkay Research

Blinkit's management claims this transition to an IOCC model will eventually drive a 1% expansion in overall margins. This anticipated margin unlock will materialize directly from cutting out the residual income stream previously captured by the merchant sellers (net of the mid-mile logistics costs). Therefore, when conducting peer-to-peer benchmarking across adjusted revenue, gross profit, and direct cost lines, it is crucial to adjust for this mid-mile cost discrepancy between IOCC and FOCC operating models. However, we note that Zepto's supply chain costs already include the mid-mile cost, and hence a shift to the IOCC model may not result in an uptick in both take rate and direct cost per order.

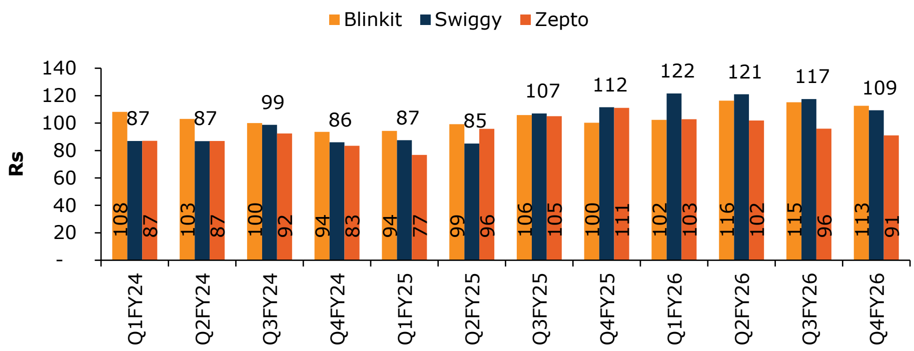
Contribution profit

Contribution profit represents the residual adjusted revenue remaining after expensing all direct fulfillment costs. These direct costs encompass the expenditure incurred by the platform to move an order from the procurement stage to the end consumer. The primary cost buckets include last-mile logistics (including rider onboarding and incentives), fulfillment network operational expenses (dark stores and warehouses, including rent), and smaller variable costs (customer appeasement, payment gateway fees, etc).

Because Blinkit and Swiggy Instamart do not publicly break down these direct costs, our benchmarking methodology subtracts the estimated last-mile expense, rental expense, and minor variable costs from the total direct cost block, treating the remainder as core fulfillment network opex.

Zepto's operational leverage, on account of industry-leading store throughput, yields the lowest fulfillment costs excluding last-mile logistics costs

Exhibit 23: Direct costs per order for the QCom peers over FY24-FY26



Source: Company, Emkay Research; Note: Spike in Blinkit's direct cost per order in Q2FY26 on account of the switch to IOCC from FOCC; Zepto and Blinkit have a component of costs booked on sellers' financials within their direct costs, while Swiggy's do not; hence, Zepto's direct cost per order is comparable to Blinkit's, whereas Swiggy's is not

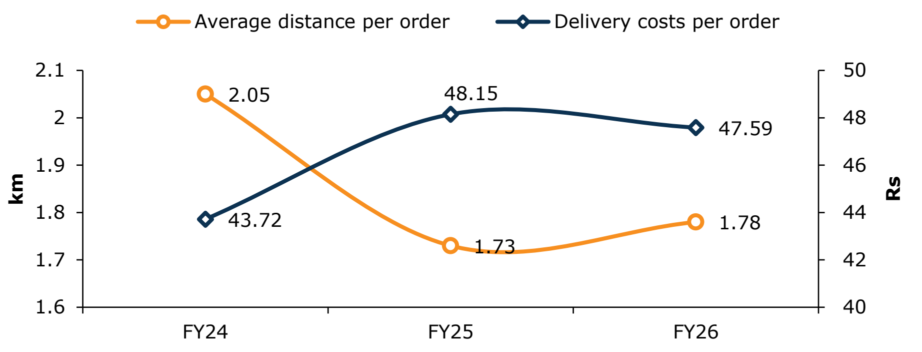
Last-mile logistics

Last-mile delivery constitutes the largest single direct cost bucket, averaging Rs45 to Rs50 per executed order across the cohort. Because platforms currently enforce minimum order batching, this expense is strictly pegged to order volume and functions as a commoditized cost. A market-clearing rate must be paid to successfully onboard and retain gig delivery riders. To cover this specific line item at an average platform take rate of 20%, a platform requires a baseline NAOV of Rs225 to Rs250. Given the commoditized nature of rider payouts, there is no structural variation in last-mile costs among the QCom native players.

Without order batching, last-mile logistics cost remains a rigid commodity cost with negligible optimization levers

In its DRHP, the company has stated that its strategy is focused on improving order volume in a neighborhood and launching more dark stores to reduce delivery times. Delivery costs represent Zepto's single largest variable cost, ranging between Rs42 and Rs50 per order, making them a critical lever in addressing the company's adjusted EBITDA loss of Rs60/order as of Q4FY26. However, historical data do not point to a reduction in delivery cost in line with the reduction in distance. Despite average delivery distance per order falling from 2.05km in FY24 to 1.78km in FY26—a direct outcome of a denser dark store network—delivery and handling costs per order rose from Rs44 to Rs48 over the same period.

