IPO Note

December 02, 2025

Meesho Limited

Issue Snapshot:
Issue Open: December 03 – December 05, 2025

Price Band: Rs. 105 - 111

*Issue Size: Up to Rs 5,421.2 cr (Fresh issue of up to Rs 4,250 cr + Offer for sale of upto 10,55,13,839 eq sh)

Reservation for:

QIB	atleast	75% eq sh
Non-Institutional	upto	15% eq sh
((including 1/3rd for applications between Rs.2 lakhs to Rs.10 lakhs))		
Retail	upto	10% eq sh

Face Value: Rs 1

Book value: Rs 2.28 (September 30, 2025)

Bid size: - 135 eq sh and in multiples thereof

100% Book built Issue

Capital Structure:
Pre Issue Equity: Rs. 194.75 cr
*Post issue Equity: Rs. 233.0 cr

Listing: BSE & NSE

Book Running Lead Manager: Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, Morgan Stanley India Company Private Limited, Axis Capital Limited, Citigroup Global Markets India Private Limited

Sponsor Bank: Kotak Mahindra Bank Ltd and Axis Bank Ltd

Registrar to issue: KFin Technologies Ltd

Shareholding Pattern

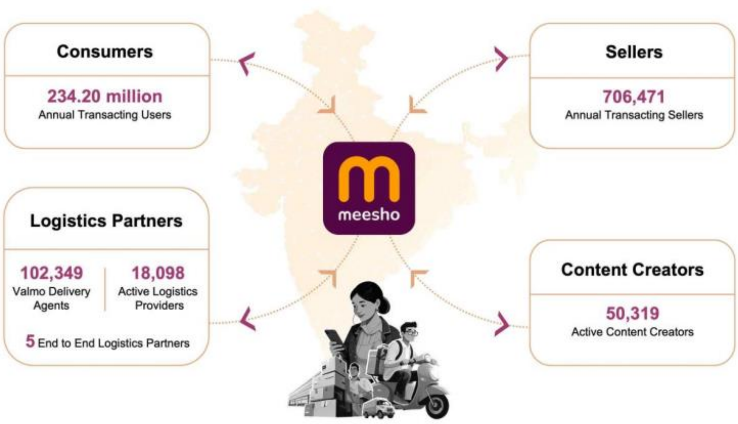
Shareholding Pattern	**Pre issue %**	**Post issue %**
Promoter and Promoter Group	18.50	16.22
Public	81.85	83.78
Total	100.0	100.0

*=assuming issue subscribed at higher band
Source for this Note: RHP

Background & Operations:

Meesho Ltd is a multi-sided technology platform driving e-commerce in India by uniting four key stakeholders—consumers, sellers, logistics partners, and content creators. Its e-commerce marketplace emerged as India's largest in terms of placed orders and annual transacting users among e-commerce players during the twelve-month period ended September 30, 2025, according to the Redseer Report.

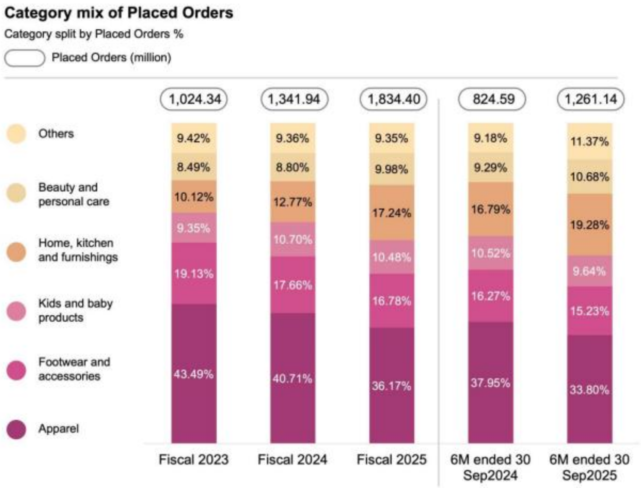
The value-focused platform serves consumers across all segments by delivering affordable, accessible, and engaging e-commerce, with a commitment to everyday low prices. Technology-driven operations, platform scale, and efficiency enable low-cost order fulfillment for sellers, while a zero-commission model reduces average costs charged to them. This approach supports a wide product assortment, from low-cost unbranded items and regional brands to national brands at affordable prices. Artificial intelligence and machine learning algorithms provide a personalized, discovery-led shopping experience akin to offline window shopping, enhancing user engagement. These capabilities, combined with the advantages of a pure-play marketplace model, have attracted a large consumer base.



Meesho's modular technology architecture enables reliable, scalable e-commerce transactions across India at population scale. Stakeholder interactions generate data fed into AI/ML models powering hyper-personalized recommendations, dynamic pricing, automated cataloging, risk management, and logistics optimization—driving 73-75% of placed orders via feeds in FY2025 and H1 FY2026. Monetization occurs through seller services like fulfillment, advertising, and insights, with zero commissions or consumer platform fees. Platform scale supports New Initiatives, including local logistics for essentials and financial services via partners, operating in Marketplace and New Initiatives segments. The company attracts customers thorugh affordability, wide and revelant assortment of products and a simple/engaging e-commerce experience.

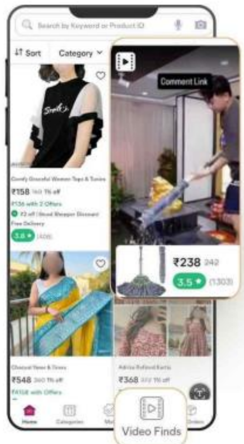
Sellers prefer Meesho for access to 234.20 million Annual Transacting Users, low-cost fulfillment (35-61% below peers per Redseer), zero commissions, and direct-to-consumer sales without physical retail. The pure-play model ensures a level playing field without inventory competition, promoting visibility based on price, quality, and relevance. Meesho sellers (i.e. manufacturers, wholesalers, and traders) grew to 513,757 Annual Transacting Sellers in FY2025 and 706,471 in the twelve months ended September 30, 2025, with NMV per seller rising at a 16.86% CAGR to Rs 583,697 and first orders for new sellers dropping to 15 days. Simplified onboarding uses mobile photos for auto-generated listings, requires no GST for small sellers, and offers easy ad tools with budget controls, performance tracking, and trend-based recommendations. Additional draws include nationwide shipping to 28,000+ pincodes, 7-day payments post-delivery, Next Day Dispatch options, and content creator partnerships for better discovery.

Wide range of product offerings



With a simple and engaging platform for consumers

Live Commerce



Short video browsing

Source: Company RHP

Objects of Issue:

The Offer comprises a Fresh Issue aggregating up to Rs 42,500 million and an Offer for Sale of 10,55,13,839 Equity Shares by the Selling Shareholders.

