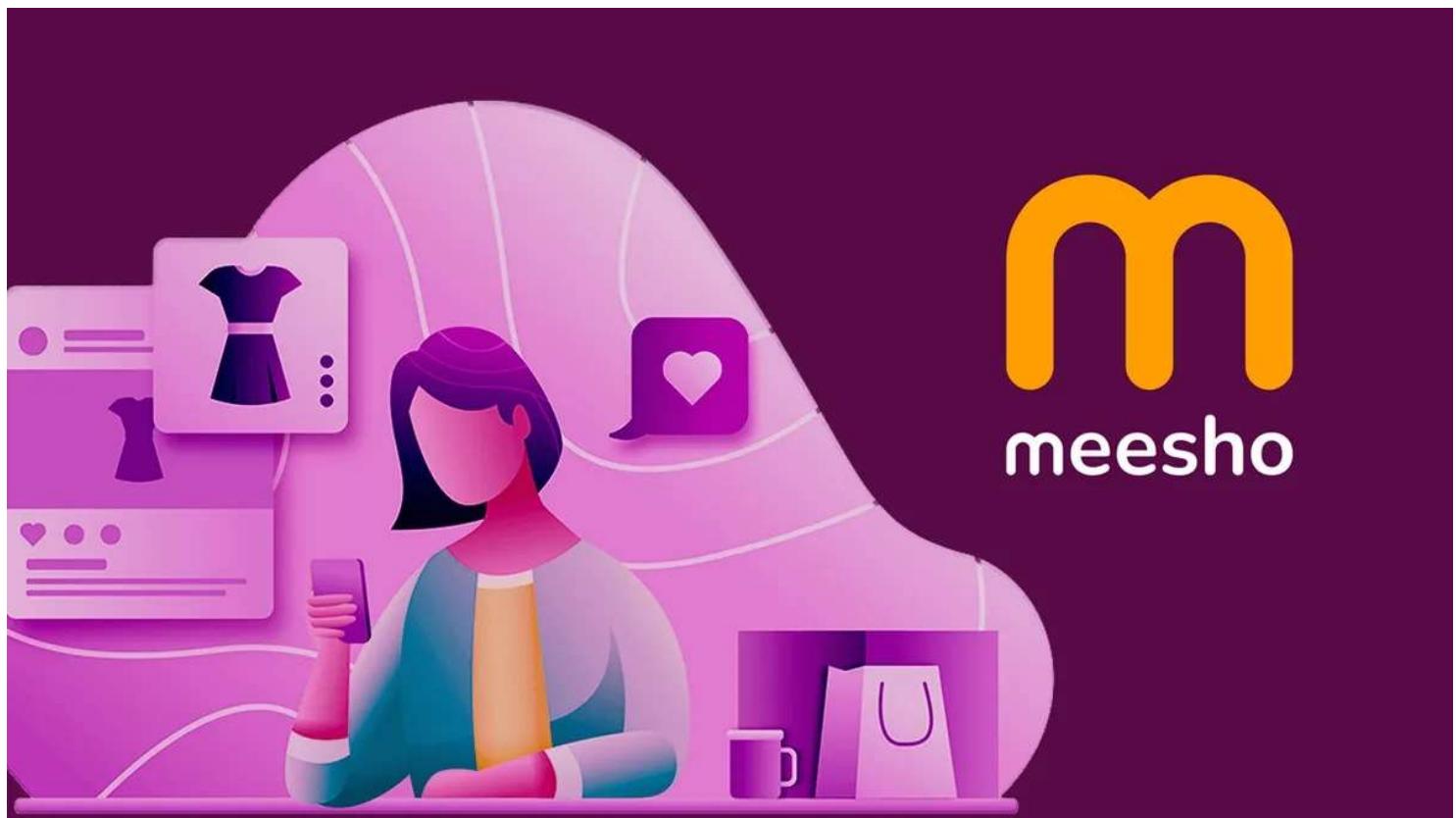


Meesho Limited

IPO Note



Not rated

Growth in Value E-commerce with Structural Constraints

Meesho Limited, incorporated in 2015, operates a value-focused, asset-light e-commerce marketplace centered on low-ASP categories such as fashion, home & kitchen, beauty, and lifestyle. Its proposition is built on affordability and unbranded assortment targeted at Tier 2+ India, supported by a discovery-led app experience. The company does not hold inventory and relies on a broad seller base and third-party logistics partners, enabling rapid scale but limiting control over product quality, fulfilment consistency, and customer experience—key challenges in value-led online retail.