Exhibit 24: No reduction in delivery costs per order despite lower average distance per order



Source: Company, Emkay Research

Fulfillment network opex

Fulfillment center expense represents a semi-variable cost block that includes manpower, utilities, wastage, and picker/packer costs. When a new dark store is added to the network, its initial order volume is zero, yet it incurs immediate operational expenses.

Unlike last-mile logistics costs, fulfillment network opex (including rental expenses) represents the direct cost that exhibits strong operational leverage upon order volume ramp-up. With industry-leading order throughput per dark store, Zepto effectively dilutes these semi-fixed components to maintain the lowest per-order fulfillment cost in the cohort.

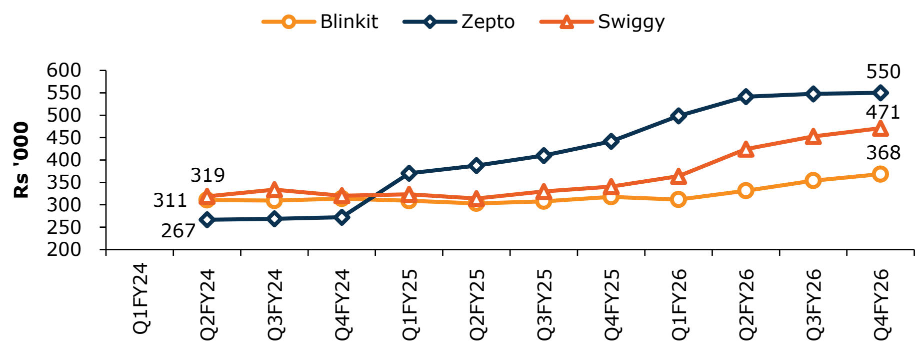
- **Manpower costs:** Even at zero OPD, a dark store requires 10 to 12 individuals to run inventory stocking, upkeep, audits, expiry checks, and fresh produce management. Depending on the platform's quality management stringency, this baseline fixed cost exhibits a 20% to 30% deviation across players. Scaling volume requires adding 3 to 4 individuals for every incremental 250 to 350 orders.
- **Utilities and wastage:** Utility rates remain standard, based on regional distribution companies, with indicative utility costs tracking Rs75k per month for a standard 2,500sqft dark store, fluctuating with seasonal cooling demands. Additionally, wastages depends on the efficiency of handling fruits, vegetables and other perishable products. Wastage costs are also heavily linked to the maintenance of quality of fresh products sold on the marketplace.

Rental expenses

Rental rates are highly localized, ranging from Rs50 to Rs150 per sqft in Tier-1 cities like Bangalore (with Mumbai tracking higher) down to Rs35 to Rs40 per sqft in Tier-3 cities like Nagpur.

- **Blinkit:** Blinkit operates one of the most efficient dark store networks, with the lowest rental cost per dark store. We attribute this to its early dark store network scale-up, which helped it secure real estate at a lower cost. Blinkit is also aggressively expanding its network into Tier-2/3 cities, where rentals are structurally lower.
- **Swiggy Instamart:** Operates dark stores with a significantly larger average square footage than Blinkit, resulting in a rental expense per dark store that is 27.8% higher than Blinkit's.
- **Zepto:** Zepto’s real estate metrics reveal highly sub-optimal rental contracts. Despite its massive lead in OPD per dark store, Zepto’s rental costs on a per-order basis remain higher than Blinkit's and on par with Swiggy's. When evaluating absolute rental expense per dark store (including B2B arm allocations), Zepto operates at a significant deficit, paying 16.8% and 49.3% more in rent per facility than Swiggy and Blinkit, respectively.

Exhibit 25: Monthly rental expense (including B2B arm) per dark store



Source: Company, Emkay Research

Contribution profit

Expensing this entire direct cost stack—last-mile logistics, fulfillment network opex, and rent—from adjusted revenue yields the contribution profit. This final metric isolates the actual cash generated by a platform on a per-order basis, defining the fundamental unit economic viability of the operation prior to accounting for central corporate overheads.

Exhibit 26: Contribution profile trend for the QCom pack over FY24-FY26

Contribution profit (Rs mn)	**Q1FY24**	**Q2FY24**	**Q3FY24**	**Q4FY24**	**Q1FY25**	**Q2FY25**	**Q3FY25**	**Q4FY25**	**Q1FY26**	**Q2FY26**	**Q3FY26**	**Q4FY26**
Blinkit	-140	360	860	1,580	1,990	2,340	2,320	2,890	3,600	5,420	7,360	7,820
Swiggy	-1,306	-1,250	-1,419	-874	-865	-657	-1,787	-2,598	-2,600	-1,810	-1,979	-1,419
Zepto	-973	-667	-867	-600	-624	-3,320	-7,037	-9,781	-3,609	-5,787	-6,810	-7,057
Contribution margin	**Q1FY24**	**Q2FY24**	**Q3FY24**	**Q4FY24**	**Q1FY25**	**Q2FY25**	**Q3FY25**	**Q4FY25**	**Q1FY26**	**Q2FY26**	**Q3FY26**	**Q4FY26**
Blinkit	-0.7%	1.5%	3.0%	4.7%	4.9%	4.7%	3.9%	3.9%	3.9%	4.6%	5.5%	5.4%
Swiggy	-8.3%	-7.2%	-7.8%	-4.3%	-3.6%	-2.3%	-5.8%	-7.3%	-6.2%	-3.7%	-3.6%	-2.5%
Zepto	-9.6%	-5.8%	-6.5%	-3.6%	-3.2%	-14.1%	-21.3%	-22.5%	-7.6%	-12.0%	-11.6%	-9.4%
Contribution per order (Rs)	**Q1FY24**	**Q2FY24**	**Q3FY24**	**Q4FY24**	**Q1FY25**	**Q2FY25**	**Q3FY25**	**Q4FY25**	**Q1FY26**	**Q2FY26**	**Q3FY26**	**Q4FY26**
Blinkit	-4	8	15	24	25	25	21	20	20	24	30	29
Swiggy	-33	-30	-32	-17	-15	-10	-24	-29	-28	-18	-19	-13
Zepto	-38	-23	-26	-13	-12	-53	-74	-79	-28	-43	-41	-34

