

Rinkle Vira
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Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	54,212
Fresh Issue (No. of Shares in Lakhs)	3,828.8
Offer for Sale (No. of Shares in Lakhs)	1,055.1
Bid/Issue opens on	03-Dec-25
Bid/Issue closes on	05-Dec-25
Face Value	Re. 1
Price Band	Rs 105-111
Minimum Lot	135

Objects of the Issue:

- **Fresh Issue: ₹42,500 Million**
 - Investment in cloud infrastructure, Marketing & branding expenses for the subsidiary.
 - Funding acquisitions and general corporate purposes.
 - Salaries for ML, AI, and tech teams.
- **Offer for sale: ₹11,712 Million**

Book Running Lead Managers
Kotak Mahindra Capital Company Ltd, J.P. Morgan India Pvt Ltd, Morgan Stanley India Company Pvt Ltd, Axis Capital Ltd, Citigroup Global Markets India Pvt Ltd
Registrar to the Offer
KFin Technologies Ltd

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	1,560
Subscribed paid up Capital (Pre-Offer)	4,130
Paid up capital (Post - Offer)	4,513

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	19.1%	15.1%
Public	80.9%	84.9%
Total	100%	100%

Financials

Particulars (Rs. In Million)	3M FY26	3M FY25	FY25	FY24	FY23
Revenue from operations	55,775	43,113	93,899	76,151	57,345
Operating expenses	62,709	45,474	99,684	81,093	75,382
EBITDA	(6,934)	(2,361)	(5,785)	(4,941)	(18,037)
Other Income	2,802	2,336	5,110	2,441	1,632
Depreciation	173	178	340	581	300
EBIT	(4,305)	(202)	(1,015)	(3,082)	(16,706)
Interest	27	38	69	64	13
Share in Profit/Loss in JV	-	-	-	-	-
PBT	(4,332)	(240)	(1,084)	(3,145)	(16,719)
Tax	1,301	24,375	24,868	-	-
Exceptional Item	(1,374)	(513)	(13,464)	(131)	-
Consolidated PAT	(7,007)	(25,129)	(39,417)	(3,276)	(16,719)
EPS	(1.6)	(5.6)	(9.5)	(0.8)	(4.0)
Ratio	3M FY25	FY25	FY24	FY23	
EBITDAM	-12.4%	-5.5%	-6.2%	-6.5%	-31.5%
PATM	-12.6%	-58.3%	-42.0%	-4.3%	-29.2%
Sales growth	29.4%	-	23.3%	32.8%	-

Company Description

Meesho Limited, incorporated in 2015, is a multi-sided technology-led marketplace that enables e-commerce in India by integrating four key ecosystem participants consumers, sellers, logistics partners, and content creators. The company's asset-light, value-focused platform, operated under the Meesho brand, has become India's largest e-commerce marketplace by Placed Orders and Annual Transacting Users (ATUs) in the 12 months ending September 30, 2025.

The platform has demonstrated strong user and order growth, with ATUs rising from 136.4 million in FY2023 to 198.8 million in FY2025, and Placed Orders increasing from 1,024.3 million to 1,834.4 million over the same period. Meesho's core consumer value proposition—"Everyday Low Prices" allows it to deliver consistently low product prices without dependence on event-led promotions or flash sales.

The company captures significant share across low-ASP categories, with FY2025 GMV-based market share of 21–23% in Fashion, 23–25% in Home, Kitchen & Furnishings, and 8–10% in Beauty & Personal Care. The platform offers a broad assortment spanning unbranded goods, regional brands, and national brands, supported by a large and expanding product catalogue (153.72 million Daily Active Product Listings in the six months ended September 30, 2025, vs. 109.65 million in the prior-year period).

User engagement remains robust, with Average Daily Product Views reaching 13.53 billion in FY2025 and 16.61 billion in the six-month period ended September 30, 2025 (vs. 12.40 billion in the corresponding period last year). Seller productivity has also strengthened, with NMV per Annual Transacting Seller increasing at a CAGR of 16.9% between FY2023 and FY2025, reaching ₹583,697 in FY2025. As of September 30, 2025, the platform had 706,471 Annual Transacting Sellers.

Meesho's logistics ecosystem continues to scale, comprising 11,583 Active Logistics Providers, five end-to-end logistics partners, and 73,671 Valmo Delivery Agents in FY2025.

Valuation:

Meesho Ltd runs an asset-light e-commerce platform focused on affordable, low-priced categories like fashion, home & kitchen, beauty, and lifestyle. It is a multi-sided technology platform that drives e-commerce in India by bringing together 4 key stakeholders – consumers, sellers, logistics partners and content creators.

The company's proposition is built on affordability and unbranded assortment targeted at Tier 2+ India, supported by a discovery-led app experience. It is among India's most-downloaded shopping apps and accounts for nearly 30% of e-commerce shipments in the country.

On the valuation front, Based on FY25 earnings, the company is seeking a, the Mcap to Sales ratio is 5.5 times and a post-issue market capitalization of approximately Rs 5,00,958 million, making the issue appears to be richly priced. We believe the company remains in an investment phase, posting a restated loss of Rs 39,417 million in FY25; however, adjusted EBITDA improved and free cash flow turned positive, signalling strengthening operating discipline. With the value e-commerce sector continuing to grow, Meesho's path to profitability hinges on sustained cost optimisation and marketing efficiency. While competitive and regulatory pressures persist, the company's scale gains and operational focus position it well for gradual margin improvement. Hence, we assign **Subscribe for long term** only rating for the issue.

