MEESHO LIMITED

December 02, 2025

SMC Ranking

★ ½ ☆ ☆ ☆ (1.5/5)

Issue Highlights

Industry	**E-commerce**
Offer for sale (Shares)	105,513,839
Fresh Issue (Shares)	382,882,882
Net Offer to the Public	**488,396,721**
Issue Size (Rs. Cr.)	5128-5421.20
Price Band (Rs.)	105-111
Offer Date	3-Dec-25
Close Date	5-Dec-25
Face Value	1
Lot Size	135 Shares

Issue Composition

	In shares
Total Issue for Sale	488,396,721
QIB	366,297,541
NIB	73,259,508
Retail	48,839,672

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	19.08%	16.76%
QIB	80.92%	80.54%
NIB	0.00%	1.62%
Retail	0.00%	1.08%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Meesho IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Investment for cloud infrastructure, in MTPL, its subsidiary
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, the Subsidiary
3. Investment in MTPL, its Subsidiary, for expenditure towards marketing and brand initiatives
4. Funding inorganic growth through acquisitions and other strategic initiatives and general corporate purposes

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

Name of the registrar

- KFin Technologies Limited

About the company

Incorporated in 2015, Meesho Limited is a multi-sided technology platform that enables e-commerce in India by connecting consumers, sellers, logistics partners, and content creators. Operating under the brand name Meesho, the company offers consumers a wide selection of affordable products while providing sellers with a low-cost marketplace to scale their businesses. Meesho functions through two segments: Marketplace, its core platform that facilitates transactions among stakeholders and generates revenue from seller services such as fulfilment, advertising, and insights; and New Initiatives, which include a cost-efficient local logistics network for daily essentials and a digital financial services offering. The company has achieved strong operational growth, reflected in rising order volumes and an expanding base of users and sellers. For the twelve months ended September 30, 2025, Meesho recorded 706,471 annual transacting sellers and 234.20 million annual transacting users. Its logistics network, managed through Valmo, integrates multiple third-party logistics players, including first- and last-mile partners, sorting centres, and truck operators, to ensure efficient fulfilment across India. As of September 30, 2025, the company employed 2,082 full-time staff. Meesho's emphasis on cost efficiency and technology-led innovation has supported positive cash flows while enabling continued investment in new verticals to expand its digital ecosystem.

Strength

Platform Powered by Multiple Self-Reinforcing Flywheels: Meesho's platform strength stems from several interconnected, scaled flywheels that create deep network effects across its core stakeholders—consumers, sellers, logistics partners, and content creators. Its commerce flywheel brings users a wide assortment of affordable products, attracting more sellers, expanding selection, and driving competitive pricing, which further boosts demand. The logistics flywheel, anchored by Valmo (its in-house delivery platform), enhances fulfillment speed and efficiency as rising order volumes improve capacity utilization and reduce per-order logistics costs, enabling sellers to price more competitively. The content flywheel deepens product discovery, as creators generate engaging content that drives higher order volumes and supports creator monetization. Together, these interactions generate rich data that powers AI/ML-driven personalization, dynamic pricing, fulfilment optimization, and targeted content delivery. The scale and interdependence of these flywheels create strong entry barriers and enable the seamless rollout of new services, demonstrated by the rapid expansion of Valmo.

Technology-First, AI-Led Operating Model: Meesho's competitiveness is anchored in its deeply integrated, AI-driven technology ecosystem, built to deliver scalable, efficient, and cost-effective operations. With 56.77% of its workforce in technology roles, the platform leverages advanced GenAI across engineering, product, logistics, marketing, and customer support. Processing over 5.9 billion daily data points, Meesho enables hyper-personalized recommendations, fulfilment optimization, misuse detection, and automated ad targeting. Tailored for India, it supports 10 languages, multimodal search, and AI-enabled customer service that resolves more than 61% of queries. Its modular architecture efficiently serves 234 million Annual Transacting Users and 706,000+ sellers. The company's experimentation engine, "Abacus," conducts nearly 500 simultaneous experiments each month to test, refine, and implement innovations at scale.

