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**IPO Note:**  
**MEESHO LIMITED**

Meesho is a technology-led, horizontal e-commerce marketplace focused on democratizing online retail for India's value-driven mass market. The company's mission centers on making e-commerce accessible and affordable for millions of consumers, particularly those in Tier-2+ regions, who prefer unbranded, value-centric products. Over the years, Meesho has scaled rapidly, serving more than 198.77 million annual transacting users in FY25 and enabling over one million small sellers, including manufacturers and micro-entrepreneurs, to participate in digital commerce. Its platform is built around low commissions, transparent policies, and simple onboarding, making it a preferred marketplace for small businesses seeking nationwide reach.

Meesho's product ecosystem spans lifestyle, home goods, beauty, electronics, and other daily-use categories designed for high-frequency purchase behavior. The marketplace emphasizes discovery-led shopping with a wide, deep assortment of unbranded SKUs — an area traditionally underserved by other online platforms. The company uses advanced data science and machine learning to deliver personalized recommendations, optimize pricing, streamline search and discovery, and improve conversion. This technology foundation supports a seamless, intuitive user experience tailored for India's mass-market digital consumers.

Operational efficiency forms a core part of Meesho's business model. To support its high-volume, low-ticket business, the company has developed a specialized logistics ecosystem capable of handling millions of lightweight shipments each day. A central element of this is VALMO (Value Logistics Model) — Meesho's logistics optimization framework designed to reduce per-shipment costs, improve delivery reliability, and strengthen fulfillment efficiency. VALMO optimizes first-mile, mid-mile, and last-mile operations through data-driven routing, real-time allocation, and intelligent courier selection. Combined with Meesho's pan-India delivery network, COD systems, and automated returns workflows, VALMO improves unit economics and enables cost-efficient order fulfillment at scale.

Meesho's revenue model is diversified across marketplace fees, logistics margins, and seller value-added services, including visibility and advertising tools. The company's broader strategic focus is centered on deepening penetration in Tier-2+ India, strengthening supply in key lifestyle and home categories, enhancing personalization and discovery technology, and driving sustained cost efficiencies across logistics and customer experience. Through its affordable, inclusive, asset-light marketplace model, Meesho aims to build a profitable, scalable e-commerce platform that captures India's expanding online retail opportunity.

Financially, Meesho reported a ₹3,941.70 crore loss in FY25 versus a ₹327.64 crore loss in FY24, primarily due to one-time exceptional charges including restructuring-related tax impact and accelerated ESOP expenses. Meesho continues to lower seller costs, reflected in the declining AOV from ₹336.71 in FY23 to ₹298.36 in FY24 and ₹274.27 in FY25, and further from ₹274.18 in H1 FY25 to ₹265.50 in H1 FY26. Meesho's seller base comprises manufacturers, wholesalers, and traders, totaling 449,966 in FY23, 423,749 in FY24, and 513,757 in FY25.

**Meesho is positioned to capture India's growing value led e-commerce demand through strong user adoption, deep tier-2+ presence, and an efficient, low-cost operating model supported by VALMO. However, sustained profitability remains a critical factor for long-term investors to monitor, given recent volatility driven by exceptional charges. Short-term participants may consider the possibility of early listing-day gains, but long-term returns will depend on Meesho's ability to consistently improve margins and maintain disciplined cost structures. We give a 'SUBSCRIBE' rating to the issue for the following reasons: -**

1. Meesho is India's largest e-commerce marketplace by Placed Orders and Annual Transacting Users, uniquely positioned to capture the fast-growing value-commerce segment.
2. Its zero-commission, asset-light marketplace and AI-driven operating stack enable industry-leading cost efficiency and rapid scale-up.
3. Meesho's Serviceable Addressable Market (SAM) was ₹33 trillion in FY25 and is projected to grow to ₹51–56 trillion by FY30, at a CAGR of 9–11%, outpacing overall retail growth.
4. In the twelve months ended September 30, 2025, Meesho recorded the highest daily Placed Orders in India, approximately 5.9x the average of other scaled e-commerce players.