Company Overview

Meesho Ltd was initially incorporated as FashNear Technologies Pvt. Ltd. at Bengaluru, Karnataka, on August 13, 2015. The name of the company was changed to “Meesho Pvt. Ltd on May 13, 2025, and subsequently, upon conversion to a public limited company, the name was changed to Meesho Limited. Vidit Aatrey and Sanjeev Kumar are the promoters of the company. Meesho is a multi-sided technology platform driving e-commerce in India by connecting 4 key stakeholders: consumers, sellers, logistics partners, and content creators. The company’s e-commerce marketplace, which it operates under the brand name Meesho, emerged as India’s largest in terms of number of Placed Orders and Annual Transacting Users among e-commerce players in India in the last 12-month period ending September 30, 2025.

The company’s value-focused ecommerce marketplace serves consumers from diverse income backgrounds across India by offering ‘Everyday Low Prices.’ This is made possible by providing a low-cost channel for sellers, which in turn allows them to offer a wide assortment of products at affordable prices to consumers. Sellers on Meesho include manufacturers, wholesalers, and traders. The company engages with logistics partners, encompassing first- and last-mile delivery businesses, sorting centres, and truck operators, to ensure cost-effective order fulfilment. Content creators on Meesho enhance product discovery and drive sales by sharing engaging content. The company’s platform is designed to deliver a personalised discovery-led shopping experience to consumers, making online shopping easy and engaging for consumers. The company monetizes its platform through services that are provided to sellers such as order fulfilment, advertising, and data insights.



Meesho’s modular technology stack enables seamless, reliable, and scalable interactions across all stakeholders on the platform. These interactions generate large volumes of data that continuously feed into its AI/ML models, strengthening personalisation, matching, and operational efficiency. The company monetises primarily through seller-facing services such as fulfilment, advertising, and data insights, while maintaining a zero-commission structure for sellers and no platform fees for consumers. Its scale and integrated ecosystem have also supported the rollout of New Initiatives, including a low-cost local logistics network for daily essentials and a financial services platform delivered through regulated partners. Accordingly, Meesho operates two business segments: **Marketplace** and **New Initiatives**.

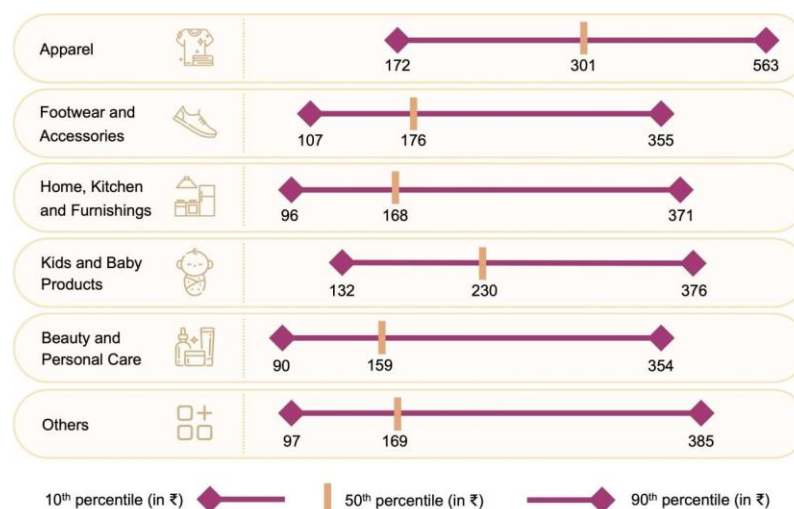


Stakeholders:

Consumers

Consumers on Meesho come from various income backgrounds across India. In FY 2025, 198.77 million Annual Transacting Users transacted on Meesho, of which 174.43 million were from outside the Top 8 cities in India. 54.22% of the consumers in FY 2025 were women. In the last 12-month period ending September 30, 2025, and September 30, 2024, 234.20 million and 175.09 million Annual Transacting Users transacted on Meesho, of which 205.80 million and 153.45 million were from outside the Top 8 cities in India, respectively. 53.27% and 54.29% of the company’s consumers in the last 12-month period ended September 30, 2025, and September 30, 2024, were women, respectively. While the number of e-commerce shoppers in India grew by 11-20% from FY 2023 to 2025, Meesho’s Annual Transacting Users has increased by ~46% in the same period, implying that Meesho has led a considerable portion of shopper-commerce growth during the previous 2 years.

Affordability: The Company enables consumers to access a wide range of products at low prices, as sellers on the platform benefit from low costs. The company have continually reduced the average cost charged to sellers. This is reflected in the reducing Average Order Value (“AOV”) on its marketplace, from ₹336.71 in FY 2023, ₹298.36 in FY 2024 to ₹274.27 in FY 2025, and from ₹274.18 in the 6 months ended September 30, 2024 to ₹265.50 in the 6 months ended September 30, 2025, while the number of Placed Orders substantially increased from 1,024.34 million in FY 2023 to 1,341.94 million in FY 2024 to 1,834.40 million in FY 2025, and from 824.59 million in the 6months period ended September 30, 2024 to 1,261.14 million in the 6 months ended September 30, 2025.



Market share in our key product category clusters is given below for Fiscal 2025:



Sellers

Sellers on Meesho include manufacturers, wholesalers and traders. During FYs 2023, 2024 and 2025, 449,966, 423,749 and 513,757, and for the last twelve-month period ending September 30, 2024, and September 30, 2025, 440,824 and 706,471, respectively. Annual Transacting Sellers transacted on Meesho, respectively. The NMV per Annual Transacting Seller increased at a CAGR of 16.86% from ₹427,429.78 in FY 2023, ₹548,463.42 in FY 2024, to ₹583,697.39 in FY 2025. The average number of days for a new seller on Meesho to receive its first order after the product is listed on Meesho decreased from 32 days in FY 2023, 26 days in FY 2024, 16 days in FY 2025, to 15 days in the twelve-month period ended September 30, 2025.

