

Zepto Limited

Investment Note

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12 June 2026

1. Investment Recommendation

Conditional go -- Zepto has earned continued underwriting attention because audited FY24 numbers already show exceptional scale with improving operating leverage, but the investment case is capped by weak earnings quality and disclosure opacity around controls, related parties, and channel economics. Revenue increased from Rs 20,257 Mm in FY23 to Rs 44,545 Mm in FY24 (119.9% YoY), while EBITDA improved from Rs -12,137 Mm to Rs -11,149 Mm, showing that incremental scale is no longer simply buying larger losses. Gross Profit improved from Rs 1,623 Mm in FY23 to Rs 9,735 Mm in FY24, and the company remained in a net cash position with Net Debt at Rs -5,288 Mm despite Total Borrowings of Rs 1,636 Mm, which materially reduces near-term solvency risk. The concern is that Free Cash Flow remained Rs -11,315 Mm in FY24, trade receivables rose from Rs 708.2 Mm to Rs 3,236.9 Mm (357.1% YoY), and the auditor issued a qualified opinion on internal financial controls due to information technology general control weaknesses in a high-volume transaction business. Post-FY24 public filings also show the business scaled sharply further, with revenue from operations reaching Rs 111,099.47 Mm in FY25 and Rs 226,235.84 Mm in FY26, alongside 1,139 dark stores and 75 warehouses by March 2026, which confirms that Zepto is building a category leader rather than a subscale experiment [24]. The verdict changes to go if public filings show sustained loss compression with clean control remediation and clearer revenue-quality disclosure; it changes to no-go if losses, working-capital intensity, or regulatory overhang worsen faster than scale benefits.

5-Year Financial Summary (MCA)

Metric	Units	FY20	FY21	FY22	FY23	FY24	CAGR
Revenue	Rs Mm	0	0	1,407	20,257	44,545	+463%
EBITDA	Rs Mm	0	-13.3	-3,710	-12,137	-11,149	+843%
Net Income	Rs Mm	0	-13.3	-3,904	-12,725	-12,486	+879%
Net Worth	Rs Mm	0	13.7	3,356	6,461	6,430	+677%
Net Debt	Rs Mm	0	-22.9	-1,832	-5,098	-5,288	+514%
Free Cash Flow	Rs Mm	0	-4.0	-4,451	-10,823	-11,315	+1314%
Book Value per share	Rs/share	NA	685.8	1,267	766.6	676.0	-0%
Earning per share	Rs/share	NA	-664.8	-1,474	-1,510	-1,313	+25%
Net Fixed Assets per share	Rs/share	NA	2.0	284.5	126.5	153.4	+325%
Net Working Capital per share	Rs/share	NA	-486.3	149.8	-146.6	-127.1	-36%
Cash Share per share	Rs/share	NA	1,147	691.8	748.4	728.0	-14%
Debt per share	Rs/share	NA	0.0	0.0	143.5	172.0	+20%
Cash Conversion Cycle	Days	0	#DIV/0!	-138.0	-22.6	-10.1	-73%
Fixed Assets Turnover Ratio	x	NA	0.0	1.9	19.0	30.6	+28.7 %
ROCE	%	NA	-1.0	-1.1	-1.7	-1.5	-0.5 %
ROE	%	NA	-1.0	-1.2	-2.0	-1.9	-0.9 %
EBITDA Margin	%	NA	NA	-2.6	-0.6	-0.3	+2.3 %
Net Income Margin	%	NA	NA	-2.8	-0.6	-0.3	+2.5 %
No. of shares outstanding	Mm shares	0	0.0	2.6	8.4	9.5	+91%
Conversion Rate	Rs per \$	69.1	76.1	76.1	82.2	83.4	+14.3 %

2. What Would Change Our View

Upgrades to go if: EBITDA loss reduces from Rs -11,149 Mm in FY24 to better than Rs -5,500 Mm in a subsequent annual filing while Revenue continues to grow above 50% YoY; trade receivables fall below 15 days or below 5% of Revenue in a subsequent annual filing; the next audited annual filing removes the qualified internal financial controls opinion and shows no material weakness in information technology general controls **Downgrades to no-go if:** Net Income loss widens beyond Rs -15,000 Mm in a subsequent annual filing without a corresponding improvement in EBITDA Margin; any subsequent annual filing shows related-party payables to promoter or parent-linked entities above 15% of Net Worth or rising from the FY24 level of Rs 1,178.92 Mm; any public regulatory filing records an adverse enforcement outcome, material penalty, or expanded FEMA-related proceeding involving promoters or the company [16]

