



IPO NOTE

Meesho Ltd.

02nd Dec 2025.

Company Overview

Meesho Ltd., incorporated in 2015, operates a multi-sided technology platform that drives e-commerce in India by bringing together four key stakeholders - consumers, sellers, logistics partners, and content creators. Its e-commerce marketplace, branded as Meesho, has become the largest in India in terms of placed orders and annual transacting users during the twelve months ended June 30, 2025. The platform aims to serve consumers across all segments by focusing on affordability, accessibility, and engagement, with an emphasis on offering "Everyday Low Prices." Meesho's technology-first operations, platform scale, and operational efficiency enable low-cost order fulfillment for sellers. Coupled with its zero-commission model, this helps reduce overall seller costs and supports a wide assortment of products ranging from low-cost unbranded goods to regional and national brands, at affordable prices. Meesho uses advanced AI/ML algorithms to provide a personalized, discovery-led shopping experience that resembles offline window shopping, making online shopping easier and more engaging. Technology forms the backbone of the platform, ensuring reliable, scalable, and efficient e-commerce transactions at a population scale. The company operates across two segments: Marketplace, which connects consumers, sellers, logistics partners, and content creators; and New Initiatives, which include a low-cost local logistics network for daily essentials and a digital financial services platform. Meesho primarily monetizes through seller services such as order fulfillment, advertising, and data insights, while charging no commission to sellers and no platform fee to consumers. Meesho's consumer base spans various income segments, typically value-focused and seeking a wide assortment of affordable products, including unbranded goods, regional brands, and national brands. Its logistics ecosystem includes first- and last-mile delivery providers, sorting centers, truck operators, and integrated logistics partners. Orders are fulfilled either through its proprietary and unique technology platform, Valmo, which manages a multi-stage logistics network across multiple logistics partners, or through end-to-end logistics providers. Content creators enhance the shopping experience by posting short-form videos and live streams on Meesho and other social media platforms. The company supports them with tools and data insights to improve the effectiveness of their content. Through these initiatives, Meesho continues to experiment with new opportunities and assesses product-market fit, scalability, and unit economics before scaling them further.

Objects of the issue

The company proposes to utilize the net proceeds towards funding the following objects:

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

Investment Rationale

Self-reinforcing flywheels set the foundation for long-term scalability

Meesho's platform seamlessly facilitates transactions among its four key stakeholders - consumers, sellers, logistics partners, and content creators. At the core of the platform lies its commerce flywheel. As more consumers shop on Meesho due to its wide product assortment and affordable prices, order volumes increase, encouraging sellers to list more products and price them competitively. Rising order volumes also help logistics partners better utilize their capacity, improve fulfillment density, and lower service prices on a per order basis. As fulfillment costs decline, sellers can offer even more competitive pricing and list lower value products, which in turn attracts additional consumers. In parallel, the company has activated a content commerce flywheel to enhance product discovery and consumer engagement. As content volumes on Meesho increase, product discovery improves, driving higher order volumes and strengthening the core commerce flywheel. Together, these interconnected flywheels create strong network effects, improve platform liquidity, and generate large amounts of data on consumer preferences, pricing trends, seller performance, logistics partner performance, and the attractiveness of content. Leveraging the data generated, Meesho's technology powers decision-making across the platform, such as hyper-personalized feeds and recommendations for consumers, product and pricing insights for sellers, fulfillment efficiency for logistics partners, and better targeting for content creators. This is further supported by the company's culture of innovation, agility, and first-principles thinking. Overall, this foundation positions Meesho to deliver a seamless experience for all stakeholders while scaling its business in a capital-efficient manner.