Each cohort represents sellers whose first successfully delivered order on Meesho occurred in a given fiscal year. For instance, the Fiscal 2022 cohort includes all sellers who received their first such order in FY 2022 and continued to receive orders in subsequent years. By Fiscal 2025, these sellers increased their average NMV per seller, calculated based on the order placed date, by 3.30 times and their order frequency per seller by 4.01 times

NMV retention per seller cohort					Orders received per seller cohort				
Cohort	Year 0	Year 1	Year 2	Year 3	Cohort	Year 0	Year 1	Year 2	Year 3
Fiscal 2022	1.00x	2.21x	2.74x	3.30x	Fiscal 2022	1.00x	2.37x	3.13x	4.01x
Fiscal 2023	1.00x	3.16x	4.83x		Fiscal 2023	1.00x	3.38x	5.46x	
Fiscal 2024	1.00x	3.34x			Fiscal 2024	1.00x	3.52x		
Fiscal 2025	1.00x				Fiscal 2025	1.00x			

Logistics Partners

The company's logistics partners include first- and last-mile delivery businesses and individuals, sorting centres, truck operators, and end-to-end logistics partners. Meesho has the highest e-commerce shipment volume among e-commerce players in India, accounting for 29-31% of total e-commerce shipments (excluding hyperlocal shipments) in FY 2025. Orders placed on Meesho are fulfilled either through (i) the company's proprietary and unique technology platform – "Valmo", which orchestrates a multi-stage logistics network across multiple logistics partners, or (ii) end-to-end logistics partners. In FY 2025 and in the last 12-month period ending September 30, 2025, there were 11,583 and 18,098 Active Logistics Providers, 5 end to-end logistics partners, and 73,671 and 102,349 Valmo Delivery Agents, respectively, on the company's platform.

Content Creators

Content creators are individuals who primarily create and post short-form videos and live streams on Meesho and other third party social media platforms to enhance the shopping experience for the company's consumers. In FY 2025 and in the last 12 month period ending September 30, 2025, and September 30, 2024, the company enabled 27,836, 50,319 and 13,659 Active Content Creators who posted 448,183, 930,255, and 159,964 order-generating content on a cumulative basis, respectively. The company generated ₹7.07 billion in NMV from its Marketplace through content commerce in FY 2025, having achieved this growth within 23 months of its launch in May 2023. In the last twelve months ended September 30, 2025, the company generated ₹12.08 billion in NMV from the company's Marketplace through content commerce.

Operational KPIs

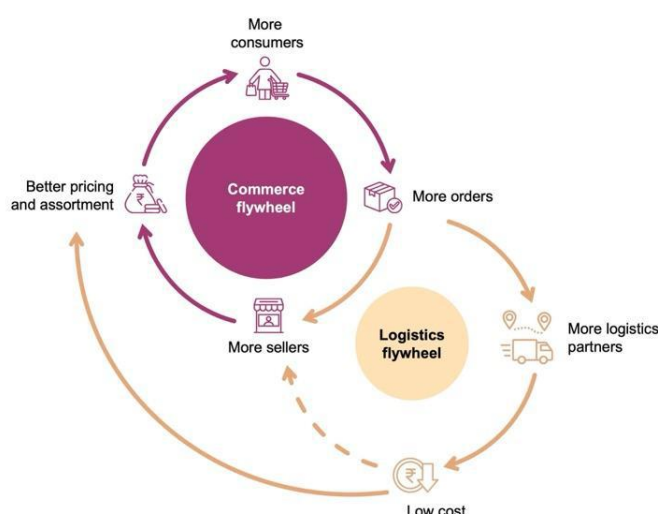
Particulars	Unit	6M Ended Sept 30, 2025	6M Ended Sept 30, 2024	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
Annual Transacting Users	million	234.2	175.09	198.77	155.64	136.4
Annual Transacting Sellers	number	7,06,471	4,40,824	5,13,757	4,23,749	4,49,966
Placed Orders	million	1,261.14	824.59	1,834.40	1,341.94	1,024.34
Growth in Placed Orders	%	52.94%	33.34%	36.70%	31.01%	—
Order Frequency	number	9.7	8.84	9.23	8.62	7.51
Gross Merchandise Value (GMV) – Marketplace	₹ billion	334.83	226.09	503.12	400.38	344.91
Net Merchandise Value (NMV) – Marketplace	₹ billion	191.94	133.18	299.88	232.41	192.33
NMV – Marketplace Growth	%	44.12%	23.60%	29.03%	20.84%	—

