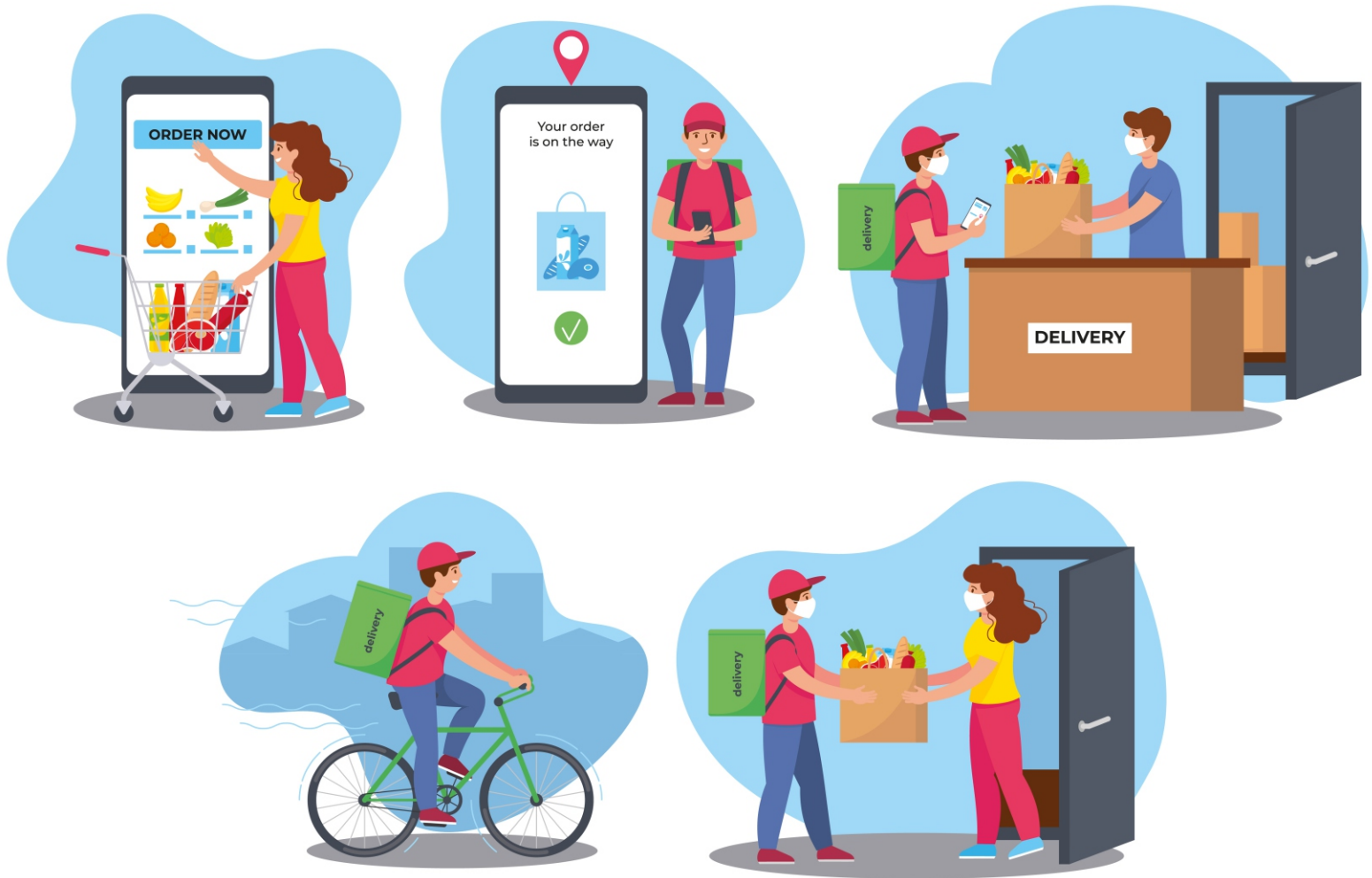


Deep-Dive: Quick Commerce

It always seems impossible until it's done



Quick commerce is a retail business, with potential to disrupt the unorganised channel

Market size of USD 3bn in CY23 - continues to grow exponentially

Blinkit an outright leader, Zepto the emerging dark horse

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DEEP-DIVE



- QC is a retail business, with potential to disrupt the unorganised channel
- Market size of USD 3bn in CY23 - continues to grow exponentially
- Blinkit an outright leader, Zepto the emerging dark horse

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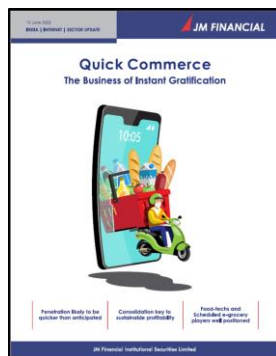
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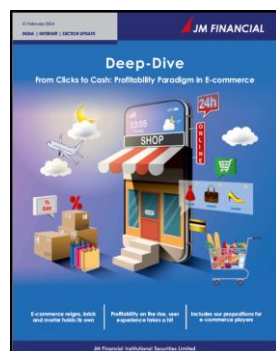
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[The Business of Instant Gratification](#)



[From Clicks to Cash: Profitability Paradigm in E-commerce](#)

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

Internet

It always seems impossible until it's done

Quick commerce (QC) is a fascinating opportunity - it offers solutions for a problem that no one thought ever existed, or even if there was one then TAM would limit the opportunity. Further, unit economics, even today, are not comprehensible to many. That was precisely why many seemingly obvious candidates either gave up on the space quite early or never tried at all. And, if that wasn't enough, there is no global precedence to suggest that meaningful scale with profitability is achievable in this space. Given this context, we believe the exponential growth trends visible in a few platforms, fast-growing consumer adoption, growing dependence of even well-established brands on the channel, and path to profitability guidance by a few continue to positively surprise many. We, on the other hand, have been highlighting our conviction on the opportunity (refer our earlier work, [Report 1](#), [Report 2](#) and [Report 3](#)). In this note, we try to contextualise a few more details that make us believe strong execution, a technology stack optimised for quick deliveries and scale benefits could eventually lead to large, sustainable industry level profit pools.

- **Tailor-made for urban India:** The quick commerce (QC) market GMV (gross merchandise value) in India was ~USD 3bn in CY23, as per our estimates. Basis 4QCY23 run-rate, it is already >50% of the online food delivery market, despite its limited operating history. We reckon the exponential scale-up will continue over the medium term, as the model is solving urban India's needs. While it sounds counterintuitive, Redseer pegs top-up and unplanned purchases at ~70% of the urban consumer spend. Plus, the average purchases are small ticket due to low disposable incomes, cultural aversion for preserved foods and limited pantry/storage space in households. Many consumers avoid long distance travel to large supermarkets due to inadequate transport options or annoying infrastructure. QC platforms are essentially addressing these consumer pain-points through extensive use of technology and focus on strong on-ground execution. Fundamentally too, the business model is suited to operate in high density, tech-savvy urban neighborhoods. We, therefore, believe QC in the long run can expand to the top 30-40 cities in the country.
- **Technology stack optimised for quick turnarounds:** QC is essentially a retail business, which means it is structurally execution-heavy. There are multiple facets spread across sourcing, distribution, warehousing, inventory management, logistics, demand forecasting, dark store operations and customer experience, amongst others that need to work in sync for the model to be viable. Some of these aspects can be addressed with the help of robust tech. QC platforms, therefore, monitor, capture and analyse a wide range of granular, real-time data points. This, in turn, is leading to continuous improvement in processes and quick turnarounds across the value chain. Such robust practices, in our opinion, give QC platforms a significant edge over traditional retail formats, especially the neighbourhood kirana stores.
- **Blinkit an outright leader, Zepto the emerging dark horse:** With more than 10 active players, the space was very competitive till a couple of years back. However, contrary to expectations, several players, including some well-funded ones, folded early. The market is now broadly an oligopoly of four platforms. This has helped the survivors to focus on profitable growth. Our analysis suggests Blinkit (Zomato) is in the pole position currently with a GMV market share of ~46% as of 4QCY23, followed by Instamart (Swiggy), Zepto and BB Now (Bigbasket). Zepto, in fact, is fast emerging as the dark horse; it appears to have gained meaningful share over the last 1 year despite having no background of running an operationally intensive B2C business, unlike its competitors.

Urban India challenges being addressed by QC channel

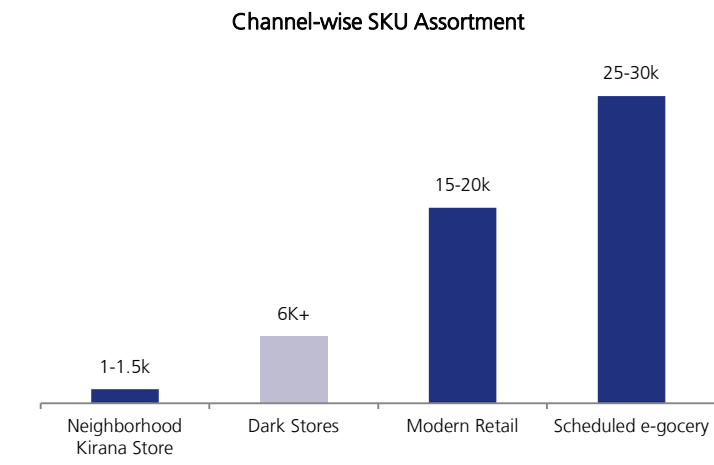
- Unplanned, small ticket purchases:** As per Redseer analysis, around two-thirds of the total consumer purchases in urban India are unplanned, and of low-moderate order value but in need of instant fulfilment. This is due to low disposable incomes, cultural aversion for preserved foods and limited pantry/storage space in households. This, we believe, is precisely why the unorganised retail channel, i.e., neighbourhood kirana walas (mom and pop stores) even today continue to thrive across the country, despite multiple follies of their own and the presence of several well-funded organised players.
- Speed & convenience:** Many consumers avoid long distance travel to large supermarkets due to inadequate transport options or annoying infrastructure. Often, even physical trips to the neighbourhood stores can be inconvenient due to busy lifestyles of families or prevalence of nuclear families. QC platforms enhance the consumer's shopping experience by ensuring that most orders are delivered within 10-30 minutes.
- Limited choice:** Consumers typically prefer a one-stop shop purchase for all their purchase needs. However, a typical neighbourhood kirana shop generally carries only a limited assortment of 1,000-1,500 SKUs. This is mainly due to limited storage space or financing options. This translates to a poor shopping experience for consumers. The dark stores operated by QC platforms, on the other hand, typically carry more than 6,000 SKUs, which ensures high customer satisfaction.
- Limited discounts/promotions:** Most purchases made at kirana stores happen at listed maximum retail price (MRP). This is because store owners have very little leeway to offer discounts on their own given the very low margins that they operate on. Since QC platforms operate on a much larger scale they are better placed to leverage that strength to build direct relationships with brands/distributors and bypass the complex/multi-player supply chain structure. This leads to substantial savings for the platforms, a portion of which they pass on to the end-consumers. Some QC platforms also run loyalty programmes in which customers can get incremental discounts, delivery fee waivers, cash-backs, etc. in lieu of a nominal membership fee.
- Round-the-clock services:** Most kirana shops in India are family owned businesses with limited resources and limited operating hours. The dark stores operated by QC platforms, on the other hand, are optimised for round-the-clock operations as resources are typically deployed in multiple shifts.
- Standardised after-purchase service:** One of the pain-points for customers purchasing from unorganised retail is that the post-purchase sales experience is non-standardised and, in most cases, non-existent. Ordering online largely resolves this challenge due to any-time availability of customer support and standardised return/exchange policies.

We believe QC players are essentially disrupting the unorganised retail channel in India

Dark stores now carry more than 6,000 SKUs per store versus 2,000-4,000 SKUs, a couple of years back

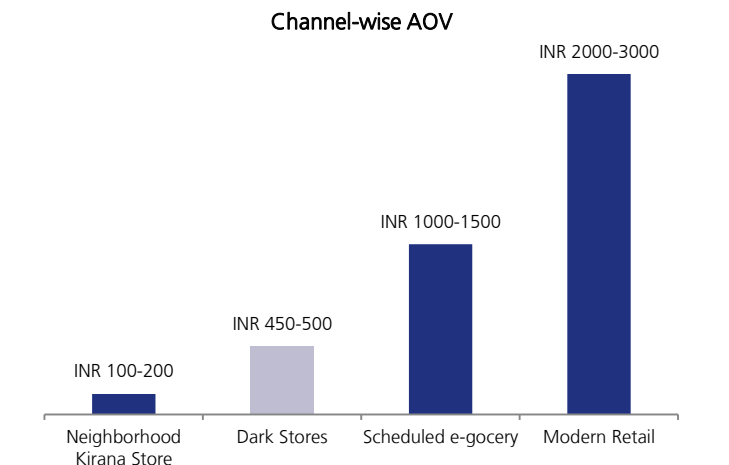
AOVs have now improved to INR 450-500 versus INR 350-400, a couple of years back

Exhibit 1. Retail channel-wise SKU assortment



Source: JM Financial estimates

Exhibit 2. Retail channel-wise AOV



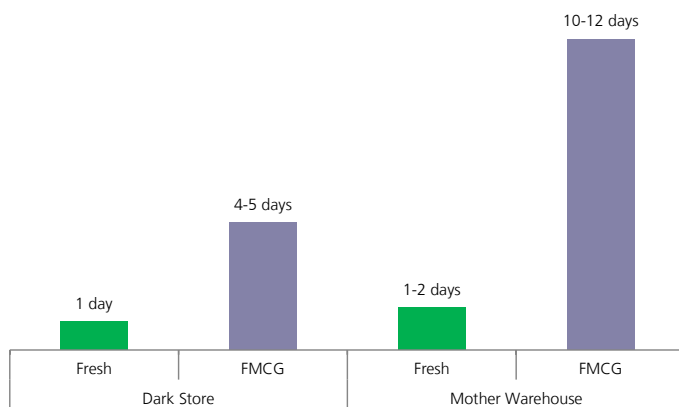
Source: JM Financial estimates

Getting the right supply chain is extremely critical

- QC is essentially a retail business:** There is huge focus on getting the supply chain infrastructure right as QC is essentially a retail business, which means it is structurally execution-heavy. There are multiple facets spread across sourcing, distribution, warehousing, inventory management, logistics, demand forecasting, dark store operations and customer experience, amongst others that need to work in sync for the model to be viable. QC platforms, therefore, are making huge investments to ensure that they get the supply chain dynamics correct, as it can act as a strong moat against the competition. For this, some platforms are exploring direct sourcing relations with some of the leading FMCG manufacturers, which may help them bypass the traditional distributor network. For F&Vs, some platforms are directly engaging with farmer networks and investing in cold chain infrastructure to build direct supply chains.
- Some SKUs are sourced at national level, a few others locally:** Sourcing decisions can change from one assortment to another. For example, some long shelf life SKUs or imported SKUs are sourced at a national level but those with small shelf life or with limited regional demand are sourced locally.
- Standardisation of processes can lead to significant operating efficiencies:** We believe QC platforms can derive benefits of scale by standardising their processes across a wide range of assortment and categories. Such robust practices, in our opinion can give them a significant edge over traditional retail formats, especially the kirana stores.
- Decision-making backed by extensive use of technology and data science:** QC platforms monitor, capture and analyse a wide range of granular, real-time data points. Their tech stack is built to ensure continuous improvement in processes, while ensuring high agility and quick turnarounds across the value chain. Tech is extensively used for better demand forecasting, logistics management, inventory management, managing risks, simplifying warehousing operations, preventing stock-outs and lowering wastage, amongst others. In fact, [recent media reports](#) suggest several large FMCG companies such as Nestle, ITC, Parle Products, and Coca-Cola have increased their engagements with QC platforms.

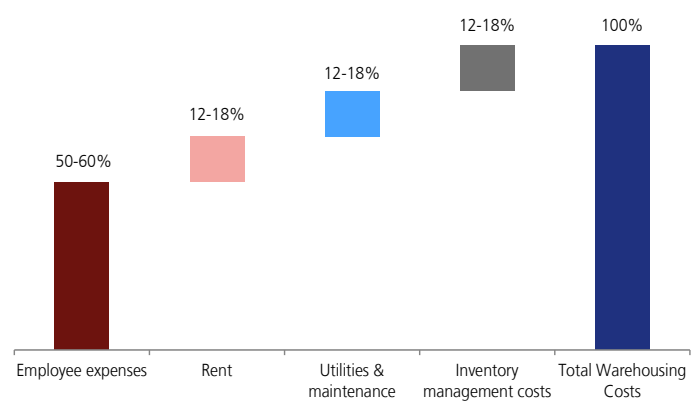
QC platforms are partnering with manufacturers for direct sourcing, to bypass the traditional distributor network

Exhibit 3. Product-wise inventory days for a typical dark store and mother warehouse



Source: Industry Experts, JM Financial. Note: Fresh includes F&V's and dairy & dairy products. FMCG includes packaged grocery staples.

Exhibit 4. Mother warehouse operating costs



Source: Industry Experts, JM Financial.

Dark store operations

- **Dark stores are like supermarkets but with no walk-in customers:** QC platforms set up a network of dark stores in every city that they operate in to fulfil the retail customer demand. These dark stores are like small supermarkets spread over 2,500-4,000 sq. ft. area optimised to carry a wide range of inventory. These stores are typically set up in commercial or industrial complexes or the back alleys, such that they are closer to high population density and high-mid income neighbourhoods. The stores do not have walk-in customers as operations are optimised to cater to delivery only orders received through the platform. Each dark store fulfils orders placed by customers within a radius of 2-3km through a network of delivery partners. Each platform has a dedicated team to decide the ideal dark store location basis a wide range of data points such as the number of households in the neighbourhood, population density, household incomes, local infrastructure, peak-time traffic and optimal expected order volumes, amongst others.
- **Dark stores are supported by large mother warehouses:** QC platforms have at least one large warehouse supporting a network of 30-40 dark stores in a city. These warehouses are typically set up on the outskirts of the city, and are commonly referred to as mother warehouses as they are the back-bones of dark store operations. A few key highlights of these warehouses are: 1) a mother warehouse can have an area ranging from 20,000 sq. ft. to 175,000 sq. ft. depending on the number of dark stores supported by it and the range of SKUs offered on the platform. Some players have segregated warehouses for F&V/meat and Staples/other merchandise. 2) all procurement made through brands/distributors first comes to these warehouses before being dispersed to the dark stores (once or twice a day depending on category and demand). 3) a typical warehouse will have a dry inventory storage section, a cold storage section, and a billing section. 4) Sometimes mother warehouse and dark-store replenishment operations are handled by 3P players.
- **Dark stores operations are optimised for high throughput per sq. ft.:** Most dark stores carry 6,000+ SKUs spread across a wide range of dissimilar assortments. Since there are no walk-in customers, the dark store layout is optimised and planned for extra storage. SKUs are tucked across racks and shelves (or freezers / chillers) in a way that helps improve the efficiency of pickers and packers. High tech usage enables dynamic assortment, which means assortments can be changed drastically during a typical day. As a result, per sq. ft. throughput for a fairly matured dark store can be 2x-3x that of the most efficient offline supermarket.

Each dark store fulfils orders placed by customers within a radius of 2-3km

Mother warehouse is the back-bone of dark store operations in a particular city

Per sq. ft. throughput for a fairly matured dark store can be 2x-3x that of the most efficient offline supermarket

Exhibit 5. Illustrative throughput comparison of DMart vs. Blinkit

| | DMart* | Blinkit | Blinkit vs. DMart |
|--|---------------|---------------|-------------------|
| GMV - 3QFY24 annualised (INR mn) | 662,882 | 141,680 | 0.2x |
| Orders - 1HFY24/3QFY24 annualised (mn) | 294 | 223 | 0.8x |
| AOV (INR) | 2,255 | 635 | 0.3x |
| No. of stores as of Dec'23 | 341 | 451 | 1.3x |
| GMV per day per store (INR mn) | 5.3 | 0.9 | 0.2x |
| Total retail space (mn sq. ft.) | 14.2 | 1.6 | 0.1x |
| Avg. retail space per store (sq. ft.) | 41,642 | 3,500 | 0.1x |
| GMV per sq. ft. (INR) | 46,682 | 89,756 | 1.9x |

Source: Company, JM Financial estimates. *Note: We have derived DMart's GMV by adding approximated value added tax and product discounts to its reported revenue.

- **Technology is extensively used to improve processes:** Dark store operations, which include inventory management, product placement, replenishment, quality management, shelf space optimisation, assortment selection, picker movement, accounting, rider tracking, and shrinkage avoidance, amongst others are all backed by a robust technology stack. When an order is placed, a designated picker is notified about the order on a hand held device that doubles up as a guide for the picker to the appropriate shelf location for the SKUs. Typically, an order consists of around 6 SKUs, which ensures that the picker is able to collect, scan and pack all the items of an order within 1.5 mins of order placement.

Simultaneously, the delivery partner is informed about the order status and by the time packing is completed they are ready to pick the order. The delivery partner is then guided to the customer location using delivery routing tools that source real-time traffic conditions and help reduce the average distance travelled. The entire process is tracked and continuously optimised to ensure that operations are transparent and accurate ETAs are shared with the customers.

Exhibit 6. Illustration of unit economics for a dark store doing 1,400 orders per day

| | | Per month | Per month per store (INR) |
|--|------------------|--------------|---------------------------|
| Dark store area (assumed) | A | 3,500 | |
| Avg. no. of dark store staff (working across 3 shifts per day) | B | 25 | |
| Avg. staff salary (INR) | C | 17,500 | |
| Total staff cost (INR) | D = B * C | | 437,500 |
| Store rent per sq. ft. | E | 95 | |
| Total store rent (INR) | F = A * E | | 332,500 |
| Utilities and other store costs per sq. ft. | G | 40 | |
| Total utilities and other store costs (INR) | H = A * G | | 140,000 |
| Dark store operations cost (INR) | D + F + H | | 910,000 |
| Daily orders per store (assumed) | I | 1,400 | |
| Total orders | I * 30 | | 42,217 |
| Dark store cost per order (INR) | | | 22 |

Source: JM Financial estimates. Note: Actual figures may vary significantly basis the company, city, locality, through put per store, dark store size, etc.

