July 2026

Initiating Coverage | Sector: Retail

Meesho

Democratizing value e-commerce for Bharat

Research Analyst: Aditya Bansal (Aditya.Bansal@MotilalOswal.com) | **Avinash Karumanchi** (Avinash.Karumanchi@MotilalOswal.com)
Research Analyst: Siddhesh Chaudhari (Siddhesh.Chaudhari@MotilalOswal.com) | **Niraj Harwande** (Niraj.Harwande@motilaloswal.com)

Democratizing value e-commerce for Bharat

- Meesho operates a multi-sided marketplace, connecting consumers, sellers, logistics providers, and content creators, creating a self-reinforcing flywheel that drives platform adoption and sustains its cost advantage.
- Meesho has achieved a vast scale (274m ATUs, 2.8b+ LTM placed orders) and industry-leading unit economics, while improving affordability through its low-cost logistics, zero seller commissions, and reducing onboarding friction for the first-time internet users as well as sellers on its platform.
- Unlike traditional retailers and other internet platforms, Meesho's business model is truly asset-light requiring limited capex on physical infra or inventory. Further, it operates on a negative working capital (~25 days of NMV), which provides large float income and enables significant FCF generation.
- We expect Meesho to deliver a 25% CAGR in marketplace NMV over FY26-31, driven by customer acquisition and rising platform adoption. Higher ad monetization and normalization in logistics spread should drive ~400bp expansion in contribution margin to ~7.5% by FY31, while ~255bp operating leverage should drive adj. EBITDA of ~INR48b by FY31 (at ~3.75% margin).
- We initiate coverage on Meesho with a BUY rating and a TP of INR240, premised on 30x FY31E adj. marketplace EBITDA, discounted to Sep'28E. This implies ~1.4x FY28E EV/NMV, ~10% premium to Eternal's FY28 multiple. However, we believe a higher multiple could be justified for Meesho, given its truly asset-light model, negative working capital, and likely significant FCF generation starting FY27 and rising to 4%+ of NMV by FY31.

Meesho

BSE Sensex	S&P CNX
76,060	23,767

Stock Info

Bloomberg	MEESHO IN
Equity Shares (m)	4513
M.Cap.(INRb)/(USDb)	856.3 / 8.9
52-Week Range (INR)	255 / 126
1, 6, 12 Rel. Per (%)	-1/14/-
12M Avg Val (INR M)	5543
Free float (%)	83.6

Financial Snapshot (INR b)

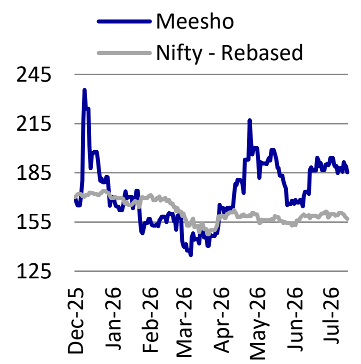
Y/E March	FY26	FY27E	FY28E
NMV - marketplace	416	554	695
Sales	126	184	233
EBITDA (adj)	-11.8	-3.6	3.8
EBITDA (reported)	-14.9	-7.0	-0.2
Adj. PAT	-12.2	-3.3	4.2
CM (%)	3.5	5.5	6.0
EBITDAM (adj) %	(2.8)	(0.6)	0.6
EBITDAM (reported) %	(11.8)	(3.8)	(0.1)
EPS	-2.7	-0.7	0.9
RoE (%)	n/m	n/m	9.1
RoCE (%)	n/m	n/m	9.2
P/E	n/m	n/m	202
EV/EBITDA	n/m	n/m	n/m
EV/NMV	2.0	1.5	1.1

Shareholding pattern (%)

Select Qtr End	Jun-26	Mar-26
Promoter (%)	16.4	16.6
DII (%)	9.1	5.6
FII (%)	5.2	4.2
Others (%)	69.3	73.7

Note: FII includes depository receipts

Stock performance (one-year)



CMP: INR185 TP: INR240 (+30%) Buy

Democratizing value e-commerce for Bharat

- Meesho operates a multi-sided marketplace, connecting consumers, sellers, logistics providers, and content creators, creating a self-reinforcing flywheel that drives platform adoption and sustains its cost advantage.
- Meesho has achieved a vast scale (274m ATUs, 2.8b+ LTM placed orders) and industry-leading unit economics, while improving affordability through its low-cost logistics, zero seller commissions, and reducing onboarding friction for the first-time internet users as well as sellers on its platform.
- Unlike traditional retailers and other internet platforms, Meesho's business model is truly asset-light requiring limited capex on physical infra or inventory. Further, it operates on a negative working capital (~25 days of NMV), which provides large float income and enables significant FCF generation.
- We expect Meesho to deliver a 25% CAGR in marketplace NMV over FY26-31, driven by customer acquisition and rising platform adoption. Higher ad monetization and normalization in logistics spread should drive ~400bp expansion in contribution margin to ~7.5% by FY31, while ~255bp operating leverage should drive adj. EBITDA of ~INR48b by FY31 (at ~3.75% margin).
- **We initiate coverage on Meesho with a BUY rating and a TP of INR240**, premised on 30x FY31E adj. marketplace EBITDA, discounted to Sep'28E. This implies ~1.4x FY28E EV/NMV, ~10% premium to Eternal's FY28 multiple. However, we believe a higher multiple could be justified for Meesho, given its truly asset-light model, negative working capital, and likely significant FCF generation starting FY27 and rising to 4%+ of NMV by FY31.

India remains at the nascent stages of e-commerce adoption

- India remains one of the least penetrated e-commerce (e-com) markets globally, with online retail accounting for only ~7% of total retail sales in CY24, significantly below markets such as China (~34%), the US (~17%), and even Indonesia (~15%).
- Despite rapid growth since 2016, India's unique internet user penetration of ~50% remains well below the 80%+ penetration in the US and China.
- Rising smartphone penetration, the introduction of UPI, and affordable data have enabled India's e-com user base to double over FY19-26 to reach ~270m.
- However, it remains well below the ~550-600m users of OTT platforms and digital wallets in India. In more developed markets, e-com adoption typically converges with OTT users, implying significant headroom for growth even in the existing internet user base.
- As penetration deepens, the next phase of e-com growth is likely to be driven by value-conscious consumers, who prioritize affordability, assortment, and accessibility over brand affinity.
- Meesho's value-led assortment, low-ticket purchases, and vernacular shopping experience are designed to address the India-specific challenges, positioning it to capture a disproportionate share of incremental e-com adoption, particularly across Tier 2+ markets.

88% of Meesho's ~264m ATUs (as of FY26-end), originated from non-top 8 cities.

A multi-sided marketplace with a self-reinforcing flywheel

- Meesho operates as a multi-sided marketplace, connecting consumers, sellers, logistics providers, and content creators, where growth in each stakeholder creates a self-reinforcing flywheel effect that strengthens platform adoption and lowers transaction costs.
- Zero commissions and low logistics costs have enabled Meesho to build a broad seller base (1m+), reduce charges per delivered order (down to INR74 in FY26 from INR93 in FY24), and make low-ticket e-com (AOV of ~INR265) viable.
- Meesho's affordability-led value proposition has resonated strongly in under-penetrated tier-2+ markets, enabling the vast scale of the platform, with 88% of its ~264m ATUs (as of FY26-end) originating from non-top 8 cities.
- As Meesho gained scale, seller productivity also increased, and logistics density strengthened, further reducing fulfillment costs. Meesho also built an asset-light logistics marketplace, Valmo, which aggregates a fragmented delivery ecosystem, leading to a further reduction in logistics costs and diversifying the use cases beyond fashion apparel.
- Building on its origins in social commerce, Meesho launched a content commerce platform, leveraging content creators and discovery-led shopping to drive organic user acquisition, higher engagements, and increased ordering frequency at structurally lower costs, reinforcing the strength of the flywheel.
- Meesho is increasingly evolving into an AI-native commerce platform, with technology investments focused on reducing friction for first-time internet users, improving accessibility, discovery, and logistics efficiency, and thereby driving operating leverage.

Industry-leading unit economics; adj. EBITDA break-even likely by FY28

- Meesho does not charge commissions from its sellers for listing products, but it monetizes through the recovery of order fulfillment charges, advertisement income, and providing data insights to sellers.
- Meesho has also refrained from charging platform fees to its consumers, yet it delivered contribution margin (CM) of ~5.6% in FY24. However, due to consolidation in the 3PL industry, ramp-up of customer acquisitions, and increased tech investments, its CM dipped to ~3.5% in FY26 (recovered subsequently to ~4.6% in 1QFY27).
- The company aims to maintain its contribution from logistics at ~2.5% of NMV (vs. ~1% in 4QFY26) over the medium term and pass on the benefits of scale and initiatives such as self-pick up from nearby locations to the end consumers.
- Incrementally, better monetization of its ads platform (currently contributes ~3% of NMV, vs. ~9% of the ads budget for sellers), along with increased adoption of Meesho Mall (dedicated brand stores within the app), is likely to be the key driver of improving the contribution margin.
- Scaling up of financial services platform (through tie-ups with regulated partners) could become another key driver over the longer run.
- The rising scale of the platform has already delivered notable operating leverage on indirect costs, which declined to ~5.3% of NMV in FY25 from ~11.3% in FY23. While increased tech and people investments led to a modest rise in indirect costs in FY26, most of the indirect costs remain semi-fixed. We expect operating leverage to drive adjusted EBITDA and reported PAT break-even by FY28.

Model ~25% NMV CAGR over FY26-31, driven by rising platform adoption

Build in ~500m ATUs by FY31 (~14% CAGR over FY26-31) and ordering frequency to reach ~18 by FY31.

- Meesho's ATU clocked ~25% CAGR over FY23-26 to reach ~264m, among the largest for any e-com platform in India. Despite its vast user base, the company added 65m (+33% YoY) ATU in FY26, driven by rising adoption of its value-focused offerings.
- With ~550-600m users opting for digital wallets and OTT subscriptions, we believe Meesho has a long runway to sustain ATU additions. We build in ~500m ATUs for Meesho by FY31 (~14% CAGR over FY26-31).
- The ordering frequency increased from 7.5 in FY23 to 10.1 in FY26 (at ~10% CAGR), despite rapid ATU additions over the last few years. We estimate that the ordering frequency for mature user cohorts is growing in the mid-teens.
- We model an ordering frequency of six for new users on the platform in the first year, with ~33%/~25% growth in years 2/3. For users acquired 2+ years ago, we model ~10% CAGR in ordering frequency over FY26-31. These drive ~12% CAGR in the platform's blended order frequency over FY26-31 to reach ~18 orders by FY31.
- Meesho's low-cost logistics and zero seller commissions enable a steady reduction in NoV, thus expanding the addressable market and enabling more use cases on the platform. We build ~3% annual reduction in NoV over FY26-31.
- Overall, we build in ~25% NMV CAGR over FY26-31, with Meesho's NMV rising to INR1.27t by FY31 (vs. ~29% CAGR over FY23-26).

Improvement in the ads platform monetization to drive margin inflection

Build in ~400bp CM improvement over FY26-31 to reach 7.5% by FY31, driven by normalization in logistics spread and an increase in ads monetization

- Meesho's spread on logistics cost was hit by the consolidation in 3PL logistics providers in FY26 (Logistics CM at ~1% of NMV in 4QFY26 vs. ~2.5% in FY25). Management targets to revert to ~2.5% of NMV as the spread on logistics costs over the medium term, while it plans to pass on the benefits from rising scale and initiatives such as self-pick-up from nearby locations to end consumers.
- Advertising remains the largest monetization opportunity, with advertisement revenue currently at ~3% of NMV (in 4QFY26) vs. 9% demand based on sellers' ad budgets. As more sellers adopts Meesho's ads platform, we expect RoAS expectations to moderate, leading to better monetization for Meesho. Increased adoption of Meesho Mall should provide additional tailwinds for CM expansion.
- We build in ~400bp improvement in CM over FY26-31 to reach ~7.5% by FY31, driven by normalization of logistics spread and an increase in ads monetization.
- The key indirect costs for Meesho are largely semi-fixed and are likely to drive operating leverage as the platform scales. Over FY26-31, we project ~255bp operating leverage on indirect costs. Along with ~400bp CM expansion, this should enable break-even on adj. marketplace EBITDA by FY28, followed by further inflection in profitability to INR48b by FY31 (or ~3.75% of NMV).

Asset-light model and negative working capital fuel robust FCF generation

- We expect Meesho to achieve reported EBITDA break-even (after ESOP costs) by FY28-exit, while interest income on its growing cash holdings, zero debt, and limited assets on its books should drive PAT break-even by FY28.
- Unlike other internet platforms and offline retailers, Meesho's business model is truly asset-light, with little capex, as the company does not own any inventory or physical infrastructure such as warehouses or storefronts.

- Further, the company settles payments with the sellers only after the closure of the return window, which leads to negative working capital (~25 days of NMV) and a significant float.
- This unique business model enabled Meesho to become one of the first Indian horizontal e-com players to achieve positive FCF. While FCF generation was impeded by a large one-time tax outgo and increased investments to drive growth in FY26, we expect Meesho to generate significant FCF starting FY27.

Initiate coverage on Meesho with a BUY rating and a TP of INR240. Expect Meesho to generate significant FCF starting FY27 and reach 4%+ of NMV by FY31

Valuation and view: Initiate coverage with a BUY rating and a TP of INR240

- We believe Meesho's asset-light model with negative working capital and improving unit economics makes for a unique combination of a scaled platform business with a long runway for growth and potential margin inflection.
- We build in ~25% NMV CAGR over FY26-31 for Meesho with likely adj. EBITDA and PAT breaking even by FY28-exit. We expect ~660bp adjusted marketplace EBITDA margin expansion over FY26-31, which, along with rising float, is likely to help generate significant FCF starting FY27 and reach 4%+ of NMV by FY31.
- **We initiate coverage on Meesho with a BUY rating and a TP of INR240**, premised on ~30x FY31E adj. marketplace EBITDA, discounted back to Sep'28E. This implies ~1.4x FY28E EV/NMV, ~10% premium to Eternal's FY28 EV/NMV. We believe a premium could be justified, given the truly asset-light nature of Meesho's business model.
- Meesho's valuations are highly sensitive to NMV growth and CM expansion. We believe at CMP, the stock is pricing in ~25% NMV CAGR over FY26-31 (similar to our estimate) and ~6.7% contribution margin by FY31 (~80bp lower than our base case estimate of ~7.5%).
- Stronger-than-expected NMV growth and/or sharper expansion in CM could fuel further upside risks to our TP, while lower NMV growth and/or weaker-than-expected CM expansion pose downside risks (bull case: INR335; bear case: INR140).

Key risks and concerns

- Dependence on third party for logistics
- Product quality and seller management
- Intense competition and a shift in consumer behavior towards convenience
- Lower-than-expected monetization of the platform.

Exhibit 1: We ascribe a TP of INR240 based on ~30x FY31E EV/adj. marketplace EBITDA discounted back to Sep'28E

INR b	adj. EBITDA (INR b)	Multiple (x)	Value (INR b)
Enterprise value	**47.5**	**30**	**1,420**
Sep'28 EV			**1,068**
Net cash			-71
Equity value			**1,140**
TP (INR/share)			**240**
CMP (INR/share)			185
Potential upside (%)			*30*

Source: Company, MOFSL

Exhibit 2: Our TP implies ~1.4x Sep'28E EV/NMV

(INR b)	NMV (INR b)	Multiple (x)	Value (INR b)
Sep'28 EV	**777**	**1.4**	**1,068**
Net cash			-71
Equity value			**1,140**
TP (INR/share)			**240**
CMP (INR/share)			185
Potential upside (%)			*30*

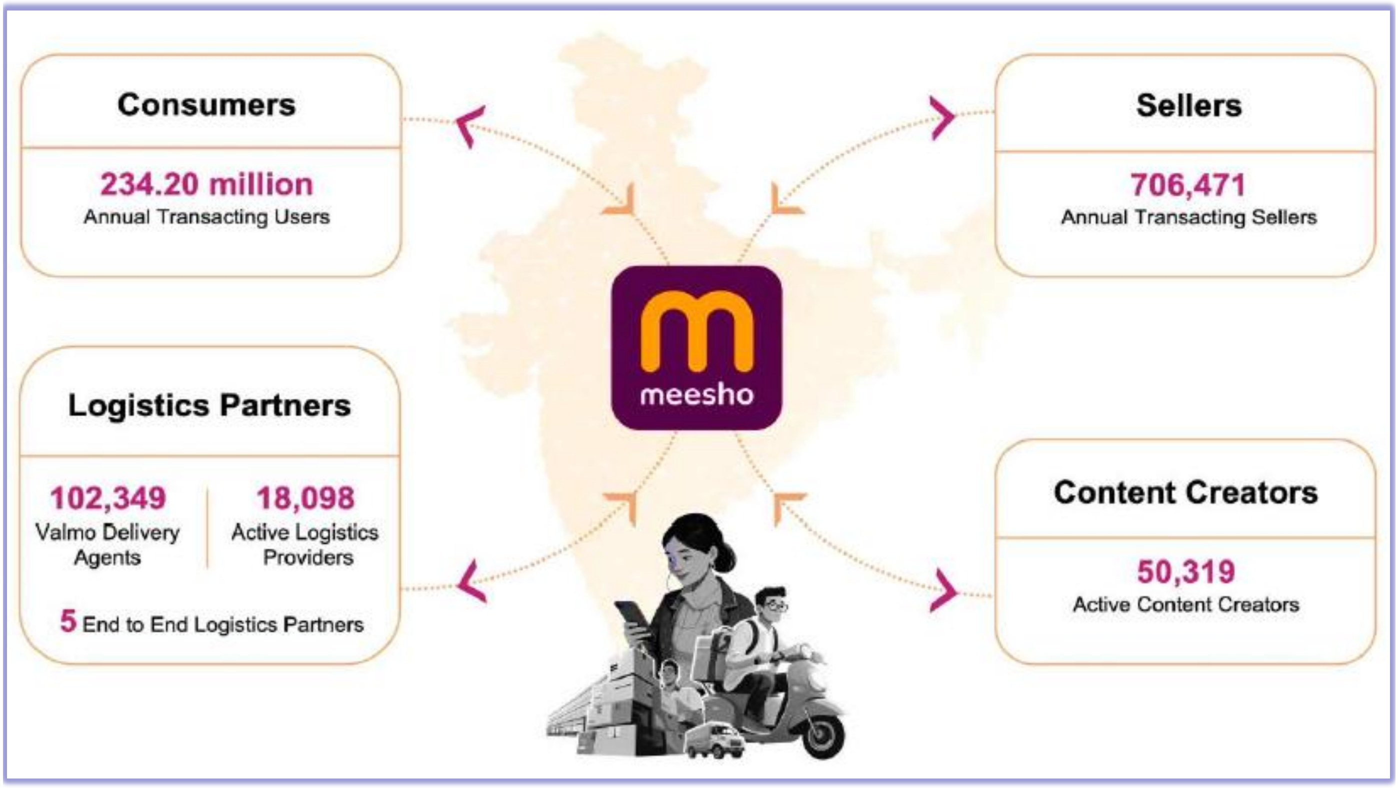
Source: Company, MOFSL

STORY IN CHARTS

MEESHO: DEMOCRATIZING VALUE E-COMMERCE FOR BHARAT

- Multi sided marketplace with self-reinforcing flywheel
- ~1m sellers, 274m ATUs, 2.8b+ LTM placed orders
- Truly asset-light model with negative working capital (~25 days of NMV)
- 25% NMV CAGR, CM to reach 7.5% of NMV by FY31
- Improved profitability and float income to deliver 4%+ of NMV as FCF by FY31
- Initiate with Buy and TP of INR240 (30% upside)

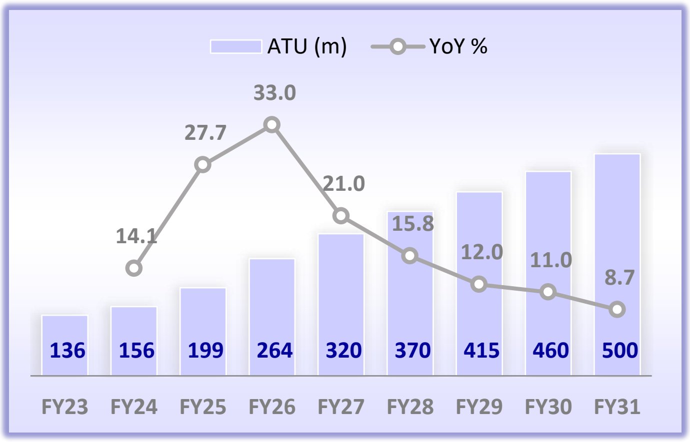
Scale of Meesho's multi-sided marketplace



Note: as of 1HFY26

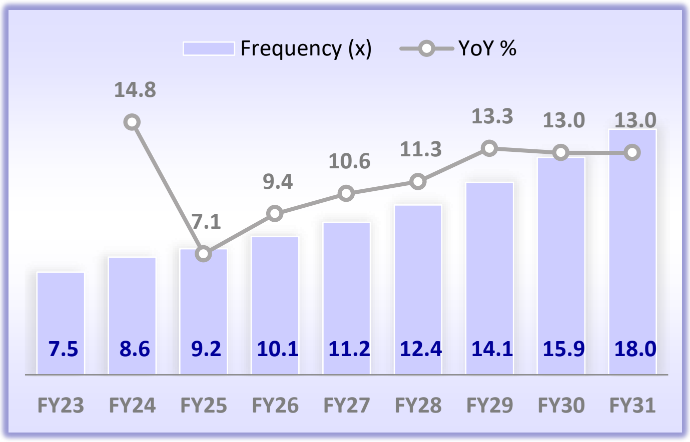
Source: Company, MOFSL

Expect ~14% CAGR over FY26-31 in ATU…



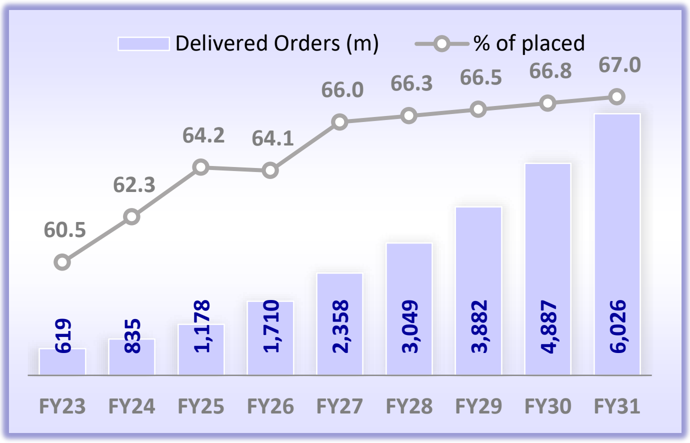
Source: Company, MOFSL

…with ~12% CAGR over FY26-31 in order frequency



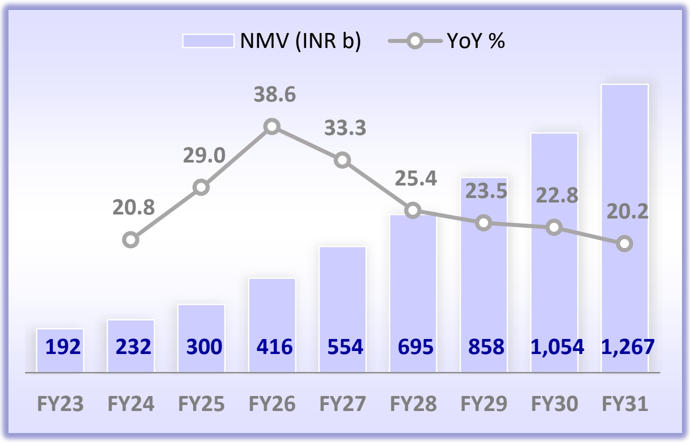
Source: Company, MOFSL

Build in ~29% CAGR over FY26-31 in successful orders, with a modest improvement in order success rates



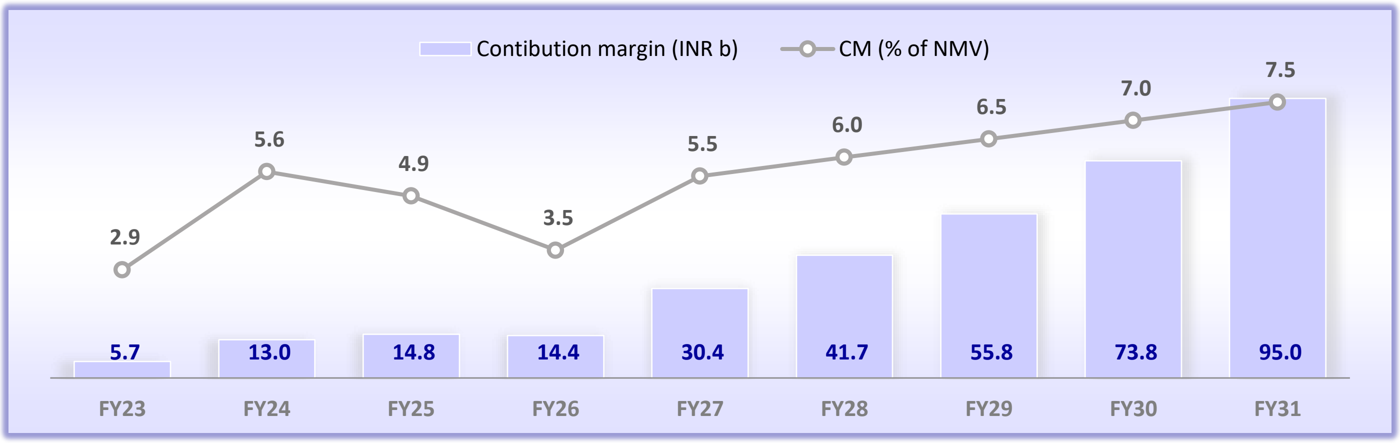
Source: Company, MOFSL

Build in ~25% CAGR over FY26-31 in NMV



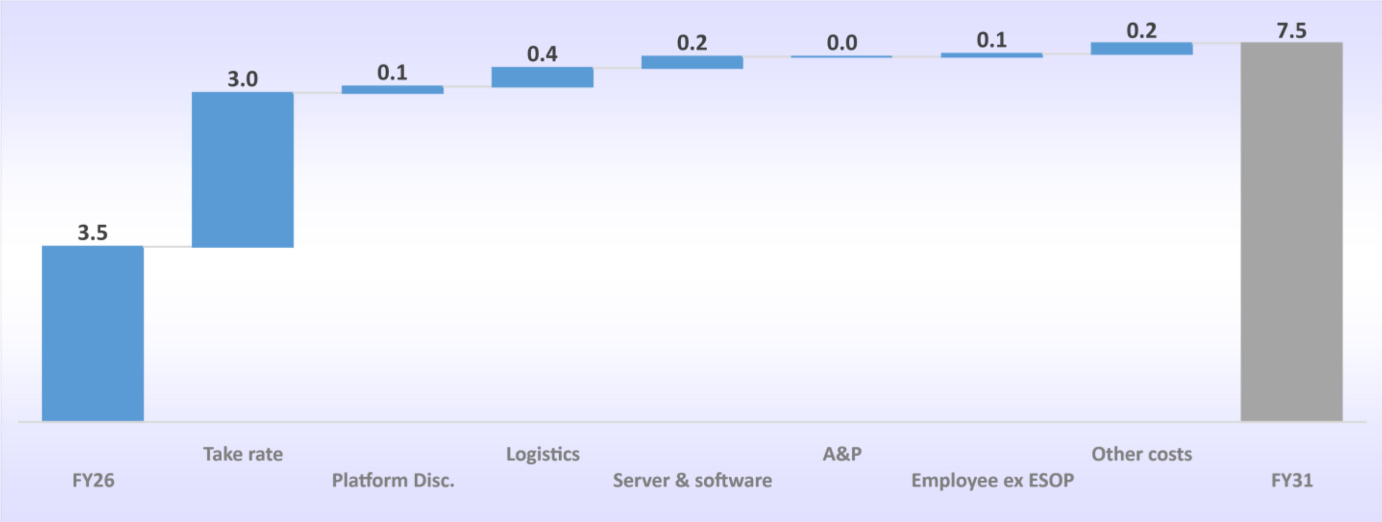
Source: Company, MOFSL

Build in ~400bp expansion in marketplace CM over FY26-31



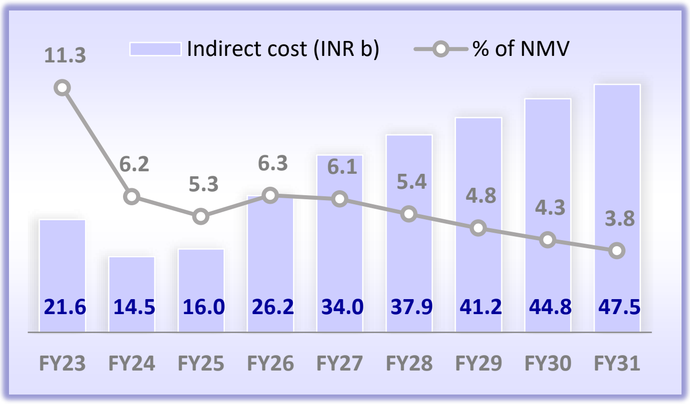
Source: MOFSL, Company

Ads-driven take rate expansion and logistics cost recovery are key levers for CM expansion to ~7.5% by FY31