Strengths:➤ **Platform is built on multiple scaled self-reinforcing flywheels**

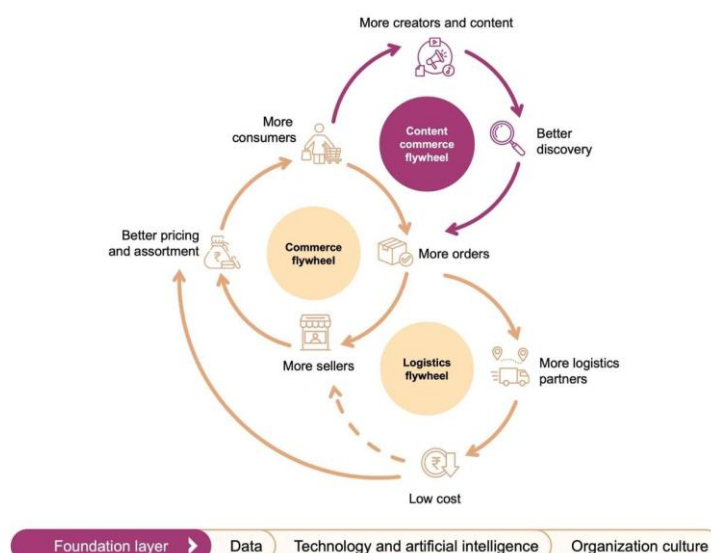
Commerce flywheel: Consumers transact on Meesho because of the wide product assortment available at affordable prices. As more consumers transact and order volumes increase, more sellers are attracted to Meesho. This encourages sellers to list more products on Meesho and price their products competitively. Further, this enables regular product refreshment. Better pricing and assortment attract more consumers, further increasing order volumes.



Logistics flywheel: As order volumes on Meesho increase, it helps logistics partners better utilise their capacity, improve fulfilment density, and reduce the price of their services per order. On Valmo (the technology of which is housed in the Company), logistics partners who may not have been able to service e-commerce orders because they did not have end-to-end capabilities can come together to service e-commerce orders jointly.



Content commerce flywheel: The Company has activated a content commerce flywheel that enhances product discovery and engagement on Meesho. Content creators are attracted to Meesho because it offers them an avenue to monetise their creativity by promoting sellers' products. With increasing content volumes on Meesho, product discovery becomes better, further improving order volumes and reinforcing the commerce flywheel. The interconnected flywheels create strong network effects and platform liquidity, enabling the density of platform participants at each node to accelerate matching and transactions, leading to growth.

➤ **Technology-first approach with focus on AI-driven solutions**

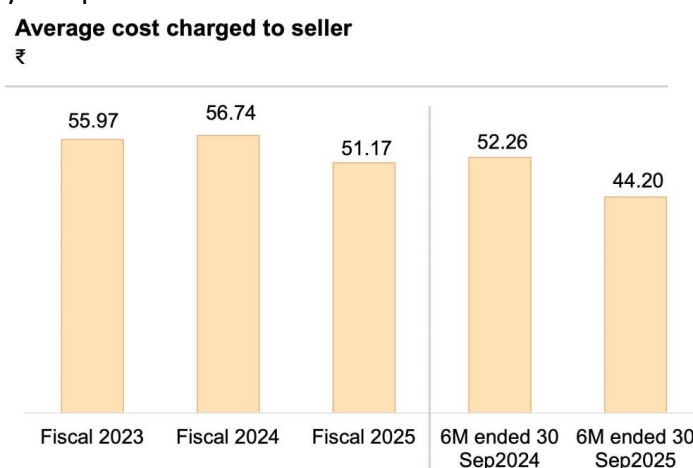
The company has integrated GenAI tools into its engineering stack. These tools help the company's developers and engineers streamline software code generation, improve development velocity, and reduce time to deployment. The company has also embedded Gen AI capabilities across functions to enhance both scale and productivity. As of September 30, 2025, the company had a total technology workforce of 1,182 full-time employees, including 163 in its machine learning and AI team. In the 12 month period ended September 30, 2025, the company's GMV-to-FTE ratio was ₹29.39 Cr. On average, in the last twelve months ended September 30, 2025, the company's technology managed 205.39 million Monthly Active Users on the app.

The company uses AI/ML for all its stakeholders:

- For consumers: (i) personalisation at an individual level for product discovery, (ii) automated consumer support experience, and (iii) text, image and voice search results, including regional language and incoherent phrases.
- For sellers: (i) ease of onboarding and product cataloguing, (ii) product recommendation and pricing insights for higher sales, and (iii) targeted advertising to increase returns on ad spends.
- For logistics partners: (i) optimised routes and partner selection for low-cost fulfilment, (ii) quality control to improve delivery success rate; and (iii) interpretation of unstructured delivery addresses.
- For content creators: (i) insights into consumer purchase behaviour to increase earnings; and (ii) tools for content creation.

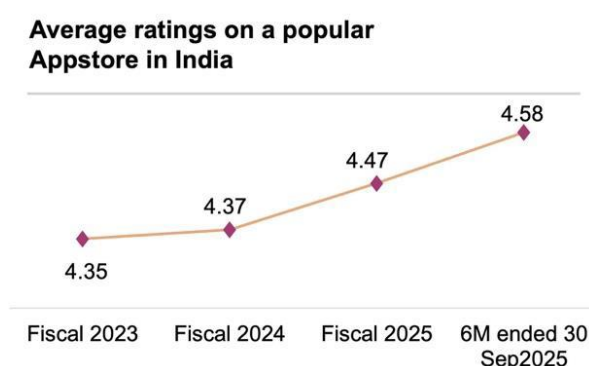
➤ Delivering 'everyday low prices' for consumers

The company is a value focused e-commerce platform that delivers 'Everyday Low Prices' for consumers, which means that consumers get products at low prices on Meesho without having to rely on limited time discounts and event-based flash sales. The company's zero commission model for sellers combined with its low-cost order fulfilment reduces the average cost charged to sellers and enables them to provide a wide assortment of products at affordable prices on Meesho. The company's large base of consumers, sellers and logistics partners has introduced competition, encouraging them to offer quality products and services efficiently and at low prices. This along with the company's technology-first operations, asset-light business model and operating leverage, enables it to sustain "everyday low prices."



