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INDIA | INTERNET | COVERAGE INITIATION

JM FINANCIAL

Zinka Logistics Solutions (BlackBuck)

Accelerating Freight on Digital Highway

Largest full-stack tech platform for truck operators

Cross-sell opportunity driving rampant operating leverage

Initiate with BUY and Mar'26 TP of INR 570

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BlackBuck is the largest full-stack digital platform for 3.5 million truck operators in India. The company helps the trucker community in buying, tracking and operating their fleet and hence enables scale at reduced complexity. This is done via an omni-channel sales and servicing proposition that solves for the key pain-points of the truckers. The ecosystem-driven business model not only ensures that truckers have regular engagement on the platform but also helps the company deliver high LTV-CAC ratio due to cross-sell opportunity. Road transport is the backbone of Indian economy accounting for 70%+ of the freight movement. With over a million annual transacting truck operators, BlackBuck is deeply entrenched in the ecosystem, making it a key player in India's burgeoning economic growth.

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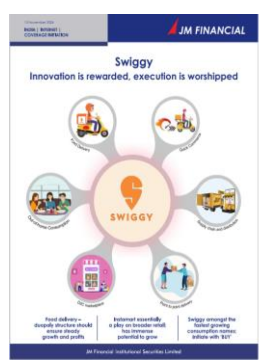

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Zinka Logistics Solutions

Accelerating Freight on Digital Highway

BlackBuck is the largest full-stack tech platform for truck operators in India with offerings across payments (Tolling and Fueling), telematics, load matching and vehicle financing. The company operates an ecosystem-led business model that allows it to acquire consumers through any of the offerings and then cross-sell its other services while incurring very limited incremental costs. As of Q2FY25, BlackBuck has c.700k monthly transacting truck operators with 47%+ using two or more of its services. Almost 40% of trucks' tolling market share in the country passes through BlackBuck sourced and serviced FASTags with the company also having 390k+ monthly active telematics devices.

The company has an asset-light business model with strong retention that ensures sustained recurring revenues, which in turn, offers high contribution margins. While the company is dependent on its partners to offer services such as FASTag, fuel cards and vehicle financing, the consumer only interacts with the integrated platform and disposes loyalty and trust solely to BlackBuck. Furthermore, the management has demonstrated significant agility to pivot the business model at the right moment while also launching services that continue to deepen its entrenchment with truck operators owning less than 5 trucks.

We initiate on Zinka Logistics Solutions Ltd. (BlackBuck) with a BUY rating and a Mar'26 TP of INR 570 (41% upside), valuing the business using DCF-based valuation approach. Our target valuation implies 34x / 42x FY27E EBITDA / EPS multiple, broadly in-line with CarTrade (BUY; INR 1,820), a company with similar operating leverage story. We expect the company to deliver 38% FY24-27E Revenue CAGR with EBITDA margin expansion of 18 ppts over Q2FY25 Adj. EBITDA margin of 19.4% (YoY expansion of 40 ppts delivered in Q2FY25).

Key risks to our investment thesis include 1) growth slowing considerably in the larger tolling and telematics businesses 2) scaling challenges in load-matching or vehicle financing businesses, 3) significant disruption to FASTag mechanism via GNSS, and 4) trucking OEMs managing to cordon-off a significant share of telematics market.

Deeply moated in core businesses of Tolling and Telematics: BlackBuck has c.600k truck operators partnering with it for tolling, resulting in the company accounting for 40% of India's trucks' tolling market share as of Q2FY25. The company continues to further gain market share driven by a motivated sales team as well as word-of-mouth, thanks to the offering solving for major pin-points of the truckers. Meanwhile, the company has 390k+ monthly active telematics devices thanks to its ability to not only provide one of the most cost-effective product but also a highly dependable service network. Hence, the quality of offering along with trusted servicing capabilities have become one of the key moats for the company in its core businesses.

Significant cross-sell opportunity across core and growth businesses: With the company having 1mn+ annual transacting truck operators who spend a substantial amount of time on its app, there remains a sizeable cross-sell opportunity. BlackBuck currently has only 20-25% overlap in its two largest offerings – tolling and telematics. Meanwhile, Fueling, Loads Marketplace and Vehicle Financing only have around 10-15k truck operators and hence can grow sharply driven by cross-sell on the existing consumer base itself. This results in the company incurring minimal acquisition costs to grow these businesses and delivering healthy LTV-CAC ratio.

Robust contribution margins to enable rampant operating leverage: With recurring revenue model and literally no cost of fulfilling the service, all of BlackBuck's offerings operate at contribution margins of over 80% with Payments CM rising even over 90%. Furthermore, the company has established transaction-based payments for acquiring and servicing, ensuring that these costs remain semi-variable in nature with other costs largely fixed. Such a cost structure enables rampant operating leverage with 40 ppts YoY improvement already delivered in Q2FY25.

Initiate with 'BUY' and Mar'26 TP of INR 570, implying 42x FY27E PER: BlackBuck's revenue grew at a CAGR of 63% over FY22-24, with the company turning adjusted EBITDA profitable in H2FY24. We forecast it to deliver c.31% revenue growth over FY24-29, while EBITDA margin is expected to reach 45%+. We value the company using DCF-based valuation, resulting in Mar'26 TP of INR 570, 41% upside at CMP. We recommend 'BUY'.

Recommendation and Price Target	
Current Reco	BUY
Current Price Target (12M)	570
Upside (%)	41%

Key Data – BLACKBUC IN	
Current Market Price	INR403
Market cap (bn)	INR71.3/US$0.8
Free Float	72.2%
Shares in issue (mn)	176.5
Diluted share (mn)	186.1
3-mon avg daily val (mn)	INR0.0/US$0.0
52-week range	551/248
Sensex/Nifty	77,506/23,482
INR/US$	86.6

Price Performance			
%	1M	6M	12M
Absolute	-11.7	nm	nm
Relative*	-10.6	nm	nm

*To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	1,757	2,969	4,380	5,986	7,785
Sales Growth (%)	47.2	69.0	47.5	36.7	30.0
EBITDA	-2,325	-1,584	713	1,590	2,812
EBITDA Margin (%)	-132.3	-53.3	16.3	26.6	36.1
Adjusted Net Profit	-2,905	-1,939	-1,922	1,604	2,528
Diluted EPS (INR)	-15.9	-10.5	-10.3	8.6	13.6
Diluted EPS Growth (%)	NA	NA	NA	NA	57.5
ROIC (%)	-53.1	-71.0	24.0	53.5	89.7
ROE (%)	-62.0	-58.4	-29.8	15.0	19.5
P/E (x)	NA	NA	NA	46.9	29.7
P/B (x)	21.0	23.9	7.3	6.1	5.0
EV/EBITDA (x)	NA	NA	94.4	41.2	22.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 1/Feb/2025

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Investment Thesis

1. India's largest full-stack tech platform dedicated to truck operators
2. Ecosystem-led business approach with veritable growth drivers
3. Value proposition carved around key consumer pain points
4. Omni-channel distribution network with robust sales and service strategy
5. Robust network effects ensure sticky customer retention and higher monetisation
6. Road transport is at the core of the Indian economy
7. Momentous optionality in Load Matching brokerage model and Vehicle Financing
8. Promoter-led management team with stability and agility

Exhibit 1. BlackBuck brief overview

Business Segment	Value Proposition	Monetisation
Tolling ~61 % of total revenue	• Pan India Service network • Guaranteed incorrect deduction refund • Protection from blacklisting through auto-recharge in case of insufficient wallet balance • Significantly lower Tag replacement TAT	• Commission fees, FASTag servicing fees, Subscription fees (from FASTag Gold) • Partnered with IDFC Bank and Axis Bank; likelihood for more partners joining
Fueling ~4 % of total revenue	• Covering ~72% of total fuel stations • Cashback and additional reward points • Fuel expenses tracking • Plugging cash leakages	• Commission from OMCs, subscription fees from truckers • Partnered with HPCL, Reliance, IOCL; further privatisation of OMCs can drive upside
Telematics ~25 % of total revenue GPS Fuel Sensor	• Pan India Service network • Real-time visibility into fleet movement • Route optimisation • Fuel management basis driver behavior	• Device installation charges, Subscription fees • Device sourcing from Europe and China; own proprietary design of GPS device • GNSS can drive higher penetration as GPS becomes necessary for precise toll deduction
Loads Marketplace ~2% of total revenue* Listing Marketplace Freight Brokerage	• Shippers benefit from extensive trucker network • Improved demand fulfillment and lower freight procurement costs for shippers along with better visibility for truckers • Higher optionality for truckers with opportunity to route return trips basis maximum monetisation	Listings marketplace: • Subscription fees from shippers • Freemium model for truck operators (premium is charged for supplemental features) Freight brokerage: commission fees
Vehicle Financing ~7% of total revenue Used Vehicle Financing Since May 23	• Enables efficient underwriting for banking partners using operational data from payments and telematics users	• Partner book model: Sourcing and collection fee • Own book model: interest income and fees related to loan processing • Banking partners TVS Credit, Shivalik Small finance bank; scheduled banks coming onboard can be a huge trigger

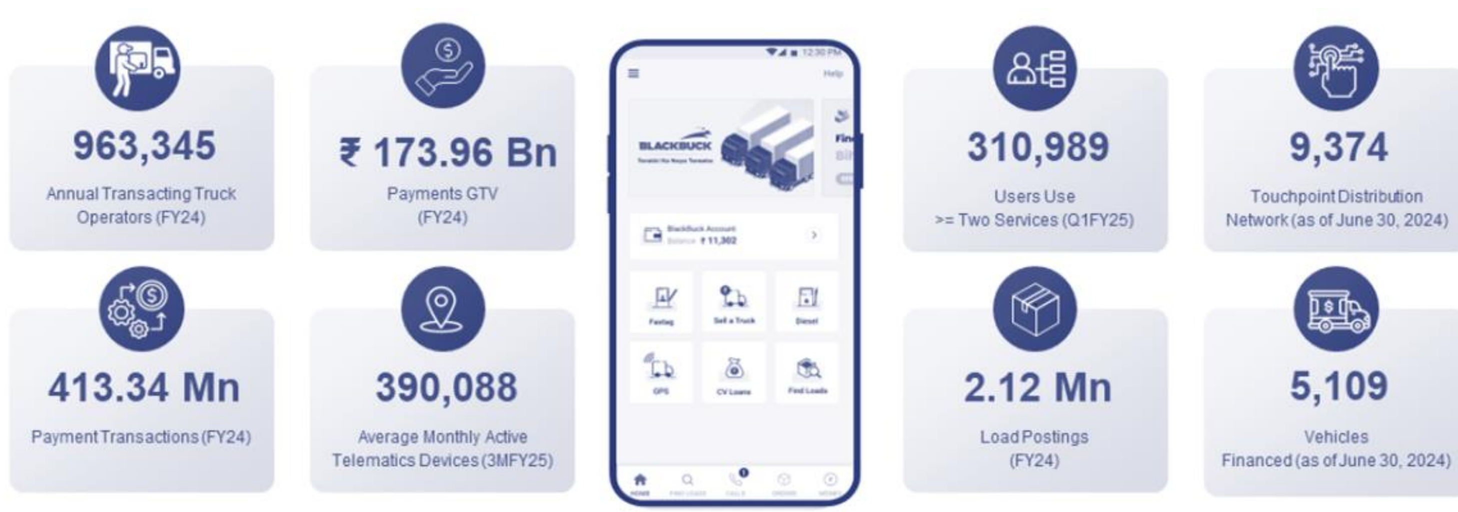
Source: Company. Note: Revenue contribution is as of 2QFY25. *JMFe

India's largest full-stack tech platform dedicated to truck operators

Blackbuck is India's largest digital platform providing full stack solutions to truck operators including payments (tolling and fueling), telematics, loads marketplace and vehicle financing. In FY24, the company served over a million truck operators (33% of overall truck operators in India) while facilitating one-third of trucks' tolling payments. It enabled payments GMV (gross merchandise value) of almost INR 174bn along with 356k monthly active telematics devices. Furthermore, 47% of its 700k monthly transacting truck operators use two or more of its services, demonstrating the company's positioning as a multi-solution provider to its customers. The business model is centred around offering truck operators bespoke, easy-to-use solutions such as Blackbuck app in four vernacular languages (Hindi, Kannada, Tamil and Telugu) in addition to English and physical presence with 24x7 customer support.

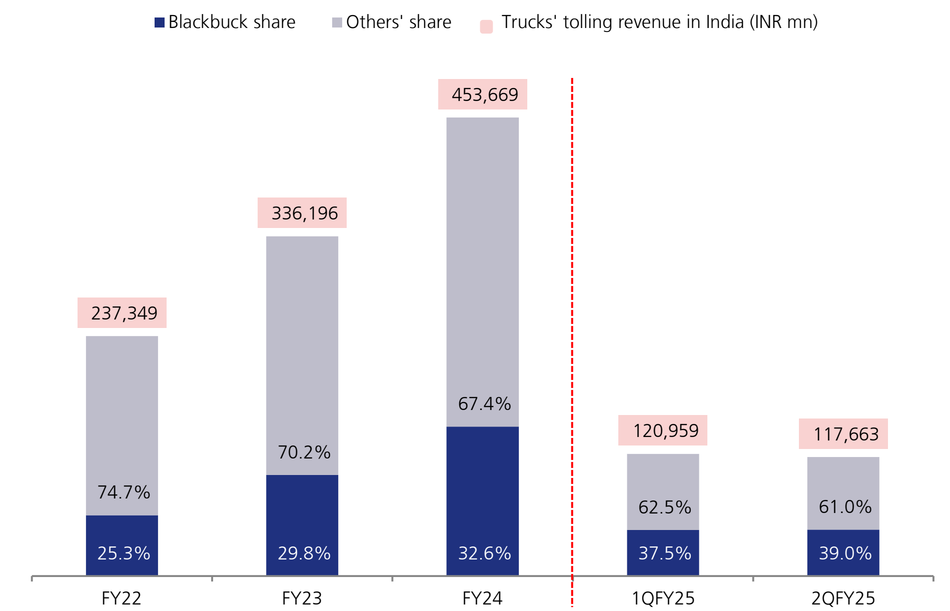
With services across 628+ districts, the company currently covers 80% of India's districts, including all the major transportation hubs along with 9,374 feet on the street at 76% of toll plazas. Building onto its extensive truck operator network and nationwide coverage, the company is enhancing its presence in load-matching and vehicle financing as well, though both the businesses remain trivial as yet, accounting for ~10% of its 2QFY25 revenue.

Exhibit 2. BlackBuck has multiple scaled offerings with 310k+ truck operators using more than 2 services



Source: Company

Exhibit 3. BlackBuck continues to gain trucks' tolling market share



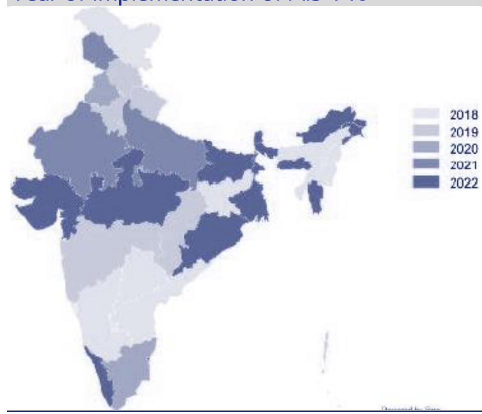
Source: Company, JM Financial

Ecosystem-led business approach with veritable growth drivers

BlackBuck has an asset-light business model that primarily generates recurring revenue through platform fees, subscription fees and commissions. There is neither any inventory risk nor ownership of trucks on the balance sheet, and distribution of loans is through financial partners. Once the company onboards a truck operator via any of its services, the ecosystem-led business model enables predictable revenue streams as tolling and fueling payments are daily use cases for truck operators, and telematics has monthly recurring subscription fees. Further, cross-sell enables the acquired truck operators transacting on multiple service lines and enabling significantly higher operating leverage.

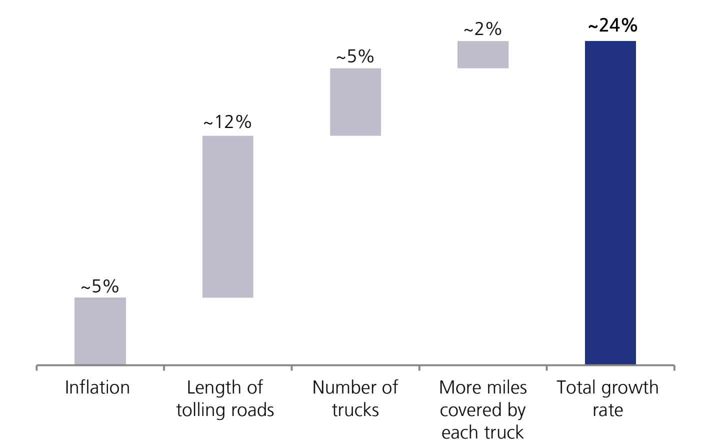
We believe the company is positioned to deliver early thirties medium-term growth rate driven by 16-18% growth in its larger businesses – Payments and Telematics – while also continuing to gain sustained market share in both the businesses. Our proprietary analysis suggests that BlackBuck's share in trucks' tolling has risen from c.25% in FY22 to almost 40% as of 2QFY25. Impressively, the company continues to gain 40-60bps market share every month. Newer initiatives such as Loads Marketplace and Vehicle Financing are anticipated to deliver a sharper growth trajectory considering early stage with potential for substantial cross-sell on 1mn+ annual transacting truck operators within the BlackBuck ecosystem. The company's scaling of operations over the past 3 fiscal years has translated into strong operating leverage, evident in its healthy contribution margin and adjusted EBITDA margin jumping from -3% in FY24 to 19%+ in 2QFY25.

