

Price Band	Rs. 105 to Rs. 111
Recommendation	SUBSCRIBE

The Issue	
Type of Issue	Rs. Bn.
Fresh Issue	42.5
Offer for Sale	11.7
Total Issue Size*	54.2
Post issue mkt cap*	501.0
Lot size (Nos.)	135
Face Value / share (Rs.)	1
*At upper price band	

Issue Break-Up	
Reservation for	% of Issue
QIB	75%
NIB	15%
Retail	10%
Total	100%

Indicative Offer Timeline	Indicative Date
Bid/Offer Opening Date	Dec 03, 2025
Bid/Offer Closing Date	Dec 05, 2025
Basis of Allotment	Dec 08, 2025
Initiation of refunds	Dec 09, 2025
Credit of shares	Dec 09, 2025
Listing Date	Dec 10, 2025

Usage of Proceeds	Rs. Bn.
Investment for cloud infrastructure in subsidiary Meesho Technologies Pvt Ltd (MTPL)	13.9
Payment of salaries for ML and AI and tech team for AI and tech development undertaken by MTPL	4.8
Investment for marketing and brand expenditure in MTPL	10.2
Fund inorganic growth and General corporate purpose	

BRLM & Registrar to Issue	
BRLM	Kotak Mahindra Capital Company, JP Morgan India, Morgan Stanley India Company, Axis Capital and Citigroup Global Markets India
Registrar	KFin Technologies

Source: Indsec Research, RHP

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Value e-com player; leading in Tier 2/3 cities

Business Overview

- Meesho Limited** is e-commerce platform providing value driven marketplace platform to consumers, sellers, logistics partners and content creators.
- It operates a zero commission and low cost order fulfillment model to sellers and a zero platform fee based model to consumers. It provides large assortment of products at an affordable price.
- As per Redseer Report, the company is the largest e-commerce platform in terms of number of orders placed (2.3bn) and annual transacting users (234mn) on TTM basis till end of September 2025.
- Over FY23-25 its annual transacting users have grown at a **CAGR of 20.7% to 198.7mn** at the end of FY25. Over the same time period the number of orders placed have grown at a **CAGR of 33.8% to 1.8bn**.
- The company uses AI/ML led algorithms to design, discover and deliver a personalized consumer experience. Orders on the platform are fulfilled through the company's proprietary and technology platform - "Valmo".
- For the TTM period ending September 2025, the company engaged 234mn annual transacting consumers, 0.7mn active transacting sellers, 0.1mn Valmo delivery agents, 18,098 active logistics partner and 50,319 content creators.

Rationale

- Asset-Light Model:** The company operates an asset-light model, as it explicitly does not manufacture or sell private label products, own product inventory, or possess logistics infrastructure. This minimizes capital intensity compared to traditional retail or other asset-heavy e-commerce models.
- Cash Flow Positive Operations and Unit Economics:** The marketplace segment is cash flow positive, which allows Meesho to plough back cash to scale with new initiatives.
- Operations in Tier 2/3 Cities:** Meesho has been able attract customers from Tier 2/3 cities by offering products at entry level price points. Over 50% of transacting users on the platform were from Tier 2/3 cities.
- Platform Built on Scaled Self-Reinforcing Flywheels:** The core business model is structured around multiple scaled self-reinforcing flywheels that promote continuous growth and optimization. The model has been successful in increasing consumer and seller retention rates.
- Dominant Focus on Value-Oriented Commerce:** Meesho serves value-conscious consumers by consistently offering wide assortment of products at 'Everyday Low Prices' at entry-level price points.

Valuation and View: At an upper price band of Rs 111, Meesho is valued at a P/S of 5.3x on post issue basis. Over FY23-25 the company's revenue has grown at a CAGR of 28.0% aided by 20.7% and 33.8% CAGR growth in annual transacting users and number of orders placed respectively. **Meesho** offers a marketplace connecting buyers and sellers for exchanging products. Through its value conscious business model the company has established a strong presence in Tier-2/3 cities. Additionally, the TAM for e-commerce in Tier 2+ cities is expected to grow at a CAGR of 34.3% over FY25-30P reaching ~Rs 8.3trn by FY30. Further the completion of the ongoing infrastructure development is likely to improve the last mile connectivity and boost growth prospect for the company. We are positive on the company's growth prospects driven by its asset light business model and cashflow generation, scale up of Valmo logistics platform and rising transaction volumes. We thus assign a "SUBSCRIBE" rating.