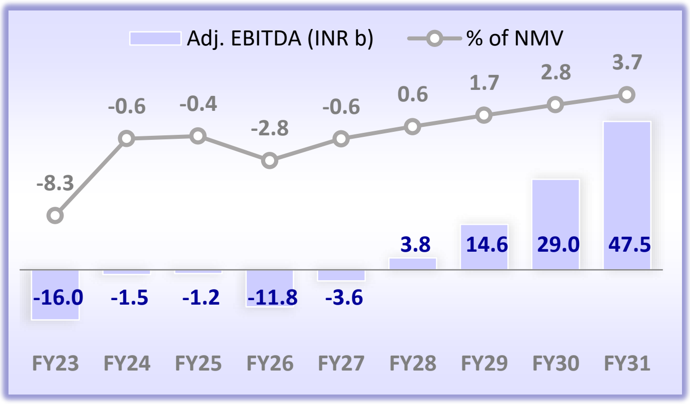
Source: MOFSL, Company

Expect ~13% CAGR over FY26-31 in indirect costs, leading to ~255bp of operating leverage



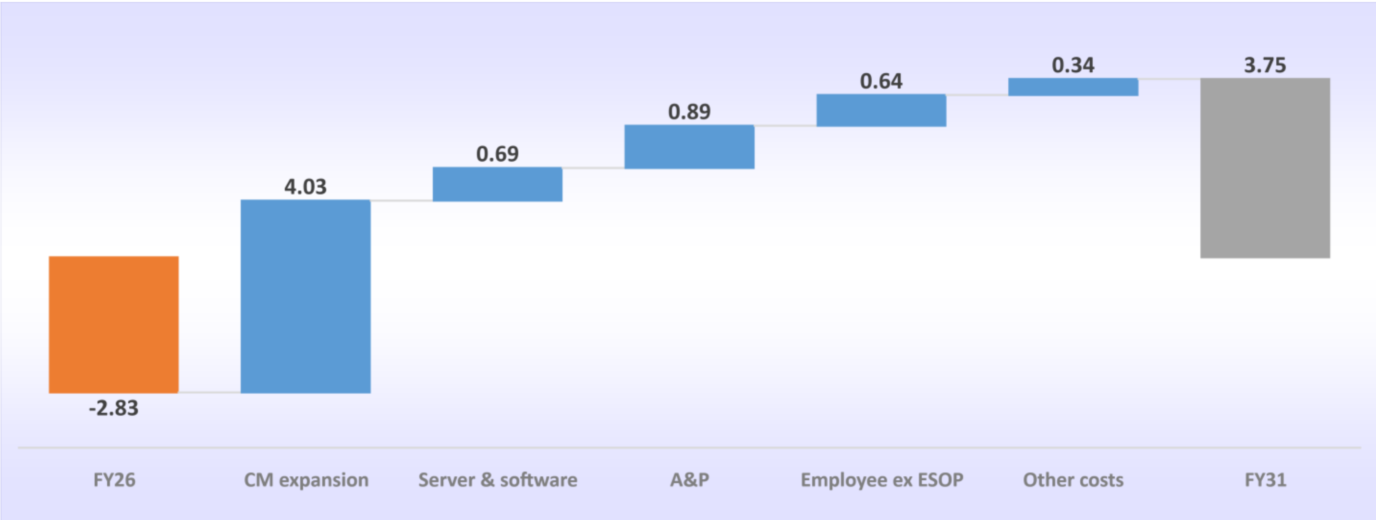
Source: Company, MOFSL

Likely to achieve adjusted EBITDA breakeven for marketplace by FY28; build ~660bp expansion over FY26-31



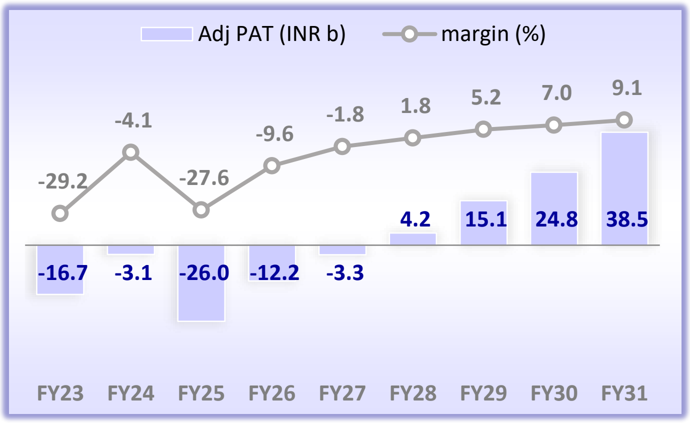
Source: Company, MOFSL

CM expansion and operating leverage to drive adj. EBITDA margin expansion to ~3.75% by FY31



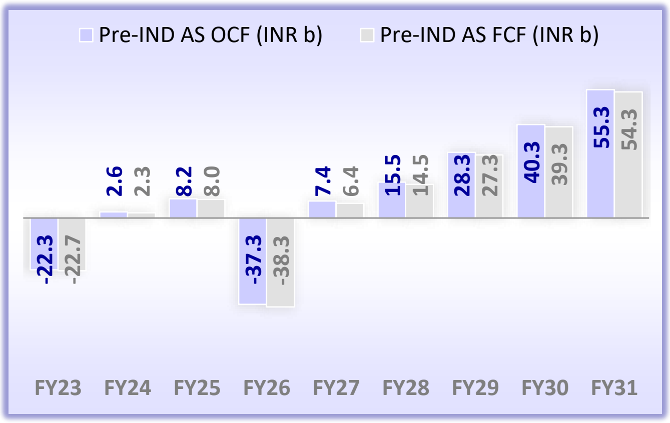
Source: MOFSL, Company

Earnings inflection underway, with breakeven likely by FY28



Source: Company, MOFSL

Expect significant OCF and FCF generation from FY28 onwards



Source: Company, MOFSL

Ascribe a TP of INR240 based on ~30x FY31E EV/ adj. marketplace EBITDA discounted back to Sep'28

INR b	adj. EBITDA (INR b)	Multiple (x)	Value (INR b)
Enterprise value	**47.5**	**30**	**1,420**
Sep'28 EV			**1,068**
Net cash			-71
Equity value			**1,140**
TP (INR/share)			**240**
CMP (INR/share)			185
Potential upside (%)			*30*

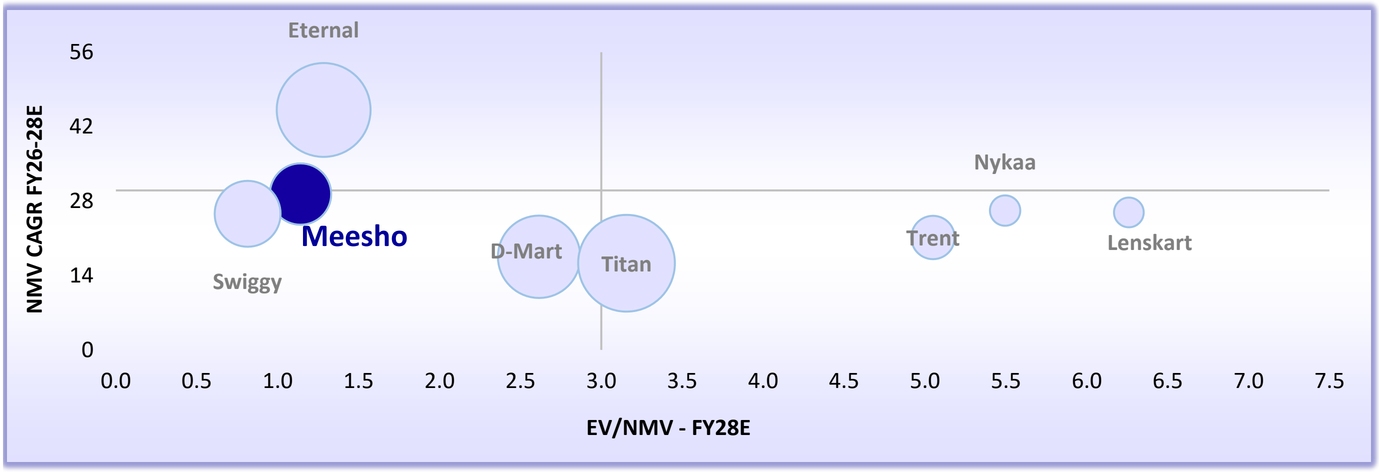
Source: Company, MOFSL

Our TP implies ~1.4x Sep'28E EV/NMV

(INR b)	NMV (INR b)	Multiple (x)	Value (INR b)
Sep'28 EV	**777**	**1.4**	**1,068**
Net cash			-71
Equity value			**1,140**
TP (INR/share)			**240**
CMP (INR/share)			185
Potential upside (%)			*30*

Source: Company, MOFSL

Meesho's EV/NMV multiple reasonable compared to the NMV CAGR expectations over FY26-28



Note: size of the bubble represents the company's FY26 NMV or estimated gross sales

Source: Company, MOFSL

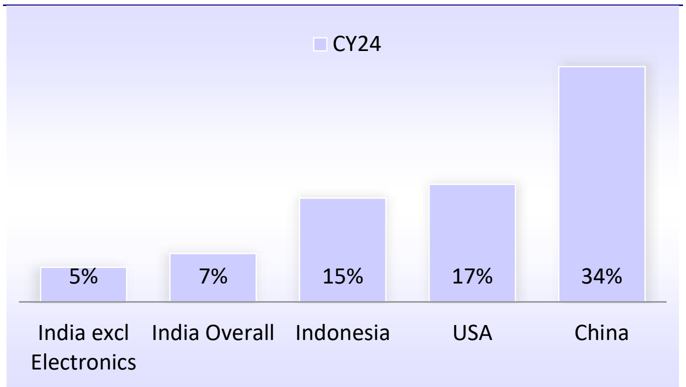
Meesho: Democratizing value e-commerce for Bharat

India remains one of the least penetrated e-com markets globally, with online retail accounting for only ~7% of total retail sales in CY24, significantly below markets such as China (~34%), the US (~17%), and even Indonesia (~15%)

India remains at the nascent stages of e-com adoption

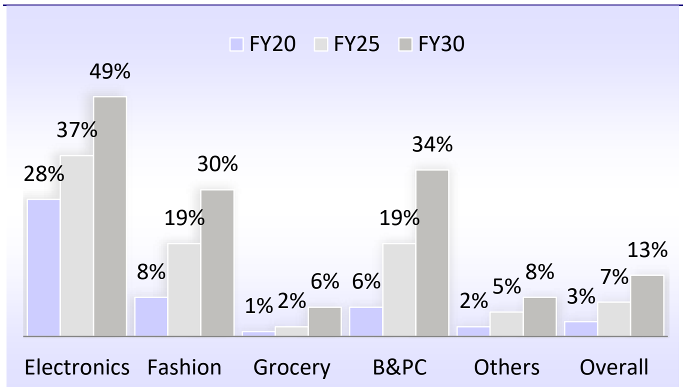
India remains one of the least penetrated e-com markets globally, with online retail accounting for only ~7% of total retail sales in CY24, significantly below markets such as China (~34%), the US (~17%), and even Indonesia (~15%). Excluding electronics, where online adoption is relatively mature (~37%), e-com penetration in India remains even lower at ~5% for other categories and much lower in categories such as grocery, home and furniture, and general merchandise, highlighting substantial room for future growth.

Exhibit 1: E-com penetration in India remains significantly below global benchmarks



Source: Company, MOFSL

Exhibit 2: E-com penetration – category wise evolution



Source: Company, MOFSL

Driven by the launch of Reliance Jio's low-cost unlimited data offerings, India's internet user base has nearly doubled over FY19-26 to cross 1b. However, we note that India's unique internet user penetration at ~50% remains significantly below the ~80%+ penetration in economies such as the US and China. The growth in India's data consumers has also translated into rapid adoption of internet-based services such as e-com, OTT platforms, ride-hailing, food delivery, quick commerce (QC), and government services. Further, the introduction of Unified Payments Interface (UPI) has also led to a reduction in barriers for users to transact online.

Exhibit 3: India's E-com and OTT adoption almost doubled over FY19-26; however, remains significantly below the US and China

(in m)	India	India	China	US	(in %)	India	India	China	US
	FY19	FY26	FY26			FY19	FY26	FY26	
Population	1,378	1,467	1,404	342		100	100	100	100
Mobile broadband data users	544	1,002	1,853	425		39	68	132	124
Unique Internet users	479	772	1,176	285		35	53	84	83
E-Com	**120**	**270**	**974**	**280**	as a % of Population	**9**	**18**	**69**	**82**
OTT	**285**	**601**	**1,000**	**300**		**21**	**41**	**71**	**88**
G2C	21	539	890	100		2	37	63	29
Digital Wallet	**80**	**556**	**1,000**	**210**		**6**	**38**	**71**	**61**
Online Gaming	300	517	683	215		22	35	49	63

Source: Company, MOFSL

The overlap between OTT subscribers and the e-com user base is typically high in more mature digital markets. India's e-com user base remains significantly lower than the customers having access to digital wallets (550m+), OTT platforms (600m+).

India's e-com user base has compounded at ~12% over FY19-26 to more than double to ~270m. However, India's e-com penetration remains low at just ~18% of the population (compared to 50%+ unique internet user penetration). Further, we note that India's e-com user base remains significantly lower than the customers having access to digital wallets (550m+), OTT platforms (600m+), and availing government services (~540m). Notably, the **overlap between OTT subscribers and the e-com user base is typically high in more mature digital markets**, yet India stands out with relatively high OTT penetration while e-com penetration remains comparatively low. We believe that as India's per capita GDP approaches the levels of upper-middle-income countries, there is significant headroom for India's e-com user base to catch up with the growing OTT user base and mimic the trends observed in other developed economies.

Long growth runway for Tier 2+ and value commerce-focused players

The growth opportunity is especially pronounced in non-metro markets, where retail spending remains highly fragmented, unorganized, and predominantly offline. Supported by rising smartphone penetration, affordable mobile data, expanding digital payment infrastructure, and improving logistics networks, online adoption continues to deepen across smaller towns and across a broader set of product categories.

Importantly, the next phase of e-com growth is expected to be increasingly driven by value-conscious consumers, who prioritize affordability, assortment, and accessibility over brand affinity. As penetration expands across categories such as fashion, home, beauty, and general merchandise, value-commerce platforms are likely to capture a disproportionate share of incremental industry growth.

Meesho's differentiated proposition elevated it to e-com market leadership

Meesho, with 274m Annual Transacting Users (ATUs), is India's largest e-com platform both in terms of user base and the number of orders placed. It is well positioned to benefit from the shift to value-focused e-commerce, given its strong presence among value-conscious consumers in Tier-2+ markets. We note that out of ~264m ATUs, ~88% originate from outside the top eight cities in FY26. As e-com adoption broadens beyond metros, Meesho is well placed to capture a disproportionate share of incremental users and order growth, in our view.

Meesho's value-led assortment, low-ticket purchase categories, and vernacular shopping experience are designed to address the India-specific challenges, particularly in Tier-2+ markets where e-com adoption remains relatively low. Additionally, initiatives such as Vaani, its vernacular AI-powered shopping interface, should further reduce onboarding friction and support adoption among non-English-speaking users.

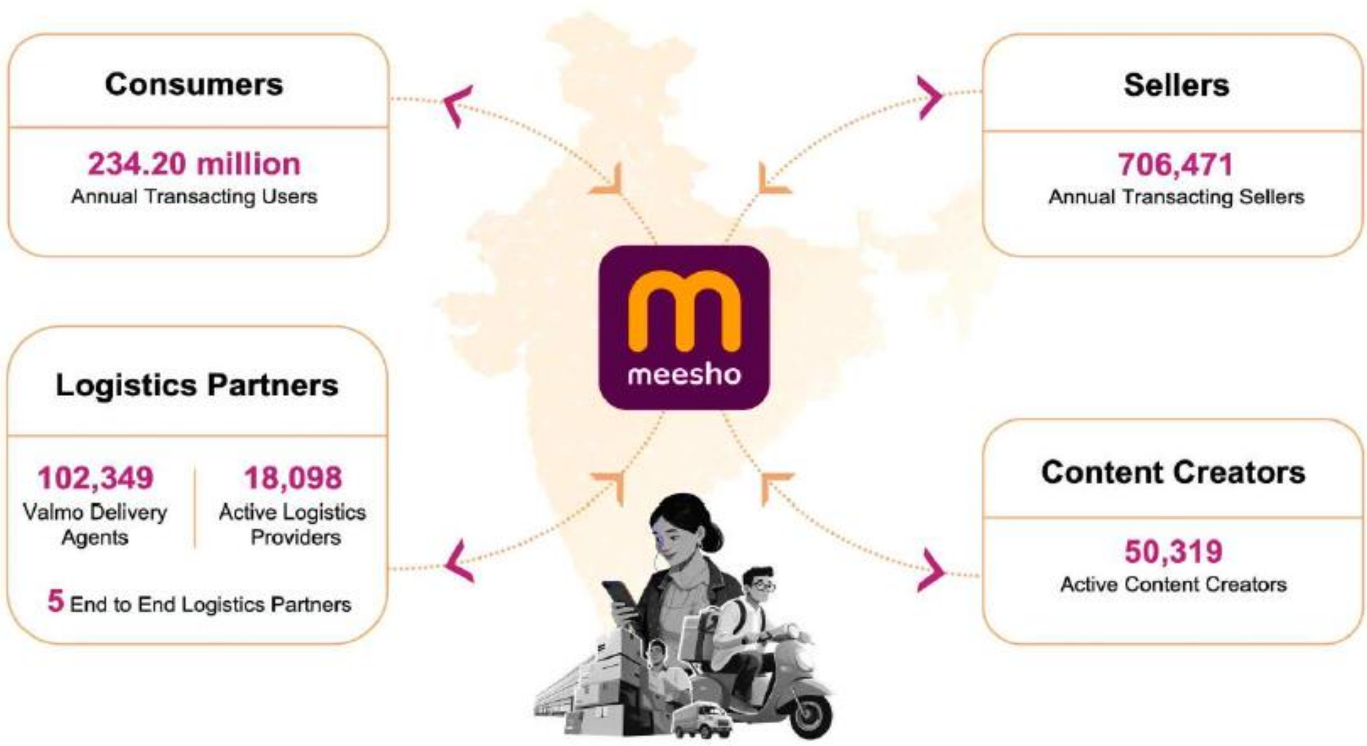
Meesho's opportunity also extends beyond household-level e-com penetration. Unlike large-ticket categories that are often purchased by a single household decision-maker, its discovery-led assortment caters to frequent, individual purchase occasions, expanding the platform's potential user base within the already digitized households.

Multi-sided marketplace with a self-reinforcing flywheel

Meesho is India's leading value-focused e-com platform, serving price-conscious consumers primarily across Tier-2 and smaller markets. Founded in 2015 as a social-commerce reseller platform, the company has evolved into one of India's largest horizontal marketplaces in terms of annual transacting users and order volume, benefiting from the growing adoption of e-com beyond metropolitan regions.

Meesho operates as a multi-sided marketplace in India, connecting consumers, sellers, logistics providers, and content creators, where growth in any of the four stakeholders creates a self-reinforcing flywheel effect, which further improves the adoption of the platform.

Exhibit 4: Scale of Meesho's multi-sided marketplace

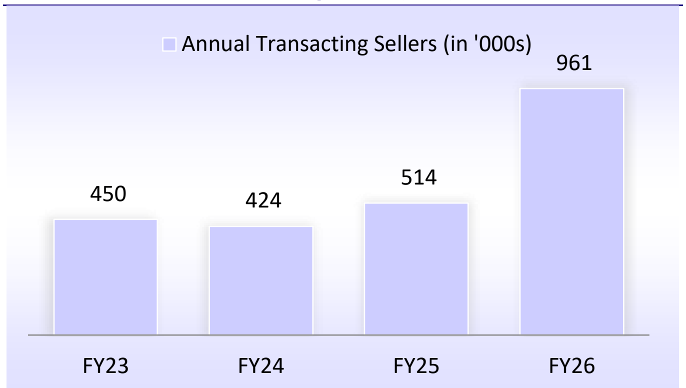


Note: as of 1HFY26 Source: Company, MOFSL

Meesho's zero commission and lower costs drive more sellers to the platform

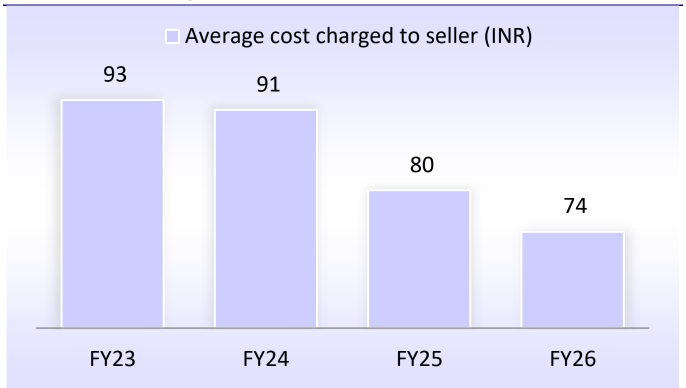
At the core of Meesho's value proposition is a differentiated zero-commission marketplace model, which enables a broad base of sellers to list and transact on the platform without paying commissions on every product sold. By lowering the cost of participation for merchants (average cost charged per delivered order down to ~INR74 in FY26 from ~INR93 in FY24), the model supports more competitive pricing for consumers while helping Meesho build a large and highly fragmented seller ecosystem (1m+). This has broadened the online reach of small sellers that have historically been underserved by traditional e-com channels. Meesho also enabled non-GST-compliant vendors to onboard its platform, resulting in a greater assortment of products available. Additionally, it has refrained from launching its own private label in fast-selling categories, which enhances sellers' trust in the platform.

Exhibit 5: Annual transacting seller (ATS) trends for Meesho



Source: Company, MOFSL

Exhibit 6: The average cost charged to the seller per delivered order is declining



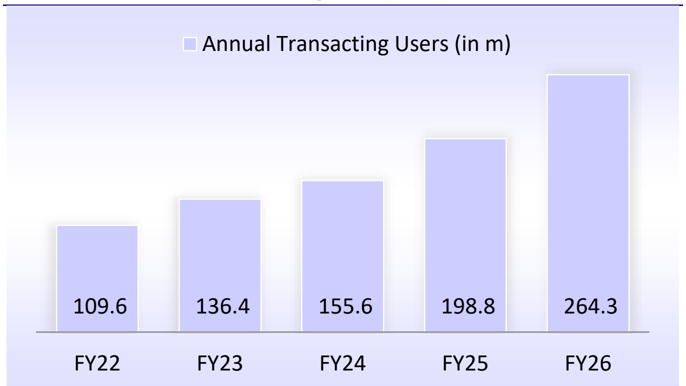
Source: Company, MOFSL

Meesho's affordability-led value proposition has resonated strongly with consumers in smaller towns, where e-com penetration remains relatively low and purchasing decisions are often driven by price and value

Value-driven proposition drives user growth and increased platform adoption

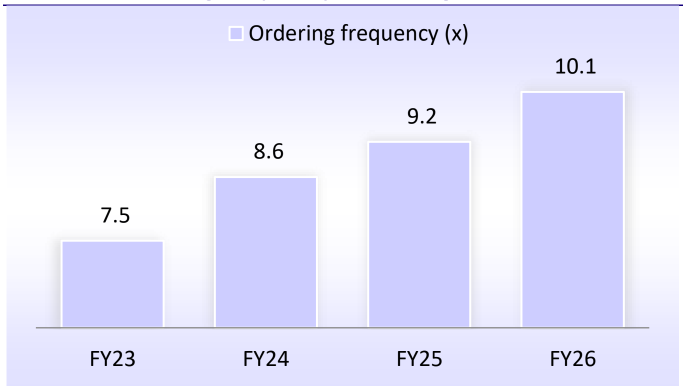
Meesho's affordability-led value proposition has resonated strongly with consumers in smaller towns, where e-com penetration remains relatively low and purchasing decisions are often driven by price and value. The company's ATU base surged from a modest ~1m in FY19 to 264m+ in FY26, and the growth remained strong with Meesho adding 65m+ ATUs (~33% YoY) in FY26. Importantly, Meesho has built a more inclusive internet platform with ~88% of its user base originating from outside the top 8 towns, broadly similar to the spread of India's population. Meesho has achieved a vast scale by improving affordability through its low-cost logistics, zero commissions for sellers, and reducing onboarding friction for first-time users as well as sellers on its platform. The user engagement on the platform continues to improve, as evidenced by the increase in blended ordering frequency, despite the accelerated addition of ATUs.