➤ Trusted layer among the stakeholders

The company focuses on building trust across its platform. The company's value-focused platform enables sellers to sell a wide range of products, including not just well-known national brands but also regional and unbranded products. The company's large operations generate strong trust signals, enabling consumers on Meesho to make informed decisions, especially for unbranded products and regional brands. The company also offers a consumer-friendly return policy of up to 7 days. In FY 2025, refunds were processed, on average, within 1 hour and 14 minutes from the time of product pickup. The company's seller platform includes a dedicated 'Quality' section that provides insights, such as recommendations for enhancing product attributes and improving visual content, as well as consumer feedback. This has led to an improvement in the average product ratings on Meesho over the last 3 fiscal years and the 6-month period ended September 30, 2025. The company believes sellers trust them because of Meesho's inclusive nature. The company has a policy of releasing payments to sellers on or before the eighth working day after the date of successful order delivery. The company's in-house transaction risk management systems identify and act against stakeholders who misuse the company's platform, thus enhancing trust. In the six months ended September 30, 2025, and September 30, 2024, and in FY 2025 and 2024, the company's systems cancelled 4.86 million 3.53 million, 8.28 million and 3.88 million transactions, blocked 0.97 million, 0.67 million, 1.38 million and 1.15 million consumers, and blocked 31,157, 10,181, 37,109 and 1,371 sellers on Meesho, respectively, as part of its risk management efforts. In the 6-month period ended September 30, 2025, and September 30, 2024, and in FY 2025 and 2024, 11.79 million, 1.63 million, 12.56 million and 4.97 million counterfeit and infringing product listings have been deactivated from Meesho, respectively.



➤ Ability to scale in a capital-efficient manner

The Company operates an asset-light business model. The company does not manufacture or sell private-label products, own product inventory, or operate logistics infrastructure, making its platform more capital-efficient than organised retail or other e-commerce models that may depend on physical stores, warehousing, owned inventory, and/or captive logistics. By leveraging the existing capacity and capabilities of its sellers and logistics partners, the company has been able to scale its operations while remaining capital-efficient. Between FY 2023 and 2025, the company's Annual Transacting Users grew from 136.40 million to 198.77 million, and its Placed Orders grew from 1,024.34 million to 1,834.40 million. Advertising and sales promotion expenses declined from ₹927.80 crore in FY 2023 to ₹643.53 crore in FY 2025. As a percentage of NMV from its Marketplace, they fell from 4.82% to 2.15%, and as a percentage of total expenses, from 12.26% to 6.43% over the same period. For the six months ended September 30, 2025, expenses were ₹606.21 crore compared to ₹325.52 crore in the corresponding period of 2024. During these periods, expenses represented 3.16% and 2.44% of NMV and 9.64% and 7.12% of total expenses, respectively. Server and software tools expenses as a percentage of NMV from its Marketplace and total expenses decreased from 2.95% and 7.50% in Fiscal 2023 to 2.07% and 6.19% in Fiscal 2025, respectively. For the 6 months ended September 30, 2025, these expenses were 2.28% of NMV and 6.95% of total costs, compared to 2.04% and 5.95% in the same period of 2024. The increase was

primarily driven by strong growth in user engagement and transaction activity, requiring a higher investment to scale technology infrastructure to handle increased traffic, engagement, and content-led transactions. The company can launch and grow new services by creating additional flywheels with minimal investment. The company believes it is a cost-conscious organization, with a culture of financial discipline across all functions. The company tracks and optimises its expenditure at a granular level by leveraging technology, automation, and process innovation. Through its structured approach to innovation, which the company calls 'Horizon 2 Initiatives', the company experiments with new opportunities, tests the product market fit, its ability to grow and assesses unit economics before further investment.

Particulars	Units	6M Ended Sept 30, 2025	6M Ended Sept 30, 2024	FY 2025	FY 2024	FY 2023
GMV	₹ billion	335.0	227.1	503.6	401.2	345.0
Total Equity	₹ million	8503.8	21735.5	14455.2	22296.4	24719.2
Capital Employed	₹ million	54225.9	44668.2	48182.0	46007.7	50252.1
GMV / Capital Employed	times	6.2	5.1	10.5	8.7	6.9
LTM Free Cash Flow (FCF)	₹ million	5814.8	N.A	5912.4	1995.6	-23363.7
LTM FCF / Capital Employed	%	10.7%	N.A	12.3%	4.3%	-46.5%

➤ **Organisation built on a culture of agility and innovation, with an experienced management team**

The Company is led by Vidit Aatrey and Sanjeev Kumar, who have played a pivotal role in shaping the Company's strategic direction. The company's experienced and professional management team comes from diverse backgrounds across multiple industries, including technology, finance, retail, and e-commerce in India. The company's organizational culture is one of the factors that has supported its continued progress. The company operates on 9 "Meesho Mantras" that promote agility, fact-based decision-making, continuous innovation and shared accountability.

Key Strategies:

➤ **Increase consumer base and their transaction frequency by expanding the product listings and seller base**

