

Meesho Ltd.

E-Commerce | IPO Note

Not Rated

November 30, 2025

Expanding Footprint, Stabilising Economics Ahead

Key Points

- **Meesho's core business is a zero-commission, value-first marketplace, designed to bring India's vast unbranded and regional supply online at scale.** Meesho's emergence as a dominant value-led marketplace is fundamentally anchored in **(1) logistics fulfilment fees, (2) advertising income.** The assortments are primarily anchored in apparel and home & kitchen/furnishing, together forming 53% of total orders, supported by a consumer base that is 54% women and heavily skewed toward Tier-II and Tier-III India, where affordability and vernacular UX matter the most.
- **As Meesho expanded, it consistently passed operational efficiencies back to sellers which resulted in lower AOV falling from Rs337 in FY23 → Rs274 in FY25—yet volumes surged from 1.0 bn → 1.83 bn orders, preserving scale momentum. Despite lower prices, revenue/order remained steady (above Rs50) at Rs56/order in FY23 and Rs51/order in FY25, while contribution profit/order improved from Rs5.5/order in FY23 to Rs8/order in FY25, and adjusted EBITDA losses/order improved sharply from –Rs15.6/order in FY23 to –Rs0.6/order in FY25 (Exhibit 7).** This reflects a business model where lower platform costs, logistics optimisation, and growing ad monetisation allow Meesho to maintain affordability while structurally strengthening per-order economics.
- Meesho's efficiency-led model has strengthened materially as **Valmo, its asset-light logistics network (with no fleets, hubs, or warehouses), scaled up its share of shipments from 1.8% in FY23 → 48.1% in FY25 → 64.5% in H1FY26, sharply reducing per-shipment costs versus standard third-party rates. Marketplace NMV grew from Rs 192.3 bn in FY23 to Rs 299.9 bn in FY25 (25% CAGR), while contribution profit rose from Rs 5.7 bn to Rs 14.8 bn, lifting contribution margin from 2.9% to 4.9% of NMV. Adjusted EBITDA losses narrowed meaningfully from Rs 16.0 bn (–8.3% of NMV) in FY23 to Rs 1.2 bn (–0.4% of NMV) in FY25, driven by lower logistics cost/order, better repeat rates and more efficient first-mile allocation through Valmo. In H1FY26, Meesho consciously prioritised scale, delivering 44% YoY NMV growth but with contribution margin moderating to 3.8% and Adjusted EBITDA falling to –2.7% of NMV. We expect profitability to remain subdued through FY26 as the company continues to pass on efficiencies back to sellers/users to accelerate share gains, with monetisation likely to normalise from FY27 onward.**
- **As Meesho approaches its IPO with a fresh issue of Rs 42.5 bn and an OFS of Rs 11.7 bn, the proposed valuation of Rs 515 bn (fully diluted basis) implies a 5.3-5.5x FY25 Price-to-Sales multiple. We have a Neutral stance, as the valuation appears broadly fair when weighed against the company's near-term increase in FY26 losses, softer operating cash flows, and the longer-term 25% NMV CAGR potential.** That said, we see structurally strong optionality in Meesho's model — **the platform has not yet implemented any platform fees, and with more than 2.5 bn of orders expected in FY26, even a modest Rs 1–2/order platform fee could meaningfully lift up revenue and profitability.** Additionally, Meesho's strong positioning in India's value-conscious segment, deep penetration across Tier-II and Tier-III markets, and its scale in unbranded categories provide a solid foundation for sustained growth. Overall, while the long-term opportunity remains compelling, the near-term profitability trajectory warrants a balanced stance.

IPO Open Date	3-Dec-25
IPO Close Date	5-Dec-25
Anchor Investor Offer Date	2-Dec-25
IPO Price Band (Rs)	105-111 Per Share
Face Value (Rs)	1
Issue Size (Rsmn)	54,212
Fresh Issue (Rsmn)	42,500
Offer for Sale (Rsmn)	11,712
Post Issue Mkt Cap(Lower & Upper band; Rsmn)(Fully Diluted basis)	487,515 - 515,373
QIB Shares	75%
NII Share	15%
Retail Shares	10%

Name of the Shareholder	% of Pre-IPO(Fully Diluted basis)	% of Post-IPO(Fully Diluted basis)
Promoter & Promoter Group	18.5%	16.3%
Public & Others	81.5%	83.7%
Total	100%	100%

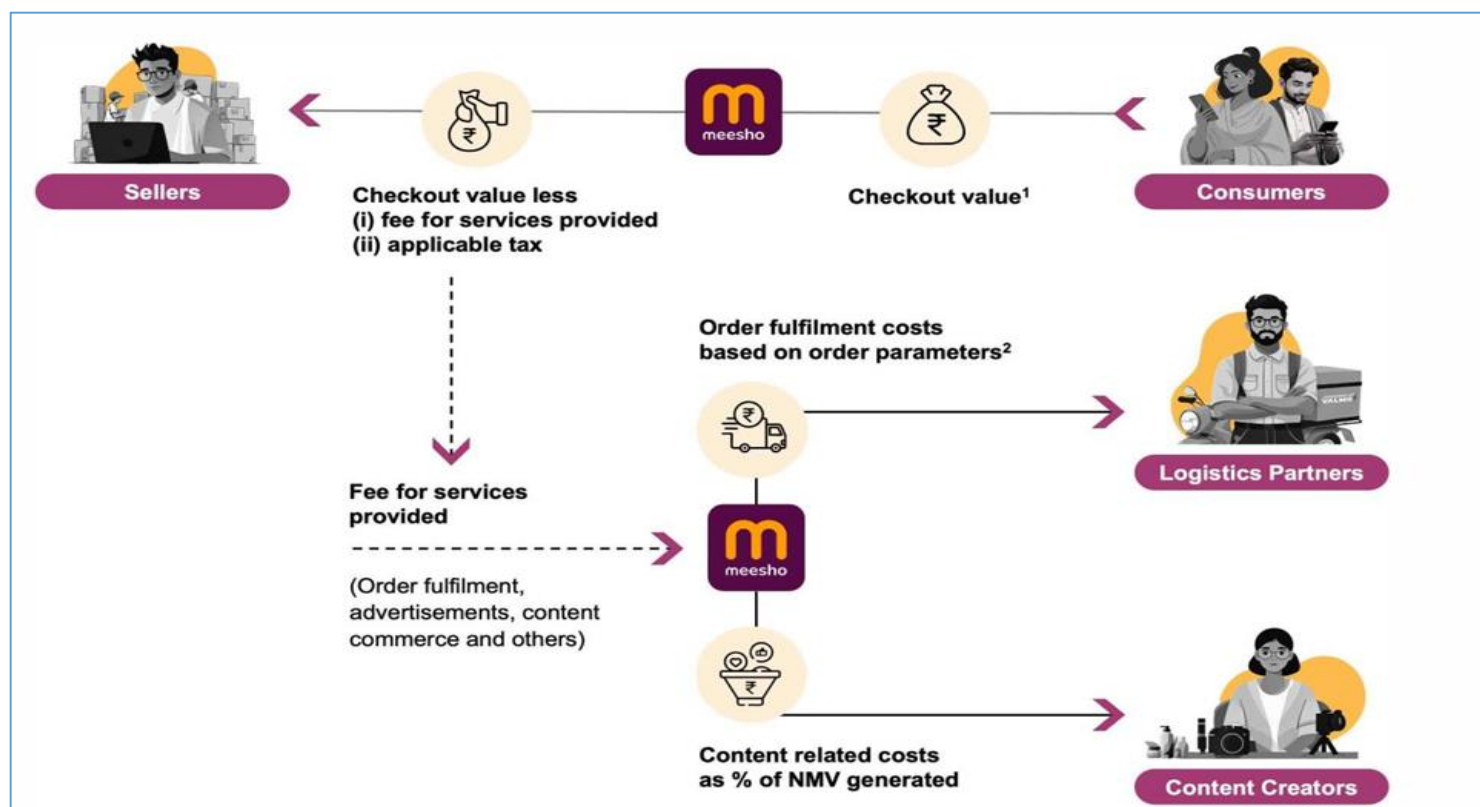
Particulars	Estimated Amount (Rsmn)	Estimated Amount(%)
Investment for cloud infrastructure in Meesho Technologies Private Limited ("MTPL"), a Subsidiary	13,900	33%
Payment of salaries for existing and replacement hires in the Machine Learning, AI, and technology teams for AI and technology development undertaken by MTPL	4,800	11%
Investment in MTPL for expenditure towards marketing and brand initiatives	10,200	24%
Funding inorganic growth through acquisitions and other strategic initiatives and general corporate purposes	13,600	32%
Total	42,500	100%

Key Link- [RHP](#)

Please refer to the disclaimer towards the end of the document.