Exhibit 7: Annual transacting user (ATU) trends for Meesho



Source: Company, MOFSL

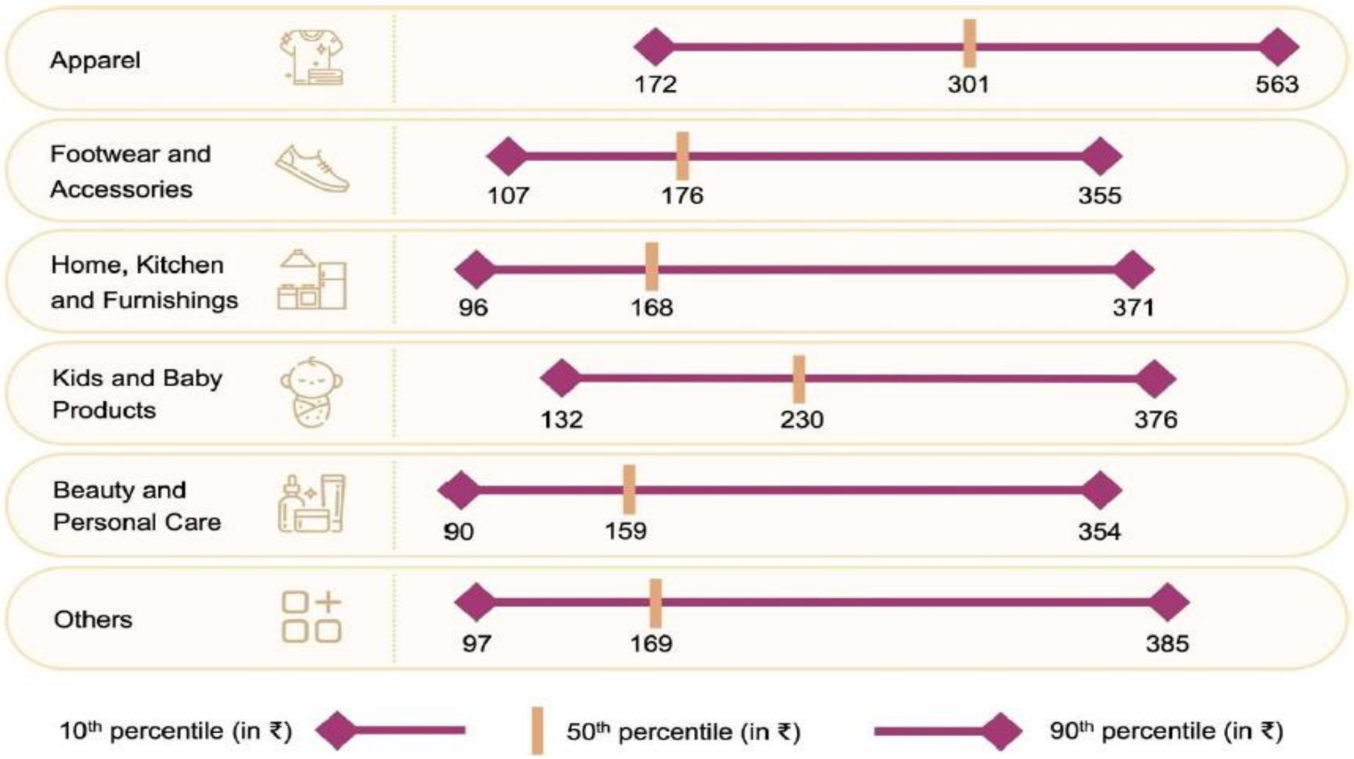
Exhibit 8: Ordering frequency on a rising trend



Source: Company, MOFSL

While maintaining its zero-commission positioning, Meesho monetizes its ecosystem through logistics services, advertising, and selling insights to the sellers. Combined with its asset-light operating model, this approach enables the company to scale efficiently while reinforcing its value proposition for both buyers and sellers. Going forward, growth is expected to be supported by deeper market penetration, expansion across categories, higher user engagement, and continued investments in technology and platform capabilities.

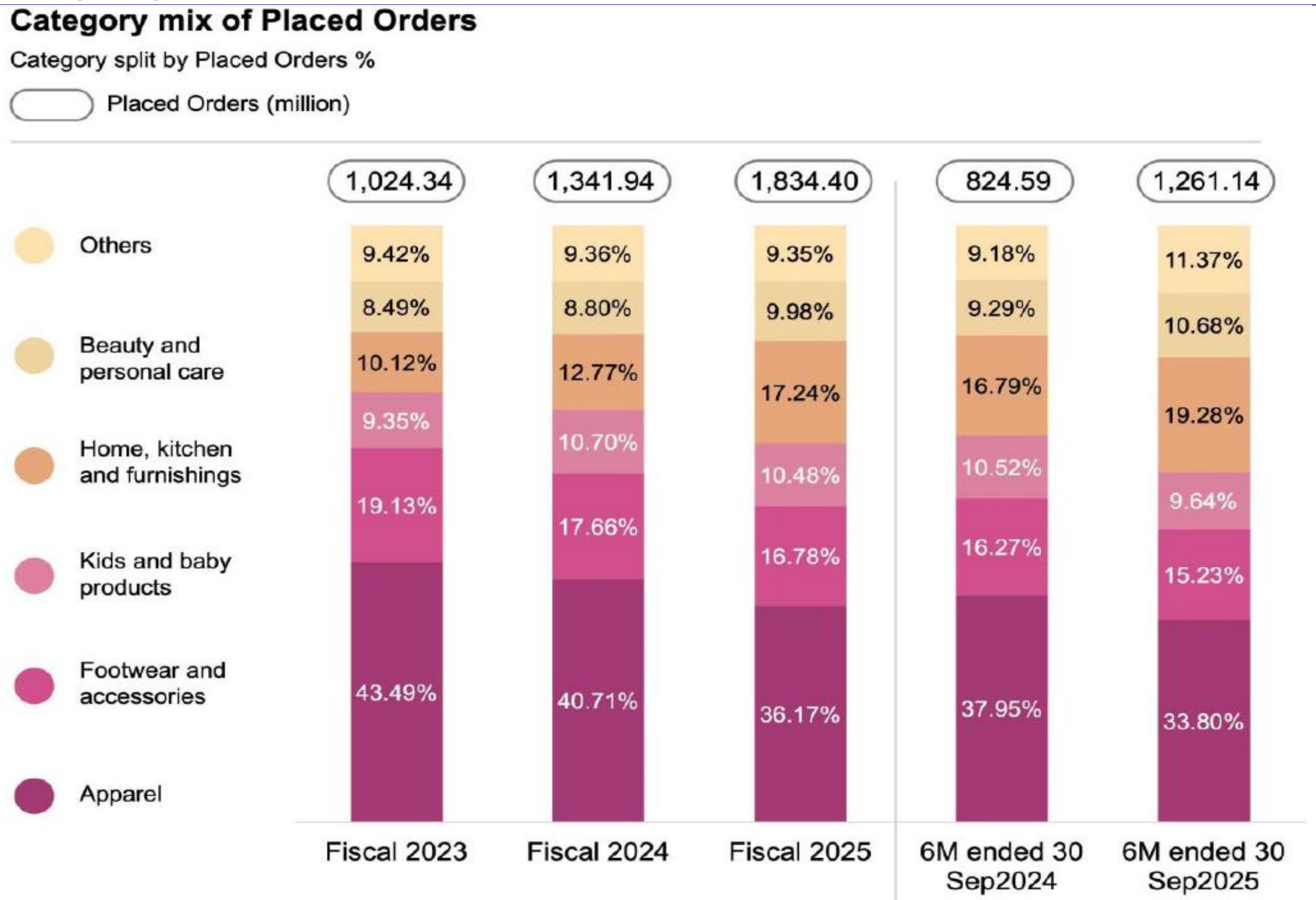
Exhibit 9: Indicative break-up of product prices across categories on Meesho



Note: as of 1HFY26

Source: Company, MOFSL

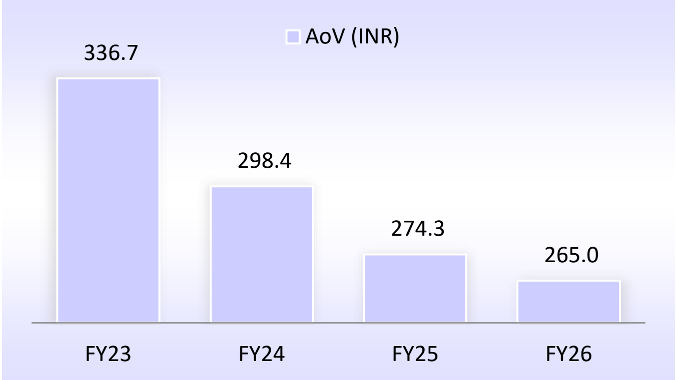
Exhibit 10: Apparel accounts for the largest proportion of placed orders on Meesho's platform; shares of home kitchen and furnishings rising



Note: as of 1HFY26

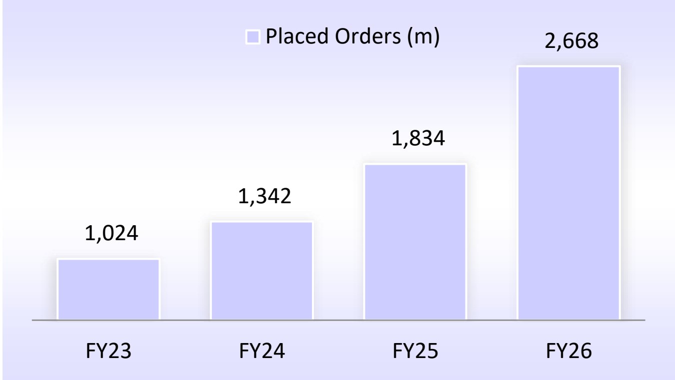
Source: Company, MOFSL

Exhibit 11: AoV of products sold on Meesho has been declining…



Source: Company, MOFSL

Exhibit 12: …as order volume scales up, creating cost advantages



Source: Company, MOFSL

Scale-driven commerce flywheel enables higher platform engagement and lowers costs

Meesho's commerce flywheel has been strengthened by cohort maturation on both sides of the marketplace. As consumers increase purchase frequency and sellers scale transaction volumes, order density improves across the network, lowering fulfillment costs and strengthening the platform's cost competitiveness.

Customers acquired in FY22 increased their NMV spend by 1.74x and order frequency by 2.13x by FY25, indicating growing wallet share and broader adoption across categories

Meesho's consumer cohorts exhibit a clear pattern of increasing engagement over time. Customers acquired in FY22 increased their NMV spend by 1.74x and order frequency by 2.13x by FY25, indicating growing wallet share and broader adoption across categories. At the platform level, frequency has increased to 10.1x in FY26 from 7.5x in FY23, while mature cohorts are already transacting more than 15 times annually. The significance of this behavior extends beyond revenue growth. As customers place orders more frequently, shipment volumes become increasingly concentrated within existing geographies, creating the foundation for higher logistics density.

Exhibit 13: Frequency rises as users spend more time on platform…

Frequency per user cohort

Cohort	Year 0	Year 1	Year 2	Year 3
Fiscal 2022	1.00x	1.64x	1.90x	2.13x
Fiscal 2023	1.00x	1.53x	1.64x	
Fiscal 2024	1.00x	1.55x		
Fiscal 2025	1.00x			

Source: Company, MOFSL

Exhibit 14: …leading to higher NMV retention across user cohorts

NMV retention per user cohort

Cohort	Year 0	Year 1	Year 2	Year 3
Fiscal 2022	1.00x	1.50x	1.64x	1.74x
Fiscal 2023	1.00x	1.42x	1.46x	
Fiscal 2024	1.00x	1.48x		
Fiscal 2025	1.00x			

Source: Company, MOFSL

Similar to the user cohort, FY22 seller cohorts increased NMV by 3.3x and order receiving frequency by 4.0x by FY25, demonstrating that merchants become significantly more productive as they scale on the platform.

Higher transaction volumes encourage sellers to expand their assortment and allocate a greater share of their business to Meesho, increasing marketplace depth. More importantly, growing order volumes result in a larger number of parcels originating from the same seller locations, improving pickup efficiency and shipment consolidation across the logistics network.

Exhibit 15: Sellers are incrementally becoming more productive on Meesho, strengthening the commerce flywheel

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**			

Source: Company, MOFSL

Exhibit 16: Meesho's commerce flywheel strengthens with every new user and seller acquisition

Source: Company, MOFSL

Logistics and fulfilments costs declined from INR78 in FY23 to INR61 in FY26, ~21% cumulative reduction

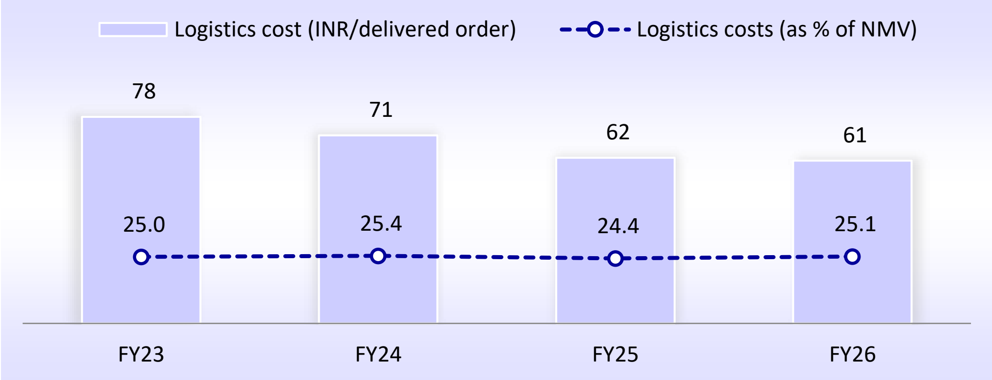
Logistics density: Translating engagement into durable cost advantage

Higher consumer frequency and increasing seller productivity have improved logistics density across Meesho's network, translating directly into lower fulfillment costs. Logistics and fulfillment costs attributable to delivered orders declined from INR78 in FY23 to INR61 in FY26, a cumulative reduction of ~21%. Management attributed these gains to higher network density, better route utilization, and increased throughput across logistics nodes.

In value commerce, consistently reducing fulfillment costs creates a lasting cost advantage because logistics costs represent a significant share of order value. Lower operating costs enable platforms to offer more attractive economics to both sellers and consumers. Meesho has leveraged this advantage to reduce marketplace charges, improve seller productivity, and expand the range of products that can be sold profitably on its platform, particularly in low-ticket and long-tail categories.

Together, these factors demonstrate how higher engagement and transaction volumes not only support NMV growth but also reinforce Meesho's cost advantage by improving fulfillment economics. As a philosophy, the company seeks to limit the spread it makes on logistics to ~2.5% and pass on the benefits of lower logistics costs to sellers. This strategy makes online deliveries of low-ticket items viable and increases the use cases, thereby driving more sellers on the platform, boosting order volumes, which again leads to a scale-driven reduction in logistics costs.

Exhibit 17: Logistics cost per delivered order on a declining trend



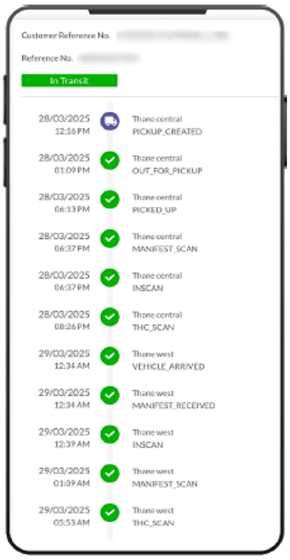
Source: Company, MOFSL

The impact is already visible in ecosystem growth, with the annual transacting sellers rising from ~450k in FY23 to 1m+ currently, leading to a surge in product listings. Improved assortment and affordability, in turn, helped annual transacting users to scale up to ~274m, while order frequency increased from 7.5x to 10.3x. Beyond reduction in logistics cost, Meesho also benefits from scale-led operating leverage across its technology infrastructure. Between FY23 and FY26, delivered orders grew at a CAGR of ~40%, while its logistics and other direct costs recorded CAGRs of ~30%/26% over the same period, driving ~25bp reduction in direct costs as a % of NMV. Similarly, costs not directly attributed to the order recorded a modest ~7% CAGR over FY23-26, delivering ~495bp reduction in indirect costs as a % of NMV, improving the path towards profitability. Taken together, lower fulfillment costs, improved seller economics, and operating leverage have created a scalable marketplace model in which growth reinforces efficiency. As scale expands, Meesho is able to improve value for both sellers and consumers while further strengthening its cost advantage.

Exhibit 18: Scale-driven operating leverage playing out for Meesho

Major costs and margins as a % of NMV	FY23		FY26		change in bp	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Logistics	25.0	-	25.1	-	16bp	-
Server related	0.1	2.9	0.3	1.9	27bp	-96bp
Gross A&P	0.2	4.6	0.5	2.4	31bp	-220bp
Employee (Ex-ESOP)	0.1	2.9	0.2	1.4	18bp	-147bp
Others	1.5	0.9	0.8	0.6	-67bp	-32bp
Total	**26.9**	**11.3**	**27.1**	**6.3**	**25bp**	**-495bp**
Contribution margin	**2.9**		**3.5**		**53bp**	
Adj. EBITDA margin	**-8.3**		**-2.8**		**548bp**	

Source: Company, MOFSL



Valmo: Driving fulfillment efficiency and cost leadership

As the platform gained scale, Meesho launched its own in-house logistics arm, Valmo. Valmo is a technology-led logistics marketplace that connects a fragmented network of logistics providers through a common fulfillment platform. Rather than relying exclusively on large third-party logistics (3PL) providers or investing heavily in owned logistics infrastructure, Meesho uses Valmo to coordinate a distributed partner network. This approach aligns with the company's broader asset-light operating model, allowing fulfillment capacity to scale alongside transaction growth without significant investments in warehousing, sorting centers, or transportation assets.

The model is particularly relevant in Tier-2+ markets, where logistics networks are often fragmented and traditional fulfillment models are inefficient. By aggregating local logistics partners and entrepreneurs onto a single platform, Valmo expands delivery capacity while providing Meesho with greater visibility across fulfillment operations. This enables the company to monitor delivery performance, optimize partner productivity, and improve logistics execution across the network, while also reducing the overall logistics cost for sellers on the platform.

Exhibit 19: A snapshot of Valmo's operating model

Source: Company, MOFSL

Since its launch in Aug'22, orders fulfilled through Valmo have ramped up from ~1.8% in FY23 to ~60% in FY26

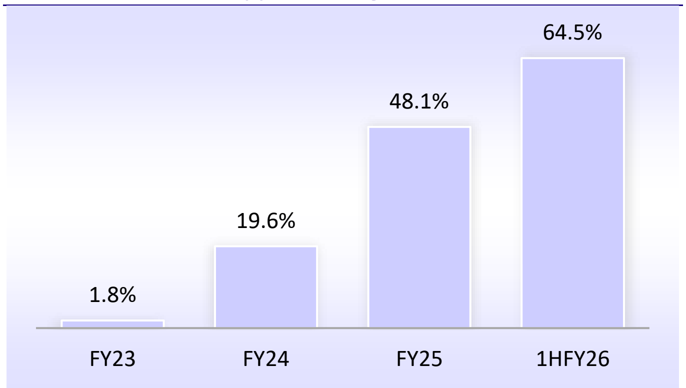
Valmo has emerged as a major driver of Meesho's improving unit economics. As a greater proportion of shipments moves through the network, the platform benefits from higher route density, better shipment consolidation, and improved partner utilization, lowering fulfillment costs (by ~17% over FY23-25) across the value chain. Since its launch in Aug'22, orders fulfilled through Valmo have ramped up from ~1.8% in FY23 to ~60% in FY26, making it the dominant fulfillment channel. Management indicated that Valmo's average shipping cost is ~0.5-11% lower than that of scaled e-com logistics providers.

Exhibit 20: Valmo has scaled up to become Meesho's largest fulfillment channel

		FY23	FY24	FY25	1HFY26
Shipped Orders	m	867	1,146	1,588	1,078
Shipped Orders – Valmo	m	16	224	764	695
Valmo % of Total Shipped Orders	%	1.8%	19.6%	48.1%	64.5%
Active Logistics Providers (LTM)	Nos			11,583	18,098

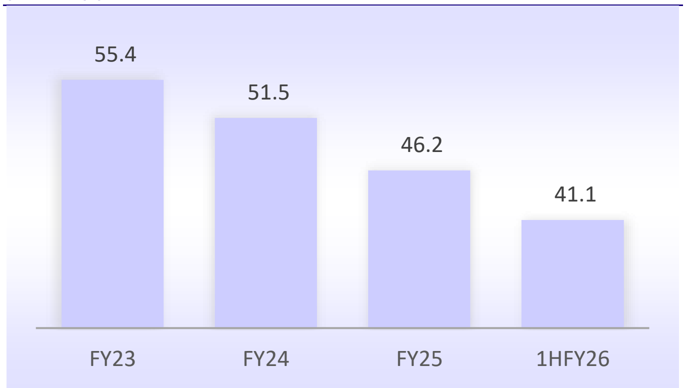
Source: Company, MOFSL

Exhibit 21: Orders shipped through Valmo increase…



Source: Company, MOFSL

Exhibit 22: …driving ~17% reduction in average logistics cost per shipped order over FY23-FY25



Note: 1HFY26 costs not like for like Source: Company, MOFSL

Valmo's average shipping cost is ~0.5-11% lower than that of scaled e-com logistics providers

Improving service quality and fulfillment outcomes

Beyond lowering fulfillment costs, Valmo is helping improve execution quality across Meesho's logistics network. Greater visibility into delivery performance, partner productivity, and return management enables the company to identify bottlenecks and continuously optimize fulfillment operations. As a larger share of orders flows through the platform, Meesho is able to standardize processes and improve consistency across a fragmented logistics ecosystem.

The platform's control over last-mile delivery and reverse logistics is particularly important as order volumes scale. Better coordination across fulfillment partners supports higher service reliability and a more consistent customer experience, helping sustain user engagement while limiting operational inefficiencies.

Strengthening operational control and strategic flexibility

Valmo also gives Meesho greater control over its fulfillment network. By coordinating logistics partners through a common platform, the company gains visibility into delivery performance and partner productivity, enabling it to identify bottlenecks and improve execution as volumes scale.

The platform reduces dependence on a small number of large logistics providers. Instead, Meesho operates through a diversified partner network, improving flexibility and resilience across geographies. As a result, Valmo has evolved from a fulfillment solution into a strategic operating layer that strengthens execution and reinforces Meesho's competitive position.

Structural cost advantage relative to peers

Meesho's low-cost positioning is supported by a structurally lower fulfillment cost base. The advantage is evident when benchmarked against prevailing industry shipping rates. For a standard 500-gram shipment, prepaid freight rates across leading logistics providers typically range between ~INR67 and INR91 per shipment, while cash on delivery (CoD) rates range between ~INR115 and INR147. In comparison, Meesho's average fulfillment cost per shipped order was ~INR46 in FY25.

Exhibit 23: Comparison of average freight rate across key logistics providers

Mumbai to AP (0.5 kg)	EDD	Freight Rate For Prepaid (INR)	COD Charges (INR)	Freight Rate for COD (INR)
Xpressbees	5 Days	67.4	48.0	115.4
Amazon	5 Days	72.4	50.0	122.4
Ekart Logistics	5 Days	72.4	50.0	122.4
Delhivery	5 Days	73.4	52.0	125.4
DTDC	5 Days	87.7	58.8	146.5
Blue Dart	4 Days	91.4	55.7	147

Source: Shiprocket, MOFSL

In FY25, Meesho shipped ~1.59b orders (~48%) through Valmo at an average fulfillment cost of ~INR46 per order, broadly comparable to Shadowfax (~INR50/order) and materially lower than Delhivery (~INR71/order), despite operating at a significantly larger scale.

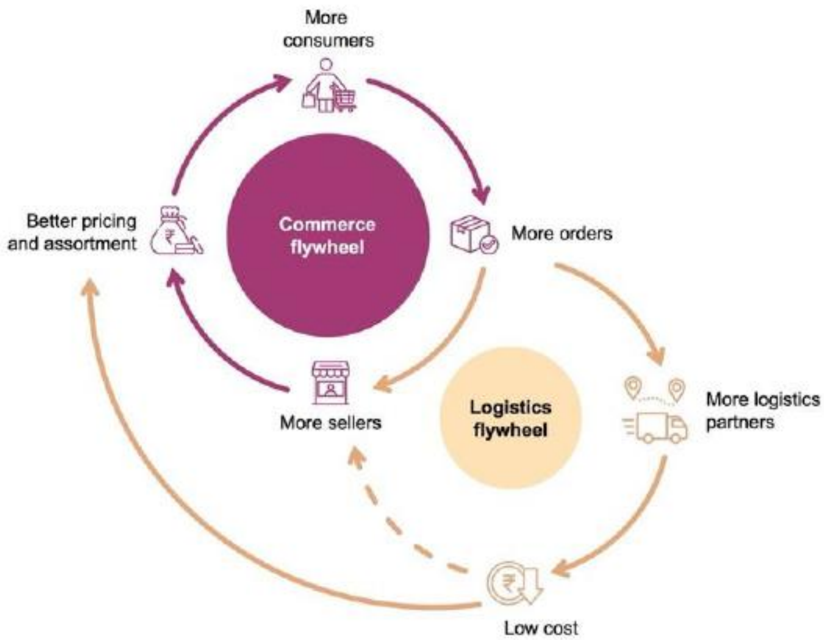
The cost advantage is also evident relative to traditional logistics providers. In FY25, Meesho shipped ~1.59b orders (~48%) through Valmo at an average fulfillment cost of ~INR46 per order, broadly comparable to Shadowfax (~INR50/order) and materially lower than Delhivery (~INR71/order), despite operating at a significantly larger scale. As scale increases, this cost advantage becomes increasingly difficult to replicate, reinforcing Meesho's position within India's value e-com market. Importantly, these efficiency gains have largely been reinvested into the ecosystem through lower seller charges and more competitive pricing, strengthening Meesho's commerce flywheel and supporting continued platform growth.

Exhibit 24: Meesho’s average cost per shipped order lower than established 3P logistics providers

Express Parcel Shipments (in m)	FY21	FY22	FY23	FY24	FY25	FY26
Delhivery	289	582	663	740	752	1,054
Shadowfax	-	95	210	303	342	582
Bluedart	186	264	328	359	377	404
Meesho (shipped orders)			**867**	**1,146**	**1,588**	
Cost (INR/shipment)						
Delhivery	88.3	72.0	68.7	68.6	70.7	63.4
Shadowfax		53.1	49.3	49.4	50.2	52.2
Bluedart	176.3	166.9	157.7	146.7	151.6	152.5
Meesho			**55.4**	**51.5**	**46.2**	

Source: Company, MOFSL

Exhibit 25: Logistics flywheel also ends up strengthening Meesho's commerce flywheel



Source: Company, MOFSL

The share of prepaid orders increased from 11.3% in FY23 to ~34% by 4QFY26, though CoD still remains the dominant payment mode for Meesho users.

Order quality improving through rising prepaid adoption

A significant proportion of Meesho's transactions continue to be fulfilled through COD, reflecting the platform's focus on first-time and value-conscious online shoppers. While COD has historically supported adoption across smaller towns, it also creates operational inefficiencies through lower delivery success rates, higher Return-to-Origin (RTO) shipments, and additional cash-handling requirements.

Encouragingly, prepaid adoption on Meesho has increased steadily with rising customer trust, digital payment penetration, and familiarity with online commerce. The share of prepaid orders increased from 11.3% in FY23 to ~34% by 4QFY26, reducing the platform's reliance on COD transactions.

The economics of prepaid orders are materially superior. Delivery success rates for prepaid orders consistently range between ~96-98%, compared with ~76-79% for COD orders, largely due to fewer customer refusals, cancellations, and failed delivery attempts. As a result, the shift toward prepaid transactions is improving fulfillment efficiency across the platform.

Exhibit 26: Salience of prepaid orders on a rising trend for Meesho

	FY23	FY24	FY25	1HFY26
Shipped Orders (m)	866.9	1146.4	1587.9	1077.8
CoD Orders (%)	88.7	85.4	77.0	72.0
Prepaid Orders (%)	11.3	14.6	23.1	28.0
CoD orders success rate (%)	76.6	78.6	77.7	75.9
Prepaid orders success rate (%)	96.8	97.9	97.3	96.4

Source: MOFSL, Company

The impact is visible across Meesho's order funnel, with shipped orders as a proportion of placed orders improving from ~85% to 87% over FY23-25 and successful deliveries rising from ~79% of shipped orders in FY23 to 82%+ in FY25. Importantly, returns have remained stable at ~7.5-8.0% of shipped orders over FY23-25, despite the surge in platform volumes, enabling better GMV-to-NMV translation.