Shareholding Pattern, Issue Bifurcation & Selling Shareholder

Shareholding Pattern	Pre Issue			Offer	Post Issue	
	# of shares (in Mn)	%	Type	No. of shares (in Mn)	# of shares (in Mn)	%
Promoter	788.2	19.1	OFS	-105.5	682.7	16.8
Public	3,342.0	80.9	OFS	+105.5	3,830.4	83.2
			Fresh	+382.9		
Total	4,130.2	100.0			4,513.1	100.0

Issue Bifurcation	No of shares		Rs. Mn.	
	Floor	Cap	Floor	Cap
Fresh Issue	40,47,61,905	38,28,82,883	42,500	42,500
Offer for Sale (OFS)	10,55,13,839	10,55,13,839	11,079	11,712
Net Offer	51,02,75,744	48,83,96,722	53,579	54,212
QIB Portion (75% of Offer)	38,27,06,808	36,62,97,541	40,184	40,659
Total Anchor portion (60% of QIB)	22,96,24,085	21,97,78,525	24,111	24,395
QIB Portion reserved for MF (5% of Net QIB)	76,54,136	73,25,951	804	813
Balance Available QIB Portion (95% of Net QIB)	14,54,28,587	13,91,93,066	15,270	15,450
Non Institutional portion (15% of Offer)	7,65,41,362	7,32,59,508	8,037	8,132
Retail portion (10% of Offer)	5,10,27,574	4,88,39,672	5,358	5,421

Selling Shareholders	Pre Offer	% of Total Shareholding	Offered	Post Offer	% of Total Shareholding
Elevation Capital V Limited	57,94,82,340	14.0%	2,44,45,349	55,50,36,991	12.3%
Peak XV Partners Investments V	48,12,32,880	11.7%	1,73,80,873	46,38,52,007	10.3%
Vidit Aatrey	47,55,39,149	11.5%	1,60,00,000	45,95,39,149	10.2%
Sanjeev Kumar	31,56,75,788	7.6%	1,60,00,000	29,96,75,788	6.6%
Venture Highway Series 1	1,57,03,140	0.4%	86,36,727	70,66,413	0.2%
Golden Summit Limited	2,78,65,800	0.7%	79,61,640	1,99,04,160	0.4%
Y Combinator Continuity Holdings I, LLC	5,19,27,060	1.3%	71,95,453	4,47,31,607	1.0%
Man Hay Tam	82,52,820	0.2%	33,01,140	49,51,680	0.1%
Sarin Family India LLC	45,45,840	0.1%	15,91,044	29,54,796	0.1%
Gemini Investments, L.P.	4,43,43,240	1.1%	12,47,351	4,30,95,889	1.0%
Crimsn Holdings, LLC	48,53,340	0.1%	5,16,690	43,36,650	0.1%
Titan Patriot Fund Ltd	7,65,360	0.0%	7,65,360	0	0.0%
Rajul Garg	47,22,120	0.1%	4,72,212	42,49,908	0.1%

Source: Indsec Research, RHP

Key Risk

- **Highly competitive e-commerce landscape:** Meesho operates in a highly competitive market, facing intense competition from large online marketplaces, other e-commerce platforms, and D2C brands. Failure to compete effectively in terms of pricing, technology, product assortment, and customer service could materially impact market share and financial results.
- **Sellers and customer retention:** The company's growth depends on keeping both customers and third-party sellers engaged. Strong customer retention drives traffic, while committed sellers ensure product variety and competitive prices. If the company fails to attract or retain either group in a cost-effective way, its overall performance could be negatively affected.
- **Fragmented seller ecosystem and quality control:** The platform relies on a vast network of sellers. The inability to ensure consistent product quality, timely delivery, or adherence to norms and policies by this fragmented seller base poses a significant risk to consumer satisfaction, returns, and the overall reliability of the marketplace.

