

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	SWIGGY IN
Equity Shares (m)	2494
M.Cap.(INRb)/(USDb)	1006.8 / 11.5
52-Week Range (INR)	617 / 297
1, 6, 12 Rel. Per (%)	4/-8/-
12M Avg Val (INR M)	6901

#### Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
GOV	287.8	340.7	410.1
Net Sales	152.3	223.3	305.6
Change (%)	35.4	46.6	36.9
EBITDA	-27.9	-33.7	-19.4
EBITDA margin (%)	-18.3	-15.1	-6.3
Adj. PAT	-31.1	-38.9	-25.7
PAT margin (%)	-20.5	-17.4	-8.4
RoE (%)	-34.58	-44.91	-41.14
RoCE (%)	-33.91	-42.41	-39.37
EPS	-13.63	-17.03	-11.22
EV/ Sales	6.0	4.0	3.0
Price/ Book	9.0	13.0	17.3

#### Shareholding Pattern (%)

As On	Jun-25	Mar-25
Promoter	0.0	0.0
DII	13.5	9.3
FII	15.1	4.9
Others	71.4	85.8

FII includes depository receipts

**CMP: INR404 TP: INR450 (+11%) Neutral**

### Improvement ahead of schedule

#### Measured QC investments to aid margins, but competitive risk looms ahead

- Swiggy delivered a revenue of INR49.6b in 1QFY26 (up 12.5% QoQ) vs. our estimate of INR49b. The food delivery (FD) business's GOV grew 18.7% YoY, whereas the contribution margin (CM) contracted 50bp QoQ to 7.3%. FD's adjusted EBITDA as a % of GOV margin dipped 50bp QoQ to 2.4% vs. our estimate of 2.5%.
- Instamart's GOV was INR56.6b (up 107% YoY) vs. our estimate of INR 58b. The contribution margin expanded 100bp QoQ to -4.6%. Adjusted EBITDA as a % of GOV was -15.8% (-18% in 4Q), in line with our estimate of -16%.
- Overall, Swiggy posted a net loss of INR12b, marking an increase of 95% YoY.
- For 1QFY26, revenue/adj. EBITDA loss grew 54%/134% YoY. For 2QFY26, we expect revenue/adj. EBITDA loss to increase 50%/107% YoY. We believe execution has improved notably, with the improvement in QC AOV being an encouraging sign. We remain on the sidelines due to continued heightened competition in the sector. Our TP of INR450 implies an 11% upside from the current price. We reiterate our **NEUTRAL** rating on the stock.

#### Our view: AOV catching up with close peers

- **AOV increase a key positive surprise:** Instamart's AOV rose 26% YoY and 16% QoQ—well ahead of the internal guidance. This was driven by the removal of low-value, unprofitable orders, higher Maxx saver adoption, and increasing mix of non-grocery items (now 18.5% of GOV vs 6.6% a year ago). Management confirmed there was no seasonality in this surge—it was entirely structural. We expect AOV to continue trending up, albeit gradually, as assortment expands and ecosystem partnerships (brands, sellers) kick in to drive monetization and habit formation for Maxx saver.
- **Contribution margin to improve faster, but strategy carries competitive risk:** Swiggy has paused further store expansion in quick commerce, indicating that its current footprint of 4.3m sq ft across 1,000+ dark stores can support 100% YoY growth. This should accelerate margin expansion, aided by operating leverage and reduced fixed costs. However, in a market where competitors are densifying aggressively, this more measured approach may leave Swiggy exposed if network reach or delivery speeds start to lag. We expect near-term margin gains, but the strategic trade-off adds medium-term competitive risk.
- **FD GOV continues to surprise; 10-minute 'Bolt' gaining traction:** FD GOV rose 18.8% YoY—its second-best growth in nine quarters—despite a seasonally weak Q1. Swiggy's 10-minute format, Bolt, now continues to account for 10-12% of FD orders, with unit economics close to the platform average due to tighter delivery radius and lower delivery fees. We expect continued GOV momentum as Swiggy scales newer formats and penetrates deeper into Tier-2 cities.

**Abhishek Pathak - Research analyst** (Abhishek.Pathak@MotilalOswal.com)

**Research analyst: Keval Bhagat** (Keval.Bhagat@MotilalOswal.com) | **Tushar Dhonde** (Tushar.Dhonde@MotilalOswal.com)

**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **No structural concern on FD margins; softness was seasonal:** FD's EBITDA margin contracted to 2.4% due to seasonal rider availability issues and one-off fixed cost increases tied to appraisals. Management emphasized this was temporary and reaffirmed its 5% medium-term margin target. We expect margins to rebound from 2Q onwards as operating costs normalize, GOV scales further, and platform innovations like Bolt deliver incremental efficiency without eroding profitability.

### Valuation and view

- We now value FD on EV/EBITDA (FY27e) multiple vs DCF earlier; we ascribe Swiggy's FD business a 10% discount to Eternal. We acknowledge that Swiggy is growing faster, and once parity on EBITDA margin is achieved, this discount may not be warranted. We continue to value QC on DCF. We arrive at our revised price of INR450. We believe execution has improved notably, with the improvement in QC AOV being an encouraging sign. We remain on the sidelines due to continued heightened competition in the sector. Our TP of INR450 implies an 11% upside from the current price. We reiterate our NEUTRAL rating on the stock.