Offer for Sale

Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Requirements of funds

The Company proposes to utilize the Net Proceeds from the fresh issue towards the following (collectively, referred to herein as the "Objects"):

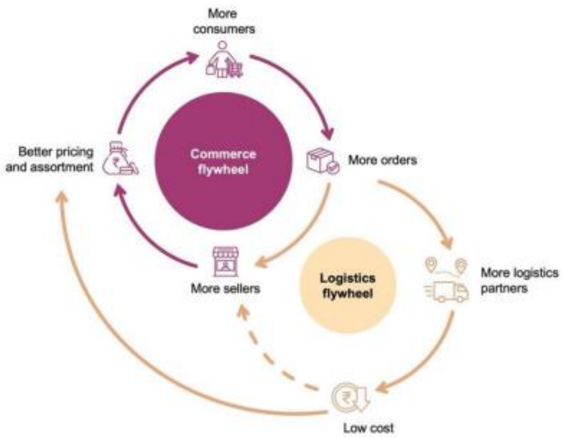
- Investment for cloud infrastructure in Meesho Technologies Private Limited (Subsidiary);
- Payment of salaries of the existing and replacement hires for the Machine Learning and AI and technology teams for AI and technology development undertaken by Meesho Technologies Private Limited (Subsidiary);
- Investment in Meesho Technologies Private Limited, (Subsidiary), for expenditure towards marketing and brand initiatives; and
- Funding inorganic growth through acquisitions and other strategic initiatives and general corporate purposes.

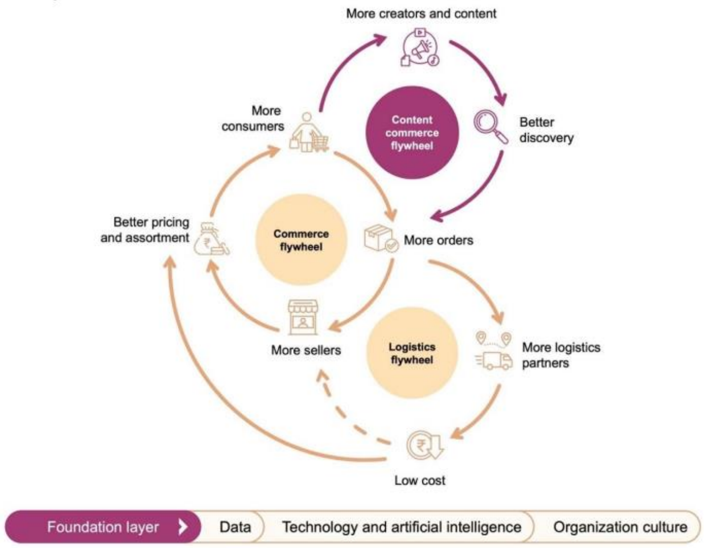
Utilisation of Net Proceeds

Sr No	Particulars	Estimated Amount/ (Rs in million)
1	Investment for cloud infrastructure, in Meesho Technologies Private Limited ("MTPL"), their Subsidiary	13,900
2	Payment of salaries of the existing and replacement hires for the Machine Learning and AI and technology teams for AI and technology development undertaken by MTPL	4,800
3	Investment in MTPL (Subsidiary), for expenditure towards marketing and brand initiatives	10,200
4	Funding inorganic growth through acquisitions and other strategic initiatives and general corporate purposes	*
	Total Net Proceeds	*

Competitive Strengths

A platform built on multiple scaled self-enforcing flywheels: The company has built an ecosystem of namely 3 flywheels which enables the superiority of their platform, i.e. Commerce, Logistics and Content Commerce Flywheel. **(i)** Consumers transact on Meesho because of the wide assortment of products that are 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 also enables regular refreshment of products. Better pricing and assortment attract more consumers, further increasing order volumes. **(ii)** As order volumes on Meesho increase, it helps logistics partners better utilise their capacity, improve the density of fulfilment and reduce the price of their services on a per order basis. On Valmo (in-house technology of 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 jointly service e-commerce orders. This has also introduced competition between logistics partners at each leg of fulfilment, thereby reducing cost of providing services. With reducing fulfilment costs, Meesho is able to reduce the average cost charged to sellers, enabling them to price their products more competitively and list lower value products on Meesho, which in turn attracts more consumers. **(iii)** Meesho has activated a content commerce flywheel enhancing product discovery and engagement. Content creators are attracted to the platform, which offers them opportunities to monetize creativity by promoting sellers' products. Increasing content volumes improve discovery, boost order volumes, and reinforce the commerce flywheel.

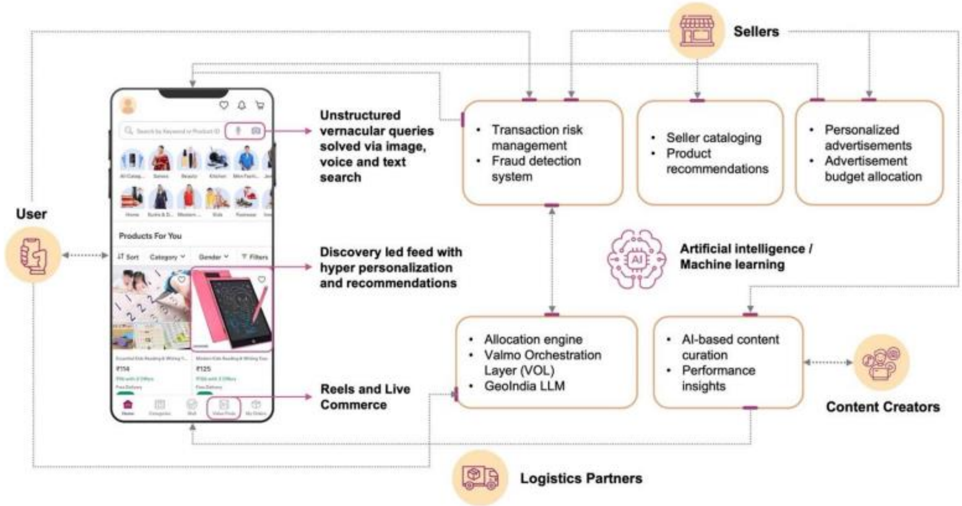




Source: Company RHP

Meesho's interconnected flywheels generate data on consumer preferences, pricing, seller performance, logistics, and content attractiveness. This powers hyper-personalized feeds for consumers, pricing insights for sellers, fulfillment efficiency for logistics partners, and targeting for creators. Innovation culture and network effects create barriers to entry by enabling capital-efficient growth, faster matching, and strong platform liquidity.

Technology-first approach with focus on AI driven solutions: Meesho's technology drives scaling, cost reduction, and efficiency across the platform, enhancing stakeholder value without manual interventions. As of September 30, 2025, its 1,182-person tech workforce (56.77% of 2,082 total employees), including 163 in AI/ML, achieved a GMV-to-FTE ratio of Rs 293.94 million in the prior twelve months. GenAI integration accelerates code generation, deployment, and content creation for marketing/product teams. Real-time AI curates hyper-personalized feeds from millions of listings, considering price, quality, and seller location; logistics systems select optimal partners by cost, while algorithms detect platform misuse.