Year of implementation of AIS 140



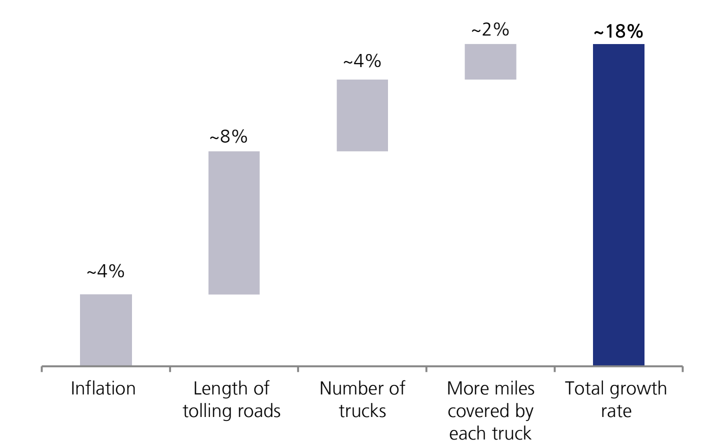
Source: Company, Media reports

Exhibit 4. Indian trucks' tolling has grown at 24% historically…



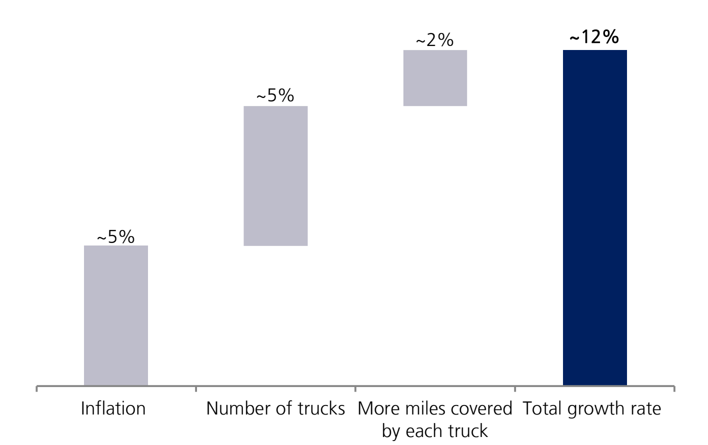
Source: Industry, JM Financial

Exhibit 5. …we forecast 14% growth in the medium term



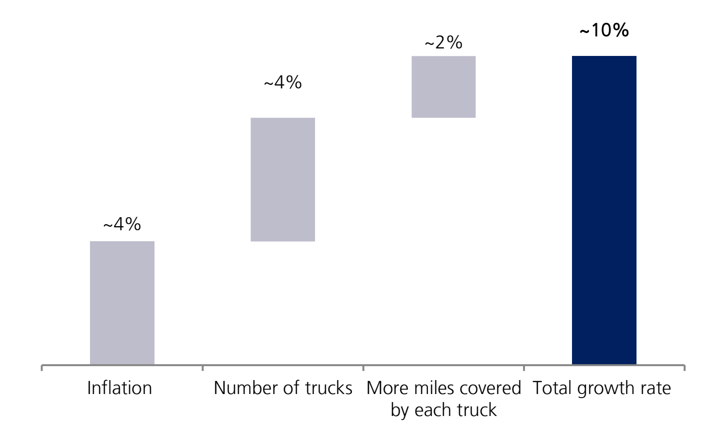
Source: Industry, JM Financial. Note BlackBuck revenue pool to grow faster driven by market share gains

Exhibit 6. The fueling industry has grown at 12% historically…



Source: Industry, JM Financial

Exhibit 7. …we forecast 8% growth in the medium term



Source: Industry, JM Financial. Note: BlackBuck revenue pool to grow faster driven by fuel cards adoption and market share gains

Value proposition carved around key consumer pain points

As part of BlackBuck 1.0 (before pivoting to the current business model in 2019), the company worked on operations within the trucking ecosystem. This enabled intricate understanding of pain points of its consumers and, hence, the company has delicately carved out its value proposition to exactly solve for them. Smaller fleet operators (2-5 trucks) are largely ignored by the Indian financial ecosystem in terms of accessibility to loans or servicing in case of valued-added services such as FASTag. Considering the relatively smaller scale, these truck operators rarely have direct connect with the shippers and, hence, end up depending on local brokers for generating leads for loads. Furthermore, these truck operators were forced to leave significant amount of cash with the drivers for fuel, wear & tear, food and challans / bribes with fuel accounting for 60% of overall expenses. Finally, they had minimal visibility of the location of the truck as well as driving behaviour.

Through the BlackBuck app, the company has solved for each of these pain points by enabling accessibility to key products in a cost-effective manner. The truck operators not only benefit from higher convenience but also are able to generate significant cost savings across the lifecycle of the trucks – from buying at relatively cheaper interest rates, getting refund on incorrect toll deductions that they would not even have realised earlier and earning cashbacks on fuel payments while cutting down on cash leakages.

Exhibit 8. Value chain of the trucking industry in India

Source: Redseer analysis

Exhibit 9. Blackbuck's offerings addressing key customer pain points

Business Segment	Customer Pain-points	Blackbuck Solutions
Tolling	• Adoption of digital payments • FASTag downtime • Incorrect toll deduction • Lack of support infrastructure • Most digital platforms in English	• Multilingual app for easy of recharging of FASTags • FASTag Gold subscription for guaranteed double deduction refund, priority customer support, protection from blacklisting at the toll plaza through auto-recharge and free tag replacement • On-ground support network of 9,374 physical touch points
Fueling	• Cash transactions leading to risk of pilferage and unauthorised spending • Rising fuel prices • Difficulty in tracking fuel expenses	• Cashless fuel payments card in partnership with multiple OMCs • Fuel loyalty program covering ~72% of fuel stations, enabling customers to earn reward points and cash backs (0.5-1.5%) • Higher asset turn for fuel retailers due to incremental sales
Telematics	• Inability to track fleet • Cost leakages due to non-optimal routes • Increased mileage and maintenance costs due to poor driver behavior	• Real-time fleet tracking enabling route optimisation • Driving behavior monitoring, including over-speeding • Fuel sensors for consumption trends and fuel level tracking • On-ground technicians for installation / repair of tracking devices
Loads Marketplace	• Load mismatch due to multiple variables including body-type, tonnage etc. • Mismatch of pricing and payment terms • High commissions to intermediaries • Low utilisation mostly during return trip	• Efficient trucker-shipper matching across variables • Reduced idle time, more optionality for loads leading to higher profits for truck operators • Improved demand fulfillment % and lower freight procurement costs for shippers
Vehicle Financing	• Limited access to financing for small fleet operators • Exorbitant interest rates	• Credit access for truck operators from reliable financiers • Efficient underwriting for banking partners using operational data from payments and telematics users

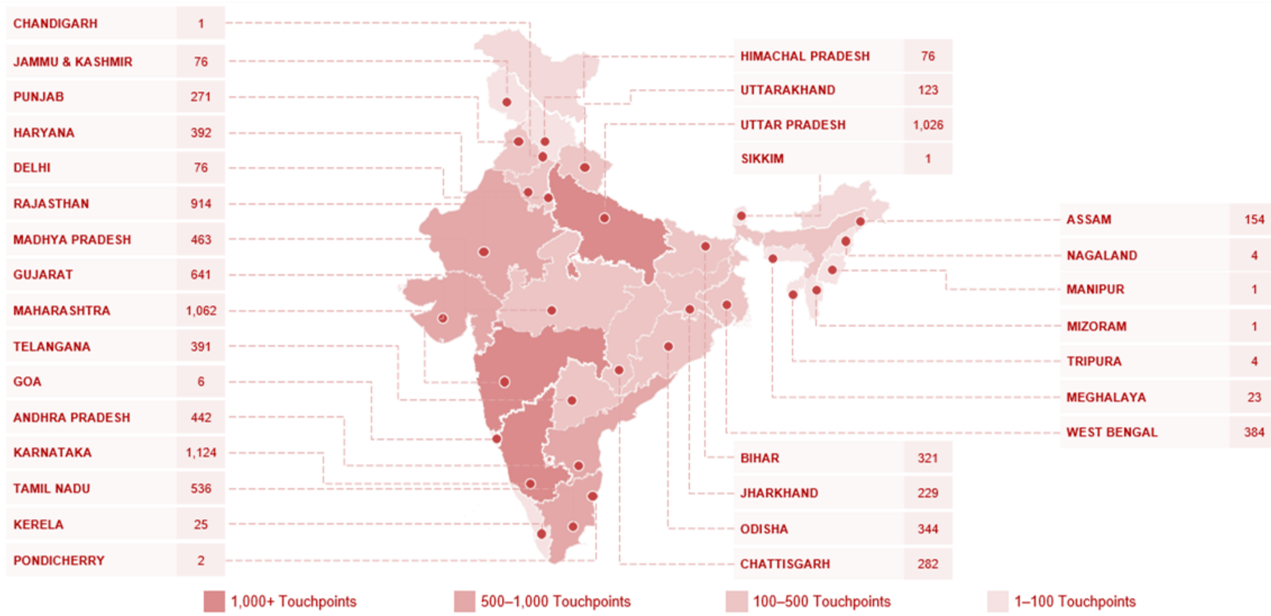
Source: Company, JM Financial

Omni-channel distribution network with robust sales and service strategy

BlackBuck's consumers, truck operators, are spread across metro, urban and rural communities with 80% of the trucks in the country registered in 80% of the pin codes. A typical truck operator in India is middle-aged, comfortable only in his regional language with limited digital literacy, while using a limited set of smartphone applications. They are generally not accepting of online products, especially related to payments. Building trust with such truck owners on digital platforms requires significant hand-holding and that has now become a significant moat for Blackbuck.

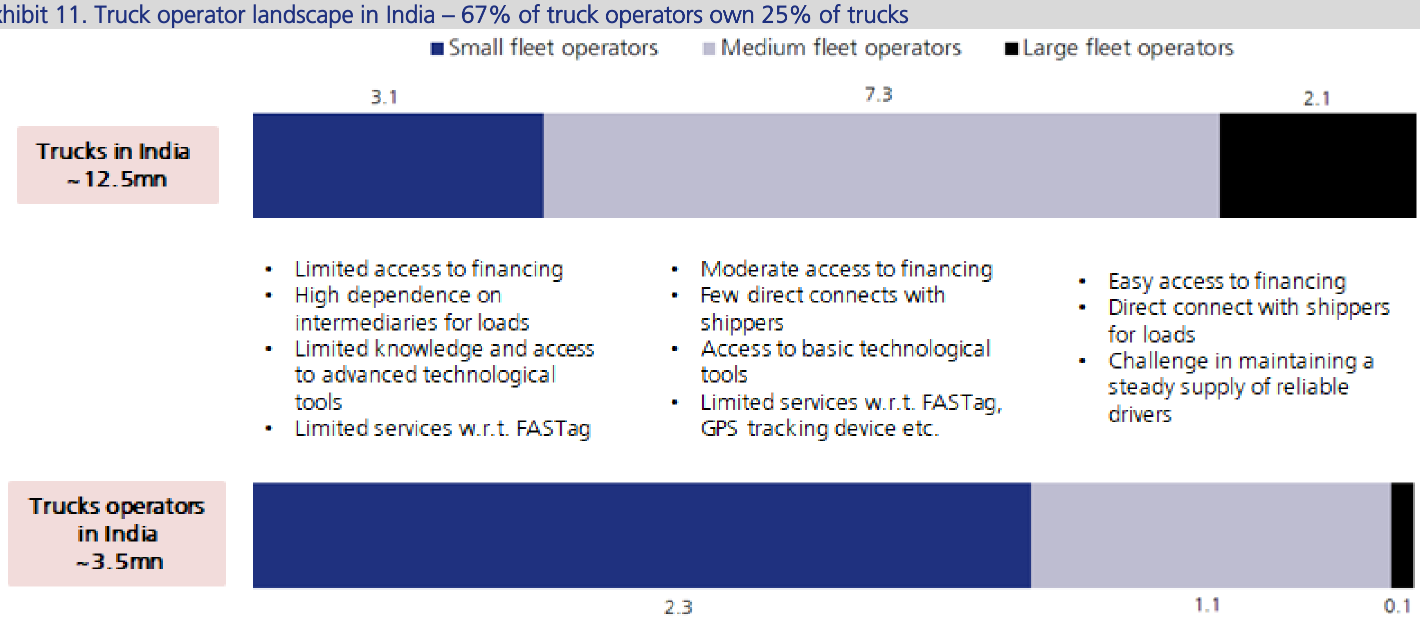
The distribution strategy, covering both sales and servicing, is a mix of digital and physical touchpoints to cater to the specific requirements with the truck operators having utmost confidence in timely servicing. The company has achieved this through a multi-dimensional approach, encompassing digital marketing, targeted in-app messaging, and a network of over 9,395 touchpoints (as of March 31, 2024). This network caters to diverse needs, with a telesales team focussed on existing customers, channel partners for broader sales reach, and an on-ground presence spanning 86.5% of India's districts.

Exhibit 10. Distribution of network of touchpoints across India



Source: Company. Note: Map not to scale

Exhibit 11. Truck operator landscape in India – 67% of truck operators own 25% of trucks

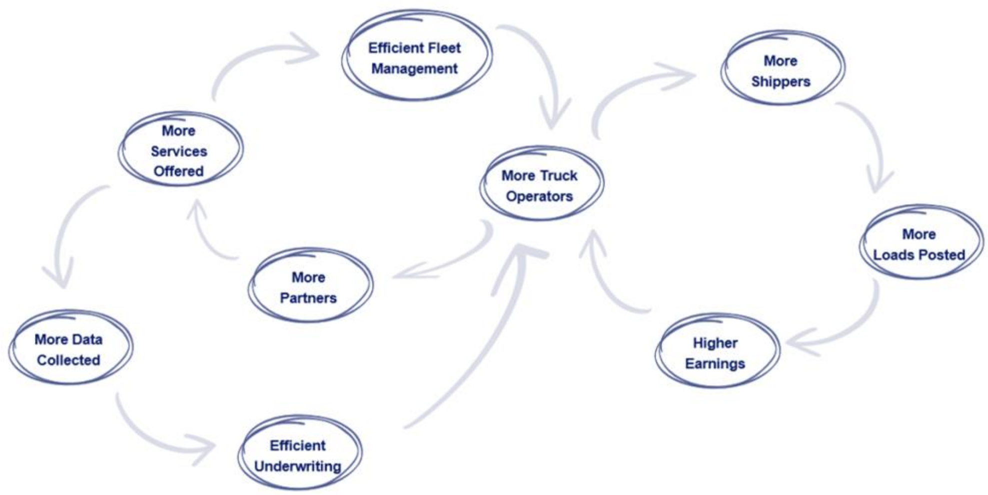


Source: Company. JM Financial

Robust network effects ensure sticky customer retention and higher monetisation

BlackBuck operates as an integrated platform with comprehensive app user engagement and physical touchpoints. This sets off virtuous network effects with the platform becoming incrementally attractive to potential truck operators as it onboards every new truck operator. As the platform attracts more operators, it becomes more valuable to partners, generates additional transactions, and gathers richer data for continuous improvement. This, in turn, attracts more shippers and truck operators, leading to higher engagement, cross-selling opportunities and, ultimately, a stronger value proposition for all stakeholders involved. Considering the company is operating as a one-stop solution for multiple requirements of truck operators, these network effects ensure sustained stickiness on the platform.

Exhibit 12. Every new truck operator / partner enables network effect, generating more value for all the stakeholders in BlackBuck ecosystem



Source: Company

Demonstrating high customer satisfaction, the company boasts consistent retention rates and notable engagement, with 62% of its annual transacting truckers utilising the platform every month in FY24. The company also sees 60%+ truck operator retention after 3 years, ensuring robust LTV-CAC ratio. Despite this natural churn, the remaining truck operators enable 3.31x in year 3 revenue over their first year on the platform. This is driven by an increase in services used by truck operators over the years and increased monetisation of the same services.

Exhibit 13. Annual transacting truck operators' retention rate

ATUs	FY21	FY22	FY23	FY24
FY21	100.00%	93.51%	76.04%	66.25%
FY22		100.00%	87.82%	63.46%
FY23			100.00%	85.52%
FY24				100.00%

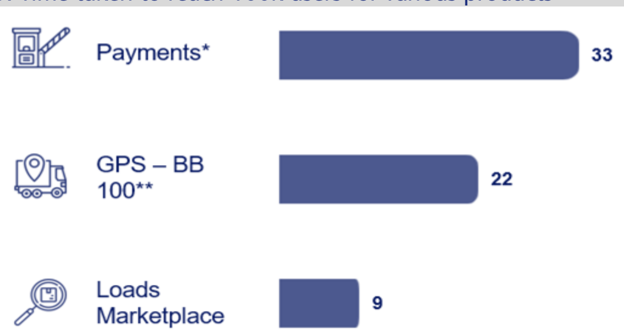
Source: Company. Note: Annual transacting truck operator is defined as unique operators that made at least one transaction this fiscal.

Exhibit 14. Annual transacting truck operators' revenue retention

Revenue	FY21	FY22	FY23	FY24
FY21	1.00x	3.17x	2.84x	3.31x
FY22		1.00x	2.13x	2.24x
FY23			1.00x	2.04x
FY24				1.00x

Source: Company. Note: Revenue retention rate derived by dividing the revenue from a cohort of annual transacting truckers divided by the revenue generated by the same truckers in the year of onboarding.

Exhibit 15. Time taken to reach 100k users for various products



Source: Company. * Includes tolling and fueling. ** GPS-BB 100 is non-AIS vehicle tracking solution

Road transport is at the core of the Indian economy

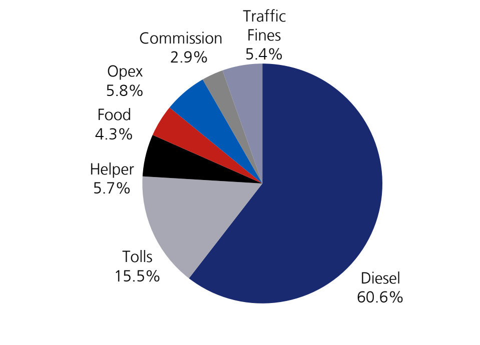
Though rail accounted for almost 90% of freight traffic in India at the time of independence, roads have continued to gain with 70% share of freight traffic as of FY19. With logistics accounting for c.13% of Indian GDP and transportation accounting for 66% of logistics spends, road freight movement is a sizeable market at USD 230bn-235bn as of FY24. Heavy and medium duty trucks account for 78% of this road freight movement with the remaining 22% with smaller commercial vehicles.

Historically, India has seen logistics spends rise at almost twice the real GDP growth rate as a growing economy becomes more interlinked and requires significantly higher goods movement. This ratio, however, is likely to gradually decline as efficiencies come up in Indian logistics driven by better asset utilisation, more efficient trucks and less idling time. Driven by sustained demand requirement road freight movement in India is expected to rise at c.8% CAGR to reach USD 230bn-235bn by FY28 and would require 5% CAGR in trucks on the road with these trucks generating 3% incremental business.

Takeaways from our conversations with fleet operators and truck drivers:

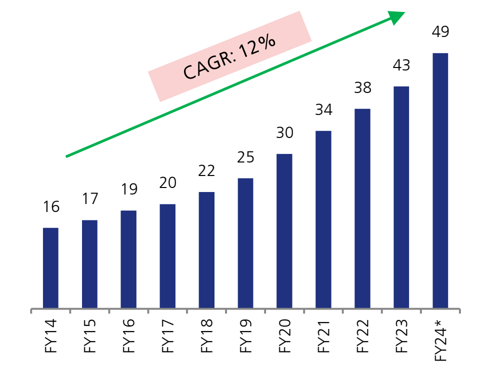
- Trucks, on average, cover 400-500km per day while being driven for 12 hours
- An efficient trucker would get 4-5 round trips a month with each trip averaging 4-5 days
- Truckers have reservations against express shipping where movement is 700-900km per day as the life of trucks drops sharply and there is more wear and tear. Express is still rising as it can help complete more round trips per month, generating better RoI
- A typical 1,500km onward trip from Delhi to Kolkata might generate INR 60k-70k but the return journey would likely generate 30-40% of the onward rate; truckers would look to break the return journey to generate more income – Kolkata to Jamshedpur and then Jamshedpur to Delhi
- Customers tend to use trucks' storage as a cheaper warehousing space, particularly during peak periods; they pay a 'detention' of INR 1,200-1,500 per day for each day they make the truck wait at their warehouses, significantly lower than the daily EMI
- The truck operators will likely generate only 20-25% net profit per trip; of which 50-60% goes in EMIs, and another 10-20% in insurance and driver/helper salaries
- Drivers generally get paid a trivial INR 5k-10k per month with cash leakages via fuel, wear and tear, ensuring that their take-home monthly income is INR 20k-25k
- On average, a truck operator will generate INR 20k-25k monthly cash profit on a truck that costs INR 350k for a new purchase
- Drivers are in short supply as poor social status, constant time away from family, fear of accidents and bodily injuries and abuse by authorities makes this the last career choice

Break-up of expenses during the trip; fuel and toll account for 75%+ of the cost



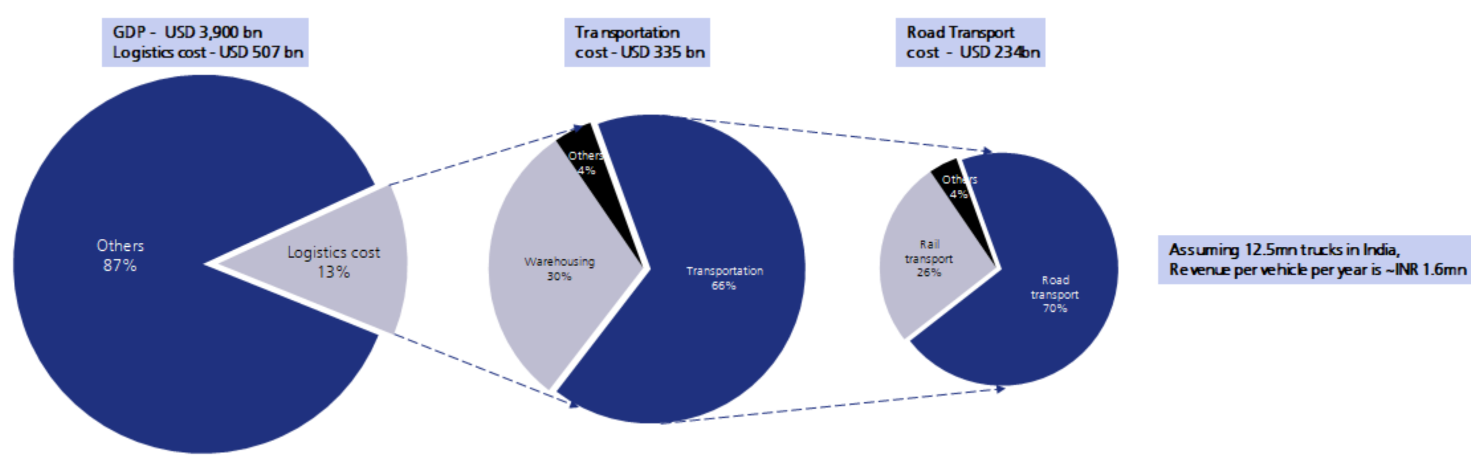
Source: Industry. Note: 1) Opex includes loading/unloading, Breakdown, weighing. 2) Traffic Fines includes Challan and bribes.