Rising pre-paid adoption leading to improvement in logistics efficiency and lower fulfillment leakages.

The resulting reduction in failed deliveries and RTOs lowers reverse-logistics costs, improves cash-flow visibility, and reduces the operational complexity associated with COD transactions. To further accelerate this transition, Meesho has introduced payment incentives, behavioral controls for high-RTO users, and tighter partner-level monitoring processes.

Overall, the improving order funnel indicates that platform growth is becoming more efficient. Higher delivery success rates, lower fulfillment leakages, and stable return behavior provide an additional lever for margin expansion as the business scales.

Exhibit 27: Break-up of Meesho's orders across various stages

(m Orders)	FY23	FY24	FY25	1HFY26
Placed	1,024.3	1,341.9	1,834.4	1,261.1
Shipped	**866.9**	**1,146.4**	**1,587.9**	**1,077.8**
Delivered	683.6	933.3	1,305.5	879.5
RTO	247.7	303.5	402.6	282.9
Not Delivered	183.4	213.1	282.4	198.3
Returned	64.3	90.4	120.2	84.6
Successful orders	**619.2**	**842.9**	**1,185.3**	**794.9**

Source: Company, MOFSL

Exhibit 28: Proportion of successful orders on a rising trend

(%)	FY23	FY24	FY25	1HFY26
As a % of placed orders				
Shipped	84.6	85.4	86.6	85.5
Delivered	66.7	69.5	71.2	69.7
As a % of shipped orders				
Delivered	78.8	81.4	82.2	81.6
RTO	21.2	18.6	17.8	18.4
Not Delivered	13.7	10.7	10.2	10.5
Returned	7.4	7.9	7.6	7.9
Successful orders	**71.4**	**73.5**	**74.6**	**73.7**

Source: Company, MOFSL

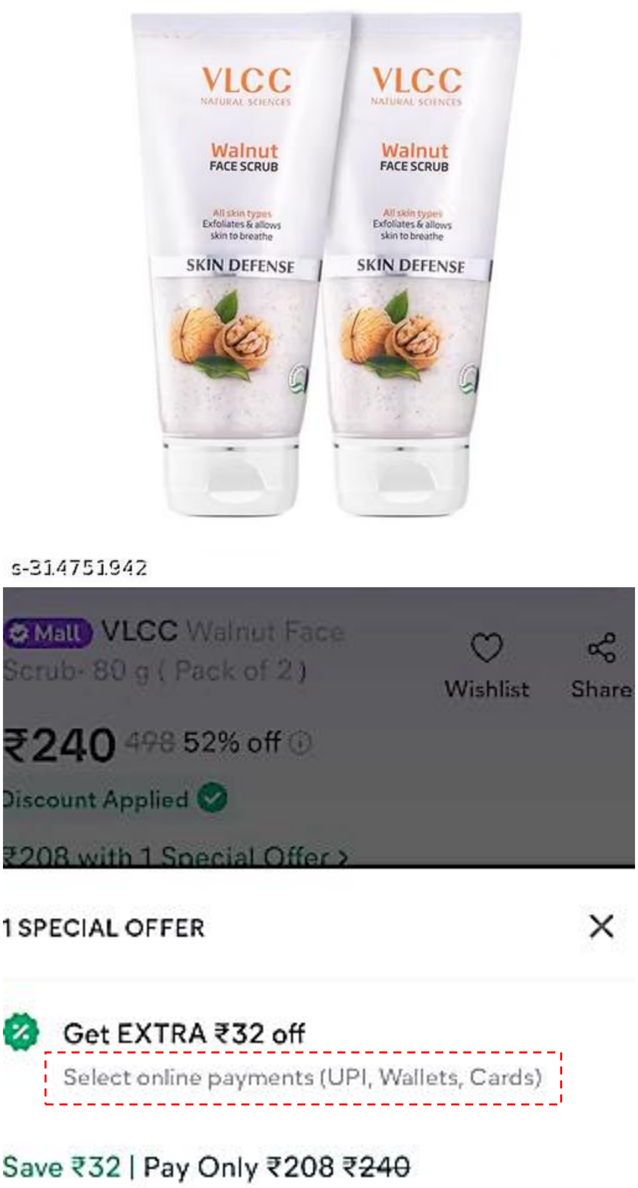
The shift toward prepaid orders carries a significantly larger economic benefit than implied by fulfillment metrics alone. Higher delivery success rates and lower RTO incidence reduce fulfillment leakages, allowing prepaid orders to likely deliver a higher contribution margin compared to COD orders. Consequently, every incremental increase in prepaid penetration not only improves operational efficiency but also lifts platform profitability. As prepaid adoption continues to rise, Meesho benefits from a structural mix shift toward higher-quality transactions, creating a natural tailwind for contribution margin expansion even without meaningful increases in take rates or logistics monetization. To accelerate the transition to prepaid orders, Meesho also offers discounts for choosing prepaid payments instead of COD.

Exhibit 29: Costs associated with pre-paid orders is significantly lower than CoD

Prepaid vs. CoD (INR)	CoD	Prepaid
Product cost with margin	150	150
Logistics fee	50	50
Cash handling	35	
RTO charges (probability)	12	1.8
Offered product price	**247**	**202**
Cost differential		-45
Cost differential (in %)		***-18***

Source: MOFSL, Company

Exhibit 30: Meesho offers discounts to incent ivize prepaid orders



Source: MOFSL, Company

Content commerce: A key enabler of low-cost demand generation and higher user engagement on the platform

Content commerce refers to e-com purchases that are directly influenced by content created and distributed by content creators or influencers. India's content commerce market is at an early stage with FY25 GMV of ~INR60-119b and modest ~1-2% share of overall e-com (vs. 20-30% in Indonesia and ~40-50% in China). However, it is projected to clock ~30-40% CAGR over FY25-30, significantly outpacing the expected growth of the broader e-com market.

Building on its social commerce roots, Meesho **launched content commerce in May'23 as a Horizon 2 initiative**. The business has since scaled meaningfully, **generating over INR12b of NMV from its content commerce platform in 1HFY26,** with content commerce now an integral part of the platform.

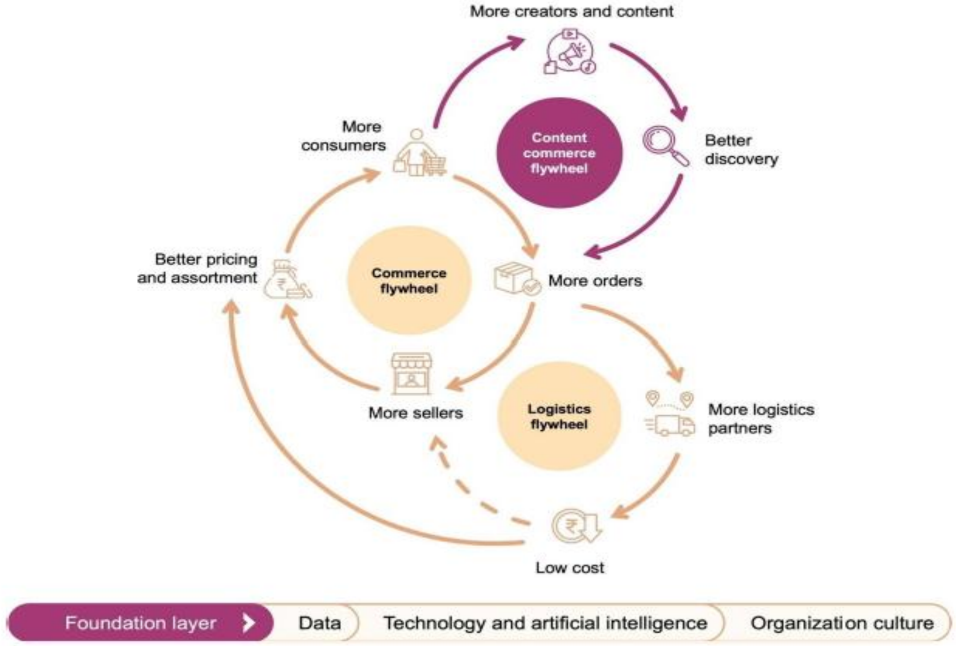
Meesho launched content commerce in May'23 as a Horizon 2 initiative. The business has since scaled meaningfully, generating over INR12b of NMV from its content commerce platform in 1HFY26, with content commerce now an integral part of the platform

Meesho's content commerce flywheel has emerged as a key pillar of its growth strategy, driving organic user acquisition, deeper engagement, and higher purchase frequency at a structurally low cost. The platform leverages creator-led, discovery-driven shopping experiences, enabling users to engage with product content (images, short videos, recommendations) rather than relying purely on search-based intent. This is particularly relevant for first-time internet users in Tier 2+ markets, where discovery is often influenced by social signals rather than structured search. At the core of this flywheel is a growing ecosystem of creators and resellers who generate product-led content (50k+ content creators generating 4m+ content pieces in FY26), including styling ideas, use cases, and curated collections. These creators act as demand amplifiers, influencing purchase decisions and helping users navigate a large, unbranded assortment. As creators earn commissions and incentives, they are incentivized to produce more content, which, in turn, improves product discovery and drives higher conversion rates on the platform.

This creates a self-reinforcing loop: a larger user base increases the monetization potential for content creators, encouraging richer content. Better content improves product discovery, leading to higher user engagement, increased orders, and stronger creator earnings, which, in turn, attract more creators to the platform. Unlike traditional paid marketing channels, this model allows Meesho to scale demand at a structurally lower customer acquisition cost, as a significant portion of traffic is driven organically through content and social sharing. It also enhances retention, as users spend more time browsing and interacting with the app, leading to a higher frequency of purchases.

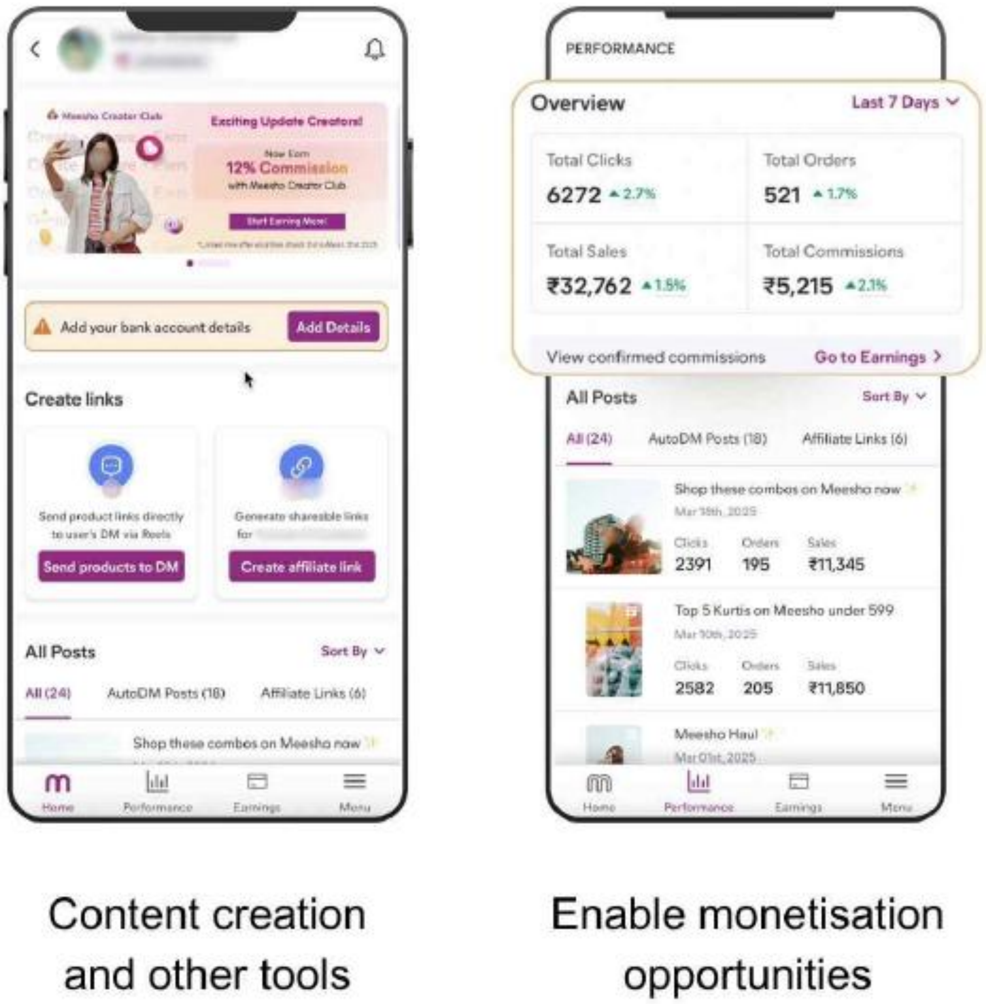
Beyond reducing reliance on paid marketing, the content commerce ecosystem also improves monetization opportunities through creator-led advertising and promotions. As the ecosystem matures, it has the potential to evolve into a meaningful revenue stream while continuing to support efficient growth. Overall, the content commerce flywheel enhances both unit economics and scalability, making it a critical lever in Meesho's long-term growth and profitability journey.

Exhibit 31: Content commerce flywheel



Source: MOFSL, Company

Exhibit 32: Meesho's content commerce platform



Source: MOFSL, Company

Leveraging AI and ML across the entire commerce stack

Meesho is increasingly evolving into an AI-native commerce platform, with technology investments focused on improving accessibility, discovery, logistics efficiency, and operating leverage

Meesho is increasingly evolving into an AI-native commerce platform, with technology investments focused on improving accessibility, discovery, logistics efficiency, and operating leverage. The company is leveraging artificial intelligence (AI) and machine learning (ML) across the entire commerce stack—from customer acquisition and product discovery to logistics optimization, seller enablement, and customer support. Unlike traditional search-led e-commerce models, Meesho is building a discovery-led and conversational commerce ecosystem tailored for value-conscious consumers in Tier 2+ markets. These initiatives are critical to lowering structural costs, improving engagement, enhancing conversion rates, and enabling scalable, profitable growth over the long term.

AI-Driven Discovery and Personalization (PRISM)

Meesho's proprietary recommendation engine, PRISM, plays a central role in its discovery-led commerce model. The platform leverages AI and ML to analyze user behavior, regional preferences, transaction history, and engagement patterns to deliver highly personalized product feeds. This is particularly relevant for first-time internet users and low-intent shoppers, who are more likely to browse than search with a clear purchase intent. At present, over 75% of orders are driven through AI-powered personalized feeds, indicating the growing effectiveness of Meesho's recommendation system in driving engagement, conversion, and repeat purchases.

Over 75% of orders are driven through AI-powered personalized feeds

Conversational Commerce: Vaani

To improve accessibility for Bharat consumers, Meesho launched 'Vaani', a GenAI-powered voice shopping assistant that enables users to interact with the platform using natural language. The initiative is designed to reduce friction for users who may be uncomfortable with typing, English interfaces, or structured app navigation. Through voice-based interactions, customers can discover products, ask questions, and complete purchases conversationally. This initiative is strategically important as it expands Meesho's reach among first-time and vernacular internet users while improving engagement and conversion rates.

TrendPulse - AI-Based Demand Forecasting

TrendPulse is Meesho's LLM-powered trend identification engine and forms part of the company's broader AI ecosystem. The platform is designed to identify emerging consumer trends and changing preferences, supporting Meesho's discovery-led commerce strategy and enhancing product relevance for users.

GeoIndia - Logistics Intelligence & Address Accuracy

A major operational challenge for Indian e-com is the lack of standardized addresses, especially in smaller towns and semi-urban regions. To address this, Meesho developed GeoIndia, its proprietary geocoding and address intelligence platform. The system improves address accuracy, routing efficiency, and delivery success rates through AI-led mapping and logistics optimization. This has helped reduce misroutes and RTO rates.

BharatMLStack - Proprietary AI Infrastructure

Meesho has built BharatMLStack, an in-house machine learning infrastructure platform that supports real-time inference, recommendation systems, feature management, and large-scale AI deployment across the organization. The platform forms the backbone of Meesho's AI ecosystem and enables scalable deployment of personalization, logistics intelligence, fraud detection, and seller tools. ML has become central to nearly all user-facing and operational workflows, reflecting the company's increasing transition toward an AI-first operating architecture.

Built over nearly three years, BharatMLStack reflects Meesho's growing focus on ML across its products and operations. The platform is a key component of the company's broader AI ecosystem and has been open-sourced to help start-ups and developers accelerate AI adoption and scale ML applications more efficiently. The initiative underscores Meesho's continued investment in building proprietary technology capabilities to support its long-term growth.

Meesho is also leveraging AI to simplify onboarding and improve productivity for MSMEs and small sellers.

AI-led Seller Enablement

Meesho is also leveraging AI to simplify onboarding and improve productivity for MSMEs and small sellers. The company uses automation for catalogue creation, product tagging, pricing recommendations, demand forecasting, and local-language seller support. Voice-enabled workflows and AI-assisted onboarding reduce friction for first-time digital sellers and improve seller retention. These initiatives strengthen Meesho's supply-side ecosystem while helping small businesses participate more effectively in online commerce.

Meesho has been deploying AI-driven automation across customer support functions to enhance user experience and improve operational efficiency

AI in Customer Support and Trust Systems

Meesho has been deploying AI-driven automation across customer support functions to enhance user experience and improve operational efficiency. The company has implemented AI-powered voice agents and conversational AI capabilities to handle customer interactions at scale. These initiatives form part of Meesho's broader AI strategy and reflect the increasing use of AI across various operational workflows within the organization.

Exhibit 33: Tech roles, including AI/ML, form a significant share of Meesho's employee base

Employee base	FY23	FY24	FY25	1HFY26
Tech roles	**856**	**656**	**877**	**1,182**
AI/ML	**66**	**66**	**97**	**163**
Other tech roles	790	590	780	1,019
Non-tech roles	854	670	779	900
Total	**1,710**	**1,326**	**1,656**	**2,082**
Employee Expenses (INR m)				
Tech employee expenses	3,538	2,885	2,939	2,020
AI/ML	**360**	**424**	**454**	**354**
Other tech roles	3,178	2,461	2,485	1,666
Per employee cost (INR m)				
Tech roles	4.1	3.8	3.8	3.9
AI/ML	**5.5**	**6.4**	**5.6**	**5.4**
Other tech roles	4.0	3.6	3.6	3.7

Source: MOFSL, Company

Benchmarking Meesho against Indian and global e-com players

Meesho vs Amazon vs Flipkart: Distinct approaches to Indian e-com

While Meesho, Amazon, and Flipkart all operate marketplace models, each is optimized for distinct customer segments of the Indian e-com market.

While Meesho, Amazon, and Flipkart all operate marketplace models, each is optimized for distinct customer segments of the Indian e-com market. Amazon and Flipkart have historically focused on branded selection, service quality, and higher-value transactions. In contrast, Meesho is built around affordability, targeting value-conscious consumers and low-ticket categories across Tier-2+ markets.

These differences are reflected in their operating models. Amazon and Flipkart generate a significant portion of revenue through seller commissions, fulfillment services, and advertising, supporting investments in logistics infrastructure and customer experience. Meesho's zero-commission model lowers the cost of selling on the platform, making a wider range of merchants and low-value products economically viable.

This distinction is particularly important in value commerce, where fulfillment and platform costs account for a larger share of the transaction value. Meesho's low-cost operating model enables sellers to offer products at price points that can be difficult to sustain on higher-cost marketplaces. As a result, the company has built a differentiated ecosystem centered on affordability rather than branded selection. Consequently, Meesho's competitive position is less dependent on competing directly with Amazon or Flipkart on assortment or fulfillment speed. Instead, its advantage lies in making online sales of low-ticket SKUs economically viable at scale. As transaction volumes increase, the resulting cost efficiencies reinforce seller economics and strengthen the platform's position within India's value-commerce segment.

Exhibit 34: Benchmarking of the three leading e-com platforms in India

Parameter	Meesho	Amazon	Flipkart
Core model	❖ Value marketplace	❖ Premium full-stack marketplace	❖ Hybrid mass market marketplace
Target TG	❖ Tier 2 & beyond value customers	❖ Urban, premium	❖ Mass India (Metro, Tier 1 and tier 2)
Seller base	❖ MSMEs, unorganized	❖ Brands + large sellers	❖ Mixed
AOV	❖ Less than 300	❖ High	❖ Mid-to-high
Core driver	❖ Price + unique products	❖ Trust + selection	❖ Balance of price + assortment
Commission	❖ 0%	❖ 2-30% (< INR 1000 ---> 0%)	
Monetization	❖ Logistics + ads	❖ Commission + ads + fulfillment	❖ Commission + ads + logistics
CAC	❖ Low (organic/social)	❖ High	❖ Medium
Consumer type	❖ First-time / price-sensitive	❖ Affluent / brand-focused	❖ Aspirational mass
Discovery vs search	❖ Discovery led	❖ Search-led	❖ Mixed
Geography	❖ Tier 2+ dominant	❖ Urban heavy	❖ Pan-India
Logistics model	❖ Asset-light (Valmo + partners)	❖ Heavy infra (Fulfillment by Amazon)	❖ Ekart (owned + partners)

Source: Company, MOFSL

Meesho vs. Amazon Bazaar vs. Flipkart Shopsy – Competing for value-commerce leadership

Amazon Bazaar and Flipkart Shopsy were launched to address the same value-commerce opportunity that Meesho pioneered: price-sensitive consumers purchasing low-ticket, largely unbranded products.

While Amazon and Flipkart possess stronger brand recall, premium user bases, and greater financial resources, Meesho's advantage lies in its operating model. Over several years, the company has built a large seller ecosystem, a broad value-focused assortment, and a logistics network optimized for low-ticket transactions. This enables it to profitably serve categories where fulfillment costs represent a significant share of order value.

Meesho's competitive advantage is driven by its ability to operate profitably at low order values through superior fulfillment and seller economics. While Amazon and Flipkart possess greater scale and financial resources, replicating these economics is inherently more difficult than replicating assortment or user acquisition, supporting the durability of Meesho's market leadership in value commerce.

Exhibit 35: Benchmarking Meesho against the value offerings of Amazon and Flipkart

Parameter	Meesho	Amazon Bazaar	Flipkart Shopsy
Maturity	❖ Established leader	❖ New entrant	❖ Scaling
Model	❖ 0% commission	❖ Low/zero commission	❖ 0% commission
Target	❖ Tier 2 & beyond value buyers	❖ Value segment	❖ Value segment
Product type	❖ Unbranded, low-cost, larger seller base	❖ Unbranded, low-cost	❖ Unbranded, low-cost
Commission	❖ 0%	❖ 0% (select categories)	❖ 0%

Source: Company, MOFSL

Meesho's position in the global e-commerce evolution

Meesho's evolution bears a closer resemblance to platforms such as PDD, Shopee, and MercadoLibre (MeLi) rather than Amazon or Flipkart. Similar to these platforms, the company has built a large marketplace by targeting value-conscious consumers in underpenetrated markets through affordable merchandise, discovery-led shopping, and a fragmented seller ecosystem. This strategy has enabled the platform to scale to ~274m ATUs and ~2.8b+ LTM placed orders, while maintaining one of the lowest average order values among major global e-com platforms. However, Meesho's operating model has evolved differently. While Shopee and MeLi invested heavily in fulfillment infrastructure and PDD rapidly built its advertising ecosystem, Meesho has prioritized a zero-commission marketplace supported by an asset-light logistics network. This has enabled broad seller participation, industry-leading cost economics, and a structurally low-cost marketplace.

As a result, Meesho appears to have largely completed the first phase of marketplace development, building consumer scale, seller participation, and a low-cost operating model. Compared with global peers, its differentiation today lies more in customer acquisition and operating efficiency than in monetization, suggesting significant scope for ecosystem monetization over time.

Value-added businesses contribute ~20-25% of revenue for Shopee and MeLi, while PDD's advertising and merchant services have become the primary drivers of profitability

Future value creation: Lessons from global peers

The experience of global peers suggests that the next phase of value creation typically begins after marketplace scale is established. While Meesho has already built one of the largest value-commerce ecosystems globally, it continues to derive the majority of its revenue from its core marketplace. In contrast, **value-added businesses contribute ~20-25% of revenue for Shopee and MeLi, while PDD's advertising and merchant services have become the primary drivers of profitability.**

Exhibit 36: Meesho is still at an initial stage of monetizing its platform as compared to global peers

USD b	Meesho	MeLi	Shopee	PDD
Orders (b)	2.8	2.4	14.0	114.2
User base (m)	274	121	148	919
Frequency (x)	10.3	20	94	124
GMV	**8.0**	**65.0**	**127.3**	**806.4**
GMV CAGR (last 2yr)	*32.9*	*20.6*	*27.3*	*19.9*
GMV CAGR (next 2yr)	*27.2*	*28.3*	*22.3*	*11.1*
Revenue	**1.4**	**28.9**	**16.6**	**61.8**
Core marketplace	1.4	12.8	14.5	53.8
Value added	0.0	16.1	2.0	8.0
Fintech	-	12.6	3.8	3.5
as % of GMV				
Revenue	***18***	***44***	***13***	***8***
Core marketplace	*18*	*20*	*11*	*7*
Value added	*0*	*25*	*2*	*1*
Fintech	*-*	*19*	*3*	*0*
CM (% of GMV)	*2.0*	*9.1*	*4.0*	*n/a*
Adj EBITDA	**(0.1)**	**3.2**	**0.9**	**14.7**
as % of GMV	*(1.7)*	*4.9*	*0.7*	*1.8*

Source: Company filings, MOFSL, Visibile Alpha

Advertising represents the most immediate monetization opportunity. Meesho's ads platform currently contributes ~3% of NMV, significantly below the estimated ~9% advertising demand from sellers. As the platform scales and seller density increases, product discovery is likely to become more algorithm-driven, and merchants are likely to compete for more visibility through sponsored listings and performance-based advertising, driving higher monetization over time.

Beyond advertising, the scale of Meesho's marketplace also opens up several longer-term monetization opportunities. These include deeper supply-chain integration to improve sourcing efficiency and seller economics, based on the analysis of platform demand data. **Financial services represent the largest long-term optionality**. Mercado Pago and Monee evolved from payment solutions into significant profit drivers spanning merchant financing, consumer credit, and insurance. Given Meesho's large seller base and growing payments ecosystem, financial services could both create new revenue streams and improve marketplace efficiency through better access to credit and increased prepaid adoption.

Unlike Shopee and MeLi, Meesho's asset-light marketplace model requires substantially lower capital investment. As a result, incremental revenue from advertising, financial services, and other ecosystem offerings should translate into a higher proportion of earnings and free cash flow, driving significant value creation.

