8 January 2026

INDIA | INTERNET |
INITIATING COVERAGE

JM Financial

Meesho

Championing e-commerce for masses

Flagbearer of e-commerce democratisation across Bharat

Robust network effects enable value accretion for all stakeholders

Limited upside at CMP; initiate with REDUCE rating

Meesho

Championing e-commerce for masses

Founded in 2015, Meesho is the largest e-commerce player in India by order volumes / annual transacting users. Simultaneously, the company also orchestrates the largest logistics platform in India, by number of shipments. With 'everyday low prices', Meesho has reached 234mn customers (c.90% of annual e-commerce shoppers in India), who transact c.10x annually. On the supply front, 700k+ sellers fulfil 3k+ orders annually via 18k+ logistics partners.

Meesho operates a value-focused e-commerce marketplace, connecting consumers, sellers, logistics partners and content creators. The company doesn't charge commissions, while monetising the platform only via fulfilment, advertising and data insights. Moreover, with the advent of Valmo, Meesho has further lowered the costs charged to sellers and hence opened up e-commerce categories deemed unserviceable in the past. Via hyper-personalised, discovery-led shopping journeys, Meesho enables shopping patterns similar to offline markets, enabling seamless transition for new-to-ecommerce shoppers.

We initiate coverage on Meesho with REDUCE rating and a Mar'27 TP of INR 170 (~2% downside), valuing the company using DCF-based valuation. Our TP implies c.108x/25x FY28/30 EV/Adj. EBITDA multiple, aligning with the long-term growth potential of the company. We expect Meesho to continue being the flagbearer of Indian e-commerce and the first digital commerce platform for a large cohort of Indian population.

Key downside risks include 1) plateauing of logistics cost limiting growth, 2) higher competitive intensity, and 3) limited ad-based monetisation. Key upside risks include 1) monetisation through content and financing, 2) better than expected growth, and 3) ramp-up of commission revenue via Meesho Mall.

Dominant value e-commerce play, catering to 90%+ of online shoppers: While Meesho accounts for 7-8% GMV share of Indian e-commerce, the platform still boasts of 234mn annual transacting users, a staggering 90% of online shopper base. With user growth expected to be primarily driven by Tier 2+ and value-focused shoppers, Meesho is anticipated to be the primary acquirer, enhancing digital penetration in underserved categories and likely accounting for 99% of India's online shopper base by FY30.

Cost leadership enabling unparalleled scale moats: As of FY25, Meesho charged INR 59.1 per shipped order to its sellers on average while only losing INR 1.6 per order at the adjusted EBITDA level. Commendably, Meesho has built a platform catering to 230mn+ shoppers and 700k+ sellers while delivering 1.6bn annualised parcels in-house at just INR 60.7 per order. We expect Meesho to further enhance this cost leadership to create sizeable moats that are unlikely to be challenged, considering the low-cost, high volume model.

Robust cashflows driven by a pure-play marketplace model: In comparison to other e-commerce players in India, which invest in inventory or warehousing to deliver convenience as value proposition, Meesho operates an asset-light model with the platform acting as an interface between sellers, buyers, logistics partners and content creators. Hence, the company benefits from a negative cash conversion cycle, which generated INR 5.9 /5.8bn in LTM FCF in FY25 / H1FY26.

Initiate with REDUCE; run-up post IPO leaves limited upside potential: We expect c.27% FY25-30 revenue CAGR and 3.3% Adj. EBITDA margin (as % of NMV) in FY30. Profitability is expected to be delivered by a mix of higher advertising income and increased mark-ups on decreasing logistics expenses to sellers. We value the company using DCF-basis to assign Mar'27 TP of INR 170 and REDUCE rating. While Meesho's business remains differentiated with huge headroom for growth, valuations remain stretched at CMP. New buyers need to be wary of significant supply post 6-month lock-in expiry.

Recommendation and Price Target	
Current Reco.	REDUCE
Current Price Target (12M)	170
Upside/(Downside)	-1.8%

Key Data – MEESHO IN	
Current Market Price *	INR173
Market cap (bn) *	INR781.4/US$8.7
Free Float	83%
Shares in issue (mn)	4,737.7
Diluted share (mn)	4,546.3
3-mon avg daily val (mn)	na
52-week range	255/154
Sensex/Nifty	84,961/26,141
INR/US$	89.9

Price Performance			
%	1M	6M	12M
Absolute	na	na	na
Relative*	na	na	na

**To the BSE Sensex*

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	76,151	93,899	1,29,617	1,74,199	2,16,060
Sales Growth (%)	32.8	23.3	38.0	34.4	24.0
EBITDA	-4,941	-5,785	-12,739	-4,154	4,245
EBITDA Margin (%)	-6.5	-6.2	-9.8	-2.4	2.0
Adjusted Net Profit	-3,145	-25,953	-10,038	-172	8,924
Diluted EPS (INR)	-0.8	-6.6	-2.2	0.0	1.9
Diluted EPS Growth (%)	0.0	0.0	0.0	0.0	0.0
ROIC (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	-13.4	-141.2	-31.9	-0.3	16.0
P/E (x)	0.0	0.0	0.0	0.0	91.9
P/B (x)	29.3	47.3	16.2	16.2	13.4
EV/EBITDA (x)	0.0	0.0	0.0	0.0	171.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 07/Jan/2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Sachin Dixit
sachin.dixit@jmfl.com
Tel: (91 22) 66303078

Swapnil Potdukhe
swapnil.potdukhe@jmfl.com
Tel: (91 22) 62241876

Atul Borse
atul.borse@jmfl.com
Tel: (91 22) 66303134

Avnish Sharma
avnish.sharma@jmfl.com
Tel: (91 22) 66303054

Table of Contents	Page No.

Meesho is one of India's largest horizontal value-commerce marketplaces, built around a zero-commission, asset-light model focused on mass-market, price-sensitive consumers, primarily in tier 2+ cities. The platform enables a large base of SMEs/local manufacturers to sell unbranded and regional products at low price points, driving high order volumes, repeat usage and frequency-led growth. As of 1HFY26, Meesho shipped ~1.1bn orders to 234mn shoppers, supported by ~706k active sellers, underscoring its scale and reach in value commerce. Valmo, its in-house, asset-light logistics orchestration platform, fulfilled ~66% of shipped orders in 2QFY26 by integrating 18k+ logistics partners, while lowering the platform's cost of fulfilment significantly. With a cost-over-speed proposition and deep penetration in unbranded categories, Meesho is positioned as a key enabler of India's e-commerce growth, competing more closely with offline retail than with large horizontals.

RECENT REPORTS

Zaggle IC

BlackBuck IC

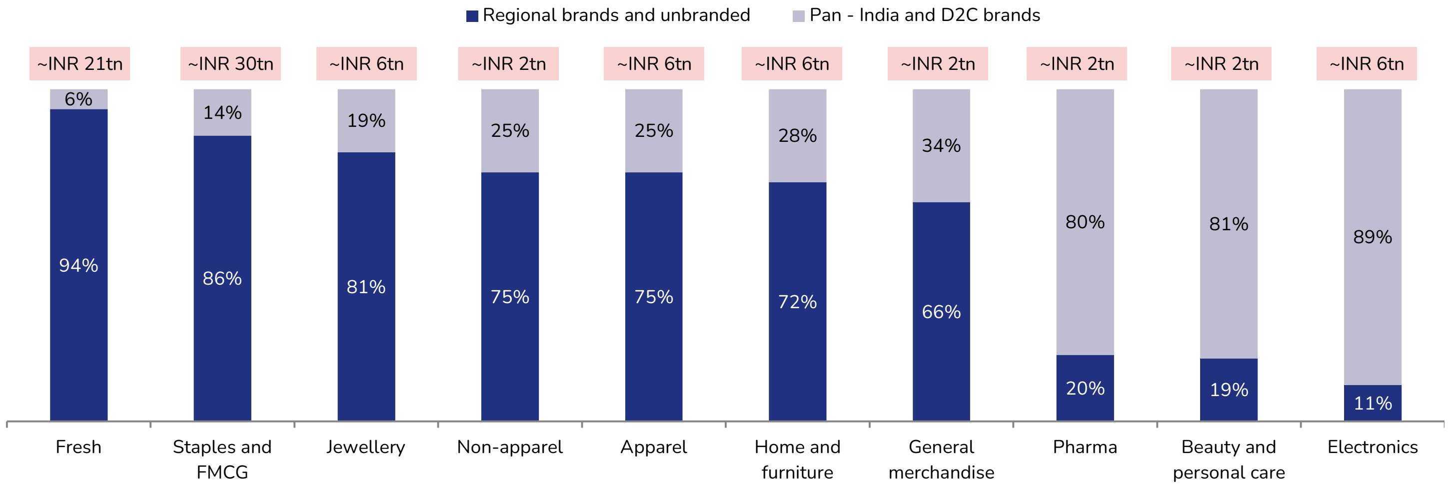
Paytm IC

ixigo IC

FirstCry IC

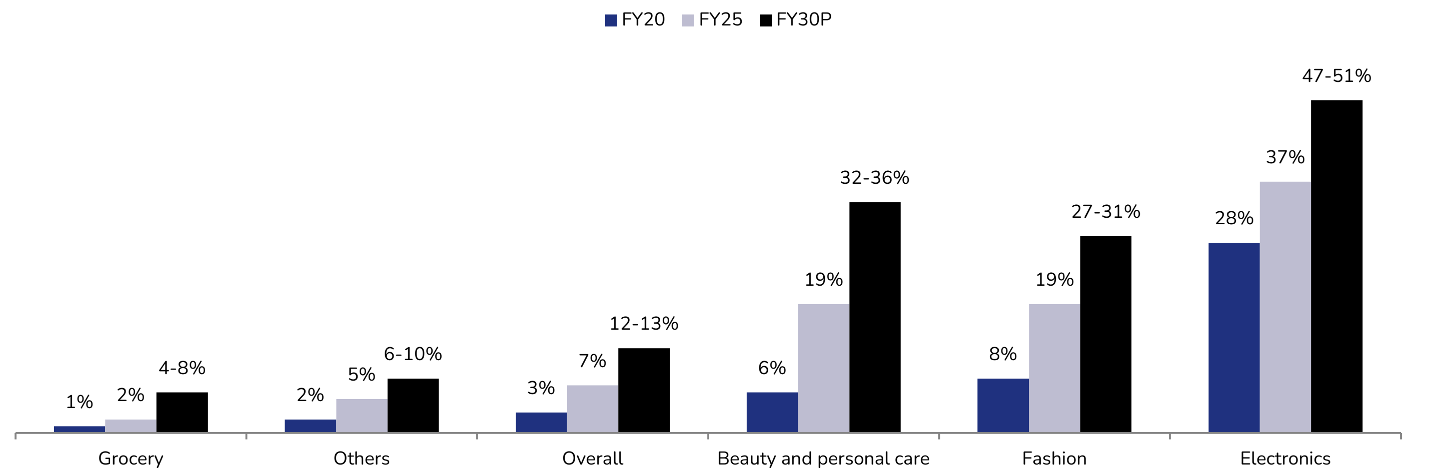
Focus Charts

Exhibit 1. India retail market category split by brand type (FY25)



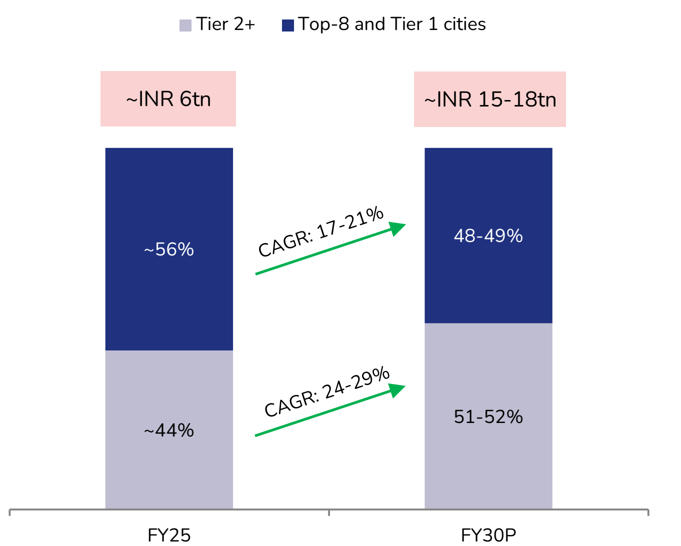
Source: Redseer research and Analysis. Note: Grocery includes 1) Fresh, 2) Staples and FMCG. Fashion includes apparel and non-apparel.

Exhibit 2. E-commerce penetration by category and overall in India



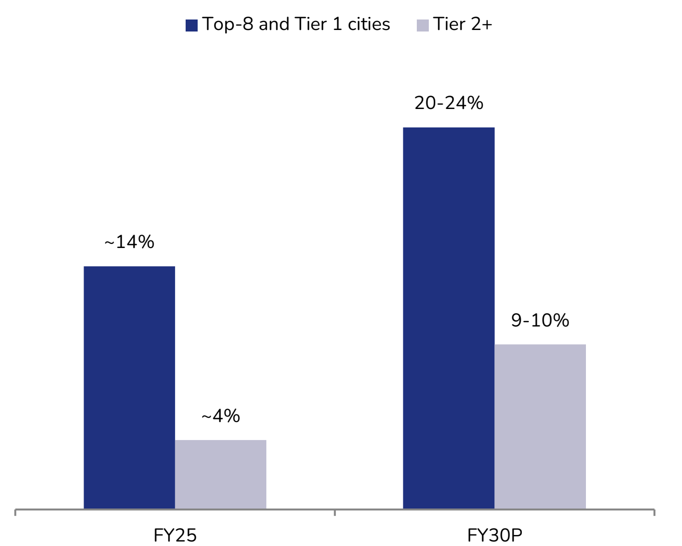
Source: Redseer Research and Analysis. Note: 1. Electronics includes Mobile Phones; 2. Grocery includes Staples, Fresh and FMCG; 3. Others include Pharma, Home and Furniture, General Merchandise and Jewellery.

Exhibit 3. India e-commerce market split - tier wise



Source: Redseer Research and Analysis, JM Financial.

Exhibit 4. E-commerce penetration - tier wise



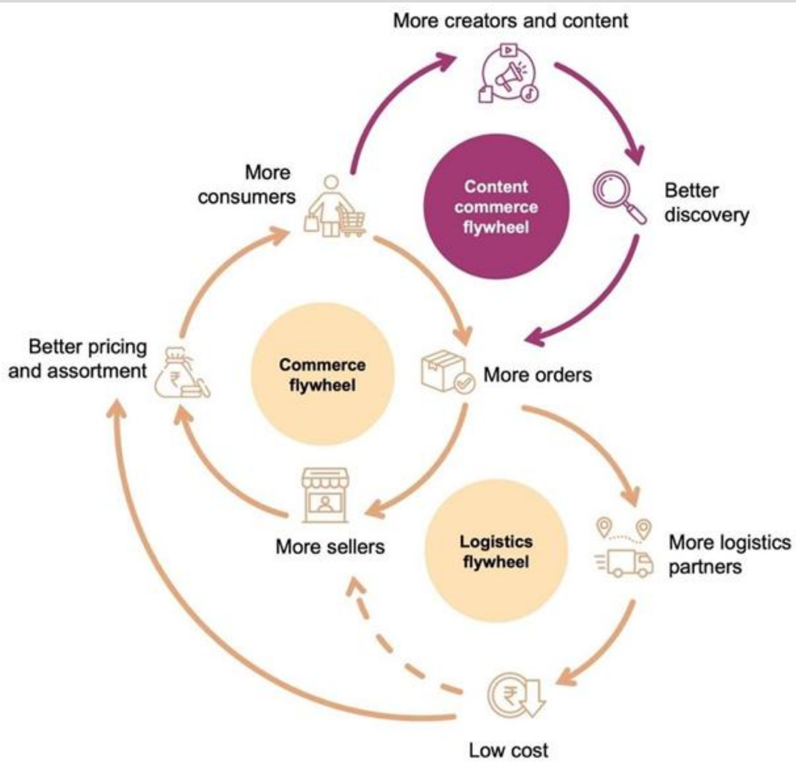
Source: Redseer Research and Analysis, JM Financial.

Exhibit 5. Meesho's TAM and SAM in INR tn

Categories	TAM (INR tn)	Currently serviced by Meesho	SAM (INR tn)	SAM e-commerce penetration FY25	SAM e-commerce market growth (FY25-30P)
Grocery	~52	Partly - FMCG	~14	~2%	35-40%
Fashion	~8	Yes	~8	~19%	18-22%
Jewellery	~6	No	-	-	-
Electronics	~6	Partly - small household devices	~0.4	37%	14-18%
Home and furniture	~5	Yes	~5	10-12%	18-20%
Pharma	~2	No	-	-	-
General merchandise	~2	Yes	~2	7-9%	14-17%
BPC	~2	Yes	~2	~19%	23-26%
Total	**~83**	-	**~33**	**~8%**	**21-25%**

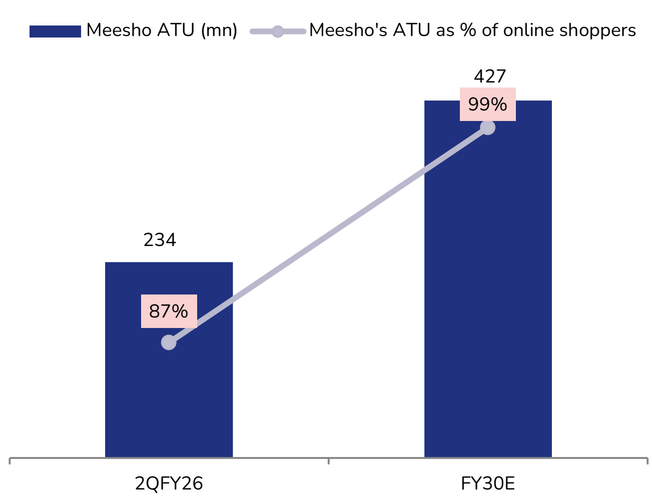
Source: Redseer Research and Analysis. Note: 1) Small household devices include vacuum cleaners, air purifiers and other personal and home devices.

Exhibit 6. Meesho's self-reinforcing flywheels creating a win-win for all stakeholders



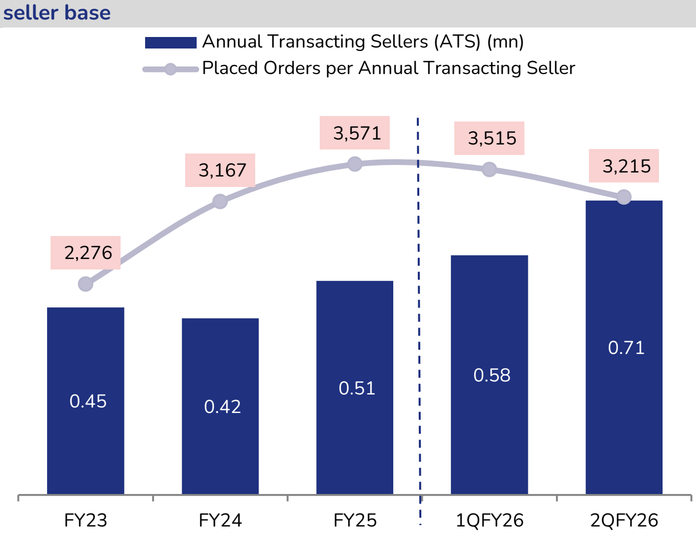
Source: Company

Exhibit 7. Meesho is the primary driver of online shopper base growth in India...



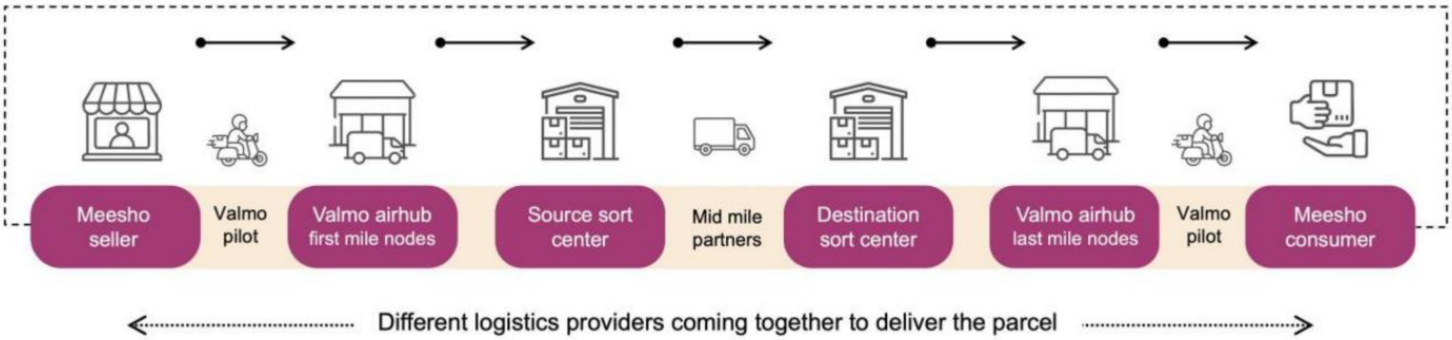
Source: Company, Redseer Research, JM Financial estimates.

Exhibit 8. ...while also generating 3k+ annual orders for its 700k+ seller base



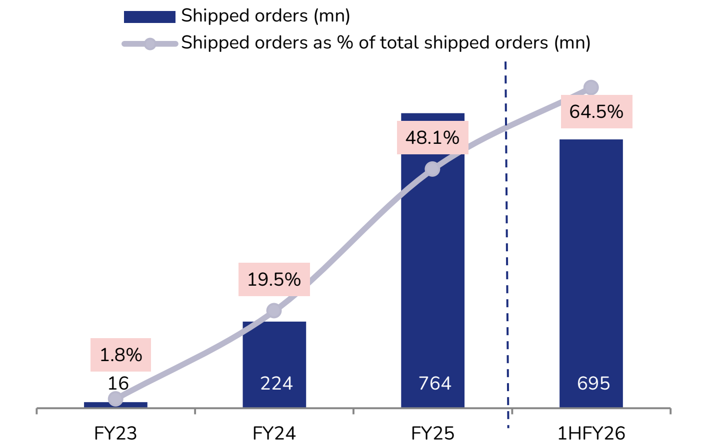
Source: Company, JM Financial.

Exhibit 9. Valmo operating model



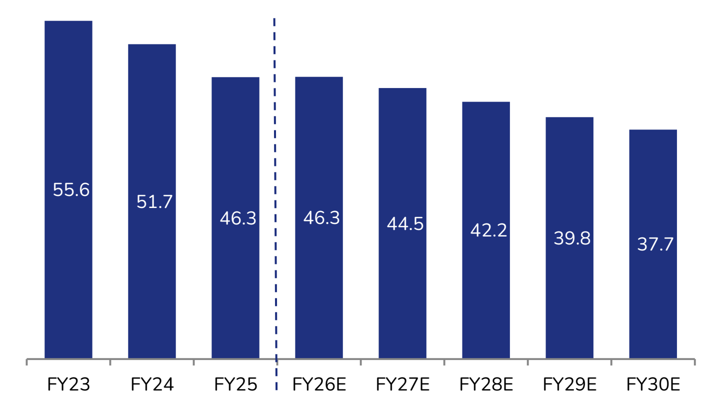
Source: Company

Exhibit 10. Valmo - Shipped orders and insourcing %



Source: Company, JM Financial

Exhibit 11. Logistics and fulfilment cost per shipped order (INR)



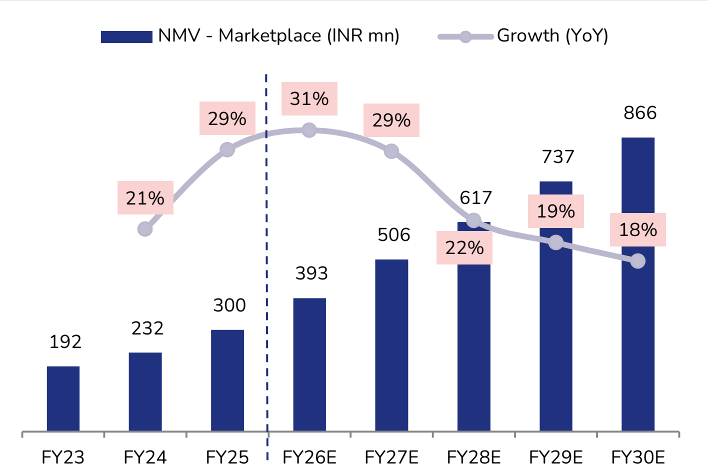
Source: Company, JM Financial estimates.