Tolled roads grew at 12% 10-yr CAGR



Source: Company, JM Financial. Note:*JMF estimate. In'000s kms

Exhibit 16. India's 12.5mn trucks generate average annual revenue per vehicle of INR 1.6mn at c.20% cash profit margin



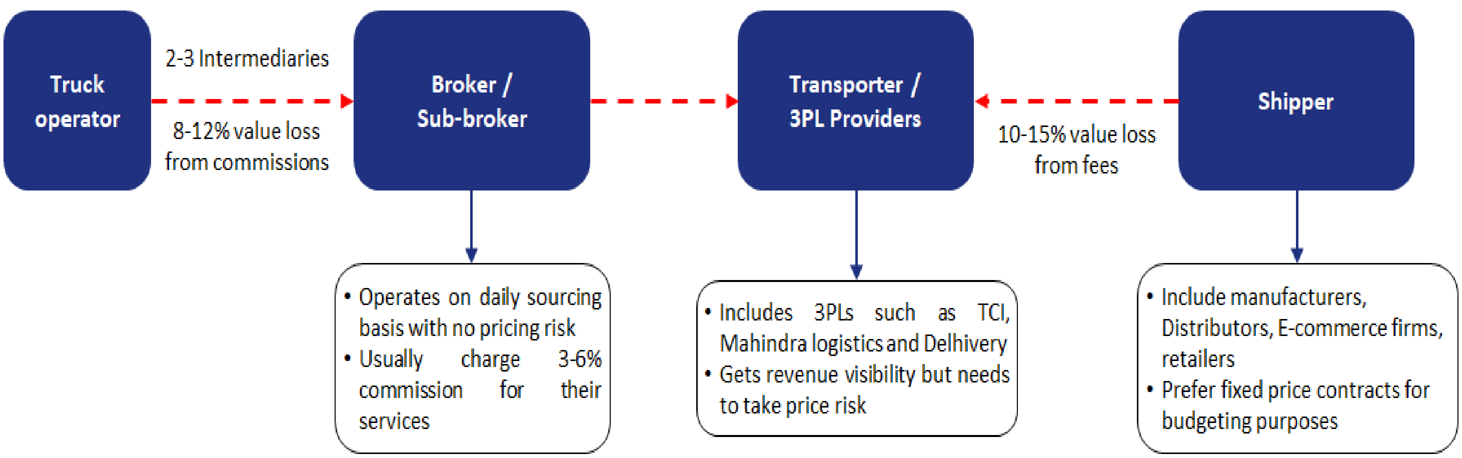
Source: Company, JM Financial

Momentous optionality in Load Matching brokerage model and Vehicle Financing

BlackBuck currently has a two-sided marketplace where shippers and truckers negotiate directly with each other and the company charges a subscription fee to the shippers while offering a freemium model to the truckers. However, it has been piloting a brokerage model of load matching where it will operate as "Uber for Trucks" by sitting between the shippers and truckers and owning the complete transaction experience. This will help it monetise 4-8% of the transaction value in comparison with <1% monetisation currently. Though there are multiple players such as TruckSuvidha and Vahak in this particular segment operating as "loadboards", **BlackBuck remains the best positioned to build a transaction-led model considering the large trucker base (c.700k MTUs) with strong engagement on the app (40+ minutes daily) while having an extensive geographic footprint (9.3k+ feet on the street).** We believe this can be a huge optionality (revenue pool of USD 8bn-12bn) as this business alone can be significantly larger and profitable than all other segments combined.

Vehicle Financing remains a key pain point for small fleet operators primarily due to a) limited credit history prohibiting financing from organised lenders, b) purchasing of used trucks where valuation of collateral is challenging for financiers, and c) operating presence in smaller tier cities with insignificant business scale for larger financiers. Hence, small fleet operators depend on the unorganised sector for their financing requirement, resulting in exorbitant interest rates. In partnership with TVS Credit and Shivalik Small Finance, BlackBuck solves for the financing requirements of its partner operators. Furthermore, the company has an NBFC licence that enables it to experiment with underwriting basis operational data as well as in creating products aptly suitable for its target customer base. We estimate **BlackBuck's currently active annual transacting truck operator base of c.1mn itself enables an annual financing opportunity of c. INR 438bn**, representing INR 28bn+ in revenue opportunity with new trucker onboarding capable of expanding this opportunity substantially.

Exhibit 17. Value chain in logistics loads sourcing



Source: Company, JM Financial

Exhibit 18. Vehicle financing opportunity for BlackBuck

Particulars	Value	Comment
Total truck operators in BlackBuck's ecosystem (A)	1 mn	
Average no. of trucks per operator (B)	2.5	Roughly 2-3 trucks per small fleet operator
Average holding period of a truck (C)	4 years	Roughly 3-5 years of holding period
Annual frequency of a truck purchase (D = B / C)	0.63 years	
Average cost of a used truck (E)	INR 1mn	
Loan to Value ratio (F)	70%	
Vehicle Financing opportunity per year (G = A*D*E*F)	INR 438bn	
Take rate on disbursals via Partner book for BlackBuck (H)	6%	Includes sourcing & collection and processing fees
Revenue opportunity for BlackBuck	INR 28bn	

Source: Company, JM Financial estimates

Promoter-led management team with stability and agility

BlackBuck is led by an experienced leadership team with significant industry experience. The company's promoters Rajesh Kumar Naidu Yabaji, Chanakya Hridaya and B Ramasubramanian are supported by an experienced management team (comprising SMPs and KMPs) of professionals who have strong functional expertise in their respective domains with average industry experience of over 15 years. Having started in 2015, the company has an overall operating history of about a decade but still boasts of an average tenure of nearly 6 years among its senior management team. As of 31st Mar'24, BlackBuck had 1,783 permanent employees along with 3,638 contract workers with 40% of its workforce engaged in sales and customer service functions.

BlackBuck also has a diverse set of board of directors with expertise in corporate governance, used auto transactions, woman empowerment, banking and public policy.

Exhibit 19. Details of Key Managerial Personnel

Name	Position	Current role since	Education	Past experience
Satyakam GN	Chief Financial Officer	06-Aug-18	He is a qualified chartered accountant from Institute of Chartered Accountants of India and holds a bachelor's degree in commerce from Bangalore University.	He was associated with NTT Data Global Delivery Services and Tesco Hindustan Service Centre. He has approximately 10 years of experience in the field of finance and accounting.
Barun Pandey	Company Secretary and Compliance Officer	26-Jun-24	He is a qualified Company Secretary from the Institute of Company Secretaries of India, New Delhi.	He was associated with Sika Interplant Systems Limited, Mro-tek Realty Limited and Sri Krishna Constructions (India) Ltd. He has over 8 years of work experience.
Thejasvi Bhat	Chief Technology Officer	05-May-20	He holds a bachelor's degree in electronics and communication engineering from Visvesvaraya Technological University.	He was associated with Swiggy, Holiday IQ, snapThings, Vidteq India and Celstream Technologies. He has approximately 19 years of work experience in the field of engineering and data sciences.
Manish Singh	Chief Product Officer	03-Dec-18	He holds bachelor's degree in materials and metallurgical engineering from Indian Institute of Technology, Kanpur.	He was associated with OlaCabs, Holiday IQ, Freshers World, CAT India, IDS Software Solutions, Infosys and NCE Technologies. He has approximately 19 years of work experience in the field of product management and engineering.
Shilpi Pandey	Chief People Officer	07-Apr-16	She holds a post graduate diploma in personnel management and industrial relations from XLRI, Jamshedpur and a bachelor's degree in arts from the University of Lucknow.	She was associated with CommonFloor, Photon Interactive, Madura Fashion and Lifestyle, Sasken Technologies, WeP Peripherals, Sonata Software and Infosys. She has approximately 21 years of work experience in the field of human resource management.
Abhishek Singh	Head of Payments and Telematics business	17-Sep-18	He holds a bachelor's and master's degree in chemical engineering from Indian Institute of Technology, Kharagpur.	He has worked for Greenxt Technology Solutions and Rio Tinto. He has over 11 years of experience in engineering and operations.
Supil Chachan	Head of Marketplace business	01-Jan-18	He holds a post graduate diploma in management from Indian Institute of Management, Bangalore and a bachelor's degree in chemical engineering from Indian Institute of Technology, Delhi.	He has worked for Jindal Stainless Corporate Management Services, Tata Administrative Services, and PricewaterhouseCoopers. He has close to 14 years of experience in the field of general management and strategy.
Chandra Prakash	National Head of Sales	09-Jan-23	He holds a master's degree in business administration in marketing management from Lalit Narayan Mishra Institute of Economic Development and Social Change, Patna and a bachelor's degree in English from Gaya College.	He has worked for Oravel Stays, Bharti Airtel, Tata Teleservices, Hindustan Lever, Reliance Telecom and Eveready Industries India. He has approximately 22 years of experience in the field of sales and distribution.
Prakash Bajirao Mali	National Head of Vehicle Finance	July 13,2022	He joined our Company on July 13, 2022. He holds a diploma in mechanical engineering from Government Polytechnic College.	He has worked for HDB Financial Services Limited, Cholamandalam Investment and Finance Company Limited, IndusInd Bank and Kotak Mahindra Bank Limited. He has close to 22 years of experience in the field of sales and business development in commercial vehicle loans.

Source: Company, JM Financial

Exhibit 20. Employee details

Particulars	FY22	FY23	FY24
Total number of permanent employees	**1,480**	**1,791**	**1,783**
Sales	399	547	625
Research, Product and Technology	135	142	117
Customer service and support functions	153	139	132
Business functions	793	963	909
Attrition rate of permanent employees (%)	**35%**	**44%**	**41%**

Source: Company, JM Financial. Note: In addition to permanent employees, company has **3,638 contract workers** as of March 31, 2024.

Industry Overview

Indian Trucking Landscape

India's trucking industry is crucial to the nation's logistics sector, accounting for 70%+ freight movement. With around 12.5mn trucks and 3.5mn truck operators as of FY24, the total freight value through trucks has grown at 8-9% FY20-24 CAGR to reach USD 170bn-175bn. With a growing Indian economy becoming incrementally interlinked, growth trends in road logistics are expected to continue due to several factors:

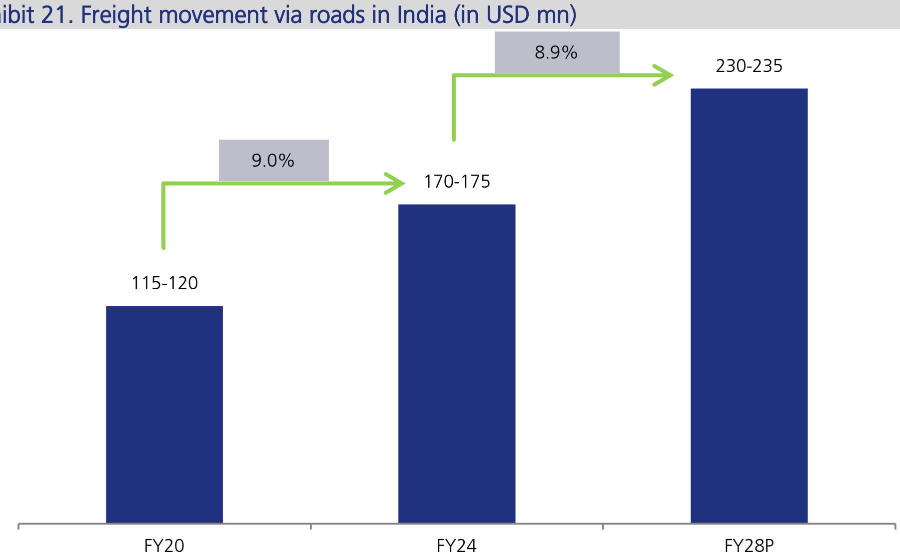
Higher consumption: Increased per-capita income is expected to boost consumption, raising the demand for logistics and transportation services. With GST coming into play, participants are preferring centralised warehouses and, hence, needing more transportation.

Expansion of capacity on high-density routes: Increased truck production has expanded road capacity on high-density routes, enhancing freight movement. There has also been a shift towards larger trucks capable of handling more tonnage.

Development of supporting infrastructure and ecosystem: Both government and private initiatives have improved roads and commercial vehicle production. The construction of highways with focus on four-lane roads and above has increased at the rate of 12% from FY14 to FY23 (as per MoRTH – Ministry of Road Transport and Highways), enhancing truck efficiency and utilisation.

Vehicle scrappage policy: Introduced in 2021, this policy mandates that commercial vehicles over 15 years old must pass a fitness test or be scrapped. This policy drives the purchase of newer vehicles, increasing the total number of trucks on the roads. As per VAHAN data, India has seen 5%+ rise in trucks on the road over the past decade.

Exhibit 21. Freight movement via roads in India (in USD mn)



Source: VAHAN, Redseer estimates.

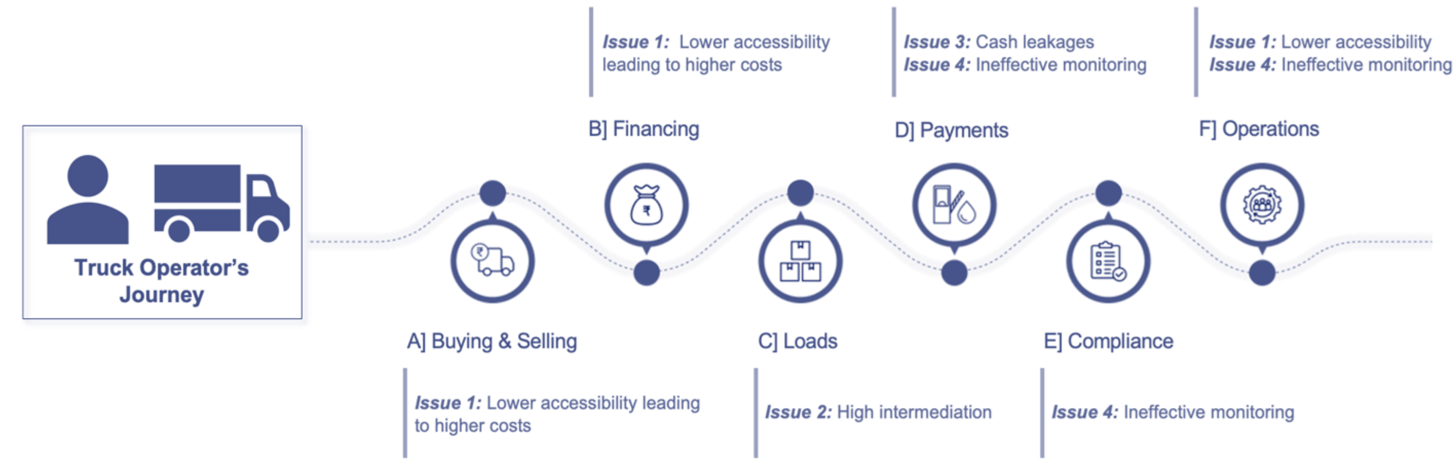
With 75% of Indian truck operators owning less than five trucks, they remain constrained in managing multiple operationally complex processes as fragmentation prohibits significant investments by these operators. This fragmentation is also seen globally, with less than 5/6 trucks owned by 85% / 80% operators in China / the USA. The reason for this high fragmentation is the complexity of managing trucking operations at scale, including searching for loads, handling payments, monitoring truck movements, maintenance and managing drivers.

Trucking is a nationwide phenomenon, including rural areas, which house 65-70% of the population. Agriculture, a key part of the economy, relies on trucking to distribute produce nationwide while most industries are also located closer to raw materials and labour, away from urban centres that drive consumption. Government initiatives such as electronic tolling, mandatory GPS requirement, e-way bills, and National Logistics Policy are transforming the industry through digital reforms.

Challenges for Indian Trucking Industry

The trucking industry in India struggles with structural inefficiencies that increase operational costs for truck operators. Issues such as ineffective monitoring, cash leakages, low accessibility, and high intermediation contribute to these challenges. These factors, coupled with the specific needs and demographics of truck operators in India, drive up logistics costs significantly. Addressing these inefficiencies is essential for enhancing operational efficiency and reducing overall logistics expenses in the sector.

Exhibit 22. Value chain of the trucking industry in India



Source: Redseer analysis

Lower accessibility and high fragmentation: Truck operators are widely dispersed across India, making it challenging for companies to reach and serve them profitably through traditional means. As per VAHAN, 80% of trucks in India are registered in 80% of the pin codes, violating the 80/20 Pareto principle. This leads to reliance on unorganised players for services such as vehicle financing, where high interest rates and extended processing times prevail due to the lack of organised distribution networks.

High intermediation-related inefficiencies: The trucking industry heavily depends on intermediaries for load discovery and matching between shippers and truck operators. This reliance leads to significant delays (24-48 hours on average) in finding shipments, resulting in underutilisation of trucks. Furthermore, brokers charge 3-8% commissions, resulting in inflated costs of delivery highlighting the inefficiency of these transactions.

Leakages due to cash handling: The trucking industry predominantly operates on a cash basis for daily activities such as fueling, paying driver wages and vehicle maintenance. With an inherent lack of transparency in cash transactions, there remains higher risk of pilferage and unauthorised spending. Drivers may inflate expenses to pocket the difference, leading to higher operational costs and reduced profitability for truck operators. According to our conversation with truck operators, drivers tend to pocket 10% of fuel costs by selling fuel.

Lack of effective fleet monitoring: Remote management of truck operations results in limited visibility into day-to-day activities. Fleet operators, especially those managing multiple vehicles, struggle to monitor their trucks once they are on the road. This lack of oversight impacts safety, maintenance costs, and overall operational efficiency. It also contributes to higher idling times (10-12 days per month on average), as operators cannot track extended idle periods in real time at various points such as loading docks, fuel stations, and repair shops.