Horizon 2 initiatives provide future optionalities

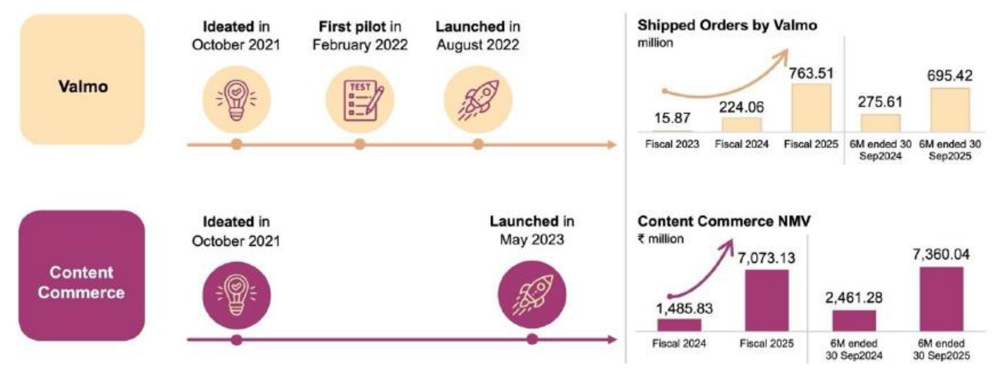
Meesho's Horizon 2 strategy represents a disciplined approach to building long-term growth engines beyond its core marketplace business. The company follows a structured framework to identify, test, and scale new opportunities that can expand its addressable market, deepen customer engagement, unlock new monetization avenues, strengthen technology capabilities, and improve operational efficiency. **Valmo and content commerce** are two successful examples of this strategy. Both initiatives were ideated in October 2021, underwent controlled experimentation, and were subsequently launched as standalone offerings after meeting Meesho's internal return thresholds.

Horizon 2 strategy represents a disciplined approach to building long-term growth engines beyond its core marketplace business. Currently, Meesho is piloting low-cost local logisitics network, financial services and AI labs.

Valmo, Meesho's logistics platform, was first piloted in Feb'22 before being launched in Aug'22. Since then, it has scaled rapidly, with shipments increasing from 15.9m orders in FY23 to 763.5m orders in FY25, highlighting strong adoption and its growing role within Meesho's fulfillment ecosystem.

Similarly, content commerce was ideated in October 2021 and officially launched in May 2023 to enhance product discovery through content-led shopping experiences. The initiative has witnessed exceptional traction, with NMV increasing from ~INR1.5b in FY24 to over INR7b in 1HFY26, representing nearly a five-fold increase within a year. This underscores strong consumer engagement and the increasing monetization of content-driven commerce.

Exhibit 37: Valmo and content commerce started off as Horizon 2 initiatives and became core to the platform



Source: MOFSL, Company

The current Horizon 2 initiatives are as follows:

- **Meesho AI Labs** serves as the company's centralized AI innovation engine, bringing together proprietary AI platforms such as PRISM and BharatMLStack, along with a portfolio of next-generation AI applications. PRISM, Meesho's AI-powered recommendation engine, already drives over 75% of platform orders through personalized product discovery, while BharatMLStack provides the in-house machine learning infrastructure for developing, deploying, and scaling AI models across the business. Building on this foundation, AI Labs is focused on developing frontier AI solutions across personalization, customer support automation, AI-assisted shopping, transaction risk and fraud prevention, and advertising optimization. Each application is continuously tested and evaluated against strict product-market fit, scalability, unit economics, and return thresholds before being deployed at scale.

- Meesho is also developing a **low-cost local logistics network** focused on daily essentials. The objective is to build a cost-efficient, hyperlocal fulfillment network capable of enabling faster and more reliable deliveries while significantly lowering last-mile logistics costs. By strengthening its logistics capabilities for frequently purchased everyday products, Meesho aims to increase customer purchase frequency, improve retention, and deepen engagement on the platform. The initiative also has the potential to enhance supply chain efficiency, improve seller fulfillment capabilities, and create a stronger value proposition for consumers through quicker deliveries and competitive pricing. If successfully scaled, this network could expand Meesho's presence in high-frequency commerce, complement its core marketplace business, and drive long-term improvements in customer lifetime value and operating leverage.
- Meesho is also building a **financial services platform** through partnerships with regulated financial institutions to offer tailored financial products and solutions to its customers, sellers, and other stakeholders. Rather than undertaking regulated lending directly, the company intends to leverage partner institutions to provide services such as consumer credit, seller financing, working capital solutions, insurance, and other financial offerings that address the specific needs of participants within its ecosystem. This initiative is expected to enhance platform stickiness by improving access to credit and financial services, enabling sellers to scale their businesses while encouraging higher customer spending and engagement. Over the long term, the platform has the potential to diversify Meesho's revenue streams through fee-based monetization, strengthen stakeholder relationships, and further reinforce the company's integrated commerce ecosystem.
- While the company treats **Meesho Mall** as core to the platform, it is at a nascent stage and therefore we consider it as a potential value driver for future. Under Meesho Mall, the company has onboarded national brands on its platform to cater to customers seeking branded products while retaining Meesho's value-for-money proposition. Unlike the core marketplace, which primarily serves unbranded and value-conscious consumers, Meesho Mall offers a curated assortment of branded products sourced from trusted sellers and established brands across categories. The initiative enables Meesho to expand into higher-value customer segments, improve AoV, enhance consumer trust, attract larger brands to its ecosystem, and potentially improve monetization of its ads platform. In 4QFY26, Meesho Mall's NMV grew ~82% YoY, with a meaningful expansion in its SKU portfolio from leading FMCG companies.
- Beyond internal innovation, Meesho views inorganic acquisitions as an important pillar of its Horizon 2 strategy. Management intends to acquire early-stage businesses and technologies that complement its existing platform, enhance product and technology capabilities, improve operational efficiency, expand into adjacent business verticals, reach underserved customer segments, and potentially enter new geographies. The company recently acquired Kirana Club, a community-led B2B commerce platform, for ~INR2b to expand its footprint in the large grocery and FMCG market by digitizing small retailers. Currently, we do not build any significant contribution from these initiatives into our financials and valuations.

Financial projections: Rapid growth with margin inflection underway

We expect Meesho's marketplace segment **adjusted EBITDA to reach ~INR48b by FY31 (vs. a loss of INR12b in FY26), with adjusted EBITDA margin expanding to ~3.75% by FY31**, driven by: 1) ~25% NMV CAGR, supported by rising ATUs and increasing ordering frequency, 2) ~400bp expansion in CM, and 3) ~255bp operating leverage on indirect costs.

Expect Meesho's marketplace segment adjusted EBITDA to reach ~INR48b by FY31 (vs. a loss of INR12b in FY26), with adjusted EBITDA margin expanding to ~3.75% by FY31

ATU additions and rising order frequency to drive 25% NMV CAGR over FY26-31

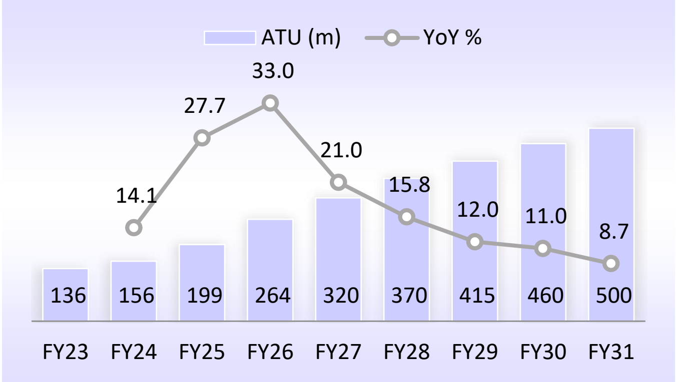
Over FY23-26, Meesho's ATU compounded at ~25% CAGR to ~264m, among the largest for any e-com platform in India. Despite its vast user base, Meesho added 65m+ (33% YoY) ATU in FY26, driven by rising adoption of its value-focused offerings. We expect the pace of ATU additions to sustain at ~50m annual ATU additions over FY26-29 and **model ~500m ATUs by FY31**, recording ~14% CAGR over FY26-31.

Despite significant ATU additions over the last few years, the ordering frequency on Meesho's app increased from 7.5x in FY23 to 10.1x in FY26 (~10% CAGR over FY23-26). We believe the growth in blended ordering frequency appears lower due to the typically lower ordering frequency of newly acquired users (~6). As users spend more time on the platform, their ordering frequency tends to increase sharply. Based on our workings, the **ordering frequency for mature user cohorts is likely growing in the mid-teens**. We build in an ordering frequency of six for new users in their first year on the platform, which we expect to increase by ~33% in the second year and 25% in the third year. For users acquired 2+ years ago, we build in ~10% CAGR in ordering frequency over FY26-31. Overall, we expect the **platform's blended ordering frequency to reach ~18 by FY31** (~12% CAGR over FY26-31).

Driven by growth in ATUs and rising platform adoption, we expect ~27.5% CAGR in placed orders over FY26-31 (vs. ~38% CAGR over FY23-26) and a modest improvement in the success rate for delivered orders to 67% (vs. ~66.3% in 1QFY27), resulting in ~29% CAGR in successful orders by FY31 (vs. ~40% CAGR over FY23-26).

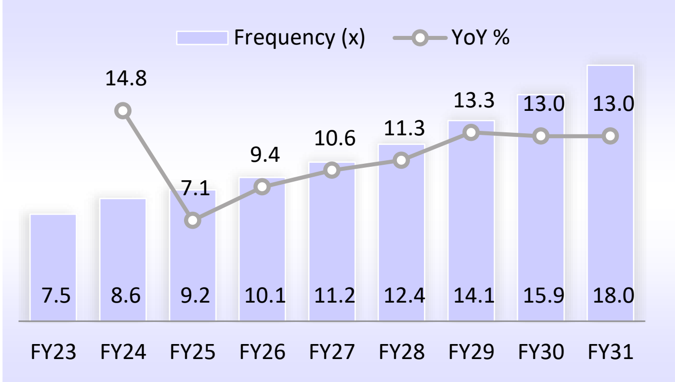
We believe Meesho's low-cost logistics and zero seller commissions enable it to reduce NoV, thereby expanding use cases and driving higher platform adoption. On our estimates, Meesho's average NoV declined from ~INR311 in FY23 to INR243 in FY26. Going forward, the order growth will also remain contingent on Meesho's ability to reduce the average NoV on its platform. We build in ~3% annual reduction in NoV over FY26-31. As a result, we build in **~25% NMV CAGR over FY26-31, with Meesho's NMV rising to INR1.27t by FY31 (**vs. ~29% CAGR over FY23-26)**.**

Exhibit 38: Expect ~14% CAGR over FY26-31 in ATU to reach ~500m ATUs…



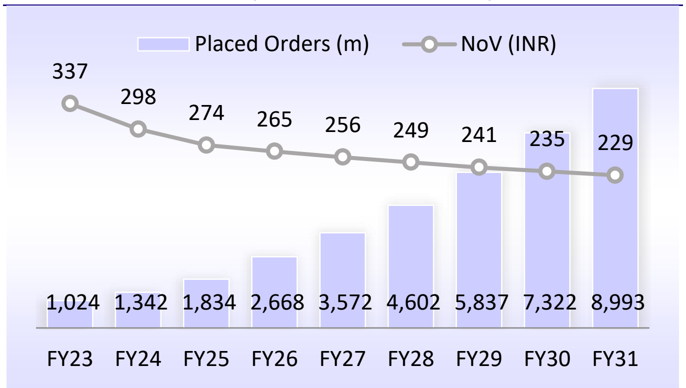
Source: Company, MOFSL

Exhibit 39: …with ~12% CAGR over FY26-31 in order frequency to ~18 by FY31



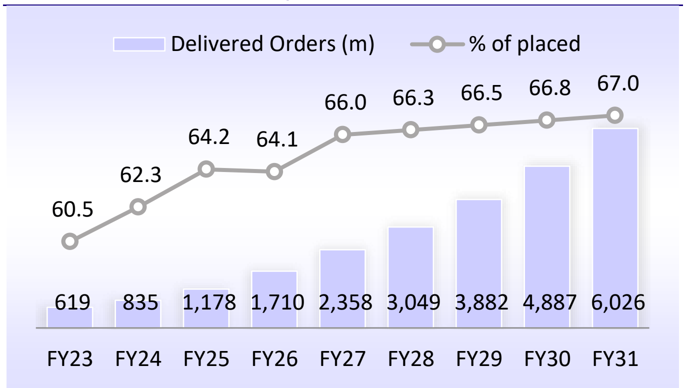
Source: Company, MOFSL

Exhibit 40: Build in ~3% annual AOV contraction and ~27.5% CAGR over FY26-31 in placed orders on the platform



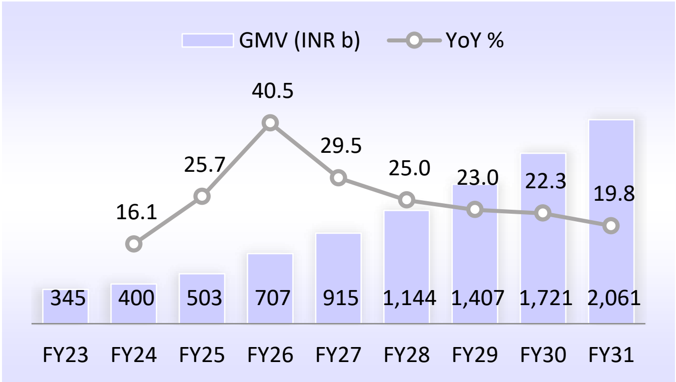
Source: Company, MOFSL

Exhibit 41: Build in ~29% CAGR over FY26-31 in successful orders, with a modest improvement in order success rates



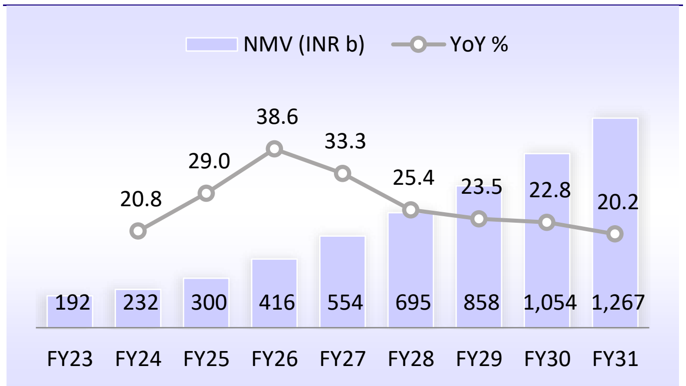
Source: Company, MOFSL

Exhibit 42: Build in ~24% CAGR over FY26-31 in GMV



Source: Company, MOFSL

Exhibit 43: Build in ~25% CAGR over FY26-31 in NMV



Source: Company, MOFSL

Improvement in ads platform monetization to drive CM expansion

Meesho does not charge sellers any commission for listing products on its platform. Instead, it monetizes the platform through the recovery of order fulfillment charges, advertisement income, and providing data insights to sellers. So far, Meesho has also refrained from charging customers any platform fee or other fees.

Meesho targets ~2.5% of NMV as contribution margin from logistics over the medium term and plans to pass on the benefits of rising scale, along with efficiencies from initiatives such as pickup from nearby locations, to end consumers

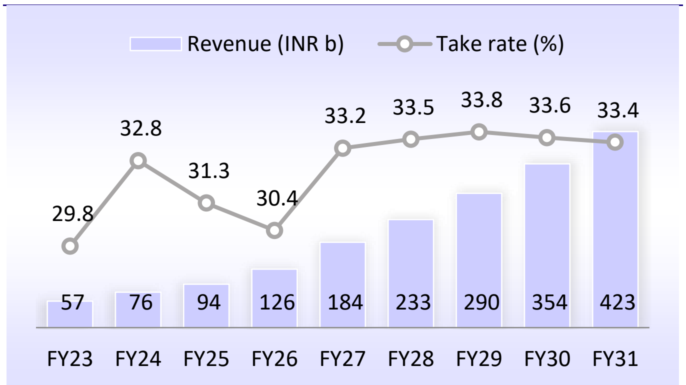
Order fulfillment charges remain the largest contributor to Meesho's revenue and are in part linked to the logistics and fulfillment costs incurred by the company, with a modest spread. Meesho targets ~2.5% of NMV as contribution margin from logistics over the medium term and plans to pass on the benefits of rising scale, along with efficiencies from initiatives such as pickup from nearby locations, to end consumers. In FY26, Meesho's revenue take rate as a % of NMV moderated due to consolidation in the 3PL logistics industry and temporary changes in revenue recognition for last mile. However, towards the end of FY26, logistics disruptions had largely normalized, with Meesho's take rate rising to ~33% of NMV (inclusive of platform discounts) by 1QFY27. Going forward, while revenue from fulfillment charges would remain contingent on the logistics and fulfillment costs incurred by Meesho, we expect a gradual improvement in take rates, driven by the normalization of logistics spreads to 2.5% CM contribution (vs. ~1% in 4QFY26) and a steady increase in ads revenue, driving ~27% CAGR in marketplace revenue over FY26-31.

Meesho's marketplace CM moderated from ~5.6% in FY24 to ~3.5% in FY26 (though recovered to ~4% by 4QFY26), as the company took a temporary hit on logistics spreads and ramped-up customer acquisitions. Based on our workings, the contribution margin on logistics accounted for ~1% of NMV in 4QFY26 (vs. ~2.5% in FY25), while the remaining ~3% of NMV was contribution from ads (vs. ~2.5% in FY25). Going forward, improved monetization of Meesho's ads platform (from the current ~3% of NMV in 4QFY26 vs. 9% customer demand), along with increased adoption of Meesho Mall, will be the key drivers of CM expansion.

Build in **~400bp of expansion in CM over FY26-31, reaching ~7.5% by FY31**, driven by recovery in logistics spread and steady improvement in contribution from higher usage of the ads platform

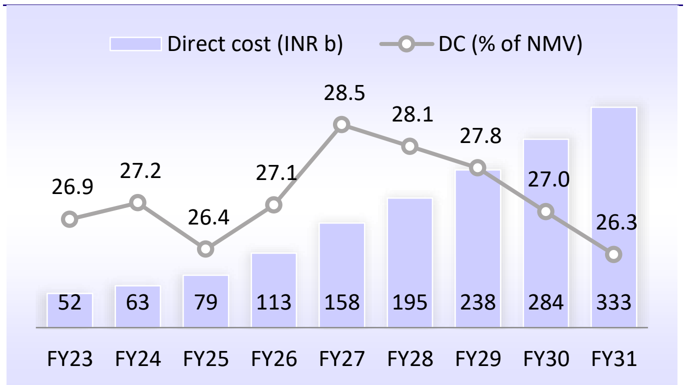
We expect the company's logistics contribution to normalize to ~2.5% over the medium term, while we expect steady improvement in contribution from higher usage of the ads platform (~175bp above 4QFY26 levels). We believe the company also has an additional lever to increase the contribution from logistics over the longer run, though build ~250-275bp CM from logistics by FY30-31. Overall, we build in **~400bp of expansion in CM over FY26-31, reaching ~7.5% by FY31**.

Exhibit 44: Expect ~27% CAGR in marketplace revenue over FY26-31, driven by logistics recovery and ads monetization



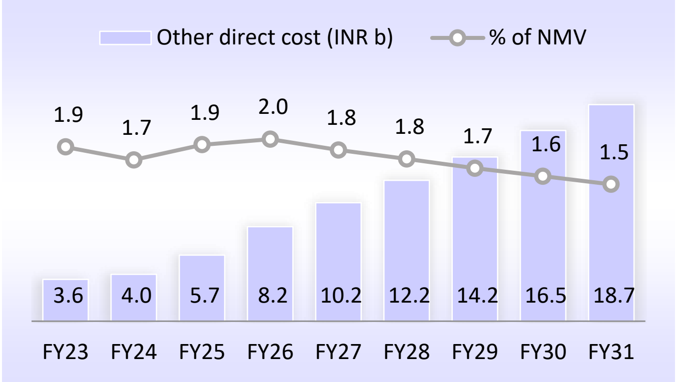
Source: Company, MOFSL

Exhibit 45: Direct costs, primarily logistics and fulfillment costs, expected to rise largely in line with growth in orders



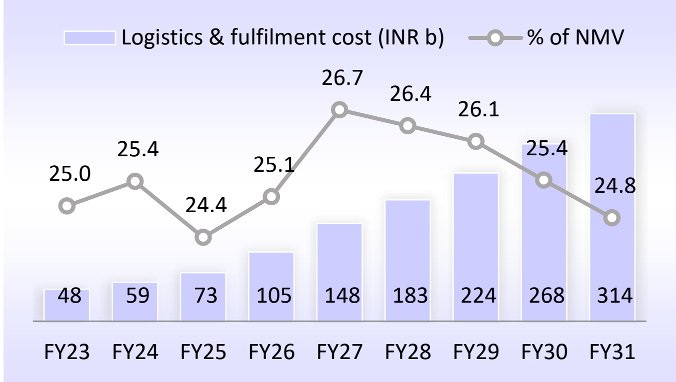
Source: Company, MOFSL

Exhibit 46: Build in ~18% CAGR in other direct costs over FY26-31E, which should also contribute to CM expansion



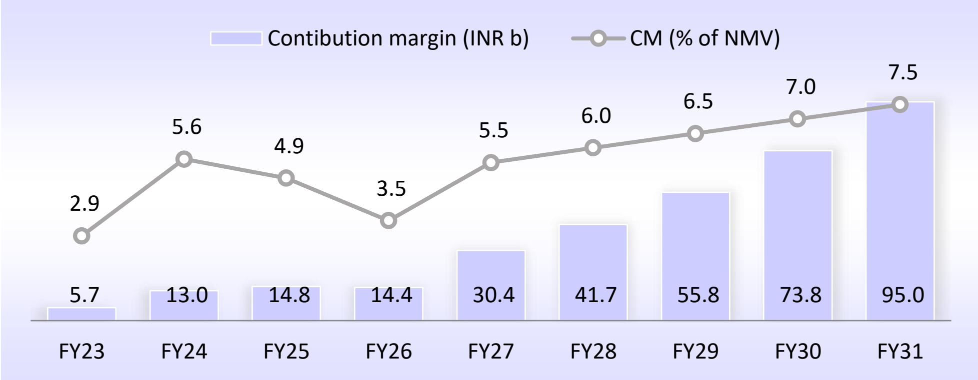
Source: Company, MOFSL

Exhibit 47: Logistics and fulfillment costs are largely a pass-through, with a modest spread (CM at ~1-2.5% of NMV)



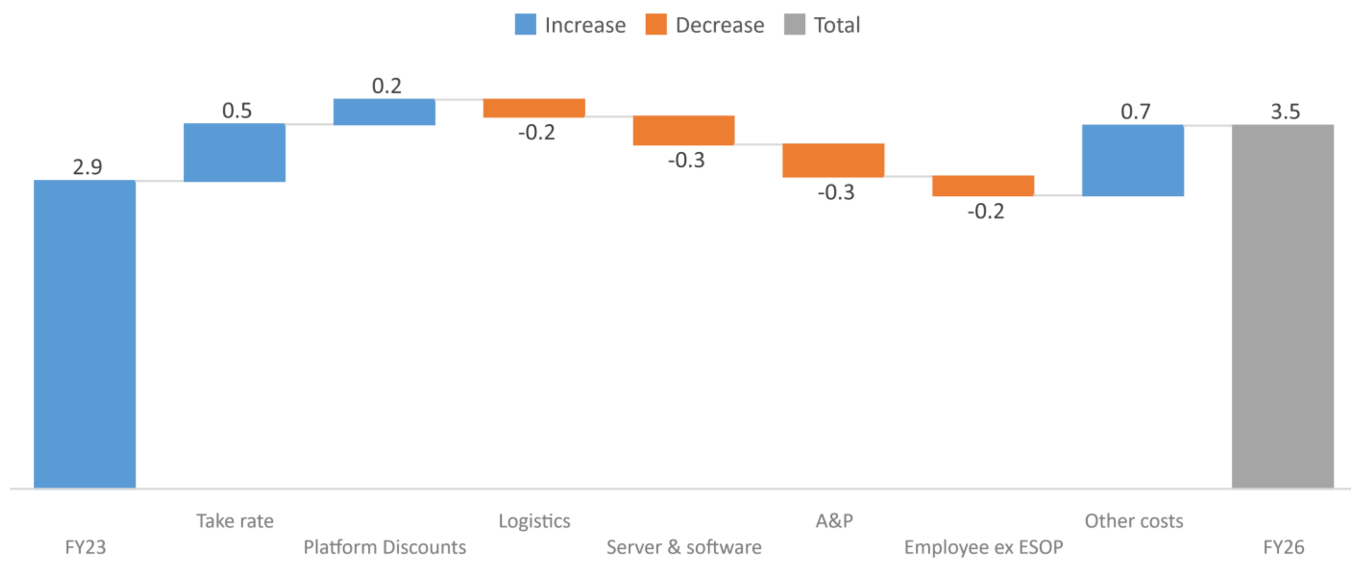
Source: Company, MOFSL

Exhibit 48: Build in ~400bp expansion in marketplace CM over FY26-31



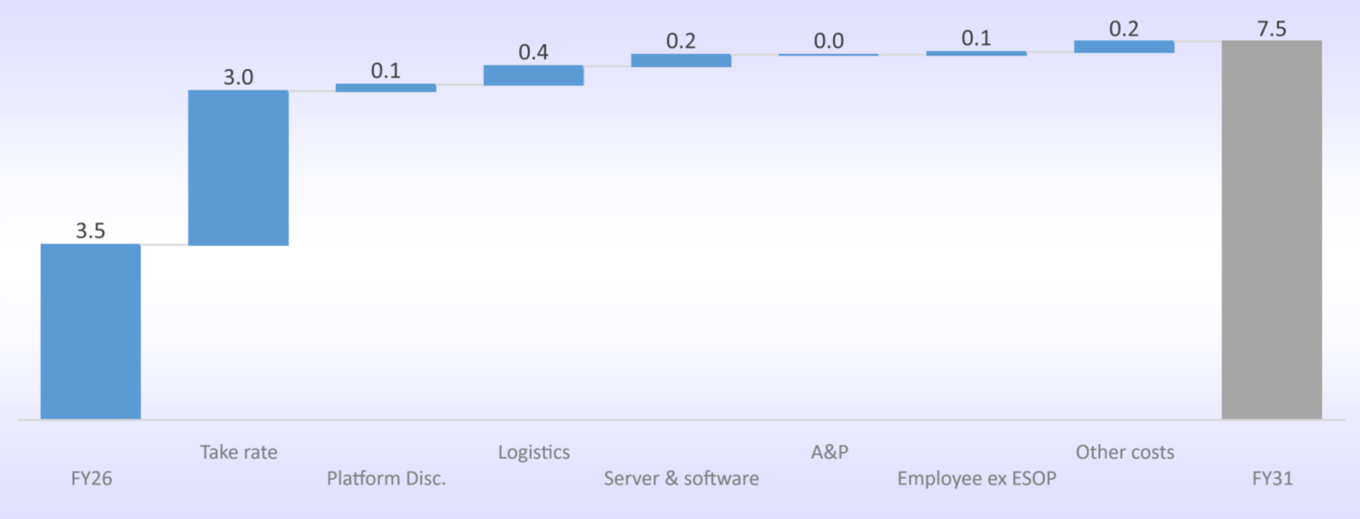
Source: MOFSL, Company

Exhibit 49: Increased take rate and operating leverage on other direct costs led to modest CM expansion over FY23-26



Source: MOFSL, Company

Exhibit 50: Ads-driven take rate expansion and logistics cost recovery are key levers for CM expansion to ~7.5% by FY31



Source: MOFSL, Company

Margin inflection on the horizon; adj. EBITDA break-even likely by FY28

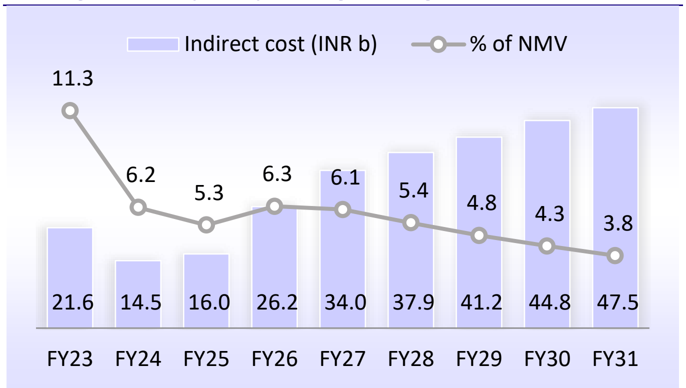
Build in ~255bp of operating leverage, which coupled with ~400bp CM expansion, should enable the adj. marketplace EBITDA margin to reach ~3.75% of NMV by FY31.