Source: Company, Emkay Research

Adjusted EBITDA

Adjusted EBITDA reflects platform profitability after accounting for indirect corporate overheads, primarily advertising, marketing, and corporate employee expenses. These indirect costs include customer-acquisition expenses required to drive consumers to the platform and maintain underlying capabilities; advertising and marketing outlays that build brand awareness and onboard new cohorts; and employee expenses representing the ongoing fixed cost of engineering, product innovation, and system maintenance.

Because Blinkit and Swiggy Instamart do not publicly disclose granular line-item breakups for their indirect corporate accounts, peer benchmarking requires evaluating the aggregate indirect cost block.

Breakeven hierarchy: contribution margin vs adjusted EBITDA

Achieving contribution margin (CM) breakeven is structurally more difficult than bridging the subsequent gap to adjusted EBITDA profitability. Securing a positive CM requires committing to a definitive strategy across pricing, assortment, and convenience, allowing this positioning time to translate into a distinct brand perception that drives customer stickiness against competing alternatives. If a platform has historically scaled by subsidizing value-seeking cohorts, pivoting to sustainable unit economics will inevitably trigger volume attrition. While the resulting increase in NAOV cushions the top-line impact of these lost orders, the simultaneous reduction in dark store throughput directly degrades the absorption of fixed fulfillment costs. Stabilizing CM through this transition relies entirely on the platform's convenience and assortment moat retaining sticky consumers once the pricing crutch is removed.

In contrast, transitioning from a positive CM to adjusted EBITDA profitability is primarily a function of scale and corporate discipline. Below-the-line expenses—such as central payroll, technology infrastructure, and brand marketing—are highly controllable, top-down levers. The management can calibrate these expenditures without disrupting the localized consumer delivery experience. Once the underlying per-order economics are structurally sound, network expansion naturally drives the operating leverage required to absorb central overheads, making EBITDA breakeven a predictable outcome of scale rather than an existential test of the business model.

The scale economy moat: Per-order cost dilution

The impact of absolute scale economies is clearly visible in the QCom landscape. As the three leading incumbents race to capture the same core urban consumer base, they deploy comparable absolute financial budgets. As shown in Exhibit 27, both Blinkit and Swiggy maintained a similar absolute indirect cost footprint over FY24-FY26, with Swiggy Instamart's cumulative indirect cost stack tracked at approximately 110% of Blinkit's baseline.

However, this parity in absolute expenditure translates into vastly different unit economics on a per-order basis due to disparities in absolute transaction volumes. Blinkit's geographic footprint and high order density diluted indirect corporate overheads to just Rs27 per order by Q4FY26, down from Rs33 in Q4FY25. For Swiggy Instamart, burdened by a sub-scale order volume, indirect opex per order remained elevated at Rs64 in Q4FY26.

This variance underscores the structural scale advantage: the market leader's massive transaction volume heavily subsidizes its fixed corporate overhead on every delivery. Consequently, smaller or lower-volume infrastructure networks are forced to either aggressively compress absolute indirect spending or rapidly scale operational throughput to protect their terminal adjusted EBITDA margins.

Exhibit 27: Indirect cost trend over FY24-FY26

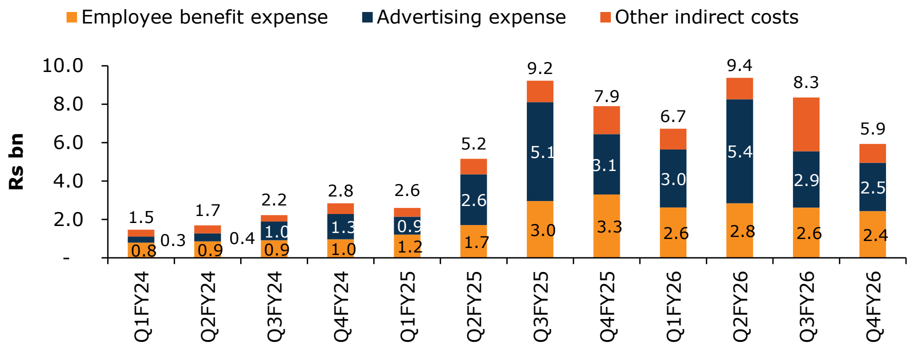
Indirect costs (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Blinkit	1,190	1,610	1,750	1,950	2,020	2,420	3,350	4,670	5,220	6,980	7,320	7,450
Zepto	1,466	1,687	2,224	2,842	2,598	5,158	9,223	7,901	6,721	9,372	8,350	5,935
Swiggy	1,815	2,237	1,998	2,192	2,314	2,931	3,990	5,798	6,361	6,681	7,106	7,172
Indirect costs per order (Rs)	**Q1FY24**	**Q2FY24**	**Q3FY24**	**Q4FY24**	**Q1FY25**	**Q2FY25**	**Q3FY25**	**Q4FY25**	**Q1FY26**	**Q2FY26**	**Q3FY26**	**Q4FY26**
Blinkit	32	35	31	30	26	26	30	33	30	31	30	27
Zepto	58	59	66	63	51	82	97	64	52	70	50	28
Swiggy	46	53	45	44	41	43	55	65	69	66	67	64