Limited adoption of digtal tools: With limited education and digital savviness, most small truck operators in India are unable to track and respond to updated digital tools available to them. Even if they try, the lack of comparable data prohibits them from bringing efficiencies to their business. For example, a truck operator sitting in Thane would have minimal understanding of how much toll is to be deducted at a certain toll plaza in Bihar and, hence, even if there is a wrong deduction and he sees the amount deducted, he would not be in a position to request a refund.

Opportunities in Indian trucking industry

Despite being an industry with huge existing TAM that is capable of compounding at a rate significantly faster than GDP growth, there is a dearth of companies looking to organise the industry at scale. There remains vast revenue potential in the trucking industry depending on the ability of companies that eliminate inefficiencies and optimise distribution networks. Globally, the industry has seen emergence of large new-age tech players across payments, telematics and load matching but India still remains at a pretty nascent stage.

Payments

Toll and fuel payments are major expenses for truck operators, making up about 80% of their spending. Due to limited visibility into these cash-based transactions, digital solutions are needed for effective management. The total payments revenue pool, currently at USD 470mn-490mn, is expected to grow to USD 850mn-910mn by FY28, at a CAGR of 16-18%. This opportunity is divided into two segments: tolling and fueling.

Exhibit 23. Market opportunity for each vertical

	PAYMENTS	TELEMATICS	LOADS	FINANCING
	Tolling Fuelling	GPS Advanced Telematics	Subscription *(US$ 3 -4 Bn)* Brokerage *(US$ 8-13 Bn)*	Used CV Financing
Monetization opportunity	Platform fee, Commission fees	Installation charges Subscription fee	Subscription fee, Commission	Net Interest Margin
Fiscal 2024 Revenue pool	US$ 470 - 490 Mn	US$ 400-410 Mn	US$ 3-13 Bn	US$ 6.5-7 Bn
CAGR (Fiscal 2024-2028P)	16-18%	16-18%	8-9%	15-17%
Fiscal 2028P Revenue pool	US$ 850-910 Mn	US$ 740-790 Mn	US$ 5 - 20 Bn	US$ 12-13 Bn

Source: VAHAN, Desk research, Redseer estimates

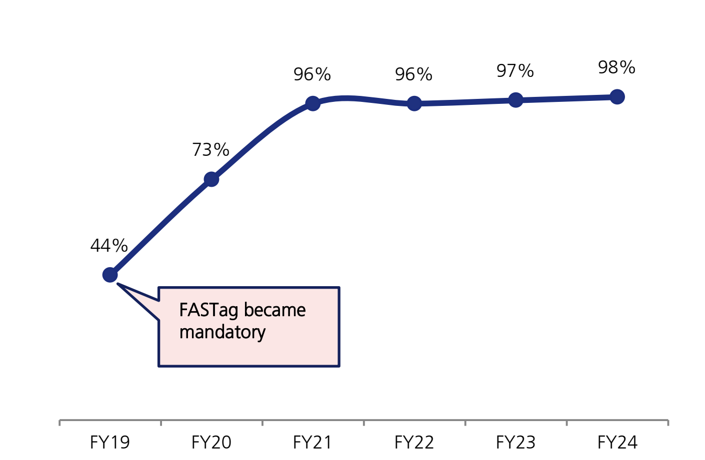
1. Tolling

Digital payment adoption was tepid in tolling until the government mandated FASTag in Dec'19. By Mar'24, FASTag penetration reached 98% with the digital tool becoming integral in the predominantly cash-based ecosystem. Going forward, implementing Global Navigation Satellite System (GNSS) will enhance FASTag compliance and ensure smoother commutes for vehicles.

In FY24, the trucking segment accounted for over 75% of total toll collections in India, due to higher toll fares for trucks and their frequent use of toll highways compared to passenger vehicles. Truck operators are significant toll users, spending an average of INR 16,000 – INR 18,000 per month and averaging 50 swipes per month on tolls. Despite this, challenges such as the adoption of digital payments, FASTag downtimes, incorrect toll deductions, and lack of support infrastructure for electronic toll collection make it difficult for truck operators to use standard FASTag options available in the market. The tolling industry can take 4-6 weeks to process chargeback requests, and while digital solutions exist, they require prior familiarity and trust, which truckers often lack. Therefore, a simple, trucker-specific solution is needed to address these challenges.

Revenue from tolling extends beyond FASTag commissions and includes additional services that address truckers' concerns. Toll collection is expected to grow at a CAGR of 12-16% during FY24-28 due to several factors such as expansion of tolled highways, increase in toll fare per plaza, and surge in transactions by commercial vehicles. BlackBuck sees competition from FASTag issuing banks in this segment.

Exhibit 24. FASTag penetration in India



Source: MoRTH

Exhibit 25. Breakdown of toll transactions by vehicle category

Parameter	MHCV[1]	LCV[2]	Private vehicles and buses[3]
Monthly transactions (millions)	100-105	40-45	180-190
Monthly swipes per vehicle	50	9-10	4-5
Average value per swipe (₹)	350-370	90-100	70-80
Monthly Gross Transaction Value ("GTV") (₹ billion)	36-36.5	3.7-3.8	13-14
Contribution to overall tolling spend	68%	7%	25%

Source: NETC, MoRTH, Redseer. Note: On average, 20-30% trucks on Indian roads do not pay tolls considering local transportation only. Monthly swipes per vehicle data is only for trucks that pay tolls.

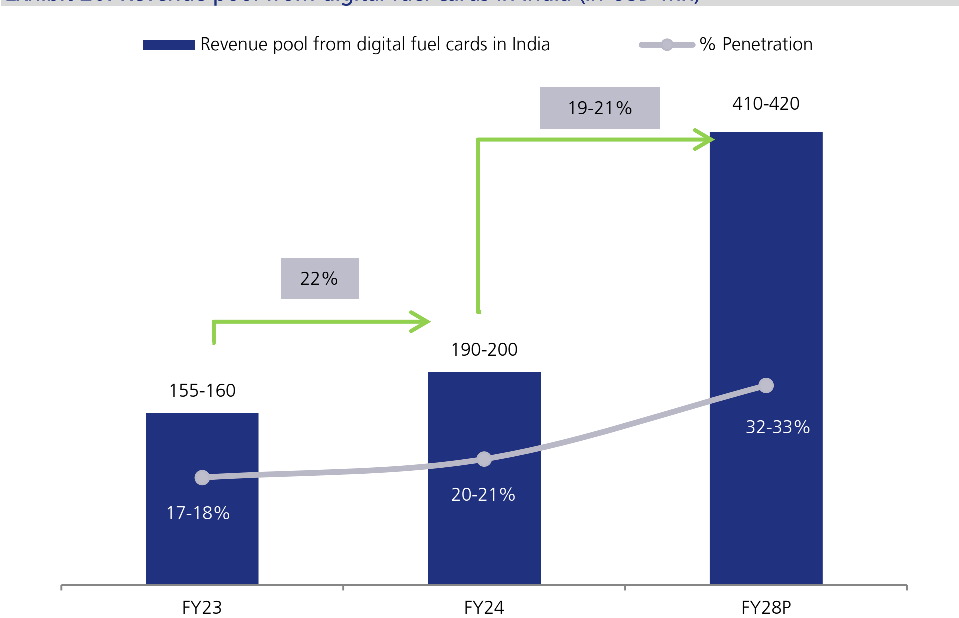
2. Fueling

Diesel consumption in India has continued to rise and reached 89mn metric tonnes (mt), growing at a CAGR of 2% over the past 5 years. Commercial vehicles, particularly trucks, account for 62-65% of overall consumption as of FY24, driven by growing number of vehicles and rising fuel prices.

Oil marketing companies (OMCs) play a crucial role in India's petroleum supply chain by distributing and selling petroleum products like diesel through a network of strategically located fuel stations nationwide. As fuel is a standardised and regulated commodity, OMCs engage in promotional activities to attract customers and expand their market share. Digital fuel cards, acting as loyalty programmes, offer incentives such as discounts, cashbacks, and reward points to encourage customer patronage. Despite these benefits, the current penetration of loyalty programmes in India stands at 20-21%, indicating substantial room for growth.

Currently, Indian fueling revenue opportunity from digital fuel cards is roughly USD 190mn-200mn, which is expected to grow at 19-21% CAGR until FY28 driven by higher vehicles and higher penetration of loyalty programmes. BlackBuck only has OEM loyalty programmes as competition in this segment.

Exhibit 26. Revenue pool from digital fuel cards in India (in USD mn)



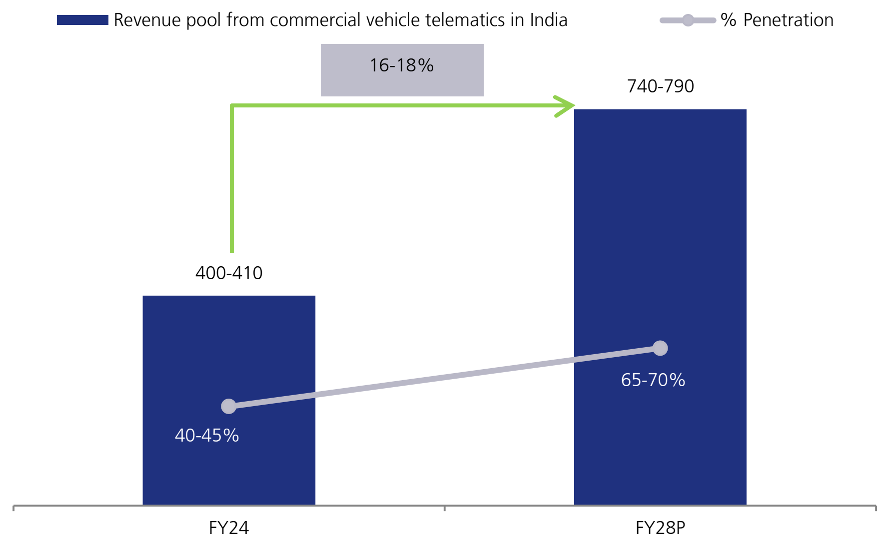
Source: Redseer estimates.

Telematics

Telematics devices enable real-time information availability for monitoring driving behaviour and optimising maintenance costs. The adoption of telematics devices in India's transportation sector has seen substantial growth. Vehicle location tracking device penetration among total trucks has increased from 15-20% in FY21 to 30-35% by FY24, with current revenue pool of approximately USD 400mn-410mn. In comparison, the opportunity size in the USA, where penetration is at 72%, amounts to USD 22bn. However, telematics penetration in India is still largely just GPS devices with advanced telematics likely to enable significantly higher monetisation.

It is anticipated that telematics device penetration in India will continue to rise over the next 4 years and companies that are first to seize this opportunity can generate significant value. These companies will need to provide pan-India service, seamless integration of diverse products and efficient service delivery such as installation and maintenance. Growth for telematics will be driven by need-based adoption, regulatory mandates and implementation of GNSS-based tolling (if and when it happens). Other than BlackBuck and Wheelseye, telematics is largely dominated by OEMs (in case of first owners) and by unorganised local players who do not have nationwide servicing capability.

Exhibit 27. Revenue pool from commercial vehicle telematics in India (in USD mn)



Source: Redseer estimates.

Loads Marketplace

Indian road freight industry is robust, amounting to approximately USD 230bn-235bn annually and moving 3.3trln ton-km as of FY24, with 9% CAGR over the past 4 years. However, it remains largely offline, reliant on multiple intermediaries who charge substantial commissions. Digital freight platforms are emerging to transform this landscape, yet adoption remains low at less than 2% penetration, despite expected growth at a CAGR of 8-9% for FY24-28. Currently, about 2.5mn digital loads are posted annually with BlackBuck, Trucksuvidha and Vahak being the key new-age players.

Challenges hindering digital adoption among truckers include lack of awareness and trust in digital platforms, concerns over payment reliability, and infrastructural limitations such as inadequate internet connectivity and technology literacy.

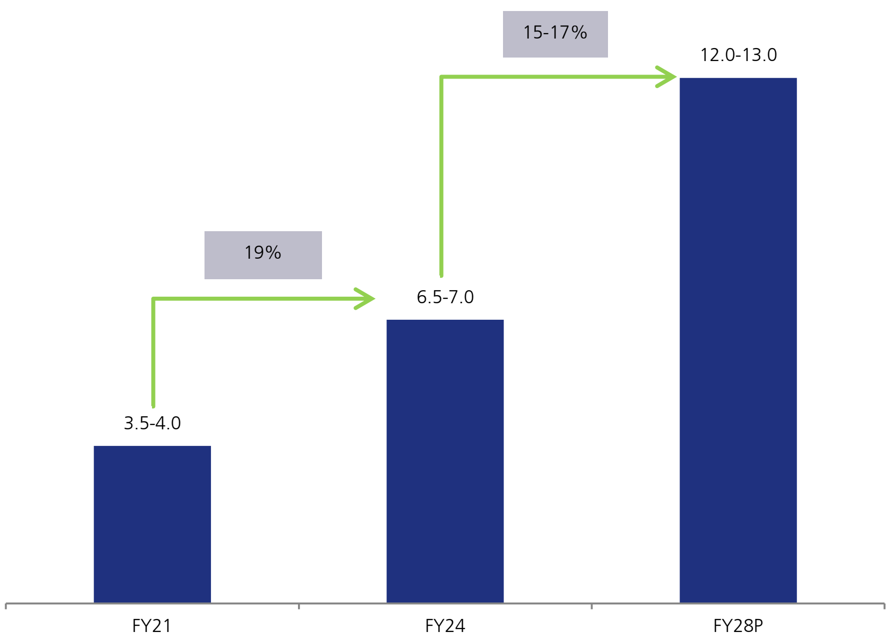
Monetisation of digital platforms can occur through subscriptions, where both shippers and truck operators pay for access to services facilitating load matching and operational features. Subscription plans priced at INR 5,000-10,000 per month could potentially generate a revenue pool of USD 3.5bn-4.0bn annually. Alternatively, platforms can charge commissions, mirroring offline practices (8-10%), potentially resulting in a revenue pool of USD 8bn-13bn. Digital platforms promise higher utilisation rates for truck operators and streamline payments, reducing cash transactions and enhancing operational control and security.

Commercial Vehicle Financing

The market for used vehicle financing in India is substantial, estimated at USD 54bn-56bn in FY24, accounting for 63% of the vehicle financing market. Currently, a significant portion (55-60% as of FY24) of this market is served by unorganised financiers who charge high interest rates ranging from 24% to 40%. However, there has been a trend towards organisation in this sector over the past decade with the rise of NBFCs (non-banking finance companies) and fintech players.

In FY24, the revenue pool, representing the difference between interest income and expenses, stands at approximately USD 6.5bn-7.0bn. Looking ahead, this market is projected to grow significantly, reaching USD 12bn-13bn by FY28 as more financiers enter the organised space and competition increases. Furthermore, with education levels and digital awareness of truckers rising along with an increase in scale, they will also look to explorer more efficient ways of financing their purchases. Players such as BlackBuck can be key to this adoption as they can leverage operational data to enable loans for truckers who might not have the desired credit history considering cash transactions.

Exhibit 28. Revenue pool for used commercial vehicle financing in India (in USD mn)



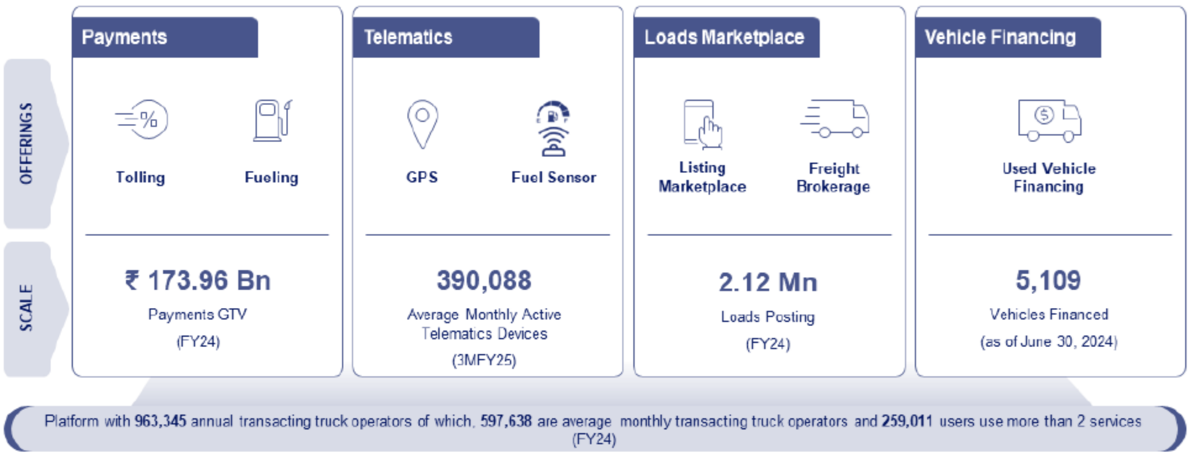
Source: Redseer estimates

Other than these above-mentioned opportunities, there also remains the potential of other services such as buying and selling of trucks, driver sourcing, insurance services, repairs and maintenance and aftermarket spares.

Business Offerings

BlackBuck app serves as a platform providing payments, telematics, loads marketplace and vehicle financing services. These solutions digitally empower truck operators and help them operate their business effectively and efficiently.

Exhibit 29. BlackBuck offerings



Source: Company

1. **Payments:** The payments platform provides solutions in relation to two significant expenses of truck operators, i.e., tolls and fuel payments, enabling truck operators to make these payments efficiently and securely through the platform.

   Tolling: The company provides tolling solutions (FASTags) in partnership with FASTag partner banks. It has largest market share in terms of tolling GTV for truck operators in India and has captured approximately 32.92% of the commercial vehicle toll market, with a GTV of INR 147.94bn in FY24, experiencing YoY growth of 47.82%. Our estimates suggest that the company has continued to gain further market share with 39% as of 2QFY25. It also has a subscription service 'FASTag Gold' for which it charges INR 500 per month. It provides value-added services to subscribers such as guaranteed double deduction refund, priority customer support and protection from getting blacklisted at the toll plaza through auto-recharge and free tag replacement.
   Fueling: The company provides fueling payments solution through an easy-to-use cashless fuel payments platform, in partnership with select oil marketing companies ("OMCs"). It is the largest fuel loyalty management platform for truck operators in India collaborating with multiple OMCs with coverage at 72% of total fuel stations in India.

2. **Telematics:** The company offers telematics solutions for truck operators that provide real-time visibility into fleet movement, route optimisation and enhanced fuel management, with the aim of increasing savings and efficiency. It provides vehicle tracking and fuel monitoring solutions on its platform. It is one of the largest players in the vehicle tracking market in India, with 390,088 average monthly active telematics devices in Q1FY25.

3. **Loads marketplace:** Loads marketplace efficiently matches truck operators (who need loads) with shippers (who are looking for trucks) across commodities, load weights, truck types and distance ranges. BlackBuck is India's largest digital freight platform with 2.12mn digital loads posted in FY24 as per Redseer report. Through its listing marketplace, registered shippers post loads on the BlackBuck Transporter mobile application ("BB Transporter App") to find a truck. The BlackBuck app then provides recommendation-based loads to truck operators, matching available trucks to shippers. In Jan'24, the company also started piloting a freight brokerage business, an extension of its listing marketplace where it enables end-to-end logistics transactions for shippers. For the freight brokerage business model, the company leverages the listing marketplace to discover trucks that meet the shippers' requirements, negotiate the price and payment terms, and handle fulfillment responsibilities with the truck operator, on behalf of shippers.