### In-line FD GOV growth and Instamart adj. EBITDA margin

- Swiggy reported 1QFY26 net revenue of INR49.6b (+12.5% /54% QoQ /YoY) vs our estimate of INR 49b.
- FD's GOV stood at INR80.9b (up 10%/18.7% QoQ/YoY) vs our estimate of INR79.5b. The company remains confident of achieving high-teens growth in the near term.
- Instamart GOV came in at INR56.6b (up 107% YoY) vs our estimate of INR58b. Darkstore rollouts included 41 new active stores in 1Q (vs c300 stores in 4Q).
- For FD, adjusted EBITDA as a % of GOV margin declined 50bp QoQ at 2.4% vs our estimate of 2.5%.
- Instamart's adjusted EBITDA as a % of GOV was -15.8% (-18% in 1Q) vs. our estimate of -16%.
- Consol. Adj. EBITDA came in at negative at INR8.1b.
- Instamart reported a contribution margin of -4.6% (-5.6% in 1Q) vs. our estimate of -5.1%. Levers for 100bp improvement included higher advertising revenue, customer incentive rationalization, and operating leverage on other network costs (240bp), partially offset by headwinds from aggressive 4Q expansions (90bp) and take-rate dilution on non-groceries (~50bp).
- Swiggy reported a net loss of INR12b (est. INR11.2b), marking an increase of 95% YoY.

### Key highlights from the management commentary

- **FD:** GOV stood at INR80.9b, rising 10% QoQ and 18.7% YoY. The company remains confident of maintaining high-teen growth in the near term.
- The resilient GOV performance was driven by a growing MTU base, enabled by better execution—particularly in Tier-2 cities—and improved consumer propositions, which also helped expand GOV per MTU.

- 'Bolt' now contributes over 10-12% of total orders. It has a minimal impact on AOV and is not dilutive at the platform level. Its economics are close to the platform average, despite no incremental monetization.
- **Instamart:** AOV increased 26% YoY, which is a key driver of profitability. Order growth was deliberately moderated by phasing out low-value orders that hurt P&L. The Maxxsaver basket-building program helped consolidate orders. Retention among Maxxsaver users is higher, supporting AOV growth. The company expects orders to rise going forward.
- Non-grocery penetration is still low, but the share of these products will continue to grow over the next few quarters. Increased assortment is planned across a wider coverage area.
- The company believes its current dark store network can support 2x growth. Future expansion will be need-based, not broad-based.

### Valuation and view

- We now value FD on EV/EBITDA (FY27e) multiple vs DCF earlier; we ascribe Swiggy's FD business a 10% discount to Eternal. We acknowledge that Swiggy is growing faster, and once parity on EBITDA margin is achieved, this discount may not be warranted. We continue to value QC on DCF. We arrive at our revised price of INR450. We believe execution has improved notably, with the improvement in QC AOV being an encouraging sign. We remain on the sidelines due to continued heightened competition in the sector. Our TP of INR450 implies an 11% upside from the current price. We reiterate our NEUTRAL rating on the stock.

### Consolidated - Quarterly Earning Model

(INR m)

Y/E march	FY25				FY26E				FY25	FY26	Estimate	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY26	(% / bp)
Revenue (net of delivery)	32,222	36,015	39,931	44,100	49,620	54,071	58,212	61,378	1,52,268	2,23,281	49,063	1.1
YoY Change (%)	34.8	30.3	31.0	44.8	54.0	50.1	45.8	39.2	35.4	46.6	52.3	170bp
Inventory of traded goods	11,954	13,874	15,650	18,538	20,640	23,207	24,944	26,811	60,015	95,601	20,522	0.6
Employee Expenses	5,892	6,073	6,568	6,956	6,860	6,832	7,558	8,114	25,489	29,364	6,241	9.9
Delivery expenses	10,460	10,949	11,269	11,614	13,130	16,978	17,901	18,341	44,292	66,351	16,716	-21.5
Gross Profit	3,916	5,119	6,444	6,992	8,990	7,054	7,809	8,111	22,472	31,965	5,584	61.0
Margins (%)	12.2	14.2	16.1	15.9	18.1	13.0	13.4	13.2	14.8	14.3	11	670bp
Advertisement and sales promotion	4,454	5,371	7,515	9,777	10,360	9,776	9,178	8,544	27,117	37,858	9,366	10.6
Others	4,905	5,290	6,185	6,833	8,160	6,326	6,469	6,893	23,213	27,848	6,841	19.3
EBITDA	-5,442	-5,542	-7,257	-9,618	-9,530	-9,047	-7,837	-7,326	-27,858	-33,740	-10,622	NA
Margins (%)	-16.9	-15.4	-18.2	-21.8	-19.2	-16.7	-13.5	-11.9	-18.3	-15.1	-21.7	240bp
Depreciation	1,217	1,309	1,540	2,057	2,880	1,892	2,037	2,148	6,123	8,958	1,717	67.7
Interest	198	231	256	322	410	200	200	200	1,006	1,010	200	105.0
Other Income	879	848	1,028	1,207	870	1,300	1,300	1,300	3,962	4,770	1,300	-33.1
PBT before EO expense	-5,978	-6,233	-8,024	-10,790	-11,950	-9,840	-8,774	-8,375	-31,025	-38,939	-11,239	NA
Tax	0	0	0	0	0	0	0	0	0	0	0	NA
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	NA	0.0	0bp
Adj PAT	-5,978	-6,233	-8,024	-10,790	-11,950	-9,840	-8,774	-8,375	-31,025	-38,939	-11,239	NA
Extra-Ord expense	-132	-21	35	0	0	0	0	0	-118	0	0	
MI & Profit/Loss of Asso. Cos.	1	1	1	22	10	0	0	0	26	10	0	
Reported PAT	-6,111	-6,255	-7,991	-10,812	-11,960	-9,840	-8,774	-8,375	-31,169	-38,949	-11,239	6.4
YoY Change (%)	8%	-5%	39%	NA	NA	NA	NA	NA	33%	25%	NA	NA
Margins (%)	-19.0	-17.4	-20.0	-24.5	-24.1	-18.2	-15.1	-13.6	-20.5	-17.4	-22.9	NA