Exhibit 12. EV/Adj. EBITDA and EV/FCF trend vs. Internet peers

Particulars	Company Name	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
EV/Adj. EBITDA	**Meesho**	**-281.71**	**-69.44**	**-518.59**	**107.98**	**43.27**	**25.41**
	Nykaa	158.31	104.78	67.10	44.80	31.17	22.59
	Swiggy	-50.62	-35.45	-88.72	231.89	39.49	22.30
	Eternal	250.07	258.37	66.64	37.00	25.81	19.70
EV/FCF	**Meesho**	**141.02**	**-18.36**	**115.76**	**55.19**	**33.70**	**22.80**
	Nykaa	228.30	148.27	109.78	70.13	46.09	34.09
	Swiggy	-37.09	-31.49	-43.88	79.97	64.48	18.77
	Eternal	na	-410.53	87.80	46.76	35.18	26.92

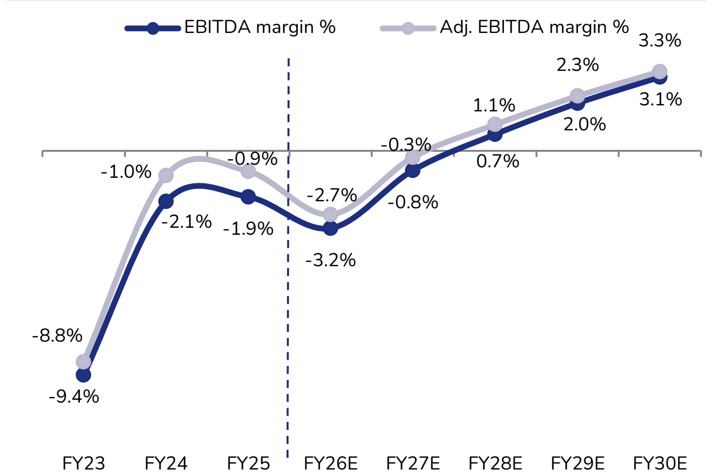
Source: Company, JM Financial estimates. EV as of 7th Jan'26.

Exhibit 13. Marketplace - NMV trend



Source: Company, JM Financial

Exhibit 14. EBITDA and Adj. EBITDA margin trend (as % of NMV)



Source: Company, JM Financial

Investment Thesis

Meesho has perfected e-commerce digitisation template for Bharat

India has perennially been a market where a large TAM (targetable addressable market) has rarely resulted in a substantial SOM (serviceable obtainable market). Considering INR 60-70 of logistics cost, rising customer acquisition costs and substantial overheads, the average order value (AOV) for India's e-commerce sector is INR 1,000+. With retail spends per capita of INR 57k in FY25, this AOV is still unaffordable for most Indian shoppers and, hence, they continue to shop in their local unorganised market for most use cases. While most other digital commerce companies focus on increasing AOV, Meesho structurally decided to continue lowering AOV (INR 262 as of 2QFY26) and, hence, drive growth across an incrementally higher number of use cases. Furthermore, through its pivot to a zero commission model and focus on structurally lower prices, the company practically fostered e-commerce categories that were assumed unserviceable in the past.

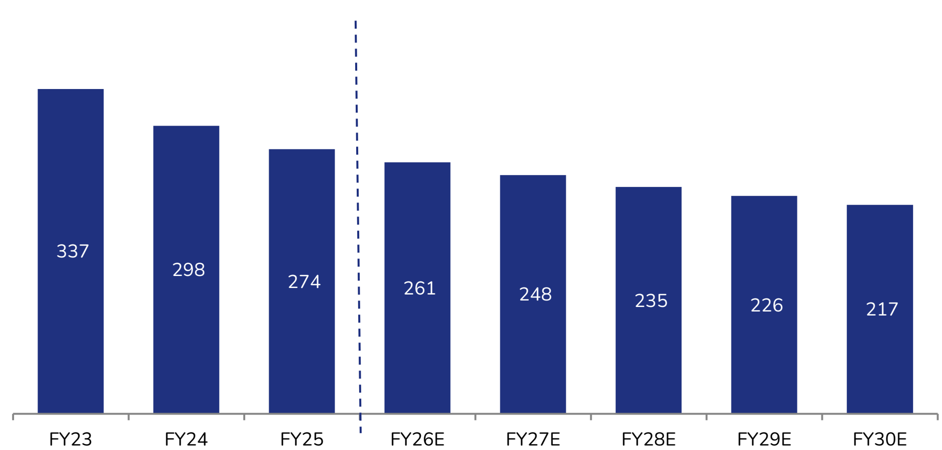
The company managed to do this by focusing on tech enablement across the organisation, demonstrated by a majority of its total headcount of 2,082 employees working in technology, machine learning and AI. Despite having a well-oiled 3rd party logistics network, Meesho decided to reinvent logistics - the primary cost-item limiting digital distribution of low-cost categories. With a current workforce of only 291 full-time employees at Valmo (its captive logistics platform), the company has managed to insource 66.5% of its shipments to become the largest logistics player (by number of shipments) in India. This cost efficiency ensured that Meesho lost a meagre INR 1.6 per order at adjusted EBITDA level in FY25 despite charging only INR 59.1 per order to its sellers. Interestingly, the company is likely to turn profitable while charging even lower (INR 54-55) on a per order basis. Meesho has created a unique platform where huge volume, and not big margins, is likely to drive robust profitability – perfectly commensurate with India's population base, which is large in size but still finds limited value in paying for convenience.

Exhibit 15. Across Indian digital commerce, Meesho has the highest ATUs and ordering frequency, driving a rapid rise in India's online shopper base

FY25	AOV (INR)	Orders (mn)	Ordering frequency	Transacting users (mn)
Meesho	**262**	**601**	**9.70x**	**234.2**
Blinkit	693	223	3.57x	20.8
FirstCry - India Multichannel	2,317	10	3.88x	10.5
Instamart	697	101	2.80x	12.0
Nykaa core BPC	2,148	15	3.42x	16.5
Nykaa Fashion	4,917	2	2.34x	3.7
Swiggy	475	180	3.49x	17.2
Zomato	455	251	3.48x	24.1

Source: Company, JM Financial. Note: For Zomato, Swiggy, Blinkit and Instamart, ordering frequency is monthly ordering frequency and transacting users are monthly transacting users; annual for the rest.

Exhibit 16. Meesho continues to focus on reducing AOV in order to cater to a wider market (INR)

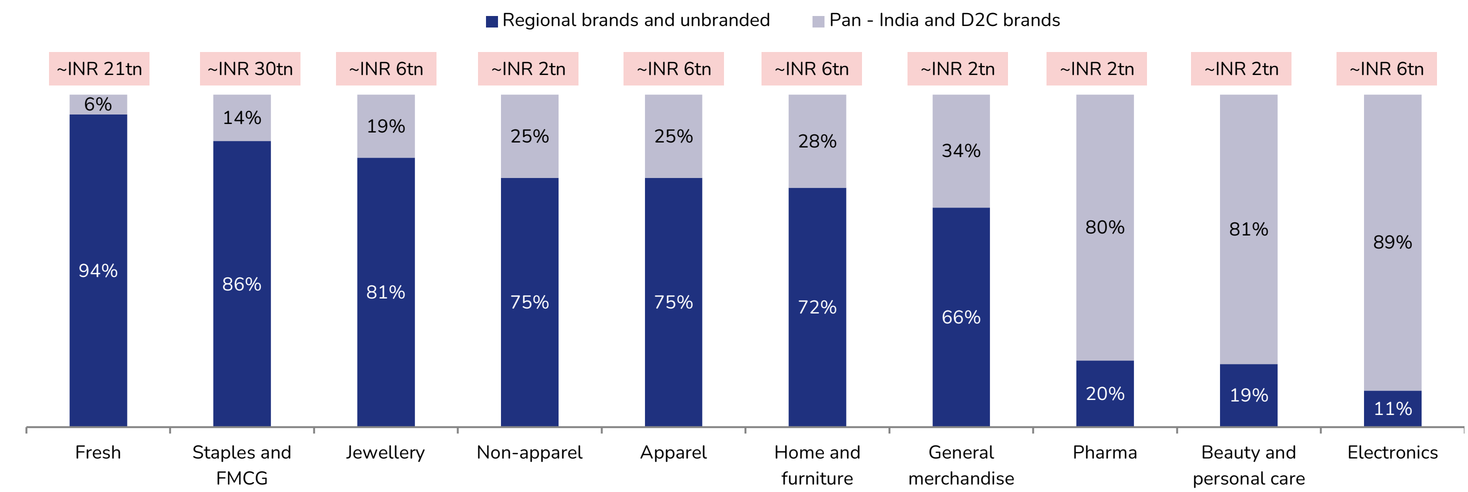


Source: Company, JM Financial estimates.

Significant headroom for online penetration in regional and unbranded products

Meesho's value-focused platform enables a wide range of assortment of unbranded and regional products, effectively mimicking India's retail market where these categories account for over 75% of overall spend. This phenomenon is also prevalent in other countries and is largely a result of vast geographic diversity, entrenched local preferences and price sensitivity. This fragmentation holds true across most prominent categories except pharmaceuticals, beauty & personal care and electronics, and it is even more pronounced due to an extensive SKU spread.

Exhibit 17. India retail market category split by brand type (FY25)

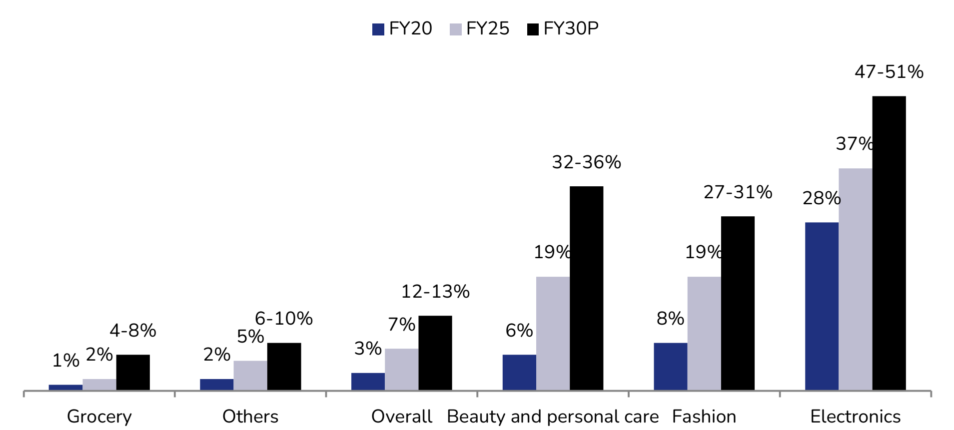


Source: Redseer research and Analysis. Note: Grocery includes 1) Fresh, 2) Staples and FMCG. Fashion includes apparel and non-apparel.

Furthermore, complex intermediary-heavy supply chains are prevalent often driven by trust, credit cycles and hyperlocal relationships, resulting in the emergence of a large number of such entities. Presence of 80-100k distributors and stockists, 3-5mn wholesalers and 15-20mn retailers results in significant margin leakages along with limited visibility and control over end-consumer experience for brands. Hence, organised retail is expected to gain in mix with e-commerce growing rapidly (20-25% FY25-30 CAGR) thanks to broader geographic reach that isn't constrained by physical footprint.

While larger e-commerce players have built a substantial business dependent primarily on branded products, Meesho is taking a discovery- and content-led approach to enhance digital penetration of unbranded and regional products. Though e-commerce penetration is ~37% in electronics, it remains tepid in non-electronics categories at 5%, resulting in an overall e-commerce penetration of just 7% in Indian retail. As seen in China in the 2010s, e-commerce adoption begins with standardised, high-ticket size products and subsequently expands to experiential categories and ultimately to high frequency, low-ticket categories. Expectedly, non-electronics categories are projected to lead growth and contribute to 72-73% of India's e-commerce market in FY30 from c.64% currently.

Exhibit 18. E-commerce penetration by category and overall in India



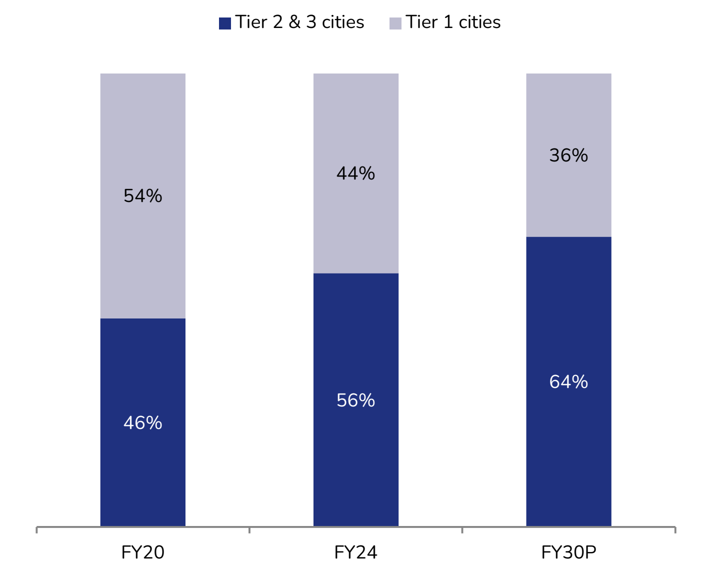
Source: Redseer Research and Analysis. Note: 1. Electronics includes Mobile Phones; 2. Grocery includes Staples, Fresh and FMCG; 3. Others include Pharma, Home and Furniture, General Merchandise and Jewellery.

Hyper-personalised, discovery-led platform enables smooth transition for first-time shoppers

Meesho promotes a discovery-led shopping experience that leverages data insights to create a hyper-personalised platform experience customised for each shopper. The platform comprehends shoppers' browsing and transactions history to enable an infinite scrolling feed of products tailored to their preferences, thereby integrating e-commerce with algorithms primarily used in social media apps. Almost 75% of orders placed in 1HFY26 were from such feeds or product recommendations. Meesho's ranking system, BharatML-RankEngine, determines the products to be shown, their order, the type of consumer and the location considering a wide array of attributes at the backend.

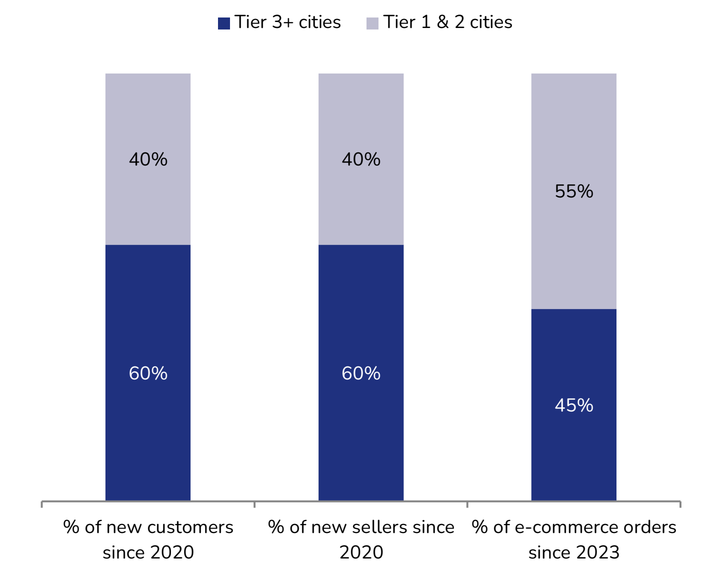
While search-led commerce is ideal for branded products where users have prior product knowledge, discovery-led journeys are unstructured, with shoppers engaging with content and responding to product presentation, pricing and social cues. With growth in India expected to be the highest in new-to-e-commerce shoppers, the discovery-led model enables impulse-driven decision-making in low-ASP categories. Meesho effectively handholds these shoppers via curated visibility, ratings, influencer videos and frequently refreshing catalogues that show relevant products without requiring an active search. While content commerce only accounted for 1-2% of India's e-commerce GMV in FY25, it is expected to grow at 1.5x the rate of broader e-commerce growth.

Exhibit 19. Share of online shoppers - City tier wise



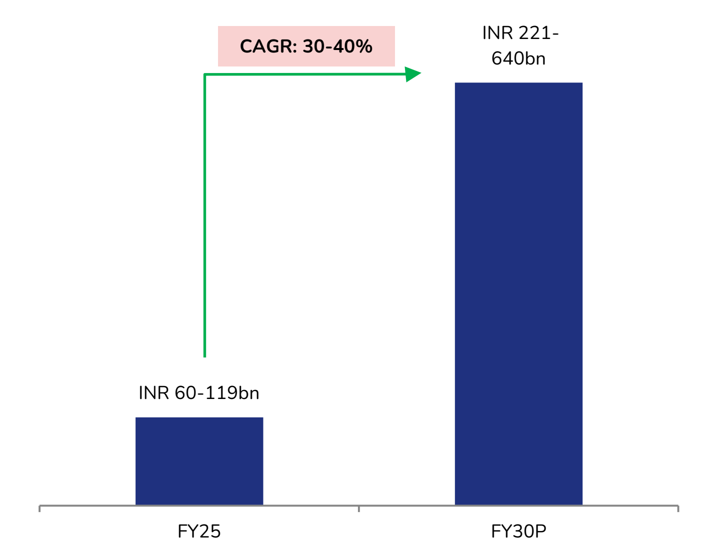
Source: ANAROCK report titled, 'Indian Retail Changing Orbits for a New Trajectory', JM Financial. Note: Tier 1 - top 50 cities; Tier 2 - next 1,250 cities, Tier 3+ - remaining cities.

Exhibit 20. Tier 3+ cities scaling up



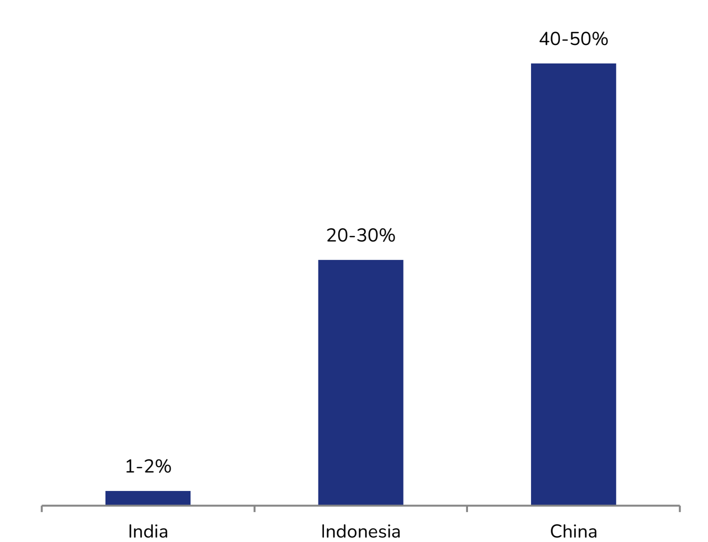
Source: Bain report titled' 'How India Shops Online 2025'. Note: 1) Metro/Tier-1 covers top ~50 cities by population (>1mn), Tier-2 covers next 100 towns (0.5–1 mn), and rest is Tier-3+.

Exhibit 21. Content commerce GMV - India (INR bn)



Source: Redseer Research and Analysis, JM Financial.

Exhibit 22. Content commerce GMV as % of e-commerce (FY25)



Source: Redseer Research and Analysis, JM Financial.

Self-reinforcing flywheels creating robust network effects

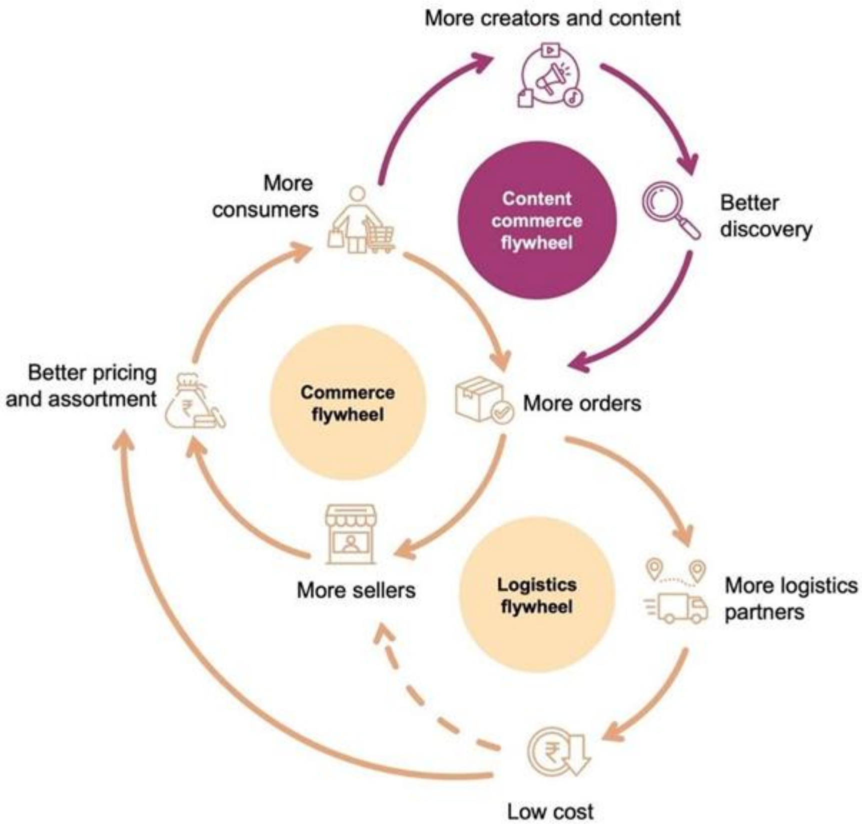
Meesho has multi-layered flywheels spanning commerce, logistics and content-commerce, orchestrating transactions across consumers, sellers, logistics partners and content creators. These flywheels generate data that are leveraged for decision-making, such as hyper-personalised feeds for consumers, product and pricing insights for sellers, fulfilment efficiency for logistics partners and better targeting for content creators.

Commerce flywheel: This forms the core with consumers shopping on Meesho due to affordable prices, thereby attracting more sellers towards Meesho led by higher traction. This encourages sellers to list more products while pricing them competitively, attracting even more consumers to transact frequently on the platform.

Logistics flywheel: As order volume rises, it helps logistics partners improve capacity utilisation, while passing on pricing benefits to Meesho. On Valmo, logistics partners lacking end-to-end capabilities can come together to jointly service e-commerce orders. These partners then compete at each leg of fulfilment and, hence, lower the cost of servicing. This helps the company reduce the average cost charged to sellers, enabling them to price products competitively while also being able to list lower-value products that were assumed unviable for e-commerce so far. This attracts more consumers to the platform, transacting across a multitude of use cases.

Content commerce flywheel: Content commerce enhances product discovery and engagement on Meesho with content creators finding an avenue to monetise their creativity by promoting the sellers' products. This enhances product discovery, further increasing order volume and attracting more sellers and consumers to the platform.