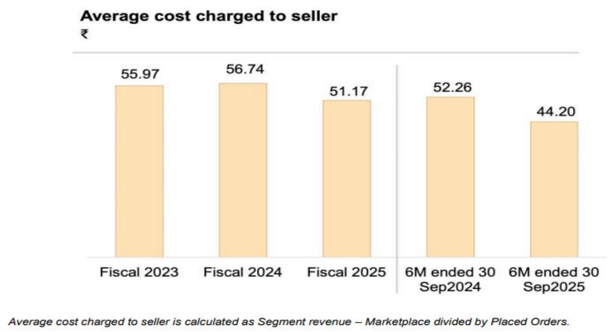


Purposefully built to tackle challenges in India: Meesho's mobile app emphasizes simplicity with India-specific features, including a low file size and support for 10 languages like English, Hindi, Tamil, Bengali, and Gujarati. Multi-modal search enables text, image, or voice queries, interpreted by AI models for ambiguous inputs. GenAI-powered voice/chat support resolved 49.65% of queries in FY2025 and 61.35% in H1 FY2026. The India-tailored "GeoIndia LLM" converts unstructured addresses to precise coordinates. AI-driven ad tools simplify campaigns for novice sellers, optimizing product placement without expertise or high budgets

Use of AI/ML led solutions: Meesho's stakeholder interactions generate data feeding into AI/ML models via its scalable "BharatMLStack" platform, addressing cost, scale, and latency challenges. This open-source stack powers real-time personalization, geo-encoding, competitive pricing, and automation. In FY2025 and H1 FY2026 (ended September 30, 2025), it processed ~1.91 PB and ~2.85 PB data daily, with 66.90 trillion and 217.17 trillion feature retrievals, plus 3.12 trillion and 6.40 trillion inferences at peak. BharatMLStack accelerates product development, enhances transaction risk management, and supports AI/ML applications for all stakeholders.

- For consumers, (i) personalization 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) optimized 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 behavior to increase earnings; and (ii) tools for content creation

Delivering 'everyday low prices' for consumers: Meesho delivers "Everyday Low Prices" without reliance on flash sales or discounts, targeting value-conscious consumers. Zero commissions for sellers plus low-cost fulfillment reduce average costs, enabling wide affordable assortments. Redseer highlights value e-commerce leadership potential in mature markets like China. Platform scale, competition among stakeholders, tech operations, and asset-light model sustain these prices while decreasing seller costs per order.



Source: Redseer Research & Analysis

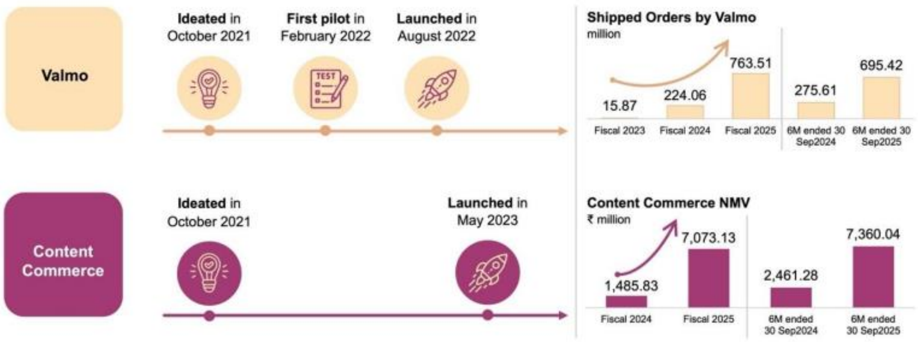
Business Strategy:

Increase consumer base and their transaction frequency by expanding product listings and seller base: Annual Transacting Users have expanded steadily alongside maturing consumer behavior, reflected in rising retention and order frequency. Initiatives like scaling content commerce, launching Meesho Mall for branded low-ticket items, and building local logistics for daily essentials drive transaction frequency. AI tools enhance seller support through catalog optimization, pricing intelligence, targeted ads, and outreach to offline/non-GST sellers, while platform safeguards build trust for e-commerce newcomers. Zero-commission model, regional language support, and strong fulfillment network empower micro-entrepreneurs in Tier 2+ cities. User-centric design with intuitive interfaces and minimal technical barriers enables non-tech-savvy sellers to start via mobile phones. Partnerships with rural self-help groups and educational content in local languages further grassroots entrepreneurship. Meesho Mall collaborates with brands for verified quality in beauty, foods, and wellness.

Deepen their abilities to make e-commerce affordable and accessible: Meesho focuses on making e-commerce affordable and accessible nationwide by lowering seller costs through technology efficiencies and optimized logistics partners like Valmo. Investments in automations reduce manual overheads, boost partner productivity, and streamline fulfillment. India's e-commerce shipment yields remain higher than asset-light peers abroad, offering headroom for gains. Declining logistics costs enable competitive pricing and broader assortments, especially in low-ticket, high-frequency categories. This strategy delivers better consumer value, deepens penetration across India, and advances internet commerce democratization.

Increase cash flow generation by enhancing platform monetization: Meesho aims to boost cash flow by scaling seller services like advertising and new offerings while keeping consumer costs low. Marketplace revenue has grown steadily, fueled by rising Placed Orders and seller adoption of value-added services. Sellers achieve strong returns on ad spends, capitalizing on e-commerce's rising share of digital advertising budgets due to measurable outcomes and high-intent engagement. Monetization evolves from transaction-based to multi-layered strategies, leveraging user insights and seller networks for ancillary revenues like financial services via regulated partners. Operating leverage, network effects, and low capital intensity enable efficient absorption of fixed tech costs as new offerings scale with minimal incremental marketing.

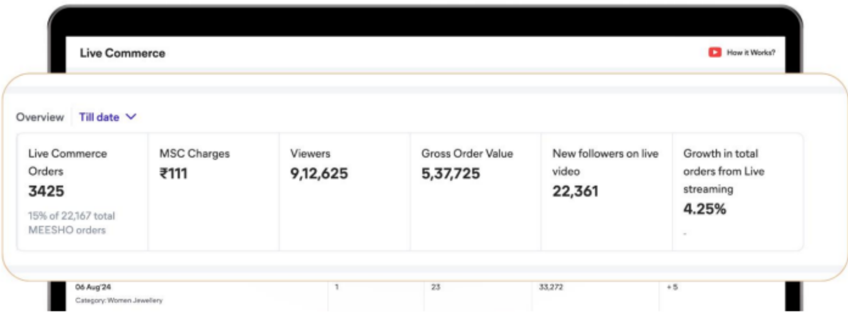
Drive innovation through Horizon 2 Initiatives: Meesho leverages Horizon 2 Initiatives to identify, test, and scale new opportunities that expand business, strengthen core operations, and create long-term value through increased consumer adoption, transaction frequency, monetization levers, differentiated tech capabilities, and efficiencies. Each initiative undergoes rigorous evaluation for product-market fit, scalability, unit economics, and free cash flow potential, with only those meeting return thresholds advancing to core integration. Proven successes like Valmo logistics and content commerce demonstrate effective incubation and scaling. Current experiments include Meesho AI Labs for frontier AI in personalization, support, shopping assistance, risk prevention, and ad optimization; a low-cost local logistics network for daily essentials; and a financial services platform via regulated partners. Measured investments in talent and technology ensure disciplined experimentation. Inorganic acquisitions target flywheel-aligned early-stage businesses to boost market presence, engagement, geographies, segments, platform capabilities, adjacent offerings, and efficiencies. This systematic approach unlocks sustainable growth and business resilience.



Source: Redseer Research & Analysis

Technology driven approach across value chain: Meesho operates as a technology-first company purpose-built for scale, efficiency, and innovation, with systems engineered to deliver seamless, reliable experiences to stakeholders. Serving a diverse consumer base demands going beyond conventional technology stacks. Deeply embedded AI/ML capabilities form the foundation of the platform's approach. Tech for Sellers: Sellers upload mobile photos for AI-converted listings with auto-generated titles; pay-for-performance ads offer budget recommendations and dashboards yielding strong ROI.