**Exhibit 1: Key performance indicators – FD business**

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Avg MTU (m)	14.0	14.7	14.9	15.1	16.3
Avg. MT Restaurant Partners (m)	0.22	0.23	0.24	0.25	0.26
GOV (INR m)	68,080	71,910	74,360	73,470	80,860
GOV/MTU	4,863	4,892	4,991	4,866	4,961

Source: Company, MOFSL

**Exhibit 2: Key performance indicators – QC business**

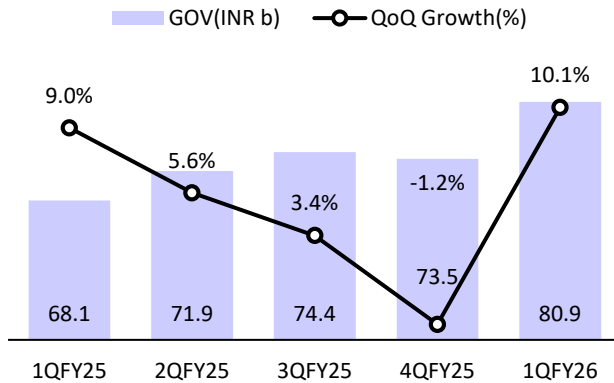
Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Orders (m)	56	68	73	88.6	92
AOV	487	499	534	527	612
Avg. MTU (m)	5.2	6.2	7.0	9.8	11.1
Active Dark Stores	557	609	705	1021	1062
Orders/Dark store/Day	1103	1210	1151	964	963
Active Dark Store Area ( m Sq ft)	1.66	1.95	2.45	3.97	4.3