Exhibit 23. Meesho's self-reinforcing flywheels creating a win-win for all stakeholders



Source: Company

Exhibit 24. NMV retention per seller cohort

Particulars	FY22	FY23	FY24	FY25
Year 0	1.00x	1.00x	1.00x	**1.00x**
Year 1	2.21x	3.16x	**3.34x**	
Year 2	2.74x	**4.83x**		
Year 3	**3.30x**			

Source: Company

Exhibit 25. Orders received per seller cohort

Particulars	FY22	FY23	FY24	FY25
Year 0	1.00x	1.00x	1.00x	**1.00x**
Year 1	2.37x	3.38x	**3.52x**	
Year 2	3.13x	**5.46x**		
Year 3	**4.01x**			

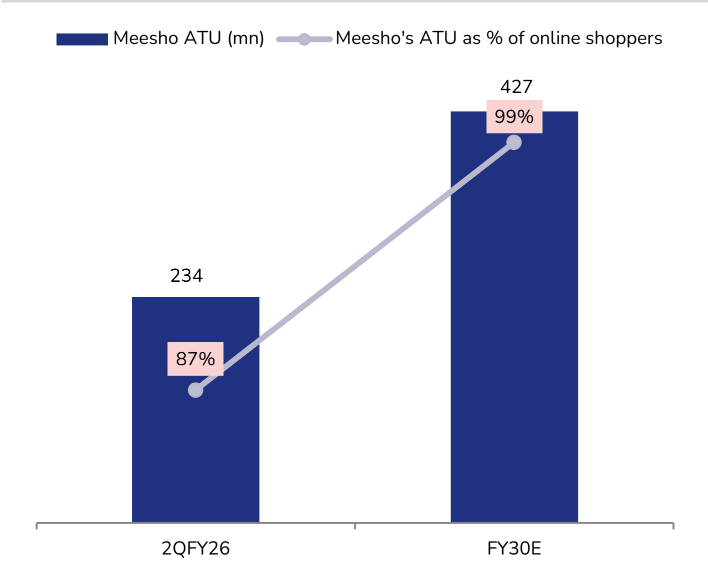
Source: Company

Market-dominating volume at low margins powers a significant competitive advantage

As seen in the food delivery market in the US, incumbents with high margins at low market penetration are susceptible to disruption from newer entrants who focus on substantial scale and a highly efficient cost structure ensuring sustenance despite thin margins on a per order basis. By pivoting to a no-commission model and monetising just via ads and fulfilment expenses (continues to trend downwards), Meesho has lowered the effective take rate it charges its sellers. With the platform charging just INR 59 per order in FY25, Meesho lists products at the cheapest prices across Indian e-commerce, attracting a large swathe of value-focused buyers to the platform.

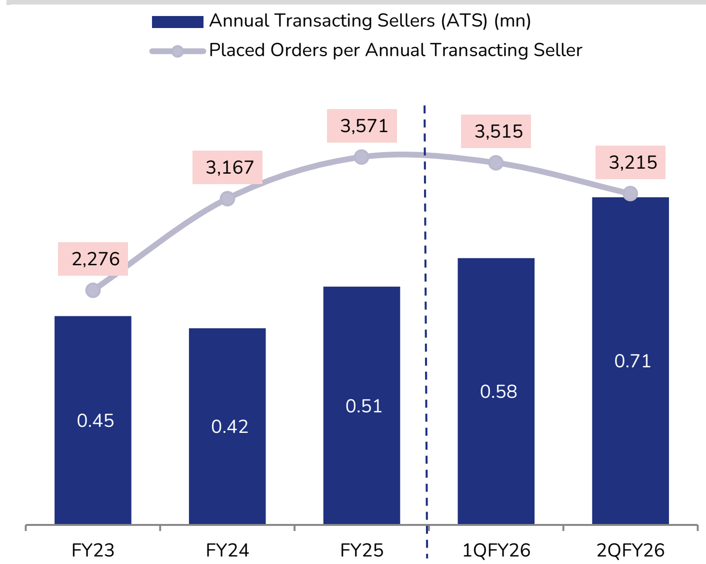
As of 2QFY26, Meesho saw 234mn unique annual transacting users shop 9.7 times annually on the platform. These numbers look even more impressive when compared to India's overall online shopper base of 260-270mn, implying that the company is becoming a platform of choice for c.90% of India's online shoppers. With Meesho's sustained focus on adding further low-ticket categories to the platform, we expect it to be the first e-commerce platform for a significant majority of online shoppers being added in India over the next decade. This enormous customer pull along with 700k+ sellers on the platform helps the company generate significant order volume (601mn in 2QFY26), resulting in a sizeable scale moat. Furthermore, this scale ensures that the company can deliver profitability despite lowering the cost per order for sellers on its platform. Meesho's unique business model, along with a sharp focus on operating excellence, has helped it not only challenge but also win the value e-commerce segment despite the presence of two large, well-capitalised incumbents.

Exhibit 26. Meesho is the primary driver of online shopper base growth in India…



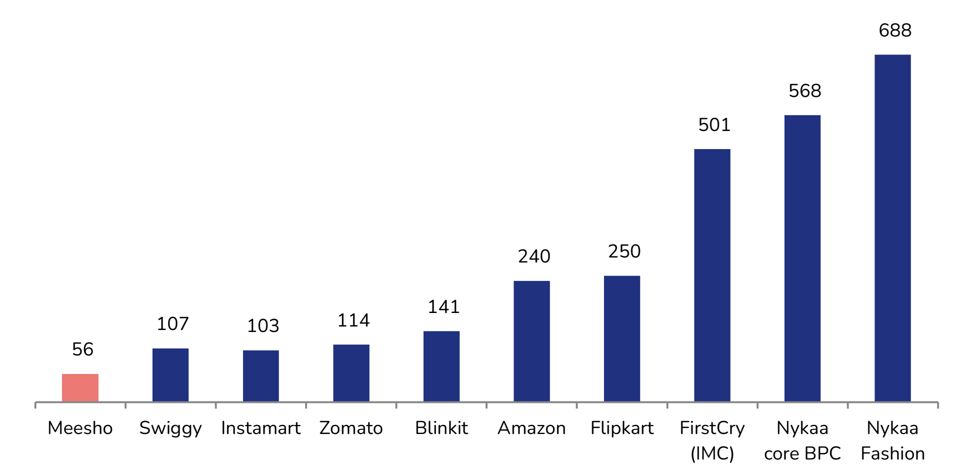
Source: Company, Redseer Research, JM Financial estimates.

Exhibit 27. …while also generating 3k+ annual orders for its 700k+ seller base



Source: Company, JM Financial.

Exhibit 28. Per order seller charges are significantly lower on Meesho vs. peers

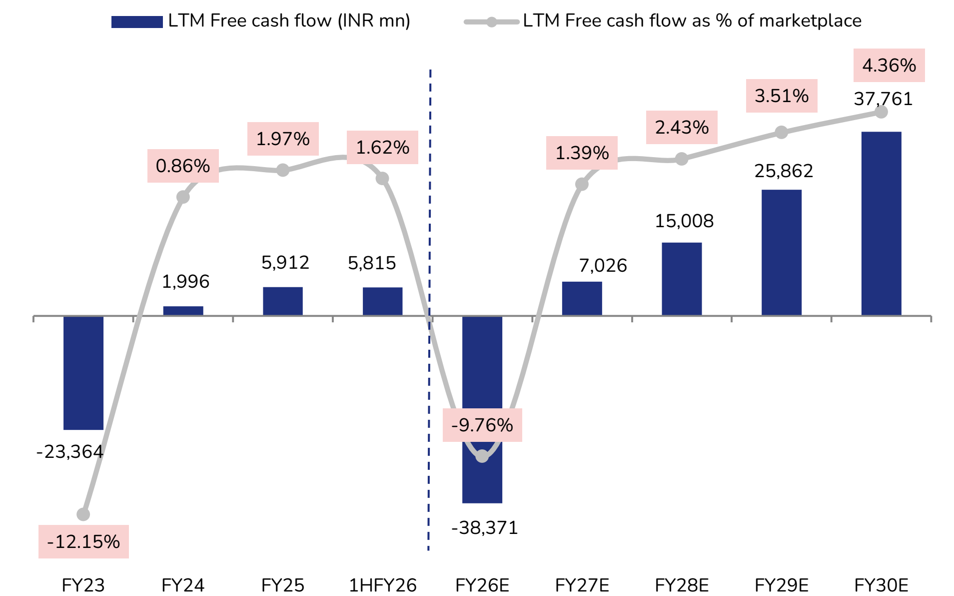


Source: Company, JM Financial

Rapidly growing free cashflows thanks to a pureplay marketplace model

Meesho operates as a pureplay marketplace with no private labels, inventory or warehousing investments. Every order gets picked from the seller and delivered directly to the buyer with the platform just focused on efficiently connecting buyers, sellers and logistics operators. A pureplay marketplace model, inherently, results in negative working capital as buyers make the payments upfront while the platform tends to use its leverage to pay sellers and logistics partners with a credit period. As of 1HFY26, Meesho had a net working capital of negative 26 days of NMV. Furthermore, with no physical stores or warehousing requirement, the company does not incur significant capital expenditure and, hence, delivered LTM free cash flow (FCF) of INR 5,815mn (1.5% of NMV) in 1HFY26. With operating profitability expected in FY28, Meesho could reach INR 30bn+ FCF in FY30.

Exhibit 29. LTM FCF has remained healthy since the sharp dip in operating losses in FY24



Source: Company, JM Financial estimates.

Over the past couple of years, Meesho has extended the marketplace model to logistics and content creators as well, wherein the platform seamlessly connects multiple logistics operators who come together to fulfil an order. On average, Meesho handles 4.5 handovers per delivered order on Valmo. Operating as a marketplace again ensures that capex investment needed is minimal. The company also connects sellers with content creators who solve for the credibility and awareness pain-points in unbranded products. Though the company doesn't charge a commission on this yet, it remains a further monetisation avenue for the future.

While there remain certain benefits of full stack models operated by most e-commerce platforms such as end-to-end ownership and refined customer experience, investments in inventory, captive logistics and warehousing are substantial. This results in relatively poorer FCF/Capital employed or RoCE vis-à-vis pureplay platform models such as Meesho that are able to churn significant positive FCF despite still losing money at EBITDA level.

Exhibit 30. Revenue and FCF per capital employed: Platform vs. full stack players (CY24) - global benchmarks

Country	Particulars	Food Services		Hospitality and tourism	
		Platform	Full stack	Platform	Full stack
China	Revenue / Capital employed	129	100	131	100
	FCF / Capital employed	279	100	675	100
USA	Revenue / Capital employed	259	100	300	100
	FCF / Capital employed	307	100	1551	100

Source: Company. Note: Platforms player's ratio is indexed against full stack (full stack = 100 units).

Valmo – the cheat code for Meesho

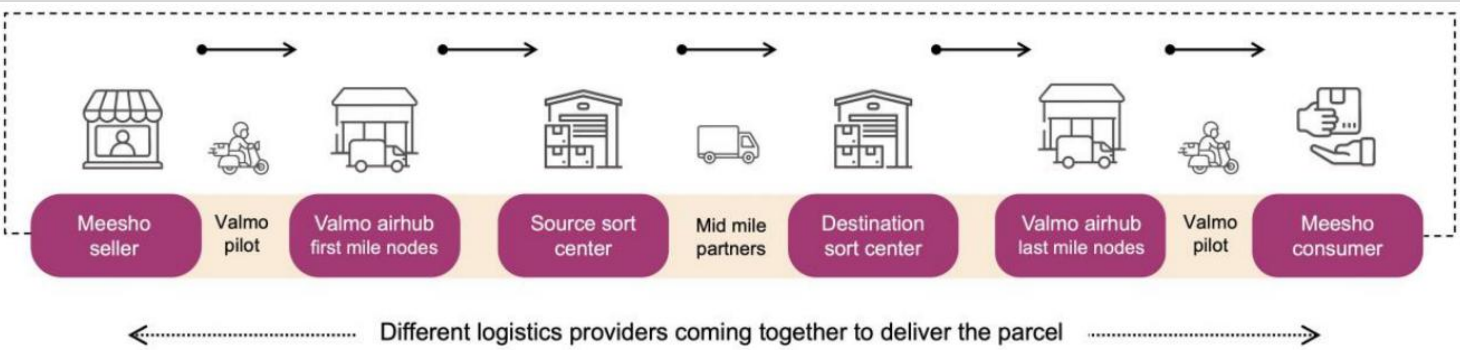
To lower fulfilment costs to enable affordable pricing, and cater to lower-value products, Meesho launched Valmo in Aug'22. It shipped 867mn orders in FY23 and became the largest 3rd party shipper in the country. Since then, Valmo has scaled up to become the largest logistics player in the country by number of shipments (400mn in 2QFY26).

Valmo integrates 3rd party logistics providers, such as first and last mile delivery businesses, sorting centres and truck operators, who combine their resources and capabilities to fulfil orders. Valmo orchestrates disaggregation with its routing algorithms considering every path from source to destination while considering cost, capacity and performance of each node and delivery timeline. The handovers are managed by Valmo's proprietary technology, which deploys risk models to assess catalogues, transactions and participants that pose a high risk.

Our analysis suggests that the sharp dip in logistics cost per order in FY25 to INR 45 from INR 50 in FY24 was primarily driven by Valmo's rising mix as well as it becoming significantly more cost efficient due to the substantial rise in shipment volume (764mn shipments vs. 224mn in FY24). Unlike 3rd party logistics players that need to generate 15-20% service EBITDA margin, Valmo doesn't need to generate standalone profit; it also has minimal corporate overheads (only 291 FTE) and capex requirements (manual sortation largely). Meesho judicially allocates shipments to Valmo only when the costs are lower / competitive to the costs charged by 3PL partners. Interestingly, as Meesho accounts for a majority of the shipment volume in long-tail pin codes, it dedicates significant volume to Valmo, which is comparatively cheaper due to the densification at play.

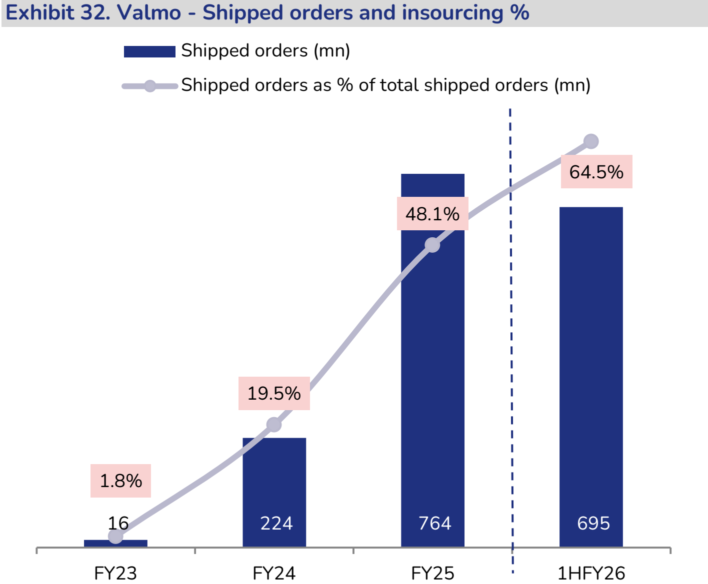
Valmo's cost advantage not only enhances Meesho's pricing moats, but it has also become a key driver of growth as the company can continuously add lower-priced products (<INR 200) to its assortment. We expect Meesho to reach a blended logistics and fulfilment expense per order of INR 38 in FY30, making it a sustainably profitable business even at an AOV of INR 217 – an impossible feat if the company solely depended on 3PL partners.

Exhibit 31. Valmo operating model



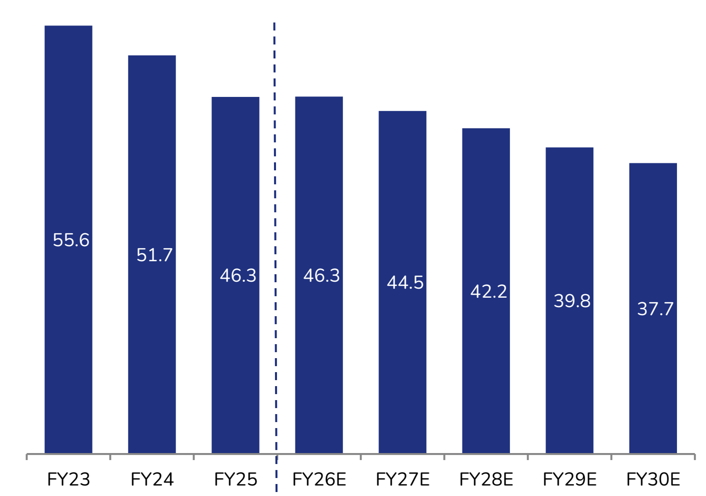
Source: Company

Exhibit 32. Valmo - Shipped orders and insourcing %



Source: Company, JM Financial

Exhibit 33. Logistics and fulfilment cost per shipped order (INR)



Source: Company, JM Financial estimates.

Management with a track record of taking contra bets and coming out trumps

Meesho has a stable management team, led by Vidit Aatrey and Sanjeev Kumar, with experience across various industries such as technology, finance, retail and e-commerce in India. With all members of the senior management team having been with the organisation for 4+ years, the company is able to inculcate a culture of agility and innovation drive by nine “Meesho Mantras” – User First, Think Long Term, Light Speed, Think 10x and Take Risks, Company>Team>Individual, People-centric Workplace, Problem-first Mindset, Growth Mindset and Hire & Grow Exceptional Talent.

The stability in management team and these organisational mantras have enabled the company to take bold bets such as disrupting an established duopoly in e-commerce or building self-logistics. As expected, a majority of outsiders would have bet against the company succeeding in either of these forays and would have been proven wrong repeatedly. Even today, Meesho continues to pursue strategies that are in stark contrast to those being pursued by other digital commerce players – lowering AOV and ‘buy now’ instead of building carts. Both are completely logical when looked at from the perspective of ‘User First’ and ‘Growth Mindset’.

Exhibit 34. “Meesho Mantras” that promote agility, fact-based decision-making, continuous innovation and shared accountability

Source: Company

Exhibit 35. Key management and their tenure at Meesho

Name	Position	Tenure at Meesho (Years)
Vidit Aatrey	Chairperson, MD and CEO	10
Sanjeev Kumar	Whole-Time Director and CTO	10
Dhiresh Bansal	CFO	4
Rahul Bhardwaj	Company Secretary and Compliance Officer	3
Ashish Kumar Singh	Chief Human Resource Officer	5
Megha Agarwal*	General Manager - Business	6
Milan Partani	General Manager - User Groth and Content Commerce	6
Prasanna Arunachalam	Chief Product Officer	5
Sourabh Pandey	General Manager -Fulfilment and Experience	4

Source: Company. Note: Megha Agarwal tendered her resignation on Jan 7th, 2026.

Valuation Methodology

Initiate with REDUCE rating; Mar'27 TP of INR 170

We initiate coverage on Meesho with a REDUCE rating and a DCF-based Mar'27 TP of INR 170, implying ~2% downside at CMP of INR 173. While we appreciate the differentiated business model and believe Meesho will remain a key player in Indian e-commerce, the stock price has run up sharply, leaving minimal room for error. Furthermore, 50%+ VC/PE shareholding could result in significant supply pressure as the pre-IPO lock-in ends in Jun'26.

We assume NMV CAGR of ~24% over FY25–30E, reflecting continued rise in ATUs (427mn in FY30) and rising order frequency (16x in FY30). Adj. EBITDA margin (as % of NMV) is assumed to expand to ~3.3% by FY30E, with long-term steady-state margin of 5-6%, driven by operating leverage, logistics cost optimisation and increasing contribution from high-margin advertising revenue. The model factors in sustained positive cash flows supported by a negative working capital cycle, although we assume a gradual moderation as the business scales. We apply a WACC of 13% and a perpetual growth of 6%. The WACC we used is slightly higher than that used for other consumer internet names under our coverage considering limited track record of profitability and a sharp rise in losses in 1HFY26. Based on these assumptions, the DCF yields an equity value of ~INR 170 per share. This valuation implies 108x/25x FY28/FY30 EV/Adj. EBITDA multiple.

DCF-based valuation

Exhibit 36. Key DCF assumptions

WACC	**13.0%**
Revenue CAGR (FY25-30)	26.6%
Revenue CAGR (FY30-35)	14.1%
Revenue CAGR (FY35-40)	8.9%
EBITDA CAGR (FY25-30)	nm
EBITDA CAGR (FY30-35)	27.1%
EBITDA CAGR (FY35-40)	9.7%
Tax Rate	19.0%
FCFF CAGR (2025-2040F)	20.1%
NPV of cash flow (2025-2040F)	337,678
Perpetual growth (%)	**6.0%**
Implied Exit FCF multiple (X)	**14.3x**
Terminal value (INR mn)	397,882
Enterprise value (INR mn)	**749,244**
Terminal value as % of Enterprise Value	53.1%
Net debt (INR mn, Mar'27)	-68,483
Equity value (INR mn)	**817,727**
Number of shares outstanding (diluted, million)	4,738
Equity value per share (INR)	**170**

Source: JM Financial

Exhibit 37. Sensitivity of TP to TGR and WACC

	Terminal Growth Rate					
WACC		5.0%	5.5%	6.0%	6.5%	7.0%
	11.5%	200	210	220	230	240
	12.0%	180	190	200	210	220
	12.5%	170	170	180	190	200
	13.0%	160	160	**170**	170	180
	13.5%	150	150	150	160	170
	14.0%	140	140	140	150	150
	14.5%	130	130	140	140	140

Source: JM Financial estimates

Exhibit 38. TP sensitivity to JMFe revenue growth and margin

	Revenue Growth (% of JMFe)					
EBITDA Margin (% of JMFe)		95.0%	97.5%	100.0%	102.5%	105.0%
	92.5%	90	100	110	130	150
	95.0%	100	110	120	140	170
	97.5%	110	130	140	170	200
	100.0%	130	150	**170**	200	240
	102.5%	150	170	200	230	290
	105.0%	170	200	230	280	340
	107.5%	200	230	270	330	410

Source: JM Financial estimates

Exhibit 39. EV/Adj. EBITDA and EV/FCF trend vs. Internet peers

Particulars	Company Name	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
EV/Adj. EBITDA	**Meesho**	**-281.71**	**-69.44**	**-518.59**	**107.98**	**43.27**	**25.41**
	Nykaa	158.31	104.78	67.10	44.80	31.17	22.59
	Swiggy	-50.62	-35.45	-88.72	231.89	39.49	22.30
	Eternal	250.07	258.37	66.64	37.00	25.81	19.70
EV/FCF	**Meesho**	**141.02**	**-18.36**	**115.76**	**55.19**	**33.70**	**22.80**
	Nykaa	228.30	148.27	109.78	70.13	46.09	34.09
	Swiggy	-37.09	-31.49	-43.88	79.97	64.48	18.77
	Eternal	na	-410.53	87.80	46.76	35.18	26.92

Source: Company, JM Financial estimates. EV as of 7th Jan'26.