- *Sellers* upload mobile phone pictures to instantly create live product catalogues, with the platform converting them into listing-ready images. AI provides recommendations for product titles and descriptions to optimize listings. Product ranking algorithms balance new items for easy discovery while highlighting popular products.



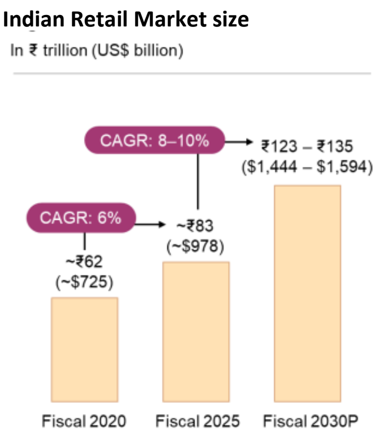
- *For logistics partners*, Valmo integrates third party logistics services providers, including first and last mile delivery businesses and individuals, sorting centres, truck operators to come together and fulfil orders by combining their resources and capabilities. Each logistics partner offers their services for different nodes of the ecommerce logistics supply chain

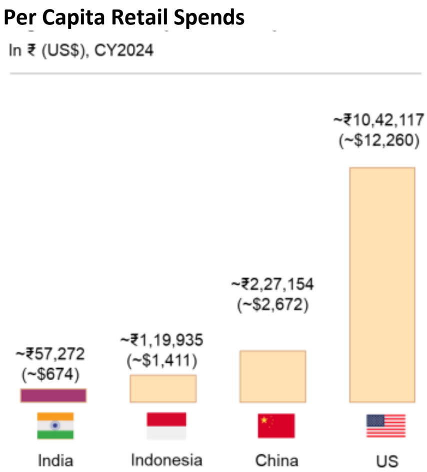
- *Content creators* receive performance insights tracking engagement, order conversions, and earnings from Meesho or third-party social media. These data-driven tools enable strategy optimization, content refinement, follower growth, and maximized revenue.

Industry Overview

Indian Retail opportunity

India retail market stood at ~Rs 83 trillion (~US$978 billion) in Fiscal 2025 and is projected to grow to Rs 123–135 trillion (US$1.4–1.6 trillion) by Fiscal 2030P, implying a CAGR of 8–10%. This represents an acceleration in growth rate compared to the growth in retail market over the past five years, which was adversely affected by economic slowdowns resulting from the COVID-19 pandemic and global macroeconomic factors. Despite the large scale, India's per capita retail spend remains low compared to China, Indonesia and the US, underscoring the long-term growth potential.





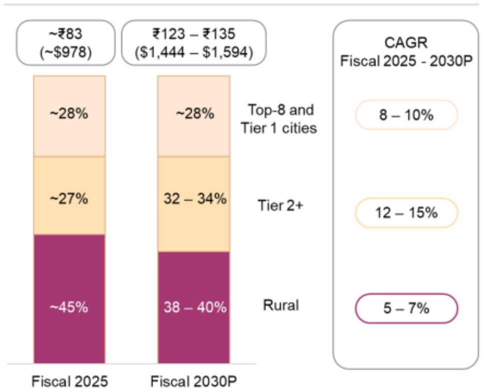
Source: Redseer Research & Analysis

India's expanding middle-income segment (with income between Rs 0.3–1.1 million (US$ 3,300– 13,000)) is a key enabler of the long-term consumption and economic growth. The number of middle-income households is projected to increase from ~176 million in Fiscal 2025 to ~212 million by Fiscal 2030, driven by shifts such as rising incomes, formalization of the workforce, and the transition from an agrarian to a service and manufacturing-led economy. and the transition from an agrarian to a service and manufacturing-led economy.

Additionally, India benefits from younger demographics, with a median age of ~28 years compared to other major economies in CY2024, as per the United Nations, World Population Prospects 2024 (standard projections, medium variant), which is significantly lower than world's top global economies by nominal GDP, namely Japan (~49 years), Germany (~45 years), China (~40 years), and the US (~38 years). Further, ~68% of India's population is in the working-age bracket (15–64 years) as per United Nations, World Urbanization Prospects (Urban and Rural Population in CY2024), contributing to rising income levels, growing aspirations, and increased discretionary spending.

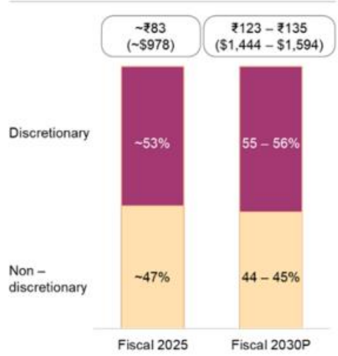
Market Split by city tier

₹ trillion (US$ billion)



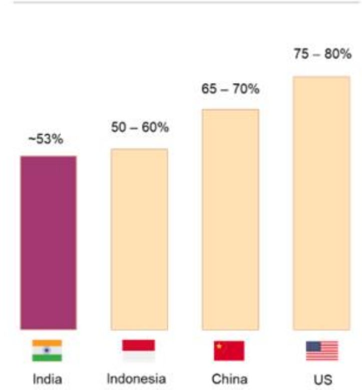
Discretionary vs Non-discretionary

In ₹ trillion (US$ billion)



Discretionary spend as a % of total retail spend

In %, CY2024

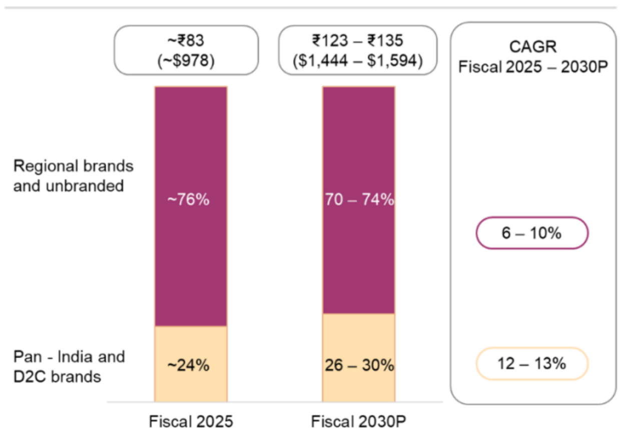


Source: Redseer Research & Analysis

As of Fiscal 2025, regional brands and unbranded products together contribute more than 75% of the India retail market, with Pan-India and D2C brands accounting for the remainder. While the share of Pan-India and D2C brands is expected to increase, the regional brands and unbranded segment is projected to retain a dominant 70–74% share by Fiscal 2030, indicating supply fragmentation in India retail will sustain in the long term. A similar pattern is seen in China, where despite significantly higher GDP per capita, regional brands and unbranded segment continue to hold meaningful share, driven by vast geographic diversity, entrenched local preferences, and the price sensitivity that remains prevalent across large consumer segments.