Business Overview

Exhibit 1: Transaction model for marketplace business:



Source: Company, Nirmal Bang Institutional Equities Research

Consumers

Consumers transact on Meesho through prepaid payment modes or cash-on-delivery. Amounts collected from consumers are remitted to sellers after deducting service fees and applicable taxes. In line with Meesho's strategy to drive affordability and accessibility in Indian e-commerce, no platform fees are charged to consumers.

Sellers

Meesho does not levy commissions on sellers for listing or selling products on the platform. Instead, sellers are charged for value-added services such as order fulfilment (delivery and return pickup), advertisements, and other ancillary services. These charges are recognised as Revenue from operations – Marketplace.

Logistics Partners

Third-party logistics partners manage the end-to-end delivery journey, including pickup, transportation, and last-mile delivery. Meesho collects order fulfilment fees from sellers and pays logistics partners based on parcel weight, distance, payment mode, and other operational parameters. These fees are recognised within Revenue from operations – Marketplace, while corresponding payments to logistics partners are recorded under logistics and fulfilment expenses.

Starting March 15, 2025, Meesho piloted a revised contractual structure for last-mile deliveries fulfilled through Valmo technology. Valmo integrates third party logistics services providers, including first and last mile delivery businesses and individuals, sorting centres, truck operators to come together and fulfil orders by combining their resources and capabilities. Under this structure, certain logistics partners directly charged sellers for last-mile fulfilment, and Meesho earned a platform facilitation fee from logistics partners. First-mile and mid-mile fees continued to be collected and paid through Meesho. The pilot was discontinued in September 2025 due to operational and comprehension challenges faced

by sellers. During this interim period, the new model reduced recognised revenue and corresponding costs by an equivalent quantum, without impacting margins. Logistics partners are attracted to Meesho for higher earnings potential, enabled by consistent order flow; expanded addressable markets through Valmo integration; and flexible technology tools that can be accessed via app or API without disrupting existing systems.

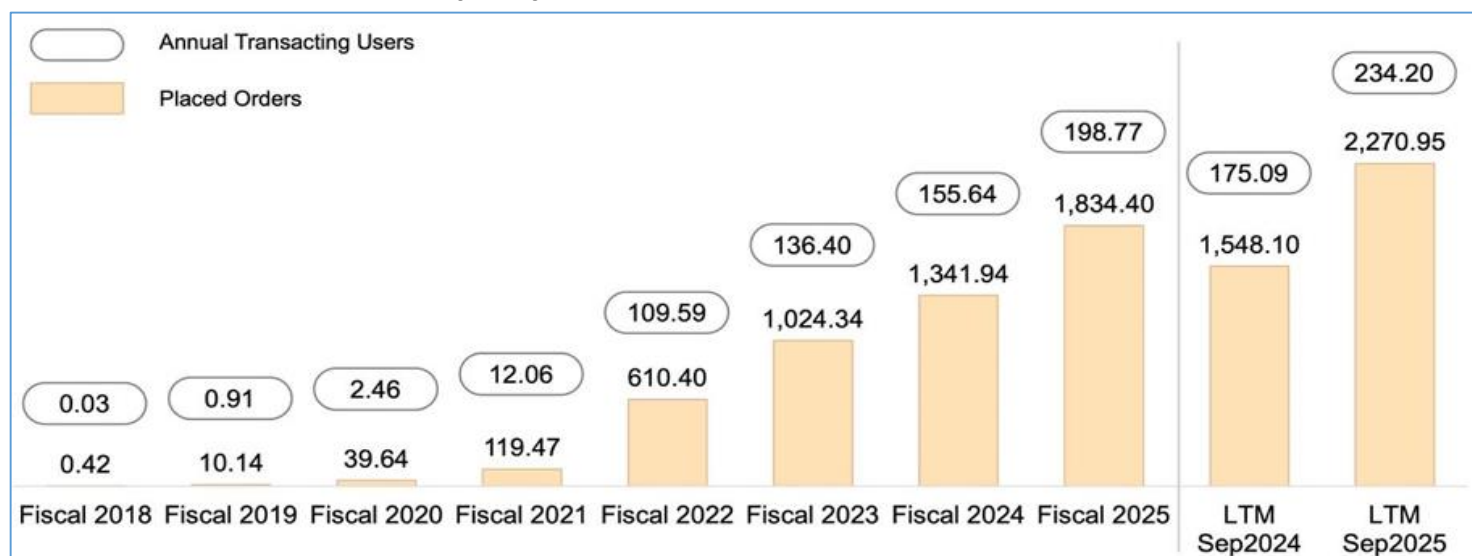
Content Creators

Content creators produce short-form videos and live streams on Meesho and third-party social media platforms to enhance product discovery and engagement. In Fiscal 2025 and the twelve months ended September 30, 2025, and September 30, 2024, there were 27,836, 50,319, and 13,659 Active Content Creators, respectively, who collectively posted 448,183, 930,255, and 159,964 order-generating content pieces. Content commerce generated ₹7.07 billion in NMV in Fiscal 2025 and ₹12.08 billion in NMV in the twelve months ended September 30, 2025, within 23 months of its launch in May 2023.

Content creators choose Meesho for its large seller and consumer base that provides monetisation opportunities through commissions linked to product sales, as well as for access to creator tools and analytics that support data-driven content creation and performance tracking.

Key Factors Influencing Our Financial Performance

Exhibit 2: Placed Order and ATU trajectory



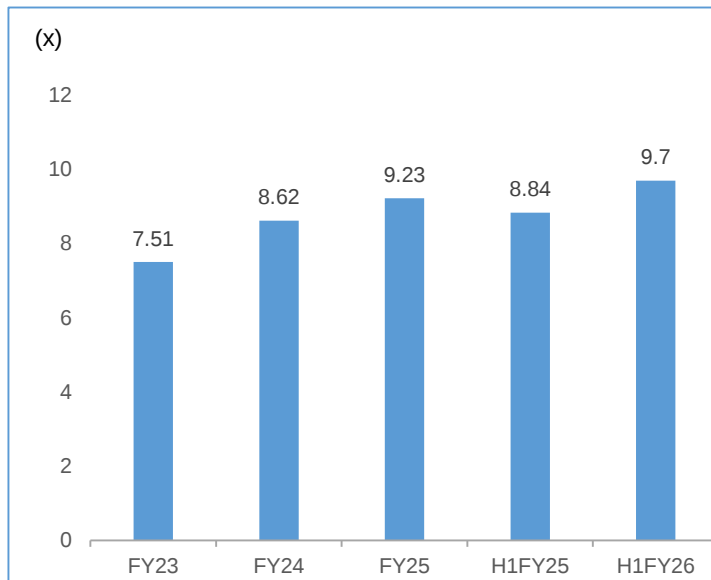
Source: Company, Nirmal Bang Institutional Equities Research

Consumers on Meesho come from diverse income segments across India and are generally value focused, seeking affordable products across a wide assortment. In Fiscal 2025, 198.77 million Annual Transacting Users (ATU) transacted on the platform, with 174.43 million users from outside the Top 8 cities and 54.22% being women. For the twelve months ended September 30, 2025 and September 30, 2024, ATU reached 234.20 million and 175.09 million, respectively, with 205.80 million and 153.45 million users from outside the Top 8 cities. Women accounted for 53.27% and 54.29% of users in these periods.