Exhibit 40. Comparative valuation table

Company	Reco.	MCap (USD bn)	EV (USD bn)	EV / Revenue (x) CY25E/FY26E	EV / Revenue (x) CY26E/FY27E	EV / Revenue (x) CY27E/FY28E	Rev CAGR 26-28E	EV / EBITDA (x) CY25E/FY26E	EV / EBITDA (x) CY26E/FY27E	EV / EBITDA (x) CY27E/FY28E	EBITDA CAGR 26-28E	P / E (x) CY25E/FY26E	P / E (x) CY26E/FY27E	P / E (x) CY27E/FY28E	EPS CAGR 26-28E
Meesho*	**Reduce**	**8.7**	**8.1**	**5.6x**	**4.2x**	**3.4x**	**29%**	**nm**	**nm**	**171.6x**	**nm**	**nm**	**nm**	**102.6x**	**nm**
India Internet															
Affle*	Sell	2.8	2.6	8.8x	7.3x	6.2x	19%	38.9x	31.3x	25.7x	23%	55.2x	43.1x	34.8x	26%
BlackBuck*	Buy	1.4	1.3	19.8x	15.2x	11.9x	29%	66.8x	39.1x	26.5x	59%	89.1x	53.8x	36.5x	56%
Cartrade*	Reduce	2.1	2.0	16.3x	13.8x	11.8x	17%	51.8x	37.7x	28.8x	34%	58.7x	44.7x	34.8x	30%
Delhivery*	Add	5.0	4.6	2.8x	2.4x	2.0x	17%	44.6x	21.1x	15.1x	72%	188.3x	46.0x	30.2x	150%
IndiaMART*	Buy	1.4	1.1	6.2x	5.5x	4.9x	12%	18.2x	16.0x	14.4x	13%	26.7x	23.0x	20.4x	14%
Info Edge (Standalone)*	Add	9.8	9.2	18.0x	15.4x	14.7x	11%	40.2x	32.2x	35.9x	6%	33.7x	27.0x	29.6x	7%
TBO Tek*	Buy	1.9	1.8	5.9x	4.4x	3.8x	25%	41.4x	28.7x	22.1x	37%	66.5x	42.9x	30.7x	47%
Firstcry*	Buy	1.7	1.7	1.7x	1.5x	1.3x	16%	46.9x	21.7x	14.1x	82%	-200.8x	80.3x	38.7x	nm
ixigo*	Buy	1.1	0.9	6.5x	5.1x	4.0x	27%	100.5x	57.1x	35.7x	68%	139.3x	59.7x	41.1x	84%
Nykaa*	Buy	8.5	8.5	7.7x	6.0x	4.7x	27%	106.2x	67.6x	44.9x	54%	343.2x	148.3x	81.3x	105%
Nazara Tech*	Add	1.1	1.1	4.9x	4.4x	3.7x	15%	37.7x	27.3x	21.5x	32%	14.0x	67.0x	42.2x	-42%
Paytm*	Buy	9.4	7.6	8.6x	6.8x	5.3x	27%	118.8x	48.3x	25.7x	115%	102.6x	57.4x	36.3x	68%
PB Fintech*	Reduce	8.9	8.5	11.4x	8.9x	7.2x	26%	144.7x	66.3x	41.3x	87%	121.0x	68.2x	45.9x	62%
Swiggy*	Add	11.1	10.6	3.8x	3.1x	2.5x	23%	-28.0x	-102.7x	91.5x	nm	-21.3x	-37.6x	-127.5x	-59%
Eternal*	Buy	30.2	29.1	4.8x	2.5x	1.8x	63%	227.0x	59.4x	33.1x	162%	685.7x	81.6x	46.6x	284%
Zaggle*	Buy	0.5	0.4	2.1x	1.6x	1.2x	35%	20.9x	14.2x	10.5x	41%	30.8x	22.0x	16.8x	36%
India Retail															
V-mart	NR	0.6	0.7	nm	nm	nm	nm	nm	nm	nm	nm	nm	33.7x	22.4x	nm
Style Bazaar	NR	0.2	0.3	1.6x	1.3x	1.1x	24%	11.2x	8.6x	6.9x	27%	29.4x	38.3x	24.0x	11%
Vishal Mega Mart	NR	6.8	6.9	5.0x	4.2x	3.6x	18%	34.5x	29.1x	24.7x	18%	80.3x	58.9x	50.2x	27%
V2 Retail	NR	0.9	1.1	3.5x	2.2x	1.4x	58%	24.1x	15.2x	9.7x	58%	58.8x	35.6x	20.4x	70%
Trent	NR	16.1	16.2	7.5x	5.9x	4.9x	23%	43.4x	33.2x	26.8x	27%	86.7x	63.0x	52.7x	28%
Go Fashion	NR	0.3	0.3	3.1x	2.8x	2.5x	11%	10.0x	9.0x	8.0x	11%	27.0x	22.3x	18.9x	20%
Global comps															
SEA	NR	84.6	79.5	3.5x	2.9x	2.4x	21%	23.0x	18.5x	14.3x	27%	39.6x	28.3x	21.4x	36%
Pinduoduo	NR	174.1	116.1	1.9x	1.6x	1.4x	14%	8.0x	6.6x	5.5x	21%	1.6x	1.4x	1.2x	16%
Mercado Libre	NR	110.9	114.5	4.0x	3.1x	2.5x	25%	28.4x	21.5x	16.3x	32%	53.2x	36.4x	26.3x	42%
Amazon	NR	2,575.6	2634.1	3.7x	3.3x	3.0x	11%	15.8x	13.0x	10.7x	21%	28.2x	25.8x	20.8x	16%
Meituan	NR	82.0	69.4	1.3x	1.2x	1.0x	14%	nm	34.2x	10.8x	nm	nm	96.9x	18.6x	nm
Grab	NR	21.5	16.7	4.9x	4.0x	3.4x	19%	33.5x	23.2x	16.6x	42%	128.5x	50.7x	33.1x	97%
Alibaba	NR	360.1	300.4	2.0x	1.9x	1.7x	10%	14.0x	10.3x	8.2x	31%	3.3x	2.4x	1.8x	35%
JD.com	NR	43.0	31.2	0.2x	0.2x	0.1x	6%	11.2x	6.0x	4.0x	68%	1.6x	1.3x	0.9x	32%
Mean - India Internet				**8.1x**	**6.5x**	**5.4x**	**24.2%**	**67.3x**	**29.1x**	**30.4x**	**59.0%**	**108.3x**	**51.7x**	**27.4x**	**57.8%**
Mean - India Retail				**4.1x**	**3.3x**	**2.7x**	**27.0%**	**24.6x**	**19.0x**	**15.3x**	**28.3%**	**56.4x**	**42.0x**	**31.4x**	**31.0%**
Mean - Global				**2.7x**	**2.3x**	**2.0x**	**15.1%**	**19.1x**	**16.7x**	**10.8x**	**34.6%**	**36.6x**	**30.4x**	**15.5x**	**39.3%**

Source: Bloomberg, *JM Financial estimates. CMP as of 7th Jan'26.

Industry Overview

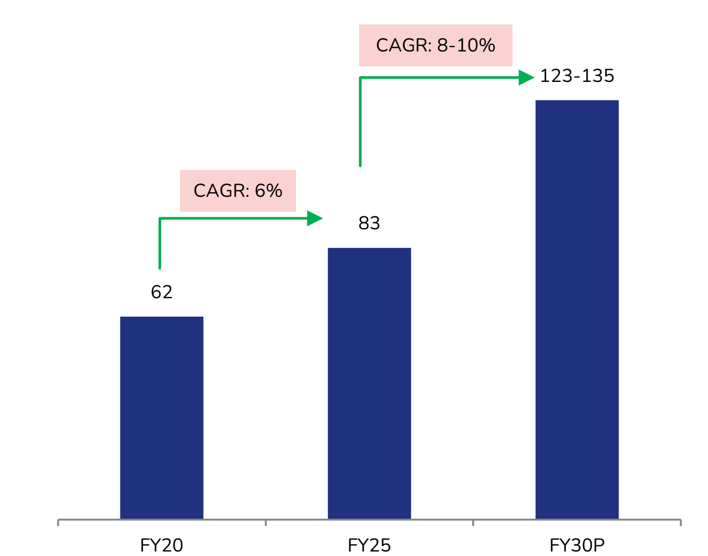
Retail market in India

India retail market stood at ~INR 83tn in FY25, and is projected to grow to INR 123-135tn by FY30P, implying a CAGR of 8-10%.

India's retail market continues to be structurally fragmented, with regional brands and unbranded products accounting for ~76% of total consumption. This structure is expected to persist over the medium term, with the share of regional and unbranded supply projected to remain at 70-74% by FY30, despite the gradual expansion of pan-India and D2C brands. Unlike developed markets, where scaled brands dominate, India's retail demand is served by a large base of traders, manufacturers and micro-entrepreneurs catering to highly localised preferences and price points.

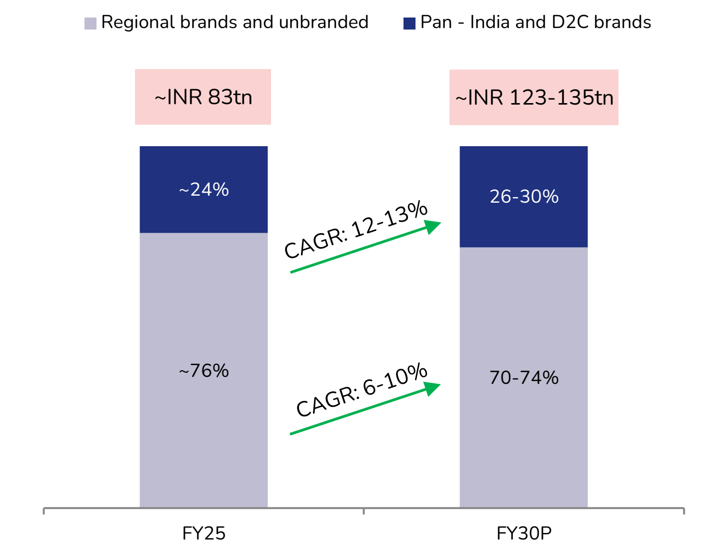
This fragmentation is most pronounced in discretionary categories such as fashion, home and furniture, general merchandise, and jewellery, where regional brands and unbranded products account for ~65-85% of category demand. Even as income levels rise and organised retail penetration improves, consumption remains skewed towards affordable, non-branded alternatives, reflecting price sensitivity, regional taste variation, and limited brand pull beyond large urban centres. As a result, India's retail evolution is additive rather than substitutive, with organised platforms expanding the market rather than displacing local supply.

Exhibit 41. India retail market (INR tn)



Source: Redseer research & analysis. Note: 1. India retail market is defined as the purchase of products across categories including BPC, Home and Furniture, General Merchandise, Jewellery, Electronics, Fashion, FMCG, Pharma, Staples and Fresh.

Exhibit 42. India retail market split by brand type



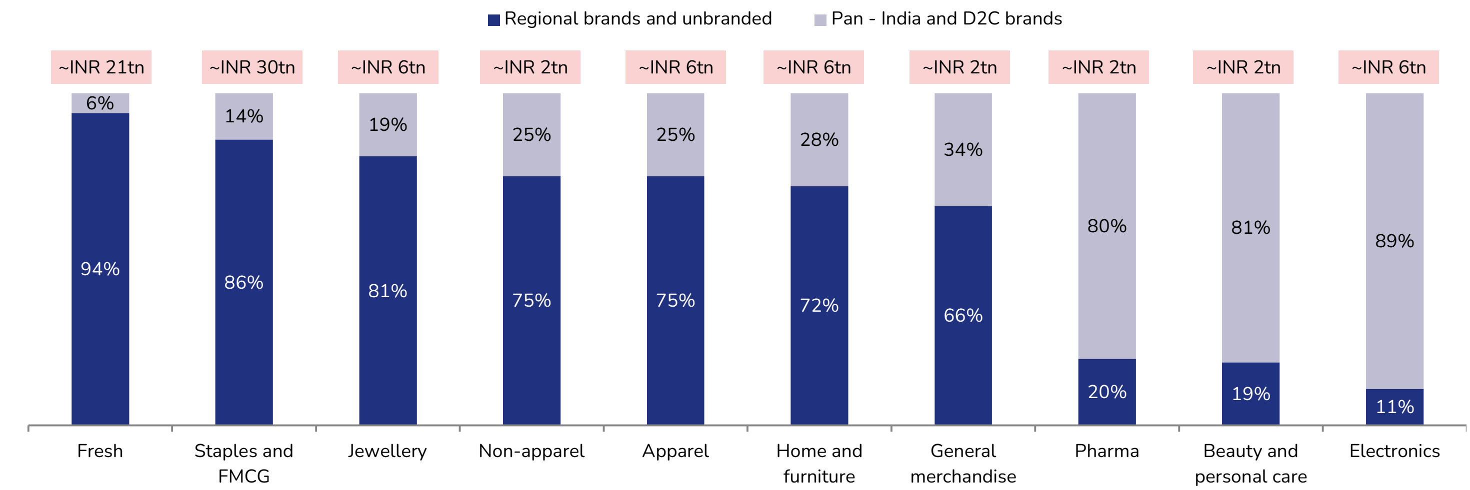
Source: Redseer research & analysis. Note: 1. Unbranded - Products that lack distinct branding and are typically sold without a proprietary label; 2. Regional brands - Brands with offline distribution presence in less than 3 regions (defined as North, South, East, West, and Central)

Global comparisons highlight that supply fragmentation is not unique to India, but its scale is materially higher. While countries such as China and Indonesia also exhibit meaningful presence of regional brands, India's diversity in language, culture, and consumption behaviour sustains a much longer tail of suppliers. This structurally favours platforms that can aggregate fragmented supply without forcing standardisation or heavy brand-led merchandising.

At a category level, fragmentation is deepest in Grocery, Fashion, home decor, toys, and general merchandise, where no single brand or SKU type can scale nationally. In apparel, particularly in sarees, regional and unbranded products account for ~95% of demand, driven by sharp variation in fabric, design, and cultural preferences across states. Jewellery and home decor exhibit similar patterns, where demand is shaped by local aesthetics, occasions and price, limiting the scalability of pan-India assortments. In contrast, categories such as electronics, pharma and BPC show higher penetration of pan-India and D2C brands, supported by standardisation, higher trust requirements, and lower tolerance for quality variance. However, these categories represent a smaller share of total retail consumption compared to highly fragmented discretionary segments. As a result, overall retail market continues to be anchored by categories with structurally dominant regional supply.

This category mix reinforces the relevance of value-led platforms that can support breadth over depth, enable long-tail discovery, and operate efficiently across millions of low-volume SKUs. Platforms optimised for branded assortment alone are structurally less aligned with where the bulk of Indian retail demand resides.

Exhibit 43. India retail market category split by brand type (FY25)

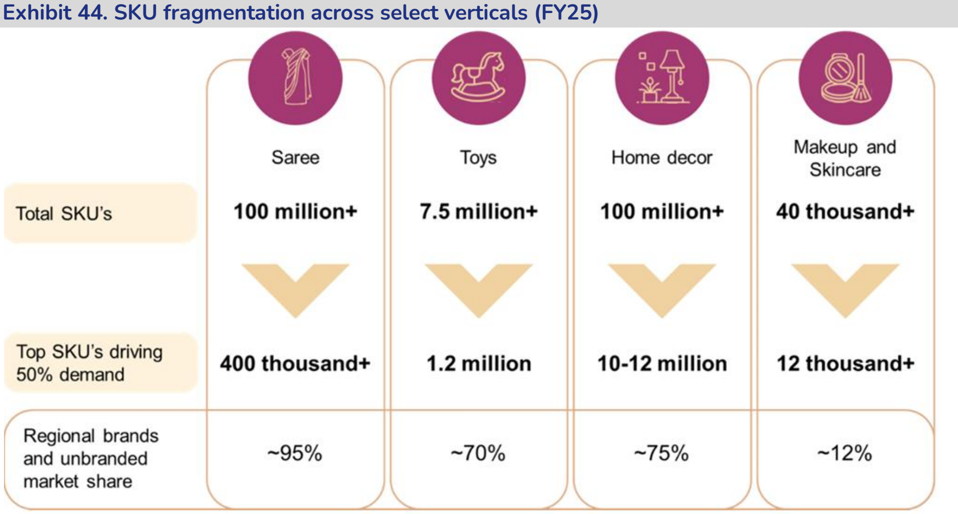


Source: Redseer research and Analysis. Note: Grocery includes 1) Fresh, 2) Staples and FMCG. Fashion includes apparel and non-apparel.

SKU fragmentation as a structural feature of Indian retail: High SKU fragmentation is a direct outcome of regional variation and unbranded dominance. Across large discretionary categories, a disproportionate share of demand is spread across a vast number of SKUs, with top SKUs accounting for only a limited portion of category sales. For instance, categories such as sarees, toys, and home decor collectively run into tens of millions of SKUs, with demand distributed across design, material, price, and use-case combinations.

This fragmentation is reinforced by low barriers to entry on the supply side, localised manufacturing clusters and rapid product iteration, driven by changing seasonal trends. Unlike branded markets, where scaled SKUs drive efficiency, Indian retail operates as a long-tail market where aggregation, discovery and logistics orchestration matter more than assortment curation. From an industry perspective, this structurally fragmented SKU landscape creates a durable moat for platforms built on value discovery and supply aggregation rather than brand-led merchandising.

Exhibit 44. SKU fragmentation across select verticals (FY25)



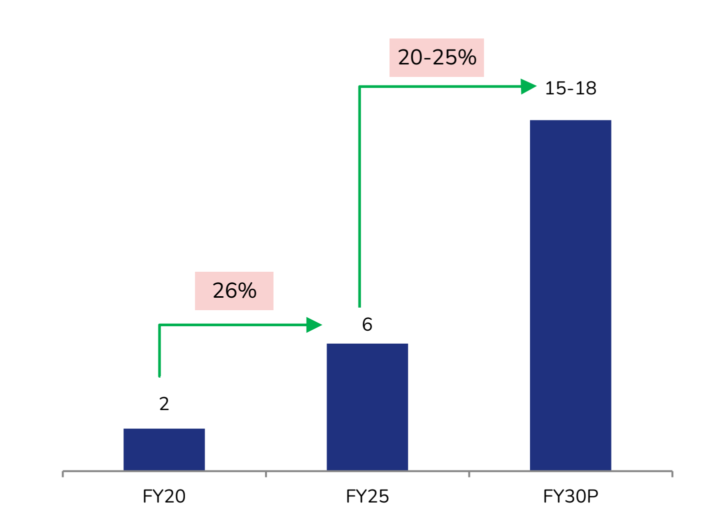
Source: Redseer research and Analysis.

E-commerce market in India

India's e-commerce industry is still in the early phases of a long structural growth curve, driven by a combination of rising digital adoption, favourable demographics and improving infrastructure. Although India has ~840mn population with access to internet and one of the world's highest social-media engagement levels, e-commerce shoppers represent 31–32% of internet users, below mature economies such as the US (~88%) and large emerging economies such as China (~83%) and Indonesia (~52%), indicating headroom for increased e-commerce penetration. This is partly because e-commerce in India is largely shaped by metros, premium categories and branded products, which is a narrow subset of the overall Indian consumption. The majority of India's retail expenditure (~80%) still happens through unorganised, offline channels, dominated by local stores, regional markets and unbranded goods across apparel, home & lifestyle, and beauty. This creates massive headroom for online penetration, not just through category expansion but through consumption behaviour shifting across the income pyramid. **India's e-commerce market is currently ~INR 6tn in terms of GMV and is projected to rise to INR 15-18tn at a CAGR of 20-25% over FY25-30E.**

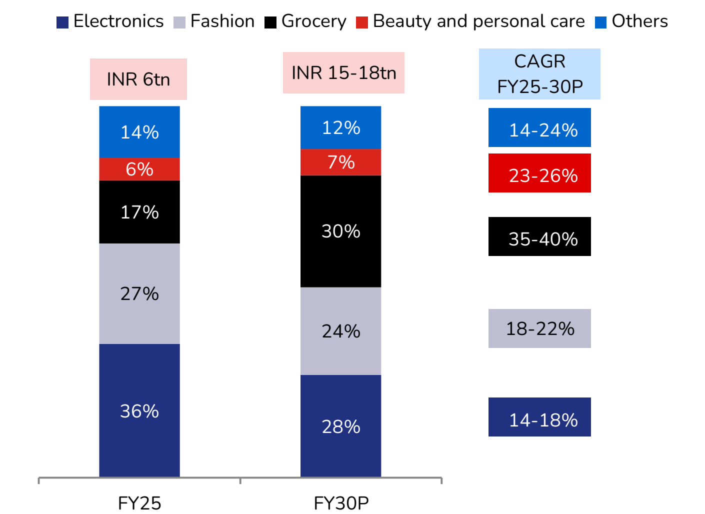
While penetration in the electronics category is a decent 37% (as of FY25), non-electronics categories remain significantly underpenetrated with penetration levels of c.2% in grocery, c.19% in fashion, c.19% in beauty and personal care (BPC), etc. Capitalising on this headroom, non-electronics categories are projected to lead e-commerce growth in India over the next 5 years, contributing to 72-73% of India's e-commerce market vs. ~64% in FY25.

Exhibit 45. India e-commerce market (INR tn)



Source: Redseer Research and Analysis, JM Financial. Note: The e-commerce market is represented in terms of Gross Merchandise Value (GMV).

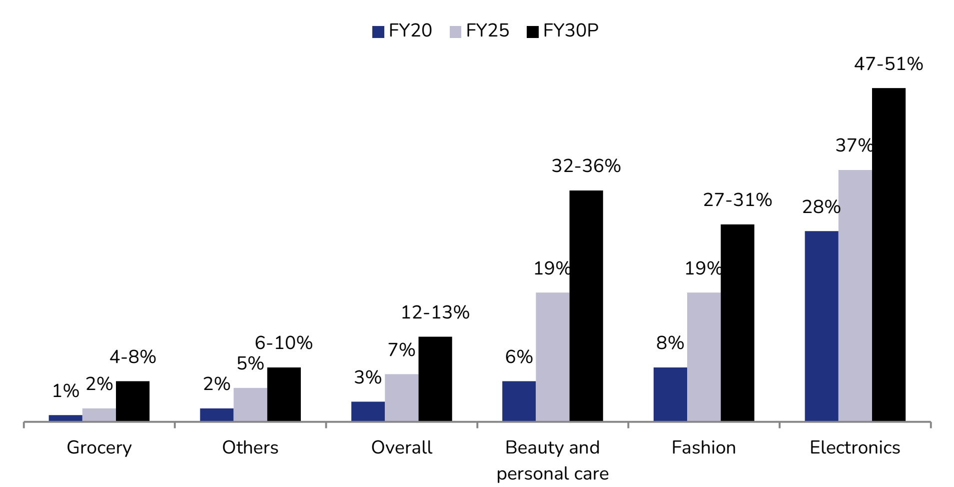
Exhibit 46. India e-commerce market - split by category



Source: Redseer. Note: 1. Electronics includes Mobiles; 2. Others include home & furniture, pharma, babycare, jewellery and other merchandise; 3. Grocery includes FMCG, Staples and fresh.

India's e-commerce adoption is following a category evolution path very similar to China's a decade earlier. Penetration historically began in high-ticket, standardised categories such as electronics where lower supply fragmentation, and lower purchase frequency drove faster online adoption. As these categories matured, adoption expanded to discretionary and lifestyle segments such as fashion and BPC, aided by content-led discovery, influencer-driven commerce and increasing comfort with digital payments. India is now firmly in this second phase, with non-electronics segments seeing rapid online share gains. In contrast, online penetration is still low in essential categories such as grocery due to entrenched offline habits, low AOVs and the inherent complexity of fulfilment. The emerging pattern in India, with projected FY30 penetration levels by category, mirrors China's CY20 structure, reinforcing the impression that the market is transitioning from high-value online purchases towards high-frequency, low-ticket consumption.

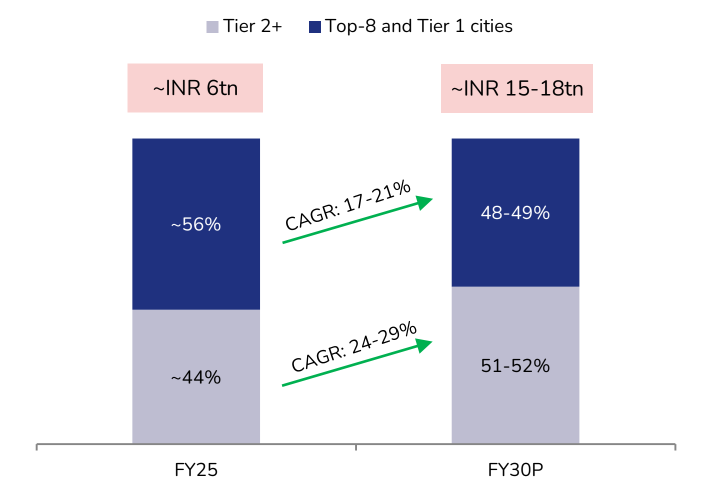
Exhibit 47. E-commerce penetration by category and overall in India



Source: Redseer Research and Analysis. Note: 1. Electronics includes Mobile Phones; 2. Grocery includes Staples, Fresh and FMCG; 3. Others include Pharma, Home and Furniture, General Merchandise and Jewellery.

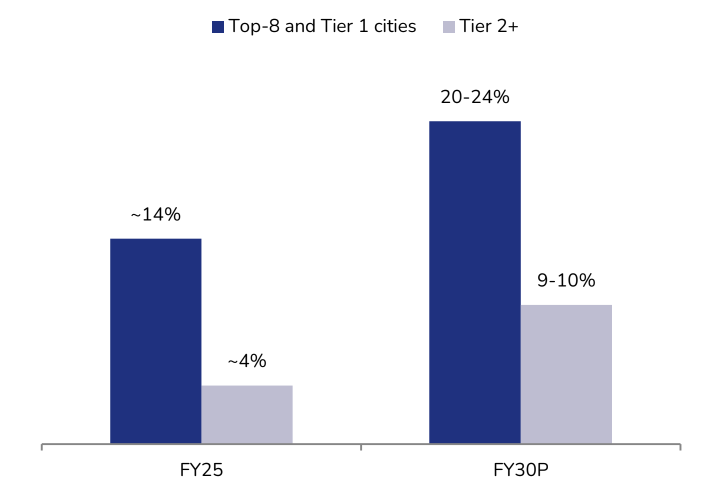
Furthermore, geographic distribution of digital commerce is shifting meaningfully. A majority of new shoppers are projected to come from Tier 2+ cities, accounting for c.52% of Indian e-commerce by FY30, up from ~44% in FY25. Despite growing digital access and rising transactions in Tier 2+ cities, e-commerce penetration remains low at ~4% in them, compared to ~14% in Metro/Tier 1 cities. This gap underscores huge headroom for growth in lower-tier cities. On the supply side, seller adoption has accelerated as marketplaces have simplified onboarding, catalogue creation, digital payments and fulfilment, evident from the rise of e-commerce sellers from 0.5-1mn in FY20 to 3-4mn in FY25.