- **Upfront investments required to set up a dark store:** QC platforms prefer to remain asset light and, therefore, dark stores are typically set up on leased properties. A new dark store typically entails an upfront investment of around INR 8mn-9mn (~USD 100k). Capex towards racks, freezers, chillers, and IT infra (including CCTVs) costs around INR 2.5mn-3.5mn, inventory costs another INR 3mn-3.5mn and rental deposits can vary between 3-6 months of deposit, which on average add up to INR 1mn-1.5mn. As a result, including the lease deposits, inventory and capex, the amount required to operationalise a store would be INR 8mn-9mn. Scouting and selection of a store location before going live takes around 1 month.

Exhibit 7. Upfront capital needed to set up a dark store

| Description | INR mn |
|--|------------|
| Racks, shelves, scanners, computers etc. | 2.5-3.5 |
| Freezers, chillers, refrigerators, etc. | 0.8-1 |
| Inventory | 3.0-3.5 |
| Upfront capex needed to set-up a dark store | 6-7 |
| Rental deposits | 1-1.5 |
| Upfront capital needed to set-up a dark store | 8-9 |

Source: JM Financial estimates

- **Dark store inventory management:** Each dark store typically carries 6,000+ SKUs. Typical inventory days vary from 4-5 days based on units of measurement and size of items. Perishables and F&Vs are typically replenished more than once per day while packaged goods are replenished only once a day. Platforms work on dynamic assortment correction – which means that depending on seasonality a few SKUs are stocked or removed in the dark store. For e.g., during the festive season, fresh non-veg items are typically not stocked while festival-related items are brought in.
- **Order fulfilment:** Typically each order contains around 6 SKUs. Picking, packing and billing of an order takes less than 1.5 mins from the time it is received. Since, the distance between the customer and the dark store is typically not more than 3km; orders once picked can be delivered by delivery partners within a few minutes (average of ~15 mins).

Our analysis suggests, the average dark store cost per order works out to ~INR 22, if a dark store is doing 1,400 orders per day

Upfront capex required to setup a new dark store typically ranges between INR 6-7mn, as per our analysis

- **Rider partner economics:** Similar to most on-demand delivery services providers, last mile delivery is the single-largest cost component for QC platforms on a per order direct cost basis. Most platforms engage a combination of motor-bike, electric mobility vehicle or bicycle rider partners to fulfil customer orders. Platforms prefer bicycle riders for small delivery ranges (<1.5kms) whereas electric mobility and motor-bike riders are typically used for relatively longer range deliveries (>1.5kms). In the exhibit below, we estimate the delivery partner economics assuming they work full-time with a platform.

Exhibit 8. Illustrative example of unit economics for delivery partners working full-time for at least a week with QC platforms

| Earnings of a delivery partner (INR per week) | Motor-bike | Electric Mobility | Bicycle | Assumption |
|---|--------------|-------------------|--------------|-------------------------------------|
| Number of working hours per day | 10 | 10 | 10 | |
| Avg. time to complete one delivery to and fro (mins) | 30 | 30 | 35 | includes idle time |
| Deliveries per hour | 2.0 | 2.0 | 1.7 | |
| Distance covered per delivery (kms) | 5.0 | 4.0 | 3.5 | |
| Distance travelled per day (kms) | 100 | 80 | 60 | |
| Working days in a month | 6 | 6 | 6 | |
| Distance travelled per week (kms) | 600 | 480 | 357 | |
| Daily deliveries per delivery partner | 20 | 20 | 17 | |
| Total weekly orders | 120 | 120 | 102 | |
| Average earnings per delivery, including incentives (INR) | 58 | 46 | 44 | |
| Gross earnings of a delivery partner per week (INR) | 6,940 | 5,500 | 4438 | |
| Fuel cost per litre (INR) | 106 | 0 | 0 | |
| Avg. mileage per litre | 35 | 0 | 0 | |
| Weekly fuel cost (INR) | 1,999 | 0 | 0 | |
| Weekly rental cost (INR) | 0 | 1,260 | 0 | Per day rent of INR 210 |
| Maintenance and other costs (INR) | 850 | 350 | 475 | includes refreshments and data cost |
| Total operating costs of a delivery partner per week (INR) | 2,849 | 1,610 | 475 | |
| Net take home (INR per week) | 4,091 | 3,890 | 3,963 | |

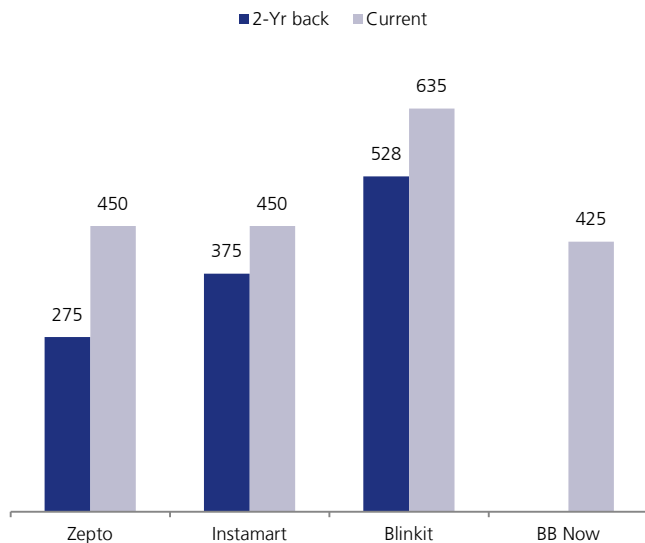
Source: JM Financial. Note 1: Above numbers are based on interactions with delivery partners in Mumbai and the economics may change meaningfully from one city to another, platform to platform, full-time or part-time rider, or even basis the calendar date. Rider partners are gig-workers, some of whom only work part-time. Therefore, many partners are not able to achieve milestones that offer meaningfully better pay-outs. As a result, the average delivery cost per order borne by the platform ends being meaningfully lower than what we have projected for full-time rider partner. Note 2: Interactions date - 21st February 2024.

Path to profitability

- Accelerated consolidation-enabled movement towards profitability:** With more than 10 active players, the space was very competitive till a couple of years back. It appeared that an intense phase of multi-year cash-burn would soon follow. However, contrary to expectations, several players, including well-funded ones, folded early. The market is now broadly an oligopoly of four platforms. This, in turn, has helped existing platforms focus on improving their tech, driving higher AOVs, creating new revenue streams, optimising supply chain, and lowering last mile-delivery costs.
- Profitability in sight for Blinkit and Zepto, Instamart losses likely to come down at accelerated pace:** Blinkit’s quarterly adj. EBITDA losses have come down from INR 3.26bn in 1QFY23 to INR 0.89bn in 3QFY24. As a % of GMV, the losses have come down from -27.8% in 1QFY23 to -2.5% in 3QFY24. The current run-rate of loss reduction suggests Blinkit should be able to break-even by 1QFY25, in line with management guidance. Similarly, Zepto’s co-founder Mr Aadit indicated, in a recent [social media post](#), that the company had reported 44% YoY improvement in its EBITDA % in CY23. Further, he exuded confidence that the company was on track to turn EBITDA positive in 2024, indicating a break-even within 36 months of launch. Earlier, [in May’23](#), Swiggy had indicated that the peak of its investments in Instamart was over, and that it had started taking strong strides towards achieving profitability in the business. As such, the company had suggested that it would soon turn contribution-neutral in Instamart.
- Levers to sharp improvement in profitability:** We believe there are multiple factors driving improvement in profitability for QC platforms. The revenue side drivers include higher 1) AOVs 2) product margins 2) ad income and 3) customer fees (delivery fees/handling fees/platform fees/ small order fees). The cost-side levers include sharp decline in per order 1) dark store costs, 2) mid-mile and warehousing costs, 3) delivery costs and 4) other variable costs. In addition, platforms are likely benefitting from strong operating leverage on corporate costs, as well.

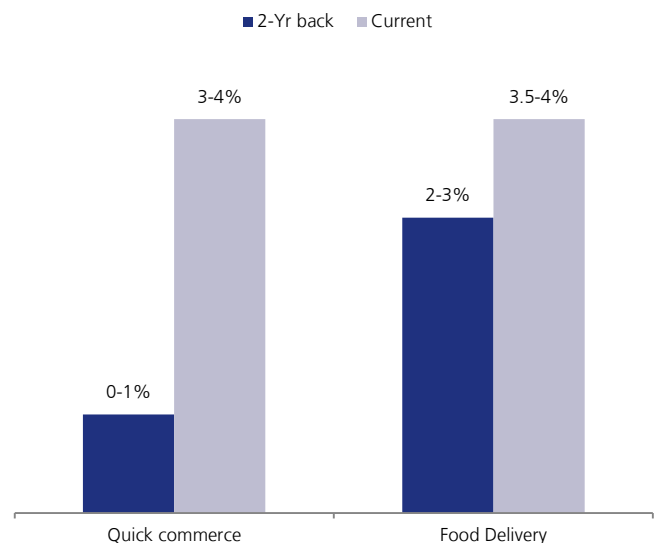
Earlier than expected industry consolidation has accelerated path to profitability for active players in the QC space today

Exhibit 9. AOVs have increased meaningfully for most platforms over the last 2 years



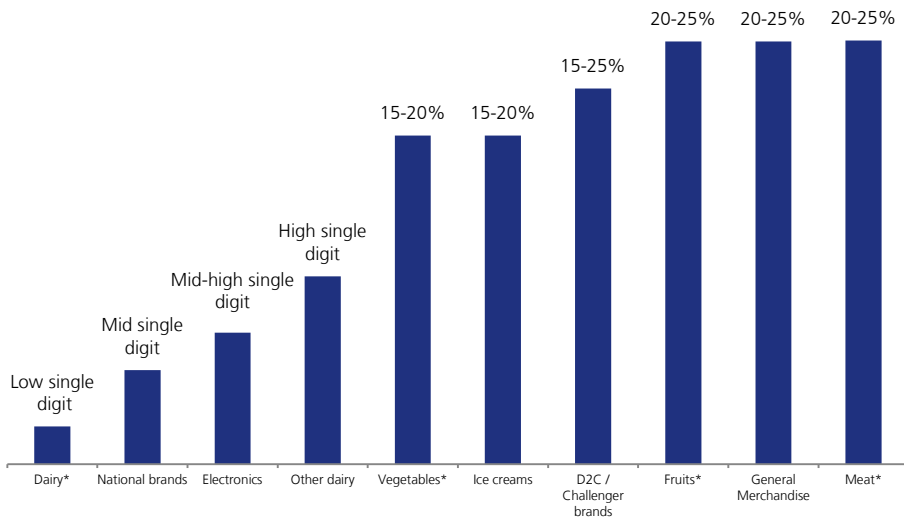
Source: Company, Media reports, JM Financial estimates

Exhibit 10. Ad income has increased meaningfully for most platforms over the last 2 years



Source: JM Financial estimates

Exhibit 11. Illustrative products margins available to QC platforms



Source: JM Financial estimates. * Note: For these categories, product margins are after considering wastage.

Exhibit 12. Sample survey of various types of fees collected by QC platforms from customers

| Metric | City | Blinkit | Instamart | Zepto | BB Now |
|-------------------------------------|-----------|----------|------------------|-----------|-----------------|
| Free delivery | | | | | |
| | Mumbai | > INR 99 | > INR 99 | > INR 199 | > INR 299 |
| | Delhi | > INR 99 | > INR 499 | > INR 199 | > INR 299 |
| | Chennai | > INR 99 | > INR 499 | > INR 199 | > INR 299 |
| | Bengaluru | > INR 99 | > INR 499 | > INR 199 | > INR 299 |
| | Kolkata | > INR 99 | > INR 499 | > INR 199 | > INR 299 |
| Delivery fee (if applicable) | | | | | |
| | Mumbai | INR 25 | INR 30 | INR 23 | INR 9 or INR 25 |
| | Delhi | INR 25 | INR 16 or INR 30 | INR 23 | INR 9 or INR 25 |
| | Chennai | INR 25 | INR 16 or INR 30 | INR 23 | INR 9 or INR 25 |
| | Bengaluru | INR 25 | INR 16 or INR 30 | INR 23 | INR 9 or INR 25 |
| | Kolkata | INR 25 | INR 16 or INR 30 | INR 23 | INR 9 or INR 25 |
| Small cart fee | | | | | |
| | Mumbai | No | INR 15 | INR 35 | No |
| | Delhi | No | < INR 99 | < INR 99 | No |
| | Chennai | No | < INR 99 | < INR 99 | No |
| | Bengaluru | No | < INR 99 | < INR 99 | No |
| | Kolkata | No | < INR 99 | < INR 99 | No |
| Handling fee | | | | | |
| | Mumbai | No | INR 4 | INR 5.49 | INR 5 |
| | Delhi | No | Yes | Yes | Yes |
| | Chennai | No | Yes | Yes | Yes |
| | Bengaluru | No | Yes | Yes | Yes |
| | Kolkata | No | Yes | Yes | Yes |
| Platform fee | | | | | |
| | Mumbai | No | No | INR 2 | No |
| | Delhi | No | No | Yes | No |
| | Chennai | No | No | Yes | No |
| | Bengaluru | No | No | Yes | No |
| | Kolkata | No | No | Yes | No |

Source: Company platforms, JM Financial. Note: Data sampled on 17th February, 2024.

Exhibit 13. Path to profitability

| Increase AOV | Lower COGS % | New Revenue Streams | Optimize Operations | Lower last-mile delivery costs |
|---|--|--|---|--|
| <ul style="list-style-type: none"> • Offer city or locality specific assortments • Offer/promote high order value category SKU's e.g. Pet food & supplies, baby care, beauty and personal care, office supplies, etc. • Offer personalized product suggestions • Collect delivery fee and packaging charges • Minimum order value/ free delivery threshold | <ul style="list-style-type: none"> • Source directly from brands/ FMCG producers • Better negotiating power owing to large scale • Offer private label with better margins • Improve AOV mix through high margin categories such as non-grocery general merchandise • Better optimize inventory and control to reduce wastage | <ul style="list-style-type: none"> • Charge delivery fee below minimum order value • Advertising/ Promotional income from Brands • Charge subscription fee for loyalty programs | <ul style="list-style-type: none"> • Derive operating leverage due to scale benefits • Improve day-to-day processes due to learning curve • Reduce warehousing and transportation costs through optimized fulfillment center infrastructure (warehouses, hubs and cross docking) | <ul style="list-style-type: none"> • Ensure lower drop rates • Enable multi-drop (batched) deliveries • Optimise route planning for delivery partners • Cross train delivery partners to do multi-function deliveries like food delivery, medicine delivery etc. |

Source: Prosus, JM Financial

- **Large, sustainable profit pools possible:** QC platforms have three revenue streams: 1) marketplace commission and warehousing services income (earned from suppliers), 2) ad income (earned from brands) and 3) delivery charges (earned from consumers). In contrast, traditional retail formats (both online as well as offline) are primarily dependent on product margins offered by the brands/suppliers (equivalent to marketplace commission and warehousing services income). QC platforms also benefit from the fact that their GMV mix includes a meaningful proportion of perishables such as F&Vs and meat, where margins are significantly higher compared to FMCG and other retail categories. They extend relatively insignificant product discounts compared to value-focussed organised retailers or scheduled online delivery platforms. On the cost side, QC platforms are able to optimise on their dark store rentals, as these are not open to public walk-ins, which means they can be set up in back alleys or basements of industrial/commercial buildings. New customer acquisition is also meaningfully low as QC is highly complementary to the food delivery market, which has 60mn-70mn annual transacting users. Platforms also get significant operating leverage due to focus on tech-driven standardised operating processes, optimal dark store space utilisation, high inventory turnover, minimal leakages and improving AOVs. We firmly believe that strong execution and scale benefits will eventually lead to large, sustainable profit pools for the QC industry over the medium to long term.

Exhibit 14. Our estimate of Blinkit's unit economics for 3QFY24

| | 3QFY24 Total (INR mn) | Per Order (INR) | % of AOV | Note |
|---|--------------------------|--------------------|--------------|--|
| Revenue | | | | |
| Warehousing services + Marketplace commissions | 4,144 | 74 | 11.7% | Assumed 11.7% of GMV |
| Ad income | 1,240 | 22 | 3.5% | Assumed 3.5% of GMV |
| Customer fees (Delivery fees + Handling fees + other fees) | 1,056 | 19 | 3.0% | Assumed 3.0% of GMV |
| Total | 6,440 | 115 | 18.2% | |
| Direct cost | | | | |
| Platform discounts/incentives | 112 | 2 | 0.3% | Assumed |
| Dark store operations cost | 1,203 | 22 | 3.4% | As per calculations in exhibit 6 |
| Mid-mile and warehousing cost | 1,060 | 19 | 3.0% | Assumed |
| Last mile delivery cost | 2,455 | 44 | 6.9% | Assumed |
| Packaging costs + wastage + communication cost + support services + payment gateway charges | 750 | 13 | 2.1% | Assumed |
| Total | 5,580 | 100 | 15.7% | |
| Contribution margin | 860 | 15 | 2.4% | |

Source: JM Financial estimates. Note: Assumptions are basis historical disclosures made by the company or basis discussions with industry experts.

India market landscape

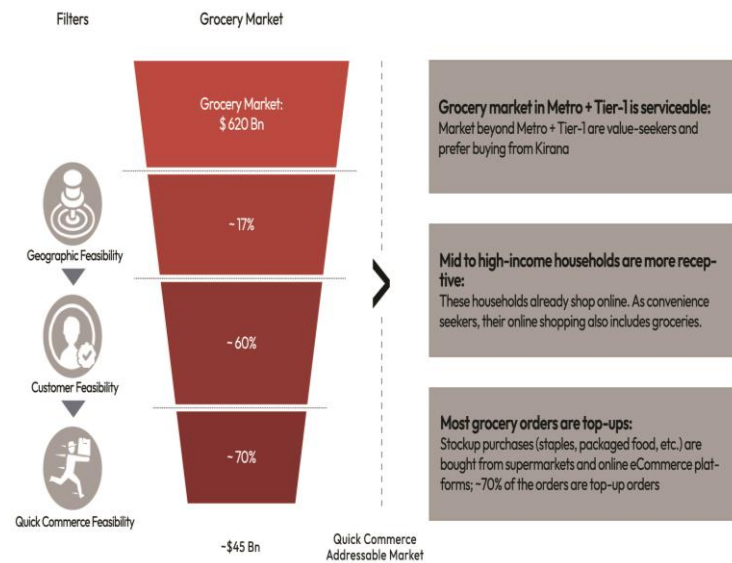
- USD 3bn market as of CY23 could grow to USD 40bn over the next 7 years:** The Covid-19 pandemic accelerated demand for online grocery not only in India but also globally. It also led to the evolution of consumer needs due to restrictions on movement and consumer reluctance to venture out. As a result, consumer dependence for purchases that would typically be fulfilled by offline channels (such as unplanned purchases, indulgence purchases or low shelf-life (typically fresh)) shifted towards platforms offering on-demand services. In view of the large addressable market, and a fundamental shift in consumer behaviour, initially there was a sudden surge in the number of platforms offering on-demand services. However, the complexity of the business model, lack of clarity over sustainable unit economics and a prolonged funding winter for VC investments meant that the market consolidated quite rapidly.

Despite consolidation, we estimate the QC market in India to have grown to a size of ~USD 3bn in GMV terms, as of CY23, despite its limited operating history. This means the market has expanded 10x+ over the last couple of years. Going ahead, Deloitte estimates the market to expand to USD 40bn by CY30, which means the market can grow at a CAGR of ~45% over the next 7 years.

QC market has expanded 10x+ over CY21-23, and there is enough evidence to suggest that the market can continue its exponential growth over the medium to long term.