Source: Company, MOFSL

## Story in charts

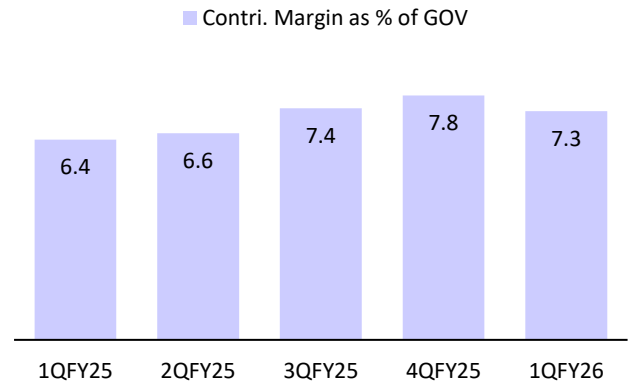
### Food Delivery

**Exhibit 3: FD GOV was up 10.1% in 1Q, the highest in recent quarters**



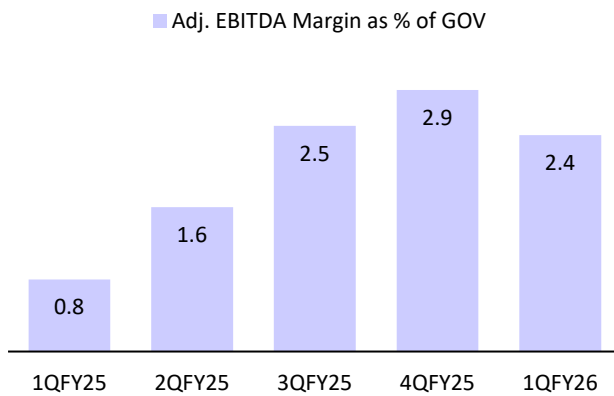
Source: MOFSL, Company

**Exhibit 4: CM contracted 50bp due to lower rider availability**



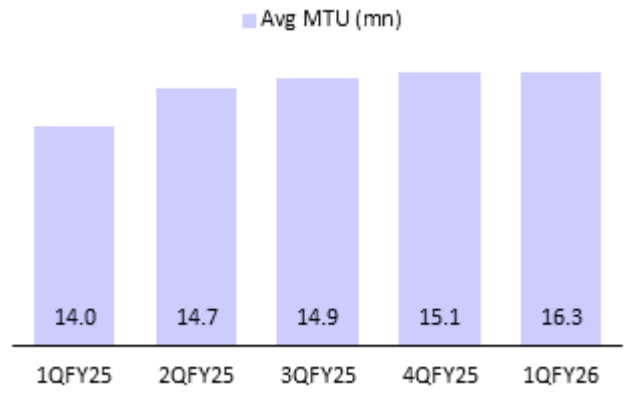
Source: MOFSL, Company

**Exhibit 5: Adj. EBITDA margin contracted 50bp**



Source: MOFSL, Company

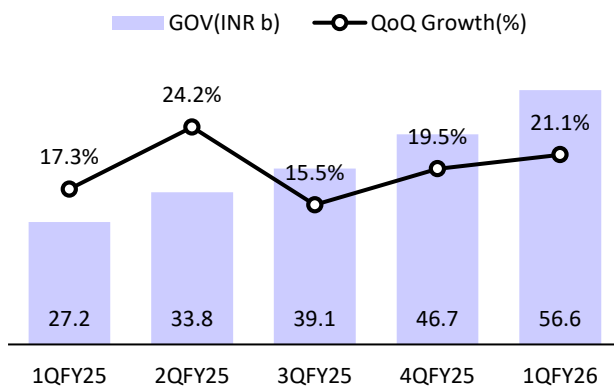
**Exhibit 6: Avg. MTU growing sequentially**