Issue Details

Offer Period 03rd Dec. 2025 - 05th Dec. 2025

Price Band Rs. 105 to Rs. 111

Bid Lot 135

Listing BSE & NSE

Issue Size (no. of shares in Crs) 48.8

Issue Size (Rs. in Crs) 5,421.2

Face Value (Rs.) 1

Issue Structure

QIB 75%

NIB 15%

Retail 10%

BRLM Kotak Mahindra Capital Company Ltd., J.P. Morgan India Pvt. Ltd., Morgan Stanley India Company Pvt. Ltd., Axis Capital Ltd., Citigroup Global Markets India Pvt. Ltd.

Registrar KFin Technologies Ltd.

Particulars	Pre Issue %	Post Issue %*
Promoter & Promoter Group	19.1	16.8
Public	80.9	83.2
Total	100.0	100.0

(Assuming issue subscribed at higher band)
* Note: without considering the vested options

AI-driven, technology-first approach to strengthen platform leadership

Every part of Meesho's platform is driven by technology, enabling the company to scale, lower costs, and enhance overall efficiency while improving value creation for all stakeholders. Instead of depending on manual interventions, Meesho employs a technology-driven approach to problem-solving. The company has integrated GenAI tools across its engineering stack, helping developers and engineers streamline code generation, improve development velocity, and shorten deployment timelines. GenAI capabilities have also been embedded across functions to enhance scale and productivity. Meesho's marketing and product teams leverage GenAI tools to create quality, contextual visual and video content, accelerating creative development for performance and brand campaigns. The platform is designed so that every stakeholder interaction is technology-driven, ensuring a seamless, intuitive user experience. Its mobile application is designed to be simple and intuitive, incorporating India-specific nuances. When a user opens the app, real-time AI models analyze multiple signals to generate an infinite feed of hyper-personalized product recommendations tailored to individual preferences. To accurately capture consumer intent, Meesho employs a multi-modal search system that supports text, image, and voice search. Every interaction on the platform generates data that feeds its AI/ML models, enhancing personalization. The company has also built platforms and frameworks that enable smooth transitions between technologies. This modular, granular approach allows Meesho to adopt the most efficient technology for each use case without altering its core codebase. Overall, its purpose-built technology stack supports experimentation, enabling the company to test, refine, and scale new ideas effectively.

Valuation

Meesho is a multi-sided technology platform driving e-commerce in India by connecting consumers, sellers, logistics partners, and content creators. Its value-focused marketplace serves consumers across diverse income segments by offering "Everyday Low Prices". The platform is built to deliver a personalized, discovery-led shopping experience and generates revenue through services offered to sellers, including order fulfillment, advertising, and data insights. India's e-commerce market is expected to reach Rs. 15-18 trillion in GMV by FY30, penetrating 12-13% of the overall retail sector. A significant portion of new online shoppers will emerge from Tier-2+ cities, which are projected to contribute 51-52% of the country's e-commerce market by FY30. Meesho is well-positioned to benefit from this shift by offering an affordable, accessible platform tailored to a broad consumer base, enabling it to tap into this growing market opportunity and increase consumer penetration. The company's interconnected flywheels enhance platform liquidity and generate large amounts of data on consumer preferences, pricing trends, seller performance, logistics efficiency, and content engagement. Meesho adopts a technology-first approach, allowing it to scale efficiently, lower costs, and increase operational effectiveness. On the financial front, while the company has reported higher losses due to one-off expenses, it has been free cash flow positive for the past two years. Meesho's continuous investment in technology and ongoing improvements to the user experience strengthen its competitive position within the industry compared to its peers. **At the upper price band, the company is valued at a Price/Sales multiple of 5.3x based on its FY25 revenue. Given the strong growth outlook of India's e-commerce market and Meesho's strategic initiatives to capture rising consumer demand, we recommend a "SUBSCRIBE" rating for this issue.**

Key Risks

- A significant portion of orders on Meesho are paid through cash on delivery (CoD). In the past few years, more than 75% of shipped orders have been on a COD basis. This payment method lowers successful delivery rates and increases operational inefficiencies and risks associated with cash handling.
- Failure to effectively deal with any misuse of the platform or illegal activities by stakeholders, third-party service providers, or employees could damage the company's business and reputation and expose the company to liabilities.
- If sellers on the platform fail to identify and respond to changing consumer preferences and spending patterns in a timely manner, demand for their products may decline, adversely impacting the company's revenue, cash flows, and results of operations.