As of FY25, Meesho had 198.77 million annual transacting users, 1.83 billion orders, and marketplace NMV of INR 299.88 billion, translating into high traffic but relatively low monetization per user due to its focus on low-priced categories. Revenue reached INR 9,389.9 cr in FY25 with contributions from commissions, logistics, and advertising, though margins remain thin amid intense competition, high return rates, and dependence on discount-led demand. Contribution margin slipped to 4.95% of NMV in FY25, reflecting pressures from logistics costs and quality-related inefficiencies. Technology investments—AI-led recommendations, vernacular support, and catalog tools—improve discoverability but do not fully offset structural challenges around counterfeit risks and seller churn.

Financially, the company remains loss-making, posting a restated loss of INR 3,941.7 cr in FY25, with only partial improvement in adjusted EBITDA. While free cash flow turned positive in FY25, sustainability hinges on strict cost discipline and maintaining marketing efficiency. Though the broader value e-commerce segment continues to grow, Meesho faces persistent competitive intensity, regulatory scrutiny on marketplace practices, and structural constraints on long-term margin expansion, making the path to durable profitability dependent on execution and tighter operational control.

Industry	E-commerce	
Scrip Details		
Listing	BSE & NSE	
Open Date	Dec 03, 2025	
Close Date	Dec 05, 2025	
Price Band	INR 105 -111	
Face Value	INR 1	
Market Lot	135 Shares	
Minimum Lot	1	
Issue Structure		
Issue Size (INR cr)	INR 5,421.2	
Issue Size (Shares)	48,83,96,721	
QIB Share (%)	≥ 75%	
Non-Inst Share (%)	≤ 15%	
Retail Share (%)	≤ 10%	
Pre-Issue sh. (in cr.)	413	
Post Issue sh. (in cr.)	451	
Post Issue Market Cap (in cr)	50,095.8	
Shareholding (%)	Pre (%)	Post (%)
Promoter	18.5	14.6
Public	81.5	85.4
TOTAL	100	100

Key Consolidated Financial Data (INR Cr, unless specified):

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY23	5,734.5	-1,803.7	-1,671.9	-31.5	-29.2	-34.2	50.6	-67.6	-74.2	-3.2	-1.8
FY24	7,615.1	-494.1	-327.6	-6.5	-4.3	-6.7	45.7	-14.7	-24.8	-16.5	-9.2
FY25	9,389.9	-580.9	-3,941.7	-6.2	-42.0	-80.7	29.6	-272.7	-115.1	-1.4	-0.1

Source: Ventura Research & Company update

Issue Structure and Offer Details:

Meesho Ltd IPO is a book build issue of INR 5,421.20 cr. The issue is a combination of fresh issue of 38.29 cr shares aggregating to INR 4,250 cr and offer for sale of 10.55 cr shares aggregating to INR 1,171.20 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75.00% of the net offer
NII (HNI)	Not more than 15.00% of the net offer
Retail	Not more than 10.00% of the net offer

Number of shares based on a higher price band of INR 111

Source: Company Reports

Objects of the Issue:

1. Investment for cloud infrastructure, in MTPL – Subsidiary – INR 1,390 cr
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 – INR 480 cr.
3. Investment in MTPL for expenditure towards marketing and brand initiatives – INR 1,020 cr.
4. Funding inorganic growth through acquisitions and other strategic initiatives and general corporate purposes.