The company aims to democratise internet commerce for everyone by building a platform that is affordable and accessible to a diverse consumer base, whether a high-income urban shopper or a rural consumer. The company intends to tap into a growing market opportunity and increase consumer penetration from both the Top 8 cities and beyond in India. Driven by the company's continued commitment to brand awareness and accelerating user growth, its Annual Transacting Users grew at a CAGR of 20.72% between FY 2023 and FY 2025 and grew 33.76% between the twelve-month period ending September 30, 2024, and September 30, 2025. Meesho's spends to convert a new consumer declined by a CAGR of 26.86% between FY 2023 and 2025, consistent with the decline in Advertising and Sales Promotion expenses over the same period and increased by 52.28% between the 6 months ended September 30, 2024, and September 30, 2025, consistent with the increase in Advertising and Sales Promotion expenses over the corresponding period. As the transacting behaviour of the consumers matures, the company sees an increase in their retention and transaction frequency on its platform. The company's Order Frequency has increased from 7.51 in FY 2023 to 9.23 in FY 2025, and from 8.84 in the last 12-month period ending September 30, 2024, to 9.70 in the last 12-month period ending September 30, 2025. The company plans to continue to scale its content commerce marketplace. Further, the company is scaling 'Meesho Mall', a dedicated branded shopping destination within the Meesho app, where new-age, regional, and national brands and their authorised distributors can sell directly to consumers. The company also plans to increase penetration across high-frequency product categories, such as daily essentials, by building a low-cost local logistics network as part of its Horizon 2 Initiatives. The company intends to further expand the assortment of products on Meesho by reducing entry barriers for sellers, improving business enablement tools and improving product discovery on Meesho. The company intends to continue to invest in AI driven tools for catalogue optimisation, pricing intelligence, and performance analytics to support seller decision-making and operational efficiency.

➤ **Further invest in technology and product development and enhance the AI capabilities**

Continuous investment in technology and product development is core to scaling the company's platform, increasing efficiencies and driving product innovation.

- Advancing AI-led innovation through Meesho AI labs: The Company is deepening its AI capabilities through its dedicated initiative, "Meesho AI Labs", which aims to institutionalise long-term, frontier AI innovation. This program is focused on building a more intelligent and adaptive commerce experience for all its stakeholders.
- Driving cost and operational efficiency: The Company continues to strengthen its technology stack to reduce manual overheads and improve process efficiency across the platform. The company intends to build and roll out technology products, including various logistics management systems within Valmo and content-creator technologies, to optimise fulfilment, content generation, and seller operations at scale.
- Building for scale and resilience: The Company intends to expand its cloud infrastructure to handle better higher transaction volumes, broader engagement across its stakeholders and peak demands. The company plans to continue strengthening its in-house technology and product development capabilities through (i) compensation packages for its software engineers, AI/ML specialists, product developers, and designers, who are integral to platform development and ongoing innovation, (ii) implementing structured retention programs to encourage sustained commitment of its talent pool; and (iii) recruiting specialised professionals to continue to deliver on its AI technology and capabilities.

The company plans to continue strengthening its in-house technology and product development capabilities through (i) compensation packages for its software engineers, AI/ML specialists, product developers, and designers, who are integral to platform development and ongoing innovation, (ii) implementing structured retention programs to encourage sustained commitment of its talent pool; and (iii) recruiting specialised professionals to continue to deliver on its AI technology and capabilities.

➤ **Deepen the ability to make e-commerce affordable and accessible**

The Company is focused on making e-commerce affordable and accessible for consumers across India. To achieve this, the company intends to lower the average cost charged to sellers on its platform by driving technology-led operating efficiencies and enhancing the cost effectiveness of its logistics partners, including through continued optimisation of Valmo. The company's investments in automation and other technologies are designed to reduce

manual overheads, improve partner productivity, and streamline fulfilment operations. As logistics costs continue to decline and its technology-led initiatives drive additional gains, the company intends to reduce further the fulfilment costs incurred by sellers on its platform. Lower seller costs enable more competitive pricing and broader assortment, particularly in low-ticket, high-frequency categories.

➤ **Increase the cash flow generation by enhancing platform monetization**

The Company aims to improve cash flow by scaling seller services through greater adoption of existing offerings and the introduction of new ones, while maintaining a low-cost experience for consumers. Segment revenue from Marketplace grew from ₹57,337 million in FY 2023 to ₹93,858 million in FY 2025, and from ₹43,092 million in the six months ended September 30, 2024 to ₹55,739.1 Mn in the same period of 2025, driven by higher placed orders and increased seller adoption. In Fiscal 2025, ₹43,320 million NMV from its Marketplace was generated through seller advertisements, delivering an 8.62x return on ad spend.

➤ **Drive innovation through Horizon 2 Initiatives**

The Company leverages Horizon 2 Initiatives to identify, test, and scale new opportunities that expand its business, strengthen its core, and create long-term value. The company has a demonstrated track record of incubating high-impact Horizon 2 Initiatives and scaling them into integral parts of its core business. Two notable examples include Valmo and content commerce.

Industry Snapshot:

➤ **India's e-commerce market (including quick commerce) is projected to grow at 20–25% CAGR over the next 5 years, riding on the high growth potential in the non-electronics categories**

Figure 16a: India e-commerce market
In %, ₹ trillion (US\$ billion)