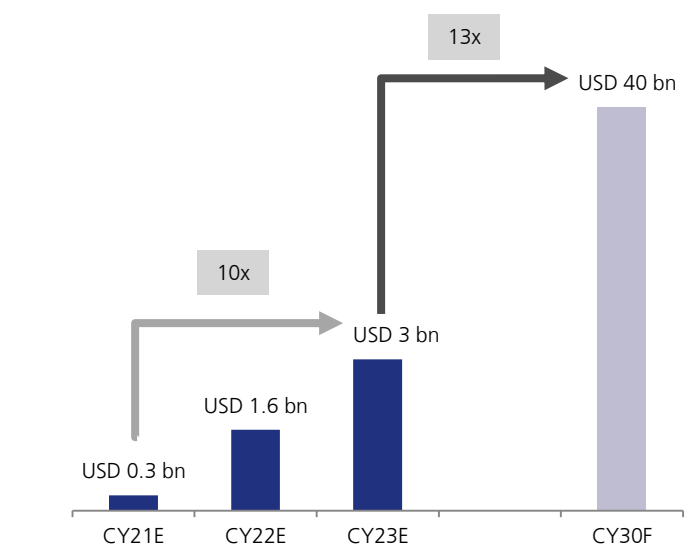
Deloitte estimates the QC market can grow to ~USD 40bn by CY30, from around USD 3bn as of CY23 (JMFe)

Exhibit 15. QC TAM: USD 45bn opportunity (as of CY21)



Source: Redseer analysis

Exhibit 16. QC market in India – historical and future estimate

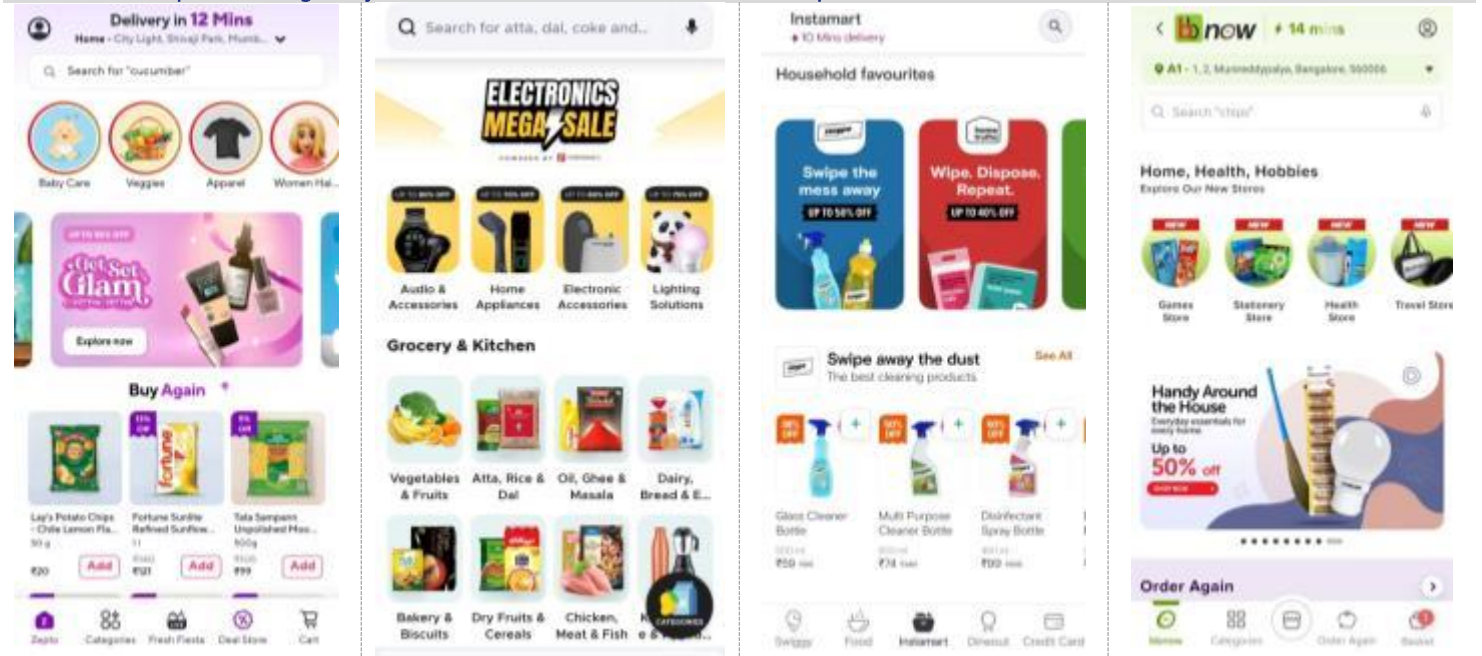


Source: JM Financial estimates basis discussions with industry experts, Deloitte forecasts

- Broader play on retail:** The value proposition of QC platforms at inception was that customers could take delivery of daily essentials such as grocery and perishables within a few minutes of placing an order. As millions of urban consumers are getting hooked on to a hypnotic dose of value and convenience at doorstep, platforms are now enticing them to shop from broader retail categories, such as electronics, electricals, home décor, beauty & personal care, over-the-counter drugs, home essentials, office supplies, festive needs, toys and gifts, amongst others. The wider choice is improving customer engagement, thus turning these platforms into a go-to destination for even trivial needs, leading to higher ordering frequencies and average order values (AOVs). We, therefore, postulate that the realistic TAM (total addressable market) for QC is not limited to just daily essentials, but expands to broader retail, including those categories where online demand was hitherto serviced by only the large e-commerce platforms.

QC Platforms are now enticing customers to shop from broader retail categories, such as electronics, electricals, home décor, beauty & personal care, over-the-counter drugs, home essentials, office supplies, festive needs, toys and gifts, amongst others

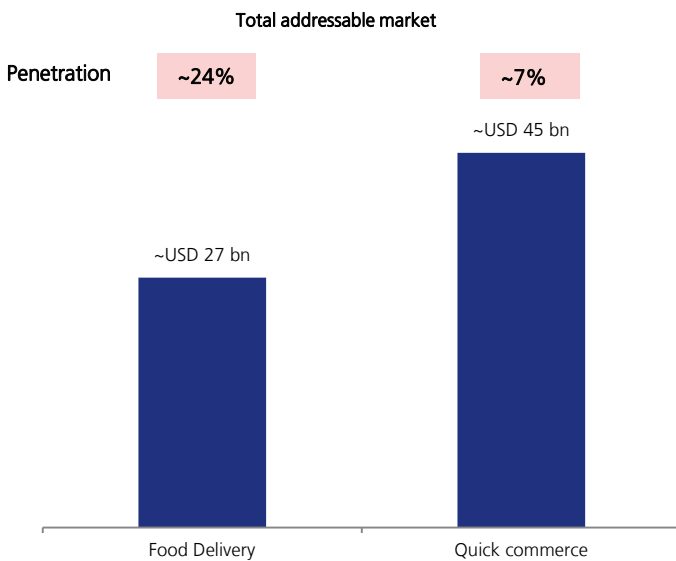
Exhibit 17. Examples of non-grocery retail assortments available on various QC platforms



Source: Company Platforms

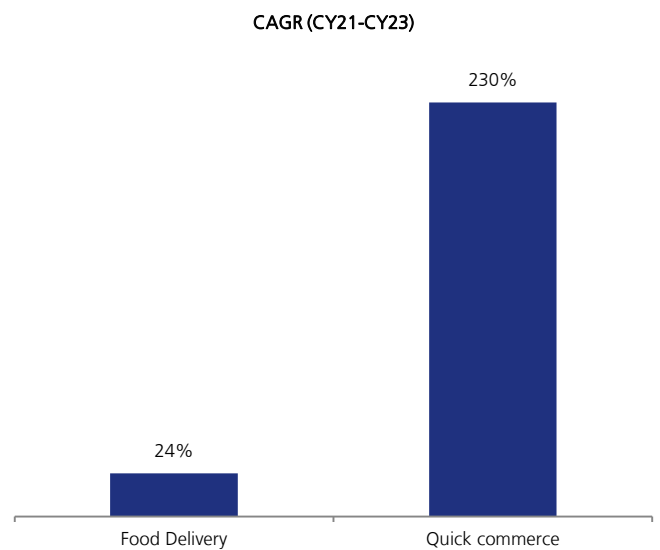
- **QC market could soon outgrow online food delivery market:** Basis 4QCY23 run-rate, we estimate the QC market is already >50% of the online food delivery market. We reckon the exponential scale-up in the QC market will continue over the medium term, as the model is solving urban India's needs. We also see a longer runway for QC businesses as they are essentially a play on retail commerce with a significantly large, diversified TAM compared to food delivery. The model also ranks very high on customer delight as it offers convenience and instant gratification to customers. QC primarily competes with unorganised retail – which only increases the chances of its success, in our opinion. On the other hand, online food delivery market growth is likely to be relatively modest at ~20%, in the foreseeable future. We, therefore believe the size of the QC market can exceed that of the online food delivery market over the next 3-4 years itself.

Exhibit 18. Realistic TAM and current penetration for Food Delivery and Quick Commerce



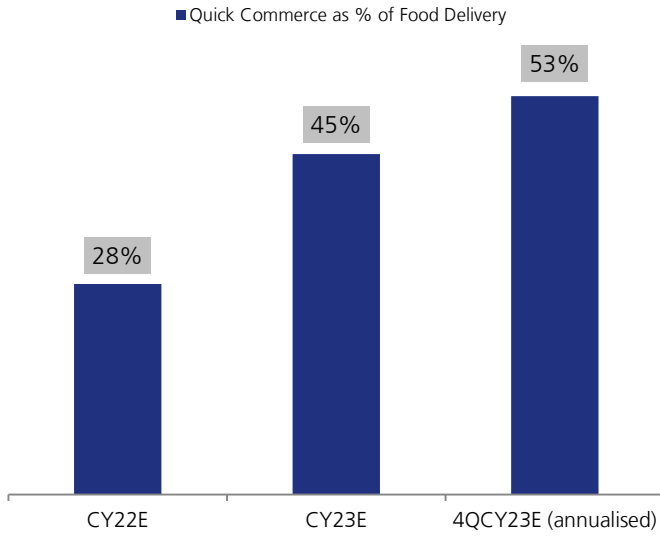
Source: Redseer, JM Financial estimates. Note 1: We have assumed only the organised food services market as realistic TAM for Food Delivery, Note 2: TAM for Quick Commerce is basis Redseer estimates.

Exhibit 19. GMV growth across Food Delivery and Quick Commerce over CY21-CY23



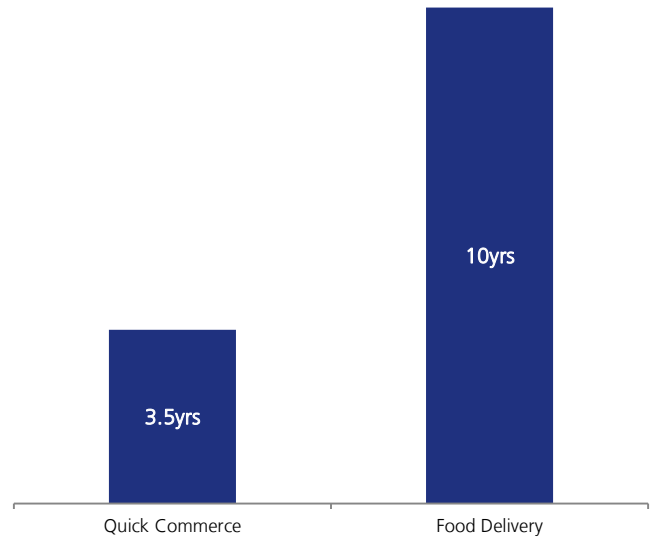
Source: Company, JM Financial estimates

Exhibit 20. Quick Commerce GMV as % of Food Delivery GMV



Source: JM Financial estimates

Exhibit 21. Time taken to reach ~INR 250bn GOV



Source: JM Financial estimates

Blinkit an outright leader, Zepto the emerging dark horse

- **An oligopolistic market post consolidation:** With more than 10 active players, the space was very competitive a couple of years back. It appeared that an intense phase of multi-year cash-burn would soon follow. However, contrary to expectations, several players including some well-funded ones folded early in their endeavour. While some faced funding challenges, a few others were affected by structural issues such as 1) lack of product market fit, 2) inability to solve the hyperlocal complexity, 3) inability to build a robust end-to-end supply chain and 4) failure to create a strong brand recall. The market is currently, therefore, broadly an oligopoly of four platforms, namely, Blinkit, Instamart, Zepto and BB Now.

We believe a few reasons why some quick commerce players folded early include 1) lack of product market fit, 2) inability to solve the hyperlocal complexity, 3) inability to build a robust end-to-end supply chain and 4) failure to create a strong brand recall

Exhibit 22. QC: Competitive landscape in India

| Player | QC started in | Current status | Based in | Key Investors |
|-----------------|---------------|-------------------------|-----------|--|
| Blinkit | Aug'21 | Active | Gurgaon | Zomato |
| Instamart | Aug'20 | Active | Bengaluru | Prosus, Softbank |
| Zepto | Apr'21 | Active | Mumbai | LGF, NVP, Glade Brook, Y Combinator, StepStone |
| BB Now | Mar'22 | Active | Bengaluru | BigBasket (Tata Digital) |
| Flipkart Quick | Feb'22 | Same day delivery | NA | Flipkart (Walmart) |
| Amazon Fresh | NA | Active - 2 hrs delivery | NA | Amazon |
| Dunzo Daily | Jul'21 | Barely active | Bengaluru | Reliance Retail, Google |
| Fraazo | NA | Exited in Apr'23 | Mumbai | Westbridge, Sixth Sense |
| Jiomart Express | Mar'21 | Exited in Feb'23 | NA | Reliance |
| Ola Dash | Nov'21 | Exited in Jun'22 | Bengaluru | Ola |

Source: Media reports, Traxcn, JM Financial,

Exhibit 23. Key metrics for currently active platforms

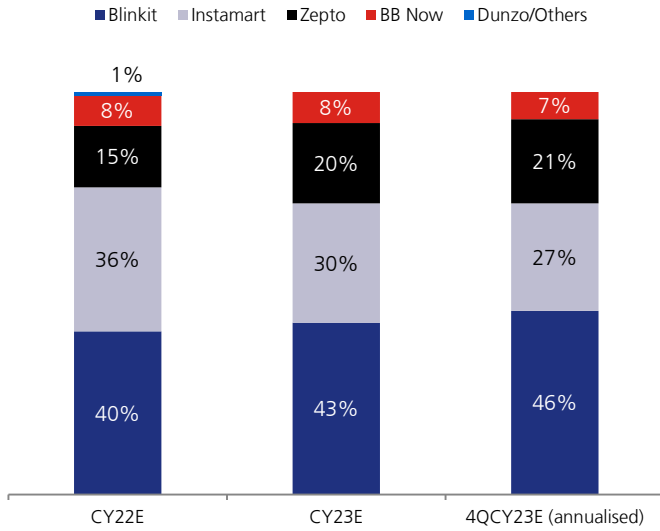
| Category | Blinkit | Instamart | Zepto | BB Now |
|--------------------------------------|---------|-----------|-----------|---------|
| GMV ARR as of 4QCY23E (INR bn) | 142 | 83 | 65 | 20-25 |
| AOV (INR) | 635 | 450+ | 450+ | 400-450 |
| MAUs (mn) | 20 | NA | 13 | NA |
| MTUs (mn, latest known) | 5.4 | 4.5 | 4.04 | NA |
| Number of SKUs | 6600 | 5000+ | 6000-6500 | 6000 |
| Cities present | 27 | 25 | 10 | 35 |
| Number of dark stores (latest known) | 451 | 450+ | 330 | 350 |

Source: Company, Media reports, JM Financial estimates

- **Blinkit an outright leader, Zepto emerging as the dark horse:** Our analysis basis public disclosures, media reports and discussions with industry leaders suggest the two leading food-techs in the country also happen to dominate the QC space. Zomato-owned Blinkit was the largest player in CY23, with more than two-fifth of the market share, basis GMV. It was followed by Swiggy-owned Instamart. The platform, however, appears to have ceded meaningful market share in CY23. The biggest gainer over the last 1 year, as per our analysis, was Zepto, which now controls one-fifth of the market. Lastly, while BB Now is aggressively attempting to expand its presence, it is still the smallest of the aforementioned four players, with a market share in high-single digits. Further, Blinkit as of 4QCY23, extended its lead to ~46% and was followed by Instamart (27%), Zepto (21%) and BB Now (7%). Zepto, which gained c.5ppts share over the last 1 year, is fast emerging as the dark horse despite having no background of running an operationally intensive B2C business, unlike its competitors, which is likely due to some synergy benefits flowing from complimentary businesses like food-tech or scheduled grocery.

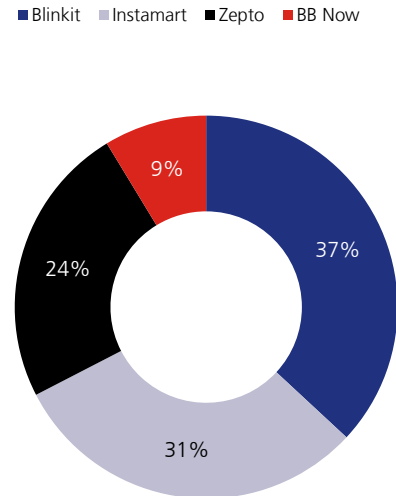
Our analysis suggests Blinkit is in the pole position currently with a GMV market share of ~46% as of 4QCY23, followed by Instamart (27%), Zepto (21%) and BB Now (7%)

Exhibit 24. Market share by GMV



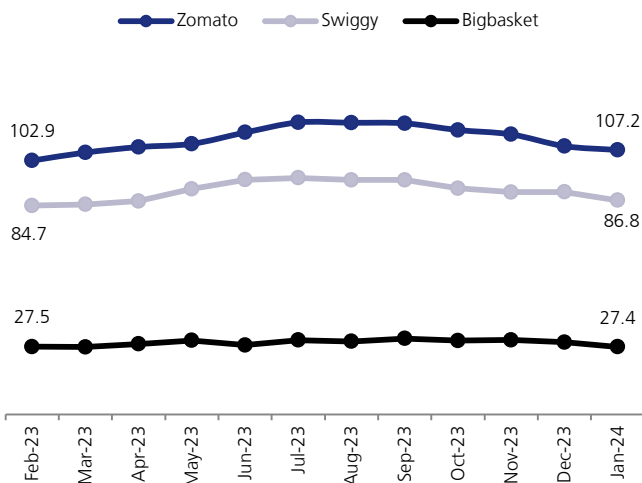
Source: JM Financial estimates

Exhibit 25. Market share by volume (4QCY23E)



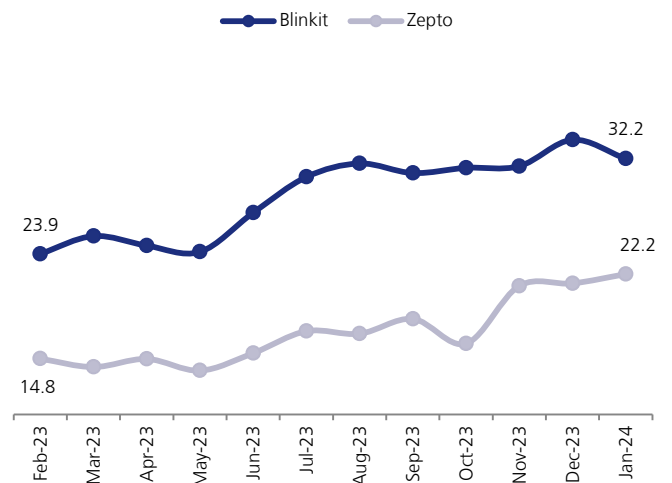
Source: JM Financial estimates

Exhibit 26. Active users trend (mn)



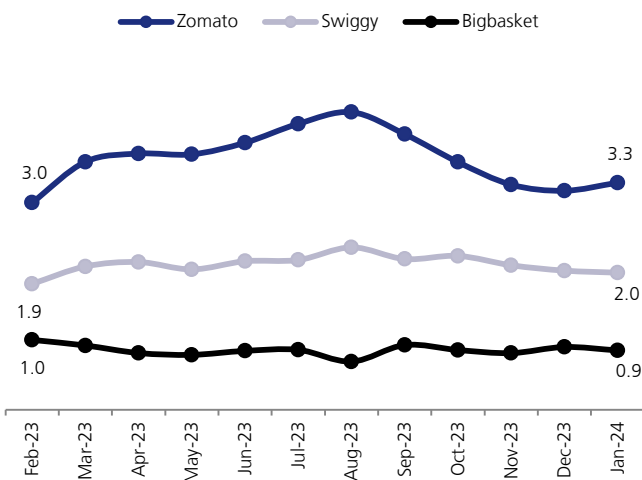
Source: Data.ai, JM Financial. Note: Above figures are cumulative of Android and ios users.

Exhibit 27. Active users trend (mn)



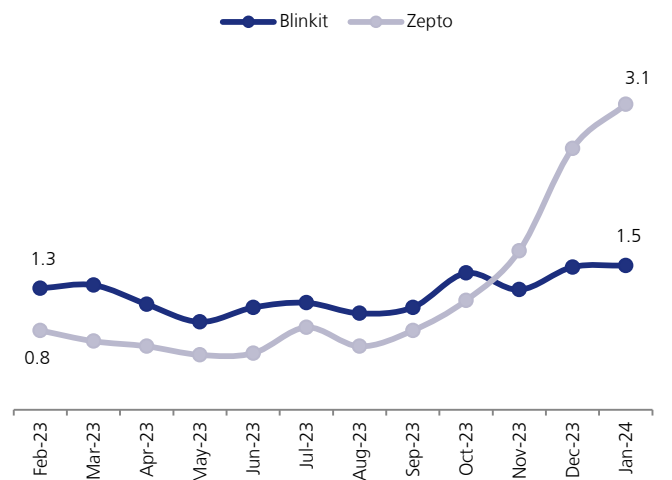
Source: Data.ai, JM Financial. Note: Above figures are cumulative of Android and ios users.

Exhibit 28. No. of app downloads (mn)



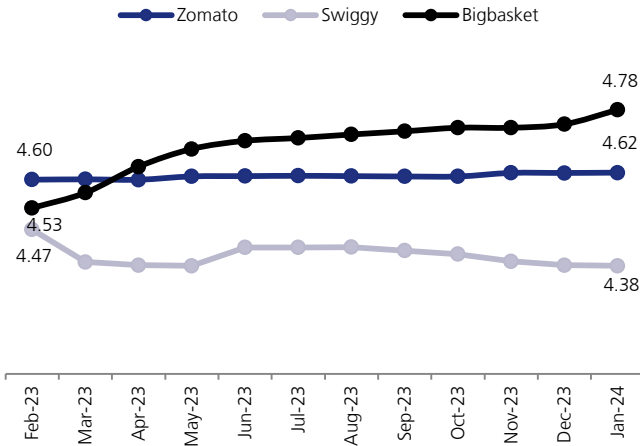
Source: Data.ai, JM Financial. Note: Above figures are cumulative of Android and ios users.

Exhibit 29. No. of app downloads (mn)



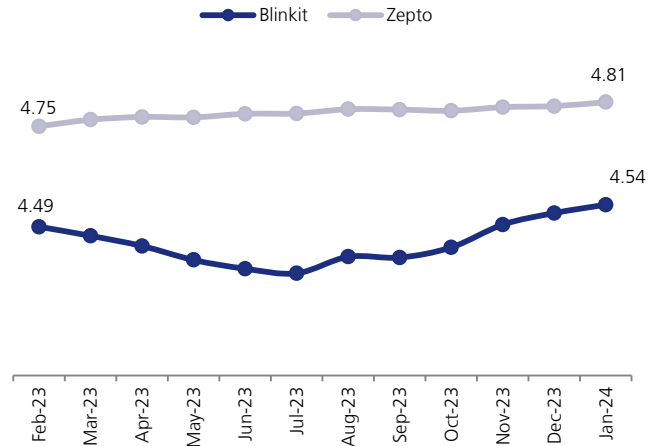
Source: Data.ai, JM Financial. Note: Above figures are cumulative of Android and ios users.

Exhibit 30. Cumulative app rating



Source: Data.ai, JM Financial. Note: Above figures are aggregate of Android and ios users.

Exhibit 31. Cumulative app ratings



Source: Data.ai, JM Financial. Note: Above figures are aggregate of Android and ios users.

- Chances of organic disruption by new entrants appear slim but M&As possible:** The vast underlying market and sudden surge in convenience-seeking consumers, partly accelerated by Covid, had led to several well-funded players starting their own version of QC. However, many folded shop either due to funding challenges or operational complexities.