Source: MOFSL, Company

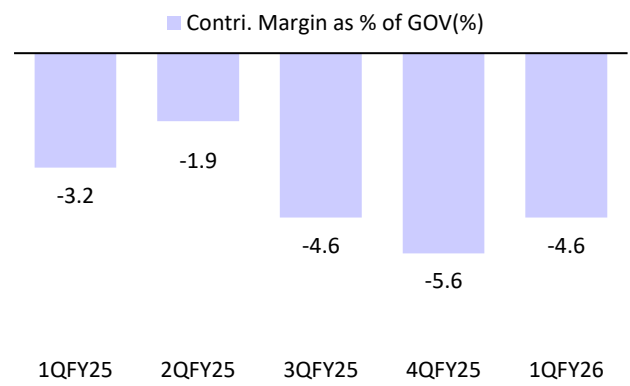
### Instamart

**Exhibit 7: QC GOV grew 21.1% QoQ**



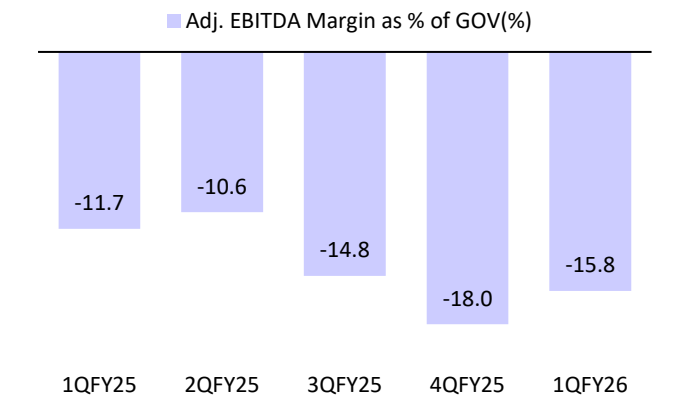
Source: MOFSL, Company

**Exhibit 8: CM expanded 100bp QoQ**



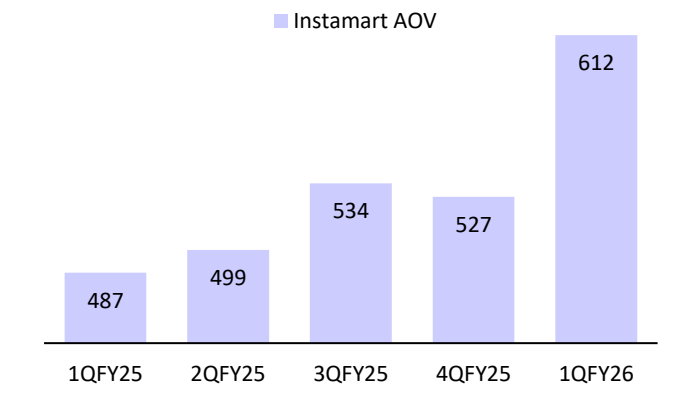
Source: MOFSL, Company

**Exhibit 9: Adj. EBITDA margin in line with our estimates**



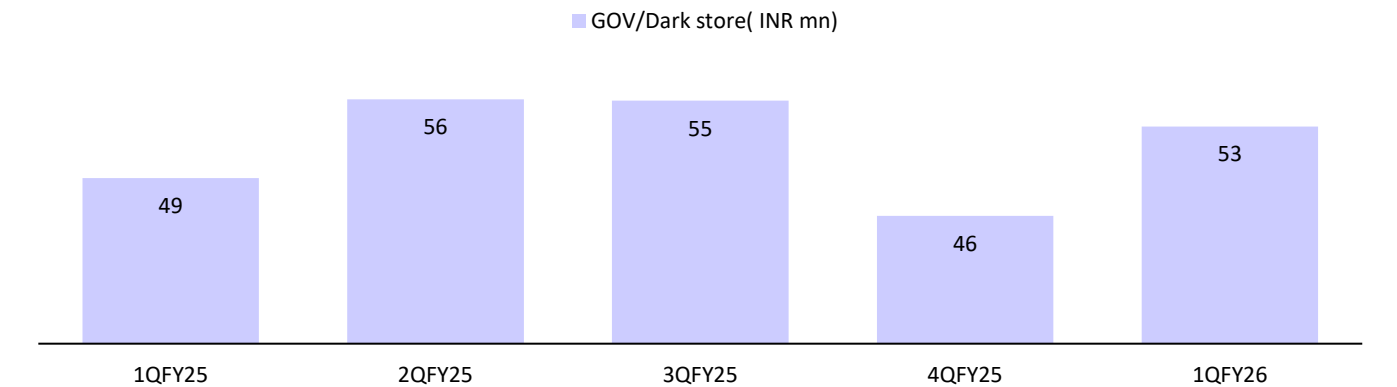
Source: MOFSL, Company

**Exhibit 10: Instamart's AOV up 26% YoY**



Source: MOFSL, Company

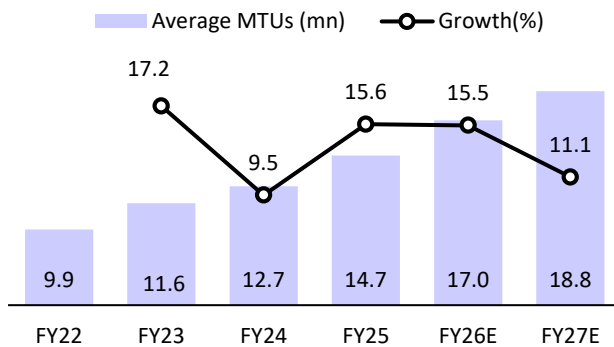
**Exhibit 11: GOV per dark store resumed to normal levels after accelerated expansion in 4Q**