Serving this user base requires addressing varied regional preferences, demand for low-priced products, trust barriers, vernacular content needs, and the usage on low-end smartphones. According to the Redseer Report, India's e-commerce shoppers grew by 11–20% between Fiscals 2023 and 2025, while Meesho's ATU increased by approximately 46%, indicating that a significant share of incremental shopper-commerce growth during this period was driven by Meesho. Annual Transacting Users remain a key driver of NMV growth, supported by affordability-led positioning, broad product assortment, and discovery-driven personalised feeds and content commerce

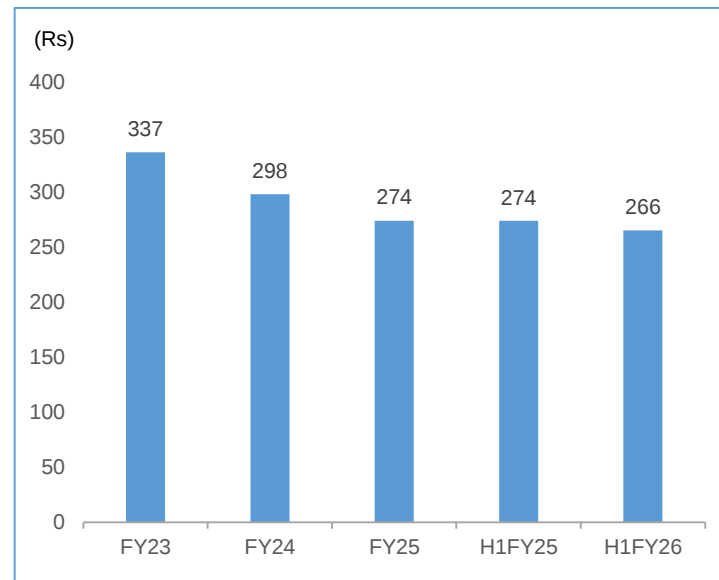
Order Frequency & AOV

Exhibit 3 Order frequency is in rising trend



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4 AOV in falling trend

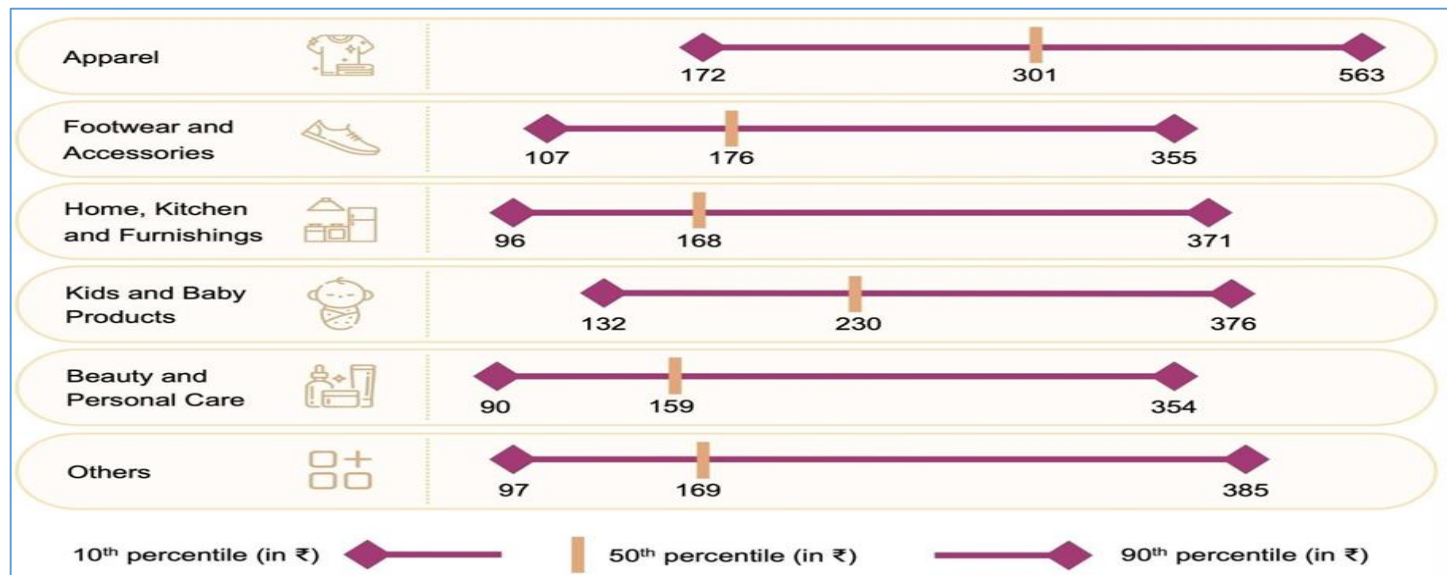


Source: Company, Nirmal Bang Institutional Equities Research

The frequency at which consumers place orders on Meesho is an important driver of NMV growth, as higher purchase frequency reflects stronger engagement and increasing platform stickiness. Order Frequency rose from 7.51 in Fiscal 2023 to 8.62 in Fiscal 2024 and 9.23 in Fiscal 2025, and from 8.84 in the twelve months ended September 30, 2024 to 9.70 in the twelve months ended September 30, 2025. Increases in transaction frequency are influenced by improvements in affordability, product assortment, and an engaging, seamless consumer experience.

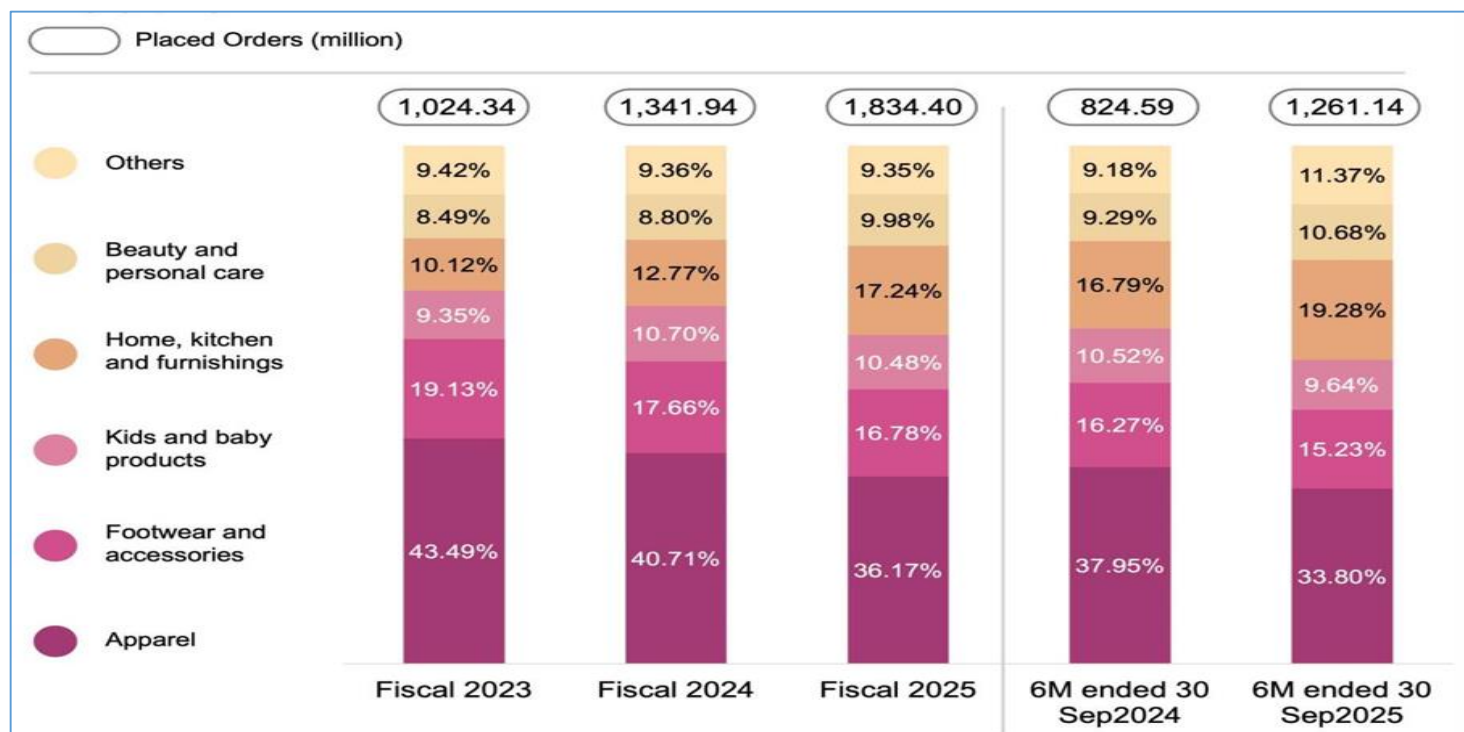
Affordability remains a core element of Meesho's value proposition, enabling consumers to access low-priced products without dependence on promotions. This is supported by a zero-commission structure for sellers, low-cost order fulfilment enabled by scale and Valmo, and a technology-led operating model focused on efficiency. As seller costs on the platform have decreased over time, Average Order Value declined from ₹336.71 in Fiscal 2023 to ₹298.36 in Fiscal 2024 and ₹274.27 in Fiscal 2025, and from ₹274.18 in the six months ended September 30, 2024 to ₹265.50 in the six months ended September 30, 2025. Despite this decline, Placed Orders expanded substantially from 1,024.34 million in Fiscal 2023 to 1,341.94 million in Fiscal 2024 and 1,834.40 million in Fiscal 2025, and from 824.59 million in the six months ended September 30, 2024 to 1,261.14 million in the six months ended September 30, 2025.