In our opinion, the only players, barring Zepto, who seem to have done well in the space, are those who have been able to transfer their past learnings from complimentary B2C services businesses in the food-tech or scheduled grocery space. While there is no denying that the success of existing platforms and the huge opportunity size itself could again attract a few new players, the time, effort and investments needed to build scale organically, amidst the fast-growing stature of the existing players could act as a deterrent, in our opinion.

We, however, are of the opinion that the fast-expanding ambitions of QC players in non-grocery categories may force large e-commerce players to rethink their go-to-market strategies. In fact, there are already indications of a few steps being taken in this direction – refer [media report](#).

Fast-expanding ambitions of QC players in non-grocery categories may force large e-commerce players to rethink their go-to-market strategies

Zepto

The Wonder Kids

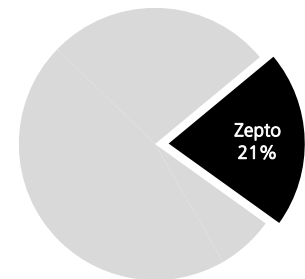


Zepto is a captivating story of how two teenagers on their way to Stanford during the very early part of the Covid pandemic instead serendipitously ended up starting a hyper local services business as a response to 'distress calls from a few elderly neighbours'. Despite their lack of industry experience or in-depth understanding of local challenges (having spent most of their lives in Dubai) the founders, Mr. Aadit Palicha and Kaivalya Vohra, built a business that is now roughly one-sixth the size of Dmart. In fact, Zepto's commitment to delivery in 10min likely helped bring down industry delivery times while also accelerating category growth. What is also interesting is that the company will likely achieve EBITDA level profitability with just about three years of operating history, which will be significantly faster than most of the larger, well-funded competition.

- What differentiates Zepto?** Zepto today is the third-largest player in the quick commerce space in India. But where the company stands out is that it is the only player who has built meaningful scale despite the handicap of starting from naught. Unlike others, Zepto founders had neither any experience of building a successful consumer internet business nor could they derive synergy benefits from complimentary businesses like food delivery or scheduled grocery. In fact, the company has played a pivotal role in pushing the narrative of instant gratification, which, in turn, seems to have accelerated category creation. This is an astonishing achievement given that quick commerce is an operationally challenging business where, unlike some other consumer internet businesses, balance sheet is not the only differentiator. The fact that Zepto has continued to expand exponentially while also taking giant strides towards EBITDA break-even amidst the ongoing funding winter showcases the strong execution capabilities of the team.
- Relentless focus on getting the product market fit right:** Right from the start, Zepto's founders understood that quick commerce was essentially a retail business. This meant they would have to do something different from what organised retailers had done in the past, because its penetration continues to be low. They attributed this to the proximity advantage of mom-and-pop stores. To counter this challenge, the company set up a chain of dark stores in dense localities and extensively used tech to simplify in-store operations, which ultimately helps reduce the time from customer order to delivery coming down to a few minutes. The founders were also conscious that to turn sustainable they needed a wide range of monetisable and scalable use cases. Therefore, they extensively focused on the product depth across fresh and grocery, which ensures customers have a wider choice compared to other retail businesses.
- Sourcing excellence can lead to long-term moats:** Retail businesses are execution driven, which means a robust backend supply chain itself can act as a strong moat. The company, therefore, hired vastly experienced talent from the retail industry who have helped it build direct sourcing relations with some of the leading FMCG manufacturers and bypass the distributor network. For F&Vs, the company directly engages with a network of farmers and has built processes to ensure that time from collection to delivery to end customers is significantly lower. This helps Zepto deliver quality and improves customer repeats.
- Exponential growth despite abrupt strategy changes owing to the funding winter:** As per ROC fillings, Zepto had recorded around USD 250mn of annual sales in FY23. However, in a recent social media post, Mr Aadit Palicha mentioned that the company was on track to achieve USD 1bn of annualised sales value within the next couple of quarters (i.e., by 2QCY24). This despite the fact that the company had to suddenly change its aggressive land-grab strategy, and give up dark store expansion plans at the start of the ongoing funding winter in Apr'22. In fact, for a long duration of time, the company's sales grew only on the back of continuous improvement in through-put of its 220 odd dark-stores spread across 10 cities. It was only post its follow-up funding round in Aug'23, in which it

GMV share of Zepto as of 4QCY23E

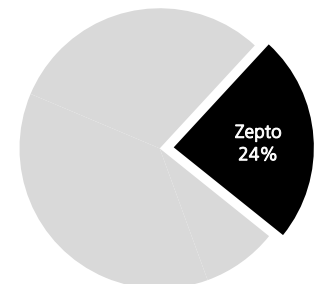
Market share by GMV



Source: JM Financial estimates

Order volume share of Zepto as of 4QCY23E

Market Share by Order volume



Source: JM Financial estimates

raised ~USD 200mn, that the company aggressively started to add to its dark-store count once again.

- **Profitability round the corner:** Mr Palicha in the aforementioned post also indicated that Zepto had reported ~44% YoY improvement in EBITDA % in CY23. Further, he exuded confidence that the company was on track to turn EBITDA positive in 2024, indicating a break-even within 36 months of launch. Such strong improvement in profitability while also expanding exponentially on the top line is attributable to sourcing advantage, deeper relations with brands and robust operating leverage (high store throughput).
- **Valuation of USD 4bn by Mar'25 may not be a stretch after all:** The fast-growing popularity of the quick commerce channel despite severe macro slowdown for several consumer brands, and Zepto's own growth profile since inception despite strategy pivots, suggests the company can achieve a GMV of USD 2bn in FY26. Assuming the company also becomes EBITDA break-even in the interim, we believe Zepto can command valuations comparable to Zomato's Blinkit business, which in our opinion itself could trade at a meaningfully higher multiple than its own food delivery business due to longer growth runway and exponential growth trends. Accordingly, we believe Zepto can command a valuation multiple of 2x NTM GMV, that would approximately give it a valuation of ~USD 4bn by Mar'25 versus USD 1.4bn in Aug'23.
- **Strengths:** 1) Leading market share in several cities despite presence of well-funded competition, 2) Strong brand awareness due to differentiated positioning of making grocery deliveries under 10 mins and 3) Leadership team that has had several years of experience in the retail industry.
- **Key risks:** 1) Limited geographic presence, especially in cities in North India and East India, 2) Absence of synergy opportunities from complimentary businesses like food delivery or scheduled grocery, 3) Constant threat of an M&A attempt by some of the large e-commerce players, 4) Supply side disruptions including product shortage and rider strikes and 5) High competitive intensity.

We believe Zepto's GMV can grow to USD 2bn by FY26, in which case its valuation can expand to ~USD 4bn by Mar'25 versus USD 1.4bn in Aug'23, basis a NTM GMV multiple of 2x

Exhibit 32. Funding history

| Date | Round (USD mn) | Type | Post Money Valuation (USD mn) | Investors |
|--------|----------------|----------|-------------------------------|---|
| Nov-23 | 31.2 | Series E | | Goodwater Capital, Nexus Venture Partners, Mangum |
| Aug-23 | 200.0 | Series E | 1400.0 | StepStone Group, Goodwater Capital, Nexus Venture Partners, Glade Brook Capital, Lachy Groom |
| May-22 | 200.0 | Series D | 900.0 | Y Combinator, Nexus Venture Partners, Glade Brook Capital, Kaiser Permanente, Lachy Groom |
| Dec-21 | 100.0 | Series C | | Y Combinator, Glade Brook Capital, Nexus Venture Partners, Breyer Capital, Contrary Capital, Global Founders Capital, Lachy Groom |
| Oct-21 | 60.0 | Series A | 225.0 | Glade Brook Capital, Y Combinator, Nexus Venture Partners, Global Founders Capital, Lachy Groom, Manik Gupta, Neeraj Arora |
| Jan-21 | 0.7 | Seed | | Global Founders Capital, 2am VC, Contrary Capital |
| Nov-20 | 0.1 | Seed | | Y Combinator |

Source: Tracxn, JM Financial.

Zepto

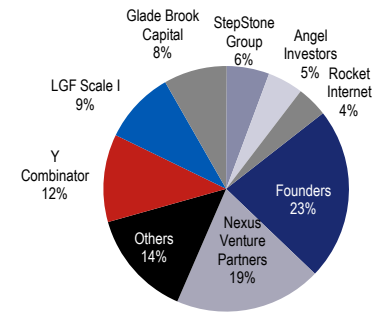
Founded in 2021 by two Stanford University drop-outs Aadit Palicha and Kaivalya Vohra, Zepto is the only dedicated quick commerce platform of the country. The startup was launched to provide customers with ultra-fast grocery delivery as the founders believed in India being a high-frequency, low-ticket grocery market.

Started as Kiranakart, the company tied up with grocery stores to facilitate product delivery. Kiranakart used to deliver groceries across Mumbai, unlike Zepto that offers delivery across metro cities such as Bengaluru, Lucknow, Delhi, Chennai, etc. The founders launched Zepto as an extension of Kiranakart Technologies Private Limited.

The company also launched Zepto Café as a pilot project in Mumbai in Apr'23, which enables consumers to buy snack items such as tea, coffee, samosas, croissants and the likes along with groceries. Zepto Café primarily works as a mini cloud kitchen setup in the existing dark stores of the company and sources from brands such as Chaayos, Blue Tokai, etc.

In its Series E funding round in Aug'23, Zepto was valued at USD 1.4bn, making it India's first unicorn of 2023. The company continues to grow rapidly and expects to turn operating profitable in 2024.

Key investors (as of 16 Jan'24)



Source: Tracxn, JM Financial

Exhibit 33. Management details

| Name | Position | Position Since | Education | Past Experience |
|----------------|--------------------------------------|----------------|---|---|
| Aadit Palicha | Co-founder and CEO | Apr'21 | IB diploma in Mathematics and Computer Science from GEMS Education, Bachelor's degree in Computer Science from Stanford University (dropped out) | Founded GoPool (2018-2020) Founded Kiranakart |
| Kaivalya Vohra | Co-founder | Apr'21 | Bachelor's degree in Computer Science from Stanford University (dropped out) | Zepto (CTO), Founded Kiranakart |
| Ramesh Bafna | CFO | May'23 | Chartered Accountant | CoinSwitch (CFO), Zilingo (CFO), Myntra (CFO & SVP), Flipkart (Senior Director), Cisco, Wipro |
| Vikas Sharma | Chief Operating Officer | Jun'23 | Post Graduate Diploma in Industrial Management in Supply Chain Management/Operations from IIM Mumbai Bachelor of Engineering in Electronics from Mumbai University | Flipkart (Head of Hyperlocal operations), Pepperfry (Head of supply chain), Supermax Personalcare (Procurement Head - India), TCS |
| Nikhil Mittal | CTO | Jan'24 | B.Tech (Computer Science) from IIT Dhanbad | Goldman Sachs, Founder at iview.ai |
| Vinay Dhanani | President, Supply chain and Category | Jun'23 | B.Tech (Chemical Engineering) from IIT Delhi | Zepto (COO), Flipkart (Director - Grocery Supply Chain), Rivigo (Head - Network Operations), ITC |
| Viral Jhaveri | Chief Growth Officer | Jun'23 | Bachelor of Science in Mechanical Engineering from Arizona State University, MBA from INSEAD | Freight Tiger (Director of operations), Uber Eats, TinyOwl (Head of growth), YogurtBay (Co-Founder), United Technologies |
| Ankit Agarwal | Chief Product Officer | Sep'23 | B.Tech (Computer Science) from Aligarh Muslim | Zepto (SVP – Product), Infra.Market (VP & Head of Product Management), Orinko (Co-Founder), Flipkart (Group Product Manager), Delhivery, Adobe |

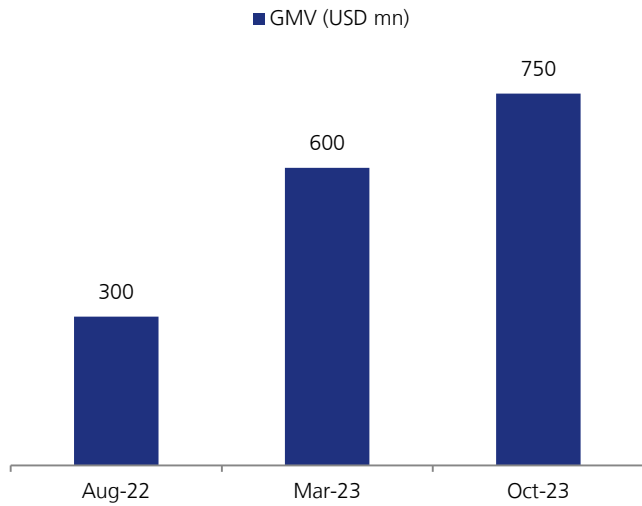
Source: LinkedIn, JM Financial

Exhibit 34. Recent management commentary

| Date | Comment by | Comment |
|------------------|---------------------|--|
| 28 February 2024 | Aadit Palicha (CEO) | “Once we turn profitable at an ebitda level, the delta to PAT (profit after tax) level profitability is extremely small for us,” - Media article |
| 22 January 2024 | Aadit Palicha (CEO) | “10-minute delivery is becoming a staple during religious events. Zepto is currently seeing a 6x spike in pooja flowers, diyas, desi ghee and more, and our team is working extra hard to fulfill this surge and delight customers on this special day,” - Media article |
| 25 December 2023 | Aadit Palicha (CEO) | “I think the biggest mistake people make about this sector is thinking that capital is the biggest competitive vector. It is not. Winning this sector is 95% careful and concentrated execution, ” - Media article |
| 8 November 2023 | Aadit Palicha (CEO) | “In FY24, we definitely expect to multiply the business meaningfully... we expect to grow at least more than 2x,” - Media article |

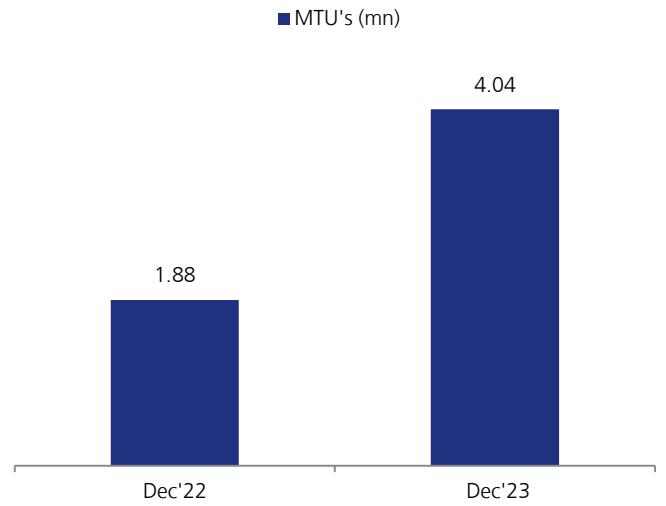
Source: Media articles, JM Financial

Exhibit 35. GMV trend



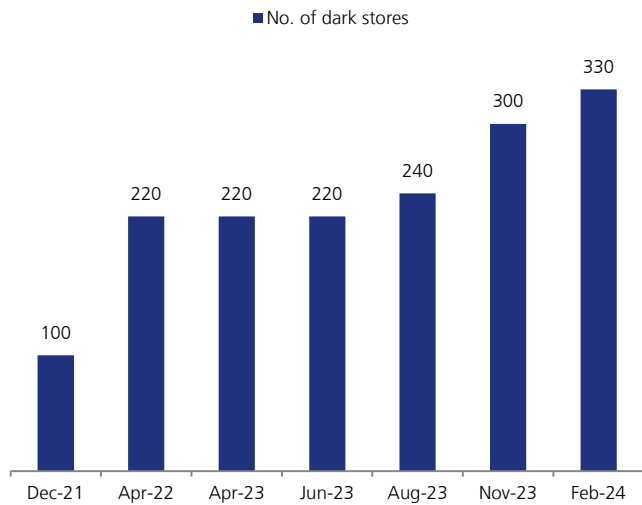
Source: Media reports, JM Financial

Exhibit 36. MTU trend



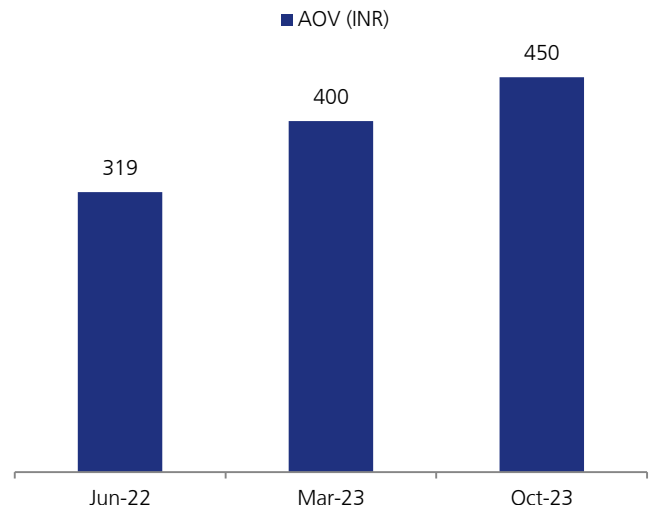
Source: Company, JM Financial. Note: Data is for the respective month

Exhibit 37. No. of dark stores



Source: Media reports, JM Financial

Exhibit 38. AOV trend



Source: Media reports, JM Financial

Exhibit 39. Loyalty membership launched in Feb'24

INTRODUCING
zepto pass

You would potentially save
₹200 per month with Zepto Pass

PASS BENEFITS

- Free delivery above ₹99 on all orders
- Up to 20% off on all orders above ₹299

Know More >

Get Pass at ₹19 ₹149 for 1 Month

Source: Company app.

Blinkit

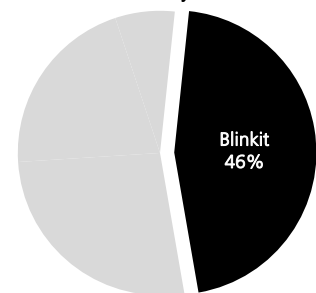
The Influencer

Blinkit, erstwhile Grofers, introduced the quick commerce model in India way back in 2014, albeit in a slightly different avatar. Inspired by the US-based Instacart, the company then was a pure-play marketplace, as supply was managed by local retailers in sharp contrast to the now prevalent dark-store based model. However, despite strong investor support and limited competition, the experiment failed due to weak unit economics and the concept likely being too early to the market. This followed a slew of unsuccessful pivots, none of which seemed to resurrect its fortunes. The dark-store led model was likely the ultimate roll of the dice, and fortunately for the company it clicked, partly aided by the shift in consumer mindset during Covid as well as the change in ownership. Today, Blinkit is a clear market leader in the space. It is not only growing exponentially, but also expanding the industry TAM by demonstrating that quick commerce is not only about delivering fresh or groceries, but actually a gateway to instant e-commerce. What stands out is that Blinkit, despite these aggressive manoeuvres, is on track to turn profitable by 1QFY25.

- What differentiates Blinkit?** Blinkit went through a make-over during Covid when it pivoted its business model from scheduled delivery to quick commerce. What stayed was the invaluable experience gained by the management from past mishaps, strong supplier relationships, a robust supply chain, and a loyal customer base (mostly in North Indian cities). Further, consolidation with Zomato rejuvenated its expansion plans and helped it derive meaningful operating synergies. Off late, Blinkit has seen meaningful market share gains and now controls more than two-fifths of the quick commerce market. It is also accelerating category expansion from typical fresh & grocery to other retail categories, where, if successful, it may end up directly challenging large, well-established e-commerce platforms. Blinkit operates as a separate independent app, as Zomato believes super-brands work better than super-apps.
- Early adoption was driven by Grofers' legacy:** During its early days into the new avatar, Blinkit immensely benefitted from the fact that it was able to reactivate a large number of erstwhile Grofers customers, without much effort. This helped Blinkit ensure lower cost of acquisition compared to the competition. Further, many of these customers were used to ordering in bulk and continued to do so when they moved to the revamped app, thereby ensuring high AOVs. This helped Blinkit stay neck-to-neck with its nearest competition despite significantly lower order volumes, prior to its acquisition by Zomato.
- Synergies with Zomato and positioning as a lifestyle platform aiding expansion now:** Blinkit's consolidation with Zomato unlocked meaningful synergies on tech-stack as well as supply chain side (through Hyperpure). Further, it enabled Zomato to promote and re-direct traffic from its food delivery app to the Blinkit app. Importantly, it empowered the management to entirely focus on category creation without balance sheet constraints, and market itself as a lifestyle platform, rather than a just a plain vanilla fresh & grocery delivery platform. This differentiated positioning is helping drive substantial traffic and improving customer stickiness for Blinkit, in our opinion.
- Adj. EBITDA break-even by 1QFY25 should be doable:** We expect Blinkit to continue to report very strong GMV growth in the near to medium term, on the back of continuous improvement in order volumes that, in turn, will be driven by sharp increase in MTUs. Growth, in our opinion, will also be a function of improvement in capacity utilisation rates of existing stores as well as addition of new stores (management had guided for ~100 net new store additions in FY24, of which 74 have already been added). From a profitability perspective, we see a mix of take-rates (function of product commissions, ad income and customer delivery/handling fees), store level operating leverage and corporate level operating leverage contributing to the business turning adj. EBITDA break-even by 1QFY25.
- Category penetration and product depth likely to be top priority post break-even:** We believe realistic TAM for quick commerce is significantly bigger than food delivery as these

GMV share of Blinkit as of 4QCY23E

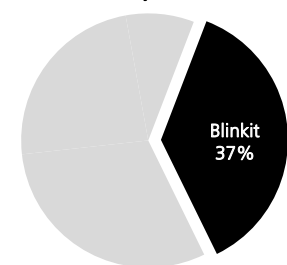
Market share by GMV



Source: JM Financial estimates

Order volume share of Blinkit as of 4QCY23E

Market Share by Order volume



Source: JM Financial estimates



[The Business of Instant Gratification](#)



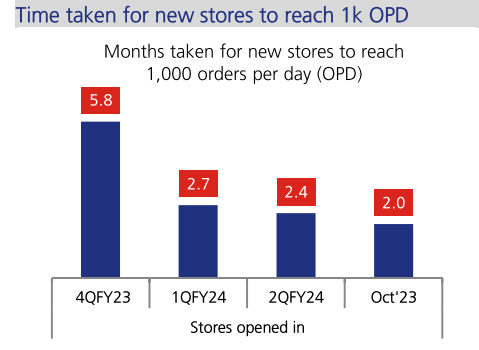
[Zomato: Potential for value creation beyond food delivery](#)



[Quick commerce: Numbers tell the tale](#)

businesses compete largely with the unorganised mom-and-pop stores (*kirana* stores) and offer the 'wow' factor in terms of convenience and instant gratification. Under-penetration and expanding use cases from fresh & grocery to a wide range of other e-commerce categories such as electrical, electronics, office supplies, home essentials, festive needs, gifting, BPC, etc. are driving exponential growth of the market. In fact, our analysis suggests Blinkit was a first mover in several of these categories. We, therefore, believe that once Blinkit demonstrates the viability of its business model by turning break-even, it will double-down on investments in newer categories as well as product depth, given the huge untapped opportunity size and strong balance sheet. This should likely help the company create significant scale moats,

- **Blinkit can command a valuation of USD 6bn by Mar'25:** Blinkit, due to its marketplace model, needs lower capex (barring dark stores and warehouses) and operates on negative working capital cycle compared to other retailers. The business is also well diversified as the GMV mix has a decent proportion of non-grocery. We see a longer growth runway for the company as retail purchases will continue to move from unorganised to organised channels. Blinkit is currently loss-making but, once profitable, it can command premium profit multiples to the food delivery business of Zomato, as it is relatively more sticky and a play on retail commerce (bigger TAM and longer growth runway). For the time being, we value it at 2x NTM Mar'26 GMV, which translates to a FV of ~USD 6bn (INR 520bn) by Mar'25.
- **Strengths:** 1) Leading market share in Delhi NCR and nearby cities. 2) Access to strong captive base of ~60mn annual transacting customers in Zomato's food delivery vertical. 3) Highly experienced leadership team in the hyper local delivery space. 4) Strong balance sheet.
- **Key Risks:** 1) Limited geographic presence, especially in cities in West India and South India, 2) Supply side disruptions including product shortage and rider strikes and 3) High competitive intensity.