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement							
Revenue	5,734.5	7,615.1	9,389.9	Adjusted EPS (INR)	(34.2)	(6.7)	(80.7)
<i>YoY Growth (%)</i>	<i>0.0</i>	<i>32.8</i>	<i>23.3</i>	Adjusted Cash EPS (INR)	(33.6)	(5.5)	(80.0)
Raw Material Cost	0.0	0.0	0.0	Adjusted BVPS (INR)	50.6	45.7	29.6
<i>RM Cost to Sales (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	Adjusted CFO per share (INR)	(47.3)	4.5	11.0
Employee Cost	728.3	757.7	848.2	CFO Yield (%)	(42.6)	4.1	9.9
<i>Employee Cost to Sales (%)</i>	<i>12.7</i>	<i>10.0</i>	<i>9.0</i>	Adjusted FCF per share (INR)	(48.0)	3.9	11.0
Other Expenses	6,810.0	7,351.5	9,122.6	FCF Yield (%)	(43.2)	3.5	9.9
<i>Other Exp to Sales (%)</i>	<i>118.8</i>	<i>96.5</i>	<i>97.2</i>				
EBITDA	(1,803.7)	(494.1)	(580.9)	Solvency Ratio (X)			
<i>Margin (%)</i>	<i>(31.5)</i>	<i>(6.5)</i>	<i>(6.2)</i>	Total Debt to Equity	0.0	0.0	0.0
<i>YoY Growth (%)</i>	<i>0.0</i>	<i>(72.6)</i>	<i>17.6</i>	Net Debt to Equity	(0.9)	(0.4)	(3.7)
Depreciation & Amortization	30.0	58.1	34.0	Net Debt to EBITDA	1.2	1.8	9.2
EBIT	(1,833.7)	(552.3)	(614.9)	Return Ratios (%)			
<i>Margin (%)</i>	<i>(32.0)</i>	<i>(7.3)</i>	<i>(6.5)</i>	Return on Equity	(67.6)	(14.7)	(272.7)
<i>YoY Growth (%)</i>	<i>0.0</i>	<i>(69.9)</i>	<i>11.3</i>	Return on Capital Employed	(74.2)	(24.8)	(115.1)
Other Income	163.2	244.1	511.0	Return on Invested Capital	(583.3)	(41.1)	15.7
Finance Cost	1.3	6.4	6.9	Working Capital Ratios			
Fin Charges Coverage (X)	(1,369.5)	(86.7)	(89.2)	Payable Days (Nos)	53	42	42
Exceptional Item	0.0	(13.1)	(1,346.4)	Inventory Days (Nos)	0	0	0
PBT	(1,671.9)	(327.6)	(1,457.3)	Receivable Days (Nos)	0	0	0
<i>Margin (%)</i>	<i>(29.2)</i>	<i>(4.3)</i>	<i>(15.5)</i>	Net Working Capital Days (Nos)	(53)	(42)	(42)
<i>YoY Growth (%)</i>	<i>0.0</i>	<i>(80.4)</i>	<i>344.8</i>	Net Working Capital to Sales (%)	(14.5)	(11.5)	(11.4)
Tax Expense	0.0	0.0	2,486.8	Valuation (X)			
<i>Tax Rate (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>(170.7)</i>	P/E	(3.2)	(16.5)	(1.4)
PAT	(1,671.9)	(327.6)	(3,944.1)	P/BV	2.2	2.4	3.8
<i>Margin (%)</i>	<i>(29.2)</i>	<i>(4.3)</i>	<i>(42.0)</i>	EV/EBITDA	(1.8)	(9.2)	(0.1)
<i>YoY Growth (%)</i>	<i>0.0</i>	<i>(80.4)</i>	<i>1,103.8</i>	EV/Sales	0.6	0.6	0.0
Min Int/Sh of Assoc	0.0	0.0	2.4	Cash Flow Statement			
Net Profit	(1,671.9)	(327.6)	(3,941.7)	PBT	(1,671.9)	(327.6)	(1,457.3)
<i>Margin (%)</i>	<i>(29.2)</i>	<i>(4.3)</i>	<i>(42.0)</i>	Adjustments	(136.3)	519.9	1,837.8
<i>YoY Growth (%)</i>	<i>0.0</i>	<i>(80.4)</i>	<i>1,103.1</i>	Change in Working Capital	(490.0)	40.9	195.8
Balance Sheet				Less: Tax Paid	(10.0)	(13.0)	(37.0)
Share Capital	0.0	0.0	0.3	Cash Flow from Operations	(2,308.2)	220.2	539.4
Total Reserves	2,471.9	2,229.6	1,445.2	Net Capital Expenditure	(36.5)	(34.7)	(22.9)
Shareholders Fund	2,471.9	2,229.6	1,445.5	Change in Investments	534.9	(131.0)	(2,612.4)
Long Term Borrowings	0.0	0.0	0.0	Cash Flow from Investing	498.4	(165.6)	(2,635.3)
Deferred Tax Assets / Liabilities	0.0	0.0	0.0	Change in Borrowings	(10.5)	(5.0)	(184.4)
Other Long Term Liabilities	0.0	58.3	42.4	Less: Finance Cost	(1.3)	(6.4)	(6.9)
Long Term Trade Payables	0.0	0.0	0.0	Proceeds from Equity	0.0	0.0	2,296.6
Long Term Provisions	11.5	14.3	21.2	Buyback of Shares	0.0	0.0	0.0
Total Liabilities	2,483.4	2,302.2	1,509.1	Dividend Paid	0.0	0.0	0.0
Net Block	56.1	112.0	95.8	Cash flow from Financing	(11.8)	(11.4)	2,105.3
Capital Work in Progress	0.0	0.0	0.0	Net Cash Flow	(1,821.6)	43.2	9.4
Intangible assets under development	1.7	0.0	0.0	Forex Effect & Amalgamation	1,494.5	0.7	(2.7)
Non Current Investments	295.1	0.0	0.0	Opening Balance of Cash	423.7	96.5	140.4
Long Term Loans & Advances	252.5	46.8	84.8	Closing Balance of Cash	96.5	140.4	147.1
Other Non Current Assets	608.5	835.0	258.1				
Net Current Assets	1,269.5	1,308.6	1,070.4				
Total Assets	2,483.4	2,302.2	1,509.1				