Exhibit 5: 10th–90th percentile product price ranges for H1FY26.



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Category Mix of Placed orders



Source: Company, Nirmal Bang Institutional Equities Research

Meesho provides a broad product assortment comprising low-cost unbranded goods, regional brands, and national brands. In the six months ended September 30, 2025 and September 30, 2024, the platform hosted 153.72 million and 109.65 million Daily Active Product Listings, respectively. The wide selection caters to diverse regional preferences across India. According to the Redseer Report, regional and unbranded products accounted for over 75% of India's retail market in Fiscal 2025. Meesho facilitates online access for such products at scale through a low-cost channel and enables emerging brands to operate efficiently and reach a wide consumer base nationwide.

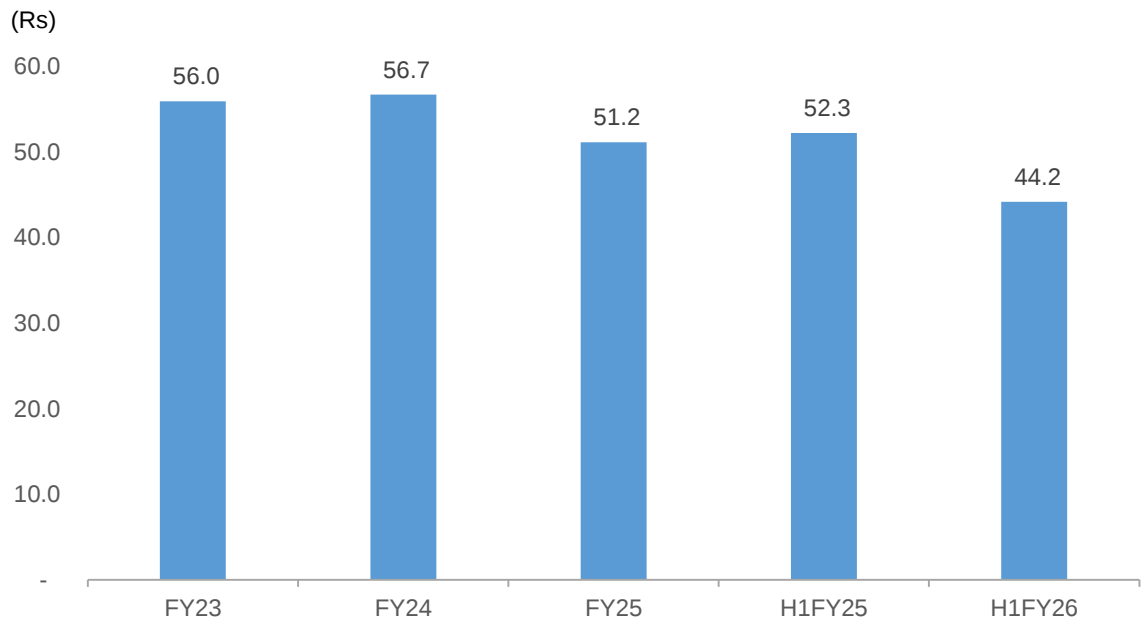
Exhibit 7: Key financial parameters of business

Market Place	Number	FY23	FY24	FY25	H1FY25	H1FY26	CAGR (FY23-FY25)	YoY (H1FY26)
Annual Transacting Sellers (ATS) (LTM)	Actual Units	449,966	423,749	513,757	440,824	706,471	7%	60%
Annual Transacting Users (ATU) (LTM)	Million	136.4	155.64	198.77	175.09	234.2	21%	34%
Placed Orders (Total Transactions)	₹ Million	1,024	1,342	1,834	825	1,261	34%	53%
Order Frequency (LTM)	# Times	7.51	8.62	9.23	8.84	9.7	-	-
GMV – Marketplace	# Millions	344,910	400,380	503,120	226,090	334,830	21%	48%
NMV – Marketplace (Net Delivered Value)	# Millions	192,330	232,410	299,880	133,180	191,940	25%	44%
Average Order Value (AOV)	₹	337	298	274	274	266	-	-
NAOV	₹	188	173	163	162	152	-7%	-6%
Segment Revenue – Marketplace	₹ Million	57,337	76,137	93,859	43,092	55,739	-	29%
Take rate	%	29.8%	32.8%	31.3%	32.4%	29.0%	-	-
Contribution Profit – Marketplace	₹ Million	5,659	13,032	14,837	7,733	7,333	62%	-5%
Contribution Profit % age of revenue	%	10%	17%	16%	18%	13%	-	-
Contribution margin % NMV	%	2.9%	5.6%	4.9%	5.8%	3.8%	-	-
Adjusted EBITDA – Marketplace	₹ Million	-15,990	-1,492	-1,167	65	-5,191	-	-
Adjusted EBITDA%- NMV	₹ Million	-8.3%	-0.6%	-0.4%	0.0%	-2.7%	-	-
Adjusted EBITDA%- Revenue	%	-27.9%	-2.0%	-1.2%	0.1%	-9.3%	-	-

Unit Economics (Market Place)	Per order	FY23	FY24	FY25	H1FY25	H1FY26	CAGR (FY23-FY25)	YoY (H1FY26)
AOV	₹	336.7	298.4	274.3	274.2	265.5	-10%	-3%
NAOV	₹	187.8	173.2	163.5	161.5	152.2	-7%	-6%
Revenue/order = Cost charged to sellers	₹	56.0	56.7	51.2	52.3	44.2	-4%	-15%
Variable cost	₹	50.5	47.0	43.1	42.9	38.4	-	-10%
Contribution/order	₹	5.5	9.7	8.1	9.4	5.8	21%	-38%
Fixed cost	₹	21.1	10.8	8.7	9.3	9.9	-	-
Adjusted EBITDA	₹	-15.6	-1.1	-0.6	0.1	-4.1	-	-
New initiative		FY23	FY24	FY25	H1FY25	H1FY26	CAGR (FY23-FY25)	YoY (H1FY26)
Segment revenue – New Initiatives	₹ Million	7.92	14.04	40.29	20.41	36.29	126%	78%
Segment adjusted EBITDA	₹ Million	-909	-669	-929	-548	-301	-	-
Segment adjusted EBITDA%	%	-11475%	-4762%	-2305%	-2684%	-830%	-	-
Consolidated		FY23	FY24	FY25	H1FY25	H1FY26	CAGR (FY23-FY25)	YoY (H1FY26)
Revenue from Operations	₹ Million	57,345	76,151	93,899	43,113	55,775	28%	29%
Adjusted EBITDA	₹ Million	-16,899	-2,160	-2,095	-483	-5,492	-	1036%
LTM free cash flow	₹ Million	-23,364	1,996	5,912	NA	5,815	NA	-
LTM free cash flow % NTV	₹ Million	-12.1%	0.9%	2.0%	na	3.0%		-

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Revenue/order = Cost charged to sellers