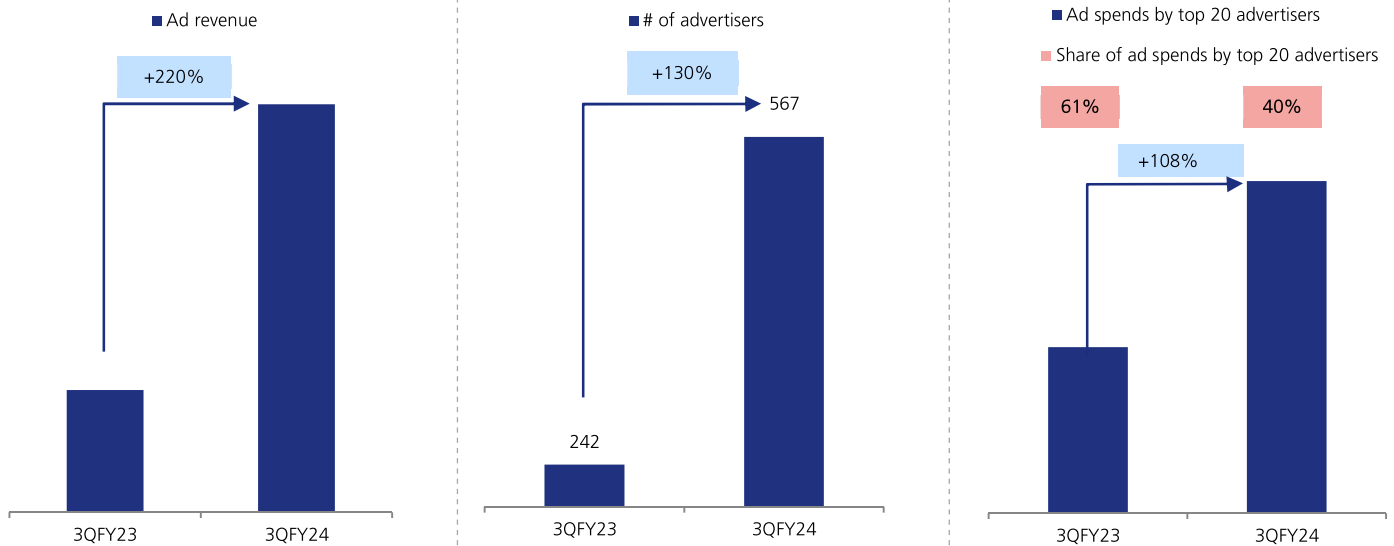


Source: Company, JM Financial. Note: Data shown above represents weighted average of time taken to reach 1,000 OPD by each monthly cohort of new stores opened in the quarter

Blinkit is currently loss-making but, once profitable, it can command premium profit multiples to the food delivery business of Zomato.

For the time being, we value it at 2x NTM Mar'26 GMV, which translates to a FV of ~USD 6bn (INR 520bn) by Mar'25

Exhibit 40. No. of advertisers and ad spend per advertiser have materially improved for Blinkit over the last 4-5 quarters



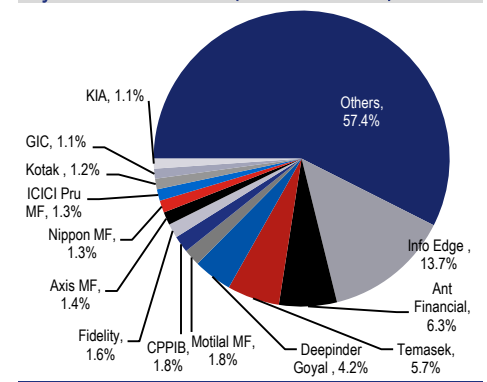
Source: Company, JM Financial

Blinkit (Zomato)

Blinkit, erstwhile Grofers, is a quick commerce business operated by Zomato. The company was founded by Albinder Dhindsa and Saurabh Kumar in 2013. It was initially launched as an on-demand delivery service promising delivery in 90 minutes from neighbourhood shops to customers under the brand 'Onenumber' that was later rebranded as Grofers. The company pivoted to an inventory led model from a marketplace model in 2016. In 2021, Zomato acquired 9.3% stake in Grofers for USD 100 mn. Post this investment, Grofers pivoted to 10-minute grocery delivery (initially in 10 cities) from own/franchisee dark stores. In late 2021, it was rebranded as Blinkit. In 2022, Zomato acquired the remaining stake in Blinkit for c.USD 580mn (EV of c.USD 720mn).

Blinkit had a dark store network of 451 stores that serve over 27 cities as of Dec'23. ~90% of Blinkit's GMV comes from the top eight cities as of 3QFY24. Currently, Blinkit is leading the quick commerce market in India with ~46% market share, as per our analysis. Blinkit achieved contribution profit break-even in 2QFY24 and is expected to achieve adj. EBITDA profitability by 1QFY25.

Key investors - Zomato (as of 31 Dec' 23)



Source: Company, JM Financial

Exhibit 41. Management details

| Name | Position | Position Since | Education | Past Experience |
|-------------------|----------------------------|----------------|---|---|
| Deepinder Goyal | Founder and CEO | Jul'08 | Integrated Master's degree of Technology in Mathematics and Computing from the Indian Institute of Technology, Delhi | Bain and Company |
| Akshant Goyal | CFO | Nov'20 | B.E in Computer Science from the University of Delhi and a PGDM (MBA) from the Indian Institute of Management, Bangalore | Zomato - Head of Corporate Development (Apr'17 - Nov'20), Kotak Mahindra Capital Company Ltd. and a Fin-tech start up |
| Albinder Dhindsa | Co-Founder & CEO - Blinkit | May'14 | B.Tech from Indian Institute of Technology, Delhi and MBA from Columbia Business School | UBS Investment Bank, Cambridge Systematics, URS Corporation |
| Sajal Gupta | CTO | Jan'22 | B.Tech. in Computer Science and Engineering from Manipal Institute of Technology | Zomato (Engineering Manager) |
| Anish Shrivastava | SVP - Revenue | Jul'21 | B.E. in Electronics from Savitribai Phule Pune University, MBA in Marketing from Jannalal Bajaj Institute of Management Studies | Spoonjoy (Head-Operations), Landmark Group, Usha International, 3i Infotech |

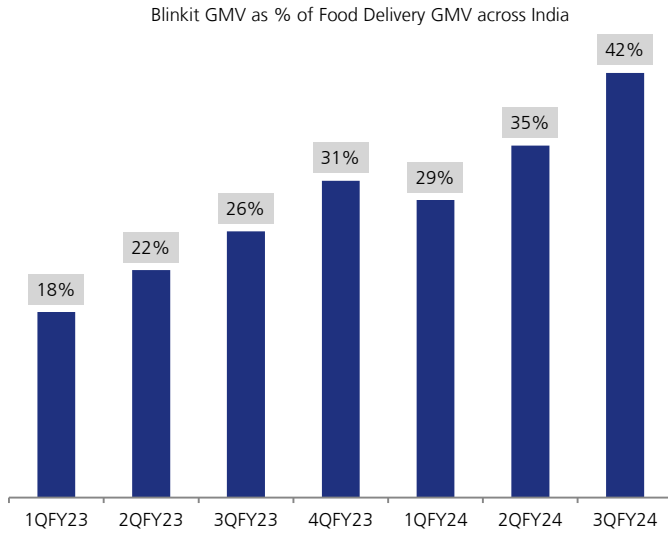
Source: LinkedIn, JM Financial.

Exhibit 42. Recent management commentary

| Date | Comment by | Comment |
|------------------|---|--|
| 16 February 2024 | Albinder Dhindsa (Co-founder and CEO-Blinkit) | "The 10-minute delivery concept was initially to address urgent needs like Band-Aid. Now, besides groceries and household goods, it also offers things like printouts, passport photographs and even kurtas! ; a lot of it comes down to prioritisation and the outcome of customers telling us what they want," - Media article |
| 16 February 2024 | Akshant Goyal (CFO- Zomato) | "Blinkit is more commerce and less about services; The product assortment is key and that means we may not sell a mobile phone but will offer a mobile charger. " "Buying behaviour is different here since we don't stock but buy daily. The concept came from the West but was more applicable here." - Media article |
| 16 February 2024 | Akshant Goyal (CFO- Zomato) | "We opened stores during the pandemic since the supply chain had collapsed. To overcome that, we disaggregated the facilities and instead of one large warehouse, we had to go for smaller ones. Now, there was an opportunity to deliver faster with a very efficient supply chain"; "Inventory must move fast and if you sweat the asset and increase the width of products, the number of places where you get operating leverage (proportion of fixed costs to overall costs) takes off. Quick commerce may give you lower revenue per item, but it also moves quickly and assortment between stores must be different, " - Media article |
| 8 February 2024 | Albinder Dhindsa (Co-founder and CEO-Blinkit) | " The quick commerce advertising opportunity is turning out to be promising so far. Blinkit ad revenue has grown at double the pace of GOV growth over the last one year (up 220% YoY in Q3FY24 vis-à-vis 103% YoY GOV growth)." - Shareholders letter for 3QFY24 |
| 8 February 2024 | Albinder Dhindsa (Co-founder and CEO-Blinkit) | " ~90% of our GOV comes from our top eight cities currently and hence to maintain the current pace of growth in the overall business, even our top eight cities would need to grow at roughly the same pace. Most of our new store addition is focused on (a) existing neighbourhoods where we are exceeding current store capacity or (b) covering more neighbourhoods in existing cities. Outside of this, we are selectively adding a couple of stores to test the waters in high potential new cities. So far, all the new cities that we have launched in are showing good potential and we will look to subsequently scale these cities as well. In the last quarter, we launched stores in two new cities - Goa and Agra." - Shareholders letter for 3QFY24 |

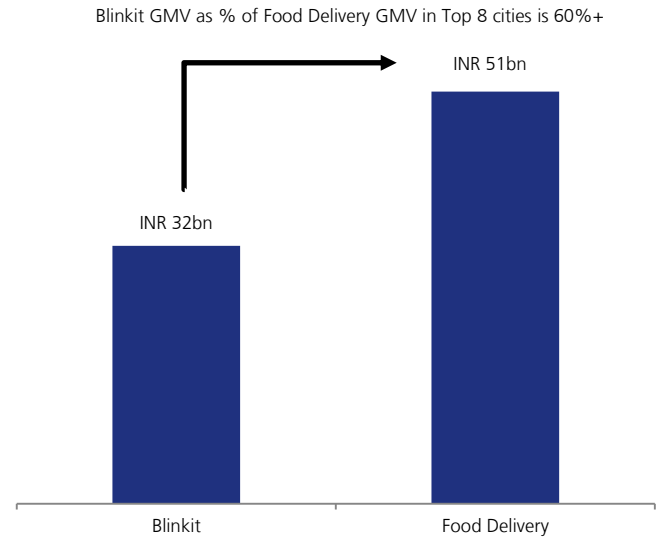
Source: Company, Media reports, JM Financial

Exhibit 43. Ratio of Blinkit's GMV as % of Zomato's Food Delivery GMV across India



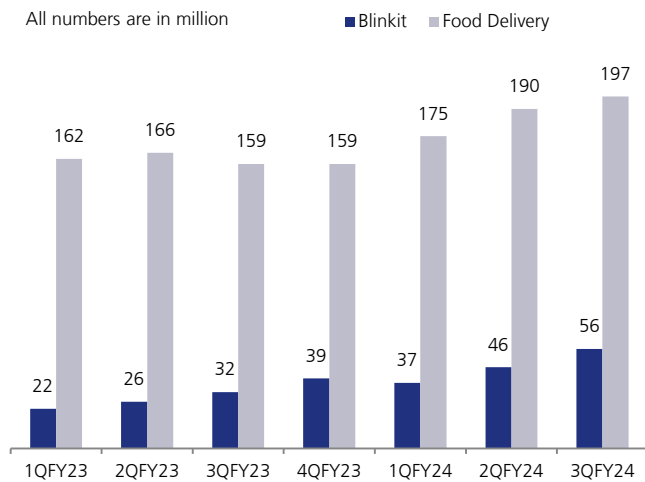
Source: Company, JM Financial

Exhibit 44. Ratio of Blinkit's GMV as % of Zomato's Food Delivery GMV in Top 8 cities



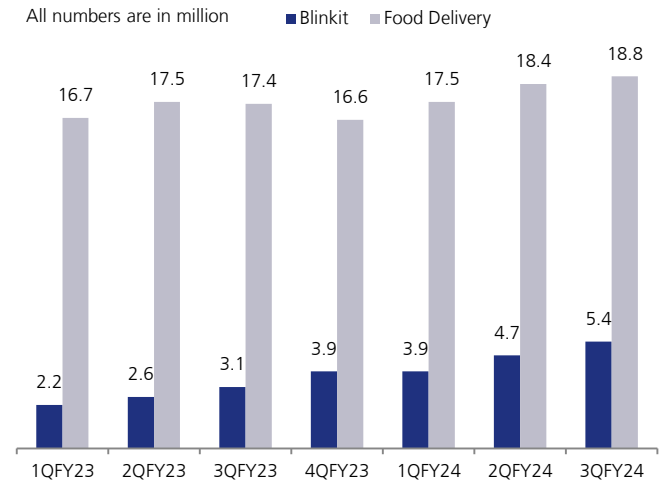
Source: Company, JM Financial

Exhibit 45. Zomato: Order volume trends



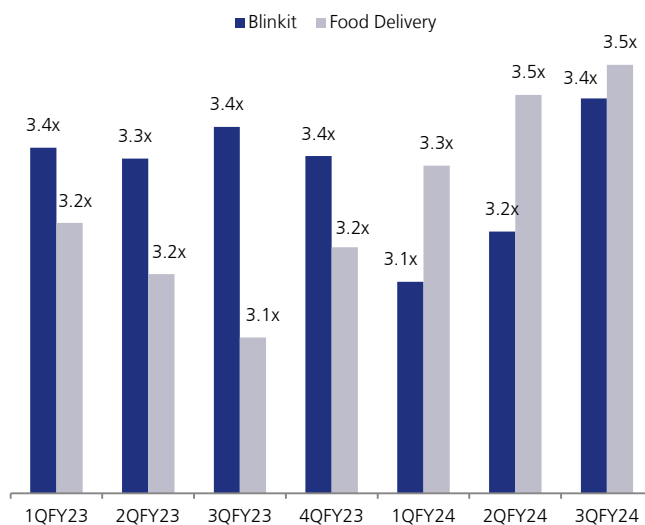
Source: Company, JM Financial

Exhibit 46. Zomato: MTU trends



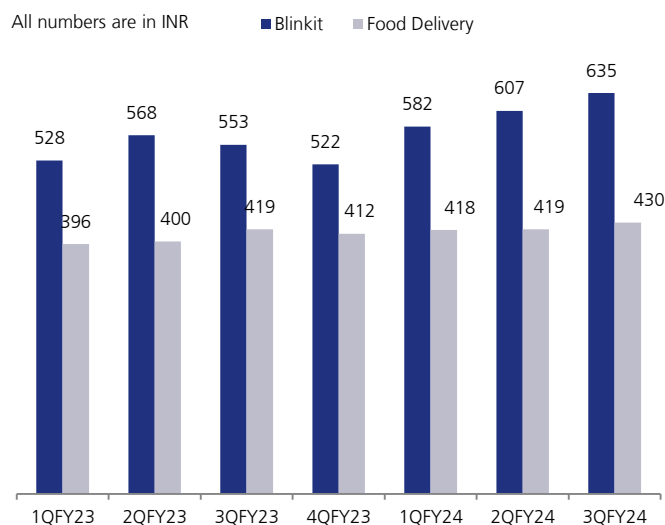
Source: Company, JM Financial

Exhibit 47. Zomato: Order frequency trends



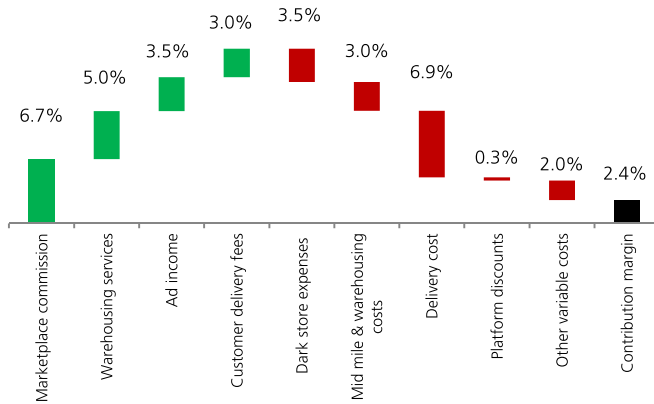
Source: Company, JM Financial

Exhibit 48. Zomato: AOV trends



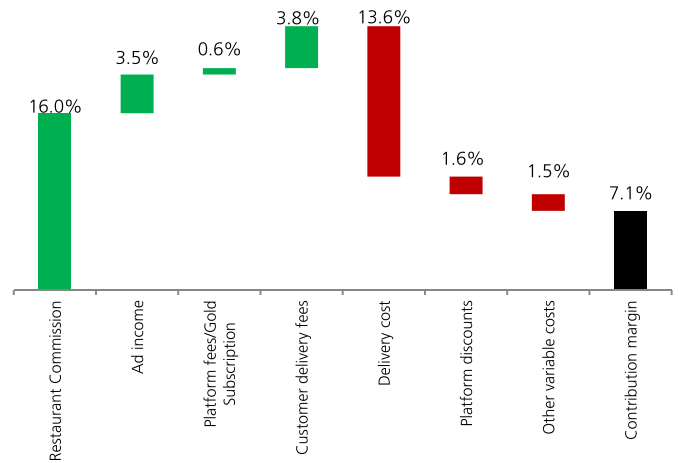
Source: Company, JM Financial

Exhibit 49. Blinkit: Contribution margin (as % of GMV)



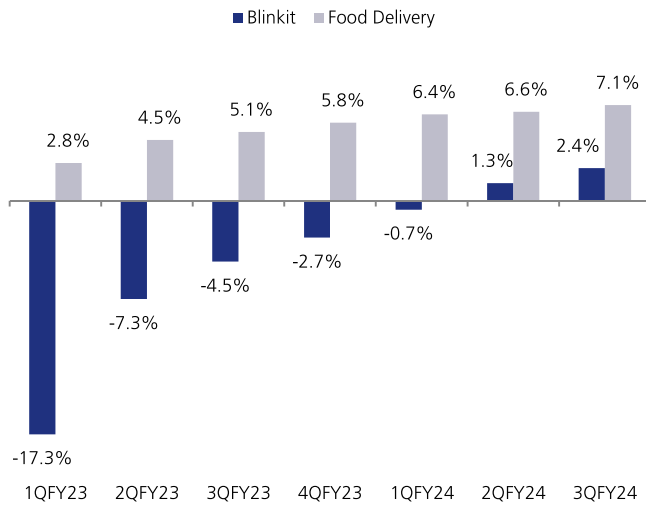
Source: JM Financial estimates

Exhibit 50. Zomato Food Delivery: Contribution margin (as % of GMV)



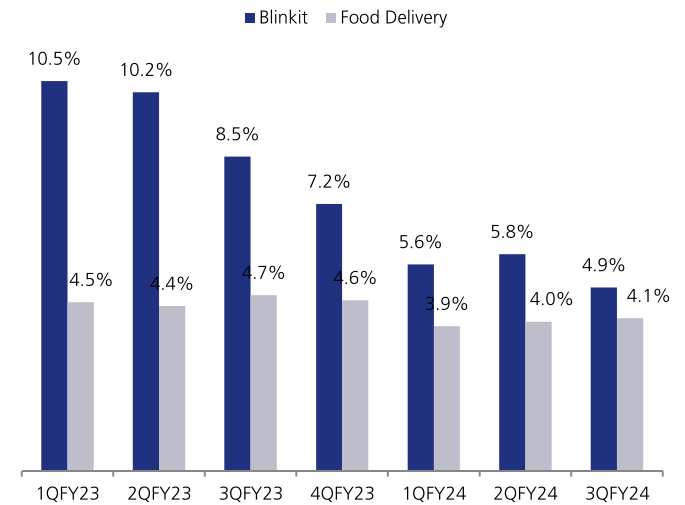
Source: JM Financial estimates

Exhibit 51. Zomato: Contribution margin trends (as % of GMV)