3. Company Snapshot

Zepto is one of India's few scaled quick-commerce platforms, and that alone makes it worth investigating because category winners in instant delivery can compound quickly once city-level density and monetisation begin to converge. The business operates through an inventory-led, dark-store-based model built for under-10-minute delivery of groceries, fresh produce, personal care, household essentials, and an expanding set of adjacent categories, with the consumer proposition now spanning more than 7,000 products on its platform and later monetisation layers including retail media, subscriptions, private label, Zepto Cafe, and brand analytics products [18][23][8]. The audited FY24 Indian operating entity delivered Revenue of Rs 44,545 Mm, and later public materials show the network had expanded to 1,139 dark stores and 75 warehouses by March 2026 across major Indian cities including Mumbai, Delhi, Bengaluru, Hyderabad, Chennai, Kolkata, Pune, and National Capital Region clusters [24][25][18]. The company was founded by Aadit Palicha and Kaivalya Vohra in 2021, emerging from the earlier KiranaKart concept launched in 2020, and it scaled through rapid venture funding rather than acquisition-led roll-up [23][11]. The business evolved from a wholly offshore-owned Indian operating structure under Kiranakart Pte. Ltd. into a later India-domiciled Zepto Limited structure as part of a reverse-merger and redomiciliation process completed during 2025 ahead of a public listing [24][14]. What makes Zepto distinctive is that FY24 already captured the transition from raw growth to early operating leverage, while later public data indicates the company continued compounding rapidly enough to remain a top-three national player rather than a regional challenger [6][24].

4. Market Context

Quick commerce in India is moving from demand discovery to density economics, and that directly benefits Zepto because the category is increasingly won at the neighbourhood level rather than through national marketing alone. Research sources place India's quick-commerce market at US\$5.48 billion in 2024, US\$6.78 billion in 2025, and roughly US\$12.97 billion by 2029, with 71.2% compound annual growth during 2020-2024 and 17.6% expected during 2025-2029 [19][13]. In that market, Blinkit held 46% share, Zepto 29%, and Swiggy Instamart 24% in November 2024, making Zepto a scaled contender rather than an emerging fringe operator [6]. That matters because local order density spreads fixed picking, packing, and last-mile costs over more baskets; Zepto's FY24 improvement in EBITDA from Rs -12,137 Mm to Rs -11,149 Mm despite Revenue more than doubling is consistent with that structural advantage beginning to appear in the numbers.

Monetisation is shifting from gross merchandise value growth to higher-margin revenue pools, and that matters more for Zepto than for slower-growth peers because the company still needs margin expansion faster than network expansion. Public sources indicate Zepto added advertising placements, vendor commissions, subscriptions, private-label products, Zepto Cafe, and Zepto Atom analytics as monetisation layers beyond core grocery fulfilment [23][8][11]. TechCrunch reported advertising revenue reached Rs 16,400 Mm in FY26, up more than 151% YoY, which is strategically important because retail media carries far better incremental economics than subsidised product delivery [11]. Against peers, Zomato's Blinkit has the balance-sheet support of a large listed platform, Swiggy combines food delivery and Instamart into a unified convenience stack, BigBasket brings Tata-backed grocery heritage through BB Now, Dunzo demonstrates what happens when capital access breaks, and Amazon remains the benchmark for logistics discipline even if it is not a like-for-like instant grocery peer. Zepto therefore needs to become a monetisation platform, not just a fast-delivery utility.

Regulation and capital-market scrutiny are becoming the third structural filter, and this is the trend that most directly constrains Zepto's valuation. The category sits at the intersection of food safety, labour practices, foreign investment structuring, tax compliance, and rapid site rollout; later public disclosures also reference Enforcement Directorate

summons under the Foreign Exchange Management Act involving the founders, which elevates governance from a hygiene issue to a valuation issue [16]. For Zepto specifically, competitors with cleaner public-company governance such as Zomato can command better market confidence even at similar operating losses, so Zepto’s control remediation and legal simplification are now competitive necessities rather than back-office upgrades.

5. Ownership & Governance

Zepto’s ownership is economically concentrated and strategically in transition, which is positive for control clarity but raises important questions about instrument overhang and post-redomiciliation rights.