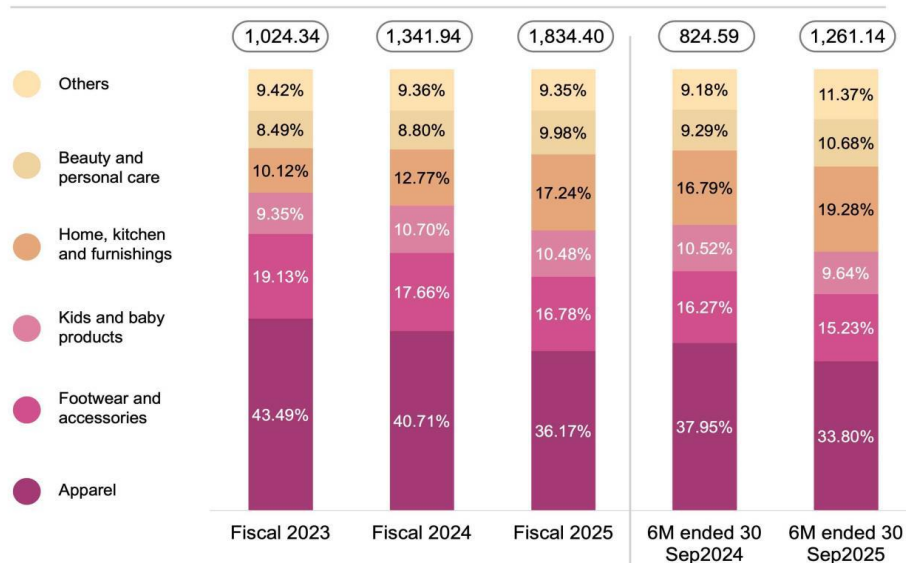
Key Performance Indicators

Particulars	Units	FY23	FY24	FY25	H1FY25	H1FY26
Annual Transacting Users	# million	136.4	155.64	198.77	175.09	234.2
Annual Transacting Sellers	#	4,49,966	4,23,749	5,13,757	4,40,824	7,06,471
Placed Orders	# million	1,024	1,342	1,834	825	1,261
Growth in Placed Orders	%	-	31.0	36.7	33.3	52.9
Order Frequency	#	7.5	8.6	9.2	8.8	9.7
Gross Merchandise Value (GMV)	Rs. Bn.	344.9	400.4	503.1	226.1	334.8
Net Merchandise Value (NMV)	Rs. Bn.	192.3	232.4	299.9	133.2	191.9
NMV – Marketplace growth	%	-	20.8	29.0	23.6	44.1

Category mix of Placed Orders

Category split by Placed Orders %

Placed Orders (million)



Scale

1.83 billion

Placed Orders⁽²⁾ on Meesho (Fiscal 2025)

Meesho is the largest platform by annual Placed Orders⁽¹⁾

198.77 million

Annual Transacting Users⁽²⁾ (Fiscal 2025)

Meesho is the largest platform by Annual Transacting Users⁽¹⁾

INR 299.88 billion

Net Merchandise Value from our Marketplace⁽²⁾ (Fiscal 2025)

:HP

Source: Indsec Research, RHP

Key Performance Indicators



NMV retention per seller cohort

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

Orders received per seller cohort

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

Fashion¹



Market share
21 - 23%

Home, kitchen and furnishings



Market share
23 - 25%

Beauty and personal care²



Market share
8 - 10%

Industry Charts

Exhibit 1: India retail market (Rs. Trn.)

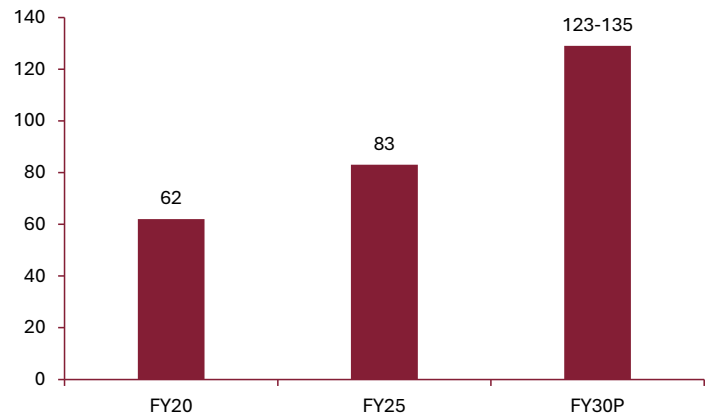


Exhibit 2: India e-com market size (Rs. Trn.)