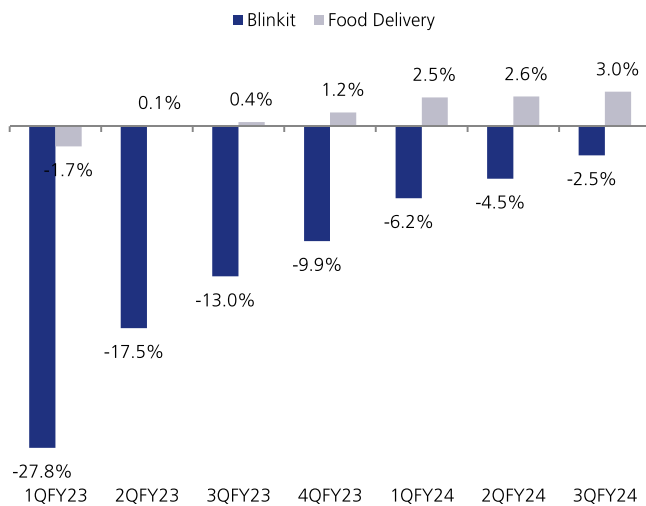
Source: Company, JM Financial

Exhibit 52. Zomato: Fixed cost as % of GMV



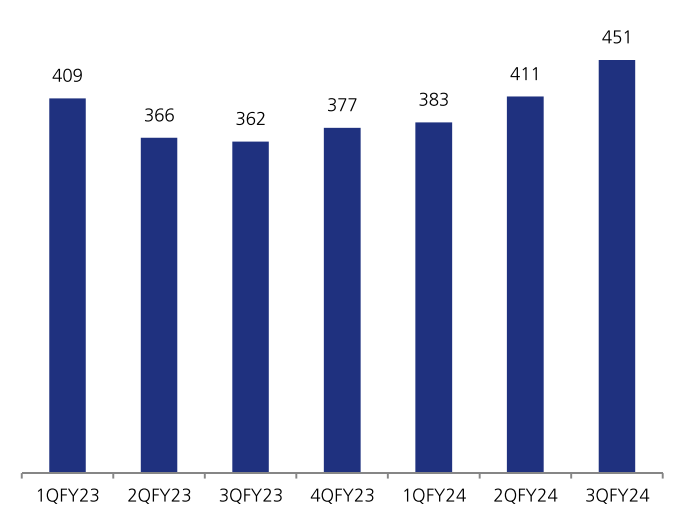
Source: Company, JM Financial

Exhibit 53. Zomato: Adj. EBITDA as a % of GMV



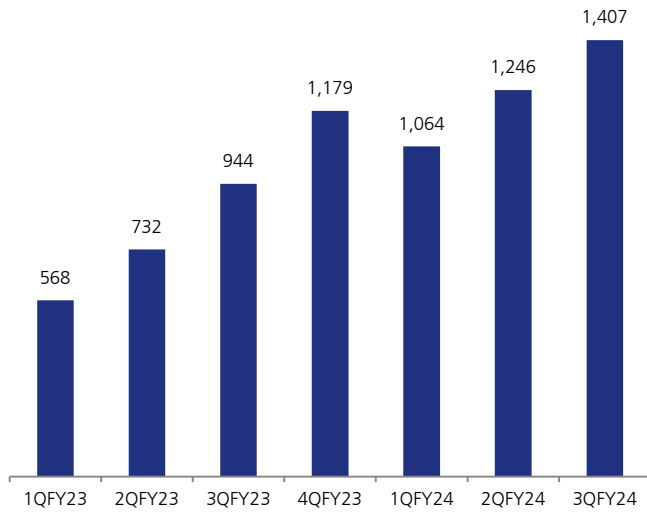
Source: Company, JM Financial

Exhibit 54. Blinkit – dark store trends



Source: Company, JM Financial

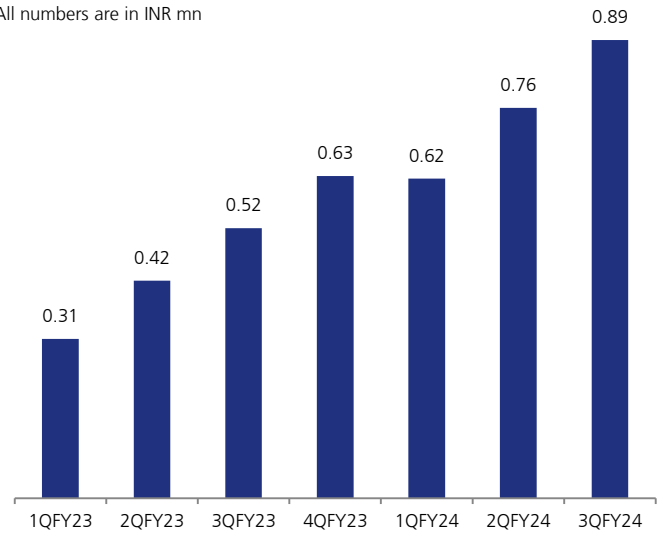
Exhibit 55. Blinkit – Orders per day per store



Source: Company, JM Financial

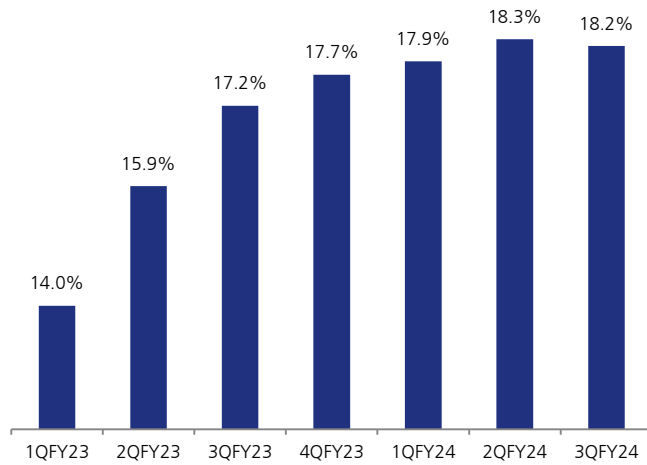
Exhibit 56. Blinkit – GMV per day per store

All numbers are in INR mn



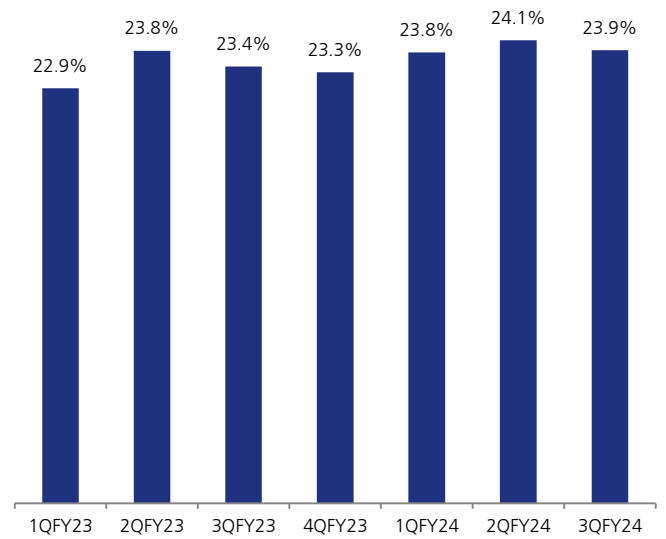
Source: Company, JM Financial

Exhibit 57. Blinkit – Take-rate*



Source: Company, JM Financial. Note: Take rates* including delivery fees collected from customers.

Exhibit 58. Food Delivery – Take-rate*



Source: Company, JM Financial. Note: Take rates* including delivery fees collected from customers.

Instamart

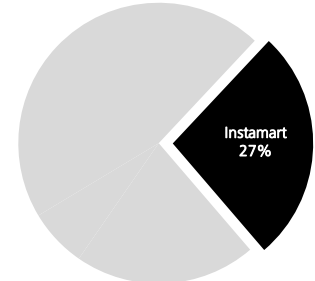
The Innovator

Swiggy pioneered India's full-stack food-tech offering, despite being a late entrant. Since then, it has introduced multiple ideas such as Private label kitchens, Gourmet foods, Meat marketplace and Minis, amongst others. One such innovation was the dark store-led on-demand grocery delivery platform, Urban Kirana, later rebranded as Instamart. Its launch in the middle of a pandemic made it an instant hit, as customer experience was far superior to the pure marketplace model attempted by several start-ups earlier. It is today the second largest platform in the quick commerce space. Swiggy's super-app approach has meant that Instamart enjoys strong loyalty amongst its food delivery patrons. With the peak of investments behind, we expect Instamart to take strong strides towards achieving profitability over the near to medium term.

- What differentiates Instamart?** Instamart's differentiated approach of on-demand grocery deliveries through a dense network of fulfillment centres, in the middle of the pandemic, paved the way for the quick commerce channel in major cities in India. While its initial positioning was that it would deliver orders in 30-45 mins, it later revised it down to 15-30 mins, through improvements in tech and logistics. Unlike Blinkit, Instamart operates as an integrated brand within the Swiggy super-app ecosystem. In fact, Swiggy offers a single membership program across most of its offerings, which leads to high retention rates amongst high frequency consumers. Our analysis suggests, as of 4QCY23, Instamart's market share in quick commerce basis GMV was around 27%, and close to 31% basis order volumes. Swiggy follows an integrated delivery fleet approach as some delivery partners are cross utilised across food delivery, Genie and quick commerce offerings, basis peaks and troughs.
- An integrated app approach simplifies cross-sell:** Right from its launch, Swiggy has offered Instamart as part of its integrated app, ensuring strong cross-sell to its own food delivery consumer base. This helps Instamart ensure lower cost of acquisition compared to the competition. Today, the offering has its own loyal base of consumers, which, in turn, benefits Swiggy's other offerings. Moreover, Instamart was the first platform to introduce the on-demand grocery delivery proposition to consumers in several Tier 1/2 cities.
- Focus on profitable operations:** As per Prosus (largest shareholder in Swiggy), Instamart reported 63% YoY increase in GMV in 1HCY23, partly aided by 19% increase in store counts and higher AOVs. It also noted that broader product selection, a denser store network and faster deliveries was aiding customer acquisition and retention. During this period, its contribution losses were down by around 75%. Earlier, [in May'23](#), Swiggy's CEO and Co-founder Mr Sriharsha Majety had indicated that peak of investments in Instamart was over and that it has started taking strong strides towards achieving profitability in the business. As such, the company had suggested that it would soon turn contribution-neutral in Instamart.
- Phase of transition:** Mr. Kathik Gurumurthy who was instrumental in building the company's quick commerce business stepped down as Head of Instamart in Mar'23 (later exited from the company in Nov'23 to start his own venture). Since then, the business is being spearheaded by Mr. Phani Kishan Addepalli, a Co-Founder of Swiggy who earlier was leading Swiggy's InsanelyGood offering in the capacity of a CEO.

GMV share of Instamart as of 4QCY23E

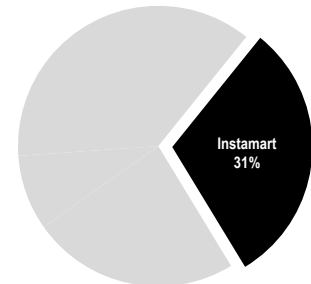
Market share by GMV



Source: JM Financial estimates

Order volume share of Instamart as of 4QCY23E

Market Share by Order volume



Source: JM Financial estimates



[Food-tech: Swiggy gains share, Zomato superior in execution](#)



[Swiggy: Hits profitability in food delivery; Instamart near CM break-even](#)

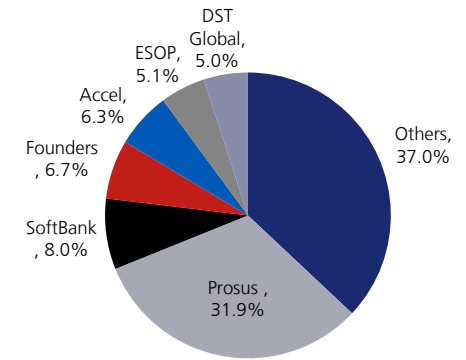
About Instamart (Swiggy)

Swiggy entered the grocery delivery space through a marketplace model in 2019 under the brand name Swiggy Stores. It, however, soon realised that high reliance on mom-and-pop stores or supermarkets for inventory and lower commissions made the market place model unviable. Therefore the company started experimenting with the dark store-led grocery delivery business model in Feb'20 under the brand name Urban Kirana, which it later rebranded as Instamart post a full-fledged launch in Aug'20. The platform primarily delivers groceries, F&Vs, meat, stationery, bakery items, personal care, baby care and pet care products, snacks, flowers, etc. In Jan'22, the company raised c.USD 700mn mainly to accelerate its growth in the QC space.

Instamart is hugely popular amongst Swiggy's captive food delivery patrons due to strong cross-sell by the company. The company also extends the benefits of its 'Swiggy One' membership programme to Instamart.

Instamart currently has a dark store network of ~450 stores spread over 25 cities. As of Dec'23, the platform holds the second highest market share in QC market with an estimated market share of ~27%.

Key investors – Swiggy (as of 29 Aug'23)



Source: Tracxn, JM Financial

Exhibit 59. Key Management Personnel

| Name | Position | Position Since | Education | Past Experience |
|------------------------|--|----------------|---|--|
| Sriharsha Majety | Co-Founder & CEO | Jul'13 | BE in Electrical and Electronics Engineering from BITS, Pilani, MSc in Physics from BITS, Pilani, PGDM/MBA in Finance from IIM Kolkata | Co-founded Bundl, Nomura International |
| Nandan Reddy | Co-Founder & Director | Jul'13 | MSc in Physics from BITS, Pilani | Founded Galla (cloud based tablet point of sale systems for restaurants), Zurna (Co-Founder Hyderabad restaurant), IDinsight, Intelicap |
| Rohit Kapoor | CEO, Food Marketplace | Aug'22 | MBA from Indian School of Business, Chartered Financial Analyst (CFA Charter), CFA Institute, USA | OYO (Global Chief Marketing Officer), Max Healthcare (Executive Director & Board Member), Max India, Mckinsey & Company. |
| Phani Kishan Addepalli | Co-founder, Head- Instamart | Jul'21 | B.Tech in Computer science and Engineering from IIT Madras, PGDM from IIM Kolkata | InsanelyGood by Swiggy (CEO), Boston Consulting Group |
| Rahul Bothra | CFO | Sep'17 | Certified Chartered Accountant, B. Com from MES college of Arts (Commerce and Science) | Olam (Divisional CFO & VP- Finance), Britannia Industries, Colgate-Palmolive, Wipro |
| Madhusudhan Rao | CTO | Jun'23 | Bachelor of Engineering (Computer Science) from Visvesvaraya Technological University | Boomerang Commerce (VP Engineering and Head of Operations), Amazon, BNP Paribas, ThoughtWorks |
| Anirban Roy | VP - Category, Revenue and Growth, Instamart | Jan'24 | Post Graduate Diploma in Management, from XLRI Jamshedpur, B. Tech in Mechanical Engineering from Motilal Nehru NIT | Amazon (Head- Performance marketing), Pepsico, ITC, Infosys |
| Abhishek Shetty | Marketing Lead – Instamart & Pvt Brands | Feb'24 | Bachelor of Engineering (Electrical and Electronics Engineering) from Birla Institute of Technology and Science, Pilani, Post Graduate Program from Indian School of Business | Stader Labs (CMO - Global), Sony Pictures (Brand Marketing Head for SonyLiv - India, EU, MENA, SAARC), Celio India (CMO - Ecommerce & Omni channel Sales), Jack and Jones (Marketing Head), MID DAY Infomedia, Saatchi & Saatchi |
| Girish Menon | Head HR | Apr'16 | Bachelor of Law from Karnataka State Law University, MBA (PGDBM) from Xavier Institute of Management and Entrepreneurship | Flipkart (Head HR), UnoverCell (Head HR), HSBC (VP – HR), Vistaar Livelihood Financial (VP – HR), Fullerton, Citi, Hitech Recruits |

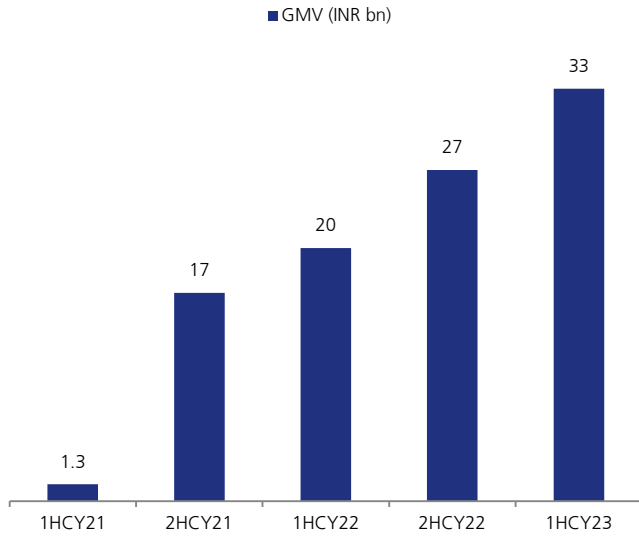
Source: LinkedIn, Media Reports, JM Financial

Exhibit 60. Recent management commentary

| Date | Comment by | Comment |
|------------------|--|--|
| 7 February 2024 | Rohit Kapoor (CEO- Food Marketplace, Swiggy) | "Roses have been flying off the shelves since early this morning. But keep ordering! After crossing the million roses mark last year, Swiggy Instamart has stocked up on 1.5 million fresh roses" – Media article |
| 16 January 2024 | Sriharsha Majety (Group CEO) | "Instamart's contribution to overall revenue is increasing and it is the growth driver for the overall group". "Penetration wise, Instamart could still be larger than food delivery. The number of consumers who want grocery or allied items delivered will be larger than the number of consumers who want restaurant food delivered to their doorstep." – Media article |
| 25 December 2023 | Phani Kishan (CEO- Instamart) | "We saw high traction for festive and topical assortment on the platform with thousands of consumers using Swiggy instamart for idols during Ganesh Chaturthi, jerseys during the World Cup, and lights, and silver coins during Diwali," – Media article |

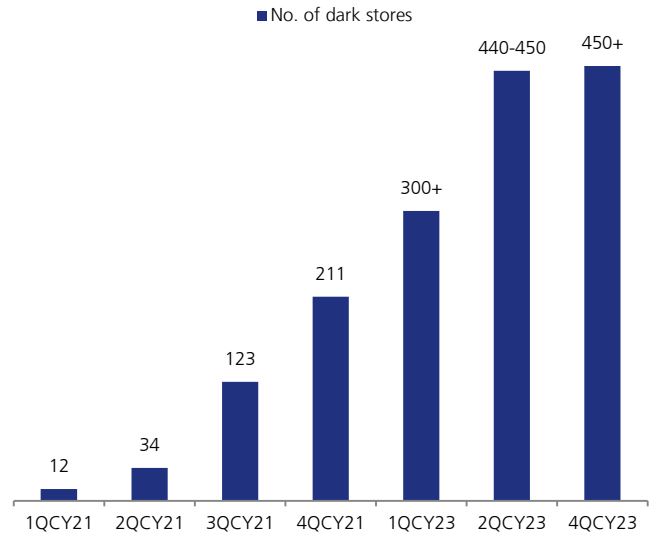
Source: Media reports, JM Financial

Exhibit 61. Instamart GMV trends



Source: Prosus, JM Financial

Exhibit 62. No. of dark stores trend



Source: Media reports, JM Financial.

Exhibit 63. Loyalty membership

SWIGGY one

Loved your One Lite experience?
Upgrade to Swiggy One & get unlimited benefits on Food, Instamart, Dineout & Genie

| BENEFITS | one | one LITE |
|-----------------------------|------------------------|---------------------|
| Food Free deliveries | Unlimited | 10 |
| Instamart Free deliveries | Unlimited | 10 |
| Dineout 2 Flat ₹150 coupons | ✓ | ✓ |
| Genie Flat 10% off | No minimum order value | On orders above ₹60 |

Buy Swiggy One at ~~₹199~~ ₹149 for 3 months

Source: Company app.

BB Now (Bigbasket)

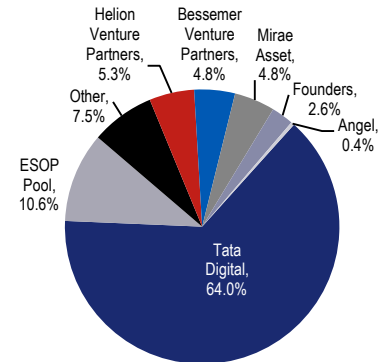
The Idealist



BB Now, an instant grocery delivery service, is an integrated brand of Bigbasket. Bigbasket was founded by five entrepreneurs, V S Sudhakar, Hari Menon, V S Ramesh, Vipul Parekh and Abhinay Choudhari in 2011. When Bigbasket started its operations, it adopted a “purchased-to-order” model. In this model, the delivery boy directly picked up the item from the retailer, and delivered it to the customer. Later in 2013, Bigbasket pivoted to inventory-led model for most of its products. Due to growing popularity of quick commerce platforms, Bigbasket decided to launch ‘BB Now’ in Dec’21 promising delivery under 20 minutes.

BB Now is currently present in 35 cities with ~350 dark stores and around 6000 SKUs. As per its Co-founder, Hari Menon, currently BB Now accounts for atleast 30% of overall orders of Bigbasket. BB Now is the fourth largest player in QC space with ~7% market share, as per our analysis and moving towards profitability, as per the management (refer [media report](#)).