Basics

Sector	Quick commerce / online grocery and hyperlocal delivery
Revenue (latest FY, Rs Mm)	44,545
Headcount	Not disclosed in FY24 MCA filings; later public web sources indicate scaled operating teams but no verified FY24 employee count [1][2]
Listed / Unlisted	Unlisted in FY24; later converted into Zepto Limited as part of IPO preparation [24][14]
Promoter Group	Aadit Palicha and Kaivalya Vohra founder group, historically via Kiranakart Pte. Ltd.; later promoter disclosures include Lazarus Trust and The Vohra Trust [24][14]

Shareholding

Shareholder	Category	% Holding
Kiranakart Pte. Ltd.	Parent / promoter holding entity	100.00%

Key Personnel

- **Aadit Palicha** -- Managing Director and Chief Executive Officer in later public filings; founder since 2021; promoter [24][14]
- **Ramesh Bafna** -- Whole-Time Director and Chief Financial Officer; appointed during the professionalisation phase in 2023; professional [24][14]
- **Vikas Sharma** -- Chief Operating Officer; elevated in May 2023 during scale-up; professional [5]
- **Vinay Dhanani** -- President, Supply Chain and Category; previously Chief Operating Officer before role redesign in 2023; professional [5]
- **Viral Jhaveri** -- Chief Growth Officer; role expanded during 2023 leadership restructuring; professional [5]
- **Nikhil Mittal** -- Chief Technology Officer; elevated in January 2024 and also appears in MCA as a director in FY24; professional executive director [7]
- **Ankit Agarwal** -- Chief Product Officer; elevated in late 2023 as product complexity increased; professional [7][12]
- **Kaivalya Vohra** -- Whole-Time Director in later public filings; co-founder visible in MCA-era leadership; promoter [24]
- **Paul Hudson** -- Chairman and Non-Executive Nominee Director; later-stage board addition linked to institutional governance build-out; non-executive nominee [24][14]
- **Akhil Gupta** -- Independent Director; later-stage public-company governance appointee; independent [24]
- **Anulakshmi Hariharan** -- Independent Director; later-stage public-company governance appointee; independent [24]

Promoter Background

The promoter group is founder-built rather than family-industrial in origin, which means Zepto’s governance DNA comes from venture-backed scaling rather than a long-standing promoter conglomerate. Aadit Palicha and Kaivalya Vohra are widely identified as Stanford dropouts who started KiranaKart before launching Zepto, and later promoter disclosures expanded to include founder-linked trust structures through Lazarus Trust and The Vohra Trust [11][23][24]. Ownership evolved from near-complete control by Kiranakart Pte. Ltd., Singapore, at the Indian operating-company level in FY22-FY24 to a redomiciled Indian listed-entity structure through a share-swap and scheme process during 2025, which materially changes the current cap-table perimeter [24][14].

Material ownership change is the central governance issue here. FY24 MCA shows a clean 100.0% parent-held Indian entity with rising Equity Share capital from Rs 84.3 Mm to Rs 95.1 Mm and Securities premium from Rs 23,014.16 Mm to Rs 35,498.32 Mm, confirming ongoing dilution from fresh issuances. Later web sources describe multiple large capital rounds in June 2024, August 2024, November 2024, October 2025, and April 2026, but the FY24 Indian filings do not map investor-by-investor allotments, liquidation preferences, or the full compulsory convertible preference share structure that later became relevant [15][21][22][23]. No pledge disclosure is visible in the supplied MCA material. The most material related-party shareholder structure is the historical offshore parent itself: payable balances to Kiranakart Pte. Ltd. reached Rs 1,178.92 Mm in FY24, tying ownership structure directly to quality-of-earnings risk.

Corporate Structure

Entity	Type	Listed?	Owned By	Ownership %
Zepto Limited	Parent	Unknown	--	--
Kiranakart Pte. Ltd.	Parent	Unlisted	Zepto Limited	100.0%
Kiranakart Technologies Private Limited	Subsidiary	Unlisted	Kiranakart Pte. Ltd.	100.0%
Kiranakart Wholesale Private Limited	Subsidiary	Unlisted	Kiranakart Technologies Private Limited	99.99%

6. Financial Summary

Revenue scaled extraordinarily fast, and FY24 finally showed real operating leverage. Revenue increased from Rs 1,407 Mm in FY22 to Rs 20,257 Mm in FY23 and Rs 44,545 Mm in FY24, while EBITDA improved from Rs -12,137 Mm in FY23 to Rs -11,149 Mm in FY24 despite Revenue growing 119.9% YoY. Gross Profit drove that inflection, increasing from Rs 1,623 Mm in FY23 to Rs 9,735 Mm in FY24, while Employee Cost rose from Rs 2,634 Mm to Rs 4,263 Mm and Other expenses rose from Rs 11,126 Mm to Rs 16,621 Mm. Net Income remained deeply negative at Rs -12,486 Mm in FY24 versus Rs -12,725 Mm in FY23 because Depreciation and amortisation increased from Rs 675.9 Mm to Rs 1,210 Mm (79.0% YoY) as the asset base expanded, and Finance costs increased from Rs 430.6 Mm to Rs 568.6 Mm (32.0% YoY) as debt and financing complexity rose.