The key indirect costs for Meesho's marketplace segment include server and software tools expenses, advertisement and promotional expenses, employee expenses, and other indirect costs such as contracted manpower, legal and professional fees, etc. In FY26, these indirect costs saw a step-up and accounted for ~6.3% of NMV (up ~100bp YoY). Costs such as ads and promotional spending, server and software tools expenses, and employee expenses were elevated in FY26 as the company invested in technology (both on infra and talent) while ramping up its user acquisition engine.

However, we believe most of these costs are semi-fixed and are unlikely to rise in proportion to order volume/revenue growth, thereby driving operating leverage. Compared to ~25% CAGR in NMV over FY26-31, we build in ~12-14% CAGR in major operating expenses such as ads and promotional spends, server and software tools, and employee expenses (excluding ESOPs) and ~13% CAGR in overall indirect costs.

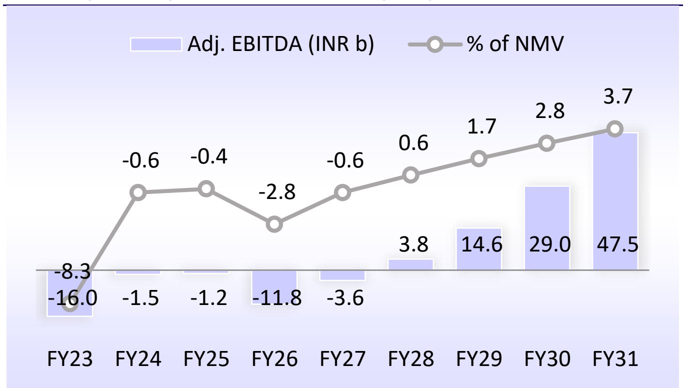
Over, FY26-31, we build in **~255bp of operating leverage** on indirect costs, which, together **with ~400bp contribution margin**, should enable the **adj. marketplace EBITDA margin to reach ~3.75% of NMV**, with **adj. EBITDA break-even expected in FY28 and inflection in profitability to ~INR48b by FY31**.

Exhibit 51: Expect ~13% CAGR over FY26-31 in indirect costs, leading to ~255bp of operating leverage



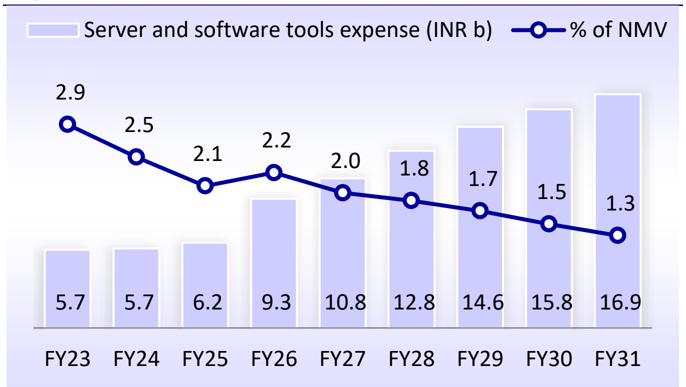
Source: Company, MOFSL

Exhibit 52: Likely to achieve adjusted EBITDA breakeven for marketplace by FY28; build ~660bp expansion over FY26-31



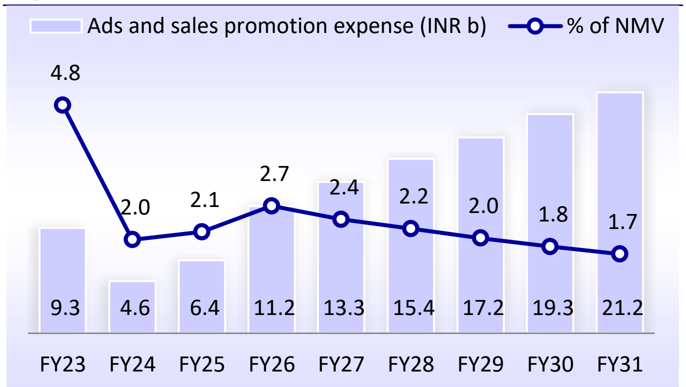
Source: Company, MOFSL

Exhibit 53: Build in ~13% CAGR in server and software tools expense over FY26-31



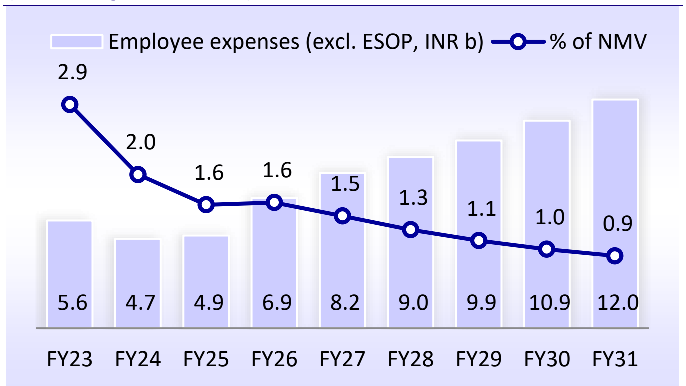
Source: Company, MOFSL

Exhibit 54: Build in ~14% CAGR in ads and sales promotional expense over FY26-31



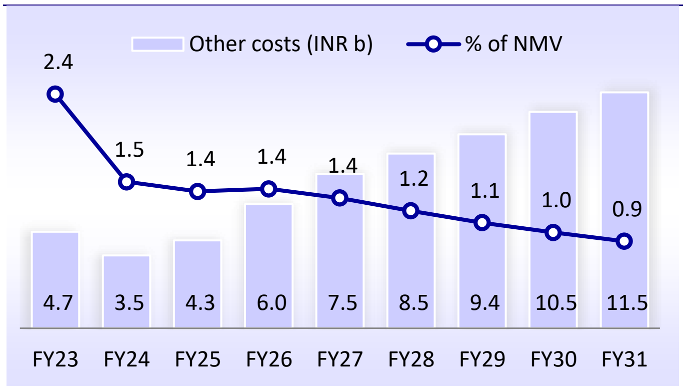
Source: Company, MOFSL

Exhibit 55: Build in ~12% CAGR in employee expenses (excluding ESOP costs) over FY26-31



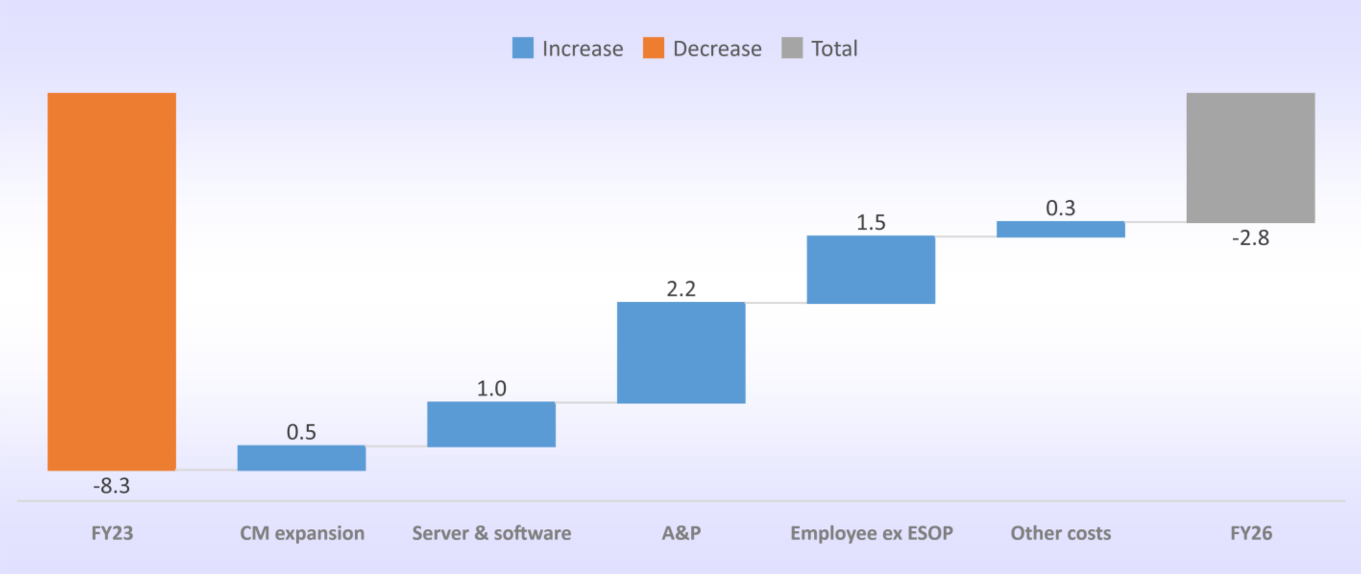
Source: Company, MOFSL

Exhibit 56: Build in ~14% CAGR in other expenses over FY26-31



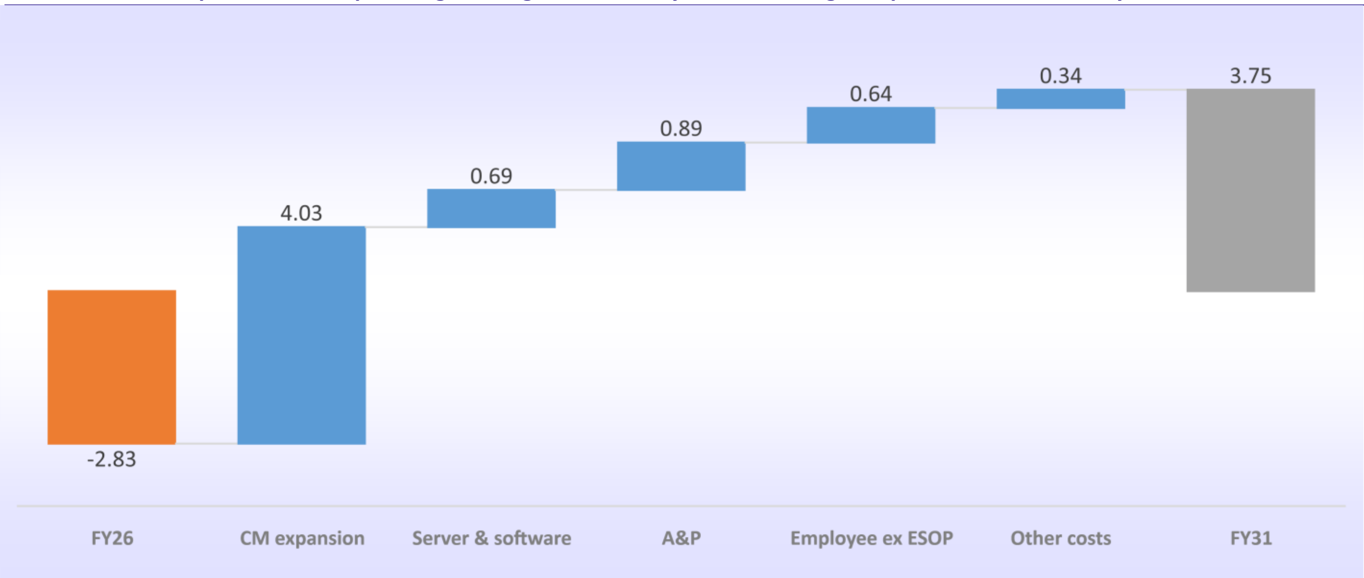
Source: Company, MOFSL

Exhibit 57: Operating leverage on A&P spends and employee expenses the biggest driver of adj. EBITDA margin expansion over FY23-26



Source: MOFSL, Company

Exhibit 58: CM expansion and operating leverage to drive adj. EBITDA margin expansion to ~3.75% by FY31



Source: MOFSL, Company

Exhibit 59: Meesho's marketplace CM and adjusted EBITDA margin trends and forecasts

% of NMV	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY23-26 (bp)	FY26-31 (bp)
Revenue	**29.8**	**32.8**	**31.3**	**30.4**	**33.2**	**33.5**	**33.8**	**33.6**	**33.4**	**54**	**304**
Platform discounts				0.2	0.8	0.6	0.5	0.4	0.4	24	13
Logistics costs	**25.0**	**25.4**	**24.4**	**25.1**	**26.7**	**26.4**	**26.1**	**25.4**	**24.8**	**16**	**-37**
Other direct costs	1.9	1.7	1.9	2.0	1.8	1.8	1.7	1.6	1.5	8	-49
Contribution margin	**2.9**	**5.6**	**4.9**	**3.5**	**5.5**	**6.0**	**6.5**	**7.0**	**7.5**	**53**	**403**
Indirect costs	11.3	6.2	5.3	6.3	6.1	5.4	4.8	4.3	3.8	-495	-256
Adj. EBITDA margin	**-8.3**	**-0.6**	**-0.4**	**-2.8**	**-0.6**	**0.6**	**1.7**	**2.8**	**3.7**	**548**	**658**

Source: Company, MOFSL

Exhibit 60: Meesho's marketplace NMV, revenue, CM, and adj. EBITDA per order trends and forecasts

INR/delivered order	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY23-26 (%)	FY26-31 (%)
NMV	**311**	**278**	**255**	**243**	**235**	**228**	**221**	**216**	**210**	**-8%**	**-3%**
Revenue	**93**	**91**	**80**	**74**	**78**	**76**	**75**	**72**	**70**	**-7%**	**-1%**
Platform discounts	-	-	-	0.6	1.9	1.4	1.1	1.0	0.8	n/m	6%
Logistics costs	**78**	**71**	**62**	**61**	**63**	**60**	**58**	**55**	**52**	**-8%**	**-3%**
Other direct costs	5.8	4.8	4.9	4.8	4.3	4.0	3.7	3.4	3.1	-6%	-8%
Contribution margin	**9.1**	**15.6**	**12.6**	**8.4**	**12.9**	**13.7**	**14.4**	**15.1**	**15.8**	**-3%**	**13%**
Indirect costs	35.0	17.4	13.6	15.3	14.4	12.4	10.6	9.2	7.9	-24%	-12%
Adj. EBITDA margin	**-25.8**	**-1.8**	**-1.0**	**-6.9**	**-1.5**	**1.3**	**3.8**	**5.9**	**7.9**	**-36%**	**n/m**

Source: Company, MOFSL

New initiatives: High potential, but do not build in material contribution over FY26-31

Meesho classifies its Horizon 2 initiatives separately under new initiatives. Currently, these initiatives include: 1) a low-cost logistics network for daily essentials, and 2) a financial services platform, both of which are at a relatively nascent stage. Previously, the company's own logistics platform (Valmo) and creator marketplace (Content Commerce) also started off as Horizon 2 initiatives before achieving product-market fit and scale and subsequently becoming integral parts of the marketplace. In FY26, Meesho's revenue from new initiatives was minuscule at ~INR122m, while adjusted EBITDA losses stood at INR700m.

Meesho has access to data on a growing consumer base of 274m, many of whom may not have access to credit. We believe there is significant scope for the company to build a financial services platform of scale. Similarly, with the company piloting pickup from nearby locations, its recent acquisition of the B2B community commerce platform (Kirana Club), and access to a wide seller base of regional brands, we believe it can expand its use case to daily essentials. However, at this stage, **we do not explicitly build any significant contribution from these new initiatives into our forecasts** and expect the losses to remain range-bound. Management has put a cap of losses from these new initiatives at INR2b.

Expect Meesho to largely break even on reported EBITDA and PAT by FY28

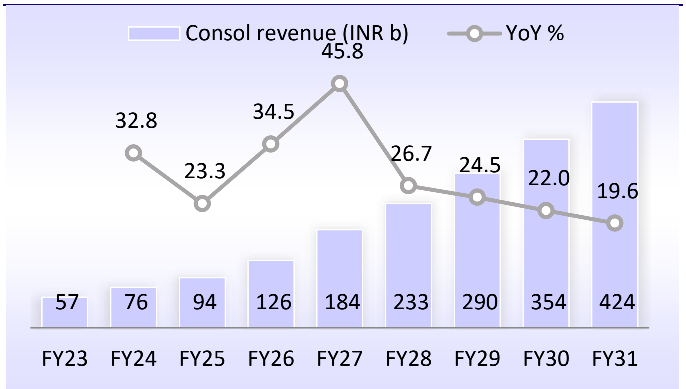
Driven by improving adj. marketplace EBITDA, we expect Meesho to achieve breakeven on reported EBITDA (after accounting for ESOP expenses) by FY28-exit. Further, interest income on its significant and growing cash holdings, coupled with zero debt and limited assets on the books, should drive PAT breakeven by FY28.

Exhibit 61: Reported and adjusted consolidated EBITDA trends and forecasts

EBITDA reconciliation (INR m)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Reported EBITDA	**-18,037**	**-4,941**	**-5,785**	**-14,851**	**-7,026**	**-205**	**9,966**	**24,033**	**42,222**
ESOP expenses	1,060	2,530	3,200	1,823	2,000	2,250	2,500	2,750	3,000
Other operating income	40	111	390	567	250	250	250	250	250
Adj. EBITDA (marketplace)	**-15,990**	**-1,491**	**-1,167**	**-11,778**	**-3,587**	**3,849**	**14,590**	**28,987**	**47,455**
Adj. EBITDA (new initiatives)	-909	-668	-928	-702	-1,189	-1,554	-1,874	-1,953	-1,983
Adj. EBITDA (unallocated)	-39	-141	-101	19	-	-	-	-	-
Consol adj. EBITDA	**-16,937**	**-2,300**	**-2,195**	**-12,461**	**-4,776**	**2,295**	**12,716**	**27,033**	**45,472**

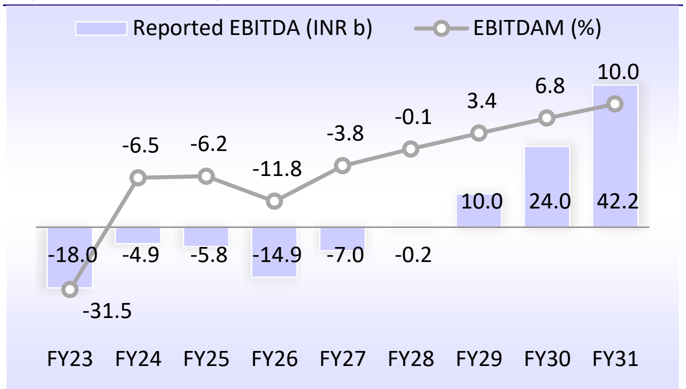
Source: Company, MOFSL

Exhibit 62: Rising scale and improving marketplace take rates to drive ~27% revenue CAGR over FY26-31



Source: Company, MOFSL

Exhibit 63: Expect Meesho to broadly break even on reported EBITDA by FY28-exit

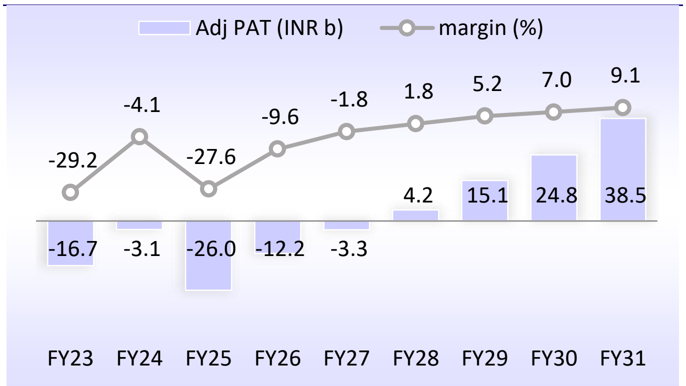


Source: Company, MOFSL

Asset-light model with negative working capital drives robust FCF generation

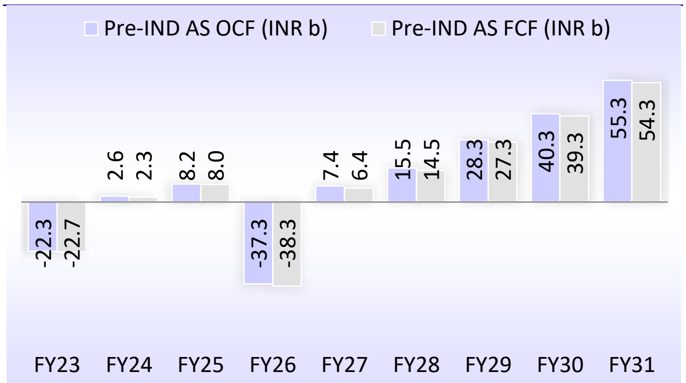
Unlike other internet platform companies and offline retailers, Meesho operates a truly asset-light model, requiring minimal capex as it does not own inventory, logistics network, warehouses, or storefronts. Further, the company settles payments with sellers only after the closure of the return window, which leads to negative working capital (~25 days of NMV) and a significant float. This unique combination has enabled Meesho to become one of the first Indian horizontal e-com players to achieve positive FCF. While the company's FCF profile took a hit in FY26 due to one-time tax arising from its reverse flip to India, we expect it to generate significant FCF starting from FY27 and reach 4%+ of NMV by FY31.

Exhibit 64: Earnings inflection underway, with breakeven likely by FY28



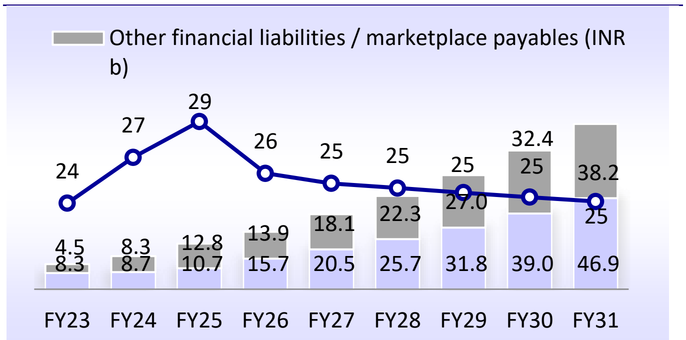
Source: Company, MOFSL

Exhibit 65: Expect significant OCF and FCF generation from FY27 onwards



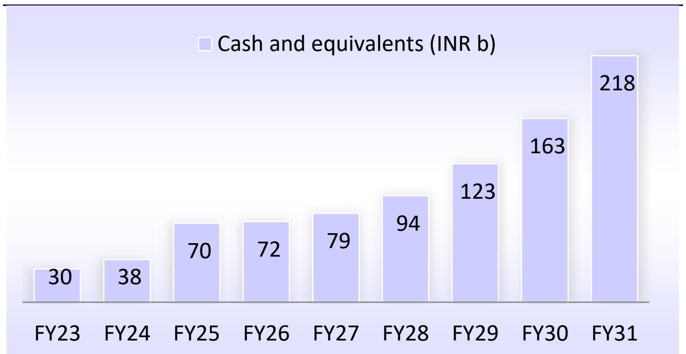
Source: Company, MOFSL

Exhibit 66: Meesho operates on negative working capital



Source: Company, MOFSL

Exhibit 67: Expect cash and financial assets to surge



Source: Company, MOFSL

Exhibit 68: Our key assumptions for Meesho

	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY30E	FY31E	FY26-31 (%)
Marketplace										
ATU (m)	**136**	**156**	**199**	**264**	**320**	**370**	**415**	**460**	**500**	**13.6%**
Frequency (x)	7.5	8.6	9.2	10.1	11.2	12.4	14.1	15.9	18.0	12.2%
NoV (INR)	311	278	255	243	235	228	221	216	210	-2.9%
Placed orders (m)	1,024	1,342	1,834	2,668	3,572	4,602	5,837	7,322	8,993	27.5%
Delivered orders (m)	**619**	**835**	**1,178**	**1,710**	**2,358**	**3,049**	**3,882**	**4,887**	**6,026**	**28.6%**
GMV (INR b)	345	400	503	707	915	1,144	1,407	1,721	2,061	23.9%
NMV (INR b)	**192**	**232**	**300**	**416**	**554**	**695**	**858**	**1,054**	**1,267**	**25.0%**
Revenue (INR b)	57	76	94	126	184	233	290	354	423	27.4%
CM (%)	**2.9**	**5.6**	**4.9**	**3.5**	**5.5**	**6.0**	**6.5**	**7.0**	**7.5**	**403**
adj. EBITDA (INR b)	-16.0	-1.5	-1.2	-11.8	-3.6	3.8	14.6	29.0	47.5	
adj. EBITDA margin (%)	**-8.3**	**-0.6**	**-0.4**	**-2.8**	**-0.6**	**0.6**	**1.7**	**2.8**	**3.7**	**658**
Overall (INR b)										
Revenue	57	76	94	126	184	233	290	354	424	27.4%
adj. EBITDA	**-16.9**	**-2.3**	**-2.2**	**-12.5**	**-4.8**	**2.3**	**12.7**	**27.0**	**45.5**	
EBITDA	**-18.0**	**-4.9**	**-5.8**	**-14.9**	**-7.0**	**-0.2**	**10.0**	**24.0**	**42.2**	
adj. PAT	-16.7	-3.1	-26.0	-12.2	-3.3	4.2	15.1	24.8	38.5	
FCF	**-22.7**	**2.3**	**8.0**	**-38.3**	**6.4**	**14.5**	**27.3**	**39.3**	**54.3**	
as % of NMV	*-11.8*	*1.0*	*2.7*	*-9.2*	*1.1*	*2.1*	*3.2*	*3.7*	*4.3*	

Source: Company, MOFSL

Meesho's EBITDA is highly sensitive to NMV growth and contribution margin

In our base case, we assume: 1) ~25% CAGR over FY26-31 for Meesho's marketplace NMV, 2) 7.5% CM for FY31, and 3) indirect costs at ~3.75% of NMV. However, we note that Meesho's adjusted marketplace EBITDA is highly sensitive to assumptions on NMV growth and CM. Assuming indirect costs remain at ~3.75% of NMV, the sensitivities are as follows:

- **NMV growth:** For each ~2.5% change in FY26-31 NMV CAGR, adj. marketplace EBITDA changes by ~INR4.75b (or ~10%).
- **Contribution margin:** For each ~50bp change in CM, adj. marketplace EBITDA changes by ~INR6.3b (or ~13.5%).

Exhibit 69: Sensitivity of FY31E adj. marketplace EBITDA to NMV CAGR and contribution margin

FY31 adj. marketplace EBITDA (INR b)		FY31 Contribution margin (%)				
		6.5	7.0	7.5	8.0	8.5
FY26-31 NMV CAGR (%)	**20.0%**	28.4	33.6	38.7	43.9	49.1
	22.5%	31.5	37.2	43.0	48.7	54.4
	25.0%	34.8	41.1	**47.5**	53.8	60.1
	27.5%	38.5	45.5	52.5	59.5	66.5
	30.0%	42.4	50.1	57.8	65.6	73.3

Source: Company, MOFSL

Initiate coverage with BUY and TP of INR240

We initiate coverage on Meesho with a BUY rating and a TP of INR240, premised on DCF backed **~30x FY31E adj. marketplace EBITDA, discounted back to Sep'28**. This implies **~1.4x FY28E EV/NMV**, which is at a ~10% premium to FY28 trading EV/NMV multiple for Eternal. Given that Meesho operates on an asset-light model with negative working capital and expectations of superior FCF generation, we believe a higher multiple could be justified.