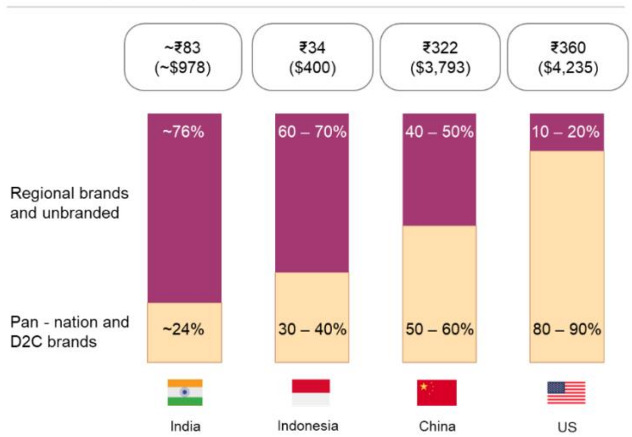
Indian Market – Split by brand type

In %, ₹ trillion (US$ billion)



Global Benchmarks – Split by brand type

In %, ₹ trillion (US$ billion), CY2024

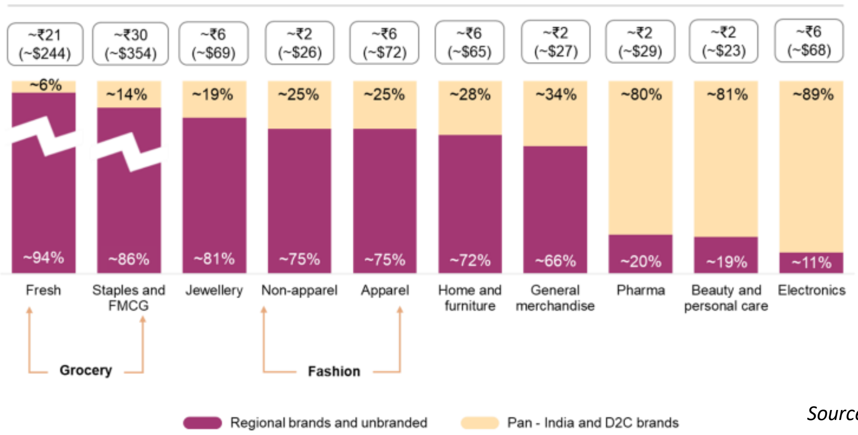


Source: Redseer Research & Analysis

Supply fragmentation is a multi-category phenomenon

The supply fragmentation led by regional brands and unbranded segment is prevalent across most prominent categories in India retail (except pharma, BPC, and electronics). This fragmentation becomes a lot more pronounced owing to the presence of an extensive SKU spread across multiple verticals, and a vast range of top SKUs driving the major portion of demand. To illustrate this complexity, the below analysis highlights select verticals within each category that are both large in size and exhibit a high degree of fragmentation.

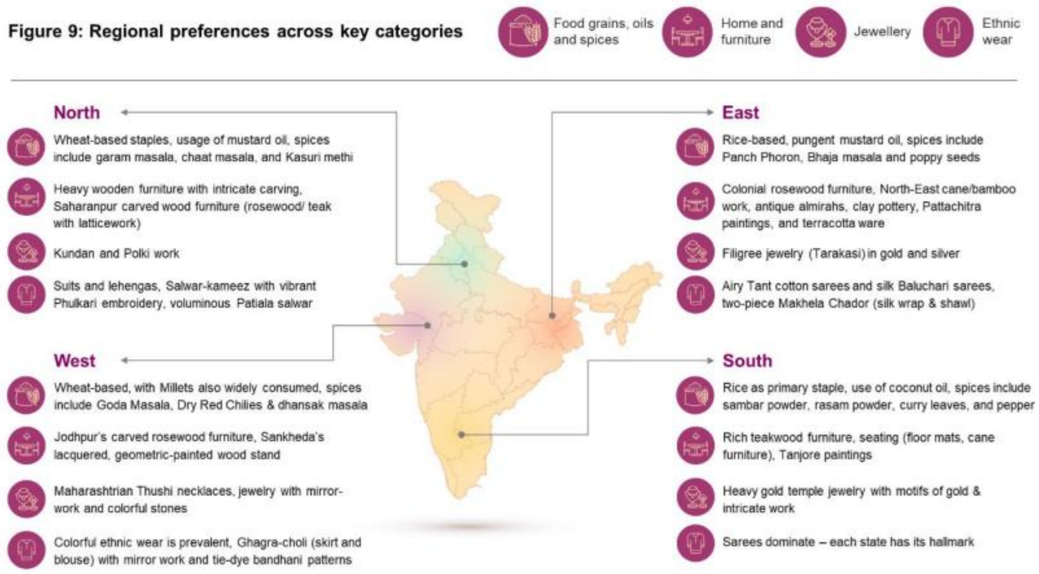
Indian retail – Split by brand type
In ₹ trillion (US$ billion), In %, Fiscal 2025



Source: Redseer Research & Analysis

Regional variation in consumer preferences: India's cultural, linguistic, and taste diversity leads to inherent fragmentation in supply, particularly in food and fashion. This fragmentation has led to the emergence of regional products that cater to specific cultural and aesthetic preferences within their core geographies. However, these regional products often lack relevance beyond their home markets, making it challenging for them to scale Pan-India.

Figure 9: Regional preferences across key categories

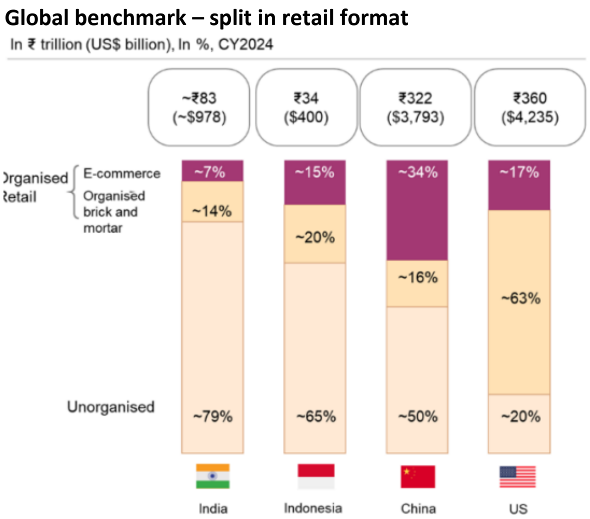


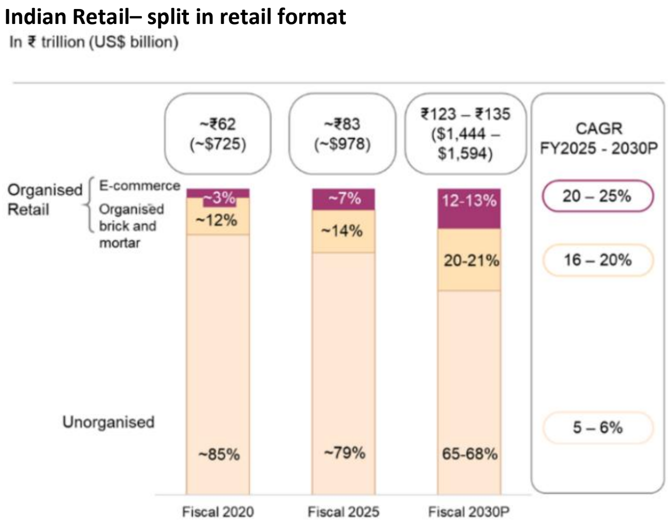
Source: Redseer Research & Analysis

Lower purchasing power leading to high price sensitivity and low-ticket purchase: Given the relatively low per capita income (vs other large economies), a large section of Indian consumers prioritizes affordability over other purchase criteria (e.g. availability of specific brands, ease and speed of access etc.), across multitude of purchase use cases. This makes consumption in India highly price elastic, resulting in thin profit margins for Pan-India brands, as a result of competitive pricing pressures (particularly from unbranded / regional brands). The strive for affordability in India has also led to prevalence of low-ticket size purchases, indicated by ~85% of person-to-merchant UPI transactions being below Rs 500 as of Fiscal 2025, as per National Payments Corporation of India's (NPCI), UPI Ecosystem Statistics.

