

DMart & quick commerce: Pricing converging

23 February 2026

Per our pricing checks regarding quick commerce and modern trade for select assortments (grocery/FMCG/BPC based which is >60% of GOV for QC), DMart Offline offers ~8% discount to Blinkit and c14% discount on MRP, while Zepto and Instamart are 3-4% cheaper than Blinkit (c10% discount on MRP), placing all three in pricing proximity. We believe peak discounting is largely behind us, as Swiggy refocuses on profitability and IPO-bound Zepto rationalizes its promotional intensity. Blinkit, already EBITDA profitable, has largely avoided the price war. Cooling competitive intensity would serve as a tailwind for Blinkit and aid DMart's margins but given the shift of top-ups to convenient quick commerce, like-for-like (LFL) growth may be in 5-6% band in the near term with store expansion as a key monitorable to drive any upgrades for DMart.

DMart offers competitive prices... As regards pricing differentials, as per our latest pricing checks on select items, Zepto and Instamart are 3-4% cheaper than Blinkit, while DMart Offline commands a marginally higher discount of c8% discount to Blinkit's price points. Pricing of Zepto and Instamart is near DMart's levels. On MRP, DMart offers c14% discount, competitive to quick commerce, while Zepto and Instamart offering c10% discount, and least by Blinkit at 6%. Amongst quick commerce incumbents, Amazon Fresh and Flipkart Minutes remain nascent and continue to lag the legacy quick commerce platforms in both assortment depth and execution, but Flipkart seems aggressive given fresh and staple categories undercutting prices of legacy quick commerce players.

...sustaining store traffic: Despite the competitive landscape, DMart continues to attract consumers owing to its pricing and one-stop shopping convenience. DMart has consistently articulated its commitment to an "Everyday Lower Price" philosophy, which has manifested in gross margin compression by 20-30bps in FY25 (to defend its positioning), marking a phase of intense competition in quick commerce (Blinkit's adjusted EBITDA profitability slipped by c100bps in the same period). DMart Ready inspires limited confidence in terms of rapid scalability, given its lagging assortment relative to peers and DMart's offline store.

Cooling competitive intensity augurs well for DMart: The peak of price-led discounting is largely behind, particularly as Swiggy pivots toward quality-led growth over aggressive customer acquisition (as highlighted in Q3 conference call). Any pricing differential convergence may lead DMart to pare its own discounting intensity, which could arrest the slide in margins by a few basis points and provide a modest cushion to earnings.

Profitability focus by quick commerce could cushion DMart: Increased focus on profitability by quick commerce players will help pare losses as: **a)** Blinkit stands out, having sidestepped the price war, maintaining its edge and profitability discipline. **b)** Instamart's measured store expansion (contribution margin guidance retained by Q1FY27) emphasizes on aggressive pivot. **c)** IPO-bound Zepto may rationalize its discounting strategy in the near term to demonstrate a path to profitability. This augurs well for DMart's profitability and Blinkit (turn-around achieved). For DMart, despite lower prices, convenience proposition shall continue to drive quick commerce growth as top-up purchases continue to shift from modern trade, hence catalyzing LFL growth to 7-8% band (from the present 5-6%) would require: **a)** healthy pick-up in metro stores and **b)** new store mix from quick commerce insensitive pockets (non-metro); thus, continue to monitor DMart store expansion initiatives geographically. Any shift by quick commerce to sustain breakeven (for ETERNAL-backed Blinkit) and improve progress to contribution margin-breakeven (for SWIGGY backed Instamart) will drive a valuation rerating. We have a BUY on [ETERNAL](#) and [SWIGGY](#) with a TP of INR 415 and INR 425, respectively, with preference for ETERNAL given the leadership in quick commerce. DMart (Not Rated) trades at 68x/58x P/E for FY27E/28E and a key risk to growth would be any slowdown in store expansion; however, some cushion on margins with a potential improvement could drive minor upgrades.

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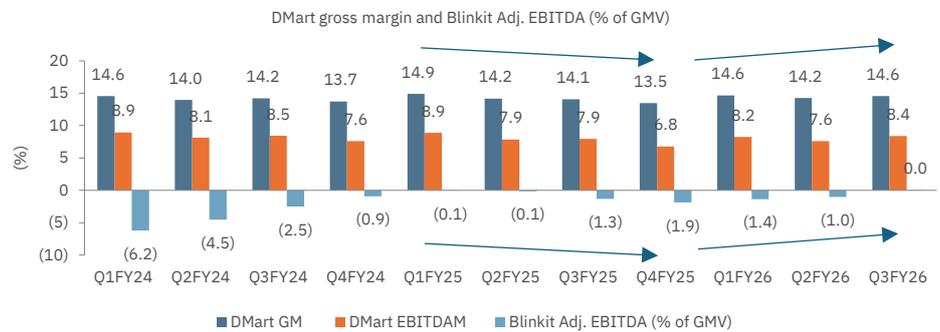


Exhibit 1: Prices across quick commerce and departmental stores- DMart offering better prices

Category price (INR)	Product	MRP (INR)	Blinkit	Zepto	Instamart	DMart Store	DMart Ready	Amazon Fresh	Flipkart Minutes
Dairy, Bakery & Eggs	Amul Gold Full Cream Fresh milk - 500ml	35	35	35	35	33	NA	35	35
Dairy, Bakery & Eggs	Britannia Vitarich Sandwich White - 350gm	40	40	36	40	35	NA	NA	NA
Dairy, Bakery & Eggs	Amul Masti Curd - 200gm	25	24	23	24	22	NA	NA	NA
Vegetables & Fruits	Onion-1kg	NA	27	27	27	33	33	NA	25
Munchies	Britannia Toastea Premium Bake-250gm	50	42	42	48	42	NA	NA	NA
Cold Drink & Juices	Thums Up- 750ml	45	44	42	43	42	NA	NA	NA
Instant & Frozen noodles	Maggi Masala Noodles- 280gm	58	58	50	58	52	NA	NA	51
Tea, Coffee & Health drinks	Red Label Natural Care-250gm	160	160	139	160	135	130	NA	NA
Bakery and Biscuits	Parle-G Original Gluco-800gm	100	87	82	84	61	68	NA	72
Atta, Rice & Dal	Aashirvad Chakki MP Sehori Atta-5kg	345	279	279	275	270	275	NA	263
Atta, Rice & Dal	Tata Sampann Unpolished Toor Dal-1kg	210	192	190	160	150	147	NA	NA
Masala, Oil & Ghee	Fortune Sunlite Refined Sunflower Oil-840gm	180	172	157	163	165	NA	NA	156
Masala, Oil & Ghee	Tata Salt-1kg	30	27	25	27	24	25	NA	29
Cleaning Essentials	Ariel Front front-load detergent powder-1kg	297	290	309	295	280	NA	NA	NA
Personal Care	Dettol Orgininal-4*100gm	150	149	150	150	156	142	NA	NA
Personal Care	Parachute Coconut Hair Oil-300ml	222	199	170	182	180	NA	NA	164
Cart value (INR)		1947	1825	1756	1771	1680	820	35	795
Versus Blinkit (%)				(4)	(3)	(8)			
Versus MRP (%)			(6)	(10)	(9)	(14)			

Source: Blinkit, Instamart, Zepto, Amazon Fresh and Flipkart Minute, DMart Ready app, DMart Store- Vidyavihar, Mumbai, Elara Securities Research

Exhibit 2: Improving quick commerce profitability augurs well for DMart



Source: Company, Elara Securities Research

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