4. Vehicle financing: The company enables truck operators in buying used commercial vehicles or in availing financing on an existing vehicle by providing financing solutions. It provides loans via either partnership model, by sourcing borrowers and assisting in execution of vehicle loans on behalf of its financial partners (over 92.49% of the total vehicle financing loans disbursed as on 31st Mar'24 through this model) and own book model, providing vehicle financing through its wholly owned NBFC subsidiary, BlackBuck FinServe Private Limited ("BFPL"). As on 31st Mar'24, approximately 7.51% of the vehicle financing loans has been disbursed from its own account through BFPL.

Revenue Model

1. Revenue from Payments

Tolling: The revenue model involves several streams from truck operators and FASTag partner banks. Truck operators contribute through convenience fees, platform fees, and subscription charges for services provided by the platform. These fees are aimed at facilitating transactions and offering additional value-added services. The company earns subscription revenue via 'FASTag Gold', a subscription service which provides additional benefits to users.

While BlackBuck depends on FASTag partners, there is minimal stakeholder risk as the consumer belongs completely to the company and it can switch the tags in case the current partner relationship sees any major friction – most of BlackBuck's truck operators refer to their FASTag as "BlackBuck ka FASTag"

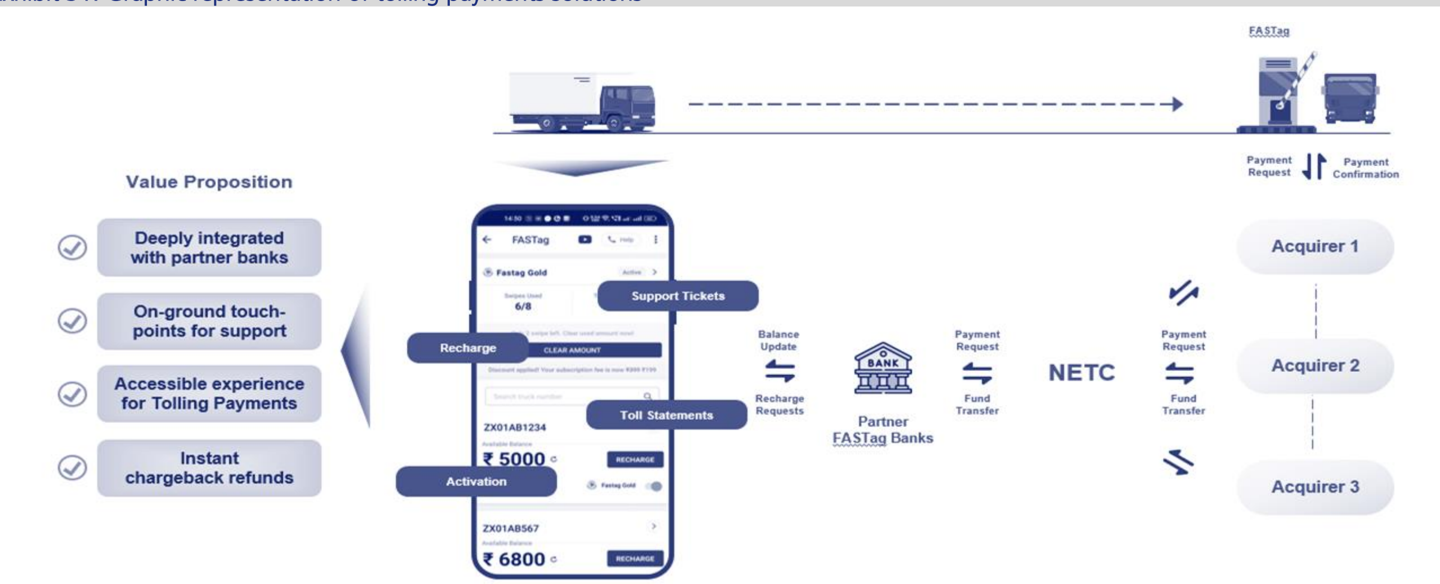
On the other hand, the platform earns commissions from FASTag partner banks based on the flowthrough of toll transactions. These commissions are contingent upon government-denominated programme management fees (PMF) associated with the FASTag programme. While this PMF was last lowered in Apr'22 to 1.0% from 1.5% earlier, the resistance from FASTag issuing banks has continued to ensure that it stays there with minimal likelihood of further drop. BlackBuck's partner FASTag issuers pass on 80-90% of PMF to the company as it manages the entire sourcing and servicing of truck operators on their behalf. This dual-income model highlights the platform's role in facilitating transactions and managing toll collections under regulatory frameworks set by the government.

Exhibit 30. Key metrics for Tolling

Tolling	FY22	FY23	FY24
GTV payments (tolling) (INR mn)	60,097	100,082	147,937
No. of transactions (in mn)	189	297	412
Market share in truck tolling	22.55%	26.42%	32.92%
Average spend by truck operator in tolls per month (INR)			16k-18k
Average swipes by truck operator on tolls per month			50

Source: Redseer estimates, Company

Exhibit 31. Graphic representation of tolling payments solutions



Source: Company

Fueling: The company generates revenue from truck operators via half-yearly subscription fees for its loyalty plan. While the company does pass back a majority of this subscription fee to the truck operators (recognises only net fee as revenue), it is still determined to charge it as it ensures that the truckers identify the service as a premium plan.

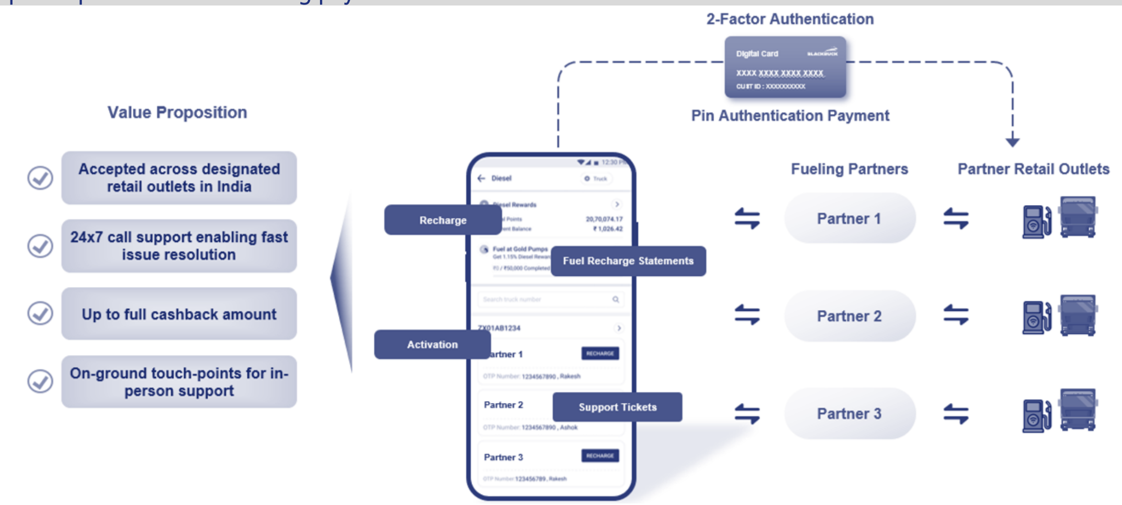
In addition to subscription fees, the company earns commission from its OMC (Oil Marketing Company) partners. These commissions are determined by two main factors: monthly volume of fuel consumed and the monthly transaction value of fuel purchased through the company's platform. Furthermore, the company negotiates with certain fuel retailers who pass on incremental cashback directly to the truck operators.

Exhibit 32. Key metrics for fueling

Fueling	FY22	FY23	FY24
GTV payments (fueling) (INR mn)	19,935	21,864	26,025
No. of transactions (in mn)	1.39	1.36	1.50

Source: Company

Exhibit 33. Graphic representation of fueling payments solutions

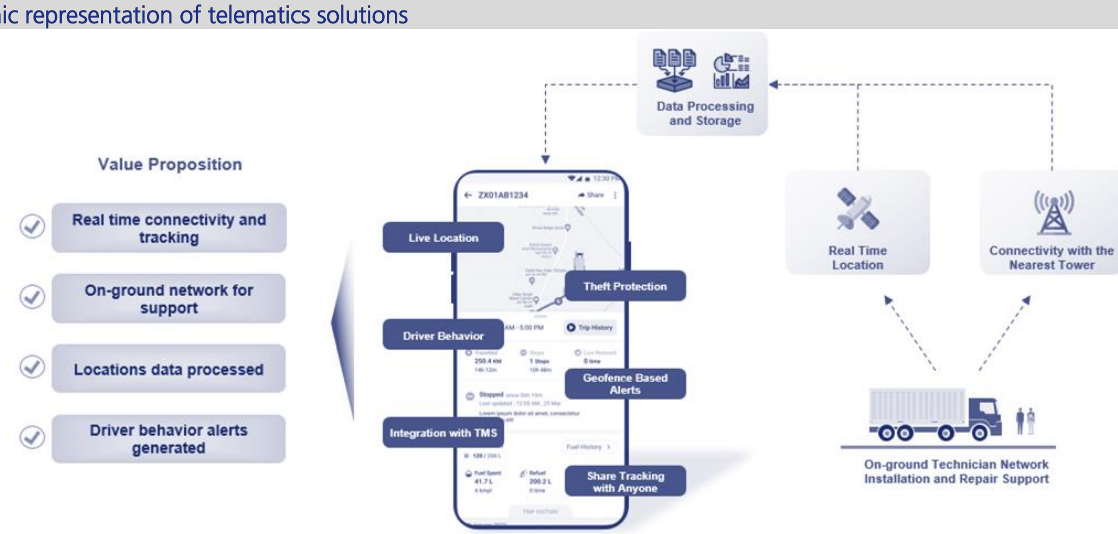


Source: Company

2. Revenue from Telematics

Revenue from telematics offerings is generated through subscription fees charged to truck operators for telematics devices or fuel sensors. The company charges INR 3.5k-4.0k annually in year 1 of subscription (includes the cost of device, sim recharge and servicing) that drops to INR 2.2k-2.5k post renewal. The growth trajectory of its telematics services also hinges on the effectiveness of its sales and distribution network, as well as efforts to bolster overall customer satisfaction and experience. These strategies aim to sustain and amplify revenue streams derived from telematics subscriptions over time.

Exhibit 34. Graphic representation of telematics solutions



Source: Company

Exhibit 35. Key metrics for Telematics

Telematics	FY22	FY23	FY24
Average monthly active telematics devices	101,560	284,098	356,050
Penetration for vehicle location tracking solutions in trucks in India			40-45%

Source: Redseer estimates, Company

3. Revenue from Loads marketplace

Listing marketplace: The revenue model for the listing marketplace involves shippers purchasing subscription plans to access the platform (BB Transporter app) for posting loads. Subscription plans vary with a combination of number of loads posted and subscription validity period (3 months, 6 months, or 12 months).

For truck operators, a "freemium" model (basic features are provided to customers at no cost and a premium is charged for supplemental or advanced features) has been in place since Oct'23. Truck operators can choose subscription plans of varying durations (3 months, 6 months, or 12 months) with unlimited usage. Subscribed truck operators receive dedicated support from a relationship manager to enhance their truck utilisation and ensure timely freight payments from shippers.

Freight brokerage: Under the freight brokerage revenue model, the company collects the freight amount from the shipper and subsequently settles payments with the truck operator. The company's revenue is derived from the difference between the amount collected from the shipper and the amount paid to the truck operator, representing its commission. This model enables the company to earn a higher take-rate due to its end-to-end responsibility in managing logistics transactions on behalf of shippers.

Exhibit 36. Key metrics for Loads Marketplace

Loads marketplace	FY23	FY24
No. of loads posted	0.63	2.12
Monthly transacting shippers	3,587	6,598
Monthly active truck operators of loads marketplace	25,539	71,518

Source: Company

4. Revenue from Vehicle Financing

The revenue model for the vehicle financing business involves generating income primarily through loan service fees. These fees are derived from the total interest charged on loans to borrowers, minus an agreed-upon rate of interest between the company and its financial partners. Additional revenue comes from various fees associated with loan disbursal and collections, which may be either partially or fully retained.

Currently, the company partners with TVS Credit and Shivalik Small Finance for loan distribution considering the borrowers have relatively muted credit history. Getting a scheduled bank as a partner can be a game-changer

The company typically earns a percentage of the loan service fees and other charges monthly, while payment of some portion of the loan service fee, in case of certain partners is deferred and paid depending on performance of the portfolio.

Moreover, through its own book model, the company generates revenue from interest income and fees related to loan processing. This approach allows the company to effectively monetise its vehicle financing activities, leveraging both fixed and performance-based revenue streams.

Exhibit 37. Key metrics for Vehicle Financing

Vehicle financing	June'22- Mar'24
No. of loans disbursed	4,035
Loan disbursal amount (INR mn)	1,968
AUM (as of) (INR mn)	1,602

Source: Company

Potential impact of GNSS-based tolling

Currently, toll collection predominantly relies on physical toll booths, where vehicles stop to pay tolls using dedicated devices such as FASTag. This system, while widely adopted, still requires vehicles to slow down, leading to delays, traffic jams (in case of tag issues) and operational inefficiencies.

What is GNSS? GNSS (Global Navigation Satellite System) based tolling presents a transformative approach to toll collection, deploying a satellite-based technology and Global Positioning System (GPS) to charge vehicles based on the actual distance travelled on the tolled roads rather than static checkpoints. This system eliminates the need for physical toll plazas, solving for traffic congestion and waiting times. Virtual toll booths along the tolled road network communicate with GPS-enabled vehicles, automatically initiating tolling and deducting the toll amount directly from the user's linked payment mechanism. This is expected to be operational on 2,000 km of highways by mid-2025, with plans to expand it to 50,000 km over the next 2 years.

What happens to FASTag? Toll charges under GNSS tolling will automatically be deducted from linked payment methods, including bank accounts, digital wallets, or FASTag. However, concerns surrounding cyber security and potential payment frauds are likely to make it unviable for customers to link their bank accounts directly. Though UPI Lite or payment wallets can be a potential alternative too, but that would be finding a solution to a problem that does not exist. Over the past 5-7 years, the Indian government, including NHAI and NPCI, have made substantial effort in creating awareness and ecosystem for FASTag with penetration reaching 98%+ and there is no reason to proactively find an alternative. In this context, we believe that **FASTag would continue to play an essential role** in the payment ecosystem, even in GNSS-based tolling.

What happens to BlackBuck if FASTag is still phased out? As highlighted above, this is an unlikely scenario and only a tail-risk. However, in case the government decides another payment mechanism, we strongly believe it will need to be such where customers recharge to maintain certain balance and direct linkage to bank account is certainly not an option. We believe this will again necessitate the need for BlackBuck to flourish due to its relationship with 1mn+ truck operators who will continue to use BlackBuck to switch to this payment mechanism. Most of BlackBuck's truck operators refer to their FASTag as "BlackBuck FASTag" and, hence, retain loyalty to the company and not to the issuer.

Is there a potential upside too? It should be noted that GNSS-based tolling requires vehicles to be equipped with On-Board Units (OBU), which serve as both tracking and data transmission device. OBU continuously monitors vehicle routes and distances to transmit data to the tolling system for billing. Vehicles entering GNSS-designated toll lanes without functioning OBU devices will potentially attract penalties, including double or more of the regular toll fee charged. The introduction of **OBUs also presents new opportunities for Blackbuck** to expand its service portfolio. OBUs, like any electronic device, would require routine maintenance and services to address downtimes and discrepancies in toll deductions – areas where Blackbuck already enjoys a head start. Furthermore, fintech companies will handle the link between the OBU and the toll charger, similar to how banks manage FASTag and, hence, there could be more value that BlackBuck can generate in this ecosystem.

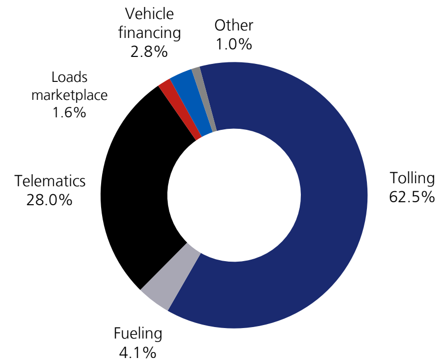
Additionally, the **mandatory integration of GPS devices** to support GNSS-based tolling also presents **tailwinds for the telematics business**. Since tolling would be distance based, accurate tracking would become vital, further increasing the demand for GPS-enabled solutions.

In conclusion, while GNSS-based tolling offers to modernise toll collection, we believe that operational challenges and friction points are inevitable. As long as tolling systems rely on sensory devices, digital payment systems and tracking technologies, Blackbuck is well-positioned to provide innovative services that address truck operators' pain points across the logistics sector.

Financial Analysis

Payments: In the Payments segment, Tolling contributes highest to overall revenue (~61% of total revenue as of 2QFY25). We expect Tolling GTV to grow at a CAGR of 23% over FY24-29E mainly driven by MTU and ARPU growth. We expect the company to continue gaining market share and account for ~50% of the market by FY29. Revenue, however, will grow faster than GTV at 28% CAGR over FY24-29E driven by increased take-rate from its value-added services such as FASTag Gold subscription, FASTag replacement fees. Similarly, for the Fueling business, we expect GTV/Revenue growth at CAGR of 18% / 26% over FY24-29E. Revenue growth is higher than GTV growth due to higher take-rate from subscription models as well as higher competitive intensity among OMCs.

Revenue split (as of FY24)



Source: Company, JM Financial

Telematics: In Telematics, we expect revenue to grow at a CAGR of 25% over FY24-29E driven by ~20% CAGR growth in active devices over the same period and slight increase in monthly subscription rate driven by increased adoption of advanced telematics.

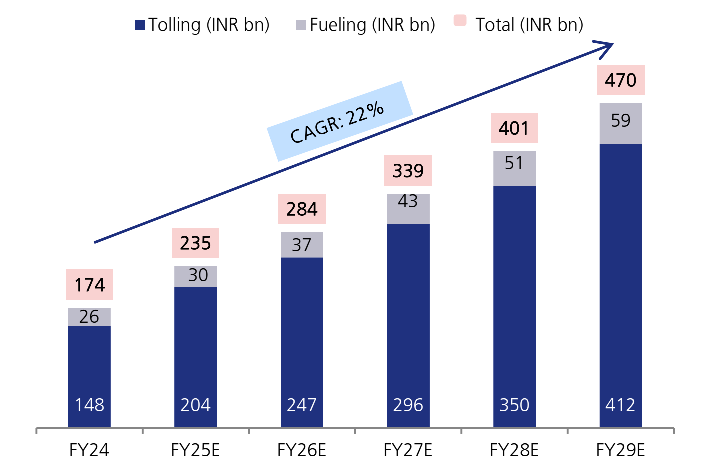
Loads Marketplace: Loads marketplace, which is the next focus area for management, is expected to grow very rapidly at a CAGR of 76% over FY24-29E. Revenue will be mainly driven by growth in transacting shippers and monthly subscription fees. This is the only business model where the company needs to invest in acquiring stakeholders as marketplace businesses need liquidity in order to drive network effects.

Vehicle Financing: The company facilitates used truck financing via partner books while also having an NBFC licence. Though it has its wholly owned NBFC subsidiary to disburse loans, only ~8% of loan disbursals are done through it as the company leverages it to experiment with underwriting models and prove their efficiencies to partner financiers. We expect this segment to grow at a CAGR of 80% over FY24-29E.

Consolidated Business: BlackBuck's consol. revenue grew at a CAGR of 58% over FY22-24 to INR 2.97bn primarily due to an increase in average monthly transacting truck operators, which led to an increase in commission income, subscription fees and service fees. The company's ability to maintain strong uptime and robust customer value proposition led to increased transactions by customers, leading to growth in the GTV for payments offering. Thanks to its superior servicing capabilities, BlackBuck has gained 40%+ market share of trucks' tolling in India. Payments and Telematics business accounted for 94.5% of the total revenue in FY24. Overall, we expect revenue to grow at a CAGR of 31% over FY24-29E, driven by 28% / 26% / 25% / 76% / 80% growth in Tolling / Fueling / Telematics / Loads Marketplace / Vehicle Financing respectively.