High-Trust Ecosystem for All Stakeholders: Meesho strengthens platform trust through technology-driven transparency, product reliability, and user safety. With 1.29 billion ratings, 399 million reviews, and 86 million user-generated images/videos, consumers can confidently evaluate even unbranded and regional products. Trust is reinforced through a

simple 7-day return policy and fast refunds completed within an average of 1 hour and 14 minutes. AI/ML models analyze ratings, returns, and feedback to surface higher-quality products, while a dedicated Quality dashboard provides sellers real-time insights to improve listings. Platform integrity is safeguarded by robust risk-management systems that cancel millions of suspicious orders and eliminate fraudulent consumers, sellers, and counterfeit listings each year. Collectively, these systems foster a secure, dependable, and transparent marketplace.

Capital-Efficient, Highly Scalable Operating Model: Meesho's asset-light approach—avoiding private labels, inventory ownership, warehouses, and captive logistics—enables rapid, capital-efficient scaling by leveraging seller capabilities and third-party logistics. This model supported strong growth, with Annual Transacting Users increasing from 136 million in FY23 to 234 million by September 2025, and placed orders rising from 1.02 billion to 2.27 billion over the same period. The structure also allows Meesho to launch new services with minimal investment. A disciplined focus on cost optimization, financial prudence, and technology-driven automation ensures robust unit economics. Its structured innovation framework, "Horizon 2 Initiatives," evaluates new ideas for scalability and free cash flow generation before expansion—demonstrated by Valmo and Content Commerce evolving from pilots into major growth engines.

Agile, Innovation-Driven Culture Led by Experienced Leadership: Meesho is led by founders Vidit Aatrey and Sanjeev Kumar, supported by a seasoned leadership team with deep experience in technology, retail, finance, and e-commerce. The company's culture is guided by its "Meesho Mantras," emphasizing agility, innovation, accountability, and data-driven decision-making, with "User First" at its core. This focus on evolving user needs has driven multiple strategic model shifts—from a small-vendor storefront to a reseller marketplace and eventually to the current direct marketplace. A pod-based cross-functional structure encourages bold, long-term thinking and end-to-end ownership, enabling major platform innovations such as Valmo, Content Commerce, and Meesho Mall.

Strategies

Expand Consumer Base and Boost Transaction Frequency Through Wider Product Listings and Seller Growth: Meesho aims to democratize internet commerce by keeping its platform affordable and accessible across both urban and rural India, leveraging the country's large smartphone population and relatively low online shopping penetration. The company has delivered strong user growth, with ATUs growing at a 20.72% CAGR from FY23 to FY25, even as advertising spend declined before recently increasing due to renewed marketing efforts. As user behaviour evolves, order frequency is rising, and Meesho plans to deepen engagement by expanding its product assortment, particularly in underpenetrated non-electronics categories. Growth will be supported by lowering entry barriers for sellers, enhancing AI-driven catalog and pricing tools, improving analytics, and strengthening targeted ads and product discovery. The company will also continue investing in platform trust through stronger safety systems, better transaction risk management, transparent seller onboarding, and faster grievance resolution to create a reliable environment for all stakeholders.

Invest in Technology and Product Development to Strengthen AI Capabilities: Meesho prioritizes continuous investment in technology and product innovation as a cornerstone of platform scalability and differentiation. By staying aligned with emerging technologies, competitive shifts, and stakeholder needs, the company identifies opportunities to improve services and launch new features. Its technology strategy is built on three pillars: driving AI-led innovation, improving operational efficiency, and developing scalable, resilient infrastructure. Through "Meesho AI Labs," the company is building advanced AI capabilities, including India-specific language models, agentic AI for shopping assistance, enhanced transaction-risk systems, and improved ad-targeting tools. Meesho is also strengthening logistics systems, creator-tech solutions, and automation tools to boost efficiency. For long-term scalability, the company plans to expand its cloud infrastructure to support rising traffic and auto-scaling, while enhancing security and system reliability. Additional investments will be made in talent through competitive pay and retention-focused programs.

Deepen Affordability and Accessibility of E-Commerce: Meesho aims to make e-commerce even more affordable and accessible by reducing seller costs through technology-led efficiencies and logistics optimization, particularly via Valmo. The platform plans to increase automation, enhance partner productivity, and streamline fulfilment workflows to lower operating expenses. As logistics costs decline and technology improvements compound, Meesho expects to further reduce seller fulfilment expenses, enabling sharper pricing and a broader product range—especially in low-ticket, high-frequency categories. These initiatives ultimately create more value for consumers and promote broader digital commerce adoption across India.