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Frequency per user cohort

Cohort	Year 0	Year 1	Year 2	Year 3
Fiscal 2022	1.00x	1.64x	1.90x	2.13x
Fiscal 2023	1.00x	1.53x	1.64x	
Fiscal 2024	1.00x	1.55x		
Fiscal 2025	1.00x			

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: NMV retention per user cohort

Cohort	Year 0	Year 1	Year 2	Year 3
Fiscal 2022	1.00x	1.50x	1.64x	1.74x
Fiscal 2023	1.00x	1.42x	1.46x	
Fiscal 2024	1.00x	1.48x		
Fiscal 2025	1.00x			

Source: Company, Nirmal Bang Institutional Equities Research

Each cohort represents consumers who placed their first successfully delivered order on Meesho in a given fiscal year and continued to transact thereafter. The data indicates consistent improvement in user retention and engagement over time. For example, consumers in the Fiscal 2022 cohort increased their average NMV per consumer by 1.74 times and their transaction frequency by 2.13 times by Fiscal 2025. Similarly, subsequent cohorts have shown strong repeat behaviour, with NMV retention reaching 1.48x for the Fiscal 2024 cohort and frequency per user cohort rising to 1.55x in the same period. These trends highlight growing consumer stickiness and deepening engagement on the platform.

Exhibit 11: Order received per seller cohort

Cohort	Year 0	Year 1	Year 2	Year 3
Fiscal 2022	1.00x	2.37x	3.13x	4.01x
Fiscal 2023	1.00x	3.38x	5.46x	
Fiscal 2024	1.00x	3.52x		
Fiscal 2025	1.00x			

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: NMV retention per seller cohort

Cohort	Year 0	Year 1	Year 2	Year 3
Fiscal 2022	1.00x	2.21x	2.74x	3.30x
Fiscal 2023	1.00x	3.16x	4.83x	
Fiscal 2024	1.00x	3.34x		
Fiscal 2025	1.00x			

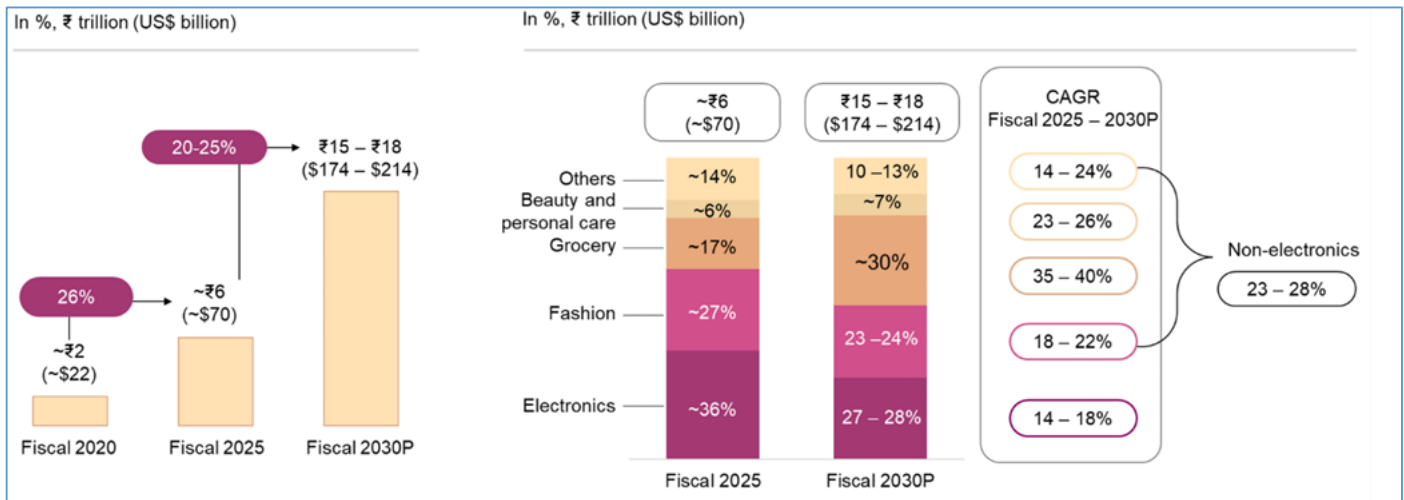
Source: Company, Nirmal Bang Institutional Equities Research

Each cohort represents sellers whose first successfully delivered order on Meesho occurred in a given fiscal year and who continued to receive orders thereafter. Seller engagement and growth on the platform have strengthened consistently across cohorts. Sellers in the Fiscal 2022 cohort increased their average NMV per seller by 3.30 times and their order volume by 4.01 times by Fiscal 2025. Subsequent cohorts have shown similar momentum, with the Fiscal 2023 cohort recording NMV retention of 4.83x and order growth of 5.46x by Year 2, reflecting expanding seller activity and growing business volumes over time.

Industry Overview

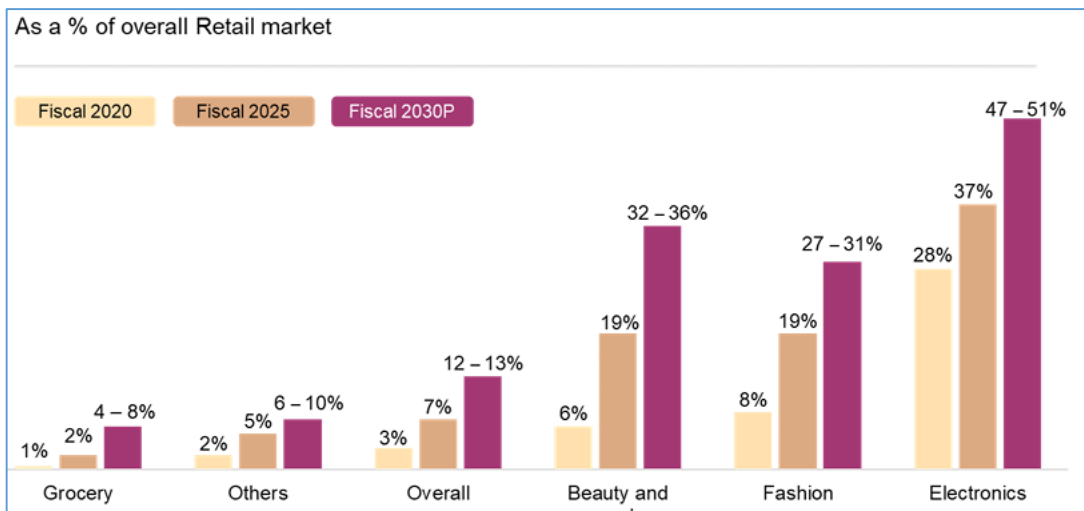
India's e-commerce market, estimated at approximately ₹6 trillion (US\$70 billion) in GMV as of Fiscal 2025, is projected to expand to ₹15–18 trillion (US\$174–214 billion) by Fiscal 2030, reaching 12–13% penetration of the country's total retail market. Penetration remains concentrated in electronics at about 37%, while non-electronics categories such as grocery (~2%), fashion (~19%), beauty and personal care (~19%), and others including pharma, home and furniture, general merchandise, and jewellery (~5%) continue to offer significant growth potential.

Exhibit 13: The Rise of E-Commerce



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: E-Commerce penetration evolution by category



Source: Company, Nirmal Bang Institutional Equities Research

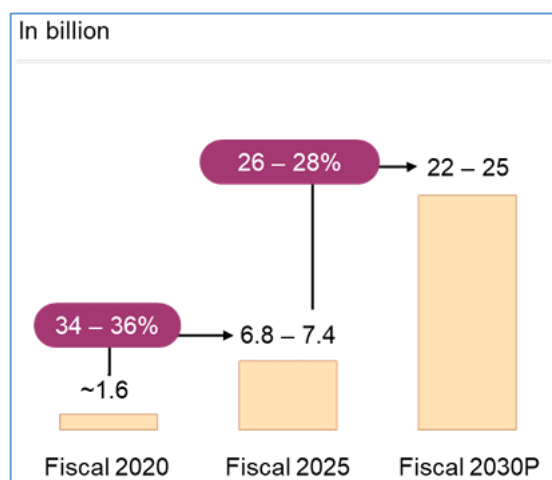
India's retail seller base comprises pan-India and D2C brands, regional brands, and unbranded product sellers, including manufacturers, wholesalers, distributors, and retailers. An increasing number of sellers are turning to e-commerce to achieve scale, operational efficiency, and diversification, supported by platform-led initiatives and greater ecosystem readiness. Key factors driving e-commerce adoption include nationwide market access, diversification of sales channels through hybrid offline–online models, data-driven decision-making tools, favourable commercial terms such as lower commissions and faster settlements, improved seller enablement through guidance on pricing and catalogue standards, and simplified onboarding facilitated by mobile-first registration and regulatory easing such as GST exemptions.