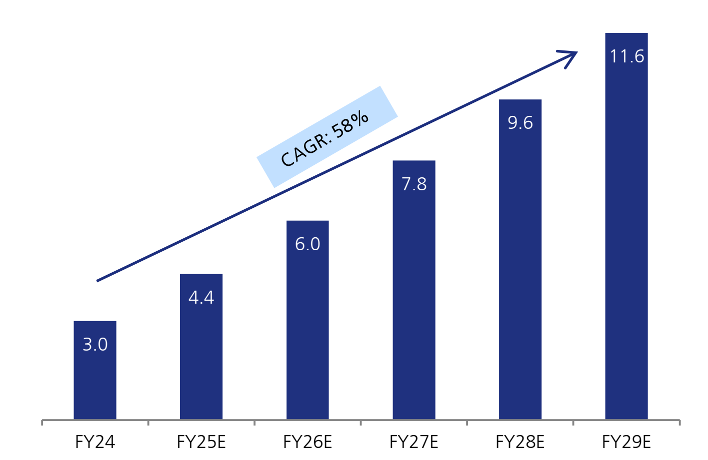
Margins and profitability: Blackbuck being a platform business is a high contribution margin business with major direct expense being employee cost associated with delivering service activities. We expect contribution margin to reach 93.3% by FY29E from 91.5% in FY24. This is expected to be driven by rising mix of higher contribution businesses (90%+) with Telematics being the only segment that has margins below 80%. Blackbuck's employee benefit expenses (ex-ESOPs) as a percentage of revenue has decreased from 166.4% in FY22 to 79.0% in FY24. We expect it to further decrease to 36.9% by FY29. Additionally, ESOP cost stood at INR 1.5bn in FY24, and we expect it to reduce to c. INR 70mn by FY29. This will lead to Adj. EBITDA of ~INR 2.9bn in FY27 at 37.9% margin with Adj. EBITDA margin reaching 46.7% by FY29E from -3% in FY24. With the company having an asset-light balance sheet, there are minimal expenses below EBITDA and hence EBITDA-PAT conversion remains above 80%. We also expect Blackbuck to breakeven at PAT level in FY26 itself. Furthermore, the company is expected to sustain a healthy EBITDA-FCF generation of 60%+, considering minimal working capital or capital expenditure requirements.

Exhibit 38. Group GMV trend



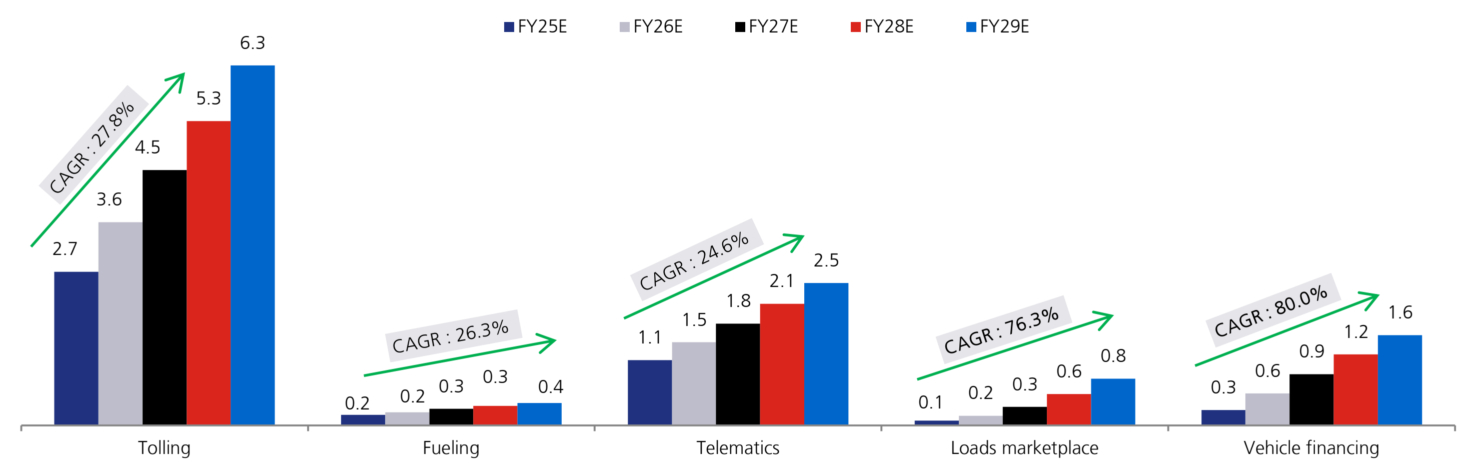
Source: Company, JM Financial

Exhibit 39. Group revenue trend (INR bn)



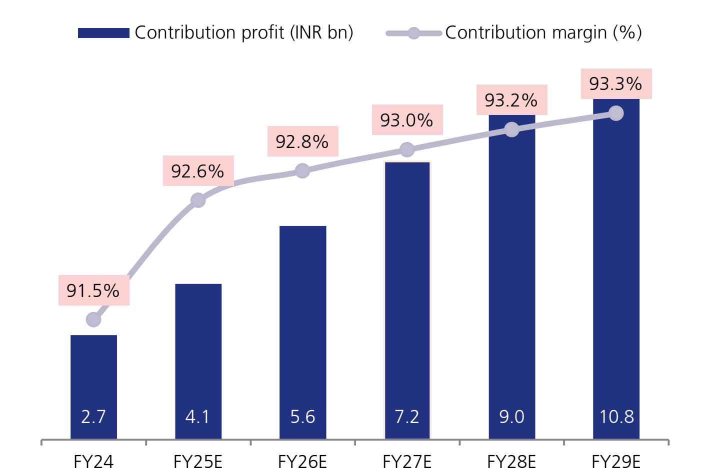
Source: Company, JM Financial

Exhibit 40. Segmental revenue forecasts (INR bn)



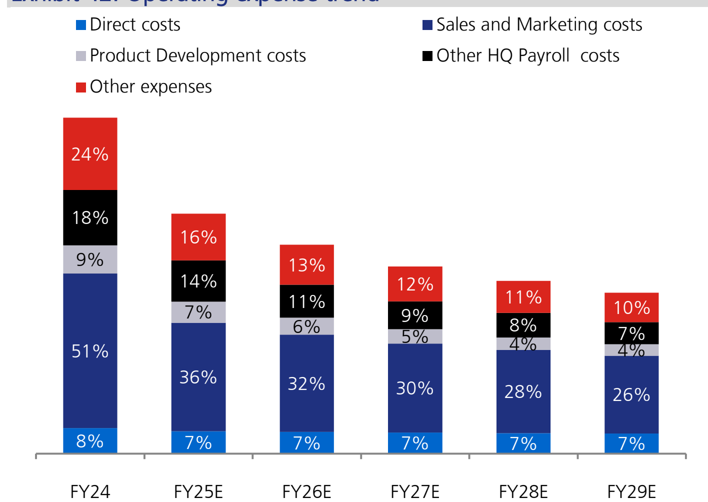
Source: Company, JM Financial estimates

Exhibit 41. Contribution margin trend



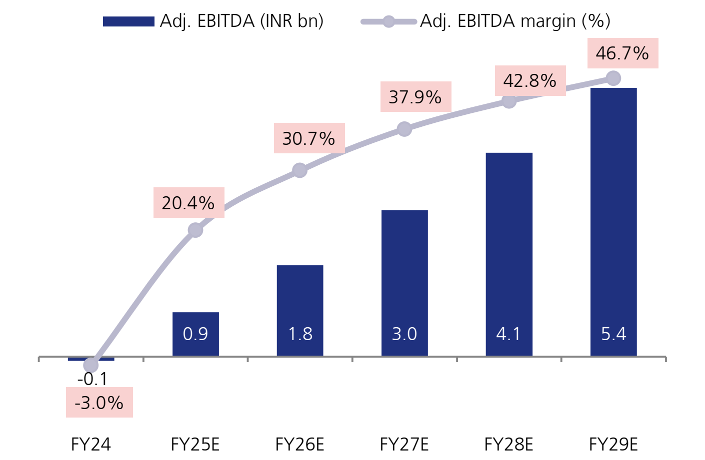
Source: Company, JM Financial

Exhibit 42. Operating expense trend



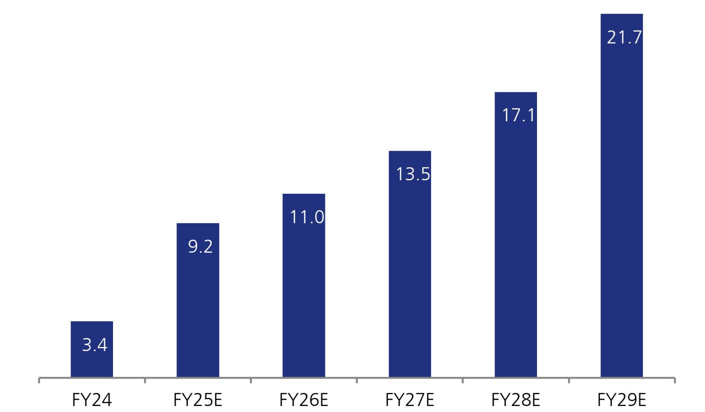
Source: Company, JM Financial. Note: Values are as % of revenue.

Exhibit 43. Adj. EBITDA trend



Source: Company, JM Financial

Exhibit 44. Cash and cash equivalents trend



Source: Company, JM Financial Note: Figures also include bank balance

Exhibit 45. Key assumptions

	FY22	FY23	FY24	FY25E	FY27E	FY29E	FY34E	FY40E	CAGR FY24-29	CAGR FY29-34	CAGR FY34-40
Tolling											
Monthly transacting users (in 000's)				582.5	737.2	906.3	1,404.0	2,181.8		9.15%	7.62%
Avg. payment per month per truck (INR)				17,500	20,017	22,811	31,150	44,563		6.43%	6.15%
GMV (INR bn)	**60.1**	**100.1**	**147.9**	**204.3**	**295.7**	**411.8**	**858.1**	**1,872.6**	**22.72%**	**15.81%**	**13.89%**
Revenue (INR bn)	0.9	1.1	1.9	2.7	4.5	6.3	13.4	29.8	27.80%	16.19%	14.25%
Gross Margin			**96.6%**	**97.3%**	**97.5%**	**97.6%**	**97.6%**	**97.6%**	**21bps**	**0bps**	**0bps**
Fueling											
Monthly transacting users (in 000's)				8.7	13.6	19.8	40.0	68.7		15.13%	9.41%
Avg. payment per month per truck (INR)				292,395	265,275	247,024	234,289	250,541		-1.05%	1.12%
GMV (INR bn)	**19.9**	**21.9**	**26.0**	**30.4**	**43.4**	**58.7**	**112.5**	**206.5**	**17.65%**	**13.92%**	**10.64%**
Revenue (INR bn)			0.1	0.2	0.3	0.4	0.8	1.4	26.26%	13.92%	10.64%
Gross Margin			**96.3%**	**97.4%**	**98.0%**	**98.0%**	**98.1%**	**98.1%**	**34bps**	**1bps**	**1bps**
Telematics											
Active devices (in 000's)	101.6	284.1	356.1	434.4	646.4	869.7	1,390.0	2,071.3	19.56%	9.83%	6.87%
Avg monthly subscription rate per device (INR)				220	231	239	258	282		1.50%	1.50%
Revenue (INR bn)			0.8	1.1	1.8	2.5	4.3	7.0	24.64%	11.48%	8.48%
Gross Margin			**78.7%**	**80.5%**	**81.0%**	**81.5%**	**81.7%**	**81.9%**	**55bps**	**6bps**	**2bps**
Loads Marketplace											
Transacting shippers (in 000's)		3.6	6.6	10.7	23.4	38.1	80.5	138.6	41.97%	16.16%	9.49%
Avg monthly subscription (INR)				454	503	543	631	721		3.06%	2.26%
Transacting truck operators (in 000's)				8.5	38.2	100.2	215.9	359.6		16.59%	8.87%
Avg monthly subscription (INR)				265	401	476	533	600		2.30%	2.00%
Revenue (INR bn)			0.0	0.1	0.3	0.8	2.0	3.8	76.34%	19.40%	11.33%
Gross Margin			**100.0%**	**99.0%**	**98.8%**	**98.8%**	**98.8%**	**98.8%**	**-25bps**	**0bps**	**0bps**
Vehicle Financing											
AUM (INR bn)			1.6	3.6	10.6	17.7	37.6	69.1	61.68%	16.27%	10.67%
Number of loans disbursed (in 000's)			4.0	6.5	12.6	17.4	28.4	42.6	33.99%	10.24%	7.00%
Avg ticket size (in INR 000's)				556	661	749	940	1,131		4.65%	3.12%
Revenue (INR bn)			0.1	0.3	0.9	1.6	3.5	6.4	79.97%	16.85%	10.84%
Gross Margin			**92.8%**	**91.8%**	**90.7%**	**90.9%**	**91.1%**	**91.2%**	**-36bps**	**4bps**	**1bps**
Group											
GMV (INR bn)	80.0	121.9	174.0	234.7	339.1	470.5	970.6	2079.1	22.02%	15.59%	13.54%
Revenue (INR bn)	1.2	1.8	3.0	4.4	7.8	11.6	23.9	48.4	31.37%	15.50%	12.48%
Gross Margin	**92.2%**	**90.7%**	**91.5%**	**92.6%**	**93.0%**	**93.3%**	**93.9%**	**94.6%**	**36bps**	**12bps**	**11bps**
EBITDA Margin	-196.6%	-132.3%	-53.3%	16.3%	36.1%	46.1%	56.1%	62.0%	1989bps	201bps	98bps
Adj. EBITDA Margin	**-121.3%**	**-100.1%**	**-3.0%**	**20.4%**	**37.9%**	**46.7%**	**56.4%**	**62.3%**	**994bps**	**195bps**	**97bps**

Source: Company, JM Financial estimates

Valuation Methodology

We initiate on Blackbuck with a BUY rating and a Mar'26 TP of INR 570

Zinka Logistics Solutions (BlackBuck) is India's largest digital platform for truck operators. The platform serves as a comprehensive solution addressing inefficiencies in India's fragmented and unorganised trucking sector. With a full-stack digital ecosystem as well as strong on-ground servicing capability, BlackBuck has become a one-stop solution for truck operators. BlackBuck's services include digital payments for tolling and fueling, telematics for fleet management, load matching via a marketplace, and financing for used vehicle purchases. These services are designed to empower truck operators, improve operational efficiency, and enhance income stability. With a strong focus on digitisation, BlackBuck has an asset-light, scalable model that benefits from increasing digital adoption in logistics. As more truckers shift to digital payments and tech-driven fleet management, BlackBuck is well-positioned to grow its market share and expand revenue streams. The company's ability to leverage data for better matchmaking and financial services further strengthens its competitive edge.

We forecast BlackBuck to deliver 31% FY24-29E revenue CAGR, driven by continued increase in tolling and fueling payments GTV, increased penetration of telematics devices, and scaling of loads marketplace and vehicle financing business. With 1mn+ annual transacting truck operators on the platform, the company has a compelling cross-sell opportunity. There is no like-to-like competition in any business besides Wheelseye in telematics and Trucksuvidha and Vahak in load matching, though these players continue to be relatively small. The company has 70-90% contribution margin with major direct expense being employee cost associated with delivering service activities. Hence, strong operating leverage will lead to rampant EBITDA margin expansion, reaching 46% in FY29E from 19% as of 2QFY25.

Considering the sustained cash flow generation and deep penetration potential, we value BlackBuck using DCF methodology, arriving at a Mar'26 TP of INR 570, implying 42x / 33x FY27E EPS / Adj. EBITDA multiple. We initiate with a BUY rating.

Exhibit 46. Valuation comps: BlackBuck vs. Global / Indian SaaS / logistics tech companies

				EV / Revenue (x)			Rev CAGR	EV / EBITDA (x)			EBITDA CAGR	P / E (x)			EPS CAGR
Company	Listed Country	MCap (USD bn)	EV (USD bn)	CY24E/ FY25E	CY25E/ FY26E	CY26E/ FY27E	25-27E	CY24E/ FY25E	CY25E/ FY26E	CY26E/ FY27E	25-27E	CY24E/ FY25E	CY25E/ FY26E	CY26E/ FY27E	25-27E
BlackBuck*	India	0.8	0.8	15.8x	11.6x	8.9x	33%	97.0x	43.5x	24.6x	99%	nm	46.9x	29.7x	nm
Global comps															
Atlassian	USA	69.6	68.3	9.4x	7.8x	6.5x	20%	38.6x	31.1x	24.4x	26%	91.1x	74.2x	59.9x	23%
Edenred	France	8.4	10.0	3.4x	3.1x	2.9x	8%	7.6x	7.1x	6.6x	7%	15.8x	14.2x	12.7x	12%
Finserv	USA	122.8	147.5	7.7x	7.1x	6.7x	7%	16.1x	14.6x	13.4x	9%	24.7x	21.2x	18.2x	16%
FLEETCOR	USA	27.0	33.5	8.3x	7.4x	6.7x	11%	15.3x	13.5x	12.2x	12%	20.0x	17.3x	14.8x	16%
Salesforce	USA	328.8	328.2	8.6x	7.9x	7.2x	9%	22.1x	20.1x	18.8x	9%	34.2x	30.6x	26.9x	13%
Snowflake	USA	59.2	57.6	16.2x	13.2x	10.8x	23%	180.3x	130.9x	86.7x	44%	255.3x	179.9x	122.5x	44%
Workday	USA	69.2	65.4	6.2x	5.5x	4.8x	13%	21.3x	17.7x	14.7x	20%	36.7x	31.3x	25.9x	19%
Zscaler	USA	31.1	29.7	11.2x	9.3x	7.7x	20%	45.9x	36.2x	29.1x	26%	67.9x	56.8x	46.1x	21%
India SaaS Comps															
MapMyIndia	India	1.1	1.0	19.0x	14.4x	11.2x	30%	49.3x	37.2x	28.6x	31%	61.8x	46.1x	35.2x	32%
Rategain	India	1.0	0.9	7.1x	6.0x	5.0x	18%	33.3x	26.7x	21.8x	24%	39.5x	32.7x	26.9x	21%
Zaggle	India	0.7	0.7	5.3x	4.1x	3.1x	31%	58.1x	41.0x	30.5x	38%	74.9x	51.6x	39.3x	38%
India Internet															
Affle	India	2.5	2.3	8.9x	7.5x	6.3x	15%	43.3x	35.1x	28.8x	23%	57.8x	45.3x	37.0x	25%
CarTrade	India	1.4	1.3	11.9x	10.0x	8.4x	0%	52.2x	36.3x	26.3x	41%	64.8x	46.0x	34.4x	37%
Delhivery	India	3.9	3.7	2.4x	2.0x	1.7x	0%	47.7x	25.0x	16.4x	70%	151.5x	80.5x	44.1x	85%
FirstCry	India	3.0	3.0	3.5x	2.9x	2.4x	18%	99.3x	62.8x	31.3x	78%	-331.0x	nm	102.9x	nm
IndiaMART	India	1.5	1.2	7.3x	6.5x	5.9x	0%	19.5x	17.8x	16.9x	7%	27.0x	25.7x	24.2x	6%
Info Edge (standalone)	India	11.6	11.1	28.0x	24.3x	20.8x	0%	68.2x	56.8x	46.1x	22%	71.1x	51.0x	41.3x	31%
Nykaa	India	5.8	5.8	6.4x	4.9x	3.8x	29%	105.5x	60.7x	39.1x	64%	nm	166.0x	79.0x	171%
Paytm	India	5.5	4.0	4.8x	3.5x	2.7x	23%	-26.1x	767.1x	25.3x	nm	-38.6x	368.4x	41.6x	nm
PB Fintech	India	9.1	8.7	14.8x	11.4x	9.2x	27%	nm	135.8x	68.7x	380%	299.2x	114.8x	71.8x	104%
Swiggy	India	11.3	10.3	6.7x	5.1x	4.0x	34%	-41.0x	-69.8x	266.0x	nm	-41.4x	-62.8x	nm	nm
Zomato	India	26.3	24.9	10.7x	7.5x	5.9x	34%	282.5x	130.6x	62.5x	113%	369.6x	125.5x	63.5x	141%

Source: Bloomberg, JM Financial. Note: *JMFL estimates, rest are Bloomberg consensus estimates. Valuation as of 1st Feb 2025.