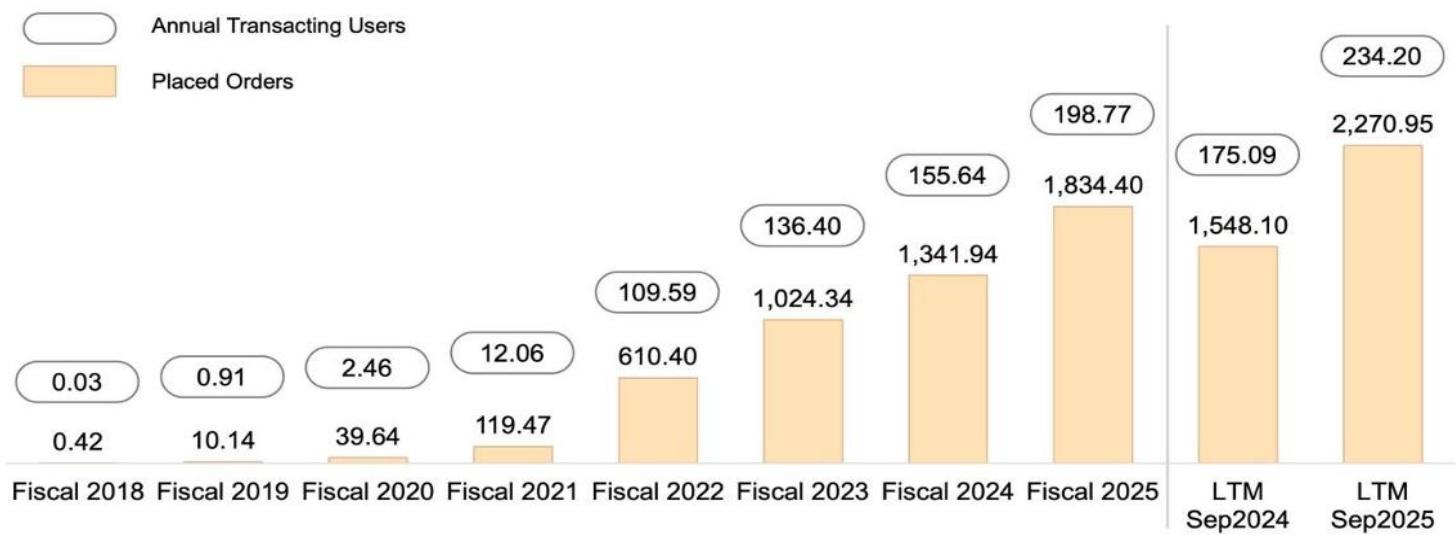
|                               |   |
|-------------------------------|---|
| Issue Opens                   | 3 <sup>rd</sup> December 2025   |
| Issue Closes                  | 5 <sup>th</sup> December 2025   |
| Type of Issue                 | Fresh Issue of 38,28,82,882 shares (aggregating up to ₹4,250.00 Cr) OFS of 10,55,13,839 shares of ₹1 (aggregating up to ₹1,171.20 Cr)   |
| Issue size                    | ₹5,421.20 Cr  |
| Price Band                    | ₹105 to ₹111 per share  |
| Bid lot/ Bid Size             | 135 shares/ Rs. 14,985  |
| Issue structure               | QIB - 75%, HNI - 15%, Retail - 10%  |
| Post issue equity shares      | 4,51,31,31,000 shares   |
| Promoters and Promoter Group  | Pre Issue – 19.08%   Post Issue – 15.13%  |
| Public                        | Pre issue – 80.92%   Post Issue- 84.87%   |
| Post issue implied market cap | ₹50,095.75 Cr   |
| BRLMs                         | Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, Citigroup Global Markets India Private Limited, Axis Capital Limited, Morgan Stanley India Company Private Limited |
| Registrar to the issue        | KFin Technologies Limited   |

#### Financial Summary (in ₹ million, unless otherwise indicated)

| Particulars                                     | H1FY26     | FY2025      | FY2024     | FY2023      |
|---|------------|-------------|------------|-------------|
| Annual Transacting Users (Millions)             | 234.20     | 198.77      | 155.64     | 136.40      |
| GMV – Marketplace (₹ Billions)                  | 334.83     | 503.12      | 400.38     | 344.91      |
| NMV – Marketplace (₹ Billions)                  | 191.94     | 299.88      | 232.41     | 192.33      |
| Revenue from operations (₹ Millions)            | 55,775.38  | 93,899.03   | 76,151.48  | 57,345.19   |
| Contribution Margin – Marketplace (₹ Millions)  | 7,333.00   | 14,836.50   | 13,031.95  | 5,658.63    |
| Contribution Margin as % of NMV – Marketplace   | 3.82%      | 4.95%       | 5.61%      | 2.94%       |
| Adjusted EBITDA (₹ Millions)                    | (5,518.72) | (2,195.91)  | (2,301.53) | (16,937.33) |
| Profit/ (Loss) for the period/year (₹ Millions) | (7,007.18) | (39,417.05) | (3,276.41) | (16,719.02) |
| Last Twelve Months' Free Cash Flow (₹ Millions) | 5,814.76   | 5,912.36    | 1,995.63   | (23,363.68) |