India's seller ecosystem remains large and fragmented, comprising approximately 55–60 million retail and non-retail entities as of Fiscal 2025. Despite this scale, overall e-commerce penetration among sellers remains limited, with many operating offline or using only basic digital tools. However, post COVID-19, adoption has accelerated due to rising online demand, enhanced digital infrastructure, and easier onboarding. Consequently, the number of e-commerce sellers has expanded from 0.5–1 million in Fiscal 2020 to 3–4 million in Fiscal 2025.

Declining logistics costs is enabling e-commerce to provide low ticket servicing

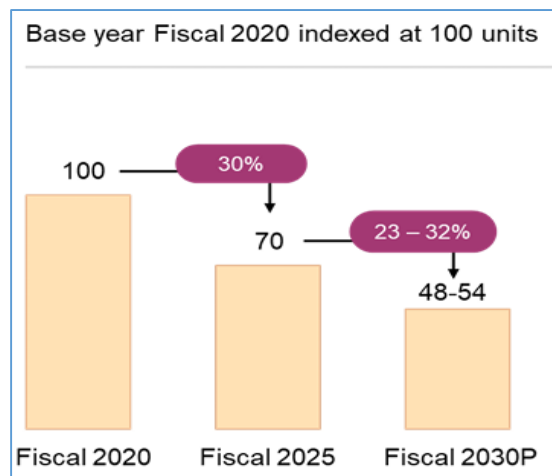
Logistics represents a major component of the cost structure in e-commerce and plays a critical role in determining business viability and scalability. Efficient logistics systems enhance operational sustainability while directly influencing pricing, margins, and market reach. Delivery experience, shaped by reliability and speed, is also a key element in consumer satisfaction and repeat purchase behaviour. As e-commerce expands across categories and consumer segments, logistics providers are evolving to meet demands for faster delivery, wider coverage, higher order density, and complex fulfilment requirements, while simultaneously lowering per-unit logistics costs through network optimisation, scale efficiencies, and technology integration.

Exhibit 15: India E-commerce Shipment



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Average order value in India E-commerce

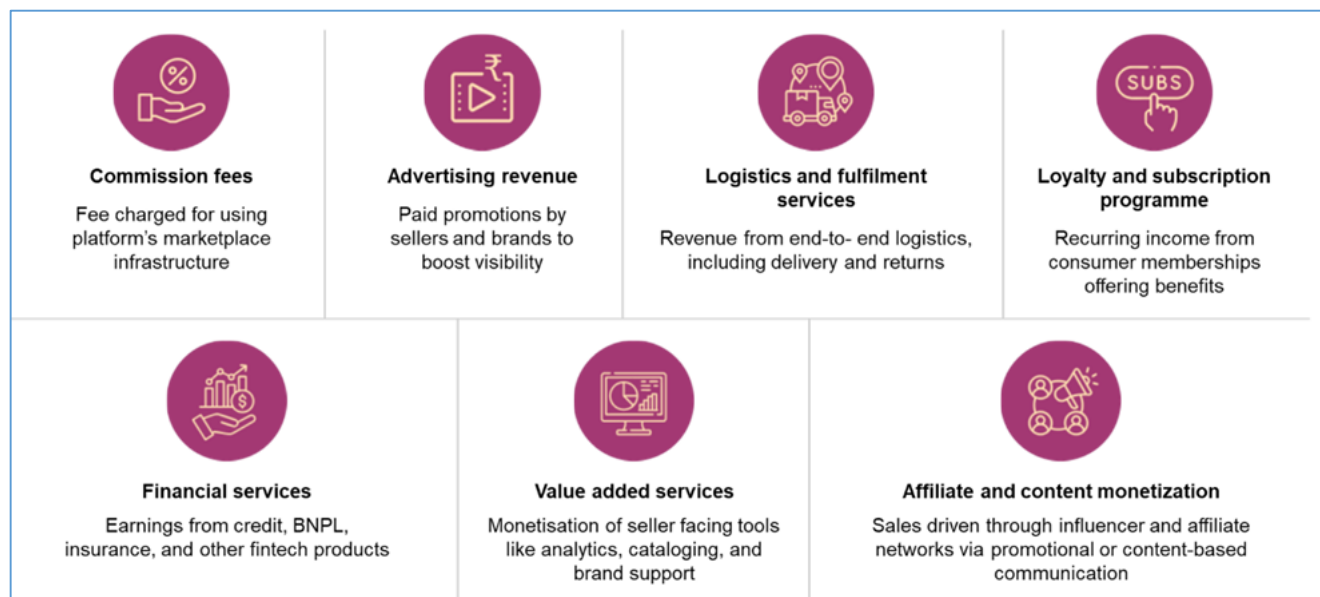


Source: Company, Nirmal Bang Institutional Equities Research

Unlike conventional transportation, which focuses on bulk movement between fixed points, e-commerce logistics manages large volumes of small parcels, dispersed pickup and delivery points, and strict delivery timelines. It also involves complex reverse logistics, real-time quality checks, cash management, and payment reconciliation, given the significant share of cash-on-delivery transactions in India. Category-specific needs such as secure packaging and rapid scaling up during peak seasons further increase the operational intensity of e-commerce logistics, making technology a central enabler.

According to Redseer Research, India's e-commerce logistics shipments grew at a CAGR of 34–36% from Fiscal 2020 to Fiscal 2025, reaching 6.8–7.4 billion shipments in Fiscal 2025, and are expected to rise to 22–25 billion by Fiscal 2030, reflecting a CAGR of 26–28%. As fulfilment costs continue to decline, e-commerce logistics providers are witnessing lower yield per shipment, which supports the ability of platforms to serve low-ticket transactions and drive higher shipment volumes. This trend aligns with the ~30% decline in average order values observed across India's e-commerce market between Fiscal 2020 and Fiscal 2025.

Exhibit 17: Typical Monetization Streams in E-commerce



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 18: Content Commerce GMV in India

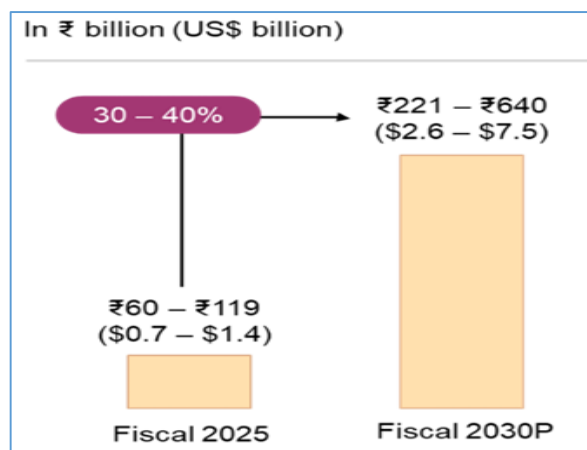
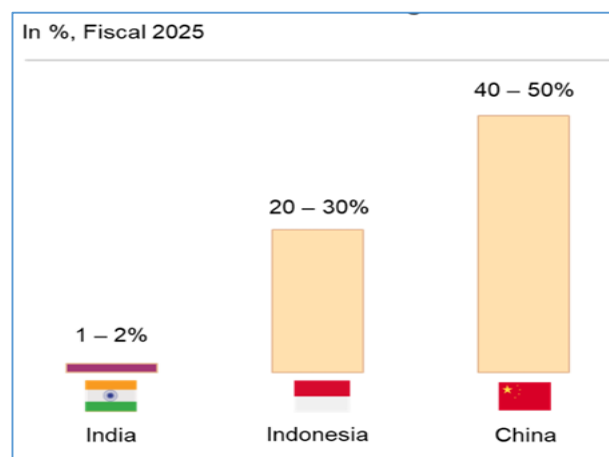


Exhibit 19: Content Commerce GMV as a percent of E-Commerce



Source: Company, Nirmal Bang Institutional Equities Research

Content commerce refers to online purchases influenced by videos created by influencers who recommend, review, or demonstrate products through short, long, or live-streamed formats. These videos feature shoppable links or buttons, directly connecting content to the buying journey. The model is driven by video-led discovery, influencer credibility, and algorithm-based feeds that enhance product relevance. It supports impulse purchases, especially in discretionary categories like fashion and beauty. Influencers build trust and social validation among consumers with limited brand familiarity. This format mirrors social media consumption, fostering frequent engagement. As a result, content-led discovery is emerging as a key e-commerce growth driver.