Source: Ventura Research

Disclosures and Disclaimer

Ventura Securities Limited (VSL) is a SEBI registered intermediary offering broking, depository and portfolio management services to clients. VSL is member of BSE, NSE and MCX-SX. VSL is a depository participant of NSDL. VSL states that no disciplinary action whatsoever has been taken by SEBI against it in last five years except administrative warning issued in connection with technical and venial lapses observed while inspection of books of accounts and records. Ventura Commodities Limited, Ventura Guaranty Limited, Ventura Insurance Brokers Limited and Ventura Allied Services Private Limited are associates of VSL. Research Analyst (RA) involved in the preparation of this research report and VSL disclose that neither RA nor VSL nor its associates (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the time of publication of this research report (iv) have received any compensation from the subject company in the past twelve months (v) have managed or co-managed public offering of securities for the subject company in past twelve months (vi) have received any compensation for investment banking merchant banking or brokerage services from the subject company in the past twelve months (vii) have received any compensation for product or services from the subject company in the past twelve months (viii) have received any compensation or other benefits from the subject company or third party in connection with the research report. RA involved in the preparation of this research report discloses that he / she has not served as an officer, director or employee of the subject company. RA involved in the preparation of this research report and VSL discloses that they have not been engaged in the market making activity for the subject company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all the foregoing, among other things, may give rise to or potential conflicts of interest. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of VSL. This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of VSL. VSL will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document. The projections and forecasts described in this report were based upon a few estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by VSL, its associates, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts. The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed, and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. VSL, the RA involved in the preparation of this research report and its associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report/document has been prepared by VSL, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. VSL has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change. This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of VSL. This report or any portion hereof may not be printed, sold or distributed without the written consent of VSL. This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of VSL and are given as of this date and are subject to change without notice. Any opinion estimates or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon b c as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Securities Market.

Ventura Securities Limited - SEBI Registration No.: INH000001634

Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608