Exhibit 70: Ascribe a TP of INR240 based on ~30x FY31E EV/adj. marketplace EBITDA discounted back to Sep'28

INR b	adj. EBITDA (INR b)	Multiple (x)	Value (INR b)
Enterprise value	**47.5**	**30**	**1,420**
Sep'28 EV			**1,068**
Net cash			-71
Equity value			**1,140**
TP (INR/share)			**240**
CMP (INR/share)			185
Potential upside (%)			*30*

Source: Company, MOFSL

Exhibit 71: Our TP implies ~1.4x Sep'28E EV/NMV

(INR b)	NMV (INR b)	Multiple (x)	Value (INR b)
Sep'28 EV	**777**	**1.4**	**1,068**
Net cash			-71
Equity value			**1,140**
TP (INR/share)			**240**
CMP (INR/share)			185
Potential upside (%)			*30*

Source: Company, MOFSL

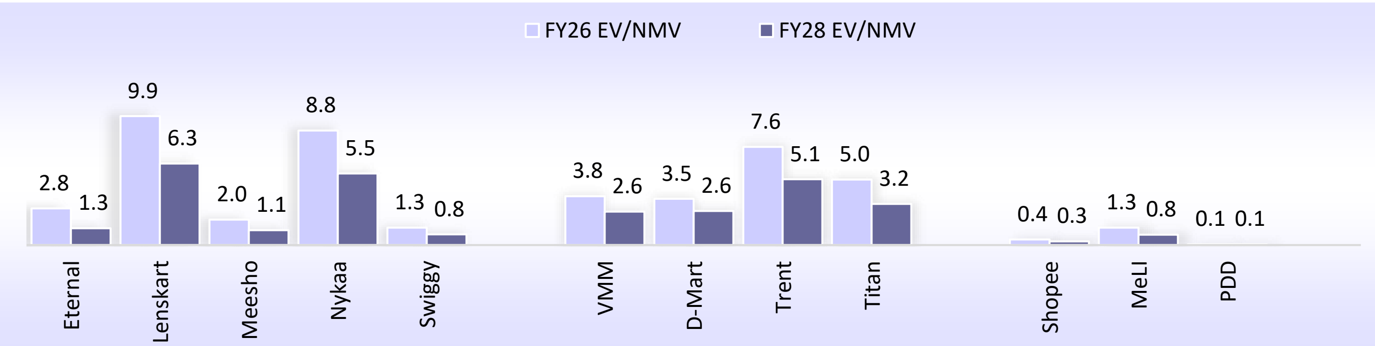
Exhibit 72: Comparative valuation for Meesho (vs. Indian new age, traditional retailers and global value commerce players)

Valuation comps	M.Cap	NMV - CAGR	EBITDA Margin (%)		EV/NMV			EV/EBITDA			P/E		
	USD b	FY26-28	FY26	FY28	FY27	FY28	FY29	FY27	FY28	FY29	FY27	FY28	FY29
Eternal	28	45	1.2	3.1	1.8	1.3	1.0	81	41	25	177	85	47
Lenskart	10	26	11.2	14.7	7.8	6.3	5.1	61	45	34	117	83	60
Meesho	**9**	**29**	**(2.8)**	**0.6**	**1.5**	**1.1**	**0.9**	**n/m**	**n/m**	**77**	**n/m**	**n/m**	**56**
Nykaa	10	26	5.4	7.9	6.9	5.5	4.4	101	70	50	195	117	77
Swiggy	7	26	(6.0)	0.1	1.0	0.8	0.7	n/m	n/m	31	n/m	n/m	63
New Age retailers		**30**			**3.8**	**3.0**	**2.4**	**81**	**52**	**36**	**163**	**95**	**61**
VMM	5	19	9.8	10.7	3.1	2.6	2.1	31	24	19	48	38	30
D-Mart	28	18	7.1	7.0	3.1	2.6	2.3	46	40	35	75	65	56
Trent	16	21	13.6	14.0	6.2	5.1	4.1	53	43	34	73	60	49
Titan	44	16	8.6	9.1	3.6	3.2	2.7	48	40	34	66	55	45
Traditional retailers		**18**			**4.0**	**3.4**	**2.8**	**44**	**37**	**30**	**66**	**54**	**45**
Shopee	61	22	0.7	0.8	0.3	0.3	0.2	14	11	9	33	23	17
MeLI	91	28	4.9	4.0	1.0	0.8	0.7	29	20	14	46	31	21
PDD	119	15	1.8	1.9	0.1	0.1	0.1	4	3	3	8	8	7
Global value commerce		**22**			**0.5**	**0.4**	**0.3**	**15**	**11**	**8**	**29**	**21**	**15**

Notes: We have used NMV for Eternal, Meesho and Swiggy; estimated gross sales for Lenskart, Nykaa, VMM, DMart, Trent and Titan and GMV for global value commerce peers for NMV CAGR; For EBITDA margin, we have used adj. EBITDA for Eternal, Meesho and Swiggy; pre-IND AS EBITDA for Nykaa, Lenskart and traditional retailers

Source: Company, MOFSL, Visible Alpha

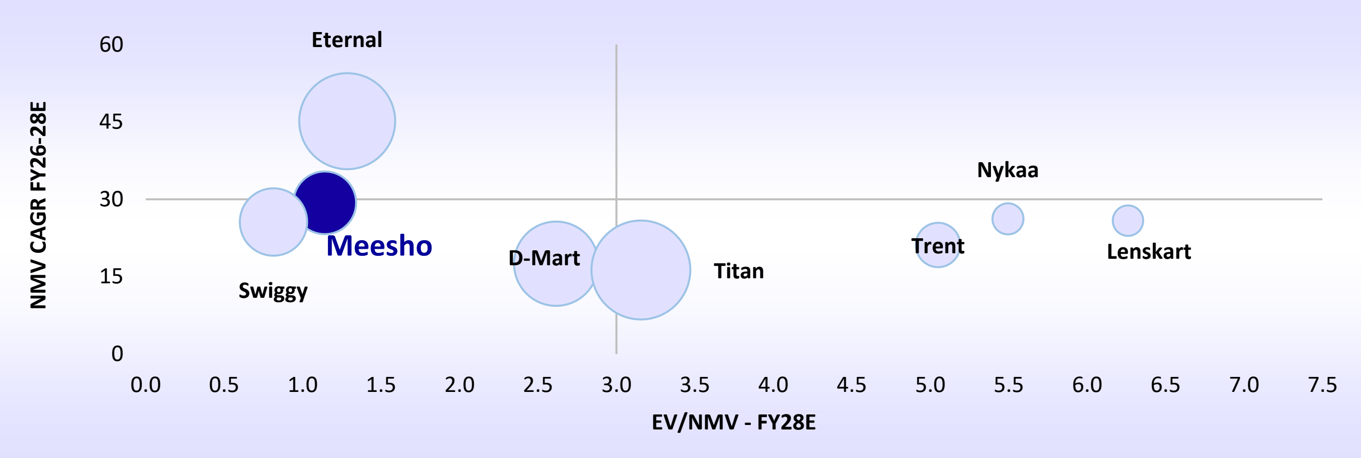
Exhibit 73: Comparison of EV/NMV or gross sales multiples for select retailers



Note: EV/GMV multiple for global value commerce peers; estimated gross sales for Lenskart, Nykaa and traditional retailers

Source: MOFSL, Company, Visible Alpha

Exhibit 74: Meesho's EV/NMV multiple reasonable compared to the NMV CAGR expectations over FY26-28



Note: size of the bubble represents the company's FY26 NMV or estimated gross sales Source: Company, MOFSL

Meesho's valuation is highly sensitive to NMV growth/contribution margin

At CMP, the stock is implying a ~25% NMV CAGR over FY26-31E (similar to our estimate) and FY31 contribution margin of 6.7% (vs. our est. of ~7.5%). Our base case TP of INR240 is highly sensitive to NMV growth and contribution margin, as presented below:

- **NMV growth:** For each ~2.5% change in FY26-31 NMV CAGR, our TP changes by ~INR37/share (or ~16%).
- **Contribution margin:** For each ~50bp change in contribution margin, our TP changes by ~INR40/share (or ~17%).

Exhibit 75: Sensitivity of our TP to NMV CAGR and contribution margin

TP (INR/share)		FY31 Contribution margin (%)				
		6.5	7.0	7.5	8.0	8.5
FY26-31 NMV CAGR (%)	20.0%	119	146	175	207	241
	22.5%	140	172	206	243	283
	25.0%	164	201	**240**	284	330
	27.5%	192	235	281	331	384
	30.0%	224	273	327	384	445

Source: Company, MOFSL

Industry overview: Value commerce to outpace Indian retail growth

Indian retail market – Stable growth momentum

Consumers are increasingly aspirational, digitally engaged, and more discerning with respect to brands and product quality

The Indian retail market size was INR83t in FY25, which is projected to reach INR123-135t by FY30, implying a CAGR of 8-10%. This growth is underpinned by rising disposable incomes, an expanding middle-income population, and accelerating urbanization. Consumers are increasingly aspirational, digitally engaged, and more discerning with respect to brands and product quality.

Exhibit 76: Overall retail market – India (INR t)

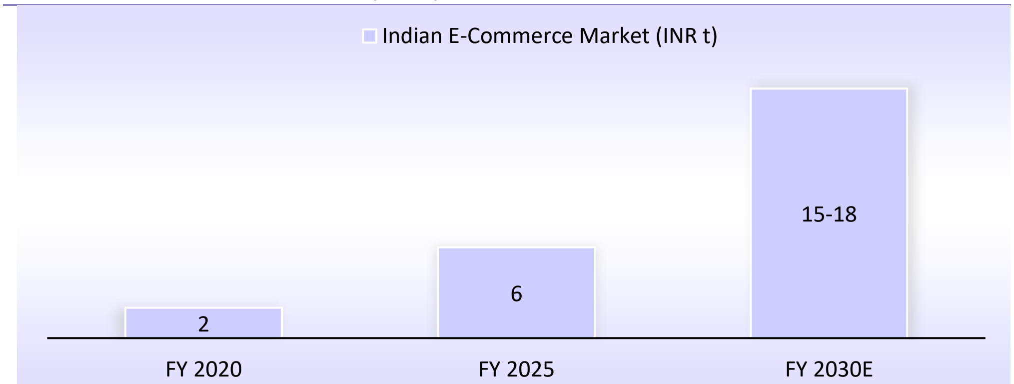
Source: MOFSL, Company

The size of India's e-com market (incl. quick commerce) is currently at INR6t in GMV and is projected to clock a 20-25% CAGR to INR15-18t by FY30, reaching 12-13% penetration of the overall retail market

E-com in India: Strong structural growth with rising category penetration

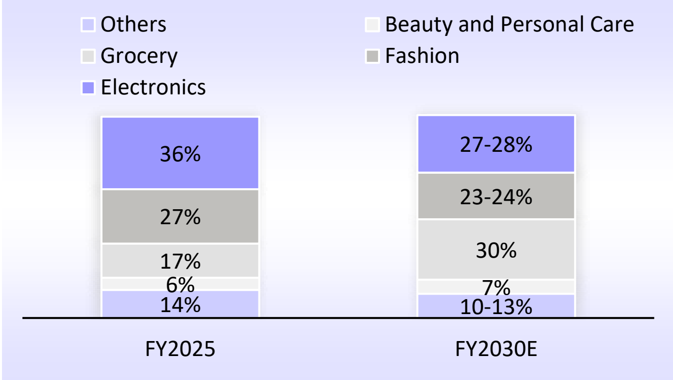
The size of India's e-com market (incl. quick commerce) is currently at INR6t in GMV and is projected to clock a 20-25% CAGR to INR15-18t by FY30, reaching 12-13% penetration of the overall retail market. As of FY25, penetration in non-electronics categories remains significantly lower than that in electronics (37%), with grocery at 2%, fashion at 19%, beauty and personal care at ~19%, and others at ~5%. Driven by this headroom, non-electronics categories are expected to contribute ~72-73% of the e-commerce market by FY30, up from ~64% in FY25. The majority of incremental online shoppers are expected to originate from Tier 2+ cities, which are projected to contribute 51-52% of India's e-com market by FY30.

Exhibit 77: E-com Market – India (INR t)



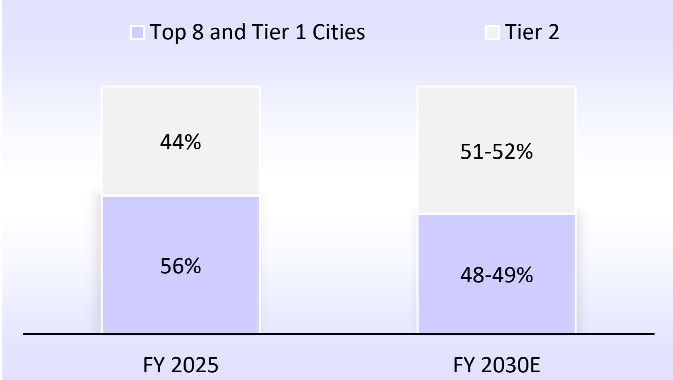
Source: MOFSL, Company

Exhibit 78: India Ecom Market – Split by Category



Source: MOFSL, Company

Exhibit 79: India E-com Market split by City Tier



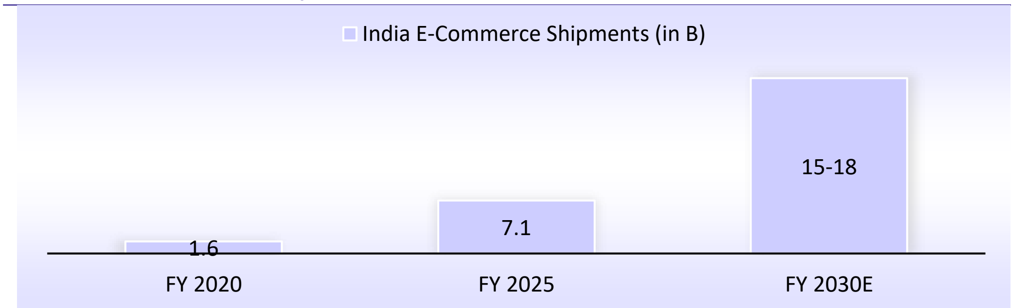
Source: MOFSL, Company

India's e-com logistics shipments clocked a CAGR of 34-36% from FY20 to FY25, and are projected to compound by FY30 at a 26-28% CAGR

E-com Logistics: Scaling volumes, optimizing costs, enabling next phase of growth

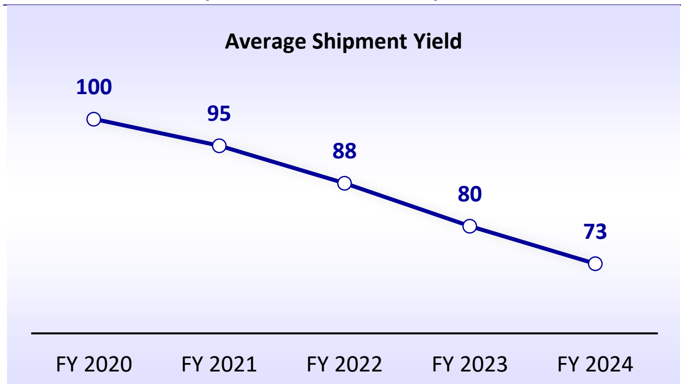
Logistics constitutes a significant portion of the e-com cost structure and directly impacts pricing, margins, scalability, and delivery experience. E-com logistics differs from traditional transportation, involving high volumes of small parcels, dispersed delivery points, reverse logistics, real-time quality checks, cash handling, and category-specific fulfillment requirements. India's e-com logistics shipments clocked a CAGR of 34-36% from FY20 to FY25, and are projected to compound by FY30 at a 26-28% CAGR. Providers are reducing yield per shipment as fulfillment costs decline, enabling expansion into low-ticket transactions, reflected in a ~30% decline in average order value between FY20 and FY25.

Exhibit 80: India E-Com Shipments



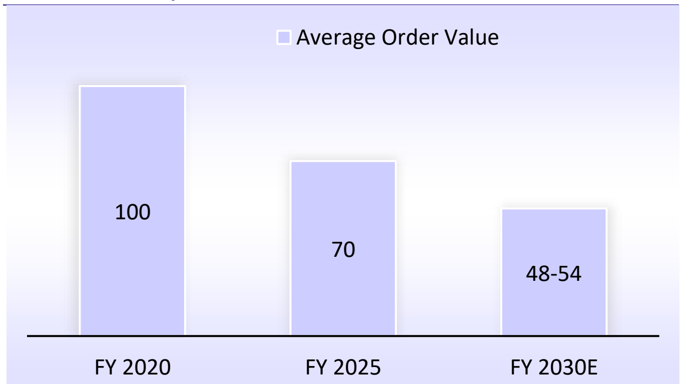
Source: MOFSL, Company

Exhibit 81: Average Shipment Yield – India E-Com (excluding Quick Commerce (FY20 indexed at 100)



Source: MOFSL, Company

Exhibit 82: Average Order Value – India E-com (FY20 indexed at 100)

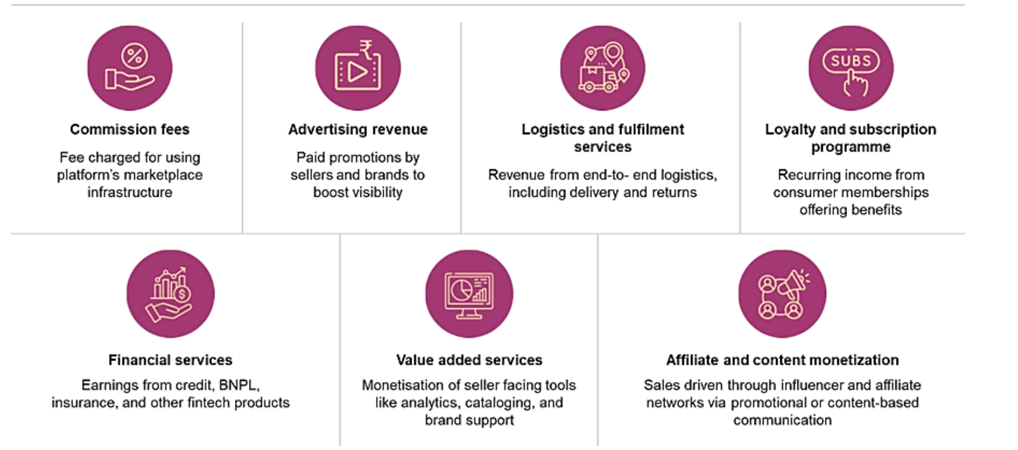


Source: MOFSL, Company

E-com monetization levers

E-com players generate revenue through commission fees charged as a percentage of GMV, varying by category and seller profile, advertising and recovery of logistics cost

E-com players generate revenue through commission fees charged as a percentage of GMV, varying by category and seller profile. Advertising has emerged as a fast-growing ancillary stream, contributing ~3% of GMV in India in FY25 vs. 5-10% globally, highlighting scalability potential. Additional monetization avenues include logistics and fulfillment services, loyalty and subscription programs, and embedded financial services such as buy-now-pay-later and seller financing. Platforms also derive fee-based income from value-added seller services and affiliate/content-led monetization models, strengthening ecosystem stickiness and revenue diversification.

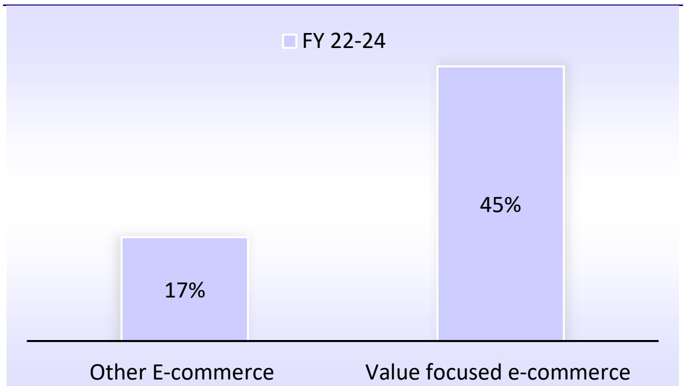


Value-focused e-com: Enabling fragmented supply with scalable profitability

Value-focused e-com platforms are gaining share by addressing India's fragmented, affordability-led demand

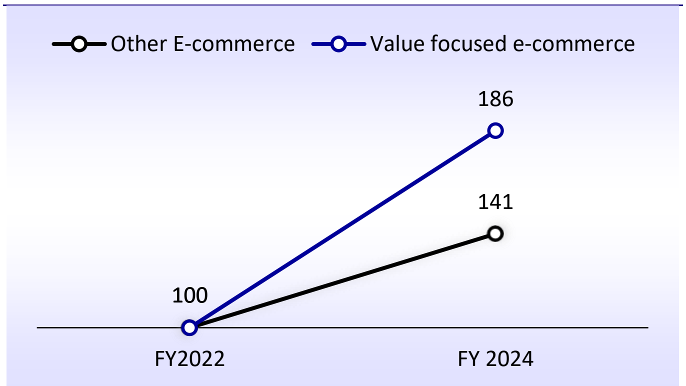
Value-focused e-com platforms are gaining share by addressing India's fragmented, affordability-led demand. With 70-75% of unorganized retail driven by regional and unbranded segments, these platforms enable supply through technology-led orchestration and efficient logistics, unlike organized models focused on pan-India and D2C brands. Their growth is supported by vast assortments, low-ticket offerings, and category expansion across fashion, home, kitchen, and beauty. Profitability expansion has outpaced peers, driven by a capital-light model, advertising and seller service monetization, low fixed costs, and scalable unit economics.

Exhibit 83: GMV CAGR – Value-focused e-com vs. other e-com



Source: Company, MOFSL

Exhibit 84: Profitability improvement – Value-focused e-com vs. other e-com



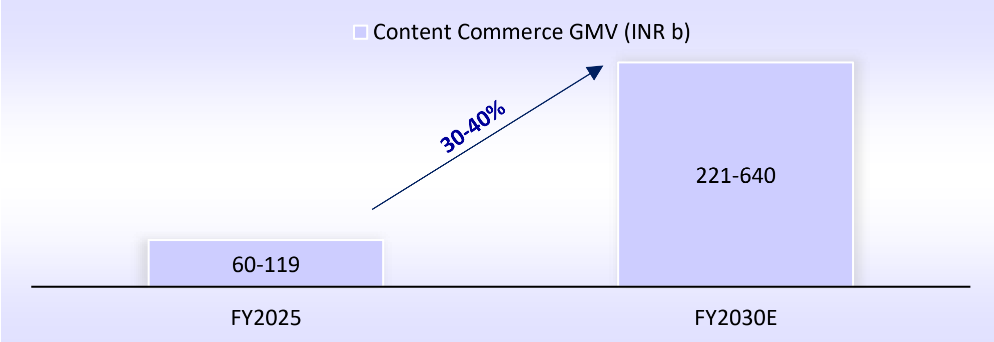
Source: Company, MOFSL

Discovery-led and content-driven commerce: Powering the next phase of value e-com

Value-focused e-com operates through a discovery-led, content-driven purchase journey, where shopping is exploratory rather than intent-based, particularly in low-ticket and discretionary categories

Value-focused e-com operates through a discovery-led, content-driven purchase journey, where shopping is exploratory rather than intent-based, particularly in low-ticket and discretionary categories. Unlike search-led commerce suited for branded queries, discovery-led models leverage dynamic feeds, curated assortments, ratings, reviews, and frequently refreshed catalogues to drive engagement and impulse purchases. Content commerce, enabled through influencer-led videos and embedded shoppable links, is emerging as a key growth driver. India's content commerce market is projected to clock a 30-40% CAGR to INR221-640b by FY30, outpacing overall e-commerce growth of 20-25%. As of FY25, it accounts for 1-2% of India's e-commerce market, with influencer count projected to increase from ~3.1m to ~7.3m by FY30.

Exhibit 85: Content commerce GMV - India

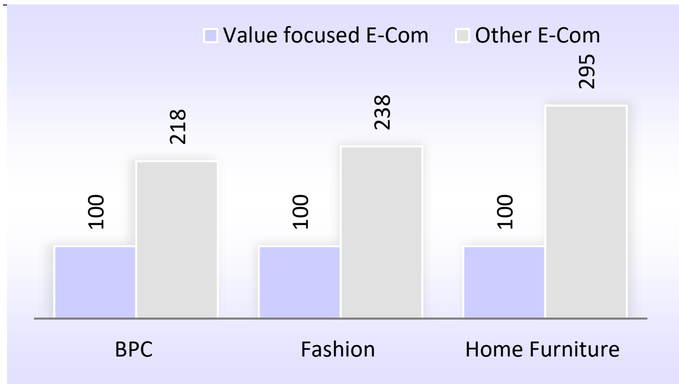


Source: MOFSL, Company

Fragmented supply aggregation – Driving width, depth and affordability

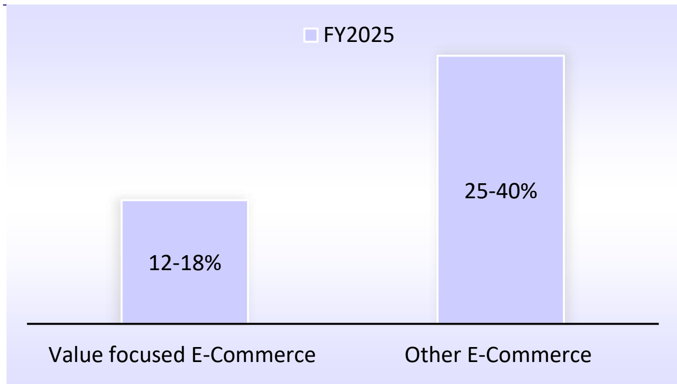
Value-focused e-com platforms aggregate fragmented supply by enabling large-scale participation of unbranded sellers and regional brands while offering low-ASP SKUs from national and D2C brands. This model delivers a wider, deeper, and more price-accessible assortment, with competitive pricing supported by zero or low-commission structures and favorable seller economics. High assortment depth is enabled through simplified seller onboarding, low platform and fulfillment costs, and data-led catalogue optimization. Additionally, distributed fulfillment models and logistics cost optimization allow efficient servicing of low-AOV, long-tail SKUs at scale.