Increase Cash Flow Generation Through Enhanced Platform Monetization: The company intends to strengthen cash flow by expanding seller-focused services, increasing adoption of existing offerings, and introducing new revenue streams while maintaining an affordable platform for consumers. With digital advertising gaining market share in India, Meesho is investing in growth opportunities, including a pilot financial services platform under its Horizon 2 initiatives. As the e-commerce industry shifts toward multi-pronged monetization models, Meesho plans to leverage network effects, operating efficiencies, and its large user-seller ecosystem to scale new offerings with minimal incremental marketing spend, thereby improving free cash flow generation over time.

Accelerate Innovation Through Horizon 2 Initiatives: Meesho's Horizon 2 Initiatives serve as a structured mechanism to test and build new growth opportunities that drive consumer adoption, increase transaction frequency, open new monetization channels, and enhance operational efficiency. Successful ventures such as Valmo and content commerce have already become core business drivers. Current initiatives include Meesho AI Labs, a cost-efficient local logistics network for daily essentials, and a financial services platform delivered via regulated partners. The company continues to invest in talent, technology, and selective acquisitions to strengthen platform capabilities, enter new segments or geographies, boost engagement, and unlock incremental revenue streams.

Risk Factor

- A significant share of Meesho's orders is paid through cash on delivery (CoD).
- Meesho operates in a highly competitive market.
- The company relies on third-party mobile operating systems to run its platform. Any changes in their terms, policies, or functionality could disrupt Meesho's operations.
- The company undertook a strategic reorganization in Fiscal 2025.
- Meesho depends on multiple external service providers and contractors for its business operations.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Avenue Super.	63880.41	2732.60	41.99	95.15	11.36	351.75	10	3995.55	260003.65
Eternal Ltd	31995.00	188.00	0.19	0.00	9.39	31.98	1	300.15	289847.77
Swiggy	18925.07	-4169.08	0.00	0.00	9.61	39.36	1	378.30	94334.66
Brainbees Solut.	8064.27	-166.01	0.00	0.00	3.31	91.47	2	302.40	15785.06
FSN E-Commerce	8829.89	104.15	0.37	0.00	55.12	4.85	1	267.30	76508.32
Vishal Mega Mart	11805.64	736.21	1.58	85.95	9.20	14.77	10	135.80	63433.10
Meesho Ltd.	9389.90	-3941.71	-ve	-ve	10.03	11.07	1	111.00	50095.75

***Peer companies financials are TTM based**
*****Meesho Limited. financials are based on Fy25**

Valuation

The company is loss making so we are considering the P/BV valuation, Looking at the P/B ratio at higher band of Rs. 111, pre - issue book value of Rs. 1.80 of P/Bvx 61.55x. Post issue book value of Rs. 11.07 of P/Bvx 10.03x.

Looking at the P/B ratio at lower band of Rs. 105, pre - issue book value of Rs. 1.80 of P/Bvx 58.23x. Post issue book value of Rs. 11.07 of P/Bvx 9.49x.

Industry Outlook

India's e-commerce sector, currently valued at Rs.6 trillion (US$70 billion) in gross merchandise value (GMV), is anticipated to expand to Rs.15–18 trillion (US$174–214 billion) by the fiscal year 2030, achieving a retail penetration rate of 12–13%. Non-electronic categories, which currently exhibit low online penetration rates such as grocery at approximately 2%, fashion at around 19%, beauty and personal care at about 19%, and others at roughly 5% are projected to account for 72–73% of e-commerce GMV by FY2030. The digital landscape is swiftly evolving, with the number of internet users expected to rise to between 818 and 853 million by FY2025 and projected to reach 1 billion by FY2030. Despite having 692–706 million smartphone users, only 250–270 million engage in online shopping, indicating substantial growth potential compared to markets such as the United States, which has an 88% penetration rate. This growth is strengthened by increasing social media engagement, with 500–530 million users, and an average of approximately 409 minutes spent online per day. Additionally, a developing logistics framework, greater seller involvement, and the emergence of content commerce are further facilitating this expansion. Meesho's total addressable market (TAM) in retail is estimated at around Rs.83 trillion (US$978 billion) and is expected to grow to between Rs.123 and 135 trillion by FY2030, with its serviceable available market (SAM) projected to increase from approximately Rs.33 trillion to between Rs.51 and 56 trillion, reflecting a strong compound annual growth rate (CAGR) of 9–11%, underscoring the strong long-term growth potential within India's dynamic e-commerce environment.