Exhibit 48. India e-commerce market split - tier wise



Source: Redseer Research and Analysis, JM Financial.

Exhibit 49. E-commerce penetration - tier wise



Source: Redseer Research and Analysis, JM Financial.

Steady decline in logistics costs has enabled India's e-commerce expansion, particularly in low-ticket, high-frequency categories. As shipment volume has scaled from ~1.6bn in FY20 to 6.8-7.4bn in FY25 and is projected to reach 22–25bn by FY30, unit economics in logistics has improved materially, allowing providers to reduce yield per shipment. This has strengthened the ability of e-commerce platforms to profitably serve smaller-value orders, reflected in the ~30% reduction in AOVs over FY20-25. Asset-light logistics providers, supported by technology-led routing, optimisation and automation, are playing a key role by improving fleet utilisation, reducing fixed infrastructure and enhancing hub productivity. The result is a logistics ecosystem that can sustainably handle dispersed pickup points, complex reverse logistics, CoD-related reconciliation and peak-period variability, all critical for value commerce categories that were previously uneconomical to serve.

Exhibit 50. Newer monetisation models are emerging other than just commissions earlier

Source: Redseer Research and Analysis. Note: This is a non-exhaustive list and is representative of monetisation streams leveraged by leading e-commerce players in India and global markets.

Value focused e-commerce market

Value commerce is emerging as one of the most important structural themes within India's e-commerce market, shaped by the country's price-sensitive demand profile, predominance of unbranded supply, and growing adoption of discovery-led shopping. Unlike the convenience-oriented segment, which is anchored in branded assortments and speed, value commerce is built on affordability, breadth of choice, and long-tail supply aggregation. India's retail landscape continues to be dominated by regional labels and unbranded sellers (accounting for ~70–75% of unorganised retail), and this cohort remains underserved by traditional e-commerce models. Value-focused platforms are uniquely positioned to bring this fragmented ecosystem online by offering simplified onboarding, zero-to-low commissions, and logistics models designed to handle low-AOV, high-volume transactions efficiently.

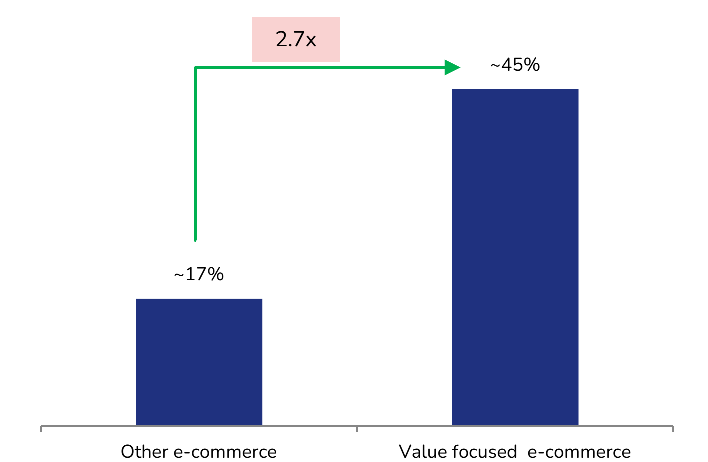
Exhibit 51. Key business models in India's e-commerce market

Features	Value focused e-commerce	Convenience focused e-commerce
Primary product categories	Fashion, Home and Kitchen, Beauty and Personal care, General Merchandise	Grocery, Electronics, Fashion, Beauty and Personal care, Home Kitchen and Furniture, General Merchandise
Target consumer segments	Mass-market consumers in Tier 2+ cities and middle-income groups	Mass-market consumers in Tier 2+ cities and middle-income groups
Value propositions	1. Access to affordable, unbranded and regional products 2. Low-friction seller model enabling lowest pricing	1. Speed and convenience 2. Curated assortment with high availability 3. Access to leading Pan-India, D2C and global brands
Typical assortment type	Unbranded products and regional brands, typically available at entry level price-points	Branded products and essentials, typically focused on high velocity SKUs and known brands
Assortment spread	Broad within primary verticals, driven by long-tail unbranded products and regional brands	Curated assortment across categories
Typical delivery timeframe	4–7 days	10 minutes to few days
Typical fulfilment model	Typically fulfilled through a distributed network of third-party logistics partners and seller inventory	Typically fulfilled via centralized warehouses and owned/dedicated delivery fleets to ensure speed
Typical consumer journey	Discovery-led	Search-led
Operational control	1. Minimal control over product assortment and inventory 2. Open platform play for sellers, buyers and partners to interact	1. High platform control over product assortment and inventory 2. Centralized fulfilment and in-house or dedicated delivery networks
Cost to seller	Low	High

Source: Redseer Research and Analysis, JM Financial.

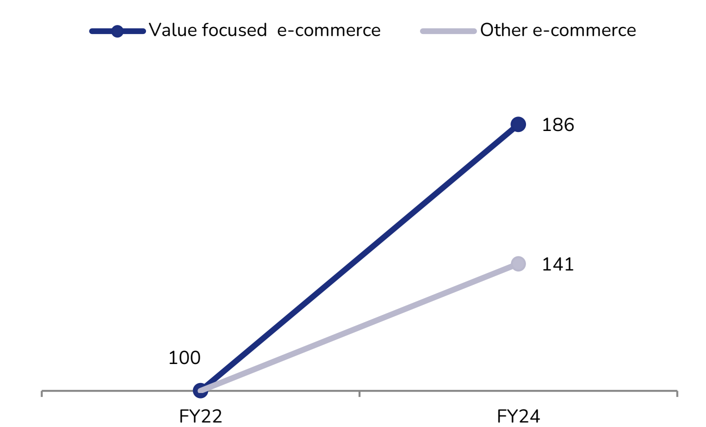
As India's e-commerce user base expands into deeper geographies, shopping behaviour is shifting from high-intent search to an exploratory, discovery-led journey, mirroring the early evolution seen in markets like China. Consumers in Tier 2+ cities value assortment breadth and affordability over delivery speed, and often rely on visual cues, product reviews and social validation before deciding on a purchase. Value commerce platforms are designed around this behaviour through feed-led navigation, dynamic catalogues, vernacular interfaces and increasingly content-led engagement. This makes them especially effective at activating low-frequency, low-intent shoppers and converting them into repeat buyers.

Exhibit 52. GMV CAGR over FY22-24



Source: Company filings (Annual reports, Financial statements & Investor presentations), The Ministry of Corporate Affairs (MCA), Redseer Research and Analysis, JM Financial. Note: GMV have been indexed to FY22 to normalise for base-year performance.

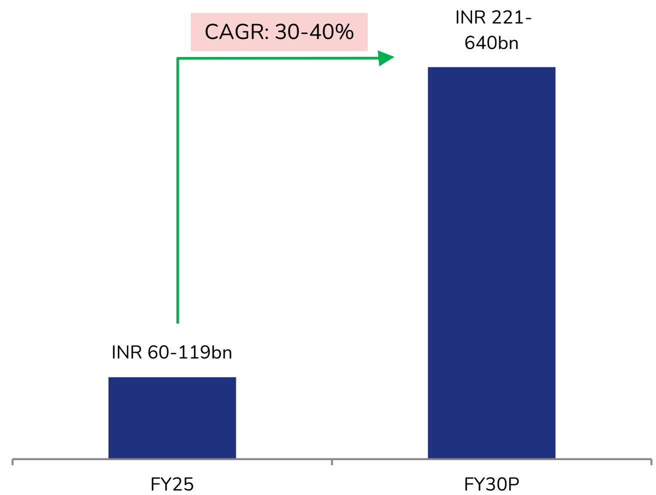
Exhibit 53. EBITDA growth comparison (FY22 EBITDA is indexed at 100 units)



Source: Company filings (Annual reports, Financial statements & Investor presentations), The Ministry of Corporate Affairs (MCA), Redseer Research and Analysis, JM Financial. Note: EBITDA have been indexed to FY22 to normalise for base-year performance.

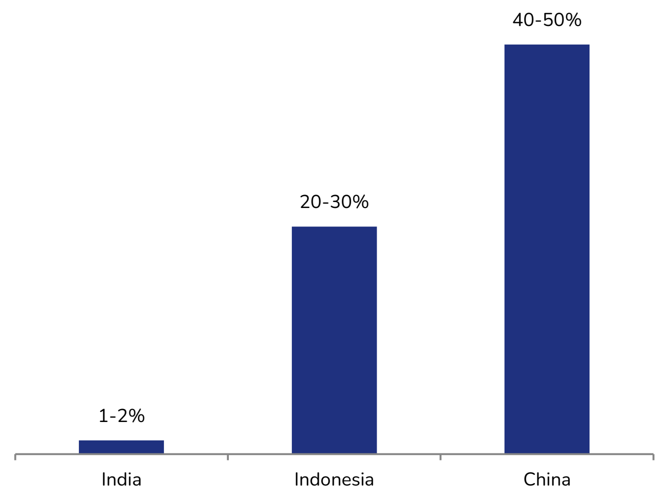
Content is rapidly emerging as a key enabler of discovery-led commerce. India's content commerce market is at a nascent stage but is witnessing strong momentum. Content commerce is projected to outpace overall e-commerce growth, with a projected CAGR of 30-40% over FY25-30E, compared to 20-25% for the e-commerce market in the same period.

Exhibit 54. Content commerce GMV - India (INR bn)



Source: Redseer Research and Analysis, JM Financial.

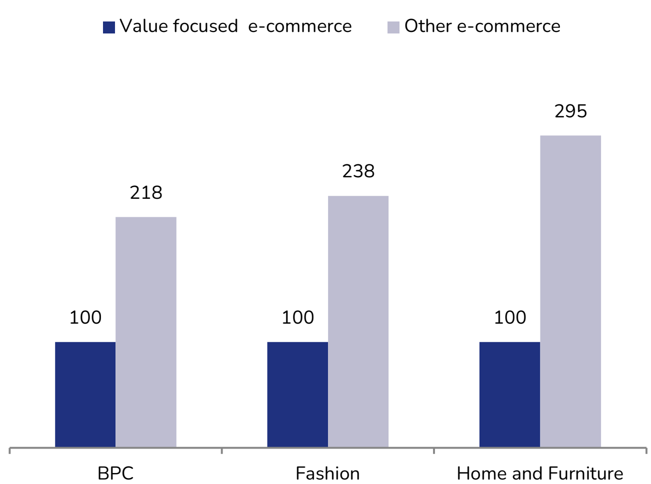
Exhibit 55. Content commerce GMV as % of e-commerce (FY25)



Source: Redseer Research and Analysis, JM Financial.

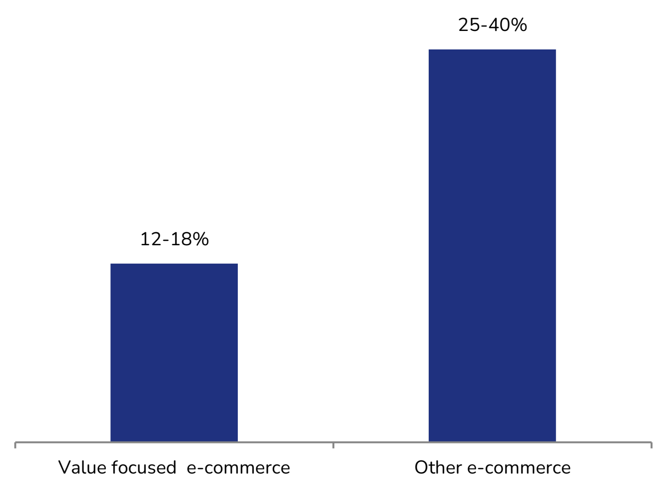
Supply-side participation is equally central to the model. Millions of small and regional sellers, most of whom are excluded from organised retail due to shelf constraints or category focus, can list and sell with minimal friction. The high diversity of seller types leads to richer assortment depth, faster refresh cycles, and structurally lower price points versus branded alternatives. Sellers benefit from low operating costs and access to a national customer base, while platforms benefit from high SKU density and attractive unit economics despite low average selling prices (ASP). Importantly, this structure has already proven itself in more mature markets such as China where value commerce holds ~60% share of the e-commerce market as of CY24, underlining the extent to which affordability-led models can reshape category penetration once logistics and discovery layers reach scale.

Exhibit 56. ASP comparison (FY25)



Source: Redseer Research and Analysis, JM Financial. Note: 1) Value focused e-commerce pricing indexed at 100 units. 2) Average Selling Price (ASP) refers to the average value per item sold, calculated at the selling price (i.e., after MRP discounts), and excluding coupon and checkout discounts, delivery charges, and other platform fee.

Exhibit 57. E-commerce costs incurred by sellers as % of GMV (FY25)



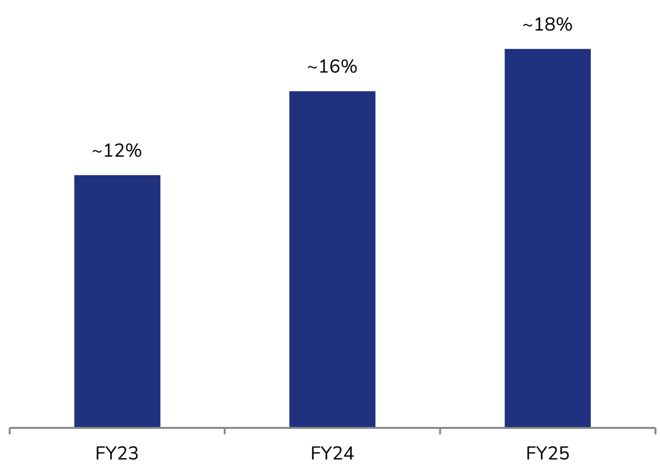
Source: Redseer Research and Analysis, JM Financial. Note: 1) E-commerce cost refers to the total charges paid by a seller for transacting, comprising commissions, logistics or fulfilment fees, listing or referral fees, and any additional charges such as shipping and handling. It represents the take rate retained by the e-commerce player from a seller's gross merchandise value.

The economic viability of value commerce has strengthened further with declining logistics costs and improved fulfilment density across India. Distributed, asset-light delivery networks, tech-enabled routing, and rising shipment scale have collectively reduced per-order cost structures, enabling profitable servicing of sub-INR 300 orders, precisely the price band dominating value commerce. Declining fulfilment yields have historically coincided with accelerated category penetration in markets like China, and a similar pattern is now unfolding in India as low-ticket categories gain traction online. This expanded viability directly boosts the addressable market for value commerce platforms across fashion, home, beauty and general merchandise.

On the monetisation front, digital advertising has emerged as a particularly important revenue lever for value-commerce platforms. With millions of fragmented sellers competing for visibility and operating on thin margins, paid promotion becomes a critical tool for demand generation. The discovery-first architecture of value-commerce platforms, combined with large and engaged user traffic, gives sellers materially higher conversion efficiency compared to broader digital channels. As a result, platforms can offer advertising products with strong RoAS, predictable attribution and wide adoption across the long-tail seller base. This creates a scalable, high-margin and asset-light monetisation stream that complements low commissions and strengthens overall platform contribution.

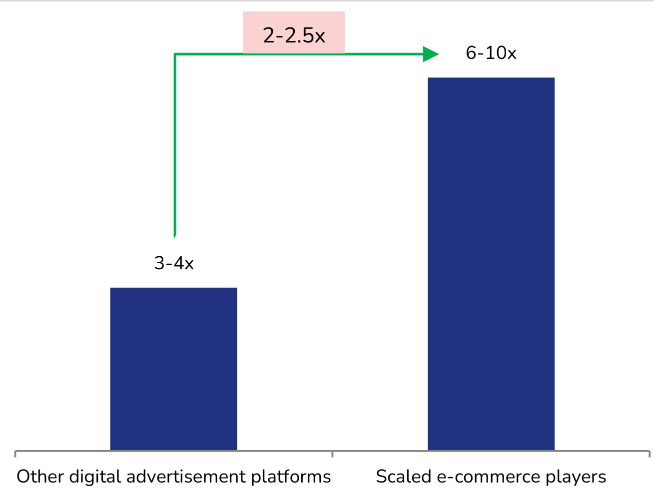
Taken together, these demand, supply and monetisation dynamics position value commerce as a structurally advantaged segment within India's e-commerce landscape. Its ability to address India's affordability-led consumption behaviour, onboard fragmented supply at scale, and operate capital-efficiently creates strong platform defensibility. Given global precedent and India's own demographic and retail structure, value commerce is poised to drive the next leg of e-commerce penetration and capture a disproportionately large share of incremental market expansion.

Exhibit 58. India e-commerce advertising share as % of total digital advertising market



Source: Redseer Research and Analysis, JM Financial.

Exhibit 59. Return on Advertising Spend - scaled e-commerce players vs. other digital advertisement platforms



Source: Redseer Research and Analysis. Note: 1) Return on Advertising Spend (RoAS) measures GMV generated for every unit of ad spend. 2) Scaled e-commerce players include players with GMV exceeding USD 500mn as of FY25. 3) Other Digital Advertisement Platforms include channels such as search engines, social media, OTT, messaging, and short-form content apps.

Large addressable market for Meesho

India's total retail market is effectively the total addressable market (TAM) for Meesho, estimated at INR 83tn in FY25 and projected to reach INR 123-135tn by FY30. Within this, Meesho focuses on a subset of categories forming its serviceable addressable market (SAM). In FY25, Meesho's SAM is valued at ~INR 33tn and is projected to rise to INR 51-56tn by FY30 at a CAGR of 9-11%, higher than the overall retail market CAGR of 8-10%.

Exhibit 60. Meesho's TAM and SAM in INR tn (USD bn)

Categories	TAM (INR tn)	Currently serviced by Meesho	SAM (INR tn)	SAM e-commerce penetration FY25	SAM e-commerce market growth (FY25-30P)
Grocery	~52	Partly - FMCG	~14	~2%	35-40%
Fashion	~8	Yes	~8	~19%	18-22%
Jewellery	~6	No	-	-	-
Electronics	~6	Partly - small household devices	~0.4	37%	14-18%
Home and furniture	~5	Yes	~5	10-12%	18-20%
Pharma	~2	No	-	-	-
General merchandise	~2	Yes	~2	7-9%	14-17%
BPC	~2	Yes	~2	~19%	23-26%
Total	**~83**	-	**~33**	**~8%**	**21-25%**

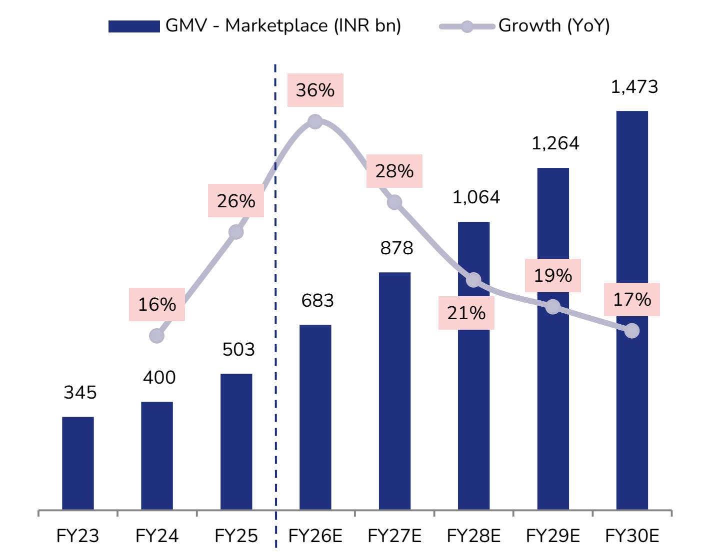
Source: Redseer Research and Analysis. Note: 1) Small household devices include vacuum cleaners, air purifiers and other personal and home devices.

Financial Analysis

We expect GMV/NMV from the marketplace to grow at a CAGR of 24%/24% over FY25-30E mainly on account of 30% CAGR growth in placed orders, which will be driven by increase in annual transacting users (17% CAGR) as online adoption in lower-tier cities increases, and improving order frequency (12% CAGR) led by rising affordability and assortment of products. With increased focus on reducing AOVs to improve affordability, we expect AOV to decline at 5% CAGR over FY25-30E. This, along with increased ad monetisation, will augment NMV growth. While the new initiatives business has the potential to be significant in future, it is in a nascent phase currently. Overall, total revenue is expected to grow at 27% CAGR over FY25-30E.

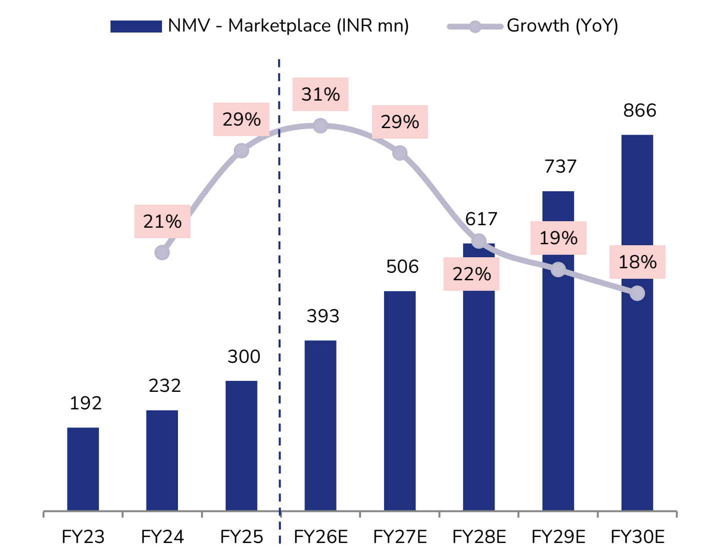
As Valmo continues to scale, we expect insourcing to reach ~80% by FY30 from 66.5% in 2QFY26; we expect logistics and fulfilment cost to come down to INR 37 in FY30 from INR 41 in 1HFY26. As a result, we expect we expect gross margin (as % of revenue) to improve from 19.5% in 2QFY26 to 27.5% in FY30. Furthermore, we expect strong operating leverage to improve Adj. EBITDA margin (as % of NMV) from -3.5% in 2QFY26 to 3.3% by FY30. We expect PAT margin to rise from -12% in 2QFY26 to ~10% by FY30.