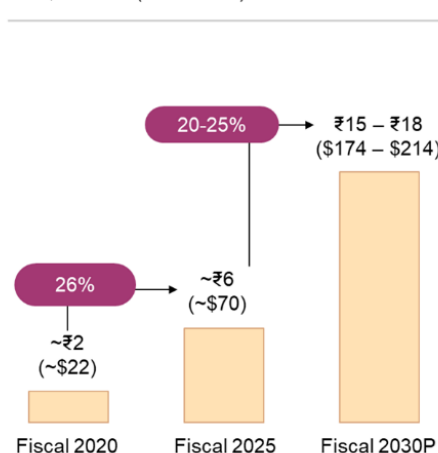
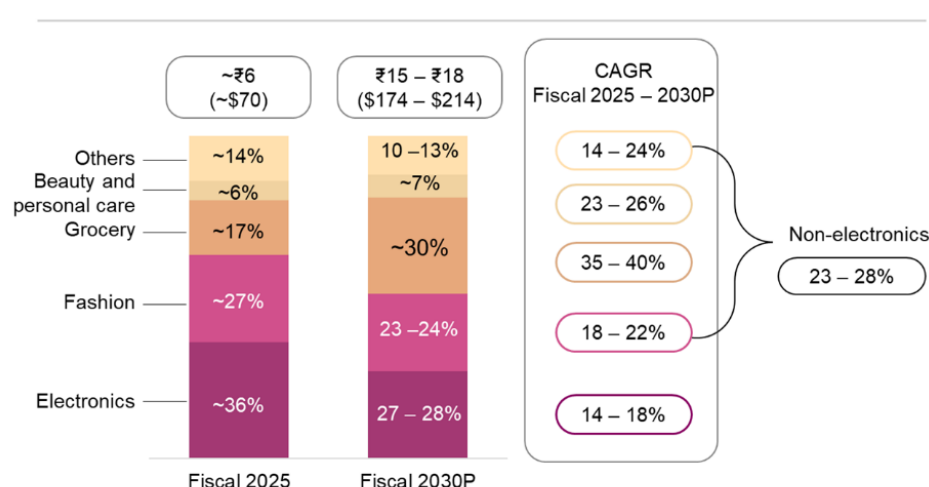


Figure 16b: India e-commerce market – split by category
In %, ₹ trillion (US\$ billion)



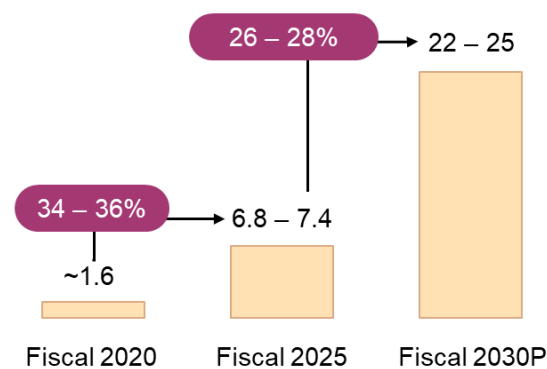
India e-commerce market is currently sized at ~₹6 trillion (~US\$70 billion) in terms of gross merchandise value (GMV) and is projected to reach ₹15–18 trillion (US\$174–214 billion), penetrating 12–13% of India retail market by Fiscal 2030. As of Fiscal 2025, e-commerce penetration in non-electronics categories remains significantly below that of electronics (~37%), indicating substantial headroom for growth. Penetration levels in nonelectronics categories stand at ~2% in grocery, ~19% in fashion, ~19% in beauty and personal care, and ~5% in others where others include Pharma, Home and furniture, General merchandise and Jewellery. Capitalizing on this headroom, the non-electronics categories are projected to lead the ecommerce growth in India over the next ~5 years contributing to 72–73% of India e-commerce market in Fiscal 2030P as compared to ~64% in Fiscal 2025.

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

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. They are projected to reach 22-25 billion by Fiscal 2030, growing at 26–28% CAGR. Logistics accounts for a significant portion of the overall cost structure in e-commerce, making it a key driver of both business viability and scalability. Efficient logistics not only support sustainable operations but also directly impact pricing, margins, and market expansion, critical levers for growth. At the same time, delivery experience, shaped by the quality and agility of logistics, is a crucial factor in the consumer purchase journey. Therefore, as e-commerce scales across categories and cohorts, logistics providers are also adapting to the evolving consumer needs around delivery speed, order density, geographic coverage, and fulfilment complexity while simultaneously driving down per unit logistics cost through network optimization, scale benefits, and technology adoption. Unlike traditional transportation, which is optimised for bulk movement between fixed nodes, ecommerce logistics is designed to handle high volumes of small parcels, dispersed pickup and delivery points, and time-sensitive service levels. It requires handling complex reverse logistics, alongside realtime quality checks and reintegration into inventory. Cash handling and multi-mode payment reconciliation are also essential, due to the high share of cash-on-delivery transactions in India. Additionally, category specific requirements such as secure packaging and the need for rapid scale-up during peak periods, make e-commerce logistics more operationally intensive and technology-driven.

Figure 24: India e-commerce shipments

In billion



- **Value focused e-commerce is well-suited to address India's fragmented supply and affordability led demand, and is gaining share in the India e-commerce market, with stronger margin expansion**

India's retail market is expected to remain predominantly driven by regional brands and the unbranded segment (led by multiple small-scale sellers). This large segment remains underserved by organised retailers and is largely served by the unorganised retail channel, as indicated by 70–75% contribution of regional brands and the unbranded segment to unorganised retail in India. Value focused ecommerce, while part of organised retail, enables regional brands and unbranded products supply through technology-led orchestration and efficient logistics and fulfilment, thereby addressing the inherent inefficiencies of unorganised retail. In contrast, the other organised retail models thus far have largely been focused on enabling the supply of Pan-India and D2C brands.

Addressable Market

India's total retail market constitutes the Total Addressable Market (TAM) for Meesho, estimated at ₹83 trillion (~US\$978 billion) in FY 2025 and projected to reach ₹123–135 trillion (US\$1.4–1.6 trillion) by FY 2030. Within this, Meesho focuses on a subset of categories forming its Serviceable Addressable Market (SAM). As of FY 2025, Meesho's SAM is valued at ~₹33 trillion (~US\$384 billion) and is projected to reach ₹51–56 trillion (US\$600–653 billion) by FY 2030P, reflecting a CAGR of 9–11%, higher than the overall retail market CAGR of 8–10% during the same period.