Source: Company, Emkay Research

Cost compression and pricing substitution

Zepto's indirect cost trajectory has been highly variable, and the platform aggressively compressed its indirect cost base in late FY26, cutting absolute corporate overheads by 11.2% from H1FY26 to H2FY26. This retrenchment was driven by a 35.4% reduction in traditional advertising and marketing expenses between H1 and H2, alongside a 26.3% yoy reduction in corporate employee expenses by Q4FY26.

Exhibit 28: Breakup of Zepto's indirect costs over FY24-FY26



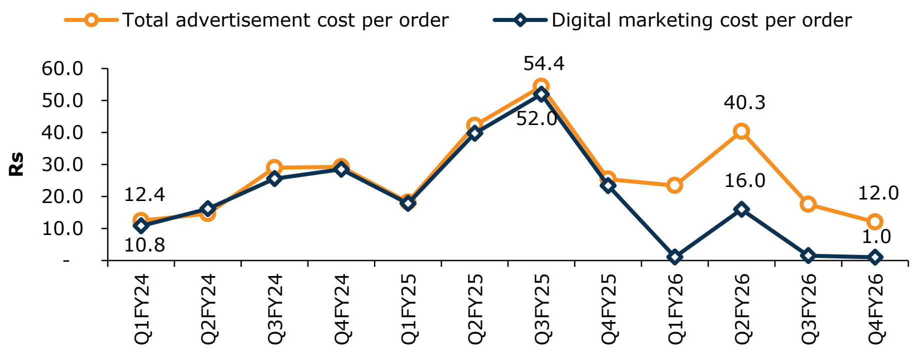
Source: Company, Emkay Research

Remarkably, despite this steep reduction in traditional marketing outlays, Zepto still secured an impressive ~40% NOV growth (corresponding to a 25% sequential CQGR) in H2FY26. This divergence highlights a key structural reality of the Indian market: front-end price discounting acts as an exceptionally potent, direct substitute for traditional below-the-line advertising. As a result of this substitution effect and sharp corporate cost-cutting, Zepto's indirect cost per order collapsed from Rs70 in Q2FY26 to Rs28 in Q4FY26, converging with Blinkit's unit efficiency metric, though driven by a fundamentally different margin structure.

Zepto has highlighted declining digital marketing costs per order as a key demonstration of operating leverage from scaling order volumes. The company's non-GAAP disclosures indicate that digital marketing costs per order have fallen sharply from a peak of Rs51.9 in Q3FY25 to Rs1.5 in Q3FY26, and further to Rs1 in Q4FY26.

However, a closer examination of the aggregate advertisement expenditure reveals a more nuanced picture. Zepto defines digital marketing costs as "advertisement expenses, such as social media promotions and digital marketing," while separately acknowledging a broader advertisement expenditure encompassing digital advertisements, billboards, and offline advertising channels. When total advertisement spend is considered, cost per order remained largely unchanged—Rs12.4 in Q1FY24 vs Rs12.0 in Q4FY26—suggesting no material operating leverage at the aggregate level. In fact, advertisement spend per order moderated in Q4FY26 after peaking at Rs54.4 in Q3FY25.

Exhibit 29: Reallocation of spends across marketing channels



Source: Company, Emkay Research

In our view, the reduction in digital marketing cost per order appears to reflect a reallocation of spend across marketing channels, rather than an absolute reduction in customer acquisition or retention costs from a surge in order volume; the improvement in digital advertisement cost per order does not fully capture the complete advertisement cost structure.

Capex

Zepto's capex for FY25 and FY26 was Rs8.8bn and Rs6.7bn, respectively. We note that Zepto had a heightened infrastructure buildout phase in FY25, with the addition of 692 dark stores and 52 warehouses. In comparison, FY26 buildout was muted, with the company adding only 110 dark stores on a net basis and warehouse count declined by 6. However, the company scaled up significantly on intangible assets in FY26—Rs2.2bn vs merely Rs37mn in FY25—largely toward the marketplace platform.