Source: Company, MOFSL

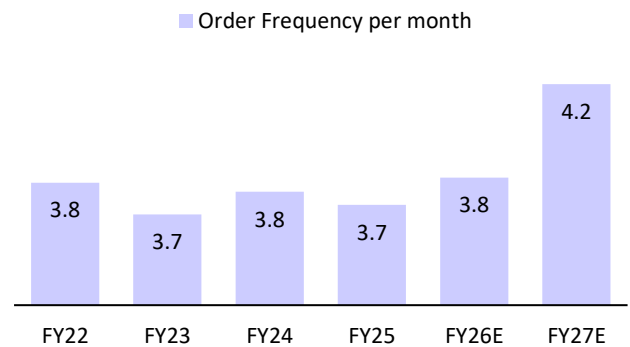
## What do we expect – our estimates

**Exhibit 12: Expect MTUs to grow in the mid to low teens**



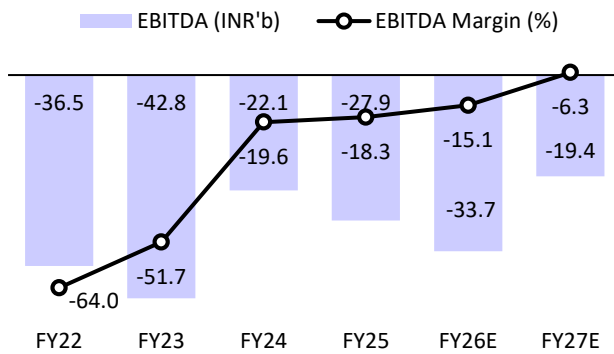
Source: MOFSL, Company

**Exhibit 13: Order frequency to grow steadily**



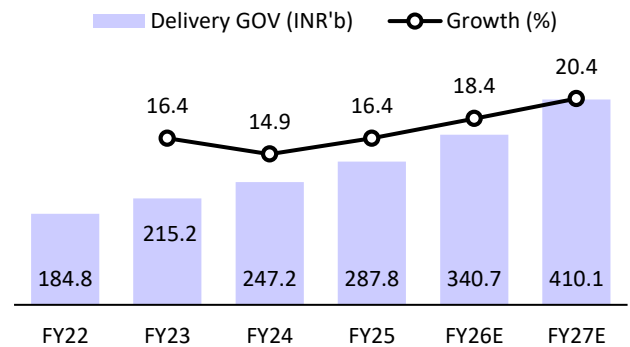
Source: MOFSL, Company

**Exhibit 14: Expect EBITDA loss margin to reduce to low single digit**



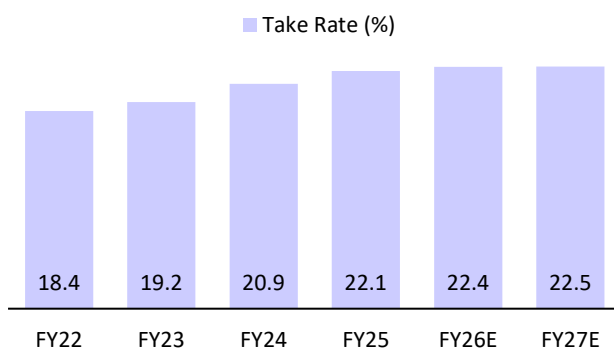
Source: MOFSL, Company

**Exhibit 15: FD GOV growth to accelerate as Bolt adoption drives GOV**



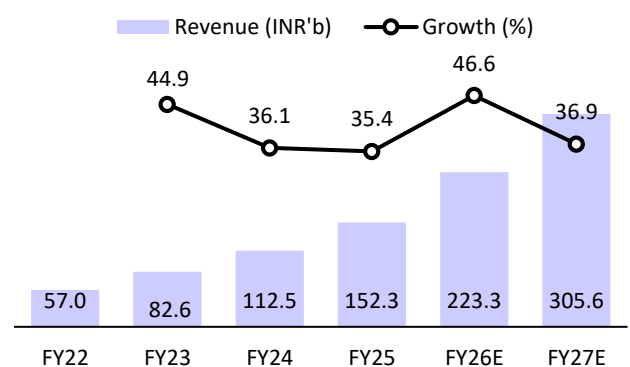
Source: MOFSL, Company

**Exhibit 16: Expect take rates to remain steady**



Source: MOFSL, Company

**Exhibit 17: Revenue to grow, led by Instamart business expansion**



Source: MOFSL, Company



## Key highlights from the management commentary

### Demand and growth outlook

- **FD:** FD's GOV stood at INR80.9b, up 10% QoQ and 18.7% YoY. The company remains confident of maintaining high-teen growth in the near term.
- The resilient GOV performance was driven by a growing MTU base, enabled by better execution—particularly in Tier-2 cities—and improved consumer propositions, which also helped expand GOV per MTU.
- Swiggy sees significant growth headroom as more meal occasions shift to delivery platforms.
- The company has unified the rider app for FD and Instamart, though dedicated riders serve each business. Gig workers can operate across both.
- Contribution margin contraction was seasonal, largely due to rider availability issues. These are expected to normalize.
- Adjusted EBITDA margins contracted to 2.4% (-52bps QoQ), primarily due to a seasonal dip in contribution margins and higher fixed expenses from the annual appraisal cycle, which increased manpower costs. A similar impact is expected to recur in 1Q each year.
- **Swiggy Bolt:** Bolt now contributes over 10-12% of total orders. It has a minimal impact on AOV and is not dilutive at the platform level. Its economics are close to the platform average, despite no incremental monetization.
- **Instamart:** GOV growth (up 107% YoY) was led by the expansion of dark stores, both in existing and new geographies.
- AOV increased 26% YoY, which is a key driver of profitability. Order growth was deliberately moderated by phasing out low-value orders that hurt P&L.
- The Maxxsaver basket-building program helped consolidate orders. Retention among Maxxsaver users is higher, supporting AOV growth. The company expects orders to rise going forward.
- CM improved 100bp QoQ. The company expects further improvement in the next quarter and targets CM neutrality by 3QFY26–1QFY27, noting that margin gains will not be back-ended.
- Levers driving the 100bp improvement included higher ad revenue, rationalized customer incentives, and operating leverage on network costs (240bp), partially offset by expansion costs (90bp) and a ~50bp hit from lower take rates in non-grocery segments.
- The take rate dip in non-grocery was a one-off. As larger ASP products scale up, they are expected to improve margins.
- Non-grocery penetration is still low, but the share of these products will continue to grow over the next few quarters. Increased assortment is planned across a wider coverage area.
- Contribution of non-grocery categories in the GOV mix has increased to 18.5%, vs 7% a year back.
- Marketing investments remain elevated and are expected to continue.
- Maxxsaver has helped increase AOV through repeat use and customer habit formation. Profitability has improved in this segment, and take rates are likely to rise. There remains headroom for higher ad revenue.
- The company believes its current dark store network can support 2x growth. Future expansion will be need-based, not broad-based.

- Swiggy's network model prioritizes timely delivery (10 minutes), favoring larger-format stores for better basket economics.
- Fixed costs, largely CAC and marketing, are expected to remain steady for a few quarters. Competitive intensity is already factored into current plans.
- Swiggy is present in 127 cities and will focus on deeper penetration in its top markets. Many of the top 10 out of the top 20 cities still have low penetration.
- The share of domestic ownership has risen to ~40% since IPO. Swiggy may consider moving to an inventory model eventually, which could improve profitability by 50–70bp (though not materially).

### Margins

- The company maintains its guidance of achieving contribution margin break-even for Quick Commerce between Q3FY26 and Q1FY27. Currently, the most mature dark stores in established geographies operate at an average contribution margin of ~2%, with the top-performing cohort reaching ~4%.
- Swiggy reiterated its medium-term EBITDA margin target of 5% in FD business.

### Valuation and view

- We now value FD on EV/EBITDA (FY27e) multiple vs DCF earlier; we ascribe Swiggy's FD business a 10% discount to Eternal. We acknowledge that Swiggy is growing faster, and once parity on EBITDA margin is achieved, this discount may not be warranted. We continue to value QC on DCF. We arrive at our revised price of INR450. We believe execution has improved notably, with the improvement in QC AOV being an encouraging sign. We remain on the sidelines due to continued heightened competition in the sector. Our TP of INR450 implies an 11% upside from the current price. We reiterate our NEUTRAL rating on the stock.