The balance sheet became larger and more operationally complex, but not yet financially stressed. Net Worth increased from Rs 3,356 Mm in FY22 to Rs 6,461 Mm in FY23 and was broadly flat at Rs 6,430 Mm in FY24 because fresh equity was absorbed by losses. Total Borrowings increased from Rs 1,209 Mm in FY23 to Rs 1,636 Mm in FY24 (35.3% YoY), while Cash and Bank increased from Rs 6,307 Mm to Rs 6,924 Mm, preserving a net cash position. Property, Plant & Equipment - Net increased from Rs 1,065 Mm to Rs 1,457 Mm (36.9% YoY) because the dark-store and fulfilment network kept expanding, and Intangible assets increased from Rs 1,925 Mm to Rs 3,223 Mm (67.4% YoY), indicating continued platform and technology investment. Trade Receivable, current increased from Rs 708.2 Mm to Rs 3,237 Mm (357.1% YoY), which points to rising credit exposure in a model that should ideally remain cash-led.

Cash generation remained the core weakness, even though burn growth slowed materially. Free Cash Flow was Rs -4,451 Mm in FY22, Rs -10,823 Mm in FY23, and Rs -11,315 Mm in FY24, so FY24 burn worsened only 4.5% YoY despite Revenue more than doubling. That relative improvement came from better gross economics, but cash absorption stayed severe because working capital moved against the business: trade receivables consumed Rs 2,529 Mm in FY24 and other current assets consumed Rs 563.3 Mm, partly offset by a Rs 2,200 Mm increase in trade payables. Purchase of property, plant and equipment increased from Rs 625.3 Mm in FY23 to Rs 1,025 Mm in FY24 (63.9% YoY) because the network was still in rollout mode.

Returns remain unacceptable, but working-capital structure still gives the model a chance. ROCE improved only modestly from -1.7% in FY23 to -1.5% in FY24, and ROE stayed weak at -1.9% versus -2.0%, reflecting ongoing losses. Cash Conversion Cycle stayed negative at -10.1 days in FY24 versus -22.6 days in FY23, which is structurally favorable, but the quality of that negative cycle deteriorated because Debtor/Accounts Receivable days worsened from 12.8 to 26.5. Fixed Assets Turnover Ratio improved from 19.0x to 30.6x because Revenue scaled faster than Property, Plant & Equipment - Net, indicating better network utilisation.

7. Accounting Analysis

Earnings quality is improving at the gross-profit line but remains too weak for an unqualified underwriting case because cash conversion, related-party charges, and controls all dilute confidence in reported progress. The strongest positive signal is that Gross Profit improved from Rs 1,623 Mm in FY23 to Rs 9,735 Mm in FY24 while Revenue increased from Rs 20,257 Mm to Rs 44,545 Mm, which indicates the core commercial model is not merely scaling discounts. The concern

is that statutory reporting still does not show channel-level economics for consumer retail, wholesale, advertising, subscriptions, or newer products, even though later public materials clearly describe multiple monetisation streams [23][11]. That means the investor can see aggregate improvement but cannot yet judge which revenue lines are durable and which are subsidy-supported.

Revenue quality weakened in FY24 because growth became materially more receivable-intensive. Trade Receivable, current increased from Rs 708.2 Mm in FY23 to Rs 3,237 Mm in FY24, and Debtor/Accounts Receivable days increased from 12.8 to 26.5. In an instant-delivery business where most end-customer orders should settle immediately, that working-capital profile strongly implies a larger B2B, institutional, wholesale, or deferred-settlement component. The investment conclusion is straightforward: FY24 Revenue is real in accounting terms, but not all of it carries the same cash value, and the market will not pay a full premium multiple until credit-backed revenue is distinguished from consumer cash sales.