Exhibit 86: ASP – Value-focused e-com vs. other e-com (Value-focused e-com indexed at 100, FY25)



Source: MOFSL, Company

Exhibit 87: E-com cost incurred by sellers – Value-focused vs. Other e-com

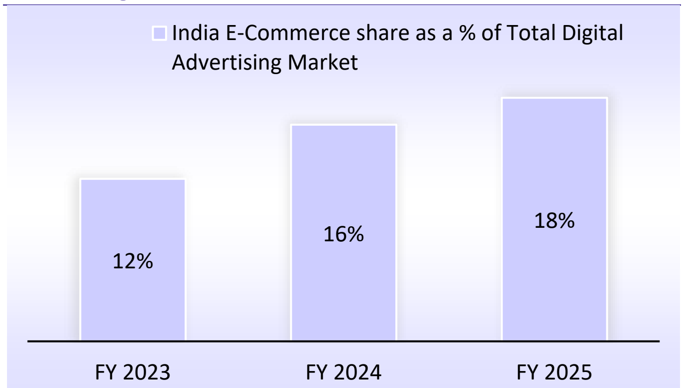


Source: MOFSL, Company

Digital Advertising – A high-growth monetization engine for value e-com

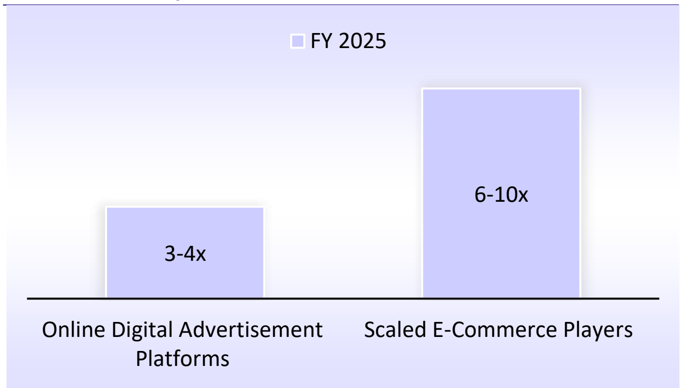
Digital advertising is a critical monetization lever for value-focused e-com players, particularly given low-commission structures and large, fragmented seller bases. Digital advertising's share of India's overall advertising market increased from ~50% in FY20 to 65-67% in FY25 and is projected to reach 75-78% by FY30, with e-com accounting for ~18% of total digital ad spend as of FY25. Scaled e-com platforms deliver a higher RoA of 6-10x vs. 3-4x on other digital channels, driven by purchase-oriented engagement, first-party data, and commerce-led targeting. This performance-led model has enabled broader seller participation, including small and unbranded businesses, similar to trends observed in food delivery platforms.

Exhibit 88: India e-com share as a % of total digital advertising market



Source: MOFSL, Company

Exhibit 89: RoAS – Scaled e-com players vs. other digital advertisement platforms



Source: MOFSL, Company

Key risks and concerns

- **Dependence on third-party logistics**: Meesho does not own logistics assets and routes ~65% of shipments through Valmo, which aggregates multiple small third-party delivery partners. Fulfillment performance is, therefore, dependent on partner availability, liquidity, and operational discipline. Disruptions at the partner level can directly affect delivery timelines and customer experience. The use of small vendors also increases exposure to delays or shortfalls in the remittance of CoD collections, as reflected by police complaints filed against certain delivery partners.
- **CoD and returns:** CoD accounts for ~65%+ of shipped orders. CoD orders typically have higher return-to-origin (RTO) rates due to customer refusal at delivery. Higher RTOs increase forward and reverse logistics costs, which led to higher costs on the platform. Elevated seller-level costs could reduce seller retention and limit assortment depth over time.
- **Product quality and seller management:** The platform relies largely on unbranded and regional sellers. Product quality is, therefore, inconsistent and requires continuous monitoring. The removal of ~11.8m counterfeit or infringing listings in six months indicates ongoing enforcement requirements. Persistent quality issues could affect repeat purchases and platform trust.
- **Seller concentration: ~**45% of transacting sellers are concentrated in Gujarat, Uttar Pradesh, and Delhi. Any region-specific disruption—regulatory, climatic, or operational—could affect supply availability and order fulfillment timelines.
- **Currently loss-making:** The company continues to report net losses, and operating cash flow remains volatile (turned negative recently due to tax outflows and exceptional items). New verticals such as grocery and financial services remain loss-making and require ongoing funding, which may weigh on consolidated profitability.
- **Intense competition:** The value e-com segment has low customer switching costs. Other platforms can match pricing or increase promotional intensity. Since Meesho follows a zero-commission model, revenue is dependent on advertising. Any decline in seller advertising returns or traffic quality could impact monetization.
- **Technology and systems risk:** Platform outages and payment disruptions have occurred in the past, affecting order placement and CoD transactions. Auditors have noted gaps in system audit trails for certain applications, which may require remediation to strengthen internal controls.
- **Platform dependence risk:** User acquisition and engagement are dependent on Android and iOS app ecosystems. Changes in app-store policies related to data usage, fees, or visibility could affect customer acquisition costs and traffic.
- **Talent and execution risk:** While attrition has declined, the company previously reported elevated employee turnover, particularly in technology roles. Sustained retention of engineering and product teams is important for platform stability and efficiency improvements.
- **Customer acquisition and retention:** A portion of IPO proceeds is allocated to marketing and brand building. If customer acquisition costs increase or repeat usage remains limited, the return on marketing spend could moderate, affecting the path to profitability.

Management team

Vidit Aatrey, Chairman, MD & CEO - Exp (Years 13)

Electrical Engineering graduate from the IIT, Delhi. Previously associated with ITC and InMobi Technology. Brings expertise in strategic leadership, execution, and building scalable, high-growth businesses.

Sanjeev Kumar, Whole Time Director and CTO - Exp (Years 10)

Electrical Engineering graduate from the IIT, Delhi. Previously associated with Sony Corp. Brings expertise in executing technology vision and building scalable, secure, and efficient technology infrastructure.

Rohit Bhagat, Independent Director - Exp (Years 35)

Mechanical Engineering graduate from the IIT, Delhi, with Master's degrees from the University of Texas at Austin and the Kellogg School of Management, Northwestern University. Independent Director; currently on the board of PhonePe and former Senior Managing Director and Chairman of BlackRock's Asia-Pacific business.

Hari Shanker Bhartia, Independent Director - Exp (Years 21)

Chemical Engineering graduate from the IIT, Delhi. Independent Director; Co-founder and Co-Chairman of the Jubilant Bhartia Group, and serves on the boards of Jubilant Pharmova, Jubilant FoodWorks, and Jubilant Ingrevia.

Surojit Chatterjee, Independent Director - Exp (Years 26)

Computer Science (Hons.) graduate from the IIT, Kharagpur; Master's in Computer Science from the State University of New York at Buffalo and MBA from the Massachusetts Institute of Technology. Founder and CEO of EMA Unlimited Inc. Previously associated with Coinbase Global Inc., Flipkart, Oracle Corp., and Symantec Corp.

Kimsuka Narasimhan, Independent Director - Exp (Years 37)

Commerce graduate from the University of Madras; Cost Accountant and Associate Member of the ICAI. Currently serves on the board of Bharti Airtel; previously associated with PepsiCo India and Kimberly-Clark Asia Pacific.

Mukul Arora, Non-Executive (Non-Independent) Director - Exp (Years 18)

Computer Engineering graduate from the University of Delhi; PGDM from the IIM, Lucknow. Currently with Light Ray Advisors LLP; previously with McKinsey & Company.

Mohit Bhatnagar, Non-Executive (Non-Independent) Director - Exp (Years 31)

Electronics Engineering graduate from Thadomal Shahani Engineering College, University of Bombay; Master's in Electrical Engineering from Virginia Tech and MBA from the University of North Carolina at Chapel Hill.

Ashish Kumar Singh, Chief Human Resource Officer - Exp (Years 18)

Civil Engineering graduate from Banaras Hindu University; PG Diploma in Personnel Management & Industrial Relations from XLRI Jamshedpur. Leads talent strategy and organizational development. Previously associated with Adobe, Medlife, Hindustan Unilever, Myntra, and Reckitt Benckiser.

Dhiresh Bansal, Chief Financial Officer - Exp (Years 15)

Mechanical Engineering graduate from the IIT, Bombay; PGDM from the IIM, Ahmedabad. Responsible for financial strategy, planning and operations, corporate governance and investor relations. Previously associated with Nuvo ChrysCapital Advisors and J.P. Morgan India.

Milan Patani, General Manager – User Growth and Content Commerce - Exp (Years 12)

Electronics and Communication Engineering graduate from Manipal Institute of Technology; Post-Graduate Program in Management from the ISB. Leads user growth and content commerce, driving consumer acquisition, engagement and retention. Previously associated with Philips Electronics India, Oravel Stays, UrbanClap Technologies India, and Flipkart.

Prasanna Arunachalam, Chief Product Officer - Exp (Years 14)

Electronics and Communication Engineering graduate from Anna University, Chennai; PGDM from the IIM, Bangalore. Drives overall product vision and strategy, including user experience and new product development. Previously associated with Vizury Japan G.K., Procter & Gamble International Operations SA, and Cleartrip.

Sourabh Pandey, General Manager – Fulfillment & Experience - Exp (Years 12)

Electronics and Communication Engineering graduate from Manipal Institute of Technology; PGDM from the IIM, Lucknow. Leads fulfillment and experience, driving supply chain efficiency, delivery performance and operational excellence across Valmo. Previously associated with Vector E-Commerce, Myntra Jabong, Citibank N.A., CG-CoreEl Programmable Solutions, and Jasper Infotech.

Rahul Bhardwaj, Company Secretary and Compliance Officer - Exp (Years 18)

Qualified Company Secretary and member of the Institute of Company Secretaries of India; Responsible for corporate and securities law compliance and governance practices. Previously associated with The Hi-Tech Gears, ANI Technologies, and Pisces eServices.

ESG initiatives

Environment

- Meesho intends to develop capabilities to measure and manage its environmental impact across operations and the value chain.
- The company intends to track emissions arising from logistics, seller operations, and business travel to identify opportunities for reduction over time.
- Internal efforts focus on building data collection capabilities and visibility tools to enable more informed environmental management.
- Meesho also falls within the scope of Extended Producer Responsibility (EPR) under the Plastic Waste Management Rules, 2016, as a brand owner, ensuring that plastic waste from product packaging is responsibly managed in compliance with national environmental regulations.

Social

- Meesho's platform is designed to enable broad-based participation in the digital economy, particularly empowering first-time entrepreneurs in non-metro and underserved regions.
- Through a zero-commission model and simplified digital onboarding (including non-GST sellers), Meesho supports small and home-based entrepreneurs.
- Its in-house logistics platform, Valmo, promotes inclusion by allowing small logistics entrepreneurs to participate in e-commerce through a structured network.
- The company collaborates with public institutions and NGOs to provide training in digital and financial literacy, entrepreneurship, and e-commerce readiness, especially targeting self-help groups and economically weaker youth.
- Meesho was recognized as a "Gender Diversity Champion in Supply Chain – 2024" by the Institute of Supply Chain Management for empowering women entrepreneurs and fostering inclusive practices.

Governance

- Meesho adheres to high standards of corporate governance, compliance, and accountability in line with the Companies Act, 2013 and SEBI Listing Regulations.
- It has established robust internal policies, including the Code of Business Conduct, Whistleblower Policy, Anti-Bribery and Anti-Corruption Policy, Anti-Money Laundering Policy, Prevention of Sexual Harassment Policy, and Conflict of Interest Policy, among others.
- The Risk Management Committee oversees sustainability-related risks, including ESG aspects, and ensures effective risk identification, mitigation, and business continuity planning.
- The Board comprises eight directors, including four independent directors (one woman), reflecting Meesho's commitment to SEBI-prescribed governance standards.

Bull and Bear cases

Bull case

- In our Bull case scenario, we assume a ~27.5% NMV CAGR over FY26-31E (vs. ~25% in the Base case), primarily driven by accelerated ATU additions and slightly higher ordering frequency.
- This, combined with stronger operating leverage, is expected to result in ~760bp expansion in adj. marketplace EBITDA margin to 4.75% by FY31 (vs. 3.75% in the Base case).
- We apply EV/adj. EBITDA multiple of 30x FY31E (similar to our Base case) and discount it back to Sep'28 to derive a Bull case TP of INR335, implying ~81% upside potential.

Base case

- We assume a ~25% NMV CAGR over FY26-31E, driven by ATU additions, higher ordering frequency and modest improvement in successful order delivery rates.
- Increased monetization of the ads platform and recovery of logistics costs, coupled with operating leverage, should drive ~660bp expansion in adj. marketplace EBITDA margins to 3.75% by FY31.
- We value the company at an EV/adj. EBITDA multiple of 30x FY31E and discount it back to Sep'28 (implies ~1.4x FY28E EV/NMV), to arrive at a TP of INR240, implying ~30% upside potential.

Bear case

- In our Bear case scenario, we assume a ~22.5% NMV CAGR over FY26-31E (vs. ~25% in the Base case), reflecting a tad lower ATU growth and a lower increase in ordering frequency.
- Despite slower growth, we continue to see operating leverage play out, with ~560bp expansion in adj. marketplace EBITDA margins to 2.75% by FY31 (vs. 3.75% in the Base case).
- Applying a lower EV/adj. EBITDA multiple of 25x FY31E (vs. ~30x in the Base case) and discounting it back to Sep'28, we derive a Bear case TP of INR140, implying ~24% downside potential.

Exhibit 90: Scenario analysis for Meesho

INRb	Bull		Base		Bear	
Scenario Analysis	FY26	FY31E	FY26	FY31E	FY26	FY31E
Marketplace NMV	416	1,400	416	1,267	415.6	1,146
FY26-31 CAGR (%)		**27.5%**		**25.0%**		**22.5%**
Marketplace adj. EBITDA	-11.8	66.5	-11.8	47.5	-11.8	31.5
adj. EBITDA margin	**-2.83**	**4.75**	**-2.83**	**3.75**	**-2.83**	**2.75**
FY31 EV/EBITDA (x)		30		30		25
Discounted Sep'28 EV		1,510		1,068		593
less: net debt/ (cash)		-79		-71		-70
Equity value		1,588		1,140		663
TP (INR/sh)		**335**		**240**		**140**
CMP (INR/sh)		185		185		185
Upside/downside (%)		81%		30%		-24%

Source: MOFSL, Company

SWOT analysis

Strength

- ☑ Targets price-sensitive consumers across tier-2 and tier-3 cities, driving high order volumes and deeper market penetration.
- ☑ Operates an asset-light marketplace model, enabling scalable growth without heavy inventory ownership and ensuring capital-efficient expansion across categories.

Weakness

- ☑ Depends on third-party sellers and logistics partners, exposing operations to service quality and fulfillment risks.
- ☑ Maintains a low commission structure, no platform fees which limits take rates and constrains margin expansion despite rising scale.

Opportunity

- ☑ Capitalize on rising digital adoption and increasing smartphone penetration across India.
- ☑ Expand into grocery and adjacent high-frequency categories to improve customer stickiness.
- ☑ Penetrate under-served rural and semi-urban markets with improving digital infrastructure.

Threats

- ☑ Aggressive competition from established and emerging e-commerce players.
- ☑ Potential supply chain disruptions affecting fulfillment efficiency.

Financials and valuations

KPI's

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
ATU (m)	136	156	199	264	320	370	415
Order frequency	7.5	8.6	9.2	10.1	11.2	12.4	14.1
Placed orders (m)	1,024	1,342	1,834	2,668	3,572	4,602	5,837
Delivered orders (m)	619	835	1,178	1,710	2,358	3,049	3,882
NOV	311	278	255	243	235	228	221
GMV - marketplace (INR b)	345	400	503	707	915	1,144	1,407
NMV - marketplace (INR b)	192	232	300	416	554	695	858
Revenue - marketplace (INR b)	57	76	94	126	184	233	290
CM (marketplace) (INR b)	5.7	13.0	14.8	14.4	30.4	41.7	55.8
CM % (marketplace, % of NMV)	2.9	5.6	4.9	3.5	5.5	6.0	6.5
adj. EBITDA (marketplace) (INR b)	-16.0	-1.5	-1.2	-11.8	-3.6	3.8	14.6
adj. EBITDA % (marketplace, % of NMV)	-8.3	-0.6	-0.4	-2.8	-0.6	0.6	1.7

Income Statement

Y/E March (INR m)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**57,345**	**76,151**	**93,899**	**1,26,263**	**1,84,141**	**2,33,240**	**2,90,380**
YoY change (%)		32.8	23.3	34.5	45.8	26.7	24.5
Employee (with ESOP)	7,283	7,577	8,482	9,122	10,715	11,915	13,182
Logistics and fulfillment	48,168	59,268	73,521	1,04,566	1,47,713	1,83,369	2,24,116
Server and software tools	5,675	5,775	6,196	9,391	11,092	13,326	15,317
Ads and promotions	9,278	4,595	6,435	11,196	13,365	15,455	17,396
Others	4,979	3,878	5,051	6,840	8,283	9,381	10,403
EBITDA	**-18,037**	**-4,941**	**-5,785**	**-14,851**	**-7,026**	**-205**	**9,966**
margin (%)	-31	-6	-6.2	-12	-3.8	-0.1	3.4
Depreciation	300	581	340	468	669	882	1,096
EBIT	**-18,337**	**-5,523**	**-6,125**	**-15,319**	**-7,695**	**-1,087**	**8,870**
Other Income	1,632	2,441	5,110	4,727	4,542	5,374	6,381
Int. and Finance Charges	13	64	69	90	104	105	106
PBT	**-16,719**	**-3,145**	**-1,084**	**-10,682**	**-3,257**	**4,182**	**15,145**
EO Items	0	-131	-13,464	-1,411	0	0	0
PBT bef. EO Exp.	**-16,719**	**-3,276**	**-14,549**	**-12,093**	**-3,257**	**4,182**	**15,145**
Total Tax	0	0	24,868	1,485	0	0	0
Tax Rate (%)	0.0	0.0	-170.9	-12.3	0.0	0.0	0.0
Reported PAT	**-16,719**	**-3,276**	**-39,417**	**-13,577**	**-3,257**	**4,182**	**15,145**
Adjusted PAT	**-16,719**	**-3,145**	**-25,953**	**-12,166**	**-3,257**	**4,182**	**15,145**
Change (%)		81.2	-725.1	53.1	73.2	LP	262.2
Margin (%)	-29	-4.1	-28	-10	-1.8	1.8	5.2

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity Share Capital	3,541	3,541	3,980	4,564	4,564	4,564	4,564
Total Reserves	21,178	18,755	10,475	39,300	38,043	44,475	62,120
Net Worth	**24,719**	**22,296**	**14,455**	**43,864**	**42,607**	**49,039**	**66,684**
Total Loans	117	723	583	626	637	645	650
Lease Liabilities	117	723	583	626	637	645	650
Deferred Tax Liabilities	-	-	24,868	-	-	-	-
Capital Employed	**24,836**	**23,019**	**39,906**	**44,490**	**43,244**	**49,683**	**67,334**
Gross Block	945	1,843	2,021	3,478	4,678	5,878	7,078
Less: Accum. Deprn.	384	723	1,063	1,531	2,200	3,082	4,178
Net Fixed Assets	**561**	**1,120**	**958**	**1,947**	**2,478**	**2,796**	**2,900**
Right to use assets	110	581	437	480	468	416	322
Capital WIP	17	-	-	-	-	-	-
Total Investments	**23,436**	**7,436**	**49,834**	**12,104**	**12,104**	**12,104**	**12,104**
Curr. Assets, Loans&Adv.	**14,253**	**32,650**	**20,686**	**62,783**	**70,069**	**85,562**	**1,13,839**
Account Receivables	4	2	5	61	61	61	61
Cash and Bank Balance	**1,090**	**1,408**	**3,784**	**18,931**	**25,288**	**39,806**	**67,058**
Loans and Advances	13,159	31,240	16,898	43,790	44,719	45,695	46,719
Curr. Liability & Prov.	**13,697**	**18,591**	**32,355**	**34,577**	**43,641**	**53,013**	**63,742**
Account Payables	8,342	8,749	10,710	15,697	20,509	25,726	31,772
Other Current Liabilities	5,026	9,606	21,321	18,467	22,719	26,874	31,558
Provisions	329	235	323	413	413	413	413
Net Current Assets	**556**	**14,059**	**-11,668**	**28,205**	**26,428**	**32,550**	**50,096**
Deferred Tax assets	266	405	783	2,234	2,234	2,234	2,234
Appl. of Funds	**24,836**	**23,019**	**39,906**	**44,490**	**43,244**	**49,683**	**67,334**

Financials and valuations

Ratios

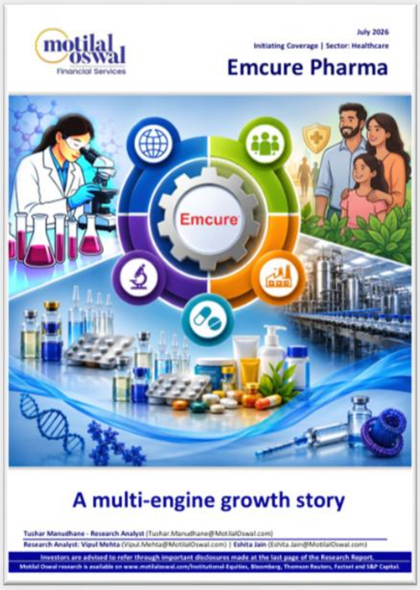
Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)							
EPS	**-3.7**	**-0.7**	**-5.7**	**-2.7**	**-0.7**	**0.9**	**3.3**
Cash EPS	-3.6	-0.6	-5.6	-2.6	-0.6	1.1	3.6
BV/Share	5.4	4.9	3.2	9.6	9.3	10.7	14.6
FCF per share	-5.1	0.4	1.1	-8.7	0.5	2.1	4.6
Valuation (x)							
P/E	-50.5	-268.4	-32.5	-69.4	-259.3	201.9	55.8
Cash P/E	-51.4	-329.3	-33.0	-72.2	-326.3	166.7	52.0
P/BV	34.2	37.9	58.4	19.2	19.8	17.2	12.7
EV/NMV	4.3	3.6	2.6	2.0	1.5	1.1	0.9
EV/Sales	14.3	11.0	8.4	6.4	4.4	3.4	2.6
EV/EBITDA	-45.5	-169.2	-136.8	-54.8	-114.9	-3,872.6	76.8
Return Ratios (%)							
RoE	-67.6	-13.4	-141.2	-41.7	-7.5	9.1	26.2
RoCE	NA	-12.9	-14.5	-40.0	-7.2	9.2	26.1
Working Capital Ratios							
Fixed Asset Turnover (x)	60.7	41.3	46.5	36.3	39.4	39.7	41.0
Asset Turnover (x)	2.3	3.3	2.4	2.8	4.3	4.7	4.3
Inventory (Days)	NA	NA	NA	NA	NA	NA	NA
Debtor (Days)	0	0	0	0	0	0	0
Creditor (Days)	53	41	38	38	36	36	36
Leverage Ratio (x)							
Current Ratio	1.0	1.8	0.6	1.8	1.6	1.6	1.8
Interest Cover Ratio	-1,369.5	-86.7	-88.8	-170.9	-73.9	-10.4	84.0
Net Debt/Equity	-1.0	-0.4	-3.7	-0.7	-0.9	-1.0	-1.2

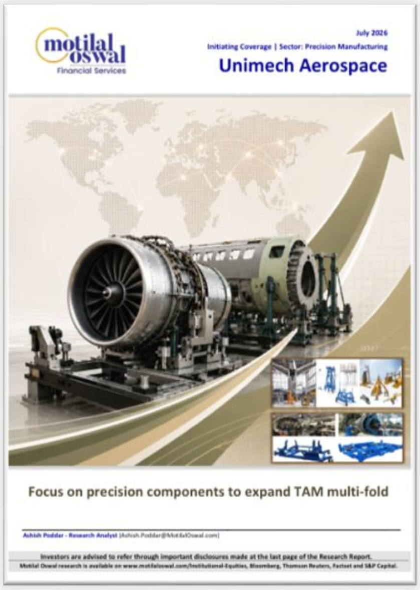
Cash Flow Statement

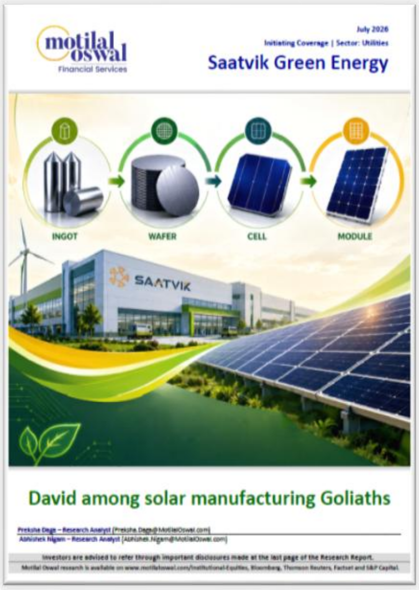
Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
OP/(Loss) before Tax	-16,719	-3,276	-14,549	-12,093	-3,257	4,182	15,145
Depreciation	300	581	340	468	669	882	1,096
Interest & Finance Charges	13	64	69	90	104	105	106
Direct Taxes Paid	-98	-129	-366	-27,805	-	-	-
(Inc)/Dec in WC	-6,308	4,719	15,772	2,573	8,134	8,396	9,705
CF from Operations	**-22,812**	**1,958**	**1,266**	**-36,767**	**5,650**	**13,565**	**26,052**
Others	-270	244	4,128	-1,986	-2,542	-3,124	-3,881
CF from Operating incl EO	**-23,082**	**2,202**	**5,394**	**-38,753**	**3,108**	**10,442**	**22,171**
(Inc)/Dec in FA	-365	-347	-229	-1,005	-1,000	-1,000	-1,000
Free Cash Flow	**-23,447**	**1,855**	**5,165**	**-39,759**	**2,108**	**9,442**	**21,171**
(Pur)/Sale of Investments	4,474	-1,853	-29,168	1,770	-	-	-
Others	875	543	3,044	1,708	4,542	5,374	6,381
CF from Investments	**4,984**	**-1,656**	**-26,353**	**2,473**	**3,542**	**4,374**	**5,381**
Issue of Shares	-3	-	22,965	41,248	-	-	-
Interest Paid	-13	-58	-56	-51	-54	-55	-56
Others	-102	-56	-1,856	-183	-239	-242	-244
CF from Fin. Activity	**-118**	**-114**	**21,053**	**41,014**	**-293**	**-297**	**-300**
Inc/Dec of Cash	**-18,216**	**432**	**94**	**4,734**	**6,357**	**14,518**	**27,252**
Opening Balance	19,182	972	1,377	1,470	6,204	12,560	27,078
Closing Balance	965	1,404	1,471	6,204	12,560	27,078	54,330
Bank balance	125	4	2,313	12,728	12,728	12,728	12,728
Cash and bank balance	**1,090**	**1,408**	**3,784**	**18,931**	**25,288**	**39,806**	**67,058**

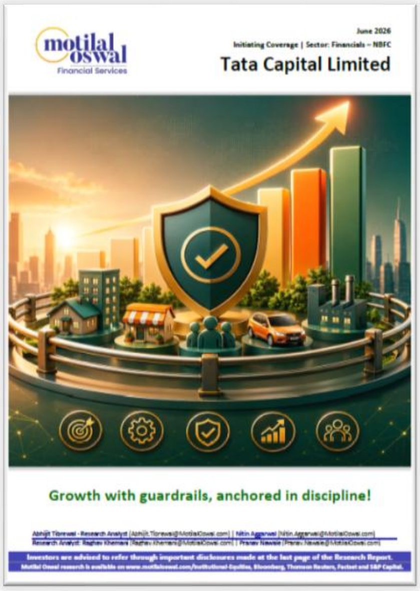
NOTES

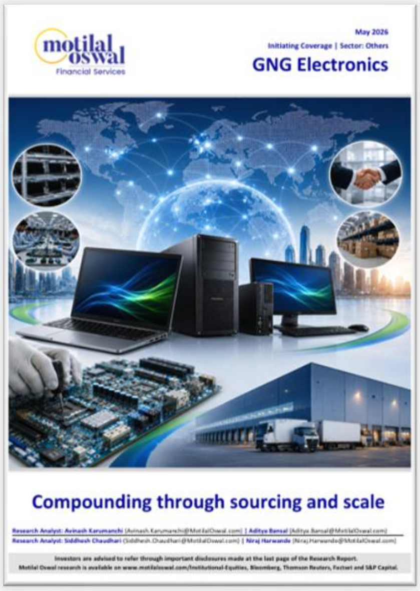
RECENT INITIATING COVERAGE REPORTS











Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:
- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.