Outlook

Meesho is well-positioned for sustained growth, supported by strong technology capabilities, deep network effects, and a disciplined, capital-efficient model. Rising user adoption, expanding assortment, and AI-driven personalisation are strengthening engagement and operational efficiency. Horizon 2 initiatives offer future monetisation potential with limited incremental capital. However, high CoD dependence, competitive intensity, and reliance on third-party platforms remain key risks. Overall, Meesho’s technology-led strategy and scalable ecosystem provide a solid foundation for long-term, sustainable expansion.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	03-December-25
BID/ISSUE CLOSES ON	05-December-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	08-December-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	09-December-25
Credit of Equity Shares to Demat Accounts of Allottees	09-December-25
Commencement of trading of the Equity Shares on the Stock Exchanges	10-December-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Sept-25 (6 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	5577.54	9389.90	7615.15
Total expenditure	6270.94	9968.41	8109.29
Operating Profit	**-693.40**	**-578.51**	**-494.15**
OPM%	-12.43	-6.16	-6.49
Other Income	280.16	511.00	244.09
Total Net Income	**-413.25**	**-67.51**	**-250.05**
Interest	2.69	6.89	6.37
PBDT	**-415.94**	**-74.40**	**-256.42**
Depreciation	17.27	34.03	58.11
Restated loss before exceptional items and tax	**-433.21**	**-108.43**	**-314.53**
Exceptional items	-137.38	-1346.43	-13.11
PBT	**-570.60**	**-1454.86**	**-327.64**
Tax	130.12	2486.84	0.00
Profit & Loss	**-700.72**	**-3941.71**	**-327.64**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Sept-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	59.27	51.65	52.28
Intangible assets	0.21	0.43	1.56
Right-of-use assets	59.13	43.70	58.11
Financial assets			
Investments	208.65	0.00	0.00
Other financial assets	225.16	264.73	841.24
Income tax assets (net)	170.53	78.26	40.47
Other non-current assets			
Total non-current assets	**722.94**	**438.76**	**993.67**
Current asset			
Financial Assets			
Investments	2989.15	4983.42	743.61
Trade receivables	2.42	0.46	0.18
Cash and cash equivalents	255.55	147.06	140.39
Bank balances other than (ii) above	244.78	231.33	0.40
Loans	3.15	3.32	1.97
Other financial assets	2337.40	1366.38	2047.66
Other current assets	85.02	55.37	233.12
Total current assets	**5917.45**	**6787.33**	**3167.33**
Total Assets	**6640.39**	**7226.09**	**4160.99**
Non-current liabilities			
Financial liabilities			
Lease Liabilities	48.22	42.41	58.27
Provisions	22.60	21.20	14.32
Total Non- Current liabilities	**70.82**	**63.61**	**72.58**
Current liabilities			
Financial Liabilities			
Lease Liabilities	25.16	15.86	14.01
Borrowings			
Trade Payables			
- Total outstanding dues of MSME	126.05	132.29	61.58
- Total outstanding dues of creditors other than MSME	1260.38	938.70	813.34
Other financial liabilities	1588.23	1281.82	831.21
Other current liabilities	146.35	850.30	129.44
Provision for tax	2560.85	2486.84	0.00
Provisions	12.17	11.15	9.20
Total - Current Liabilities	**5719.19**	**5716.96**	**1858.77**
Total Liabilities	**5790.00**	**5780.57**	**1931.35**
Net worth represented by:			
Equity share capital	194.75	0.27	0.00
Instruments entirely equity in nature	218.28	0.00	0.00
Share pending issuance	0.00	397.74	354.14
Other equity	437.36	1047.51	1875.50
Total Equity	**850.38**	**1445.52**	**2229.64**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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