EBITDA-to-cash conversion remains poor even though the ratio optics look superficially stable. Free Cash Flow was Rs -11,315 Mm in FY24 against EBITDA of Rs -11,149 Mm, which might appear broadly matched, but the underlying quality is weak because large non-cash add-backs obscure the true burn profile. FY24 included Rs 1,210 Mm of Depreciation and amortisation, Rs 737.5 Mm of share-based payments, and Rs 79.8 Mm of fair value losses, while working capital still consumed Rs 942.0 Mm. The investment conclusion is that the company has not yet proven self-funding operating leverage; it has only shown that burn is scaling more slowly than revenue.

Treasury and financing classifications reduce transparency and therefore reduce valuation confidence. Investing cash flow turned positive at Rs 3,231 Mm in FY24, but that outcome was driven by large treasury movements including Rs 32,385 Mm proceeds from sales of investment instruments against Rs 31,511 Mm purchases, plus Rs 3,100 Mm of other investing inflows. Financing cash flow showed a Rs -13,597 Mm outflow including Rs -12,495 Mm under payments of other equity instruments, a line item that is economically important but not intuitively transparent for a minority investor reading only public statements. The investment conclusion is that solvency risk is lower than burn alone implies, but analytical clarity is worse than a simple venture-backed consumer platform should permit.

Related-party accounting is a material quality-of-earnings issue, not a footnote. FY24 standalone related-party transaction value increased from Rs 464.36 Mm in FY23 to Rs 1,234.00 Mm in FY24, and the payable to Kiranakart Pte. Ltd. stood at Rs 1,178.92 Mm. Those parent-linked flows included guarantee commission, reimbursements, and share-based payment cross-charges. Auditors state compliance with applicable law and accounting standards, but public filings do not provide commercial benchmarking that would allow an outside investor to assess whether these charges are arm's length or simply a mechanism for allocating group-level costs into the Indian operating company. The investment conclusion is that EBITDA and Net Income are directionally useful but not clean measures of stand-alone operating economics.

The audit opinion on the financial statements was unmodified, but the qualified opinion on internal financial controls materially weakens confidence in reported numbers. The auditor identified material weaknesses in information technology general controls over access management, change management, and operations; the audit trail feature of the new accounting software was not enabled throughout the year for all relevant transactions; some support software lacked audit-trail capability; and daily backups for certain third-party software were not maintained on servers physically located in India. In a business processing very high transaction volumes across dark stores, delivery operations, inventory movement, and payment flows, those are not cosmetic deficiencies. They mean investors should treat FY24 numbers as audited but not fully battle-tested from a systems-reliability perspective.

Accounting policy choices also point to a business still building infrastructure rather than harvesting returns. Intangible assets rose to Rs 3,223 Mm and Property, Plant & Equipment - Net rose to Rs 1,457 Mm by FY24, so a growing share of expense is moving below EBITDA into Depreciation and amortisation. That helps the EBITDA trend, but it does not change the economic fact that expansion still requires heavy cash deployment. The investment conclusion is that Zepto's accounting does capture genuine scale-up progress, but the quality of that progress is not yet strong enough to support an unconditional go verdict.

8. Disclosure Analysis

Disclosure quality is currently below the standard required for a clean minority investment case because the headline growth story is public, but the economic plumbing remains partially obscured.

Gap	Severity	Investor Concern
Channel-level Revenue and contribution disclosure is absent despite clear evidence of multiple monetisation streams including retail, wholesale, advertising, subscriptions, private label, Zepto Cafe, and analytics products	critical	Valuation cannot distinguish durable high-margin revenue from low-quality credit-backed or subsidy-supported growth [11][23]

Gap	Severity	Investor Concern
Trade receivables rose to Rs 3,236.85 Mm in FY24, but public filings do not break them down by customer type, ageing bucket, or retail versus B2B channel	critical	Working-capital risk cannot be underwritten, and Revenue quality remains uncertain
Parent-linked payable of Rs 1,178.92 Mm is disclosed, but public materials do not provide arm's-length benchmarking for guarantee commission, reimbursements, and share-based payment cross-charges	significant	Reported EBITDA and Net Income may not reflect clean stand-alone economics
FY24 debt structure is disclosed in MCA narrative, but public web materials do not corroborate lender names, facility terms, security, or non-convertible debenture details	significant	Leverage appears manageable, yet covenant and refinancing risk cannot be precisely framed [17][3]
Qualified internal financial controls opinion identifies material information technology general control weaknesses, but post-FY24 public evidence of full remediation is incomplete	significant	Reported scale is credible, but transactional reliability and control maturity remain in doubt
Current legal structure changed after FY24 through redomiciliation and share-swap mechanics, but the full bridge from Kiranakart Pte. Ltd. and Kiranakart Technologies Private Limited to Zepto Limited is not fully mapped in the supplied materials	significant	Investors risk underwriting the wrong perimeter, rights stack, or residual obligations [24][14]
October 2025 fundraise amount is inconsistently reported as US\$400 million versus US\$450 million across public sources	minor	This does not alter the long-term thesis, but it signals avoidable slippage in externally visible financing history [10][22][20]
Key customer concentration is not publicly disclosed in the supplied sources	minor	Counterparty concentration in higher-receivable channels remains unmeasured