India's content commerce market, valued at ₹60–119 billion (US\$0.7–1.4 billion) in Fiscal 2025, is projected to reach ₹221–640 billion (US\$2.6–7.5 billion) by Fiscal 2030, growing at a CAGR of 30–40%. The segment currently accounts for only 1–2% of India's total e-commerce GMV, compared with 20–30% in Indonesia and 40–50% in China, reflecting substantial growth potential. The market's expansion is supported by rising smartphone usage, high short-form video engagement, and an expanding influencer ecosystem. India's young, mobile-first population and low organised retail penetration further strengthen the outlook. These factors position India to follow a growth trajectory similar to other leading Asian markets.

Key Growth Drivers

Favorable Market Dynamics and Industry Trends : Favourable market dynamics in India support strong growth prospects for e-commerce. The total retail market is expected to reach ₹123–135 trillion by Fiscal 2030, driven by a rising middle class, urbanisation, and expanding consumption in Tier 2+ cities. E-commerce is projected to grow at a 20–25% CAGR to ₹15–18 trillion by Fiscal 2030, led by non-electronics categories such as fashion, home, and personal care, which are expected to form over 70% of the market. Growth is underpinned by digital adoption, affordable data, and logistics improvements. The value-focused e-commerce model aligns with India's price-sensitive consumers, while content commerce, growing at 30–40% CAGR, presents an additional high-growth opportunity.

Affordability-Led Model and Trusted Ecosystem as Growth Enablers : Growth is driven by an affordability-focused model centred on the 'Everyday Low Prices' proposition, effectively engaging India's large price-sensitive consumer base. This is enabled by a zero-commission model for sellers, logistics optimisation through Valmo, and an asset-light approach that enhances cost efficiency. Benefits are passed on to sellers through reduced fulfilment charges, allowing competitively priced offerings. The strategy has expanded scale, with the Average Order Value declining from ₹336.71 in Fiscal 2023 to ₹274.27 in Fiscal 2025, while Placed Orders rose from 1,024.34 million to 1,834.40 million. A trusted ecosystem across consumers, sellers, and partners further strengthens engagement. The platform hosts extensive trust signals and ensures quick refunds, AI-driven quality control, and timely seller payments, fostering inclusion and long-term loyalty.

Strategic Investments and Future Focus Areas : Strategic investments are directed toward technology, scalability, and brand expansion through Meesho Technologies Private Limited (MTPL). About ₹4,800 million of the Net Proceeds will fund AI and technology development to enhance personalization, discovery, and operational efficiency. Around ₹13,900 million is allocated for cloud infrastructure to support higher transaction volumes and platform reliability. Marketing and brand initiatives will receive ₹10,200 million across Fiscal 2027 and Fiscal 2028 to strengthen awareness and engagement. Additional funds will support inorganic growth and Horizon 2 initiatives, such as Meesho AI Labs, a low-cost local logistics network, and a financial services platform offered through regulated partners. The combined allocation for inorganic growth and general corporate purposes will not exceed 35% of Gross Proceeds, with inorganic growth capped at 10%.

Key Risks

Risks Related to Logistics and Fulfilment

Meesho's business is heavily dependent on third-party logistics partners, including its proprietary Valmo platform and several end-to-end logistics providers. Any disruptions, service failures, or capacity constraints among these partners could delay deliveries, increase cancellations, and harm customer experience. Since Meesho has short-term, non-exclusive contracts with logistics providers, there is a risk of non-renewal or unfavorable terms. External factors such as adverse weather, elections, or geopolitical issues may further impact fulfilment operations. Additionally, Valmo's dependence on smaller, fragmented delivery partners and technology infrastructure exposes Meesho to operational and cash collection risks, especially for cash-on-delivery orders. Limited scalability or termination of existing logistics arrangements could raise costs, disrupt operations, and adversely affect Meesho's financial performance.

Risks Related to Technology Infrastructure and Innovation

Meesho's operations rely heavily on the performance, reliability, and availability of its technology infrastructure. Any system failure, outage, or degradation could disrupt platform access, reduce transaction volumes, and harm customer trust. Past incidents of temporary downtimes and payment disruptions highlight this vulnerability. Sustained competitiveness also depends on continuous investment in and enhancement of the company's technology stack. Failure to innovate or keep pace with evolving industry practices and superior offerings from competitors could make the platform less attractive. Additionally, inadequate capacity planning during peak demand could impair performance, adversely affecting Meesho's reputation, business continuity, and financial results.

Risks Related to Contingent Liabilities

Meesho has contingent liabilities under Ind AS 37, primarily arising from ongoing tax disputes and litigation. As of September 30, 2025, these include a demand of ₹5,720.69 million raised by the Income Tax Authorities for assessment year 2022–23, along with a show-cause notice for penalty proceedings under Sections 274 and 270A of the Income-tax Act, 1961. If these or other contingent liabilities materialize, they could adversely affect Meesho's financial condition, cash flows, and overall business performance.

Particulars	As of September 30, 2025 (Rs mn)
GST dispute	142.91
Landowner dispute	72
Income tax dispute	5,720.69

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 20: Peer Comparison

	Meesho			Swiggy			Eternal			FSN Ecommerce			Brainbees Solutions			Urban Company		
Metrics	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25
Revenue (Rs Mn)	57,345	76,151.48	93,899	82,646	112,474	152,268	70,792	121,140	202,430	51,438	63,856	79,498	56,325	64,809	76,596	6,366	8,280	11,445
EBITDA (Rs Mn)	(18,037)	(4,941)	(5,785)	(42,758)	(22,080)	(27,858)	(12,098)	420	6,370	2,571	3,469	4,748	(3172)	704	2,299	(3,642)	(1,467)	(315)
PAT (Rs Mn)	(16,719)	(3,276)	(39,417)	(41,793)	(23,502)	(31,168)	(9,708)	3,510	5,270	248	437	737	(4,861)	(3,215)	(2,648)	(3,125)	(928)	2,398
FCF (Rs Mn)	(23462)	1849	5165	(42,282)	(16,644)	(29,203)	(9,470)	4,310	(6,280)	(,3956)	(1,757)	2,434	(5,866)	(3,564)	(3,005)	(2,228)	(766)	667
P/S (x)	8.74	6.58	5.34	11.41	8.38	6.19	40.90	23.90	14.30	14.87	11.98	9.62	2.80	2.44	2.06	30.45	23.41	16.94
P/B (x)	20.27	22.47	34.66	10.41	12.10	9.22	14.88	14.19	9.55	54.94	59.73	56.98	3.76	4.17	2.99	66.44	56.02	47.88
Mcap/FCF (x)	NA	270.86	97.00	NA	NA	NA	-305.7	671.7	NA	NA	NA	64.87	NA	NA	NA	NA	NA	290.65

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 21: Objects of the offer

Sr. No.	Particulars	Estimated Deployment of Net Proceeds in Fiscal 2027 (Rs mn)	Estimated Deployment of Net Proceeds in Fiscal 2028 (Rs mn)	Estimated Deployment of Net Proceeds in Fiscal 2029 (Rs mn)	Estimated Amount (Rsmn)
I	Investment for cloud infrastructure in Meesho Technologies Private Limited ("MTPL"), a Subsidiary	6,100	6,100	1,700	13,900
II	Payment of salaries for existing and replacement hires in the Machine Learning, AI, and technology teams for AI and technology development undertaken by MTPL	2,400	2,400	-	4,800
III	Investment in MTPL for expenditure towards marketing and brand initiatives	4,800	5,400	-	10,200
IV	Funding inorganic growth through acquisitions and other strategic initiatives and general corporate purposes	-	-	-	13,600

Source: Company, Nirmal Bang Institutional Equities Research

Key Management Personnel

Vidit Aatrey – Promoter, Chairman, Managing Director & CEO

Vidit Aatrey has been a director of the Company since August 2015. He holds a B.Tech in Electrical Engineering from IIT Delhi and leads the executive team, overseeing strategy, key initiatives, operational excellence and long-term growth. He previously worked with ITC and InMobi. He has been featured in Forbes Asia 30 Under 30 (2018), Forbes India 30 Under 30 (2018), Entrepreneur 35 Under 35 (2019) and Fortune India 40 Under 40 (2021, 2024, 2025).