Key investors – Bigbasket (as of 29 Mar'23)



Source: Tracxn, JM Financial

Exhibit 64. Management details

| Name | Position | Education | Past Experience |
|---------------|--------------------------------------|--|--|
| Hari Menon | Co-founder & CEO | Bachelor's degree from BITS Pilani, M.S. Degree in industrial Engineering, MBA from Carnegie Mellon | Indiaskills (CEO), Fabmall (Co-Founder), Planetasia (Country Head), Wipro Infotech, TVS Electronics, Wipro Infotech, and Integrated Data Systems |
| V.S. Sudhakar | Co-founder | MBA from IIM Ahmedabad | CEO of Planetasia |
| V.S. Ramesh | Co-founder | Bachelor of Engineering in Electronics from Karnataka University | Fabmall (Co-Founder), Indian Navy |
| Vipul Parekh | Co-founder & Chief Marketing Officer | Bachelor of Science from Government Science College, Jabalpur; Master of Science from Rani Durgavati Vishwavidyalaya, Jabalpur; Post Graduate Diploma in Management from IIM Bangalore | Peepul Capital (Investment Director), Trinethra Super Retail (President), Fabmall (Co-Founder), Wipro, TVS Electronics |
| TK Balakumar | Chief Operating Officer | Bachelor of Engineering in Electronics & Communication from Coimbatore Institute of Technology, MBA from INSEAD | Tata Teleservices (Head Customer Service), Airtel (Chief Service officer), IBM (Director - Operations and Quality), Xerox India |
| Rakshit Daga | Chief Product And Technology Officer | Bachelor of Engineering in Mechanical Engineering from MSU Baroda, MS in Mechanical Engineering, Computer science from University of Minnesota | Qurater (Founder & CEO), SAP (Director of Technology), Proquest Business Solutions, Syndera, Covigna, Scient |

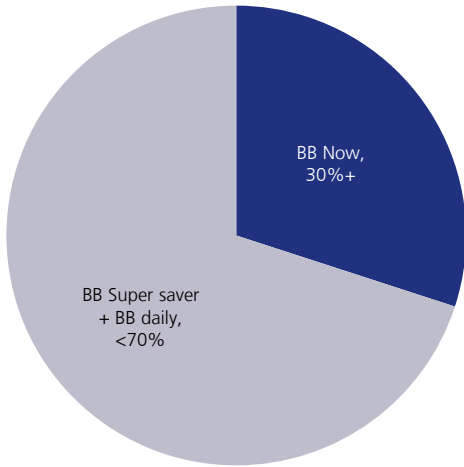
Source: LinkedIn, JM Financial

Exhibit 65. Recent management commentary

| Date | Comment by | Comment |
|------------------|------------------|---|
| 17 January 2024 | Hari Menon (CEO) | “We didn’t foresee such a drastic shift in consumer preferences. Now, we see a clear distinction between our two customer bases — the core audience and new, Gen Z users (who opt for rapid order fulfilment)” – Media article |
| 17 January 2024 | Hari Menon (CEO) | “We have ramped up quickly. Since last month, 80% of BB Now orders are being delivered in 10-12 minutes” – Media article |
| 17 January 2024 | Hari Menon (CEO) | “You have to make choices. We will continue to remain largely grocery; a few adjacent categories may be added to grow BB Now, the vertical would continue to have a 30-35% share of the company’s overall business, even as the pie grows” – Media article |
| 25 December 2023 | Hari Menon (CEO) | “I don’t think just breaking even will be enough next year, we need to aim for a solid 5% to 6% contribution margin without impacting growth” – Media article |
| 25 December 2023 | Hari Menon (CEO) | “But there are many challenges that come with expanding to new categories, like thinner margins... for now, our focus will remain on grocery, which is what we do best,” – Media article |
| 25 December 2023 | Hari Menon (CEO) | “I have to agree with Aadit here... even in the tier 1 cities like Kochi, we only have one or two areas that have the density required to support quick commerce. The simple fact is that it (quick commerce) will not be accessible to everybody,” – Media article |

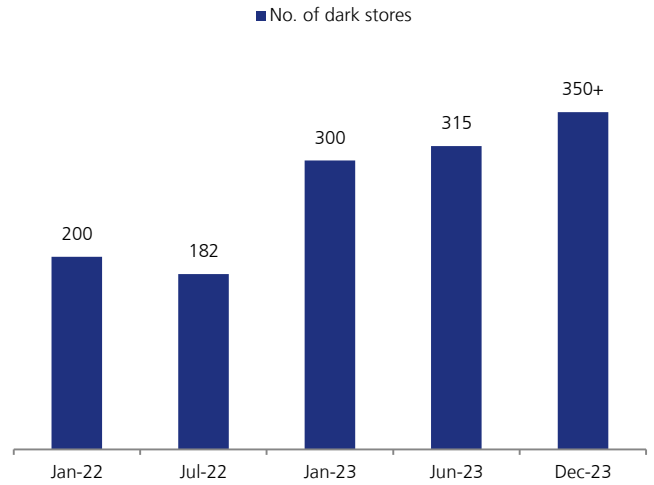
Source: Media reports, JM Financial

Exhibit 66. Bigbasket Group GMV break-up



Source: Media Reports, JM Financial

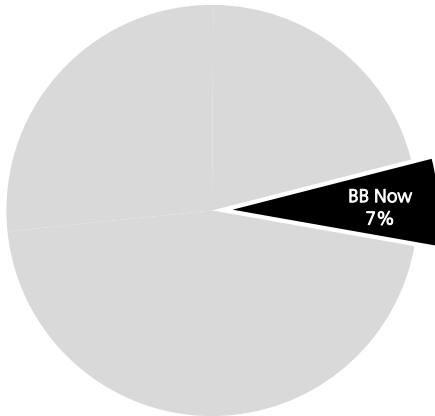
Exhibit 67. No. of dark stores trend



Source: Media reports, JM Financial

Exhibit 68. GMV share of BB Now as of 4QCY23E

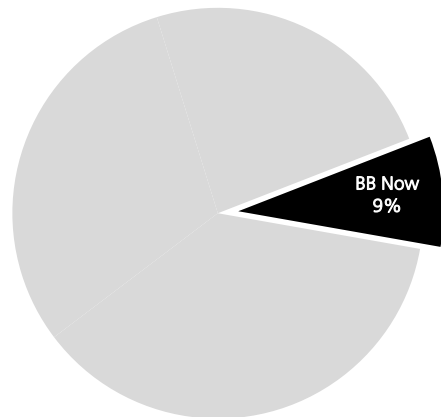
Market share by GMV



Source: JM Financial estimates

Exhibit 69. Order volume share of BB Now as of 4QCY23E

Market Share by Order volume



Source: JM Financial estimates

Exhibit 70. Bigbasket's scheduled delivery and instant delivery offerings

bigbasket
supersaver

🕒 2 hrs

Bigger savings →

bigbasket
now

⚡ 10 mins

Quicker delivery →

Source: Company app

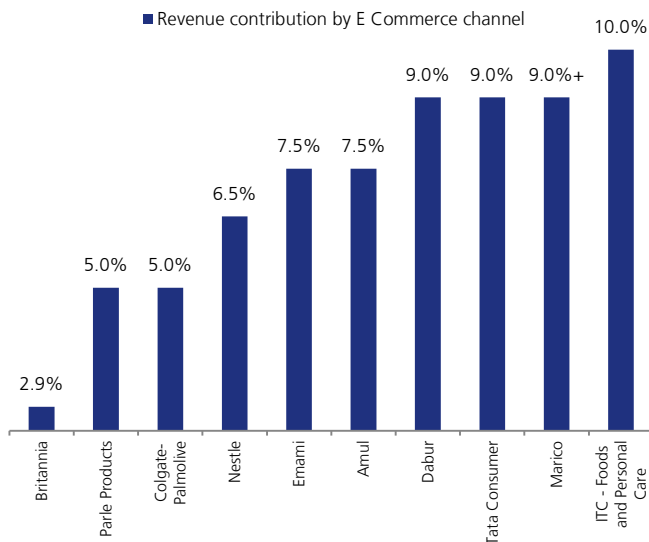
Understanding the perspective of brands

- Emerging distribution channel for established CPG companies:** In our recent report [QC: Numbers tell the tale](#) we had highlighted that all QC players combined could contribute c.INR 65bn-70bn to the topline of the top 20 CPG (consumer packaged goods) companies in the country in FY24. While in percentage terms the contribution could look marginal at low-single digits (JMFe of more than 2%), amidst very tough macros, currently the channel is meaningfully contributing to their growth rates. Since QC platforms are likely to continue to grow at an exponential in the near to medium term, we postulate that their contribution to the revenue of top CPG companies can reach ~5% over the next 2-3 years.
- Large FMCG companies are focusing on engagement beyond distribution:** [Recent media reports](#) suggest several large FMCG companies such as Nestle, ITC, Parle Products, and Coca-Cola have increased their engagements with QC platforms. This is because platforms are better able to capture and analyse real-time data points such as customer preferences, purchase patterns, demand, fill-rates, stock-outs and customer feedback. In fact, platforms can slice and dice multiple data points for FMCG companies at a very granular level such as an individual dark store or a particular neighbourhood. This, in our opinion, gives these platforms a significant edge over any traditional retail format, especially kiranas.
- D2C brands/challenger brands/local suppliers can immensely benefit by aligning with QC platforms:** In our opinion, QC platforms are better placed to help D2C brands/challenger brands/local suppliers 1) improve their brand awareness 2) lower cost of new customer acquisition 3) improve customer loyalty/repeats 4) overcome the challenges of a weak distribution network (in Tier 1/2 cities) and 5) ensure streamlined operations. In fact, there is enough evidence to suggest that the ingenious manner in which QC platforms tweak their assortments during festive days disproportionately ends up benefitting the local suppliers.

We postulate contribution of QC players to the revenue of top 20 CPG companies, can reach ~5% over the next 2-3 years

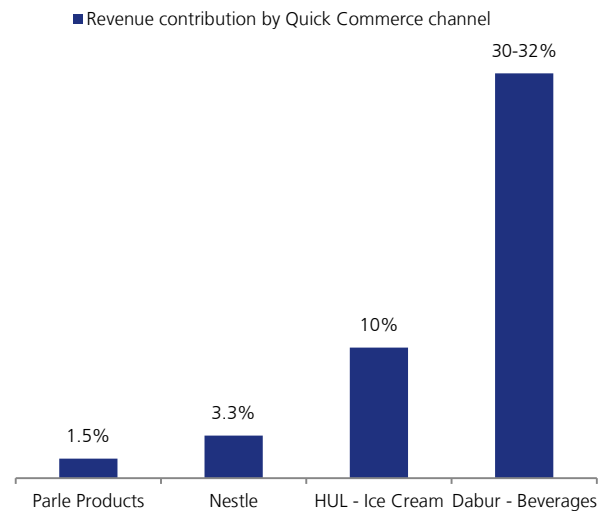
QC platforms can slice and dice multiple data points for FMCG companies at a very granular level such as an individual dark store or a particular neighbourhood

Exhibit 71. Overall e-commerce channel contribution to revenue of CPG companies



Source: Company, Media reports, JM Financial.

Exhibit 72. Quick commerce channel contribution to revenue of CPG companies



Source: Company, Media reports, JM Financial.

Exhibit 73. Recent comments made by a few leading CPG managements on quick commerce

| Company | Period | Comment |
|---------------------|---------|---|
| Nestle | CY22 AR | "Growth from e-commerce channels continued with strong performance driven by MAGGI Noodles from the Prepared Dishes and Cooking Aids Portfolio, Coffee and Beverages and Confectionary portfolios. Quick commerce and Click & Mortar also enabled the growth of e-Commerce. Quick Commerce growth was fuelled by new user acquisition initiatives through targeted digital communication and ensuring access to your Company's products at the point of purchase. Your Company also leveraged emerging specialized formats such as ePharmacies." - Annual Report |
| | 2QCY23 | " The e-commerce channel contributed to 6.5% of the quarterly sales and continued the growth momentum driven by Quick Commerce. " - Press release |
| | 3QCY23 | "All of this, of course, has been on the strength of e-commerce which has grown by about 20% year-on-year continues to be a powerhouse. In some of the brands, it's as high as 25%, 30%. In some brands, it's as low as about 10%, 15%. But again, something that's been in quick commerce in this has been the fastest growth. 50% of our e-commerce business is today quick commerce and growing faster. So Blinkit is becoming as important as Amazon. " - Suresh Narayanan, CMD |
| Parle Products | Sep'23 | " E-commerce now contributes 5 per cent to our sales and of this about 1.5 per cent comes from quick commerce platforms alone. Consumers are opting for quick commerce platforms for impulse purchases such as chocolates, salty snacks and ice-creams. But they are also shopping for more planned purchases such as bulk packs of packaged atta from quick-commerce platforms." - Krishnarao Buddha, Senior Category Head, Parle Products as per a media report |
| HUL | 2QFY23 | " Today, IC Now as we call it, our ice cream business where it gets distributed through quick commerce and such digital chain. Now more than 10% of our ice cream business is today generated using this medium of distribution" - Ritesh Tiwari, CFO and Executive Director, Finance and IT |
| | FY23 AR | "We continued to leverage technology to cater to our digitally active consumers through the ICNow channel and witnessed strong consumer traction. The channel now contributes to about 10% of our Ice Cream sales. " - Annual Report |
| Dabur | 2QFY23 | "...because of the weight value ratio, Beverage portfolio is not so conducive for eCommerce. But what has happened really is Quick Commerce, which has now become very important for us, that has really helped Beverage portfolio. And I think as Quick Commerce goes up, it will really help the Beverage and the snacking portfolio, and that is what we are seeing. Our Quick Commerce used to contribute about 15% of the revenues for Beverages as far as last year is concerned; now it has gone up to 30% to 32%. So, Quick Commerce is really helping us. And I think that's the way forward for Beverage in the coming years". - Mayank Kumar, Head of Marketing, Food & Beverages |
| | 1QFY24 | "...e-commerce should by the end of year, should be around 9% of our overall sales." - Mohit Malhotra, CEO |
| | Sep'23 | "E-commerce and modern trade is assuming huge importance. Within the e-commerce space, quick commerce's contribution is expected to be 25-30 per cent in two years " - Mohit Malhotra, CEO as per a media report |
| | 3QFY24 | "The e-commerce business in the current quarter, the contribution is around 8.5-9%, and the growth is around 20% in e-commerce. This was a muted quarter as far as e-commerce is concerned but otherwise, YTD you will see a growth contribution of around 9% to 9.5% coming from e-commerce for us, and the growth will be higher in the range of around 30%." - Mohit Malhotra, CEO |
| Tata Consumer | 1QFY24 | "Just like many people who were very, very bullish on the online space during COVID times and you can see lot of brands/businesses fading off in that space. All I can say is on a long-term basis consumers will move to convenience, consumers will move online and therefore, we remain committed to growing our total e-commerce business. Now in that total e-commerce business, quick commerce has been on the upswing I would say in the last 6 to 12 months so to speak and we do see that building up. Now ultimately again the cost economics ultimately has to be working for those channel specifics so that they can sustain and continue to grow. I wouldn't pass judgment on that piece. As long as the businesses continue to deliver their promise to consumers of quick without a significant upcharge on the product itself, I think they've got a good proposition and we remain committed to that. We are seeing strong growth in our e-commerce; I think 28% is what I alluded to. All I will say is quick commerce is growing stronger than the average and we remain committed to making sure that we continue to grow that. Incidentally, on the online space in the tea business, we are the market leaders." - Sunil D'Souza, MD & CEO |
| Britannia | 3QFY24 | "So we've seen very good growth as far as e-com is concerned. The B2C part of the business is the one which is growing and which is what we would want it to be... Today, it is about 2.9% to 3% of our total business, which is not big, but if you think about it, we started from 1% a few years ago. And it's a business which is also profitable, and it provides the convenience to consumers and also gives us the opportunity to do innovation only in this part of the business. So we will continue to push this forward" - Varun Berry, MD. |
| Heritage Foods | 2QFY24 | " We have added or we have invested significantly in growing the distribution through grocery channel and many other emerging channels such as e-commerce and quick commerce and all of that in the last several quarters. So, whether it is in terms of adding of distributors, which has -- today, we have close to about 50,000 outlets reach in the grocery channel". - Srideep Kesavan, CEO |
| | 3QFY24 | "We have also expanded our presence across e-commerce, quick commerce, and modern trade channels. We have now, even in cities like Delhi NCR and all of that, you can pretty much buy most of our products, our value-added products on whether it is Big Basket and Zepto and Blinkit and all of that. So those are all the things that are driving growth for us as far as value-added products are concerned". - Sambasiva Rao, President |
| LT Foods | Dec'23 | " With our quick-commerce contribution having increased rapidly, we are using technology to predict demand and avoid inventory stocking delays. " - Ritesh Arora, CEO, India business and Far East, as per media report . |
| Bajaj Consumer Care | 3QFY24 | "E-commerce once again registered a strong performance with a growth of 24%- 25% for 3QFY24 and 27% for 9MFY24. Ecommerce B2C demonstrated substantial growth of 38% for the quarter. Ecommerce has grown over 2x over the past eight quarters. " "So today, our modern trade and e-commerce contributes about 20%. In q-com, yes, it's not a very large portion of our e-commerce business out of our entire B2C business. It's just about 5% of the business. " - Jaideep Nandi, MD |
| KRBL | Feb'24 | "We are surprised the way large packs of staples have taken off in quick commerce, which is growing 100% QoQ for us. On the other hand, growth in kirana grocery stores is about 10%, though on a larger base." - Ayush Gupta, head - domestic market, as per media report . |
| | 3QFY24 | "because of new commerce, because a lot of modern trade and e-commerce channels have started contributing significantly to the basmati rice industry." - Ashish Jain, CFO |
| ITC | Feb'24 | "ITC is engaged in collaborative forecasting for demand management with leading quick-commerce platforms for better demand management. In addition, there are regular engagements between ITC and quick-commerce teams to continuously review on-platform availability of products which enables linking of packs across their dark stores and help in increasing the availability of products." - Sandeep Sule, divisional chief executive - trade marketing and distribution, as per media report . |
| Honasa Consumer | 2QFY24 | "And we called out Quick Commerce, because that's an area which has grown much faster than others and hence that was a call out and while that area was expected to grow for categories like grocery, but it also is doing really well for categories like beauty in our business. We have seen Quick Commerce emerging as a great growth driver, which has grown by 100% plus Y-o-Y growth, and we have also forged new partnerships with Tira at Reliance Retail and which is helping us grow." - Varun Alagh, CEO |
| Adani Wilmar | 2QFY24 | " E-comm and modern trade is growing very-very strong. Grew by 30% year-on-year when it comes to Q2 '24, and similar kind of growth when we look at H1" - Shrikant Kanhere, CFO |
| | 3QFY24 | "we are very optimistic on this e-commerce and modern trade, which is growing very fast for us" - Shrikant Kanhere, CFO |
| Marico | Feb'24 | "While general trade channels continued to be a drag, the revenue performance of ecommerce channels was healthy. Marico is reducing inventory holding costs and improving trade schemes to address challenges in grocery stores" - company management as per media report |

Source: Company, Media reports, JM Financial

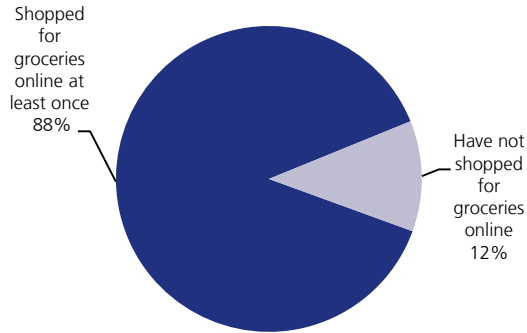
Key Risks

- **Dark store churn:** Selecting the ideal dark store location can be complex activity, as there are multiple variables that can go wrong, which, in turn can lead to high churn rates, if not handled well.
- **Presently a Metro/Tier 1 city phenomenon:** QC players are presently concentrated in Metro/Tier 1 cities. Zomato in its 3QF24 shareholder letter mentioned that 90% of Blinkit's GOV comes from top 8 cities. Zepto too is currently operating in only the top 10-11 cities. As and when these platforms move to lower Tier cities, they could face issues related to low population density, smaller ticket sizes, and low ordering frequencies per customer.
- **High CAC when entering newer cities:** Currently, QC is Tier 1 city phenomenon. As and when platforms aggressively start entering lower tier cities, they may end up making meaningful spends towards customer acquisition and retention. In addition, they may also end-up subsidising the last mile delivery/packaging costs, all of which will increase their cost of acquisition.
- **Category/assortment/SKU mix is still evolving:** QC platforms continue to experiment on appropriate category/assortment/SKU mix for their dark stores, which can affect product margins in the near term.
- **Inefficient back-end supply-chains:** As highlighted earlier in the report, QC is essentially a retail business and therefore prone to several operational challenges, across the value chain.
- **High inventory losses:** Inventory losses due to spoilage, liquidation and pilferage lead to incremental costs for QC players. In certain cases, these losses can be as high as 20% of the total inventory in certain fresh categories (F&Vs, Meat, Dairy, Instant foods, etc.).
- **Packaging costs:** Some QC players are presently spending 1-2% of their AOV on packaging. Inability to pass on these costs to customers could have an adverse impact on profitability.
- **Kirana store partnerships with B2B wholesale grocery platforms:** Several B2B wholesale platforms such as Jiomart (B2B), Udaan, Jumbotail, and Shopkirana, amongst others, are partnering local kirana store owners in an effort to help them digitise their procurement as well as maximise their reach to the end-customers. Such partnerships can help kirana stores negate some of the disadvantages in their existing business model and better compete with QC players.

Consumer Survey

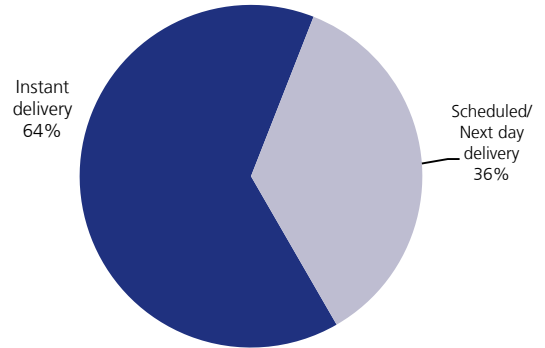
We conducted a survey of 111 individuals residing in a mix of Metro/Tier-1 and Tier 2+ cities in India to understand their grocery purchase behaviour. The respondents were spread across college going teenagers to experienced professionals.