The aggregate implication is negative: Zepto discloses enough to prove scale, but not enough to make the economics fully legible to a minority investor. Public filings can support a conditional underwriting case because the direction of travel is attractive, but they do not yet justify paying a premium for certainty. Until disclosure quality catches up with operating scale, valuation should carry a governance and transparency discount.

9. Strategy & Risks

Density-led scale is now creating measurable operating leverage

Zepto's core strategic advantage is that it has already reached a scale where local density can improve economics instead of merely amplifying losses. Revenue increased from Rs 20,257 Mm in FY23 to Rs 44,545 Mm in FY24 while EBITDA improved from Rs -12,137 Mm to Rs -11,149 Mm, and later public materials show the network expanded to 1,139 dark stores and 75 warehouses by March 2026 [24]. That combination indicates the company is past proof-of-concept and is now competing on execution quality in dense urban clusters.

Risk: Losses are still too large for self-funded growth -- Free Cash Flow remained Rs -11,315 Mm in FY24 and Net Income was Rs -12,486 Mm. If loss compression stalls, scale will continue to require external capital and dilute minority upside.

Higher-margin monetisation can change the earnings profile materially

Zepto is no longer just a grocery basket delivery business, and that matters because adjacencies carry meaningfully better unit economics than core order fulfilment. Public sources identify advertising, vendor commissions, subscriptions, private label, Zepto Cafe, and Zepto Atom as active or emerging monetisation streams, and advertising revenue reportedly reached Rs 16,400 Mm in FY26 after growing more than 15% YoY [11][23][8]. If those revenue pools continue scaling, Zepto can improve profitability without depending solely on bigger basket sizes.

Risk: Statutory reporting still hides channel economics -- Public FY24 filings do not disclose audited revenue or contribution splits across retail, business-to-business, ads, subscriptions, or food. If the highest-growth revenue lines are also the least durable or most promotional, the margin story will prove overstated.

Negative working capital remains a genuine structural advantage

Zepto's model still benefits from supplier funding, which is one of the few defensible advantages in quick commerce once scale is reached. Cash Conversion Cycle stayed negative at -10.1 days in FY24, supported by Trade payables, current of Rs 5,739 Mm against Inventories of Rs 1,265 Mm. This gives the company more runway than a pure prepaid-inventory retail model and partly explains how it has scaled so fast without balance-sheet stress.

Risk: Receivable-led growth is eroding that advantage -- Trade Receivable, current increased from Rs 708.2 Mm in FY23 to Rs 3,237 Mm in FY24, and Debtor/Accounts Receivable days worsened from 12.8 to 26.5. If credit-heavy channels keep growing faster than cash sales, the negative working-capital moat will narrow and burn will stay elevated.

Leadership has matured from founder sprint to institution-building

Zepto has added a more credible operating bench as the business scaled, which is necessary for any company approaching public-market scrutiny. Public disclosures now show Aadit Palicha as Managing Director and Chief Executive Officer, Ramesh Bafna as Whole-Time Director and Chief Financial Officer, Vikas Sharma as Chief Operating Officer, Nikhil Mittal as Chief Technology Officer, and independent directors on the board [24][5][7]. That management depth matters because category leadership in quick commerce is increasingly an execution challenge across supply chain, product, treasury, and governance.

Risk: Control maturity still trails business complexity -- The FY24 auditor gave a qualified opinion on internal financial controls, citing material weaknesses in information technology general controls and incomplete audit trail enablement. If systems and governance do not catch up to operating scale, financial reliability and eventual listing-quality valuation will suffer.

Capital access remains a strategic weapon against weaker peers

Zepto has repeatedly demonstrated that investors will fund its growth, which is critical in a sector where weak capital access quickly destroys competitive position. Public reports describe funding rounds of approximately Rs 55,378 Mm in June 2024, Rs 28,322 Mm in August 2024, Rs 29,190 Mm in November 2024, and roughly Rs 37,530 Mm in October 2025, alongside additional pre-IPO funding [15][21][22][9][23]. Against peers, that keeps Zepto in the fight with Blinkit and Swiggy Instamart while distancing it from capital-constrained operators like Dunzo.