Comparing Blackbuck to other listed New-Age companies

While there is no like-to-like comparable for Blackbuck in the listed space, comparisons with other new age companies are inadvertent considering the growth and margin expansion profile. BlackBuck, a leading digital platform for truck operators in India, stands out among new-age companies due to its strong financial and operational performance in the current business model. The company is projected to have 49.2% EBITDA margin by FY30E, significantly higher than other internet-based businesses. This indicates that BlackBuck has a robust operating leverage, primarily driven by 80-90% contribution margin and recurring nature of revenue. Additionally, the company's 31.4% revenue CAGR over FY24-29E shows that it is expanding rapidly, driven by increased digital adoption in the trucking sector.

One of BlackBuck's biggest advantages is its high customer loyalty and full-stack solution evident from its customer retention cohorts (see Exhibit 2 and 3) owing to its superior servicing abilities. Truckers and shippers rely on the platform for consistent business, making them less likely to switch to competitors. In contrast, platforms such as Swiggy and Zomato face constant pressure to attract and retain customers due to high competition and price sensitivity. This low competitive intensity in BlackBuck's industry gives it more stability and reduces the need for higher marketing expenses.

Another key strength is BlackBuck's ability to improve profitability over time. Between FY20 and FY24, its EBITDA increased by 43%, showcasing strong operating leverage. This means that as revenue grows, profits rise even faster due to better cost efficiency. This is a testament to the company's digital servicing capabilities while enabling physical servicing in a variable cost model.

However, one challenge for BlackBuck is relatively lower revenue opportunity in the current business models due to the limited serviceable market size despite having a large TAM. As most of the company's businesses generate a few basis points of the transaction value, there remains an attempt to ramp-up transaction-driven business models. Despite this, BlackBuck's strong margins and cost advantages position it as a resilient player in the new-age business space.

Exhibit 47. BlackBuck vis-à-vis other new-age B2C stocks

	BlackBuck	CarTrade	firstcry	Nykaa	policybazaar	Swiggy	zomato
FY30E EBITDA Margin (Pre Ind AS)	49.2%	37.1%	10.6%	13.0%	20.8%	9.1%	14.4%
FY24-29E Revenue CAGR	31.4%	20.5%	19.8%	26.0%	27.1%	25.8%	34.1%
Capital Expenditure (% of FY24 Revenue)	8%	1%	5%	2%	2%	3%	2%
Working Capital (% of FY24 Revenue)	-11%	8%	15%	16%	3%	1%	-8%
Marginal Incremental Profitability (FY20-FY24)	43%[1]	24%	4%[2]	6%	17%	25%[3]	27%
Revenue Predictability	Medium	Medium	Low	Low	High	Low	Low
Customer Loyalty	High	Medium	High	High	Medium	Low	Low
Serviceable Market Size	Medium	Low	Medium	Medium	Medium	High	High
Competitive Intensity	Low	Low	Low	Medium	Low	High	High

Source: Company, JM Financial. Marginal Incremental Profitability is defined as the change in EBITDA during this period divided by the change in Revenue. Note: 1) Over FY21-24 as Pro Forma not available for FY20; 2) Over FY22-24 as prior data not available.

When comparing the current trading valuations on FY27 pre Ind AS EBITDA multiple (appropriate multiple considering it takes into account ESOP expenses as well as rental payments while not including treasury income), BlackBuck trades at a discount to most other internet companies. Despite demonstrating superior marginal incremental profitability over FY20-24, we believe such discrepancy is largely attributable to the fact that the company has just turned profitable and the markets still need to build conviction on its abilities to deliver profitable growth, and lower scale in the next focus areas such as loads marketplace and vehicle financing.

Exhibit 48. Valuation in comparison of other new age peers

Company	Revenue			Pre Ind AS EBITDA			PAT			CMP (29 Jan, 2025)	Market Cap (INR bn)	EV (INR bn)
in INR Mn	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E			
BlackBuck	4,380	5,986	7,785	713	1,590	**2,812**	-1,922	1,604	2,528	403	75	74
At CMP	16.8x	12.3x	9.4x	103.1x	46.3x	**26.1x**	-38.3x	45.8x	29.1x			
CarTrade	6,501	7,747	9,186	1,117	1,772	**2,553**	1,292	1,817	2,431	1,758	90	86
At CMP	13.2x	11.0x	9.3x	76.6x	48.3x	**33.5x**	66.2x	47.1x	35.2x			
Delhivery	94,362	111,642	131,158	1,330	5,032	**8,586**	1,574	2,962	5,410	321	257	202
At CMP	2.1x	1.8x	1.5x	152.3x	40.2x	**23.6x**	128.6x	68.4x	37.4x			
FirstCry	70,151	84,244	100,672	164	1,668	**5,606**	-1,316	118	2,828	507	263	267
At CMP	3.8x	3.2x	2.7x	nm	160.1x	**47.6x**	-202.9x	nm	94.4x			
Nykaa	79,752	103,370	131,995	3,271	6,444	**10,744**	839	2,998	6,362	176	504	507
At CMP	6.4x	4.9x	3.8x	154.9x	78.6x	**47.2x**	603.5x	169.0x	79.6x			
Paytm	72,384	98,770	124,167	-13,309	446	**13,050**	-13,062	1,369	12,141	744	474	377
At CMP	5.2x	3.8x	3.0x	-28.4x	nm	**28.9x**	-28.9x	nm	31.1x			
PB Fintech	49,343	62,988	77,974	-394	4,656	**9,545**	2,771	7,024	11,131	1,712	836	794
At CMP	16.1x	12.6x	10.2x	nm	170.6x	**83.2x**	286.7x	113.1x	71.4x			
Swiggy	151,454	199,615	250,796	-27,477	-17,943	**15**	-26,391	-17,376	479	435	974	931
At CMP	6.1x	4.7x	3.7x	-33.9x	-51.9x	**nm**	-35.3x	-53.6x	nm			
Zomato	200,796	287,420	362,629	4,205	11,706	**28,487**	6,170	18,168	35,898	236	2,086	1,964
At CMP	9.8x	6.8x	5.4x	467.1x	167.8x	**68.9x**	318.3x	108.1x	54.7x			

Source: Company, JM Financial estimates. Note: Valuation as of 1st Feb 2025.

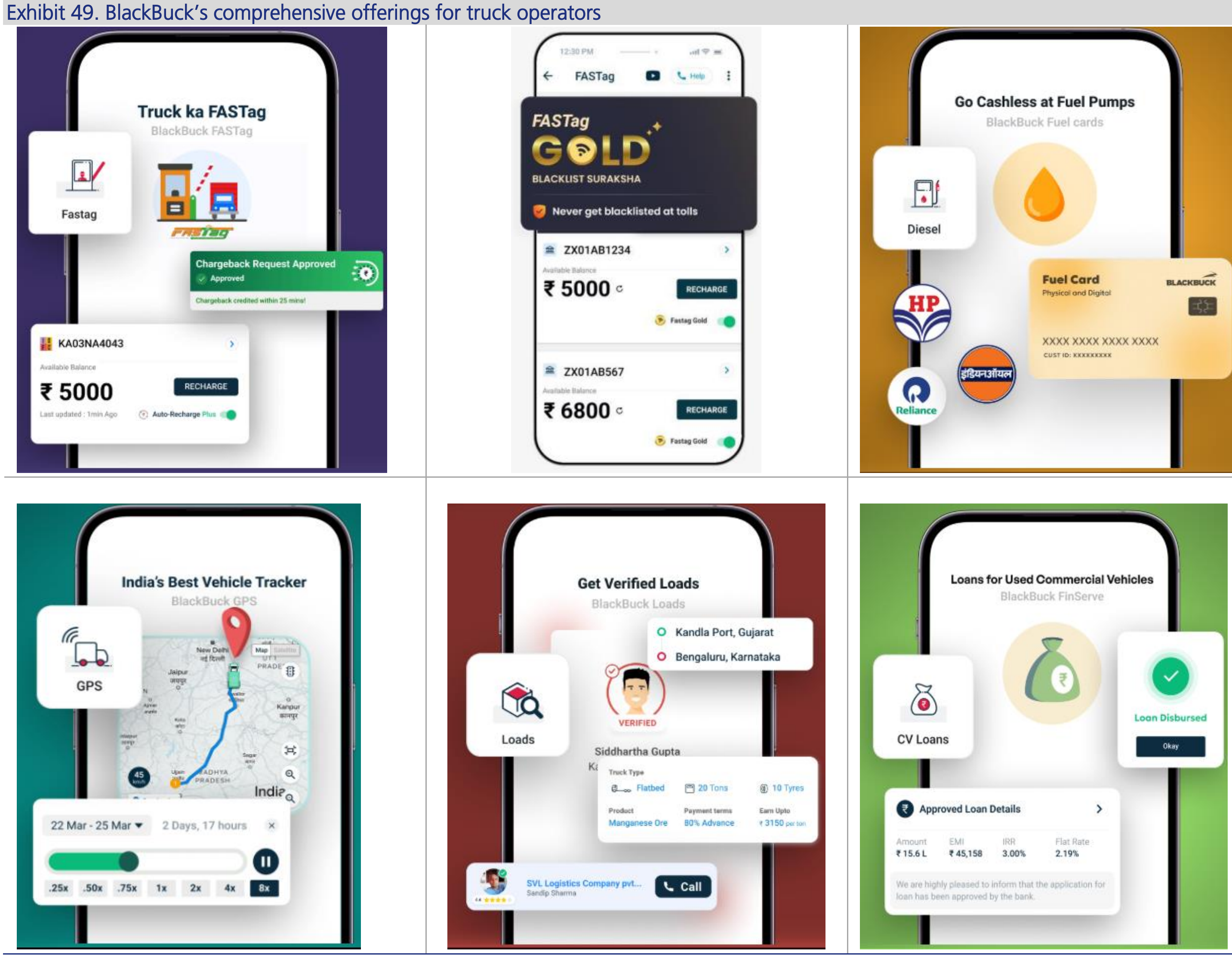
Key Risks

- Dependence on strategic partners: The company significantly relies on key strategic partners for a substantial portion of its revenue. In the payments offering, one specific partner contributes to 45.26% of total revenue. This heavy dependence poses a significant risk; if the company were to lose this partner, it could severely impact its revenue stream and overall financial performance. The inability to maintain or replace such partners could lead to a material adverse effect on the company's business and operations.
- Revenue concentration: A large majority of the company's revenue is concentrated in its payments and telematics offerings, which together account for 94.53% of the total revenue. This high concentration makes the company vulnerable to any adverse developments in these specific areas. Any significant reduction in demand, changes in market conditions, or operational issues affecting these offerings could have a disproportionately large negative impact on the company's overall financial health and business prospects.
- Dependence on suppliers: The company relies on a limited number of key suppliers for its vehicle tracking solutions, with some of these solutions being imported. This dependence on specific suppliers introduces risks related to supply chain disruptions. Factors such as geopolitical issues, trade restrictions, or supplier-specific problems could hinder the company's ability to obtain necessary components. Any disruption in the supply chain could delay operations, increase costs, and negatively affect the company's ability to provide services to its customers.
- Seasonality of business: Seasonality significantly impacts the company's payments and loads marketplace offerings, with a notable reduction in demand during the monsoon season due to logistical disruptions. This seasonality leads to financial fluctuations and operational challenges that require strategic adaptations and effective communication with customers and partners. By diversifying services and implementing resilience measures, the company can better manage the seasonal impact and maintain more consistent performance throughout the year.
- Regulatory risks: Operating in an industry subject to various evolving laws and regulations, the company faces significant regulatory risks. Compliance with these regulations is crucial, and any failure to do so could result in legal penalties, increased operational costs, or restrictions on business activities. The dynamic nature of regulations, particularly in sectors like payments and telematics, means that the company must continuously adapt to remain compliant. Non-compliance could lead to severe repercussions, including damage to reputation and financial stability.
- Vehicle financing risks: The company's vehicle financing offering is inherently risky due to the high-risk nature of the borrowers and the challenges associated with collateral recovery. This aspect of the business exposes the company to potential defaults, which could lead to financial losses. Effective risk management strategies are crucial, but the inherent uncertainties in lending to high-risk segments mean that the company remains vulnerable to potential financial setbacks. Any deterioration in the performance of the vehicle financing portfolio could adversely impact the company's financial condition and profitability.
- Legal proceedings: The company, its promoters and directors are involved in various ongoing legal proceedings. These legal issues span a range of areas and their outcomes are uncertain. Adverse judgments or settlements could result in significant financial liabilities, negatively impacting the company's financial position. Additionally, legal disputes can divert management's attention and resources away from core business activities, potentially hampering operational efficiency. The reputational damage from negative legal outcomes could also affect customer and investor confidence, further exacerbating the company's challenges.

Company Background

BlackBuck (Zinka Logistics Solutions Limited), founded in 2015, is a Bengaluru-based company addressing truck operators' pain points and providing one-stop solution for all their needs. It was established by Rajesh Kumar Naidu Yabaji, Chanakya Hridaya, and Ramasubramanian Balasubramaniam with the vision of digitising India's trucking ecosystem. The company offers a comprehensive solution to its customers, allowing them to digitally manage payments for tolling and fueling, monitoring drivers and fleets using telematics, finding loads via its marketplace and financing for used vehicles purchases, through its mobile app 'BlackBuck App'. As of 2QFY25, BlackBuck is India's largest digital platform for truck operators (in terms of number of annual active transacting customers), serving ~0.7mn monthly transacting truck operators (which constitutes ~20% of India's truck operators). Furthermore, BlackBuck has continued to gain tolling market share in FY25 as well with 2QFY25 market share at c.39%. Additionally, BlackBuck has been at the forefront of leveraging AI / ML to enhance fleet efficiency and reduce costs. BlackBuck's strategic initiatives, including expansion into Tier-2 and Tier-3 cities and the development of multi-modal logistics solutions, underscore its commitment to addressing India's complex logistics challenges. The company employs an omni-channel strategy for customer onboarding and servicing, leveraging a combination of an on-ground sales force, channel partners and telesales, along with a robust digital ecosystem.

Exhibit 49. BlackBuck's comprehensive offerings for truck operators



Source: Company website

Exhibit 50. BlackBuck remains the largest full-stack tech platform for truck operators with multiple scaled businesses

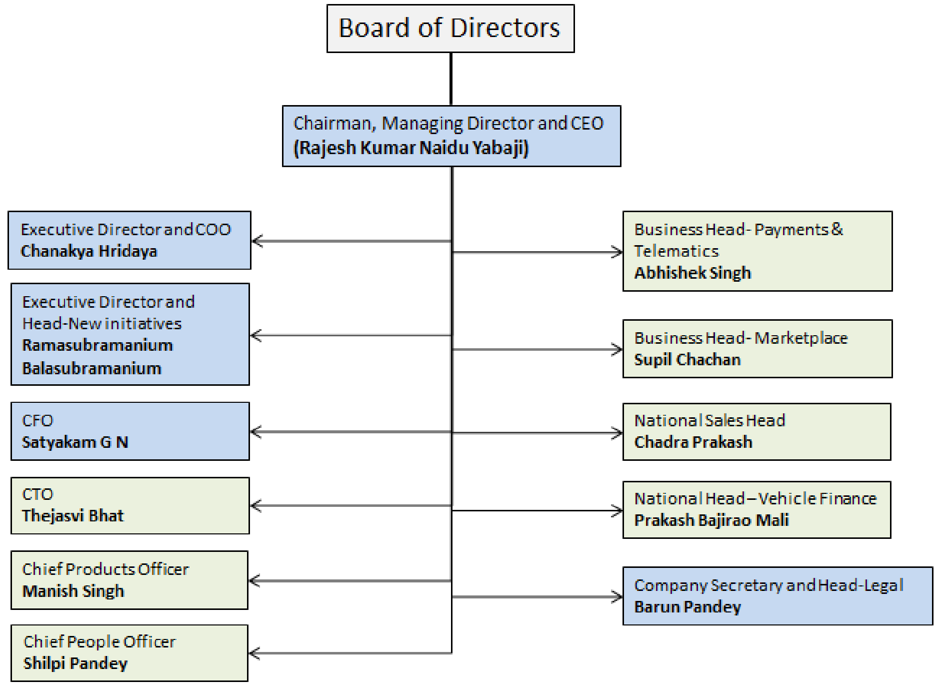
Source: Company

Exhibit 51. Brief timelines

Financial Year	Particulars
2015	Incorporation of the Company
2015	First Institutional fund raise led by Accel India IV (Mauritius) Limited
2017	Launch of Fleet Management Services
2019	Launch of Payments business for commercial vehicle tolling and fueling
2021	Launch of Telematics business for vehicle tracking
2022	Launch of Vehicle Financing business
2023	Launch of Loads Marketplace business
2023	Received NBFC license for subsidiary BlackBuck Finserve Private Limited
2024	Established presence across >80% districts in India with 0.96mn transacting users
2024	Launch of Freight Brokerage business
2024	Launch of Fuel Monitoring offering
2024	Crossed INR 2bn in revenue
2024	Public listing on 22nd November

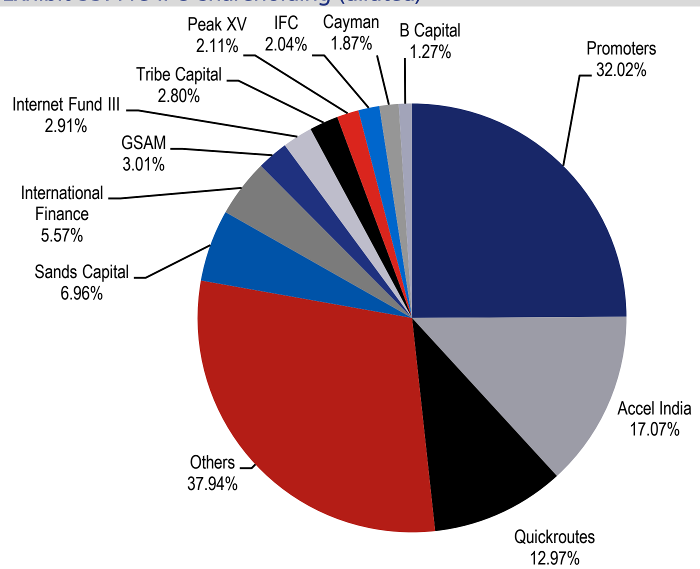
Source: Company, JM Financial

Exhibit 52. Management organisation structure



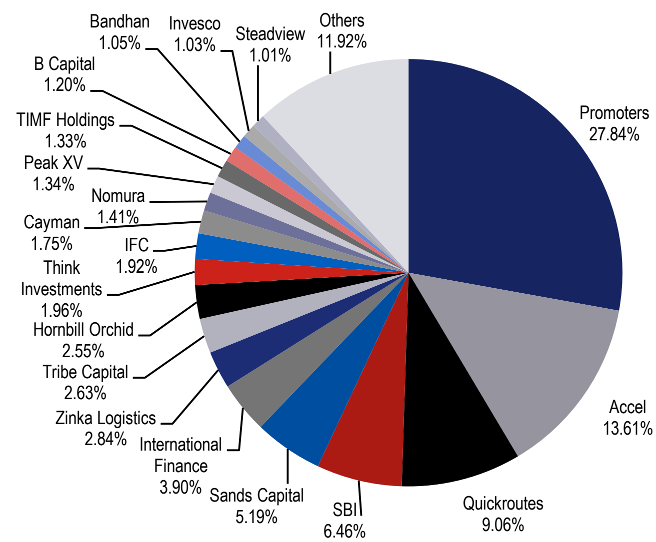
Source: Company, JM Financial

Exhibit 53. Pre-IPO shareholding (diluted)