Exhibit 30: Bifurcation of capital expenditure

Particulars (Rs mn)	FY24	FY25	FY26
Capex (as shown in cashflow)	1,227	8,811	6,691
Pertaining to			
Gross block addition	882	8,853	3,056
CWIP addition	97	300	1,566
Intangible assets addition	40	37	2,235
Sale of assets	-	-21	679
Miscellaneous (capital advances, liability toward creditors for capital, etc)	-209	358	845

Source: Company, Emkay Research

We bifurcate the PPE gross block addition into PPE addition for dark stores and allocate the remainder to warehousing, as shown in the table below:

Exhibit 31: Zepto's PPE and intangible asset gross block addition

(Rs mn)	FY24	FY25	FY26
PPE gross block	2,231	10,891	13,437
Addition	878	8,660	2,546
PPE addition toward dark store	831	6,051	818
New dark stores added (#)	127	692	110
Capex per dark store	6.5	8.7	7.4
Non-dark store PPE gross block addition	47	2,609	1,728
Intangible asset gross block	66	85	2,101
Addition	40	19	2,016

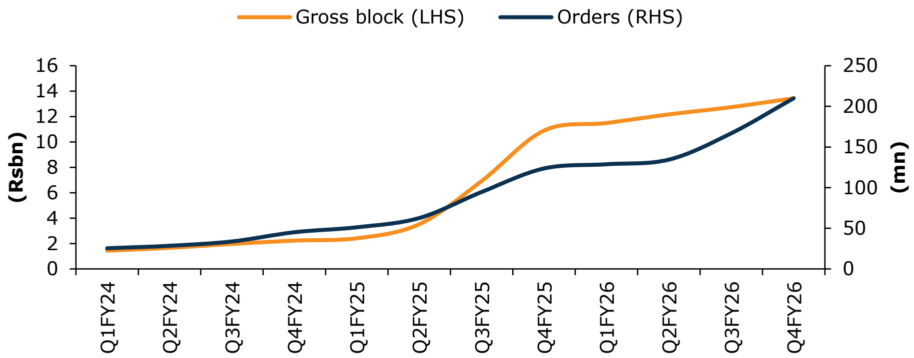
Source: Company, Emkay Research

Zepto added 692 dark stores in FY25, driving a 3x increase in order volumes. As the pace of expansion moderated to 110 net additions in FY26, associated capex tapered to Rs818mn. Capex per dark store has remained in a Rs6.7-8.7mn band.

Zepto's warehouse count increased from 29 in FY24 to 81 in FY25, before moderating to 75 in FY26. The company deployed Rs2.6bn of capex on warehouse build-out in FY25, translating to Rs50.2mn per warehouse. Notably, even as warehouse count plateaued at 75 in FY26, warehousing capex stayed elevated at Rs1.7bn, signaling ongoing investment to upgrade existing facilities and support rising order throughput.

Zepto's gross block additions have scaled broadly in line with order volumes, underscoring that incremental order growth continues to demand proportionate incremental infrastructure. Importantly, gross block additions have continued despite declining intensity of dark store additions and a declining warehouse count. We attribute this continued expansion to the scale-up in warehouse size to cater to increased demand.

Exhibit 32: Zepto's gross block has broadly tracked the # of orders

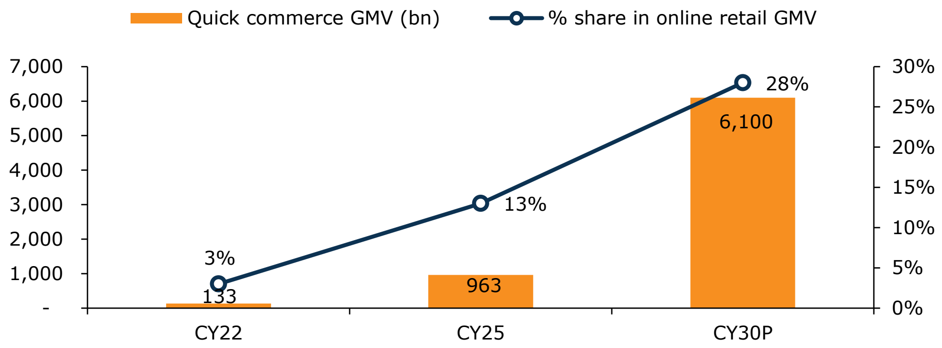


Source: Company, Emkay Research

Industry overview

QCom has emerged as one of the most consequential new retail formats, with GMV surging from Rs133bn ($1.6bn) in CY22 to Rs963bn ($11.3bn) in CY25—a near-8x increase in three years. Redseer estimates GMV will rise 5-7x to Rs5.1-7.1bn by CY30P. QCom GMV growth has outpaced online retail GMV growth, with its share increasing from ~3% in CY22 to ~13% in CY25 and expected to reach 26-30% by CY30.

Exhibit 33: QCom GMV growth outpaces online retail GMV growth



Source: Company, Emkay Research

Growth drivers

Rising urbanization, nuclearization, and female labor force participation

The increasing share of urban and nuclear households is a structural tailwind for QCom. Rising female labor force participation and an improving share of dual-income households lead to a corresponding rise in convenience-led consumption. Moreover, India's median age is ~28 years—a digitally native cohort driving demand for variety and instant fulfillment.

Exhibit 34: Urbanization, nuclearization, and female labor force participation aid QCom

Driver	CY20	CY25	CY30P
Urban households (mn)	111–123	121–134	138–153
Nuclear households (mn)	~188	~220	253–265
Young population 18-40 years (mn)	~538	~560+	N/A
Female labor participation (%)	~26%	~32%	Rising
Middle + High income HHs (mn)	~179	~230	~283

Source: Redseer, Company, Emkay Research

Increasing penetration of online grocery

India's retail market stood at ~Rs91trn (~$1,066bn) in CY2025 and is projected to reach Rs135–148trn ($1,586–1,743bn) by CY2030—a 1.5–1.6x increase. Grocery (including fresh produce, FMCG, and staples) is the largest single category, yet online penetration remains diminutive.