Source: RHP

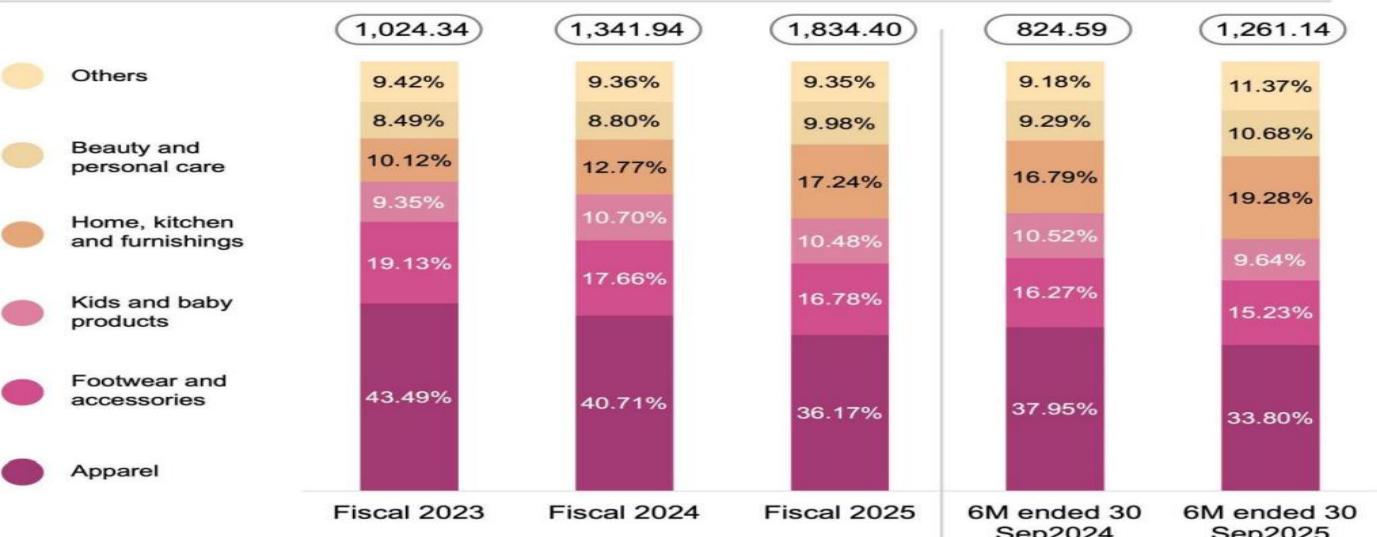
### Annual Transacting Users and Placed Orders:



### Commerce Flywheel Driving Platform Growth:



### Category-wise Breakdown of Placed Orders Over Time :



**Shareholding pattern**

| Name of the Selling Shareholders                               | Type | Number of Equity Shares Offered                          | Weighted Average Cost of Acquisition per Equity Share (in ₹) |
|--|------|--|--|
| Elevation Capital V Limited                                    | CSS  | Up to 24,445,349 Equity Shares of face value of ₹ 1 each | 3.04   |
| Peak XV Partners Investments V                                 | CSS  | Up to 17,380,873 Equity Shares of face value of ₹ 1 each | 4.29   |
| Vudit Aatrey   | PSS  | Up to 16,000,000 Equity Shares of face value of ₹ 1 each | 0.06   |
| Sanjeev Kumar  | PSS  | Up to 16,000,000 Equity Shares of face value of ₹ 1 each | 0.02   |
| Venture Highway Series 1, a Series of Venture Highway SPVs LLC | CSS  | Up to 8,636,727 Equity Shares of face value of ₹ 1 each  | 46.81  |
| Golden Summit Limited  | CSS  | Up to 7,961,640 Equity Shares of face value of ₹ 1 each  | 92.43  |
| Y Combinator Continuity Holdings I, LLC                        | CSS  | Up to 7,195,453 Equity Shares of face value of ₹ 1 each  | 1.02   |
| Man Hay Tam  | ISS  | Up to 3,301,140 Equity Shares of face value of ₹ 1 each  | 0.51   |
| Sarin Family India LLC   | CSS  | Up to 1,591,044 Equity Shares of face value of ₹ 1 each  | 2.22   |
| Gemini Investments, L.P.                                       | CSS  | Up to 1,247,351 Equity Shares of face value of ₹ 1 each  | 8.28   |

Source: Red Herring Prospectus (RHP)

**Objects of the issue**

**Fresh Issue of 38,28,82,882 shares (aggregating up to ₹ 4,250.00 Cr)**  
**Offer for Sale of 10,55,13,839 shares of ₹1 (aggregating up to ₹ 1,171.20 Cr)**

**Company plans to use the Net Proceeds to fund the following objects:**

1. Investment for cloud infrastructure in Meesho Technologies Private Limited, Meesho's Subsidiary.
2. Payment of salaries for the existing and replacement hires of the Machine Learning and AI and technology teams for AI and technology development undertaken by Meesho Technologies Private Limited, their Subsidiary.
3. Investment in Meesho Technologies Private Limited, Meesho's Subsidiary, towards expenditure for marketing and brand initiatives.
4. Funding inorganic growth through acquisitions and other strategic initiatives, along with general corporate purposes.