### Exhibit 18: Summary of our revised estimates

	Revised		Earlier		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue (INR m)	2,23,281	3,05,603	2,10,501	2,76,314	6.1%	10.6%
EBITDA (INR m)	-33,740	-19,363	-34,623	-21,833	-2.5%	-11.3%
EBITDA Margin	-15.1	-6.3	-16.4	-7.9	134bp	157bp
PAT	-38,939	-25,660	-37,590	-26,372	3.6%	-2.7%
PAT Margin	-17.4	-8.4	-17.9	-9.5	42bp	115bp
EPS	-17.03	-11.22	-16.16	-11.34	5.4%	-1.0%

Source: MOFSL

### Exhibit 19: DCF assumptions and valuation

#### DCF Assumptions & Valuation

##### Quick Commerce

Order growth (FY25-37)	27.1%
AOV growth (FY25-37)	3.3%
GOV growth (FY25-37)	31.2%
FY37 GOV USDm	45,448
FY37 EBITDA (% of GOV)	4.7%
WACC	12.5%
Terminal growth	6.5%

Source: MOFSL

**Exhibit 20: SoTP-based TP at INR450**

Segment	Methodology	Methodology description	Valuation toward SWIGGY (INR b)	Contribution (INR per share)
Food Delivery Business	Multiples	❖ 27x FY27E EV/EBITDA	381	166
Quick Commerce Business	DCF	❖ Estimate 31% GOV CAGR and avg. contribution margin of 3.1% over FY25-37. Our WACC/terminal growth estimate stands at 12.5%/6.5%, respectively.	503	220
Out of Home Consumption Business	Multiples	❖ 1x FY27E EV/GMV	62	27
Supply Chain and Distribution Business	DCF	❖ Estimate 19% revenue CAGR and avg. adj. EBITDA margin of 3.5% over FY25-37. Our WACC/terminal growth estimate stands at 12.5%/6.5%, respectively	35	15
Cash on the books			53	23
<b>Total (Rounded)</b>				<b>450</b>

Source: MOFSL

## Financials and valuations

Revenue Model						(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
MTU (m)	9.9	11.6	12.7	14.7	17.0	18.8
Order Frequency	3.8	3.7	3.8	3.7	3.8	4.2
Orders/ Month	37.8	43.1	48.1	55.0	65.1	78.4
Orders/ Year	454	517	578	660	782	941
AOV	407	416	428	436	436	436
<b>Delivery GOV</b>	<b>1,84,788</b>	<b>2,15,171</b>	<b>2,47,174</b>	<b>2,87,823</b>	<b>3,40,742</b>	<b>4,10,107</b>
Take Rate (%)	18.4	19.2	20.9	22.1	22.4	22.5
<b>Delivery Revenue</b>	<b>33,913</b>	<b>41,300</b>	<b>51,601</b>	<b>63,529</b>	<b>76,473</b>	<b>92,274</b>
Instamart Revenue	828	4,514	9,786	21,296	41,680	72,901
Out-of-home consumption revenue	0	777	1,572	2,385	3,248	4,547
Others	22,307	36,056	49,515	65,058	1,01,880	1,35,882
<b>Revenue</b>	<b>57,049</b>	<b>82,646</b>	<b>1,12,474</b>	<b>1,52,268</b>	<b>2,23,281</b>	<b>3,05,603</b>
Income statement						(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Sales</b>	<b>57,049</b>	<b>82,646</b>	<b>1,12,474</b>	<b>1,52,268</b>	<b>2,23,281</b>	<b>3,05,603</b>
Change (%)	NA	44.9	36.1	35.4	46.6	36.9
Inventory of traded goods	22,680	33,809	46,042	60,015	95,601	1,28,874
Employee Expenses	17,085	21,298	20,122	25,489	29,364	39,226
Other direct expenses	199	6,241	26,189	41,275	68,952	98,276
<b>Gross Profit</b>	<b>17,284</b>	<b>27,539</b>	<b>46,310</b>	<b>66,764</b>	<b>98,316</b>	<b>1,37,503</b>
% of Net Sales	30.3	33.3	41.2	43.8	44.0	45.0
Other Expenses	53,794	70,297	68,390	94,622	1,32,056	1,56,866
<b>EBITDA</b>	<b>-36,511</b>	<b>-42,758</b>	<b>-22,080</b>	<b>-27,858</b>	<b>-33,740</b>	<b>-19,363</b>
% of Net Sales	-64.0	-51.7	-19.6	-18.3	-15.1	-6.3
Depreciation	1,701	2,858	4,206	6,123	8,958	10,696
<b>EBIT</b>	<b>-38,212</b>	<b>-45,616</b>	<b>-26,286</b>	<b>-33,981</b>	<b>-42,699</b>	<b>-30,060</b>
% of Net Sales	-67.0	-55.2	-23.4	-22.3	-19.1	-9.8
Other Income (net)	3,665	3,917	3,156	2,956	3,760	4,400
<b>PBT</b>	<b>-34,547</b>	<b>-41,699</b>	<b>-23,130</b>	<b>-31,025</b>	<b>-38,939</b>	<b>-25,660</b>
Tax	0	0	0	0	0	0
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0
<b>PAT</b>	<b>-34,547</b>	<b>-41,699</b>	<b>-23,130</b>	<b>-31,025</b>	<b>-38,939</b>	<b>-25,660</b>
Extraordinary gains/loss	1,732	93	306	118	0	0
<b>Adjusted PAT</b>	<b>-36,279</b>	<b>-41,792</b>	<b>-23,436</b>	<b>-31,143</b>	<b>-38,939</b>	<b>-25,660</b>
Minority Interest	10	1	66	26	10	0
<b>Reported PAT</b>	<b>-36,289</b>	<b>-41,793</b>	<b>-23,502</b>	<b>-31,169</b>	<b>-38,949</b>	<b>-25,660</b>
Change (%)	NA	NA	NA	NA	NA	NA