Exhibit 61. Marketplace - GMV trend



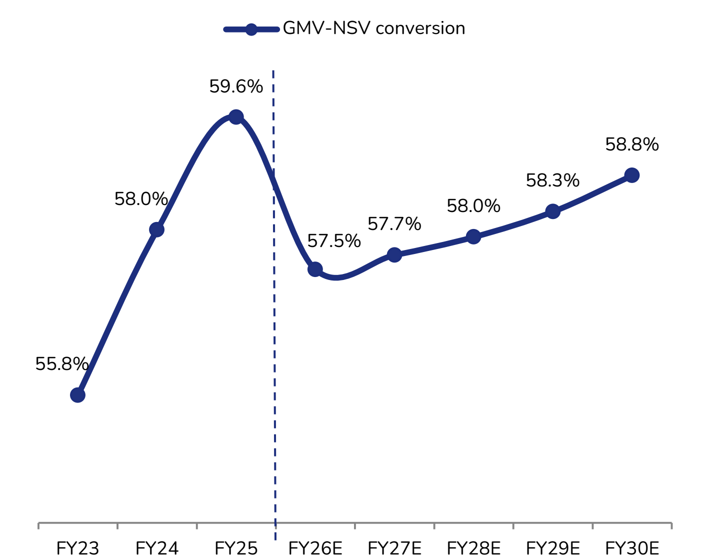
Source: Company, JM Financial

Exhibit 62. Marketplace - NMV trend



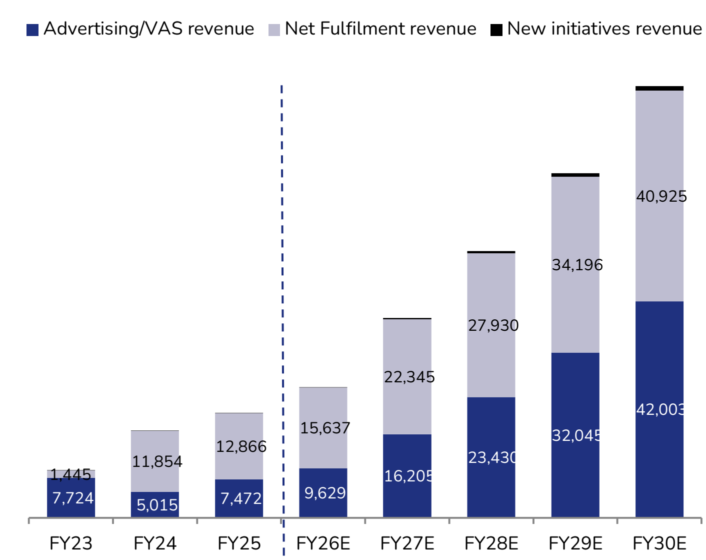
Source: Company, JM Financial

Exhibit 63. GMV-NSV conversion



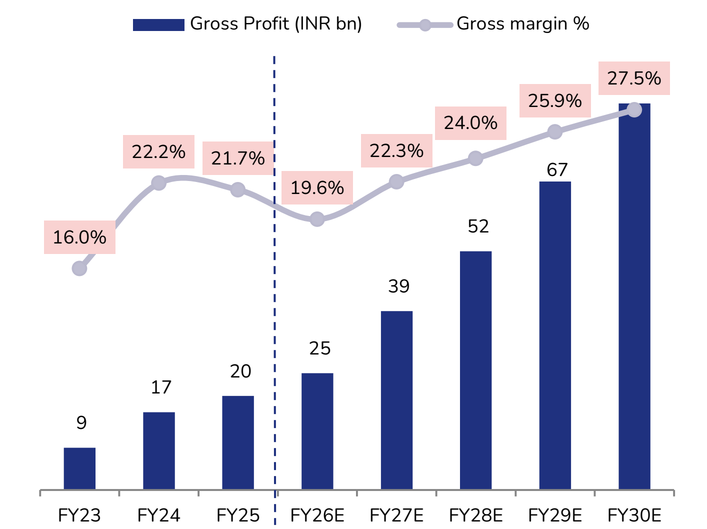
Source: Company, JM Financial

Exhibit 64. Net revenue split (INR mn)



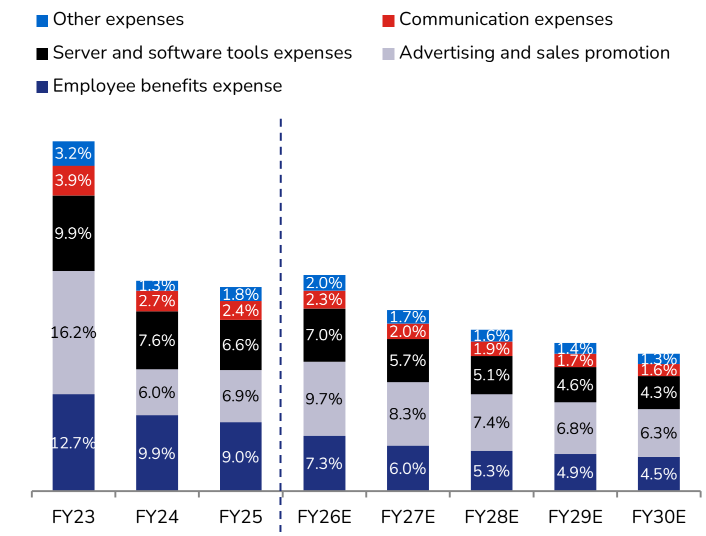
Source: Company, JM Financial. Note: Net revenue is net of fulfilment and logistics expense incurred.

Exhibit 65. Gross profit and gross margin (as % of revenue) trend



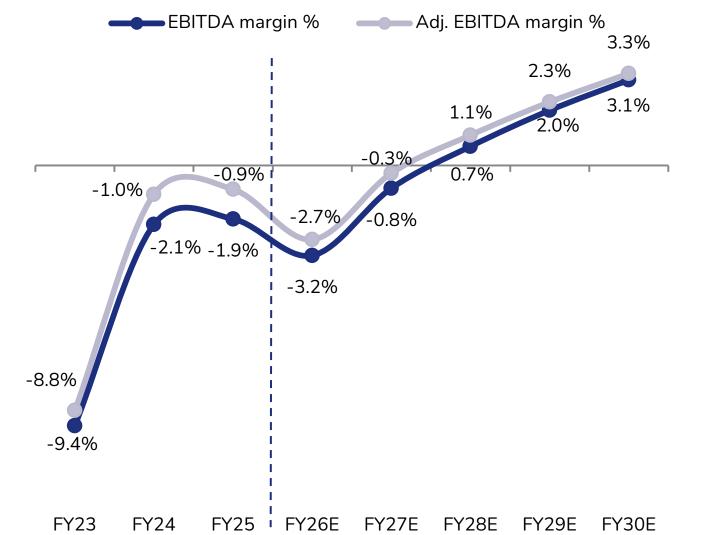
Source: Company, JM Financial

Exhibit 66. Indirect expenses (as % of revenue) trend



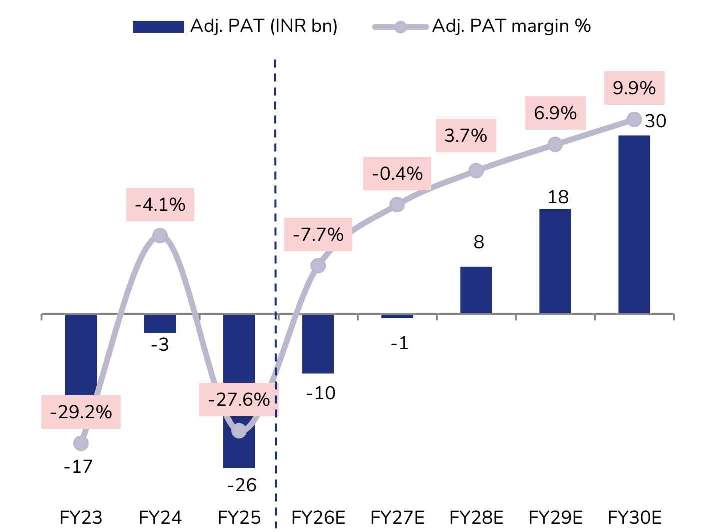
Source: Company, JM Financial

Exhibit 67. EBITDA and Adj. EBITDA margin trend (as % of NMV)



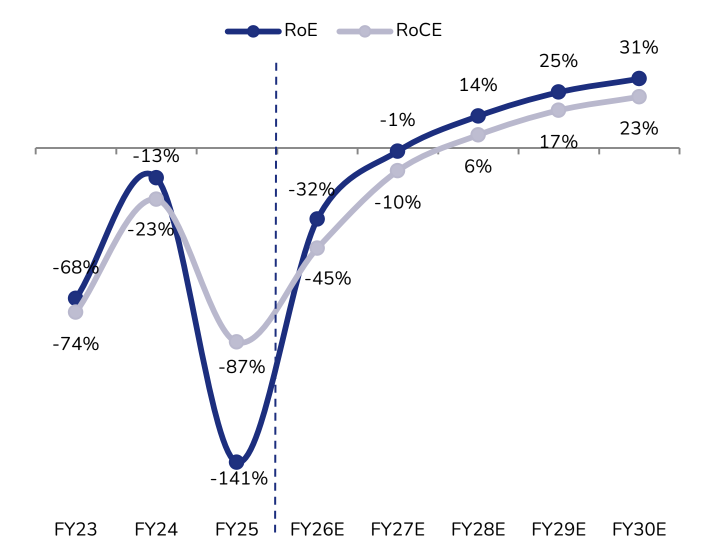
Source: Company, JM Financial

Exhibit 68. Adj. PAT and Adj. PAT margin trend



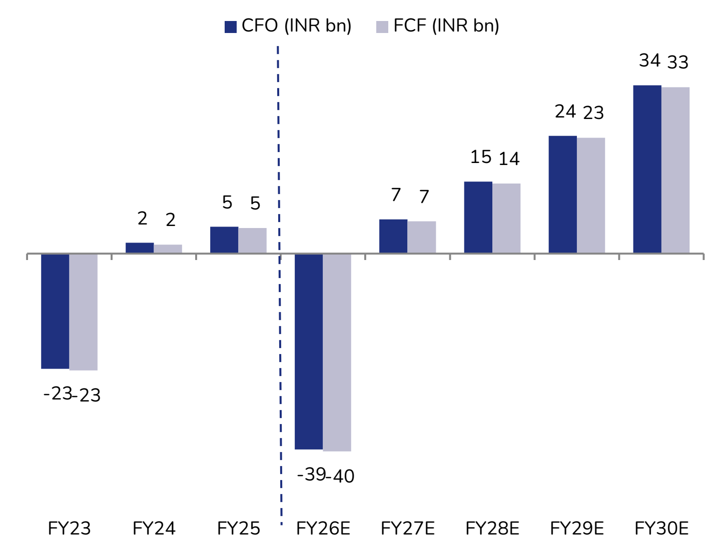
Source: Company, JM Financial

Exhibit 69. RoE and RoCE trend



Source: Company, JM Financial

Exhibit 70. CFO and FCF trend



Source: Company, JM Financial

Taking cues from global players

The evolution of Pinduoduo in China, Shopee in Southeast Asia and Brazil, and Mercado Libre in Latin America shows that value-focused marketplaces can scale into very large, profitable ecosystems when they combine the following: a clear focus on price-sensitive mass consumers, deep participation in logistics and payments, and monetisation that leans increasingly on advertising, fulfilment services and financial products rather than high retail margins. These are structurally similar markets to India in terms of income diversity, fragmentation of offline retail and trust gaps in digital commerce, making these precedents more relevant for Meesho.

Pinduoduo

Pinduoduo was founded in 2015 in China, entering a market that already had scaled incumbents like Alibaba and JD.com. Rather than competing head-on in branded, search-led e-commerce, Pinduoduo strategically targeted lower-tier cities and more price-sensitive users, and positioned itself as a social commerce-led shopping app. The core mechanics combined a personalised product feed with group-buying, meaning users could unlock lower prices by forming “teams” with friends and family and sharing deals through social networks, especially WeChat.

On the supply side, Pinduoduo focused on the **consumer-to-manufacturer (C2M)** model. It connected consumers directly with producers to cut out middlemen, offer lower prices, and enable on-demand/customised production, starting with agriculture and then expanding to other goods.

Within a few years, this model scaled extremely fast. By the early 2020s, Pinduoduo had become one of China’s largest e-commerce platforms by active users, and its GMV reached a staggering ~USD 840bn in 2024, putting it among the top three players by GMV. Monetisation initially took a backseat to growth. While the company already has a competitive edge in agricultural and fresh products in China, it continues to expand into other categories and earn advertising revenue as well. Over time, Pinduoduo has built a sizeable high-margin revenue pool from advertising and promotion fees where merchants pay for better visibility of listings, and commissions and service fees collected on order transactions, including payment processing and after-sales services. This has allowed the company to support very low item prices, while still delivering strong earnings growth as the user base and order frequency deepened. While the company charges commission fees in most of the categories, it offers a zero-commission structure for farmers and suppliers of fresh produce, creating value for both producers and consumers.

What Meesho has already taken from this playbook: (1) Discovery-first and feed-led UI/UX: Meesho’s app is designed around a personalised feed and discovery, not just search and category trees, which is very similar to Pinduoduo’s ‘browsing first’ model and is suited to low-intent, value-conscious users. **(2**) Focus on value-conscious segment rather than premium: Like Pinduoduo’s lower-tier focus, Meesho has consciously positioned itself as a value platform with ‘everyday low prices’ and deep penetration in Tier 2+, instead of competing in urban areas. **(3)** Long-tail sellers and unbranded supply: Meesho’s marketplace is oriented around unbranded and regional brands, especially in categories such as fashion, home and general merchandise, similar to Pinduoduo’s emphasis on factory and SME supply. **(4)** Ads as a core monetisation lever: Meesho has already started scaling advertising revenue in FY25; a meaningful portion of NMV was generated through advertisements with high returns on ad spend (RoAS) for sellers, indicating the similar ‘ad layer on top of thin-margin commerce’ logic.

What Meesho can further learn from Pinduoduo: (1) Formalise a C2M programme: Meesho can deepen engagement with manufacturers in key clusters (textiles, home furnishings, footwear) by building structured C2M programmes, using its demand data to guide design and volume, which can further lower unit costs and lock in supply, similar to Pinduoduo’s model. **(2)** Use social/content commerce more aggressively: While Meesho has content commerce and creator-led discovery, it can lean further into social incentives such as group deals, referral-based discounts and team-based campaigns that lower acquisition cost and improve retention among low-intent users.

Exhibit 71. Pinduoduo financials

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E
GMV (USD bn)	71.3	145.7	241.9	378.5	497.1	683.4	866.5	974.1
Change YoY		104.3%	66.0%	56.4%	31.4%	37.5%	26.8%	12.4%
Revenue (USD bn)	1.7	3.9	7.0	11.3	15.3	21.7	27.5	30.9
Change YoY		122.8%	79.2%	61.7%	35.8%	41.9%	26.8%	12.4%
Take rate	2.4%	2.7%	2.9%	3.0%	3.1%	3.2%	3.2%	3.2%

Source: Company, Bloomberg, JM Financial estimates.

Shopee

Launched in 2015, Shopee is the leading e-commerce platform in Southeast Asia and Taiwan, entering markets characterised by fragmented offline retail, price-sensitive consumers and relatively low e-commerce penetration outside major cities. Rather than competing head-on with incumbents on branded, search-led commerce, Shopee positioned itself as a mobile-first, discovery-led marketplace, focused on affordability and wide assortment. The platform prioritised engagement and frequency over near-term monetisation, which allowed it to rapidly scale its user base, particularly among first-time online shoppers in non-metro regions.

On the supply side, Shopee focused on onboarding long-tail sellers and SMEs, many of whom were previously offline. It invested heavily in platform tools, seller enablement and logistics orchestration, including early fulfilment subsidies and integration with multiple logistics partners. This lowered friction for sellers and improved delivery reliability across dispersed geographies. As order density increased, logistics efficiency improved and subsidy intensity was gradually reduced. Over time, Shopee emerged as one of the largest e-commerce platforms in Southeast Asia by order volume, with value-led categories such as fashion, accessories and general merchandise forming the bulk of transactions.

Initially, the focus was more on scale than monetisation. As the marketplace matured, advertising became a key revenue driver, with sellers paying for improved visibility within Shopee's feed-based interface. Given the discovery-first design and high traffic intensity, ads delivered strong conversion outcomes, allowing Shopee to build a high-margin advertising business alongside modest marketplace commissions. This ad-led monetisation layer enabled Shopee to sustain low pricing for consumers while improving platform economics as scale deepened.

What Meesho has already taken from this playbook: (1) Discovery-first and feed-led UI/UX: Meesho's app is organised around browsing and discovery rather than pure search, similar to Shopee's mobile-first interface, which is well suited for low-intent, value-conscious users. **(2)** Focus on affordability and long-tail categories: Like Shopee, Meesho prioritises unbranded and regional supply in fashion, home and general merchandise instead of premium branded assortments. **(3)** Logistics orchestration over ownership: Meesho's asset-light logistics approach mirrors Shopee's early model of integrating multiple partners rather than building heavy infrastructure. **(4)** Ads as a core monetisation lever: Meesho has begun scaling advertising revenue, reflecting the same logic of monetising seller visibility within a discovery-driven marketplace.

What Meesho can further learn from Shopee: (1) Deeper seller-side tooling: Shopee invested early in seller dashboards, promotion tools and campaign participation mechanics, which helped sellers scale faster and increased ad adoption. **(2)** More structured campaign-led commerce: Shopee's frequent platform-wide campaigns helped drive repeat behaviour and order frequency, particularly among price-sensitive cohorts.

Exhibit 72. Shopee financials

Particulars	CY20	CY21	CY22	CY23	CY24	CY25E
GMV (USD bn)	35.4	62.5	73.5	78.5	100.5	125.6
Change YoY		76.6%	17.6%	6.8%	28.0%	25.0%
Revenue (USD bn)	**2.2**	**5.1**	**7.3**	**9.0**	**12.4**	**16.2**
Change YoY		136.3%	42.6%	23.3%	37.8%	30.8%
Gross orders (bn)	2.8	6.1	7.6	8.2	10.9	13.6
Change YoY		117.9%	24.6%	7.9%	32.9%	24.7%
AOV (USD)				10.00	9.00	9.13
Change YoY					-10.0%	1.4%

Source: Company, Bloomberg.

Mercado Libre

Mercado Libre, founded in 1999, built Latin America's largest e-commerce platform by addressing markets with high informality, fragmented retail and limited access to organised commerce. In its early years, Mercado Libre focused on enabling small and informal sellers to reach consumers online, prioritising assortment breadth and accessibility rather than a premium retail experience. This approach resonated strongly in markets where traditional retail infrastructure was underdeveloped outside major urban centres.

Unlike platforms that remained pure marketplaces, Mercado Libre progressively built an integrated ecosystem around commerce. Logistics (Mercado Envios) and payments (Mercado Pago) were developed to solve structural bottlenecks such as unreliable delivery, low card penetration and lack of trust in online transactions. These investments improved delivery reliability, reduced friction for buyers and sellers, and materially increased repeat usage. Over time, Mercado Libre also expanded into credit offerings for both consumers and merchants, further embedding itself into the commerce ecosystem.

Monetisation evolved alongside this scale. While marketplace commissions remained moderate, advertising and value-added services became increasingly important revenue contributors. As seller density increased, paid visibility tools gained relevance, allowing merchants to compete for attention within large and diverse catalogues. Combined with logistics and fintech revenue, this resulted in a diversified monetisation model that supported long-term profitability while maintaining competitive pricing for users.

What Meesho has already taken from this playbook: (1) Marketplace-first scale before monetisation: Meesho, like Mercado Libre, has prioritised scale and ecosystem depth before pushing for higher take rates. **(2)** Embedded logistics as a strategic lever: Meesho's increasing control over fulfilment echoes Mercado Libre's focus on improving delivery reliability to drive repeat usage. **(3)** Multiple monetisation layers: Meesho's push into advertising and seller services reflects a similar move away from reliance on commissions alone.

What Meesho can further learn from Mercado Libre: (1) Ecosystem-led monetisation: Mercado Libre's success shows how logistics, payments and credit can reinforce marketplace stickiness and unlock incremental revenue pools. **(2)** Fintech-commerce integration: Over time, Meesho could explore deeper financial services for sellers (working capital, settlement tools) to strengthen platform lock-in and improve seller economics.

Exhibit 73. Mercado-Libre financials

Particulars	CY19	CY20	CY21	CY22	CY23	CY24	CY25E
GMV (USD bn)	14.0	20.9	28.4	34.4	44.7	51.5	64.3
Change YoY		49.5%	35.5%	21.5%	29.9%	15.0%	24.9%
Revenue (USD bn)	1.2	2.4	4.4	4.8	6.8	10.1	12.6
Change YoY		97.0%	82.9%	8.8%	41.8%	49.2%	25.0%
Take rate		11.4%	15.4%	13.8%	15.1%	19.6%	19.6%
Unique active buyers (mn)	44.2	60.0	82.2		85.0	100.2	144.4
Change YoY		35.7%	37.0%			17.9%	44.1%

Source: Company, Bloomberg.

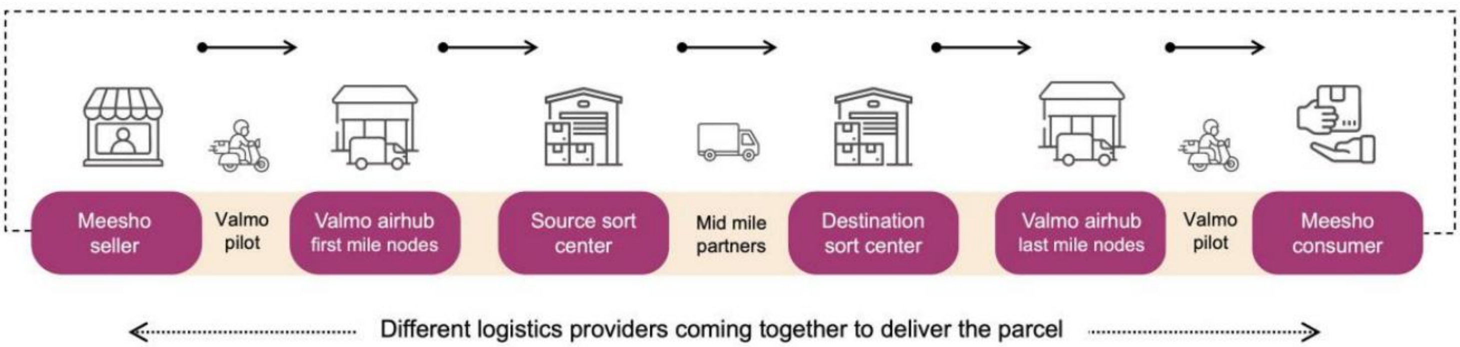
Rise of Valmo – Self logistics platform

Valmo is Meesho's in-house asset-light logistics and fulfilment platform that stitches together a large, fragmented network of first-mile, mid-mile and last-mile partners to fulfil marketplace orders. Valmo was ideated in Oct'21 and launched in Aug'22, and it has scaled rapidly since then.

Why was Valmo created?: Meesho's core value proposition is "Everyday Low Prices" for a value-conscious, mass-market consumer. This is an inherently low-AOV, high-volume model that is highly sensitive to fulfilment/logistics cost. Instead of owning fleet assets, Meesho chose to create asset-light capacity across many 3rd party logistics players, aiming to reduce per order logistics cost, expand serviceable pin codes, and gain tighter control over service quality without competing with partners. While 3PL players need to make 25-30% gross margin in order to justify their P&L, Valmo can operate at no profit-no loss and hence become significantly cheaper for the Meesho platform.

How does Valmo work?: Valmo acts as a real-time routing and allocation layer across multiple logistics vendors for each leg of a shipment. Key layers of this network includes first mile pickup, consolidation/sorting, line-haul/mid-mile, last mile delivery. Given the disaggregated ecosystem, each order typically passes through several partner nodes. An average order had ~4 handovers in FY25, increasing to ~4.5 in 1HFY26, before reaching the consumer. The orchestration system selects partners node-by-node to minimise total cost and time, and to balance reliability across the network. Valmo's routing algorithms consider every path from source to destination at a network node level instead of prescribed shipping lanes while considering cost, capacity, performance of each node and delivery timeline. Its technology allows accurate shipment tracking at multiple nodes of the supply chain and during handovers from one logistics partner to another.

Exhibit 74. Valmo operating model



Source: Company

How has Valmo scaled?: Valmo's share of Meesho's total shipped orders has risen from ~2% in FY23 to ~67% in 2QFY26, shipping 400mn orders in 2QFY26. Valmo has also significantly scaled its network to 102,349 delivery agents and 18,098 logistics partners in LTM ending Sep'25. Since inception, the company has tried to optimise its shipment cost and now has 1-11% lower average cost per shipment compared to other scaled e-commerce logistics providers for parcels weighing 0.5-1kg.

Risks with Valmo: Valmo's network, which works on disaggregation, introduces execution risk as more nodes mean more failure points and cash-handling complexity on CoD flows (still a material share of orders). CoD (cash on delivery) increases the risk of delivery refusals, cash-collection delays and reconciliation issues, especially where last-mile partners have limited working capital; Meesho mitigates this with risk controls, prepaid nudges and SOPs for remittances.

Industry impact: Valmo has become one of the most consequential shifts in India's e-commerce logistics stack, enabling Meesho, which now accounts for 29-31% of all e-commerce shipments in India (ex-hyperlocal), to optimise fulfilment economics for low-AOV e-commerce. Since launch, Valmo has scaled rapidly, with a long-term steady-state insourcing target of 75–80%, implying a continued reduction in reliance on end-to-end 3PL partners. Valmo's model has converted India's fragmented logistics base into a coordinated, software-driven network. This orchestration has pushed down fulfilment cost per shipped order from ~INR 56 in FY23 to ~INR 46 in 2QFY26 and meaningfully reduced 3PL share as more routes/lanes get absorbed into the network. However, the rise of Valmo has resulted in multiple 3PL players seeing volume impact and was one of the key reasons for industry consolidation that resulted in Delhivery acquiring Ecom Express in 2025.

Is Valmo an incremental risk for 3PL players?