Exhibit 35: Low online penetration to result in increased QCom adoption

Category	Share (CY25)	Online Penetration (CY25)	Online Penetration (CY30P)
Grocery (incl. F&V, FMCG, Staples)	~61%	~2%	6–7%
Fashion (Apparel, Footwear)	~10%	20–22%	28–31%
Electronics & Appliances	~5%	22–27%	27–32%
Beauty & Personal Care	~3%	27–30%	41–44%
Pharma & OTC	~2%	~4%	~4%
Others	~19%	Varied	Varied

Source: Redseer, Company, Emkay Research

QCom fits India's consumption patterns

India's grocery purchasing behavior is structurally different from developed markets and uniquely suited to QCom, owing to high purchase frequency, small basket sizes, hyperlocal proximity, and highly price-sensitive customers—all of which QCom addresses.

Exhibit 36: Grocery category – Purchasing frequency and basket size

Category	Frequency	Avg. Basket (₹)	Share of Grocery GMV
Dairy (milk, cheese, paneer)	6–7x per week	₹50–100	35–45%
Fresh (F&V, meat)	5–6x per week	₹75–200	25–30%
FMCG (snacks, beverages, packaged)	1–2x per week	₹100–150	30–35%
Staples (rice, wheat, oil)	0.5–1x per week	₹750–1,500	~10%

Source: Company, Emkay Research

QCom platforms deliver on four fronts simultaneously: quick accessibility, better quality, wider assortment, and efficient prices. Moreover, they shorten the supply chain, resulting in tangible benefits: farmers earn 20-50% higher margins, producers and brand partners gain better demand visibility, and logistics companies benefit from increasing last-mile volume density. Beyond these benefits, the QCom business model is inherently capital-efficient and exhibits strong operating leverage—higher dark store throughput, cost-efficient delivery (hub-and-spoke model), fleet electrification, and digital advertising revenue. The outcome is evident, as QCom has clocked the highest GMV CAGR among all consumer internet sectors.

Exhibit 37: GMV CAGR comparison – Consumer internet sectors

Sector	GMV CAGR (CY22–25)
Quick commerce	~95%
Ride hailing	~34%
Beauty and personal care	~27%
Food services (including delivery)	~18%
Fashion e-commerce	~12%
Horizontal e-commerce	~11%

Source: Redseer, Company, Emkay Research

Use of IPO proceeds

Zepto's DRHP states gross proceeds of Rs80.1bn from the fresh issue. The company proposes to utilize the net proceeds toward the following objects: 1) expansion of dark store network by setting up new dark stores in existing and new geographies; 2) expenditure toward lease rentals of existing dark stores; 3) investment in technology and cloud infrastructure; 4) Investment in its subsidiary, Zepto Marketplace, for marketing and business promotion expenses; and 5) funding inorganic growth through unidentified acquisitions, and general corporate purposes.

The company has earmarked ~45% of the net proceeds toward the expansion of the dark store network and lease rentals of existing dark stores. ~25% is earmarked toward investment in technology and cloud infrastructure and marketing and business promotion expenses, while the remaining ~30% is earmarked toward acquisitions and general corporate purposes.

Exhibit 38: Proposed deployment of IPO proceeds

Particulars (Rs mn)	Estimated net proceeds amount (FY27-30)	FY27	FY28	FY29	FY30
Expansion of dark store network (A)	16,290	2,779	3,319	5,852	4,340
Lease rentals of existing dark stores (B)	17,349	4,072	5,696	6,039	1,542
Investment in technology and cloud infrastructure (C)	13,248	2,528	3,973	4,515	2,231
Marketing and business promotion expenses (D)	5,200	570	930	2,720	980
Acquisitions and general corporate purposes (E)	Undecided				
Total decided expenditure	**52,087**	**9,949**	**13,918**	**19,127**	**9,094**

Source: Company, Emkay Research

Dark store network expansion

Zepto has added 802 dark stores on a net basis over FY24-26, taking the total to 1,139 stores across 66 cities. It has spent Rs7.7bn for this expansion. The company intends to expand dark stores based on densification in a micro market, to reduce delivery cost per order. From FY27-30, Zepto aims to set up 1,904 dark stores at a cost of Rs16.3bn, an average of Rs8.55mn per store. However, the rollout is expected to be back-ended, with 1,154 stores (61% of the total) expected in FY29-30. The company expects to set up relatively larger dark stores measuring 3,500-4,000 sqft across both established and new micro markets.

Lease rentals for existing dark stores

As of 31-Mar-26, Zepto has 1,121 active dark stores operated on a leasehold basis. Over FY24-26, it has paid Rs17.35bn on lease rentals. Per the agreements, rentals escalate in the range of 5% per annum to 15% every three years. The company has stated that it would not utilize the net proceeds toward payment for newly leased dark stores, unless the terms of the existing lease agreements are changed to result in lower rental payouts.