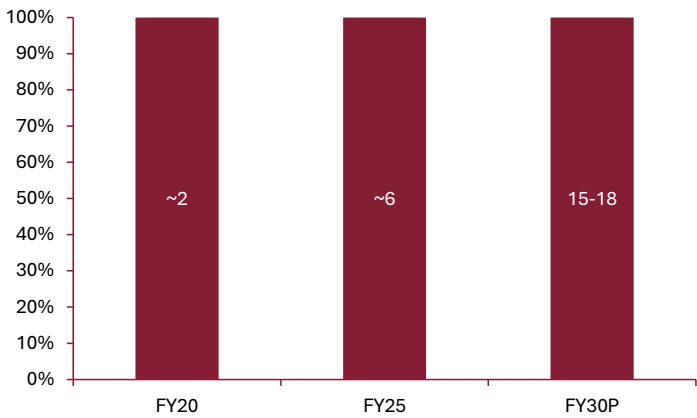


Exhibit 3: India e-com market by category



Exhibit 4: India e-com market split by city tier

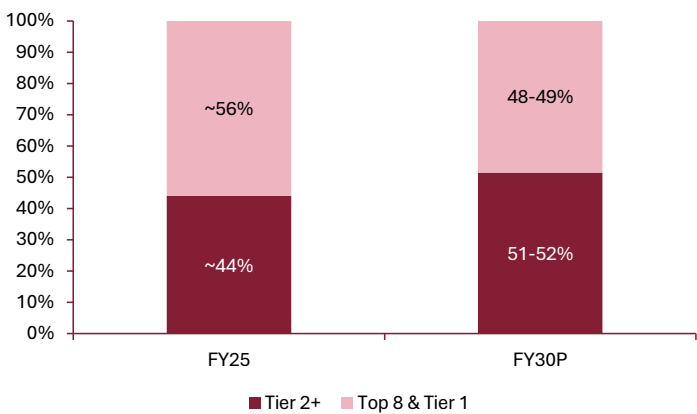


Exhibit 3: India e-com shipments (Bn. units)

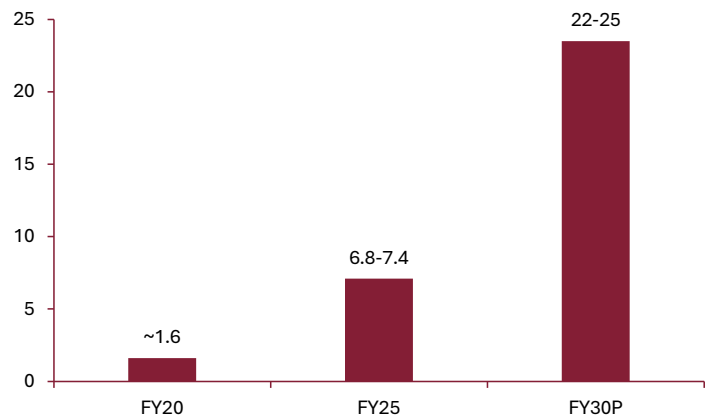
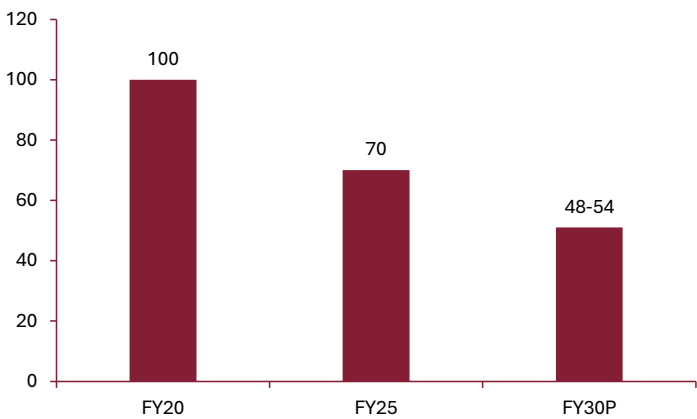


Exhibit 4: India e-com Average Order Value (Rs.)



Source: Indsec Research, RHP

Financial Story

SUMMARY INCOME STATEMENT

(Rs. in mn)	FY23	FY24	FY25	H1FY25	H1FY26
Total Operating Income	57,345	76,151	93,899	43,113	55,775
YoY		32.8%	23.3%		29.4%
Employee Cost	7,283	7,577	8,482	4,134	4,450
Other Operating Expenses	68,100	73,516	91,202	41,340	58,259
EBITDA	-18,037	-4,941	-5,785	-2,361	-6,934
EBITDA Margin	-31.5%	-6.5%	-6.2%	-5.5%	-12.4%
Other Income	1,632	2,441	5,110	2,336	2,802
Net Interest Exp.	13	64	69	38	27
Depreciation	300	581	340	178	173
Exceptional Items	0	-131	-13,464	-513	-1,374
PBT	-16,719	-3,276	-14,549	-754	-5,706
Tax	0	0	24,868	24,375	1,301
Net Profit	-16,719	-3,276	-39,417	-25,129	-7,007
Associate/Minority Interest	0	0	0	0	0
Adj. PAT	-16,719	-3,145	-25,953	-24,615	-5,633
NPM	-29.2%	-4.1%	-27.6%	-57.1%	-10.1%
EPS	-3.7	-0.7	-5.8	-21.8	-5.0