From a broader POV, Meesho's increasing use of its in-house logistics arm, Valmo, may suggest that 3PL businesses could be at risk as customers can turn to self-logistics as demonstrated by Meesho. However, the underlying objectives are materially different. Meesho's decision to insource logistics has been driven primarily by its need to lower end-consumer prices and keep seller economics viable in a low-AOV, value-commerce environment, even if it means taking slightly longer to deliver and also risking potentially higher lost shipments.

Importantly, insourcing only works if it delivers a cost advantage and substantial scale is needed in order to get competitive pricing from fragmented logistics operators. In Meesho's case, shipment costs, through Valmo, are broadly comparable to those of 3PL players in highly populated, urban lanes as 3PLs also have substantial volumes in urban zones. However, in lower-tier cities where Meesho commands a disproportionately higher share of shipments, the efficiency benefit of Valmo is highly prominent as it allows for better asset utilisation and routing efficiencies. As Meesho also picks up in urban areas and the mix of Tier 1 cities rises, the scope for further cost compression through Valmo narrows, limiting the economic incentive to aggressively expand insourcing.

While our triangulation suggests a significant cost improvement in 1HFY26 for Valmo (as per exhibit below), it is mainly due to a pilot initiated in 1H where last-mile cost was passed on directly to sellers. We understand that would have resulted in an impact of INR 5-6 and, hence, Valmo's cost advantage is currently flatlining. While we still expect Valmo to find incremental levers to lower this further, the rate of insourcing will now be more gradual than that seen in the past 4-6 quarters.

Exhibit 75. Delivery cost comparison vs. 3PLs

Particulars	FY23	FY24	FY25	1QFY26	2QFY26
Cost per Shipped order - Valmo (INR)	55.6	51.7	46.3	41.0	41.2
Cost per Shipped order - 3PL (INR)	53.5	49.9	48.8	50.2	51.0

Source: Company, JM Financial estimates.

Also, our calculations below suggest that a key driver of lower costs per delivered order will be the ability to significantly reduce CoD orders in the mix and improve delivery success rates. Hence, lower logistics cost in the future will not necessarily be driven solely by network-led efficiencies.

Exhibit 76. Cost will reduce materially if CoD mix reduces to 60%

Particulars	FY23	FY24	FY25	1QFY26	2QFY26	FY30E
CoD orders as % of Shipped Orders	88.71%	85.39%	76.95%	75.09%	72.00%	60.00%
Prepaid orders as % of Shipped Orders	11.29%	14.61%	23.05%	24.91%	28.00%	40.00%
CoD orders success rate	76.57%	78.60%	77.70%	75.55%	75.85%	75.00%
Prepaid orders success rate	96.76%	97.85%	97.28%	96.33%	96.39%	96.39%
Delivered orders (mn)	684	933	1,305	385	490	4,904
Cost per delivered order (INR)	70.5	63.5	56.3	57.0	56.6	45.1

Source: Company, JM Financial estimates.

There are also clear structural reasons why Meesho will continue to rely on 3PL partners. Efficiency in reverse logistics, seasonal / peak season demand spikes, and protection against own network disruptions require a diversified logistics base. Further, as Meesho's category mix gradually expands to include heavier shipments (up to ~3 kg) with its increasing focus on categories such as Home & Kitchen, the dependence on established 3PL networks with higher weight-handling capabilities becomes unavoidable. These are areas where scaled 3PLs retain a clear operational advantage. Furthermore, Valmo's cost advantage in Metro/Tier 1 cities is only marginal and pick-up in these cities might drive incremental dependence on 3PLs.

Taken together, while Meesho is likely to continue increasing the share of shipments handled by Valmo, we expect this to plateau at a significantly lower level than seen at Amazon or Flipkart. In our view, **insourcing is likely to stabilise ~75–80% vs. 88-92% for Amazon and 85-90% for Flipkart**. This suggests that Valmo should be seen as a cost-optimisation lever within Meesho's value-commerce model, rather than a structural threat to large 3PL players. From a 3PL perspective, we would rather suggest focus on Meesho's order growth rate than worry about insourcing as even a rise to 75-80% over the next few years at 30%+ order growth rate would still enable mid-teens volume growth for 3PLs. Instead, Meesho's order growth rate dropping to the current high-single / early-double digits order growth rate seen for the larger horizontals could be a more concerning scenario for 3PLs.

Key strategic questions

Why doesn't Meesho consolidate orders?

Meesho's focus on 'Buy Now' instead of basket-building is a unique demonstration of understanding the customer base perfectly. A significant majority of the company's shoppers are housewives in Tier 2+ cities, who tend to browse the platform at frequent intervals but for short timespans. By not incentivising basket-building behaviour, Meesho has effectively improved its basket to checkout conversion as baskets are not left unfulfilled.

Meesho's fulfilment infrastructure is not built around order consolidation/bundling, primarily due to the nature of its seller base and its asset-light operating model. Orders on the platform typically originate from the highly fragmented small and micro sellers spread across multiple locations, particularly in lower-tier markets. Consolidating such orders would require intermediate warehousing, sorting hubs and inventory handling, which would add incremental cost and complexity to the model and dilute the economics of a low-AOV, zero-commission marketplace. Instead, Meesho follows a direct seller-to-consumer pickup model, routing shipments through 3PLs or Valmo without passing through central fulfilment centres, thereby keeping handling and fixed costs low.

From a unit economics perspective, Meesho optimises for lowest possible per-shipment cost rather than basket-level efficiency (as observed in quick commerce/e-commerce models), consistent with a value-commerce proposition where customers prioritise price over delivery speed. At current scale, order consolidation offers limited cost benefit given low-ticket sizes and diverse seller geographies; in fact, there is a risk of higher logistics charges for sellers who are operating on thin margins. However, consolidation becomes more viable once meaningful first-mile consolidation is achieved, i.e., higher shipment density from common seller clusters or hubs. As Meesho's network matures and seller concentration increases in select lanes, bundling at the first-mile level could improve efficiency. Until then, avoiding consolidation remains a strategic choice aligned with Meesho's focus on affordability and asset-light execution, rather than an operational gap.

Why is Meesho focusing on lowering average order value?

Meesho's focus on lowering AOV is a strategic choice to play on a wider TAM. By keeping AOVs low, the platform increases purchase frequency among value-conscious users and becomes relevant for everyday, repeat-use categories rather than occasional discretionary spends. This allows it to tap a much larger mass-market TAM, especially in Tier 2+ cities where households' buying behaviour is skewed towards small, need-based purchases. Lower AOVs also reduce decision friction for first-time online buyers, supporting faster user adoption and higher cohort retention over time.

A second-order impact is competitive positioning. Large horizontal marketplaces such as Amazon and Flipkart are structurally less optimised to serve very low-ticket orders, given their higher fulfilment expenses, faster delivery SLAs, and cost structures that are better suited to mid-to-high AOV baskets. **Meesho's model allows it to profitably operate in price bands that are often unattractive or marginal for incumbents**, effectively insulating it from direct competition on a large part of its order base. This creates a strong moat where it competes more closely with offline local markets and unorganised retail, rather than with premium e-commerce platforms.

Finally, Meesho's ability to handle low-value items is tightly linked to how its ecosystem is designed, from zero-commission seller economics and fragmented, long-tail supply, to a logistics setup optimised for cost rather than speed. As Meesho primarily charges a markup on logistics cost, there is no P&L impact of lowering AOVs; rather, P&L benefits from more ordering frequency. The platform is built to absorb thin unit economics through scale, repeat purchases, and improving logistics efficiency (including insourcing via Valmo). As volume scales and first-mile consolidation improves, there is optionality to drive incremental efficiency through bundling and better network utilisation. In that sense, lowering AOV is not a constraint but a foundational pillar of Meesho's model, enabling scale, defensibility, and long-term operating leverage in value commerce.

Exhibit 77. NMV retention per user cohort

Particulars	FY22	FY23	FY24	FY25
Year 0	1.00x	1.00x	1.00x	**1.00x**
Year 1	1.50x	1.42x	**1.48x**	
Year 2	1.64x	**1.46x**		
Year 3	**1.74x**			

Source: Company

Exhibit 78. Frequency per user cohort

Particulars	FY22	FY23	FY24	FY25
Year 0	1.00x	1.00x	1.00x	**1.00x**
Year 1	1.64x	1.53x	**1.55x**	
Year 2	1.90x	**1.64x**		
Year 3	**2.13x**			

Source: Company

Meesho vs. Amazon/Flipkart

Meesho's marketplace model is structurally different from that of Amazon and Flipkart, both in terms of monetisation approach and the consumer segment it serves. While Amazon and Flipkart operate largely on a commission-led marketplace model, where sellers are charged category-specific commissions along with logistics/fulfilment and advertising fees, Meesho follows a zero-commission model. Under this model, **sellers specify the realisation they are expecting on a product, and Meesho works backwards to arrive at a consumer price that can compete with local alternatives**. This approach meaningfully lowers seller charges and reduces entry barriers for small, unbranded and long-tail suppliers, particularly those operating in Tier 2+ cities.

The zero-commission model allows Meesho to position itself as a low-cost distribution channel for value-focused sellers, in contrast to Amazon and Flipkart, where higher platform fees often necessitate higher price points or force sellers to compress margins. As a result, Meesho's marketplace is dominated by unbranded and private-label supply across categories such as fashion, home and general merchandise, whereas Amazon and Flipkart have a higher mix of branded goods and organised sellers. This difference in supply composition directly influences pricing outcomes, with Meesho consistently targeting price parity or discounts vs. local stores and unorganised retail. Also, **these unbranded and regional sellers struggle to compete with larger brands on Amazon and Flipkart and, hence, have limited visibility on these platforms**.

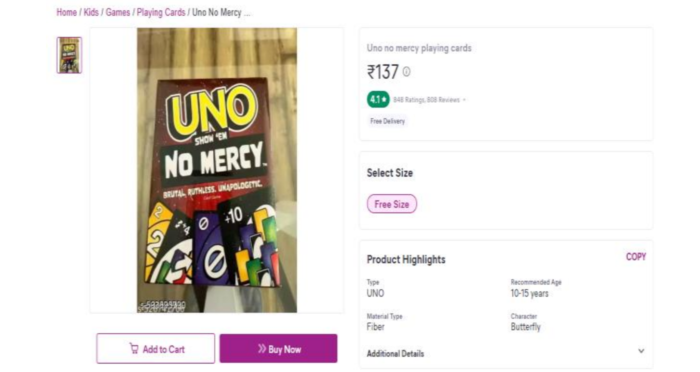
On the demand side, Meesho's target user cohort is meaningfully different from that of Amazon and Flipkart. Meesho is primarily focused on value-conscious consumers in Tier 2+ markets, where purchasing behaviour is driven by affordability rather than brand preference or speed of delivery. This is reflected in Meesho's significantly lower average order value compared to the large horizontal platforms. Furthermore, **this consumer cohort also feels more comfortable on Meesho, akin to their comfort level shopping at value retailers in the offline format in comparison to shopping at relatively premium retailers**. Amazon and Flipkart, by contrast, have historically been oriented towards urban and semi-urban users with higher discretionary spending, where factors such as brand assortment, fast delivery and service quality play a larger role in purchase decisions.

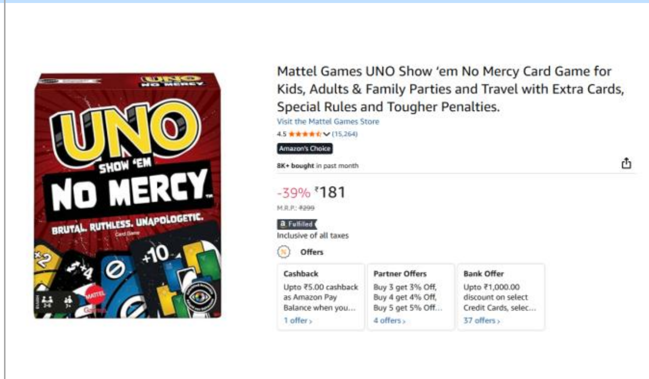
Amazon and Flipkart have made attempts to address the value-commerce opportunity through **'Amazon Bazaar'** and **'Flipkart Shopsy**'. However, these initiatives remain adjacencies rather than the core of their business models. The parent platforms continue to be optimised for branded selection, Prime or Plus-led loyalty ecosystems, and higher AOV categories such as electronics and large appliances. In contrast, Meesho's entire product, pricing and supply-side architecture is built around low-ticket, high-frequency purchases, making value commerce its primary operating focus rather than a secondary growth lever.

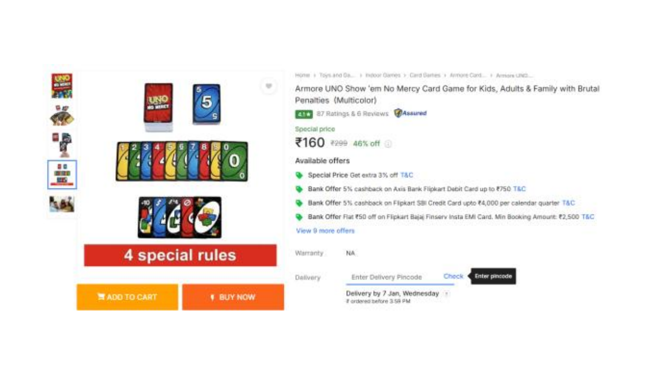
From a strategic standpoint, this divergence implies that Meesho is not competing head-on with Amazon and Flipkart across the full spectrum of Indian e-commerce. Instead, it is addressing a structurally different use case, enabling price discovery and digital access for value-seeking consumers and small sellers who were historically underserved by commission-heavy platforms. While overlap is increasing at the margin, especially as large platforms test lower-price formats, Meesho's zero-commission model, lower AOV profile and Tier 2+ concentration continue to differentiate its marketplace economics and positioning within India's e-commerce landscape.

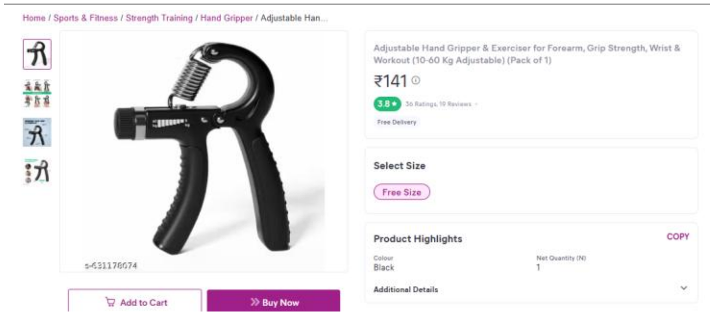
Exhibit 79. Pricing comparison across e-commerce platforms – Meesho is significantly cheaper for similar products

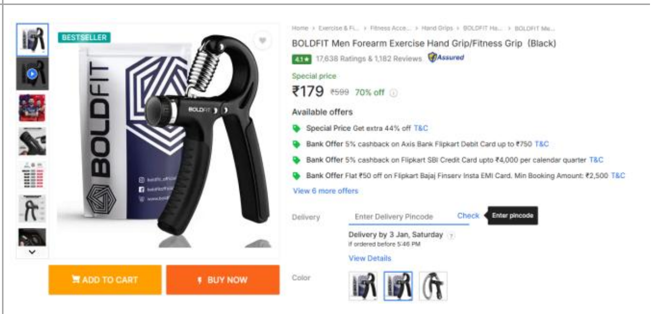
Meesho	Amazon	Flipkart

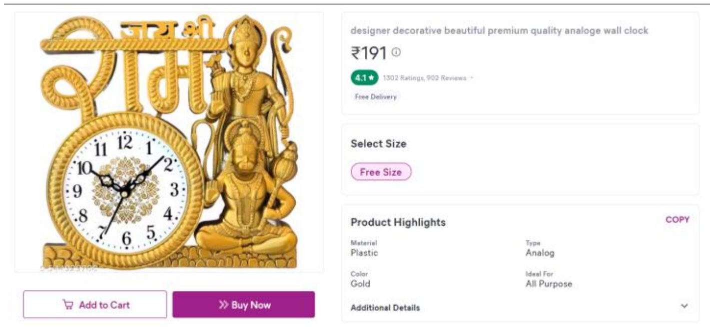


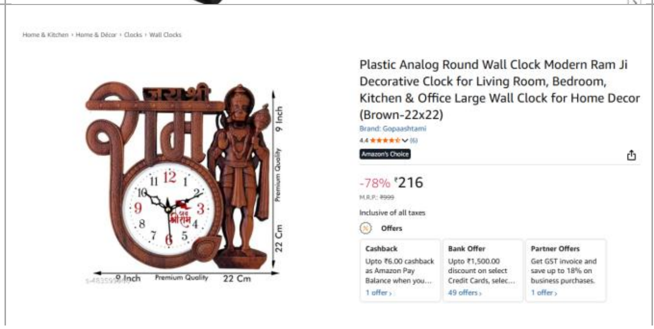


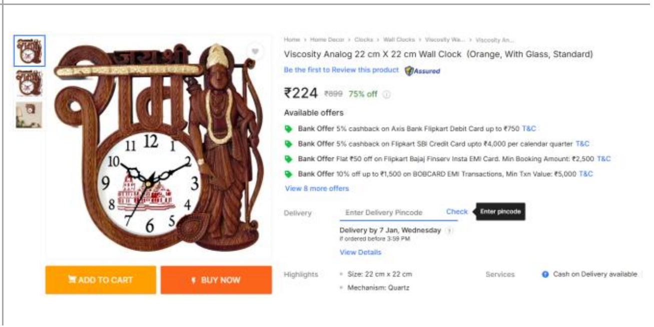












Source: Respective e-commerce websites. Note: Pricing is as of 7th Jan'26.

Key Downside Risks

- **Dependence on large and active seller base:** Meesho's success depends on sustaining engagement among its wide base of over 706,471 annual transacting sellers (as of 2QFY26), who primarily consist of SMEs and local manufacturers. Any decline in the seller base due to higher operational costs, reduced visibility, stricter trust and safety interventions, or migration to competing marketplaces could lead to lower product assortment and weaker order conversion. The company has previously suspended operations for certain sellers and regions (e.g., Sagar, Madhya Pradesh in Aug'25) under internal compliance reviews, underscoring the need to balance platform integrity with growth. Sustaining an inclusive, low-cost environment for sellers will remain critical to Meesho's long-term expansion.

- **High reliance on CoD transactions:** Despite rising digital payment adoption, ~72% of Meesho's orders were fulfilled through CoD in 2QFY26, reflecting the platform's large base of first-time or value-conscious buyers from Tier 2+ cities. While CoD supports penetration into new consumer cohorts, it exposes the company to operational inefficiencies such as higher return rates, delivery rejections, and cash-handling delays. Since Valmo and its partner network include smaller and fragmented players with limited working capital buffers, delayed remittances or reconciliation issues can impact liquidity and working capital management. The company continues to encourage prepaid adoption through UPI and Buy Now Pay Later ('BNPL') options, but the transition remains gradual given consumer habits.

Exhibit 80. CoD orders details

Particulars	FY23	FY24	FY25	2QFY26
CoD orders as % of Shipped Orders	88.71%	85.39%	76.95%	72.00%
CoD orders success rate	76.57%	78.60%	77.70%	75.85%

Source: Company

- **Increasing dependence on in-house logistics network of Valmo:** Meesho's proprietary logistics platform, Valmo, fulfilled ~67% of total shipped orders in 2QFY26, up from ~2% in FY23, indicating rising concentration of deliveries through its own network. While this enhances control and efficiency, it also increases exposure to potential disruptions within Valmo's ecosystem of fragmented first and last-mile partners. Any capacity bottlenecks, partner defaults, or technology breakdowns could affect service reliability, delivery timelines, and cost efficiency. Scaling Valmo profitably while maintaining high service quality will be key to sustaining operating leverage and consumer trust.

- **Exposure to low-margin, price-sensitive consumer base:** Meesho primarily targets India's value-conscious consumers who prefer affordable and unbranded products. This demographic exhibits high price elasticity and limited brand loyalty, making order volume and monetisation sensitive to competitive discounting or broader demand moderation. While the platform's "Everyday Low Prices" model supports acquisition at scale, it constrains take rates and profitability improvement, especially amid rising logistics and promotional costs. Sustained margin expansion would require stronger seller monetisation, advertising income, and logistics efficiency.

- **Operational and technology-related risks:** With over 1.1bn shipped orders and 5.92bn daily data points processed in 1HFY26, Meesho's operations are heavily reliant on automation, machine learning algorithms, and large-scale data infrastructure. Any technology failure, cybersecurity breach, or algorithmic error affecting search, recommendation, or fraud detection could materially impact customer experience and trust. The company continues to face the challenge of curbing fake listings, fraudulent return claims, and policy misuse despite AI-based monitoring. Ensuring platform stability and trust integrity at scale remains a key operational priority.

- **Regulatory and policy uncertainty:** As a large digital marketplace, Meesho is exposed to frequent regulatory changes around e-commerce FDI, data privacy, intermediary liability, and consumer protection. Potential policy actions such as restrictions on deep discounting, tightening of seller verification norms, or new obligations on returns and data-sharing could increase compliance costs and operational complexity. Further, any unfavourable interpretations of the intermediary framework or marketplace commission structures could constrain the flexibility of Meesho's zero-commission model.

Company Background

Meesho Limited ("Meesho") is one of India's leading value-focused e-commerce marketplaces. Founded in 2015 by Vidit Aatrey (CEO) and Sanjeev Kumar (CTO), the company was initially incorporated in Bengaluru as 'FashNear Technologies Pvt. Ltd.' and later rebranded to 'Meesho Pvt. Ltd.' in Apr'25. It transitioned to a public limited company in Jun'25, adopting the present name Meesho Limited.

When the company first started under the name 'FashNear', the idea was to be a hyperlocal fashion marketplace to connect local stores with customers as evident from the portmanteau of 'Fashion' and 'Nearby'. However, as the earlier model struggled to scale, the founders decided to rebrand the company as 'Meesho'. Over the years, Meesho has evolved from a small-seller enablement platform into a large-scale online marketplace focused on serving India's price-conscious consumers. The platform connects buyers and sellers through an asset-light, pure marketplace model that does not hold inventory or compete with its merchants. Its core proposition of "Everyday Low Prices" has helped expand access to e-commerce for first-time online shoppers and small sellers across India.

Ahead of its IPO, Meesho implemented a group restructuring to simplify its legal and operating framework. In 2025, a composite scheme of amalgamation led to the merger of its US holding entity (Meesho Inc., Delaware) into the Indian company, consolidating all assets and shareholdings under Meesho Limited. Concurrently, the company demerged its businesses into two material subsidiaries - Meesho Technologies Private Limited (MTPL), which operates the core marketplace, and Meesho Grocery Private Limited (MGPL), which oversees the grocery vertical. MTPL accounts for nearly all of Meesho's consolidated revenue, while MGPL represents its nascent grocery business.

Exhibit 81. Meesho's corporate structure

Source: Company

As of 1HFY26, Meesho was among India's largest horizontal marketplaces by Placed Orders and Annual Transacting Users (AUTC), according to Redseer. The platform handled ~1.1bn shipped orders in 1HFY26, up from ~0.9bn in FY23, supported by more than 706,471 active sellers offering a wide range of unbranded and regional products. While the company works with multiple end-to-end 3PL players for fulfilment, it has developed its proprietary logistics platform called 'Valmo' in order to optimise logistics cost. Valmo fulfilled ~66% of total shipped orders in 2QFY26 (rising from ~2% in FY23) with an average of 5 handovers per order, integrating multiple logistics partners from first to last mile. As of 2QFY26, the platform managed ~234mn monthly active users with strong NMV retention and frequency cohorts, underscoring its scale, reach, and customer loyalty.

With its extensive seller network, rapidly scaling logistics infrastructure, and data-driven marketplace model, Meesho has positioned itself as a key enabler of India's next wave of e-commerce growth. The company's evolution from a social-selling start-up to one of the country's largest mass-market platforms highlights its ability to adapt to consumer behaviour shifts and build a sustainable, inclusive commerce ecosystem.