Sanjeev Kumar – Promoter, Whole-time Director & CTO

Sanjeev Kumar has served as a director since August 2015 and holds a B.Tech in Electrical Engineering from IIT Delhi. He oversees the Company's technology vision, ensuring scalability, security and efficiency of the platform. He previously worked with Sony Corporation. He has been featured in Forbes Asia 30 Under 30 (2018), Forbes India 30 Under 30 (2018), Fortune India 40 Under 40 (2021, 2024) and The Economic Times 40 Under 40 (2024).

Dhiresh Bansal – Chief Financial Officer

Dhiresh Bansal has been with the Company since November 2021 and became a key managerial personnel in May 2025. He holds a B.Tech in Mechanical Engineering from IIT Bombay and a PGDM from IIM Ahmedabad. He oversees financial strategy, planning, operations, corporate governance and investor relations. He has prior experience with Nuvo ChrysCapital Advisors and J.P. Morgan India.

Financials

Exhibit 22: Income statement

Y/E March (Rsmn)	FY23	FY24	FY25
Net Sales	57,345.19	76,151.48	93,899.03
Growth YoY %	-	33%	23%
Staff costs	7,282.50	7,577.03	8,481.81
% of sales	13%	10%	9%
Other expenses	68,099.68	73,515.90	91,202.27
% of sales	119%	97%	97%
Total expenses	75,382.18	81,092.93	99,684.08
EBITDA	-18,036.99	-4,941.45	-5,785.05
EBITDA margin %	-31.45%	-6.49%	-6.16%
Depreciation	300.36	581.1	340.27
EBIT	-18,337.35	-5,522.55	-6,125.32
Interest	13.39	63.72	68.95
Other income	1631.72	2440.94	5109.98
Exceptional items	0	-131.08	-13464.34
PBT(bei)	-16,719.02	-3,145.33	-1,084.29
PBT	-16,719.02	-3,276.41	-14,548.63
Tax	0	0	24868.42
PAT	-16,719.02	-3,276.41	-39,417.05

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 24: Balance sheet

Y/E March (Rsmn)	FY23	FY24	FY25
Share Capital	0	0	2.72
Reserves & Surplus	24,719.15	22,296.42	14,452.46
Net worth	24,719.15	22,296.42	14,455.18
Long term debt	-	-	-
Short term debt	-	-	-
Total debt	-	-	-
Other non-current liabilities	114.96	725.83	636.1
Total Equity & Liabilities	38,533.49	41,609.93	72,260.87
Net Block	231.22	522.83	516.49
CWIP	-	-	-
Intangible and others	236.78	15.61	4.31
Other non-current assets	8,720.23	9,398.24	3,866.76
Investments	2,950.62	0.00	0.00
Trade receivables	3.96	1.81	4.59
Cash & Cash equivalents	965.46	1403.88	1470.58
Other current assets	25,425.22	30,267.56	66,398.14
Total current assets	26,394.64	31,673.25	67,873.31
Trade payables	8,342.02	8,749.25	10,709.95
Other current liabilities	5,357.36	9,838.43	46,459.64
Total current liabilities	13,699.38	18,587.68	57,169.59
Total Assets	38,533.49	41,609.93	72,260.87

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 23: Cash flow

Y/E March (Rsmn)	FY23	FY24	FY25
PBT	(16,719)	(3,276)	(14,549)
Depreciation	300	581	340
Interest	13	64	69
Other adjustments	(270)	244	4,128
Change in Working capital	(6,308)	4,719	15,772
Tax paid	(98)	(129)	(366)
Operating cash flow	(23,082)	2,202	5,394
Capex	(380)	(352)	(229)
Free cash flow	(23,462)	1,850	5,165
Other investing activities	5,364	(1,304)	(26,124)
Investing cash flow	4,984	(1,656)	(26,353)
Issuance of share capital	-	-	22,966
Other financing activities	(118)	(114)	(1,913)
Financing cash flow	(118)	(114)	21,053
Net change in cash flow	(18,216)	432	94
Opening C&CE	4,236	965	1,403
Closing C&CE	965	1,404	1,471

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 25: Key ratios

Y/E March	FY23	FY24	FY25
Per share (Rs)			
EPS	-4.43	-0.87	-9.98
Book value	5.48	4.94	3.20
Valuation (x)			
P/Sales	8.74	6.58	5.34
EV/sales	8.72	6.56	5.32
P/E	NA	NA	NA
P/BV	20.27	22.47	34.66
P/FCF	NA	270.86	97.00
Return ratios (%)			
RoCE	-74%	-25%	-42%
RoE	-68%	-15%	-273%
Profitability ratios (%)			
EBITDA margin	-31%	-6%	-6%
PAT margin	-29%	-4%	-42%
Liquidity ratios (x)			
Current ratio	1.93	1.70	1.19
Quick ratio	1.93	1.70	1.19
Turnover ratios			
Debtor days	0.03	0.01	0.02
Creditor days	53.10	41.94	41.63
Net Working Capital Days	-53.07	-41.93	-41.61

Source: Company, Nirmal Bang Institutional Equities Research

DISCLOSURES

This Report is published by Nirmal Bang Equities Private Limited (hereinafter referred to as “NBEPL”) for private circulation. NBEPL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH000001436. NBEPL is also a registered Stock Broker with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments.

NBEPL has other business divisions with independent research teams separated by Chinese walls, and therefore may, at times, have different or contrary views on stocks and markets.

NBEPL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. NBEPL, its associates or analyst or his relatives do not hold any financial interest in the subject company. NBEPL or its associates or Analyst do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. NBEPL or its associates or Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

NBEPL or its associates / analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. NBEPL or its associates have not received any compensation or other benefits from the company covered by Analyst or third party in connection with the research report. Analyst has not served as an officer, director or employee of Subject Company and NBEPL / analyst has not been engaged in market making activity of the subject company.

Analyst Certification: I, Dipak Saha, research analyst the author of this report, hereby certify that the views expressed in this research report accurately reflects my/our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst is principally responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Disclaimer

Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to 14%

SELL < -5%

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. NBEPL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of NBEPL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NBEPL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NBEPL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. NBEPL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NBEPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. NBEPL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, NBEPL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of NBEPL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither NBEPL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with NBEPL.

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

Our reports are also available on our website www.nirmalbang.com

Access all our reports on Bloomberg, Thomson Reuters and Factset.

Team Details:			
Name		Email Id	Direct Line
Krishnan Sambamoorthy	Head of Research	krishnan.s@nirmalbang.com	+91 22 6273 8210
Seshagiri Ranganathan	Head of Sales	seshagiri.r@nirmalbang.com	+91 22 6273 8228
Dealing			
Ravi Jagtiani	Dealing Desk	ravi.jagtiani@nirmalbang.com	+91 22 6273 8230, +91 22 6636 8833
Michael Pillai	Dealing Desk	michael.pillai@nirmalbang.com	+91 22 6273 8102/8103, +91 22 6636 8830

Nirmal Bang Equities Pvt. Ltd.

Correspondence Address

B-2, 301/302, Marathon Innova,
 Nr. Peninsula Corporate Park,
 Lower Parel (W), Mumbai-400013.
 Board No. : 91 22 6273 8000/1; Fax. : 022 6273 8010