Source: Company, JM Financial

Exhibit 54. Post-IPO shareholding as of 21 Nov'24



Source: Company, JM Financial

Exhibit 55. Details of Board of Directors

Name	Position	Director Since	Education	Past Experience	Other Directorships
Rajesh Kumar Naidu Yabaji	Managing Director and Chief Executive Officer	20-Apr-15	He holds a bachelor's degree in metallurgical and materials engineering and a master's degree in business administration from the Indian Institute of Technology, Kharagpur.	He handled the technical function of ITC Limited's foods division business. He has approximately 14 years of work experience.	**Indian companies:** BlackBuck Finserve Pvt Ltd, TZF Logistics Solutions Pvt Ltd
Chanakya Hridaya	Executive Director and Chief Operating Officer	20-Apr-15	He holds a bachelor's degree in technology in mechanical engineering and a master's degree in manufacturing science and engineering from the Indian Institute of Technology, Kharagpur.	He was part of the supply chain division at ITC Limited. In the year 2017, he was featured in 'Forbes India 30 under 30' list. He has approximately 11 years of work experience.	**Indian companies:** BlackBuck Finserve Pvt Ltd, TZF Logistics Solutions Pvt Ltd, ZZ Logistics Solutions Pvt Ltd
Ramasubramanian Balasubramaniam	Executive Director and Head – New Initiatives	20-Apr-15	He holds a post graduate diploma in business management from the Institute of Integrated Learning in Management.	He is currently associated with Miebach Consulting India Private Limited. He has approximately 27 years of work experience.	**Indian companies:** Miebach Consulting India Pvt Ltd, ZZ Logistics Solutions Pvt Ltd
Anand Daniel	Nominee Director	01-Aug-15	He holds a bachelor's degree in engineering (computer science) from the University of Madras, a master's degree in engineering from Purdue University and a master's degree in business administration from Massachusetts Institute of Technology.	He was previously associated with Accel India Management LLP and is currently associated with Accel Partners India LLP as a Partner.	**Indian companies:** Bombinate Technologies Pvt Ltd, Swiggy Ltd, Finnew Solutions Pvt Ltd, Forus Health Pvt Ltd, Rupeek Fintech Pvt Ltd, Sanghvi Beauty & Technologies Pvt Ltd, Valuedrive Technologies Pvt Ltd, Vedantu Innovations Pvt Ltd **Foreign companies**: Eruditus Learning Solutions Pte Ltd., Niyo Solutions Inc., Sense Talent Labs, Inc
Kaushik Dutta	Non-Executive Independent Director	08-Jan-24	He is a fellow member of the Institute of Chartered Accountants of India.	He is the co-founder of Thought Arbitrage Research Institute, an independent not-for-profit research think tank working in areas of corporate governance, public policy and sustainability. He was also associated with Price Waterhouse & Co., Chartered Accountants LLP as its executive director and Lovelock & Lewes, Chartered Accountants as its partner. He has been retained as an expert on corporate governance by the Indian Institute of Corporate Affairs of the Ministry of Corporate Affairs in matters relating to future of corporate governance in India. He has approximately 27 years of work experience.	**Indian companies:** Ather Energy Pvt Ltd, Newgen Software Technologies Ltd, Paisabazaar Marketing and Consulting Pvt Ltd, PB Fintech Ltd, Resilient Innovations Pvt Ltd, Thought Arbitrage Research Institute, Zomato Hyperpure Pvt Ltd, Zomato Ltd **Foreign companies:** Newgen Software Inc.
Niraj Singh	Non-Executive Independent Director	10-Apr-24	He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Delhi.	He is the director of Valuedrive Technologies Private Limited. He also has entrepreneurial experience with technology-driven companies such as Locus Education and TechMonkey. He was also the founding partner of Outbox Ventures which specializes in seed/idea stage funding for start-ups in India.	**Indian companies:** Northcred Services Pvt Ltd, Spinny Autorev Pvt Ltd, Valuedrive Technologies Pvt Ltd, Yellowdrive Technologies Pvt Ltd
Hardika Shah	Non-Executive Independent Director	10-Apr-24	She holds a bachelor's degree in computer science from Knox College in Illinois, USA. She holds a master's degree in business administration from a joint program between Columbia Business School and UC Berkeley's Haas School of Business.	She has received accolades including the 'Women Transforming India' award by the Government of India NITI Aayog on the occasion of India's 75th Independence Day Anniversary and being named by Forbes as the 'Top 20 Self-Made Women in India'.	**Indian companies:** Kinara Capital Pvt Ltd
Rajamani Muthuchamy	Non-Executive Independent Director		He holds a bachelor's of science degree in agriculture from Tamil Nadu Agricultural University and a master's degree in agricultural extension from India Agricultural Research Institute.	He has approximately 40 years of work experience with 29 years of work experience serving in Indian Administrative Services and [has held various positions under the Government of Orissa and has also served as Joint Secretary in the Ministry of Urban Development, Government of India. He was previously associated with Janalakshmi Financial Services as its executive vice president (public finance) and Jana Small Finance Bank as its consultant. He is currently the associated with Jana Holdings Limited Company as its managing director and chief executive officer and its wholly owned subsidiary.	**Indian companies:** Blackbuck Finserv Pvt Ltd, Jana Capital Ltd, Jana Holdings Ltd

Source: Company, JM Financial

Exhibit 56. Details of Key Managerial Personnel

Name	Position	Current role since	Education	Past experience	FY23 Remuneration (INR mn)
Satyakam GN	Chief Financial Officer	06-Aug-18	He is a qualified chartered accountant from the Institute of Chartered Accountants of India and holds a bachelor's degree in commerce from Bangalore University.	He was associated with NTT Data Global Delivery Services Private Limited and Tesco Hindustan Service Centre Private Limited. He has approximately 10 years of experience in the field of finance and accounting.	7.78
Barun Pandey	Company Secretary and Compliance Officer	26-Jun-24	He is a qualified Company Secretary from the Institute of Company Secretaries of India, New Delhi.	He was associated with Sika Interplant Systems Limited, Mro-tek Realty Limited and Sri Krishna Constructions (India) Ltd. He has over 8 years of work experience.	NA
Thejasvi Bhat	Chief Technology Officer	05-May-20	He holds a bachelor's degree in electronics and communication engineering from Visvesvaraya Technological University.	He was associated with Swiggy (Bundl Technologies Private Limited), Holiday IQ.com (Leisure & Lifestyle Information Services Private Limited), snapThings (Qualzoom Technologies Private Limited), Vidteq India Private Limited and Celstream Technologies Limited. He has approximately 19 years of work experience in the field of engineering and data sciences.	19.98
Manish Singh	Chief Product Officer	03-Dec-18	He holds bachelor's degree in materials and metallurgical engineering from Indian Institute of Technology, Kanpur.	He was associated with Ola (ANI Technologies Private Limited), Holiday IQ (Leisure & Lifestyle Information Services Private Limited), Freshers World (Cassius Technologies Private Limited), CAT India Online (IB Labs Private Limited), IDS Software Solutions India Private Limited, Infosys Technologies Limited and NCE Technologies. He has approximately 19 years of work experience in the field of product management and engineering.	22.01
Shilpi Pandey	Chief People Officer	07-Apr-16	She holds a post graduate diploma in personnel management and industrial relations from XLRI, Jamshedpur and a bachelor's degree in arts from the University of Lucknow.	She was associated with CommonFloor.com (maxHeap Technologies Private Limited.), Photon Interactive Private Limited, Madura Fashion and Lifestyle, Sasken Technologies Limited, WeP Peripherals Limited, Sonata Software Limited and Infosys Limited. She has approximately 21 years of work experience in the field of human resource management.	25.94
Abhishek Singh	Head of Payments and Telematics business	17-Sep-18	He holds a bachelor's and master's degree in chemical engineering under the dual degree programme from the Indian Institute of Technology, Kharagpur.	He has worked for Greenxt Technology Solutions Private Limited. and Rio Tinto India Private Limited. He has over 11 years of experience in engineering and overseeing the operational functions.	9.92
Supil Chachan	Head of Marketplace business	01-Jan-18	He holds a post graduate diploma in management from the Indian Institute of Management, Bangalore and a bachelor's degree in chemical engineering from the Indian Institute of Technology, Delhi.	He has worked for Jindal Stainless Corporate Management Services Private Limited., Tata Administrative Services, and PricewaterhouseCoopers Private Limited. He has close to 14 years of experience in the field of general management and strategy.	10.9
Chandra Prakash	National Head of Sales	09-Jan-23	He holds a master's degree in business administration in marketing management from Lalit Narayan Mishra Institute of Economic Development and Social Change, Patna and a bachelor's degree in English from Gaya College.	He has worked for Oravel Stays Private Limited, Bharti Airtel Limited, Tata Teleservices Limited, Hindustan Lever Limited, Reliance Telecom Limited and Eveready Industries India Limited. He has approximately 22 years of experience in the field of sales and distribution.	14.09
Prakash Bajirao Mali	National Head of Vehicle Finance	July 13,2022	He joined our Company on July 13,2022. He holds a diploma in mechanical engineering from Government Polytechnic College.	He has worked for HDB Financial Services Limited, Cholamandalam Investment and Finance Company Limited, IndusInd Bank and Kotak Mahindra Bank Limited. He has close to 22 years of experience in the field of sales and business development in commercial vehicle loans.	6.54

Source: Company, JM Financial

Exhibit 57. Employee details

Particulars	FY22	FY23	FY24
Total number of permanent employees	**1,480**	**1,791**	**1,783**
Sales	399	547	625
Research, Product and Technology	135	142	117
Customer service and support functions	153	139	132
Business functions	793	963	909
Attrition rate of permanent employees (%)	**35%**	**44%**	**41%**

Source: Company, JM Financial. Note: In addition to permanent employees, company has **3,638 contract workers** as of March 31, 2024.

Understanding BlackBuck 1.0

Two of Blackbuck's three co-founders, Rajesh Kumar Naidu Yabaji and Chanakya Hridaya, came from the logistics and supply chain division at ITC Limited while the 3rd co-founder, Ramasubramaniam Balasubramaniam, was an experienced consultant in the same sector. Their work primarily revolved around optimising transportation costs, wherein they dealt with multiple intermediaries and truck operators to streamline operations and minimise inefficiencies. This hands-on experience gave them a deep understanding of the trucking industry and its pain points.

The realisation that transportation and trucking inefficiencies could be resolved sparked the idea behind Blackbuck. The vision was to scale the solutions developed for one such corporate to create a nation-wide platform capable of transforming the trucking landscape.

Corporate freight business was quick to scale but tougher on financial statements

Founded in 2015, Blackbuck initially focussed on solving for corporate freight. The company operated as a booking intermediary, entering into fixed-term contracts with corporate clients at pre-agreed rates (typically with an advance payment) for their freight movement, while negotiating daily pricing with the truck operators and local transporters. However, this business model presented several challenges, including:

1) **Low margins** as Blackbuck assumed the pricing risk due to daily market fluctuations, often resulting in squeezed margins. Despite its positioning as a tech-enabled operator with presumed cost savings, operational expenses remained significant.

2) **High working capital requirements** as corporate clients often had long payment cycles of c.60 days along with further delay in payments due to dispute of invoices near the end of the payment cycle, thereby restarting the payment cycle.

3) **Complexity of operations** wherein Blackbuck undertook a nationwide approach, lacking the granular knowledge required to efficiently navigate the highly localised, lane-specific dynamics of the trucking industry.

Nevertheless, the business was relatively scalable as corporate clients were keen to partner with reliable service providers who could streamline operations within the fragmented trucking ecosystem. BlackBuck also attracted investment from QuickRoutes (a Flipkart-backed entity) due to the latter's perceived synergies with its captive logistics arm, Ekart.

Transformation to a digital platform providing full stack solutions to truck operators

By 2019, BlackBuck realised that the corporate freight business was unsustainable due to high working capital requirements and low profitability. Leveraging its intricate understanding of pain points across the trucking landscape, the company decided to pivot towards becoming a solutions provider for truck operators.

This coincided with India's ramp-up of the FASTag ecosystem, with the government mandating FASTag for all vehicles crossing toll plazas. BlackBuck seized this 'right place, right time' opportunity by focusing on the underserved segment of small fleet operators. This strategic shift allowed BlackBuck to rapidly scale its tolling business. Over time, the company continued to solidify its position as a solutions provider to truck operators by taking a multi-service approach to launch its fueling, telematics, loads marketplace and vehicle financing businesses.

Eventually, in 2021, the company formally decided to wind down the corporate freight business, though it continued to see remnants of the same in its financials as 1) loss from discontinued operations of INR (352)mn / INR 270mn / INR 536mn / INR 542mn in 1HFY25 / FY24 / FY23 / FY22 respectively; 2) outstanding debt (due to high working capital requirements of the business model) of c.INR 1.3bn (as of 1HFY25). The company entered into a business transfer agreement with Zast Logisolutions Private Limited to divest the business via a slump sale for a consideration of INR 958.54mn, which was completed on 22nd Aug'24. The company received INR 10mn on 22nd Mar'24 and INR 398.73mn on 7th Oct'24 with the remaining consideration being receivable before 28th Feb'25.

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	1,757	2,969	4,380	5,986	7,785
Sales Growth	47.2%	69.0%	47.5%	36.7%	30.0%
Other Operating Income	0	0	0	0	0
Total Revenue	**1,757**	**2,969**	**4,380**	**5,986**	**7,785**
Cost of Goods Sold/Op. Exp	164	251	325	429	544
Personnel Cost	2,196	2,869	2,663	3,176	3,526
Other Expenses	1,886	1,684	679	792	903
EBITDA	**-2,325**	**-1,584**	**713**	**1,590**	**2,812**
EBITDA Margin	-132.3%	-53.3%	16.3%	26.6%	36.1%
EBITDA Growth	0.0%	0.0%	0.0%	122.9%	76.9%
Depn. & Amort.	204	253	289	329	359
EBIT	-2,529	-1,837	424	1,261	2,453
Other Income	194	196	276	713	880
Finance Cost	32	28	34	70	72
PBT before Excep. & Forex	-2,367	-1,669	666	1,904	3,261
Excep. & Forex Inc./Loss(-)	0	0	-2,951	0	0
PBT	-2,367	-1,669	-2,285	1,904	3,261
Taxes	2	1	-11	300	734
Extraordinary Inc./Loss(-)	0	0	-2,951	0	0
Assoc. Profit/Min. Int.(-)	-536	-270	352	0	0
Reported Net Profit	-2,905	-1,939	-1,922	1,604	2,528
Adjusted Net Profit	**-2,905**	**-1,939**	**-1,922**	**1,604**	**2,528**
Net Margin	-165.4%	-65.3%	-43.9%	26.8%	32.5%
Diluted Share Cap. (mn)	183.2	184.4	186.1	186.1	186.1
Diluted EPS (INR)	**-15.9**	**-10.5**	**-10.3**	**8.6**	**13.6**
Diluted EPS Growth	0.0%	0.0%	0.0%	0.0%	57.5%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Shareholders' Fund	3,527	3,113	9,769	11,624	14,292
Share Capital	0	0	57	57	57
Reserves & Surplus	3,527	3,113	9,712	11,568	14,235
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	1,775	1,842	1,370	1,400	1,434
Def. Tax Liab. / Assets (-)	-269	-217	-217	-217	-217
Total - Equity & Liab.	**5,033**	**4,738**	**10,922**	**12,807**	**15,509**
Net Fixed Assets	307	393	528	697	880
Gross Fixed Assets	572	704	1,081	1,502	1,672
Intangible Assets	116	101	110	141	177
Less: Depn. & Amort.	380	412	663	947	969
Capital WIP	0	0	0	0	0
Investments	911	1,813	1,927	1,927	1,927
Current Assets	5,055	4,121	10,612	13,033	16,336
Inventories	0	0	0	0	0
Sundry Debtors	1,266	208	301	412	535
Cash & Bank Balances	965	1,547	7,288	9,046	11,612
Loans & Advances	0	132	281	265	345
Other Current Assets	2,825	2,233	2,741	3,310	3,845
Current Liab. & Prov.	1,240	1,588	2,144	2,849	3,634
Current Liabilities	193	183	267	365	475
Provisions & Others	1,047	1,405	1,877	2,484	3,159
Net Current Assets	3,815	2,532	8,467	10,184	12,702
Total – Assets	**5,033**	**4,738**	**10,922**	**12,807**	**15,509**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Profit before Tax	-2,903	-1,939	-1,933	1,904	3,261
Depn. & Amort.	205	254	289	329	359
Net Interest Exp. / Inc. (-)	-61	-65	-242	-643	-808
Inc (-) / Dec in WCap.	430	343	-27	26	127
Others	1,112	1,788	3,131	251	140
Taxes Paid	26	64	11	-300	-734
Operating Cash Flow	**-1,192**	**446**	**1,230**	**1,567**	**2,345**
Capex	-253	-240	-377	-421	-453
Free Cash Flow	-1,444	206	852	1,146	1,892
Inc (-) / Dec in Investments	1,696	316	-131	0	0
Others	242	115	126	729	800
Investing Cash Flow	**1,686**	**192**	**-382**	**308**	**347**
Inc / Dec (-) in Capital	0	0	5,446	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-263	-34	-519	-47	-55
Others	-106	-105	-34	-70	-72
Financing Cash Flow	**-369**	**-138**	**4,893**	**-117**	**-127**
Inc / Dec (-) in Cash	**125**	**499**	**5,740**	**1,759**	**2,565**
Opening Cash Balance	666	791	1,547	7,288	9,046
Closing Cash Balance	791	1,290	7,288	9,046	11,612

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Margin	-165.4%	-65.3%	-43.9%	26.8%	32.5%
Asset Turnover (x)	0.2	0.5	0.4	0.4	0.4
Leverage Factor (x)	1.7	2.0	1.5	1.4	1.4
RoE	-62.0%	-58.4%	-29.8%	15.0%	19.5%

Key Ratios					
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
BV/Share (INR)	19.3	16.9	55.4	65.9	81.0
ROIC	-53.1%	-71.0%	24.0%	53.5%	89.7%
ROE	-62.0%	-58.4%	-29.8%	15.0%	19.5%
Net Debt/Equity (x)	0.0	-0.5	-0.8	-0.8	-0.8
P/E (x)	NA	NA	NA	46.9	29.7
P/B (x)	21.0	23.9	7.3	6.1	5.0
EV/EBITDA (x)	NA	NA	94.4	41.2	22.4
EV/Sales (x)	42.8	24.8	15.4	11.0	8.1
Debtor days	263	26	25	25	25
Inventory days	0	0	0	0	0
Creditor days	14	12	22	25	28

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
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.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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