Meesho's Total Addressable Market & Serviceable Addressable Market
In %, In ₹ trillion (US\$ billion), In Fiscal 2025

Categories	TAM	Currently serviced by Meesho	SAM	SAM e-commerce penetration FY2025	SAM e-commerce market growth (Fiscal 2025 – Fiscal 2030P)
Grocery	~₹52 (~US\$599)	Partly - FMCG	~₹14 (~US\$166)	~2%	35 – 40%
Fashion	~₹8 (~US\$98)	✓	~₹8 (~US\$98)	~19%	18 – 22%
Jewellery	~₹6 (~US\$69)	✗	-	-	-
Electronics	~₹6 (~US\$68)	Partly – small household devices	~₹0.4 (~US\$5)	37%	14 – 18%
Home and furniture	~₹5 (~US\$65)	✓	~₹5 (~US\$65)	10 – 12%	18 – 20%
Pharma	~₹2 (~US\$29)	✗	-	-	-
General merchandise	~₹2 (~US\$27)	✓	~₹2 (~US\$27)	7 – 9%	14 – 17%
BPC	~₹2 (~US\$23)	✓	~₹2 (~US\$23)	~19%	23 – 26%
Total	~₹83 (~US\$978)	-	~₹33 (~US\$384)	~8%	21 – 25%

Industry Summary

Organised retail in India comprises two primary formats, organised brick and mortar and e-commerce. E-commerce is a retail format that facilitates buying and selling of goods over the internet. While organised brick and mortar presence is constrained by physical limitations, e-commerce has enabled broader geographic reach through its digital-first approach. India's e-commerce market is currently sized at ~₹ 6 trillion in terms of gross merchandise value (GMV) and is projected to reach ₹15–18 trillion, penetrating 12–13% of India retail market by FY 2030. Majority of new online shoppers are projected to come from tier 2+ cities, which are projected to account for 51–52% of India's e-commerce market by FY2030, up from ~44% in FY 2025.

Comparison with Industry listed peers

Name of the company	Face Value (₹ per share)	Revenue from operations (₹ in millions)	Basic EPS	P/E	RONW (%)	NAV (₹)	P/BV (x)	Price to Sales P/S
Meesho Ltd	1	93,8990	(9.9)	-	(257.3%)	3.6	30.8	5.5
Listed Peers								
Eternal Ltd	1	2,02,430	0.6	529.1	2.6%	31.4	9.5	13.7
Swiggy Ltd	1	1,52,267	(13.7)	-	(30.5)%	40.9	9.7	5.9
Brainbees Solutions Ltd	2	76,596	(4.11)	-	(26.6)%	91.0	3.2	2.1
FSN E-Commerce Ventures Ltd	1	79,498	0.2	1,168.4	5.3%	4.5	54.2	9.6

Vishal Mega Mart Ltd	10	1,07,163	1.4	99.5	9.8%	13.9	9.3	5.8
Trent Ltd	1	1,71,346	43.5	100.8	27.9%	153.6	24.8	9.1
Avenue Supermarts Ltd	10	5,93,580	41.5	98.4	13.6%	329.2	11.7	4.4

*Note – 1) P/E, P/BV Ratio has been computed based on the closing market price of equity shares on NSE on Dec 02, 2025, other Financial highlights as 31st March 2025.

2) P/BV, NAV, EPS, P/E Mcap to sales of the Meesho is calculated on EPS of FY25, and post issue no. of equity shares issued.

Key Risk:

- A large portion of orders on Meesho are paid using cash on delivery (“CoD”). In the 6-month period ended September 30, 2025, and September 30, 2024, and Fiscals 2025, 2024 and 2023, 72.00%, 78.51%, 76.95%, 85.39%, and 88.71%, respectively, of Shipped Orders were on a CoD basis. CoD reduces the rate of successful deliveries and increases operational inefficiencies and cash-handling risks.
- Risks related to end-to-end logistics partners: The Company also relies on a limited number of end-to-end logistics partners. Any termination or disruption in the services provided by logistics partners, including operational issues, labour shortages, pricing actions, capacity constraints, or changes to the terms of engagement, could result in delays in order fulfilment.
- Any disruption to the technology infrastructure or system availability could impair the company’s ability to ensure consistent platform performance and deliver uninterrupted services. For instance, in November 2024, consumers were unable to place orders on the platform for a few hours due to technological issues. In April 2025, a system change temporarily blocked CoD payments for a subset of users, resulting in failed orders.
- The company has contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, and its financial condition and cash flow could be adversely affected if any of these contingent liabilities materialize.

Valuation:

Meesho Ltd runs an asset-light e-commerce platform focused on affordable, low-priced categories like fashion, home & kitchen, beauty, and lifestyle. It is a multi-sided technology platform that drives e-commerce in India by bringing together 4 key stakeholders – consumers, sellers, logistics partners and content creators.

The company’s proposition is built on affordability and unbranded assortment targeted at Tier 2+ India, supported by a discovery-led app experience. It is among India’s most-downloaded shopping apps and accounts for nearly 30% of e-commerce shipments in the country.

On the valuation front, Based on FY25 earnings, the company is seeking a, the Mcap to Sales ratio is 5.5 times and a post-issue market capitalization of approximately Rs 5,00,958 million, making the issue appears to be richly priced. We believe the company remains in an investment phase, posting a restated loss of Rs 39,417 million in FY25; however, adjusted EBITDA improved and free cash flow turned positive, signalling strengthening operating discipline. With the value e-commerce sector continuing to grow, Meesho’s path to profitability hinges on sustained cost optimisation and marketing efficiency. While competitive and regulatory pressures persist, the company’s scale gains and operational focus position it well for gradual margin improvement. Hence, we assign **Subscribe for long term** only rating for the issue.

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