Risk: Regulatory and structural overhang can impair financing efficiency -- Later public disclosures reference Enforcement Directorate summons under the Foreign Exchange Management Act involving the founders, and the company also went through a major redomiciliation and share-swap process [16][24]. If legal or structural complexity persists, the next capital event could come at a governance discount rather than a growth premium.

10. Capital & Corporate Events

Date	Event Type	Amount (Rs Mm)	Counterparty	MCA Status	Investment Implication
FY22	Major equity capital build-up	7,176.96	Kiranakart Pte. Ltd. / parent-linked equity holders	disclosed	Established the initial capital base for hyper-growth, but also confirms dependence on external equity from inception.
FY23	Follow-on equity capital build-up	15,837.20	Parent-linked equity holders	disclosed	Funded the jump in Revenue from Rs 1,407 Mm to Rs 20,257 Mm, but losses still absorbed most of the new capital.
FY24	Preferential allotment and premium increase	12,484.16	Parent-linked equity holders	disclosed	Continued balance-sheet support kept the company in net cash despite Rs -12,486 Mm Net Income, but also indicates ongoing dilution.
FY24	Borrowing increase	427.32	Unnamed lenders / facilities	disclosed	Added financing flexibility, but the absence of public lender and covenant detail keeps debt risk underexplained.
FY24	Intra-group loan support to subsidiary	437.23	Kiranakart Wholesale Private Limited	disclosed	Shows cash fungibility inside the Indian structure, but also confirms group complexity beyond the core consumer platform.
Jun-2024	External funding round	55,378	General Catalyst and other investors per public reports	undisclosed	Confirms strong capital access after FY24 close, but absence from FY24 MCA records means the historical financials understate later liquidity. [15][18]
Aug-2024	External funding round	28,322	Publicly reported investors not fully mapped in supplied sources	undisclosed	Reinforces momentum and valuation support, but current cap-table economics cannot be reconstructed from MCA alone. [21]
Nov-2024	Domestic funding round	29,190	Domestic investors per public reports	undisclosed	Positive for localisation ahead of listing, but undisclosed investor-wise allotment detail limits minority-underwriting precision. [21]
Jan-2025	Redomiciliation to India	NA	Scheme involving Kiranakart Pte. Ltd. and Indian entity	undisclosed	Fundamentally changes legal perimeter; any investor using FY24 entity assumptions without updating the structure risks underwriting the wrong security. [24][14]
Oct-2025	Pre-IPO funding round	37,530	CalPERS and existing investors per public reports	undisclosed	Extends runway materially and supports IPO preparation, but public sources differ on whether the round was US\$400 million or US\$450 million. [22][10][20]
Apr-2026	Pre-IPO funding / secondary capital	NA	Claypond Capital, Ravi Modi Family Trust,	undisclosed	Signals continued investor appetite, but missing amount

Date	Event Type	Amount (Rs Mm)	Counterparty	MCA Status	Investment Implication
			Brescon Family Office, Narotam Sekhsaria Family Office		and instrument detail weakens cap-table visibility. [23]
Apr-2026	Regulatory event	NA	Enforcement Directorate / founders	undisclosed	Elevates legal and foreign-investment structuring risk at the exact moment governance should be de-risking into a listing. [16]
Jun-2026	Abridged prospectus / IPO filing process	80,100	Public-market investors	undisclosed	Confirms ambition to convert scale into public capital-market access, but the filing also raises the standard for disclosure consistency. [24][4]

The most significant disclosure gaps sit in the post-FY24 capital history. The MCA filings clearly show the FY24 preferential allotment and cumulative premium build-up, but they do not bridge to the large web-reported rounds in June 2024, August 2024, November 2024, October 2025, and April 2026. That gap is significant rather than surprising because FY24 MCA is a historical cut-off, but it still means the minority investor cannot reconstruct dilution, preference stack, or investor rights from the supplied record alone. The redomiciliation and share-swap process is the single most important structural gap because it determines what security an investor is actually underwriting.