Exhibit 74. Respondents who said they had used an online grocery platform at least once in the past 6 months (n=111)



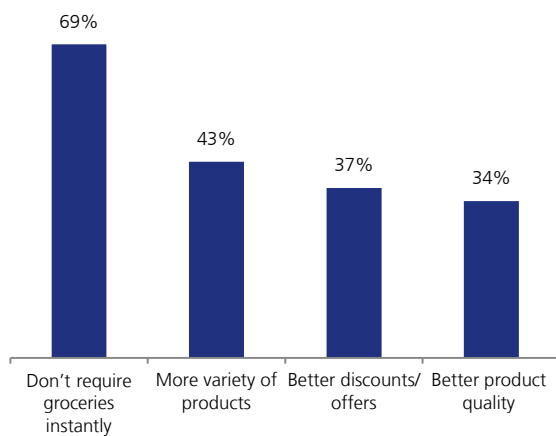
Source: JM Financial

Exhibit 75. Preferred type of online grocery platform of respondents who shop for grocery through online platforms (n=111)



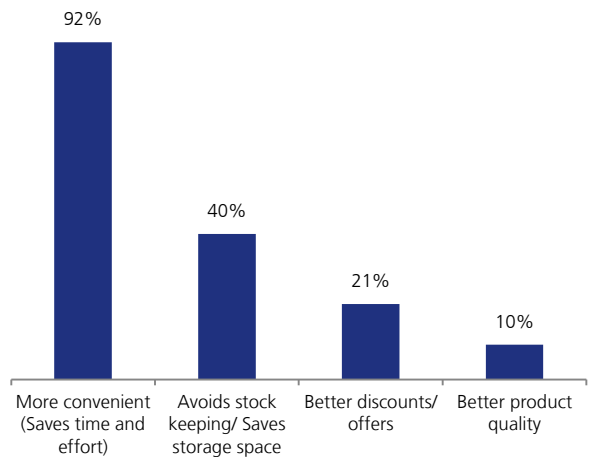
Source: JM Financial

Exhibit 76. Key reasons selected by respondents for their preference for scheduled/ next day delivery platforms (n=35)



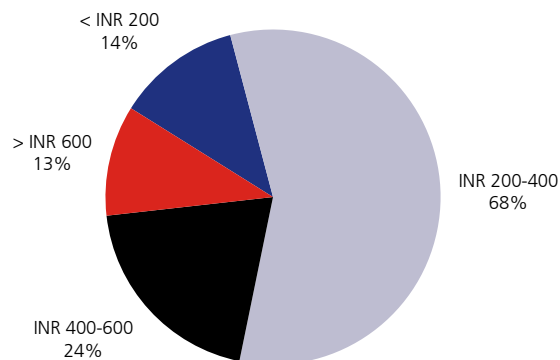
Source: JM Financial

Exhibit 77. Key reasons selected by respondents for their preference for quick commerce platforms (n=63)



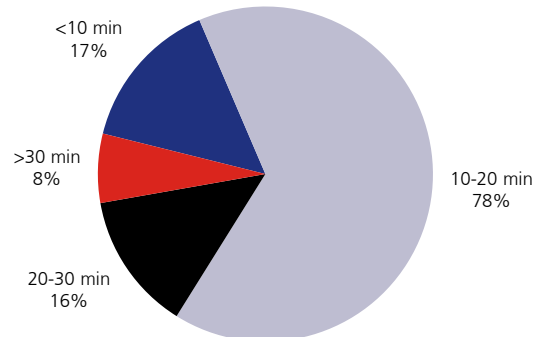
Source: JM Financial

Exhibit 78. Typical AOVs for respondents who shop through quick commerce platforms (n=63)



Source: JM Financial

Exhibit 79. Typical average delivery time for respondents who shop through quick commerce platforms (n=63)



Source: JM Financial

Appendix

Exhibit 80. Optimal number of dark stores required for complete coverage of various cities (under certain assumptions)

| Sr. No. | City | Population estimate (mn) | Per sq. Km. | Area (sq. km.) | Dark stores required, if delivery radius = 1.5km | Dark stores required, if delivery radius = 2km |
|---------|------------------------|--------------------------|-------------|----------------|--|--|
| 1 | Delhi NCR, DL-UP-HR | 31.2 | 13,307 | 2,344 | 606 | 341 |
| 2 | Greater Mumbai, MH | 25.2 | 24,073 | 1,046 | 270 | 152 |
| 3 | Kolkata, WB | 21.7 | 16,085 | 1,352 | 349 | 197 |
| 4 | Bangalore, KA | 15.3 | 8,753 | 1,743 | 450 | 253 |
| 5 | Chennai, TN | 11.6 | 9,444 | 1,225 | 317 | 178 |
| 6 | Ahmedabad, GJ | 8.0 | 15,852 | 505 | 131 | 73 |
| 7 | Pune, MH | 6.8 | 10,489 | 650 | 168 | 94 |
| 8 | Surat, GJ | 6.6 | 22,554 | 293 | 76 | 43 |
| 9 | Lucknow, UP | 4.7 | 9,624 | 484 | 125 | 70 |
| 10 | Jaipur, RJ | 4.4 | 6,281 | 694 | 179 | 101 |
| 11 | Kanpur, UP | 4.4 | 14,479 | 300 | 78 | 44 |
| 12 | Indore, MP | 3.8 | 13,336 | 282 | 73 | 41 |
| 13 | Nagpur, MH | 3.5 | 9,113 | 383 | 99 | 56 |
| 14 | Patna, BR | 3.3 | 18,639 | 179 | 46 | 26 |
| 15 | Varanasi, UP | 3.2 | 18,608 | 174 | 45 | 25 |
| 16 | Thiruvananthapuram, KL | 2.9 | 9,097 | 313 | 81 | 46 |
| 17 | Agra, UP | 2.7 | 12,147 | 225 | 58 | 33 |
| 18 | Bhopal, MP | 2.6 | 14,131 | 181 | 47 | 26 |
| 19 | Allahabad, UP | 2.4 | 20,028 | 122 | 31 | 18 |
| 20 | Ludhiana, PB | 2.2 | 10,382 | 212 | 55 | 31 |
| 21 | Vadodara, GJ | 2.2 | 11,701 | 186 | 48 | 27 |
| 22 | Chandigarh, CH-HR-PB | 2.2 | 8,371 | 259 | 67 | 38 |
| 23 | Madurai, TN | 2.0 | 13,633 | 150 | 39 | 22 |
| 24 | Meerut, UP | 2.0 | 12,523 | 161 | 41 | 23 |
| 25 | Visakhapatnam, AP | 2.0 | 6,398 | 313 | 81 | 46 |
| 26 | Jamshedpur, JH | 1.9 | 12,597 | 153 | 39 | 22 |
| 27 | Nashik, MH | 1.8 | 13,439 | 135 | 35 | 20 |
| 28 | Asansol, WB | 1.7 | 25,542 | 67 | 17 | 10 |
| 29 | Aligarh, UP | 1.7 | 16,867 | 98 | 25 | 14 |
| 30 | Ranchi, JH | 1.6 | 11,712 | 140 | 36 | 20 |
| 31 | Kollam, KL | 1.6 | 7,606 | 207 | 54 | 30 |
| 32 | Jabalpur, MP | 1.5 | 12,867 | 119 | 31 | 17 |
| 33 | Dhanbad, JH | 1.5 | 14,880 | 101 | 26 | 15 |
| 34 | Jodhpur, RJ | 1.5 | 6,422 | 233 | 60 | 34 |
| 35 | Aurangabad, MH | 1.5 | 15,980 | 93 | 24 | 14 |
| 36 | Rajkot, GJ | 1.5 | 14,721 | 101 | 26 | 15 |
| 37 | Gwalior, MP | 1.5 | 14,622 | 101 | 26 | 15 |
| 38 | Raipur, CH | 1.4 | 10,032 | 142 | 37 | 21 |
| 39 | Gorakhpur, UP | 1.4 | 11,835 | 119 | 31 | 17 |
| 40 | Bareilly, UP | 1.4 | 16,349 | 83 | 21 | 12 |
| 41 | Guwahati, AS | 1.4 | 6,622 | 205 | 53 | 30 |
| 42 | Moradabad, UP | 1.3 | 20,772 | 65 | 17 | 9 |
| 43 | Amritsar, PB | 1.3 | 8,592 | 153 | 39 | 22 |
| 44 | Mysore, KA | 1.3 | 8,779 | 148 | 38 | 21 |
| 45 | Durg-Bhilainagar, CH | 1.3 | 9,601 | 135 | 35 | 20 |
| 46 | Vijayawada, AP | 1.2 | 13,591 | 91 | 23 | 13 |
| 47 | Srinagar, JK | 1.2 | 6,984 | 174 | 45 | 25 |
| 48 | Salem, TN | 1.2 | 11,197 | 106 | 27 | 15 |
| 49 | Kota, RJ | 1.2 | 9,050 | 130 | 33 | 19 |
| 50 | Jalandhar, PB | 1.2 | 8,178 | 142 | 37 | 21 |
| 51 | Saharanpur, UP | 1.2 | 22,239 | 52 | 13 | 8 |
| 52 | Dehradun, UK | 1.1 | 7,832 | 145 | 37 | 21 |
| 53 | Tiruchirappalli, TN | 1.1 | 13,233 | 85 | 22 | 12 |
| 54 | Bhubaneswar, OR | 1.1 | 7,951 | 140 | 36 | 20 |
| 55 | Jammu, JK | 1.1 | 7,471 | 148 | 38 | 21 |
| 56 | Solapur, MH | 1.1 | 16,710 | 65 | 17 | 9 |
| | Total | 220 | | 17,653 | 4,562 | 2,566 |

Source: Demographia World Urban Areas: 19th Annual Edition report, JM Financial

Exhibit 81. Sample comparison of product pricing across various quick-commerce platforms

| Product | Category | Quantity/Weight | MRP (₹) | Mumbai | | | | Delhi NCR | | | |
|---|----------------------------------|-----------------|---------|---------|-------|-----------|-------|-----------|-------|-----------|-------|
| | | | | Blinkit | BBNow | Instamart | Zepto | Blinkit | BBNow | Instamart | Zepto |
| Amul Homogenised Toned Milk (Tetra Pak) | | 1Ltr | 74 | 74 | 74 | 74 | 74 | 71 | 74 | 74 | 74 |
| Amul Butter | | 100gm | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 |
| Mother Dairy Classic Curd (Box) | Dairy & dairy products | 400gm | 50 | 50 | 50 | 50 | na | 50 | 50 | 50 | na |
| Amul Fresh Paneer | | 200gm | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 |
| Amul Cheese Cubes | | 200gm | 135 | 131 | 135 | 130 | 135 | 130 | 135 | 130 | 135 |
| Gowardhan Premium Cow Ghee (Jar) | | 500gm | 385 | 344 | 315 | 344 | 362 | 362 | 362 | 344 | 362 |
| Haldiram's Nagpur Bhujia Sev | | 1kg | 260 | 254 | na | 255 | na | na | na | 255 | na |
| Lays Potato Chips - American Style Cream | Snacks & Munchies | 40gm | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Britannia Toastea Premium Bake Rusk | | 700gm | 130 | 117 | 111 | na | 110 | 117 | 111 | 114 | 110 |
| Parle Monaco Cheesling Classic Biscuit (Box) | | 300gm | 140 | 122 | 119 | 139 | na | 122 | 119 | 139 | na |
| iD Fresho Idly & Dosa Batter | Breakfast & Instant foods | 1kg | 90 | 90 | 89 | 90 | 90 | 99 | 89 | 90 | 90 |
| Kellogg's Original Corn Flakes | | 475gm | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 |
| McCain Smiles (Frozen) | | 415gm | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 |
| Maggi Masala Noodles - Pack of 12 | | 70gm | 168 | 154 | na | 153 | na | 153 | 160 | 153 | 160 |
| Nescafé Classic Instant Coffee Powder (Jar) | | 90gm | 360 | 357 | 350 | 346 | 350 | 357 | 350 | 346 | 350 |
| Cadbury Bournvita - Pouch | Beverages - Cold Drinks & Juices | 1 kg | 442 | 398 | 314 | 376 | na | 398 | 314 | 376 | na |
| Real Juice Mixed Fruit | | 1Ltr | 128 | 115 | 113 | 115 | 115 | na | 113 | 115 | 118 |
| Thumps Up Soft Drink | | 750ml | 40 | 40 | 38 | 38 | na | 40 | 38 | 38 | 39 |
| Britannia Good Day Cashew Biscuit | | 200gm | 50 | 48 | 47 | na | 48 | na | 47 | na | na |
| Parle Hide & Seek Chocolate Chip Cookies | Bakery & Biscuits | 200gm | 60 | 45 | 47 | 51 | na | 45 | 47 | 51 | na |
| Betty Crocker Complete Classic Pancake Mix | | 500gm | 285 | 221 | 234 | 234 | 234 | 243 | 234 | 234 | 257 |
| English Oven Multigrain Bread | | 400gm | 65 | 60 | na | na | 60 | 65 | na | na | 65 |
| Amul Dark Chocolate | | 150gm | 120 | na | na | 110 | 120 | na | na | 110 | 117 |
| Tata Sampann Pure Cashews Whole | Dryfruits | 500gm | 585 | 550 | 579 | 579 | na | 580 | 579 | 579 | na |
| Kissan Mixed Fruit Jam | Sauce & spreads | 200gm | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 |
| Kissan Tomato Ketchup- Pouch | | 1.1kg | 150 | 125 | 111 | 124 | 125 | 125 | 111 | 124 | na |
| Nutella Ferrero Hazelnut Chocolate Spread | | 350gm | 399 | 339 | 351 | 351 | 315 | 339 | 351 | 351 | 315 |
| Hershey's Syrup Chocolate | | 1.3kg | 375 | 375 | na | na | na | 375 | na | 375 | na |
| Wingreens Farms Garlic Dip | | 150gm | 200 | 186 | 195 | 180 | na | 186 | 195 | 180 | 160 |
| Hellmanns Veg Mayonnaise | | 800gm | 205 | 193 | 190 | 184 | 190 | 193 | 190 | 184 | 190 |
| Dabur Immunity Chyawanprash | | 950gm | 395 | 340 | na | 340 | 334 | 340 | na | 340 | 334 |
| Aashirvaad Multigrain Atta | | 5 kg | 359 | 327 | 302 | 327 | 329 | 303 | 302 | 327 | 280 |
| Daawat Super Basmati Rice (Long Grains) | 1kg + 200gm | 220 | 204 | 173 | 199 | 191 | 203 | 173 | 199 | 196 | |
| Saffola Active Oil | 1 ltr | 160 | 148 | 149 | 154 | 149 | 148 | 149 | 154 | 149 | |
| Tata Sampann High in Fibre Poha | Food grains and other essentials | 500gm | 60 | 42 | 45 | na | 43 | 51 | 45 | na | 43 |
| Everest Garam Masala | | 100gm | 100 | 100 | 100 | 100 | 98 | 100 | 100 | 100 | 98 |
| Catch Jeera Powder | | 100gm | 115 | 108 | 86 | 99 | 104 | 98 | 86 | 99 | 104 |
| Tata Sampann Unpolished Arhar Dal/Toor Dal | | 1kg | 269 | 235 | 261 | 215 | 236 | 217 | 261 | 215 | 217 |
| Organic Tattva Brown Sugar | | 500gm | 90 | 72 | 72 | 72 | na | 72 | 72 | 72 | 77 |
| Tata Salt (Iodised) | 1kg | 28 | 27 | 28 | 27 | 27 | 24 | 28 | 27 | 25 | |
| Head & Shoulders Anti-Dandruff Shampoo | Personal Care & Hygiene | 650ml | 930 | 407 | 818 | 405 | 630 | 465 | 818 | 405 | 651 |
| Dove Cream Beauty Bathing Bar | | 375gm | 256 | 243 | 251 | 230 | 244 | 240 | 251 | 230 | 244 |
| Parachute 100% Pure Coconut Hair Oil | | 600ml | 229 | 190 | 233 | na | na | 192 | 233 | 210 | 203 |
| Whisper Choice Ultra XL Sanitary Pad | | 20U | 160 | 152 | 160 | na | na | 152 | 160 | na | 160 |
| Dettol Original Handwash (Pump) | | 200ml | 79 | 76 | na | 94 | 76 | 76 | na | 94 | 76 |
| Colgate Strong Teeth Anticavity Toothpaste | | 150gm | 92 | 92 | 92 | na | na | 92 | 92 | na | na |
| Pampers Premium Care Pants - Large | | 44U | 1,399 | 1,053 | 917 | na | 1,053 | na | 917 | 1,049 | 1,053 |
| Harpic Disinfectant Liquid Toilet Cleaner | | 1Ltr | 225 | 202 | na | 202 | na | 203 | 218 | 202 | na |
| Vim Lemon Dishwash Gel | Cleaning Essentials | 750ml | 199 | 188 | 179 | 179 | 179 | 188 | 179 | 179 | 179 |
| Surf Excel Easy Wash Detergent Powder | | 5kg | 770 | 725 | 650 | na | 645 | 725 | 650 | na | 645 |
| Jockey Men's Round Neck Half Sleeve T-Shirt (Black) (L) | | 1U | 579 | 579 | na | na | na | 579 | na | na | na |
| Manyavar Self Design Kurta Set (Ice Blue, L) | 1U | 2,999 | 2,999 | na | na | na | 2,999 | na | na | na | |
| Wakefit Sleeping Pillow (27 x 16 Inches, 2Pc, White & Grey) | Home care | 1pack | 1,141 | 970 | na | na | na | 970 | na | na | na |
| myTRIDEN cotton queen size bedsheet with 2 pillow covers | | 1set | 2,699 | 1,139 | na | na | na | 1,139 | na | na | na |

Source: JM Financial. Note 1: Red cells = Highest price for the SKU within the platforms sampled specific to the city, Green cells = Lowest price for the SKU within the platforms sampled specific to the city. Note 2: Prices sampled on 18th February 2024.

Exhibit 82. Sample comparison of electrical and accessories pricing across various quick-commerce platforms

| Product | Quantity | MRP (₹) | Mumbai | | | | Delhi NCR | | | |
|--|----------|---------|---------|-------|------------------|-------|-----------|-------|------------------|-------|
| | | | Blinkit | BBNow | Swiggy Instamart | Zepto | Blinkit | BBNow | Swiggy Instamart | Zepto |
| Portronics Toad One 4-In-1 Wireless Mouse (Black) | 1 | 1,499 | 549 | Na | na | na | 549 | na | na | na |
| SanDisk Cruzer Blade 32GB USB Flash Drive | 1 | 550 | 339 | Na | na | na | 339 | na | na | na |
| Goldmedal Plastic Spice 3 Pin Multi Plug | 1 | 171 | 119 | Na | na | na | 119 | na | na | na |
| Portronics Car Charger (Type C PD 18W) | 1 | 699 | 349 | 399 | na | na | 349 | 399 | na | na |
| Goldmedal 16A G-Expert Extension Cable | 1 | 1,267 | 699 | Na | na | na | 699 | na | na | na |
| boAt Airdopes 163 TWS Earbuds | 1 | 2,490 | 1,049 | Na | na | na | 1,049 | na | na | na |
| Amazon Alexa Echo Dot 5th Gen | 1 | 5,499 | 5,499 | Na | na | na | 5,499 | na | na | na |
| Noise ColorFit Thrive Smart Watch | 1 | 5,999 | 1,499 | Na | na | na | na | na | na | na |
| Ambrane Stylo 10k Power Bank (10000 mAh, 20W) | 1 | 1,599 | 879 | Na | na | 899 | 879 | na | na | 899 |
| Philips Wiz 9W Wi-Fi Enabled B22 Smart LED Bulb | 1 | 155 | 79 | Na | na | 99 | 79 | na | na | 99 |
| Amazon Fire 3rd Generation TV Stick | 1 | 4,999 | 4,499 | Na | na | na | 4,499 | na | na | na |
| Pigeon Hot Electric Kettle 1500W | 1 | 1,245 | 599 | Na | na | 579 | 599 | na | na | 579 |
| Orient Electric Fabristyle Dry Iron 1100W | 1 | 1,140 | 499 | Na | na | na | 499 | na | na | na |
| Pigeon Healthify Digital Air Fryer | 1 | 7,995 | 3,299 | Na | na | na | 3,299 | na | na | na |
| Philips 2-Slice Pop Up Toaster (830 W, White) | 1 | 2,795 | na | Na | na | na | 2,499 | na | na | na |
| Havells Star Braided USB A to Type C Cable (Black) | 1 | 899 | 249 | Na | na | na | na | na | na | na |
| Vega P1 Battery Powered Trimmer | 1 | 999 | 699 | Na | na | 699 | 699 | na | na | 699 |
| Bajaj Pluto 500W Mixer Grinder with 3 Jar | 1 | 3,800 | 2,299 | Na | na | na | 2,299 | na | na | na |
| Vega Adore Hair Straightener (VHSH-18) | 1 | 1,199 | na | Na | na | 799 | na | na | na | 799 |
| Borosil Prime Grill Sandwich Maker 700W | 1 | 2,590 | 1,699 | Na | na | na | na | na | na | na |
| Pigeon Rapido Premium ICT Induction Cooktop 1800W | 1 | 3,195 | 1,599 | Na | na | na | 1,599 | na | na | na |
| Vega Insta Glam Hair Dryer (1000W, VHDH-20) | 1 | 899 | na | Na | na | na | 599 | na | na | na |
| Kent Smart Chef Egg Boiler (360 W) | 1 | 1,800 | 899 | Na | na | na | 899 | na | na | na |
| Wonderchef Nutri-Cup Portable 40W Hand Blender | 1 | 2,500 | 1,299 | 1,399 | na | na | 1,299 | 1,399 | na | na |
| Borosil Chef Delite 260W Electric Chopper | 1 | 2,490 | 1,699 | Na | na | na | 1,699 | na | na | na |

Source: JM Financial. Note 1: Red cells = Highest price for the SKU within the platforms sampled specific to the city, Green cells = Lowest price for the SKU within the platforms sampled specific to the city. Note 2: Prices sampled on 18th February 2024.

APPENDIX I

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|-----------------------|---|
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| Hold | Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months. |
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