Complex supply chain: The highly diverse and distributed demand base in India, has resulted in creation of supply chains with multiple intermediaries (agents, brokers, and wholesalers), who help with enabling product reach to the remote pockets of the country (otherwise difficult to access), facilitating product and cashflow management, and providing credit. These factors have led to strong dependence of suppliers (Pan-India brands, regional brands, and unbranded entities) on unorganised intermediaries, often driven by trust, credit cycles, and hyperlocal relationships, and resulting in emergence of a large number of such entities. For example, across the retail value chain, distributors and stockists are estimated at 80,000–100,000, wholesalers are estimated at 3–5 million, and retailers are estimated at 15–20 million as of Fiscal 2025. These supply chain complexities cause significant margin leakages for brands, and limited visibility and control over the product and end-consumer experience.

Organised retail is expanding fast within India's retail landscape, with e-commerce emerging as the fastest growing format





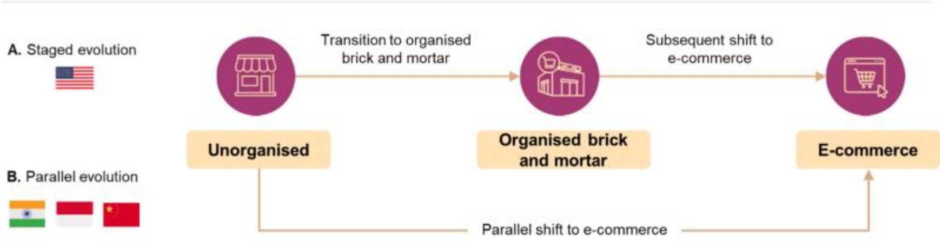
Source: Reedseer Research & Analysis

Organised retail, comprising modern brick and mortar formats and e-commerce players, has grown from ~15% of the total India retail market in Fiscal 2020 to ~21% in Fiscal 2025. It is further projected to reach 32–34% by Fiscal 2030, translating into a Rs 39–46 trillion (US$462–542 billion) opportunity. There is immense headroom for organised retail to further expand in India, as indicated by global benchmarks from mature and emerging markets.

Key factors driving the expansion of organised retail in India are:

- **Efficient sourcing with low intermediary presence:** Organised retailers typically operate on direct sourcing setups with brands, manufacturers, and even certain intermediaries such as wholesalers. This 292 reduces the value leakage (which is quite prominent in the unorganised sourcing approaches), thereby improving their ability to deliver better pricing and value to customers (vs unorganised retailers). Further, it also enables organised retailers to have greater control over the product availability and quality.
- **Advanced technology and infrastructure driving better consumer experience:** Digital adoption, technology led innovation, and logistics improvements enable organised retailers to provide a superior consumer purchase experience across multiple dimensions.
  - *Wide, curated, and good quality assortment:* with the help of larger stores, supplier aggregation through e-commerce, advanced intel to tailor the assortment in-line with the latest trends and consumer needs, and infrastructural investments (e.g. cold storage, quality control procedures)
  - *Enhanced discovery and post-purchase support*: through assistance by well-trained staff or online influencers, better in-store and on-platform engagement (through digital store catalogues, filters on e-commerce websites and applications etc.), presence of reviews and ratings on e-commerce, and a formalized customer support process.
  - *Convenience and easy product access:* investments in warehousing, route optimization, lastmile delivery capabilities (including product return management), and integrated Omni-channel operations, are reducing cost-to-serve and enabling faster, more reliable access across geographies.

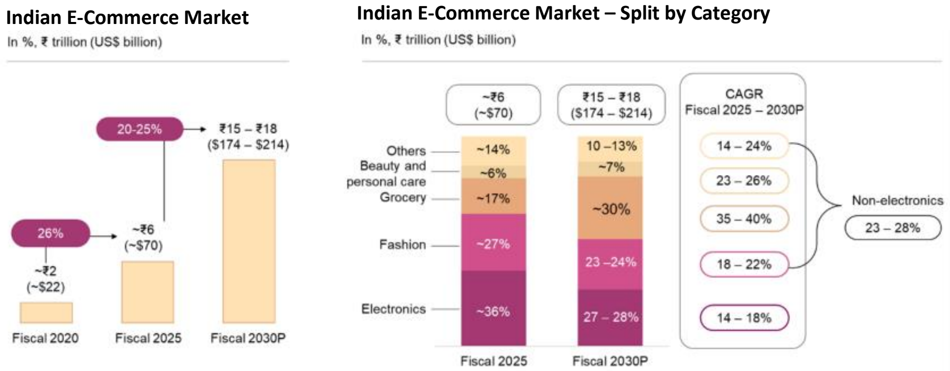
Organised retail in India comprises two primary formats, organised brick and mortar and e-commerce. Organised brick and mortar refers to branded retail touchpoints with centrally managed supply, combined with a good-quality in-store purchase experience. E-commerce is a retail format that facilitates 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.



Source(s): Redseer research & analysis

The Rise of E-Commerce

India e-commerce market is currently sized at ~Rs 6 trillion (~US$70 billion) in terms of gross merchandise value (GMV) and is projected to reach Rs 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 non-electronics 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.



Note: 1. Conversion rate: US$ = ₹85; 2. Electronics includes Mobile Phones; 3. Others include home and furniture, pharma, baby Care and other general merchandise, and jewellery; 4. Grocery includes FMCG, Staples and fresh; 5. The e-commerce market is represented in terms of Gross Merchandise Value (GMV)
Source(s): Redseer research & analysis

E-Commerce Penetration

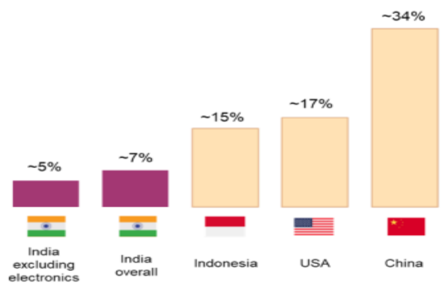
E-commerce adoption in India has followed a clear category evolution, similar to the patterns observed in China during the late 2010s. In both India and China, the e-commerce journey began with electronics, as it is marked by high ticket size and low purchase frequency, and faces relatively less supply fragmentation, allowing for faster online adoption. Subsequently, penetration expanded into discretionary and lifestyle categories such as fashion and BPC. This shift now unfolding in India has been accelerated by content-led discovery, influencer-driven commerce, and increasing adoption of digital payments. In contrast, essential categories such as grocery continue to see limited online adoption due to low average order values, fulfilment complexities, and entrenched offline habits, and are projected to witness increased e-commerce play in the future.