Balance Sheet						(INR m)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
Share capital	1,55,634	1,55,652	1,55,763	2,286	2,286	2,286
Reserves	-32,965	-65,086	-77,848	99,908	68,930	51,230
<b>Net Worth</b>	<b>1,22,669</b>	<b>90,566</b>	<b>77,915</b>	<b>1,02,195</b>	<b>71,216</b>	<b>53,517</b>
Loans	0	0	960	0	0	0
<b>Capital Employed</b>	<b>1,22,669</b>	<b>90,566</b>	<b>78,874</b>	<b>1,02,195</b>	<b>71,216</b>	<b>53,517</b>
<b>Net Block</b>	<b>7,738</b>	<b>8,596</b>	<b>10,406</b>	<b>26,838</b>	<b>28,890</b>	<b>30,418</b>
Intangibles	272	6,455	10,008	9,470	9,470	9,470
Other LT assets	14,711	19,529	17,514	24,690	24,690	24,690
<b>Curr. Assets</b>	<b>1,21,336</b>	<b>78,227</b>	<b>67,366</b>	<b>91,056</b>	<b>57,332</b>	<b>44,552</b>
Debtors	11,119	10,623	9,639	24,625	19,134	26,189
Cash & Bank Balance	10,961	8,325	8,691	12,306	34,093	14,258
Investments	90,757	48,885	37,323	33,921	0	0
Other Current Assets	8,498	10,393	11,714	20,203	4,105	4,105
<b>Current Liab. &amp; Prov</b>	<b>21,388</b>	<b>22,240</b>	<b>26,420</b>	<b>49,858</b>	<b>49,165</b>	<b>55,613</b>
<b>Net Current Assets</b>	<b>99,948</b>	<b>55,987</b>	<b>40,946</b>	<b>41,197</b>	<b>8,167</b>	<b>-11,060</b>
<b>Application of Funds</b>	<b>1,22,669</b>	<b>90,566</b>	<b>78,874</b>	<b>1,02,195</b>	<b>71,216</b>	<b>53,517</b>

## Financials and valuations

### Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>						
<b>EPS</b>	<b>-18.6</b>	<b>-19.3</b>	<b>-10.7</b>	<b>-13.6</b>	<b>-17.0</b>	<b>-11.2</b>
Cash EPS	-17.8	-18.0	-8.8	-11.0	-13.1	-6.5
Book Value	63.0	41.9	35.5	44.7	31.1	23.4
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Payout %	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>						
P/E	NA	NA	NA	NA	NA	NA
Cash P/E	NA	NA	NA	NA	NA	NA
EV/EBITDA	NA	NA	NA	NA	NA	NA
EV/Sales	13.6	10.5	7.8	6.0	4.0	3.0
Price/Book Value	6.4	9.6	11.4	9.0	13.0	17.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Profitability Ratios (%)</b>						
RoE	(29.6)	(39.2)	(27.8)	(34.6)	(44.9)	(41.1)
RoCE	(30.0)	(40.9)	(29.2)	(33.9)	(42.4)	(39.4)
<b>Turnover Ratios</b>						
Debtors (Days)	71	47	31	59	31	31
Fixed Asset Turnover (x)	7.4	9.6	10.8	5.7	7.7	10.0

### Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>(INR m)</b>						
CF from Operations	-32,128	-39,460	-15,115	-15,474	-25,780	-11,403
Cash for Working Capital	-6,876	-1,139	1,988	-6,221	4,798	-607
<b>Net Operating CF</b>	<b>-39,004</b>	<b>-40,599</b>	<b>-13,127</b>	<b>-21,695</b>	<b>-20,982</b>	<b>-12,011</b>
Net Purchase of FA	-2,274	-1,573	-3,440	-7,433	36,789	0
<b>Free Cash Flow</b>	<b>-41,278</b>	<b>-42,172</b>	<b>-16,567</b>	<b>-29,128</b>	<b>15,806</b>	<b>-12,011</b>
Net Purchase of Invest.	-89,327	41,251	18,025	-6,291	6,991	-7,024
<b>Net Cash from Invest.</b>	<b>-91,601</b>	<b>39,678</b>	<b>14,585</b>	<b>-13,724</b>	<b>43,779</b>	<b>-7,024</b>
Proc. from equity issues	1,39,058	0	0	45,043	0	0
Proceeds from LTB/STB	-918	0	1,076	-1,643	0	0
Others	-1,799	-1,715	-2,304	-4,367	-1,010	-800
Dividend Payments	0	0	0	0	0	0
<b>Cash Flow from Fin.</b>	<b>1,36,341</b>	<b>-1,715</b>	<b>-1,228</b>	<b>39,034</b>	<b>-1,010</b>	<b>-800</b>
<b>Net Cash Flow</b>	<b>5,736</b>	<b>-2,636</b>	<b>229</b>	<b>3,615</b>	<b>21,787</b>	<b>-19,835</b>
<b>Opening Cash Bal.</b>	<b>5,225</b>	<b>10,961</b>	<b>8,325</b>	<b>8,691</b>	<b>12,306</b>	<b>34,093</b>
Forex differences	0	0	137	0	0	0
Add: Net Cash	5,736	-2,636	229	3,615	21,787	-19,835
<b>Closing Cash Bal.</b>	<b>10,961</b>	<b>8,325</b>	<b>8,691</b>	<b>12,306</b>	<b>34,093</b>	<b>14,258</b>

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

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts", and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement. The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may 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. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. 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. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI:

ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.