Income Statement (Rs. in Crores)

Particulars	FY23	FY24	FY25	H1FY26
Revenue				
Revenue from operations	5,735	7,615	9,390	5,578
Total revenue	5,735	7,615	9,390	5,578
Expenses				
Employee benefits expense	728	758	848	445
Other expenses	6,810	7,352	9,120	5,826
Total operating expenses	7,538	8,109	9,968	6,271
EBITDA	-1,804	-494	-579	-693
Depreciation & amortization expenses	30	58	34	17
EBIT	-1,834	-552	-613	-711
Finance costs	1	6	7	3
Other Income	163	244	511	280
Exceptional item	0	-13	-1,346	-137
PBT	-1,672	-328	-1,455	-571
Tax expense	0	0	2,487	130
Net Loss	-1,672	-328	-3,942	-701
Diluted EPS	-4.4	-0.9	-10.0	-1.7

Source:RHP,StoxBox

Cash Flow Statement (Rs. in Crores)

Particulars	FY23	FY24	FY25	H1FY26
Cash Flow from operating activities	-2,308	220	539	-851
Cash flow from investing activities	498	-166	-2,635	968
Cash flow from financing activities	-12	-11	2,105	-9
Net increase/(decrease) in cash and cash equivalents	-1,822	43	9	108
Cash and cash equivalents at the beginning of the period	424	97	140	147
Cash and cash equivalents at the end of the period	97	140	147	256

Source:RHP,StoxBox

Balance Sheet (Rs. in Crores)

Particulars	FY23	FY24	FY25	H1FY26
ASSETS				
Non-current Assets				
Property, plant and equipment	23	52	52	59
Intangible assets	22	2	0	0
Intangible assets under development	2	0	0	0
Right-of-use assets	11	58	44	59
Financial assets	0	0	0	0
(i) Investments	295	0	0	209
(ii) Other financial assets	585	841	265	225
Income tax assets (net)	27	40	78	171
Other non-current assets	249	0	0	0
Total Non-Current Assets	1,214	994	439	723
Current Assets				
Financial assets				
(i) Investments	2,049	744	4,983	2,989
(ii) Trade receivables	0	0	0	2
(iii) Cash and cash equivalents	97	140	147	256
(iv) Bank balances other than cash and cash equivalents	12	0	231	245
(v) Loans	5	2	3	3
(vi) Other financial assets	210	2,048	1,366	2,337
Other current assets	266	233	55	85
Total Current Assets	2,639	3,167	6,787	5,917
Total Assets	3,853	4,161	7,226	6,640
EQUITY AND LIABILITIES				
Equity				
Equity share capital	0	0	0	195
Instruments entirely equity in nature	0	0	0	218
Share pending issuance	354	354	398	0
Other equity	2,118	1,876	1,048	437
Total Equity	2,472	2,230	1,446	850
Liabilities				
Non-Current Liabilities				
Financial liabilities				
(i) Lease liabilities	0	58	42	48
Provisions	11	14	21	23
Total Non-Current Liabilities	11	73	64	71
Current Liabilities				
Financial liabilities				
(i) Lease liabilities	12	14	16	25
(ii) Trade payables	834	875	1,071	1,386
(iii) Other financial liabilities	453	831	1,282	1,588
Other current liabilities	50	129	850	146
Provision for tax	0	0	2,487	2,561
Provisions	21	9	11	12
Total Current Liabilities	1,370	1,859	5,717	5,719
Total Liabilities	1,381	1,931	5,781	5,790
Total Equity and Liabilities	3,853	4,161	7,226	6,640

Source: RHP, StoxBox

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification :

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