This progression underscores a broader pattern where e-commerce penetration typically advances from high-value, structured categories with standardized offerings to experiential categories, and ultimately to high-frequency low ticket categories. This is evident from an almost identical pattern observed between India e-commerce category penetration projections for Fiscal 2030 and China ecommerce penetration for Fiscal 2020.

In summary, the growth headroom in India e-commerce remains largely characterized by non-electronics categories. This is evident from e-commerce penetration in India retail reducing to ~5% when considering the non-electronics categories (compared to ~7% for all categories).

Global E-Commerce Penetration

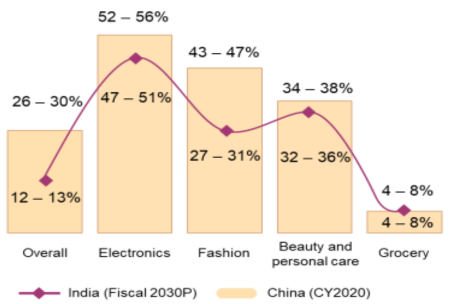
In %, CY2024



Note: 1. India e-commerce penetration pertains to Fiscal 2025; 2. Global benchmarks represent overall e-commerce penetration; 3. Electronics Includes mobile phones, home appliances and consumer electronics, kitchen appliances and other small appliances, home entertainment, computer peripherals and personal care devices
Source(s): Redseer Research & Analysis

Penetration Evolution – India vs. China

As a % of overall Retail market



Note: 1. Grocery includes fresh, staples and FMCG; 3. Electronics Includes mobile phones, home appliances and consumer electronics, kitchen appliances and other small appliances, home entertainment, computer peripherals and personal care devices
Source(s): Redseer Research & Analysis

India's retail seller base comprises Pan-India brands, D2C brands, regional brands, and unbranded product sellers including manufacturers, wholesalers, distributors and retailers. A growing base of sellers is beginning to explore e-commerce as a path to scale, efficiency, and diversification. This shift is being enabled by a combination of platform-led interventions and ecosystem readiness. Key enablers driving e-commerce adoption by sellers include:

- Pan-India market access: E-commerce removes geographic barriers, enabling sellers to reach beyond local catchments and tap nationwide demand.
- Channel diversification: Sellers increasingly adopt hybrid models, combining e-commerce with general/modern trade to diversify revenues and reduce operational risks.
- Data driven optimization: E-commerce players provide real-time analytics and demand insights, supporting better pricing, inventory, and assortment decisions.
- Favourable commercial terms: Certain platforms offer lower commissions, flexible warehousing, faster settlements, and lower promotion dependency, making e-commerce viable for smaller sellers.
- Seller enablement: Platforms guide sellers on pricing, discounts, catalogue standards, and listing quality, helping alignment with market expectations and improving discoverability.
- Simplified onboarding: Mobile-first registration, minimal documentation, and recent policy changes (e.g., GST exemption) make it easier for small and unregistered sellers to join.

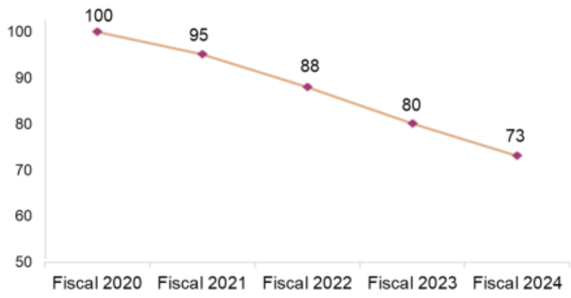
India has a vast and diverse seller base of 55–60 million as of Fiscal 2025, including retail entities (branded and unbranded sellers as described above) and non-retail entities (such as industrial suppliers). Despite this scale, e-commerce penetration among sellers across categories remains low. Many operate fully offline or use basic digital tools like UPI without partnering with e-commerce players. However, post COVID-19, seller adoption of e-commerce has accelerated, driven by increasing online demand, growing digital infrastructure, and simplified onboarding processes. As a result, e-commerce sellers have increased 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

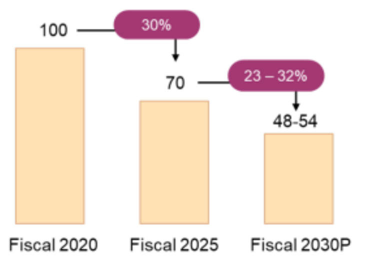
Logistics accounts for a significant portion of the overall cost structure in e-commerce, making it a key driver of both business viability and scalability. Efficient logistics not only support sustainable operations but also directly impact pricing, margins, and market expansion, critical levers for growth. At the same time, delivery experience, shaped by the quality and agility of logistics, is a crucial factor in the consumer purchase journey. E-commerce logistics providers in India are reducing yield per shipment as fulfilment costs decline. This strengthens the ability of e-commerce players to serve low ticket size transactions and further expand shipment volumes, as demonstrated by the corresponding decline of ~30% in the average order value in India e-commerce from Fiscal 2020 to Fiscal 2025.

Comparison with mature e-commerce markets such as China indicates that the decline in average shipment yield and the corresponding increase in the ability of e-commerce players to serve low ticket size transactions, play a significant role in expanding e-commerce penetration. This is because it becomes viable for e-commerce to materially serve low ticket size and high-volume categories usecases across categories such as fashion, beauty and personal care, home goods, grocery, and general merchandise. These categories, characterised by fragmented supply, high SKU diversity, and dispersed demand, are otherwise unviable to serve due to high fulfilment costs.

Average Shipment Yield - India
Base year Fiscal 2020 indexed at 100 units



Average Order Value – India E-Commerce
Base year Fiscal 2020 indexed at 100 units



Note: 1. Average Shipment Yield is calculated as logistics providers' revenue from e-commerce Shipments / Number of e-commerce Shipments; 2. Average order value is at selling price i.e. post MRP discount and pre-checkout discount / offers and excludes delivery fees and any convenience fee on order.
Source(s): Redseer Research & Analysis

Addressable Market and Competitive Landscape

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

Meesho – TAM & SAM
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%

Note: 1. Conversion rate: 1 US$ = ₹85; 2. Small household devices includes vacuum cleaners, air purifiers, and other personal and home devices
Source(s): Redseer Research and Analysis

Key Concerns

- The company has been incurring losses since its inception in 2015 and if it does not generate sufficient revenue or effectively manage cash flows and expenses, it may continue to remain loss-making.
- Given the rapid growth and current scale, Meesho acknowledges limited experience operating at this level. The company faces risks related to accurately predicting industry trends, consumer preferences, and successful scaling of new initiatives, with challenges in planning, managing growth, and resource allocation. Failure to adapt to these uncertainties could negatively impact its business, financial condition, and operational results.
- If the company fails to attract or retain customers going forward, their business as well as financial condition maybe adversely impacted. For instance, consumers may have a negative experience on the platform due to product quality issues, return process, or refund challenges, all of which may reduce consumer trust and repeat purchases