SUMMARY CASH FLOW STATEMENT

(Rs. in mn)	FY23	FY24	FY25	H1FY25	H1FY26
Loss Before Tax	-16,719	-3,276	-14,549	-754	-5,706
Depreciation & Amort.	300	581	340	178	173
After other adjustments	-257	308	4,197	-446	-977
Working Capital adjustments	-6,308	4,719	15,772	2,278	-512
Taxes	-98	-129	-366	100	-1,484
Cash Flow from Operating	-23,082	2,202	5,394	1,355	-8,506
Capital Expenditure	-380	-352	-229	-92	-143
Cash from Investing Activities	4,984	-1,656	-26,353	-22,295	9,684
Cash from Financing Activities	-118	-114	21,053	21,120	-94
Net Change in Cash	-18,216	432	94	180	1,084
BF Cash	4,237	965	1,404	1,404	1,471
Adj. for business combination	14,782	0	0	0	0
Effects of forex	163	7	-27	-31	1
END Cash	965	1,404	1,471	1,554	2,555

SUMMARY BALANCE SHEET

(Rs. in mn)	FY23	FY24	FY25	H1FY25	H1FY26
Assets					
Net Block	341	1,104	953	1,008	1,184
Other Non current Assets	11,797	8,833	3,434	11,248	6,045
Total Non-Current Assets	12,139	9,937	4,388	12,256	7,229
Investments	20,485	7,436	49,834	34,373	29,891
Trade receivables	4	2	5	3	24
Cash and cash equivalents	965	1,404	1,471	1,702	2,555
Bank Balance	125	4	2,313	1,004	2,448
Other current assets	4,815	22,827	14,251	15,656	24,256
Total Current Assets	26,395	31,673	67,873	52,738	59,175
Current Liabilities & Provisions					
Trade payables	8,342	8,749	10,710	8,759	13,864
Short-term provisions	215	92	111	95	122
Provision for Tax	0	0	24,868	24,375	25,608
Other current liabilities	5,143	9,746	21,480	9,223	17,597
Total Current Liabilities	13,699	18,588	57,170	42,452	57,192
Net Current Assets	12,695	13,086	10,704	10,286	1,983
Total Assets	24,834	23,022	15,091	22,542	9,212
Liabilities					
Share Capital	0	0	3	0	1,948
Instruments entirely equity in nature	0	0	0	0	2,183
Share pending issuance	3,541	3,541	3,977	3,836	0
Other Equity	21,178	18,755	10,475	17,899	4,374
Total Shareholders Funds	24,719	22,296	14,455	21,736	8,504
Minority Interest	0	0	0	0	0
Total Debt	0	0	0	148	0
Long Term Provisions	115	143	212	154	226
Other Non current Liabilities	0	583	424	505	482
Total Liabilities	24,834	23,022	15,091	22,542	9,212

SUMMARY RATIOS

	FY23	FY24	FY25
Profitability			
RoA	-43.4%	-7.6%	-35.9%
RoCE	-73.8%	-24.0%	-40.6%
ROE	-67.6%	-14.1%	-179.5%
Margin Analysis			
EBITDA Margin	-31.5%	-6.5%	-6.2%
Net Income Margin	-29.2%	-4.1%	-27.6%
Short-Term Liquidity			
Current Ratio	1.9	1.7	1.2
Avg. Days Payables	53	42	42
Valuation Ratios			
P/S	8.7	6.6	5.3
P/B	20.3	22.5	34.7
EV/EBITDA	-27.7	-101.2	-86.4

Source: Indsec Research, RHP

RATING SCALE

IPO Recommendation (For NOT RATED Reports)	
Recommendation	Comments
SUBSCRIBE	We advise investor to subscribe to the issue
SUBSCRIBE FOR LONG TERM	We advise investor to subscribe to the issue on the basis of intact long-term prospects of the company/sector
NEUTRAL	We don't have any recommendation for the issue
AVOID	We advise investor to avoid subscribing to the issue

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