11. Comparable Benchmarking

Zepto deserves to be benchmarked as a scale contender rather than a speculative startup, but it still warrants a discount to the cleanest public peers because its margin profile and disclosure quality lag its growth narrative. Against peers, Zomato is vastly larger at Rs 1,045,980 Mm and already carries listed-market discipline plus Blinkit exposure, while Swiggy offers a broader convenience platform and BigBasket brings grocery credibility through BB Now; Dunzo is the cautionary example of a similar model without durable capital backing, and Amazon remains the reference point for logistics sophistication rather than direct valuation comparison. Zepto's FY24 Revenue of Rs 44,545 Mm already puts it ahead of smaller failed or subscale formats, and later public disclosures show the business continued scaling quickly, but EBITDA remained Rs -11,149 Mm and Free Cash Flow remained Rs -11,315 Mm in FY24, so the company is still buying into category leadership rather than monetising it fully.

The correct valuation stance is a premium to distressed or capital-constrained private peers such as Dunzo, but a discount to Zomato-linked Blinkit exposure and any peer with cleaner governance, sharper disclosure, and stronger operating cash conversion. Zepto can earn that discount down over time because top-line momentum and network scale are real; it has not yet earned a governance or quality-of-earnings premium.

Comparable Company Benchmarking

Company	Type	Size (Rs Mm)	RoCE	P/E	Note
Zomato	Listed	1,045,980	12.1%	--	Zomato is a major listed Indian online food delivery and quick commerce platform, with Blinkit providing direct exposure to the quick commerce segment relevant to Zepto.
Swiggy Ltd	Listed	12,495	--	--	Swiggy is a direct Indian peer in food delivery and hyperlocal commerce, operating a unified convenience platform that overlaps closely with Zepto's rapid delivery model.
BigBasket	Unlisted	100,620	--	--	BigBasket is a significant Indian grocery and quick commerce player through BB Now, making it relevant for benchmarking Zepto's grocery-led instant delivery business.
Dunzo	Unlisted	2,260	--	--	Dunzo operates in hyperlocal delivery and quick commerce in India, offering a business model comparable to Zepto's last-mile rapid fulfillment proposition.
Median	--	--	--	--	--

Data vintage: FY2024-25 or latest available

Listed peers identified but data not retrieved: Amazon.com, Inc.. Verify on screener.in / groww.in.

12. Next Steps

Tier 1 -- Can be inferred from public filings

- Map the legal perimeter from FY24 Kiranakart Technologies Private Limited filings to the later Zepto Limited public materials, and reconcile how the redomiciliation and share-swap changed the investable entity, share count, and promoter stack using MCA documents and SEBI filings [24][14].
- Build a public-filings bridge from FY24 Revenue of Rs 44,545 Mm to later disclosed revenue from operations of Rs 111,099.47 Mm in FY25 and Rs 226,235.84 Mm in FY26 to test whether scale is still translating into loss compression or only into larger gross throughput [24].
- Track whether the next audited filing removes the qualified internal financial controls opinion and whether Trade Receivable, current moderates from the FY24 level of Rs 3,237 Mm; those two indicators will reveal whether the business is maturing financially as fast as it is growing operationally.

Tier 2 -- Would require voluntary company disclosure

- Public information does not provide an audited split of Revenue, Gross Profit, or contribution by retail grocery, non-grocery, business-to-business, advertising, subscriptions, private label, Zepto Cafe, or analytics products.
- Public information does not provide the full ageing, customer mix, or concentration profile of the Rs 3,236.85 Mm FY24 trade receivables balance, which prevents a clean assessment of revenue quality.
- Public information does not fully map the post-redomiciliation capital stack, including compulsory convertible preference shares, investor-wise allotments, liquidation preferences, and the persistence or settlement of parent-linked payable balances.

Tier 3 -- Watch for in next annual filing

- Watch for whether EBITDA loss declines materially from Rs -11,149 Mm and whether Free Cash Flow improves faster than Revenue growth slows; that combination would confirm genuine operating leverage rather than scale bought with capital.
- Watch for any expanded regulatory disclosure linked to the Foreign Exchange Management Act summons, and for whether related-party balances with promoter or parent-linked entities decline from the FY24 payable level of Rs 1,178.92 Mm [16].

Legend: MCA = Ministry of Corporate Affairs filings; EBITDA = Earnings before interest, tax, depreciation and amortisation; EBIT = Earnings before interest and tax; PAT = Profit after tax; PBT = Profit before tax; ROE = Return on equity; ROCE = Return on capital employed; CCC = Cash conversion cycle; EV = Enterprise value; P/E = Price to earnings; P/BV = Price to book value; Rs Mm = Indian Rupees in millions

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