- Products sold on Meesho are delivered to consumers through third-party logistics partner like (i) Valmo, their own technology platform or (ii) end-to-end logistics partners. Service interruptions, failures, constraints or inadequate service quality of these logistics' partners could harm their business, financial condition and prospects.
- The e-commerce industry's reliance on large-scale logistics ecosystem creates vulnerability to supply chain disruptions, last-mile inefficiencies, and rising costs. As shipment volumes increase, ensuring consistent and reliable delivery performance becomes paramount. Any infrastructure constraints, regulatory bottlenecks, and service disruptions can significantly impact consumer satisfaction and cost structure. This in turn could adversely impact Meesho's third-party logistics partners to adequately fulfil orders.
- The performance and reliability of Valmo is dependent on the robustness of the underlying technology infrastructure, which supports logistics partner onboarding, routing, tracking and payments. Any technical failure or system outage could result in operational disruptions, reduced visibility over order status, and delays in issue resolution, thereby adversely impacting both seller and consumer experience
- Any disruption to Meesho's technology infrastructure or system availability could impair its ability to deliver consistent platform performance and uninterrupted services. Further, failure to continuously develop the technology stack or adopt new tech-enabled tools may impact competitiveness. Such challenges could adversely affect the company's business, financial condition, cash flows, and operational results.
- A large portion of orders on Meesho are paid using cash on delivery ("CoD"). CoD reduces the rate of successful deliveries and increases operational inefficiencies and risks related to cash handling. Any failure to effectively manage CoD related challenges could have an adverse impact on their financial condition, seller engagement and overall platform experience.
- Meesho faces intense competition and failure to compete effectively, may lead to loss of market share as well as business, financial condition, cash flows and results of operations may be adversely impacted.
- The "Meesho" and "Valmo" brands are critical for Companies' growth and success. Any negative publicity or harm to the brand or reputation could materially and adversely affect their business, results of operations, prospects and cash flows.
- Inability to use software licensed from third parties including open source software, their business and operations will be adversely impacted.
- If sellers on the platform fail to identify and adapt effectively to changing consumer preferences and spending patterns in a timely manner, the demand for those sellers' products could decline. This in turn could adversely impact the company's revenue, cash flows, and results of operations
- Any sustained mismatch between consumer expectations and the price or product assortment available on their platform could impact their net merchandise value (NMV) and have a material adverse effect on their business, financial condition, cash flows, and results of operations.
- Any actual or perceived cybersecurity, data, or privacy breach could interrupt their operations and adversely affect their reputation, brand, business, financial condition, cash flows, and results of operations. Additionally, they noted that regulatory, legislative, or self-regulatory developments regarding privacy and data security could adversely affect their ability to conduct business effectively.
- Failure to protect their intellectual property rights could adversely affect their business, cash flows, and operational results. Furthermore, they noted that inability to identify and remove unauthorized content posted by stakeholders on Meesho could harm their reputation and business.
- If sellers fail to ensure the quality or quantity of products provided on Meesho, it could adversely affect the company's business, financial condition, cash flows, and results of operations.
- The company started its content commerce business in FY24 and thus has limited operating history in this area. Failure to attract and retain content partners could adversely impact their business and future operational capabilities.

Profit & Loss

Particulars (Rs in million) As at	H1FY26	FY25	FY24	FY23
Income				
Revenue from operations	55,775.4	93,899.0	76,151.5	57,345.2
Other Income	2,801.6	5,110.0	2,440.9	1,631.7
Total Income	**58,576.9**	**99,009.0**	**78,592.4**	**58,976.9**
Expenses	**62,709.4**	**99,684.1**	**81,092.9**	**75,382.2**
Employee benefits expense	4,450.4	8,481.8	7,577.0	7,282.5
Other expenses	58,259.0	91,202.3	73,515.9	68,099.7
PBIDT	**(4,132.5)**	**(675.1)**	**(2,500.5)**	**(16,405.3)**
Finance costs	26.9	69.0	63.7	13.4
PBDT	**(4,159.4)**	**(744.0)**	**(2,564.2)**	**(16,418.7)**
Depreciation and amortisation expenses	172.7	340.3	581.1	300.4
Loss before tax	**(4,332.1)**	**(1,084.3)**	**(3,145.3)**	**(16,719.0)**
Exceptional Items	(1,373.8)	(13,464.3)	(131.1)	-
Tax (incl. DT & FBT)	**1,301.2**	**24,868.4**	-	-
Current tax	578.9	-	-	-
Current Tax on account of Business Combination	722.3	24,868.4	-	-
PAT	**(7,007.2)**	**(39,417.1)**	**(3,276.4)**	**(16,719.0)**
EPS (Rs.)	(1.7)	(10.0)	(0.9)	(4.4)
Face Value	1.0	1.0	1.0	1.0
OPM (%)	(12.4)	(6.2)	(6.5)	(31.5)
PATM (%)	(12.6)	(42.0)	(4.3)	(29.2)

Balance sheet

Particulars (Rs in million) As at	H1FY26	FY25	FY24	FY23
ASSETS				
Non-current assets				
Property, plant and equipment	592.7	516.5	522.8	231.2
Intangible assets	2.1	4.3	15.6	219.4
Intangible assets under development	-	-	-	17.3
Right-of-use assets	591.3	437.0	581.1	110.3
Investments	2,086.5	-	-	2,950.6
Other financial assets	2,251.6	2,647.3	8,412.4	5,852.4
Income tax assets (net)	1,705.3	782.6	404.7	266.0
Other non-current assets	-	-	-	2,491.7
Total non-current assets	**7,229.4**	**4,387.6**	**9,936.7**	**12,138.9**
Investments	29,891.5	49,834.2	7,436.1	20,485.3
Trade receivables	24.2	4.6	1.8	4.0
Cash and cash equivalents	2,555.5	1,470.6	1,403.9	965.5
Bank balances other than cash and cash equivalents	2,447.8	2,313.3	4.0	124.5
Loans	31.5	33.2	19.7	50.1
Other financial assets	23,374.0	13,663.8	20,476.6	2,104.3
Other current assets	850.2	553.7	2,331.2	2,661.0
Total current assets	**59,174.5**	**67,873.3**	**31,673.3**	**26,394.6**
Total assets	**66,403.9**	**72,260.9**	**41,609.9**	**38,533.5**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	1,947.5	2.7	-	-
Instruments entirely equity in nature	2,182.8	-	-	-
Share pending issuance	-	3,977.4	3,541.4	3,541.4
Other equity	4,373.6	10,475.1	18,755.0	21,177.8
Total equity	**8,503.8**	**14,455.2**	**22,296.4**	**24,719.2**
Liabilities				
Non-current liabilities				

Financial liabilities				
Lease liabilities	482.2	424.1	582.7	-
Provisions	226.0	212.0	143.2	115.0
Total non-current liabilities	**708.2**	**636.1**	**725.8**	**115.0**
Lease liabilities	251.6	158.6	140.1	116.9
Borrowings	-	-	-	-
Trade payables				
Total outstanding dues of MSMEs	1,260.5	1,322.9	615.8	74.0
Total outstanding other than MSMEs	12,603.8	9,387.0	8,133.4	8,268.0
Other financial liabilities	15,882.3	12,818.2	8,312.1	4,528.6
Other current liabilities	1,463.5	8,503.0	1,294.4	497.4
Provision for tax	25,608.5	24,868.4	-	-
Provisions	121.7	111.5	92.0	214.5
Total current liabilities	**57,191.9**	**57,169.6**	**18,587.7**	**13,699.4**
Total liabilities	**57,900.0**	**57,805.7**	**19,313.5**	**13,814.3**
Total Equity and Liabilities	**66,403.9**	**72,260.9**	**41,609.9**	**38,533.5**

Source: Company, RHP

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