Technology and cloud infrastructure

Zepto operates a highly scalable, tech-native QCom platform. By building core systems in-house—such as search and user support software—the company has removed third-party vendor dependencies and lowered its overall cost per order.

Serving over 47mn ATUs in FY26 (up from ~10mn in FY24), the Zepto platform utilizes Generative AI to drive real-time personalization, dynamic cohort segmentation, and automated, human-free customer support. This creates a powerful data flywheel that optimizes hyperlocal assortment visibility and conversion. To sustain this momentum, the company will deploy Rs13bn of the net IPO proceeds between FY27 and FY30 to further enhance cloud capacity, data analytics, and AI infrastructure.

Investment in Zepto Marketplace

To facilitate the marketplace business, Zepto has been investing in Zepto Marketplace (ZMPL), under which marketing and brand promotion activities are undertaken. Zepto owns 99.99% of ZMPL. It has run several advertising campaigns, such as "Prices Itne Low, 1 Baar Dekh To Lo", mass marketing during high-viewership sports events such as cricket and tennis, customized billboard partnerships with multiple brands across various locations and "Diwali Mithai Wars", spending Rs28.8bn on advertising over FY24-26. The company aims to deepen engagement and deploy Rs5.2bn of the net proceeds in marketing and business promotion initiatives.

Acquisitions and general corporate purposes

The management believes that the breadth of categories served, and the inherent complexity of supply chains, will lead to increasing scope for mergers and acquisitions. This can enable backward integration across sourcing, processing, and fulfillment, helping address inefficiencies, strengthen supply resilience, and support innovation that enhances both customer experience and platform profitability. While the company has not identified any specific target, it plans to create a buffer for such acquisition opportunities as they arise in the future. The company has also earmarked an amount not exceeding 35% of the gross proceeds toward general corporate purposes.

Risks

FDI retail regulations

Zepto, being an FOCC, operates its platform as a B2B wholesaler and a marketplace, wherein merchant partners list and sell their inventory to customers on the Zepto platform. However, FDI regulations prohibit Zepto from setting prices on the platform, and merchant partners listed on its platform are not allowed to procure more than 25% of their products from the Zepto platform or its group companies. While the management believes that its business activities have been, and continue to remain, compliant with the requirements under the Consolidated FDI Policy and other Indian foreign investment laws, it cannot assure that the GoI, or a regulatory or judicial authority, will not take a different interpretation.

Also, two of its Promoters, namely Aadit Palicha and Kaivalya Vohra, received summons, each dated 8-Apr-26, from the Directorate of Enforcement, Ministry of Finance, Government of India (ED), requiring them to appear before the ED and to produce certain documents and/or provide information in relation to the company and/or themselves, including: 1) details of foreign investments and overseas investments; 2) audited balance sheets since FY21; 3) owned immovable properties; 4) shareholding pattern;5) details of loans/guarantees; 6) income tax returns and bank accounts; and 7) a note on the business model, in relation to proceedings under the Foreign Exchange Management Act, 1999 (Summons). Complying with the Summons, Kaivalya Vohra appeared before the ED on 17-Apr-26 and 22-Apr-26, and Aadit Palicha on 20-Apr-26 and 15-May-26. As of the date of the DRHP, they have provided the relevant information and documents requested by the ED pursuant to the Summons, as well as follow-on information requested by the ED further to their interactions, including certain details in relation to the holding structure, the Scheme, and additional information relating to the business, such as business agreements and invoices. As of the date of filing of the DRHP, the company has not received any further communication from the ED.

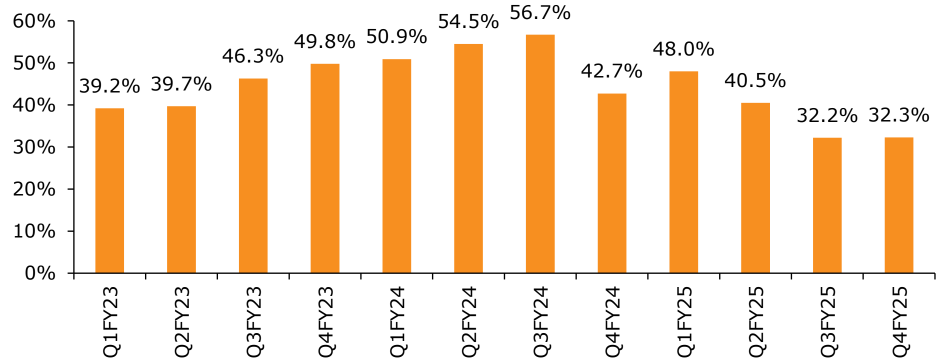
Consolidated losses and negative cash flow

Zepto has incurred cumulative losses of Rs118.2bn over FY24-26. The company's consolidated cash balance stands at Rs56.8bn as of FY26. It reported a loss of Rs59.0bn in FY26 and had negative free cash flow of Rs43.3bn. At the current pace of cash burn, Zepto's existing cash reserves provide sufficient liquidity to fund operations only for the next 12–15 months. In the absence of a turnaround in profitability, the company will require significant capital infusion to remain a going concern.