Source: Red Herring Prospectus (RHP)

**Peer Comparison**

| Name of the Company | Face Value per Equity Share (₹) | P/E* (times) | Revenue from Operations as of FY25 (₹ million) | EPS (Basic) (₹) | EPS (Diluted) (₹) | RoNW (%)  | Net Asset Value per Equity Share (₹) | Market Capitalisation to Revenue (times) |
|---------------------|---------------------------------|--------------|--|-----------------|-------------------|-----------|--------------------------------------|--|
| Meesho Limited      | 1                               | NA           | 93,899.03                                      | (9.98)          | (9.98)            | (252.37%) | 3.68                                 | NA                                       |

**Listed Peers:**

|                                 |    |          |            |         |         |          |        |       |
|---------------------------------|----|----------|------------|---------|---------|----------|--------|-------|
| Eternal Limited                 | 1  | 529.14   | 202,430.00 | 0.60    | 0.58    | 2.16%    | 31.42  | 13.76 |
| Swiggy Limited                  | 1  | N.A.     | 152,267.55 | (13.72) | (13.72) | (30.50%) | 40.98  | 5.94  |
| Brainbees Solutions Limited     | 2  | N.A.     | 76,596.14  | (4.11)  | (4.11)  | (26.63%) | 91.00  | 2.19  |
| FSN E-Commerce Ventures Limited | 1  | 1,168.43 | 79,498.20  | 0.23    | 0.23    | 5.21%    | 4.55   | 9.67  |
| Vishal Mega Mart Limited        | 10 | 99.53    | 107,163.45 | 1.40    | 1.36    | 9.85%    | 13.92  | 5.81  |
| Trent Limited                   | 1  | 100.87   | 171,346.10 | 43.51   | 43.51   | 27.93%   | 153.64 | 9.11  |
| Avenue Supermarts Limited       | 10 | 98.43    | 593,580.50 | 41.61   | 41.50   | 13.63%   | 329.29 | 4.48  |

Source: Red Herring Prospectus (RHP); \*P/E ratio of peers based on the CMP of equity shares on NSE as on November 20, 2025

## Competitive Strengths

1. Meesho delivers "Everyday Low Prices" to consumers by utilizing a zero-commission model for sellers combined with low-cost order fulfillment, which reduces average seller costs and enables affordable pricing without relying on limited-time discounts.
2. The company operates an asset-light business model that does not own inventory or logistics infrastructure, allowing it to scale rapidly and generate free cash flow in a capital-efficient manner compared to traditional retail models.
3. The organization is built on a culture of agility and innovation, led by founders and a professional management team with diverse experience across technology, finance, retail, and e-commerce sectors.
4. The platform operates on a powerful cycle where more shoppers naturally attract more sellers, delivery partners, and content creators, creating a self-feeding growth loop that strengthens the entire network over time ..
5. The company employs a technology-first mindset focused on AI-driven solutions, using a modular architecture and generative AI to scale operations, reduce costs, and enhance efficiency for all stakeholders

Source: Red Herring Prospectus (RHP)

## Growth Strategies

1. Expand customer base and boost transaction frequency by broadening product offerings and onboarding more sellers.
2. Accelerate investments in technology and product development while strengthening its AI capabilities.
3. Enhance capacity to make e-commerce more affordable and widely accessible.
4. Improve cash flow generation through stronger platform monetization initiatives.
5. Foster innovation by advancing Horizon 2 strategic initiatives..

Source: Red Herring Prospectus (RHP)

## Key Risks

1. A large portion of orders on Meesho are paid using cash on delivery, CoD reduces the rate of successful deliveries and increases operational inefficiencies and cash-handling risks.
2. Reliance on a small set of end-to-end logistics partners poses a risk of fulfilment delays if their operations face disruptions, capacity constraints, labour issues, or adverse changes in engagement terms.
3. Any outage or disruption in the company's technology infrastructure poses the risk of service interruptions and failed transactions.
4. The company faces the risk that intense competition could weaken its market position and adversely affect its business, financial performance and cash flows.
5. Any damage to the "Meesho" or "Valmo" brands—whether through negative publicity or reputational harm—could materially and adversely impact the company's business, operating results, prospects, and cash flows..

Source: Red Herring Prospectus (RHP)

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#### **For research related queries contact:**

Divya Makwana - Research Analyst at [research@ajcon.net](mailto:research@ajcon.net)

CIN: L74140MH1986PLC041941

SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

Website: [www.ajcononline.com](http://www.ajcononline.com)

#### **Registered and Corporate office**

408 - (4<sup>th</sup> Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062