Slipping user retention

Zepto's consumer retention data shows declining retention of the newer customer cohorts. As shown in Exhibit 39, Zepto saw a consistent increase in Q4 retention—rising from 39.2% for customers added in Q1FY23 to 56.7% for customers added in Q3FY24. However, it has consistently deteriorated since then, falling to 32.3% for customers added in Q4FY25. Lower consumer retention would have a direct impact on order volume, which would therefore require Zepto to ramp up its customer acquisition spending, in turn, impacting the platform's profitability. Zepto has adopted the EDLP and low-delivery fee strategy, which incentives consumers to keep coming back to the Zepto platform for future orders. This should ideally lead to higher retention, but higher discounting and consumer incentives from recently entered players like Flipkart Minutes and Amazon Now may lead to higher customer churn on existing platforms.

Exhibit 39: Q4 (12 months) consumer retention for customer cohorts added by quarters



Source: Company, Emkay Research; Note: Values in cohorts represent the percentage of users in each of the indicated quarters who made an order in that quarter and whose first order occurred in the start quarter. For instance, the Q1FY23 cohort comprises users acquired in that quarter, of whom 39.2% were retained on the platform four quarters after the start quarter.

Ground-level operational challenges

Zepto DRHP highlights multiple litigations across various Haryana, Uttar Pradesh, Maharashtra and other geographies, wherein issues were raised regarding food safety. Media coverage adds the highest-profile episode: the Maharashtra FDA suspended the food business license of the Dharavi dark store after a 31-May-25 inspection found fungal growth on food items, expired stock mixed with fresh inventory, and failed cold-storage temperatures. The suspension was revoked on appeal in mid-June 2025 after re-inspection. With 1,139 dark stores as of 31-March-26 and FSSAI escalating platform-level compliance directives since July 2025, per-store licensing and hygiene enforcement is an operating risk.

Evolving rules and regulations in India and legal uncertainties

Evolving laws and regulations could adversely affect Zepto's business, financial condition, cash flows, and results of operations. Once such instance is the Government of Delhi requiring delivery fleets in the National Capital Territory (NCT) region to use electric vehicles by 2030. Similarly, on 21-November-25, the Government of India brought into effect the Code on Social Security, 2020, which expands universal social protection and streamlines compliance. Any such change in the regulatory framework could impact the company's operations and profitability.

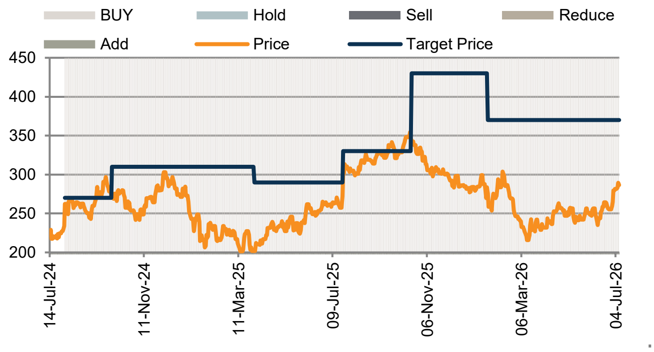
ETERNAL

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
14-Jun-26	244	370	Buy	Pranav Kshatriya
29-Apr-26	254	370	Buy	Pranav Kshatriya
23-Apr-26	260	370	Buy	Pranav Kshatriya
22-Jan-26	276	370	Buy	Pranav Kshatriya
17-Oct-25	343	430	Buy	Pranav Kshatriya
12-Sep-25	321	330	Buy	Pranav Kshatriya
22-Jul-25	300	330	Buy	Pranav Kshatriya
02-May-25	234	290	Buy	Dipeshkumar Mehta
31-Mar-25	202	290	Buy	Dipeshkumar Mehta
20-Jan-25	240	310	Buy	Dipeshkumar Mehta
01-Jan-25	277	310	Buy	Dipeshkumar Mehta
23-Oct-24	264	310	Buy	Dipeshkumar Mehta
01-Oct-24	274	310	Buy	Dipeshkumar Mehta
22-Aug-24	258	270	Buy	Dipeshkumar Mehta
02-Aug-24	262	270	Buy	Dipeshkumar Mehta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

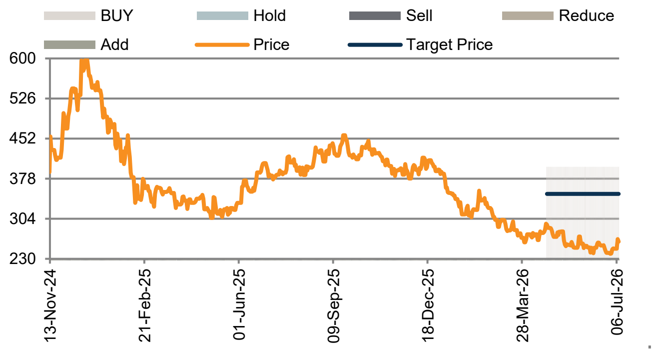
SWIGGY

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
14-Jun-26	250	350	Buy	Pranav Kshatriya
09-May-26	281	350	Buy	Pranav Kshatriya
23-Apr-26	293	350	Buy	Pranav Kshatriya

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of July 12, 2026
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of July 12, 2026
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the July 12, 2026
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

Seshadri Kumar Sen

Digitally signed by Seshadri Kumar Sen
Date: 2026.07.12 22:24:51 +05'30'