Exhibit 82. Key operational data

Particulars	FY23	FY24	FY25	1QFY26	2QFY26
Marketplace financials					
GMV (INR bn)	345	400	503	151	183
NMV (INR bn)	192	232	300	87	105
Revenue (INR mn)	57,337	76,137	93,859	25,025	30,714
Contribution profit (INR mn)	5,659	13,032	14,837	3,843	3,490
Contribution margin (% of GMV)	1.64%	3.25%	2.95%	2.54%	1.90%
Contribution margin (% of NMV)	2.94%	5.61%	4.95%	4.43%	3.32%
Adj. EBITDA (INR mn)	-15,990	-1,492	-1,167	-1,484	-3,707
Adj. EBITDA margin (% of NMV)	-8.31%	-0.64%	-0.39%	-1.71%	-3.53%
New initiatives financials					
Revenue (INR mn)	8	14	40	14	23
Adj. EBITDA (INR mn)	-909	-669	-929	-167	-135
Users / Sellers					
Annual Transacting Users (ATU) (mn)	136	156	199	213	234
Annual Transacting Sellers (ATS) (mn)	0.45	0.42	0.51	0.58	0.71
Placed Orders per Annual Transacting Seller	2,276	3,167	3,571	3,515	3,215
Average cost charged to selller (INR)	55.97	56.74	51.17	44.54	43.93
Orders					
Placed Orders (mn)	1,024	1,342	1,834	562	699
Order Frequency	7.51x	8.62x	9.23x	9.49x	9.70x
Shipped orders (mn)	867	1,146	1,588	477	601
Shipped orders - Valmo (mn)	16	224	764	296	400
Shipped orders - Valmo (%)	1.83%	19.55%	48.08%	61.98%	66.54%
Shipped orders - End-to-end EPS delivery companies (mn)	851	922	824	181	201
Shipped orders - End-to-end EPS delivery companies (%)	98.17%	80.45%	51.92%	38.02%	33.46%
CoD orders as % of Shipped Orders	88.71%	85.39%	76.95%	75.09%	72.00%
Prepaid orders as % of Shipped Orders	11.29%	14.61%	23.05%	24.91%	28.00%
CoD orders success rate	76.57%	78.60%	77.70%	75.55%	75.85%
Prepaid orders success rate	96.76%	97.85%	97.28%	96.33%	96.39%
Return Orders (mn)	64	90	120	37	48
Return Orders as a % of Shipped Orders	7.42%	7.89%	7.57%	7.68%	7.99%
Average cost charged to seller (INR)	56.0	56.7	51.2	44.5	43.9
Costs directly attributable to Placed order (INR mn)	51,679	63,105	79,022	21,182	27,224
Costs directly attributable to Placed order (INR)	50.5	47.0	43.1	37.7	38.9
Costs directly attributable to Shipped order (INR)	59.6	55.0	49.8	44.4	45.3
Category mix of placed orders					
Apparel	43.49%	40.71%	36.17%	35.16%	33.80%
Footwear and accessories	19.13%	17.66%	16.78%	15.39%	15.23%
Kids and baby products	9.35%	10.70%	10.48%	9.79%	9.64%
Home, Kitchen and furnishing	10.12%	12.77%	17.24%	17.79%	19.28%
BPC	8.49%	8.80%	9.98%	10.69%	10.68%
Others	9.42%	9.36%	9.35%	11.18%	11.37%
Employees					
No. of full time employees	1,710	1,326	1,656	2,009	2,082
Machine learning and AI	66	66	97	155	163
Technology	790	590	780	981	1,019
Non-technology	854	670	779	873	900
Employee attrition rate %	53.45%	52.04%	33.94%	7.37%	14.98%
Valmo- full time employees			173	207	291

Source: Company, JM Financial.

Exhibit 83. Details of board of directors

Name	Position	Director Since	Education	Past Experience	Remuneration in FY25
Vidit Aatrey	Chairperson, MD and CEO	13-Aug-15	He holds a bachelor of Technology degree in Electrical Engineering from the Indian Institute of Technology, Delhi.	He was previously associated with ITC Limited and InMobi Technology Services Private Limited.	INR 54.27mn
Sanjeev Kumar	Whole-Time Director and CTO	13-Aug-15	He holds a bachelor's degree in technology in electrical engineering from Indian Institute of Technology, Delhi.	He was previously associated with Sony Corporation.	INR 49.34mn
Mohit Bhatnagar	Non-Executive Non-Independent Director	16-Jun-25	He holds a Bachelor of Engineering degree in Electronics Engineering from the Thadomal Shahani Engineering College, University of Bombay, Mumbai, a Master of Science degree in Electrical Engineering from the Virginia Polytechnic Institute and State University, Virginia and a Master's degree in Business Administration from The University of North Carolina at Chapel Hill.	He is a designated partner at Peak XV Partners Advisors India LLP and has been associated with Peak XV Partners (formerly Sequoia Capital India & SEA) since 2006.	NA
Mukul Arora	Non-Executive Non-Independent Director	04-Jun-25	He holds a Bachelor of Engineering degree in Computers from University of Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management Society, Lucknow.	He is associated with Light Ray Advisors LLP and was previously associated with McKinsey & Company, Inc	NA
Rohit Bhagat	Independent Director	16-Jun-25	He holds a Bachelor of Technology degree in Mechanical Engineering from the Indian Institute of Technology, Delhi, a Master of Science degree in Engineering from the University of Texas at Austin, Texas and a Master's degree in Management from the J. L. Kellogg Graduate School of Management at Northwestern University, Illinois. He has also completed the Directors' Consortium Executive Program from the Graduate School of Business, Stanford University.	At present, he serves on the board of PhonePe Limited and previously served as the senior managing director and chairman of BlackRock Inc's Asia-Pacific business.	INR 20.63mn
Hari Shankar Bhartia	Independent Director	16-Jun-25	He holds a Bachelor of Technology degree in Chemical Engineering from the Indian Institute of Technology, Delhi.	He is the co-founder and co-chairman of the Jubilant Bhartia Group acting as the co-chairman of Jubilant Pharmova Limited and Jubilant FoodWorks Limited and the co-chairman and whole time director of Jubilant Ingrevia Limited.	INR 8.28mn
Surojit Chatterjee	Independent Director	16-Jun-25	He holds a Bachelor of Technology (Honours) degree in Computer Science and Engineering from the Indian Institute of Technology, Kharagpur, a Master's degree in Computer Science from the State University of New York at Buffalo, and a Master's degree in Business Administration from the Massachusetts Institute of Technology.	He is the founder and chief executive officer of EMA Unlimited Inc. He was previously associated with Coinbase Global Inc., Flipkart Internet Private Limited, Oracle Corporation and Symantec Corporation. He is also an independent director at Atos.net.	INR 18.34mn
Kimsuka Narasimhan	Independent Director	22-Jun-25	She holds a Bachelor of Commerce degree from University of Madras and has passed the final examination held by the Institute of Cost and Works Accountants of India. She is also an associate of the Institute of Chartered Accountants of India.	At present, she serves on the board of Bharti Airtel Limited and was previously associated with PepsiCo India Holdings Private Limited and Kimberly-Clark Asia Pacific Headquarters Pte Limited.	NA

Source: Company, JM Financial

Exhibit 84. Board of directors

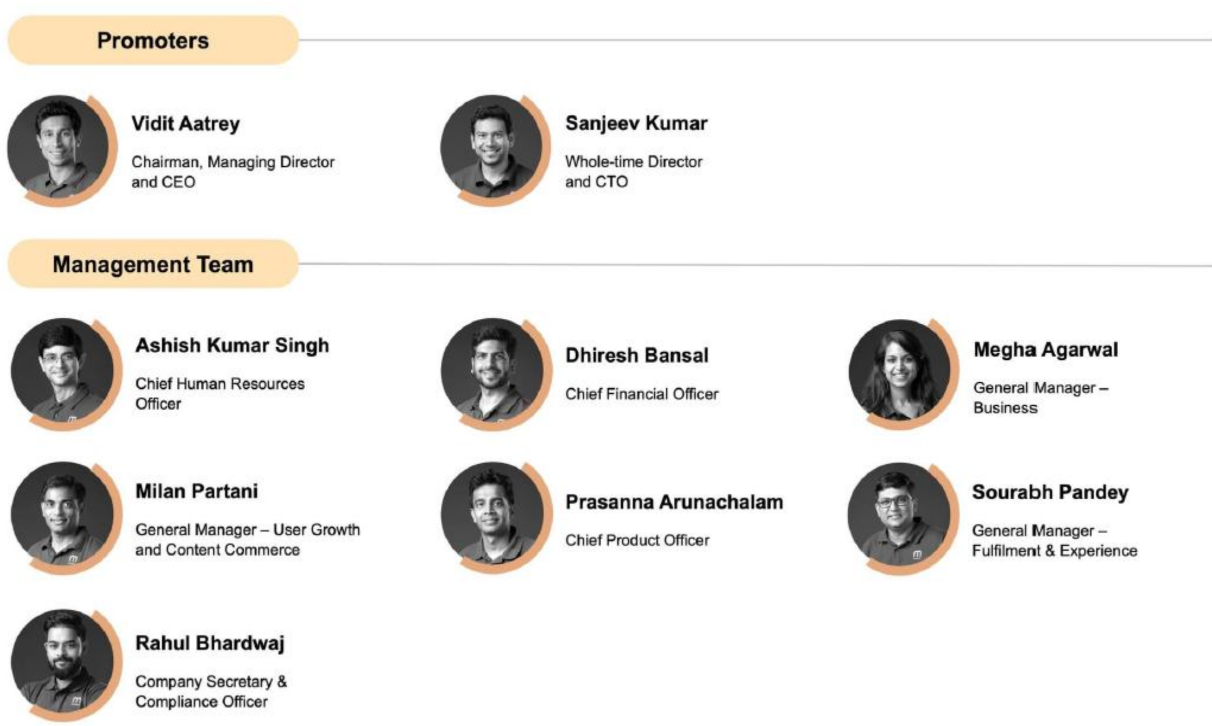
Source: Company

Exhibit 85. Details of key managerial personnel

Name	Position	Joined since	Education	Past Experience	Remuneration in FY25
Vidit Aatrey	Chairperson, MD and CEO	13-Aug-15	Holds a bachelor of technology degree in Electrical Engineering from IIT Delhi.	Previously associated with ITC Limited and InMobi Technology Services Private Limited.	INR 54.27mn
Sanjeev Kumar	Whole-Time Director and CTO	13-Aug-15	Holds a bachelor of technology degree in electrical engineering from IIT Delhi.	Previously associated with Sony Corporation.	INR 49.34mn
Dhiresh Bansal	CFO	01-Nov-21	Holds Bachelor of Technology degree in Mechanical Engineering from IIT Bombay and a Post-Graduate Diploma in Management from IIM Ahmedabad.	Previously associated with Nuvo ChrysCapital Advisors Private Limited and J.P. Morgan India Private Limited.	INR 31.88mn
Rahul Bhardwaj	Company Secretary and Compliance Officer	14-Feb-22	Qualified member of Institute of Company Secretaries of India and has completed Bachelor of Commerce in Corporate Affairs and Administration and Master of Commerce in Business Policy and Corporate Governance from the IGNOU.	Previously associated with The HI-Tech Gears Limited, ANI Technologies Private Limited and Pisces eServices Private Limited.	INR 3.51mn
Ashish Kumar Singh	Chief Human Resource Officer	07-Dec-20	Holds Bachelor of Technology in Civil Engineering from BHU and a Post-Graduate Diploma in Personnel Management and Industrial Relations from XLRI Jamshedpur.	Previously associated with Adobe Systems, Medlife International, Hindustan Unilever, Myntra Designs, Reckitt Benckiser (India) and Myntra Jabong.	INR 23.86mn
Megha Agarwal	General Manager - Business	02-Jul-19	Holds a Bachelors of Technology degree in Electrical Engineering (Power) from IIT Delhi and a Master's degree in Management and Business Administration from INSEAD.	Previously associated with A.T. Kearney Consulting (India) Private Limited and Nomura Financial Advisory & Securities (India) Private Limited.	INR 22.99mn
Milan Partani	General Manager - User Growth and Content Commerce	01-Apr-19	Holds a Bachelors of Engineering degree in Electronics and Communication Engineering from Manipal Institute of Technology and has completed Post-Graduate Programme in Management from ISB.	Previously associated with Philips Electronics India Limited, Oravel Stays Private Limited, UrbanClap Technologies India Private Limited and Flipkart Internet Private Limited.	INR 14.39mn
Prasanna Arunachalam	Chief Product Officer	17-Dec-20	Holds a Bachelor's degree in Electronics and Communication Engineering from Anna University, Chennai and a Post-Graduate Diploma in Management from IIM Bangalore.	Previously associated with Vizury Japan Godo Kaisha (G.K.), Procter & Gamble International Operations SA and Cleartrip Private Limited.	INR 12.93mn
Sourabh Pandey	General Manager - Fulfilment and Experience	23-Aug-21	He holds a Bachelor of Engineering degree in Electronics and Communication Engineering from Manipal Institute of Technology, and a Post-Graduate Diploma in Management from IIM Lucknow.	Previously associated with Vector E-Commerce, Myntra Jabong, Citibank N.A., CG-CoreEl Programmable Solutions and Jasper Infotech.	INR 23.7mn

Source: Company, JM Financial

Exhibit 86. Key managerial personnel



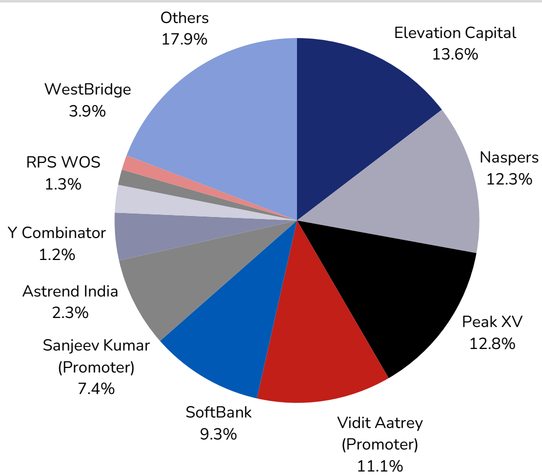
Source: Company

Exhibit 87. Brief timeline

Calendar Year	Particulars
2015	Incorporation of FashNear Technologies Pvt. Ltd. (Meesho)
2017	Raised USD 3.44mn from Elevation capital, Y combinator, Venture Highway
2018	One million Placed Orders in a single month on the “Meesho” platform
2018	Raised USD 11.5mn from SAIF Partners (Elevation Capital), Y Combinator, and Venture Highway
2018	Raised USD 50mn from Sequoia Capital, RPS Ventures, Y Combinator, Venture Highway, Elevation Capital, Peak XV Partners, DST Global Partners
2019	Raised USD 125mn from Naspers, Shunwei Capital, Venture Highway, Elevation Capital, RPS Ventures, and Facebook
2021	Raised USD 300mn from SoftBank Vision Fund, Prosus, Venture Highway, Shunwei Capital, and Facebook at a valuation of USD 2.1bn
2021	Raised USD 570mn from B Capital, Prosus, SoftBank, Trifecta Capital, Footpath Ventures, Fidelity, Facebook at a valuation of USD 5.23bn
2022	Meesho crosses 100 million Annual Transacting Users
2022	Meesho launches Valmo
2022	Meesho crosses 5 million Placed Orders a day
2023	Meesho launches content commerce: Meesho crosses 500 million downloads
2024	Raised USD 275mn from Tiger Global Management, Peak XV Partners, WestBridge Capital, and Mars Growth Capital at a valuation of USD 3.9bn
2024	Meesho becomes free cash flow positive
2025	Inbound merger of Meesho Inc. into Meesho Limited

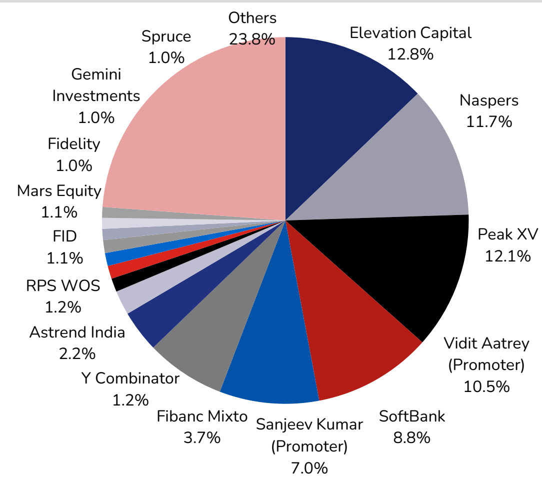
Source: Company, Media articles, JM Financial

Exhibit 88. Pre-IPO shareholding structure (diluted)



Source: Company, JM Financial

Exhibit 89. Shareholding as of 2QFY26



Source: Company, JM Financial

Financials

Exhibit 90. Profit and loss statement

All numbers in INR mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
GMV - Marketplace	**344,910**	**400,380**	**503,120**	**683,489**	**877,670**	**1,063,997**
Change-YoY		16.1%	25.7%	35.9%	28.4%	21.2%
NMV - Marketplace	**192,330**	**232,410**	**299,880**	**393,006**	**506,415**	**616,586**
Change-YoY		20.8%	29.0%	31.1%	28.9%	21.8%
GMV-NMV conversion	55.8%	58.0%	59.6%	57.5%	57.7%	58.0%
Marketplace - Advertising/VAS revenue	7,724	5,015	7,472	9,629	16,205	23,430
Take-rate (as % of NMV)	4.0%	2.2%	2.5%	2.5%	3.2%	3.8%
Marketplace - Fulfilment revenue	49,613	71,122	86,387	119,887	157,767	192,222
Take-rate (as % of NMV)	0.8%	5.1%	4.3%	4.0%	4.4%	4.5%
Marketplace - total revenue	**57,337**	**76,137**	**93,859**	**129,516**	**173,973**	**215,653**
Change-YoY		32.8%	23.3%	38.0%	34.3%	24.0%
Revenue per shipped order	66.1	66.4	59.1	57.6	57.2	55.5
Take-rate (as % of NMV)	29.8%	32.8%	31.3%	33.0%	34.4%	35.0%
New initiatives - revenue	**8**	**14**	**40**	**101**	**227**	**408**
Change-YoY		77.3%	187.0%	150.0%	125.0%	80.0%
Revenue	**57,345**	**76,151**	**93,899**	**129,617**	**174,199**	**216,060**
Change-YoY		32.8%	23.3%	38.0%	34.4%	24.0%
Logistics and fulfilment expense	48,168	59,268	73,521	104,250	135,423	164,293
as % of revenue	84.0%	77.8%	78.3%	80.4%	77.7%	76.0%
Cost per shipped orders	55.6	51.7	46.3	46.3	44.5	42.2
Insourcing %	1.8%	19.5%	48.1%	66.5%	71.5%	75.0%
Gross Profit	**9,177**	**16,883**	**20,378**	**25,367**	**38,777**	**51,768**
Gross margin %	16.0%	22.2%	21.7%	19.6%	22.3%	24.0%
Change-YoY (bps)		617bps	-47bps	-213bps	269bps	170bps
Employee benefits expense	7,283	7,577	8,482	9,432	10,407	11,469
Advertising and sales promotion	9,278	4,595	6,435	12,560	14,488	15,945
Server and software tools expenses	5,675	5,775	6,196	9,039	9,875	10,944
Communication expenses	2,237	2,080	2,267	3,046	3,545	4,008
Contracted Manpower	906	795	1,050	1,376	1,595	1,788
Other expenses	1,837	1,003	1,734	2,653	3,021	3,370
Total other expenses	**27,214**	**21,825**	**26,163**	**38,106**	**42,931**	**47,523**
EBITDA	**-18,037**	**-4,941**	**-5,785**	**-12,739**	**-4,154**	**4,245**
EBITDA margin (% NMV)	**-9.4%**	**-2.1%**	**-1.9%**	**-3.2%**	**-0.8%**	**0.7%**
Change (bps)		725bps	20bps	-131bps	242bps	151bps
ESOP	1,060	2,530	3,200	2,250	2,750	2,500
Adj. EBITDA	**-16,977**	**-2,412**	**-2,585**	**-10,489**	**-1,404**	**6,745**
Adj. EBITDA margin (% of NMV)	**-8.8%**	**-1.0%**	**-0.9%**	**-2.7%**	**-0.3%**	**1.1%**
Change (bps)		779bps	18bps	-181bps	239bps	137bps
Depreciation and amortisation expense	300	581	340	433	477	505
EBIT	**-18,337**	**-5,523**	**-6,125**	**-13,172**	**-4,631**	**3,740**
EBIT margin %	**-32.0%**	**-7.3%**	**-6.5%**	**-10.2%**	**-2.7%**	**1.7%**
Change (bps)		2473bps	73bps	-364bps	750bps	439bps
Other income	1,632	2,441	5,110	4,493	4,526	5,260
Finance costs	13	64	69	58	67	76
Share of Associate	-	-	-	-	-	-
Exceptionals	-	-131	-13,464	-1,374	-	-
Profit/Loss Before tax	**-16,719**	**-3,276**	**-14,549**	**-10,111**	**-172**	**8,924**
Total tax expense	-	-	24,868	1,301	517	892
Effective tax rate	NA	NA	-170.9%	-12.9%	-300.0%	10.0%
PAT	**-16,719**	**-3,276**	**-39,417**	**-11,412**	**-689**	**8,031**
Change-YoY		80.4%	-1103.1%	71.0%	94.0%	NA
Minority interest	-	-	-	-	-	-
Adj. PAT	**-16,719**	**-3,145**	**-25,953**	**-10,038**	**-689**	**8,031**
Change-YoY		81.2%	-725.1%	61.3%	93.1%	NA

Source: Company, JM Financial

Exhibit 91. Balance sheet

All numbers in INR mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Gross PPE	**416**	**805**	**983**	**1,393**	**2,067**	**2,735**
Accumulated depreciation	184	283	466	673	1,150	1,655
Net PPE	**231**	**523**	**516**	**720**	**917**	**1,080**
Intangible assets	237	16	4	2	2	2
RoU	110	581	437	810	1,025	1,184
Other financial assets	5,852	8,412	2,647	2,592	3,658	4,753
Income tax assets (net)	266	405	783	1,705	1,705	1,705
Other non-current assets	2,492	-	-		-	-
Total non-current assets	**9,188**	**9,937**	**4,388**	**5,830**	**7,307**	**8,725**
Investments	23,436	7,436	49,834	31,978	31,978	31,978
Trade receivables	4	2	5	36	48	59
Cash and cash equivalents	965	1,404	1,471	25,480	35,201	53,239
Bank balances other than cash equivalent	125	4	2,313	2,448	2,448	2,448
Loans	50	20	33	31	31	31
Other financial assets	2,104	20,477	13,664	14,906	15,678	16,205
Other current assets	2,661	2,331	554	907	1,219	1,512
Total current assets	**29,345**	**31,673**	**67,873**	**75,786**	**86,603**	**105,472**
Total assets	**38,533**	**41,610**	**72,261**	**81,616**	**93,910**	**114,197**
Equity share capital	-	-	3	43,598	43,598	43,598
Instruments entirely equity in nature	-	-	-	2,183	2,183	2,183
Share pending issuance	3,541	3,541	3,977	-	-	-
Other equity	21,178	18,755	10,475	2,687	4,747	15,279
Total equity	**24,719**	**22,296**	**14,455**	**48,467**	**50,528**	**61,059**
Lease liabilities	-	583	424	585	787	976
Provisions	115	143	212	238	320	397
Total non-current liabilities	**115**	**726**	**636**	**824**	**1,107**	**1,373**
Lease liabilities	117	140	159	265	357	442
Trade payables	8,342	8,749	10,710	14,576	19,590	24,298
Other financial liabilities	4,529	8,312	12,818	13,997	17,898	21,707
Other current liabilities	497	1,294	8,503	2,592	3,484	4,321
Provision for tax	-	-	24,868	740	740	740
Provisions	215	92	111	154	207	256
Total current liabilities	**13,699**	**18,588**	**57,170**	**32,325**	**42,275**	**51,765**
Total liabilities	**13,814**	**19,314**	**57,806**	**33,149**	**43,382**	**53,138**
Total equity and liabilities	**38,533**	**41,610**	**72,261**	**81,616**	**93,910**	**114,197**

Source: Company, JM Financial

Exhibit 92. Cash flow statement

All numbers in INR mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT	**-16,719**	**-3,276**	**-14,549**	**-10,111**	**-172**	**8,924**
Depreciation and amortisation expense	300	581	340	433	477	505
ESOPs	1,060	2,530	8,645	2,250	2,750	2,500
Finance cost	13	64	69	58	67	76
Interest income	-1,060	-2,022	-2,616	-4,493	-4,526	-5,260
Others	-270	-264	-1,902	1,374	-	-
Operating profit before WC changes	**-16,676**	**-2,388**	**-10,012**	**-10,489**	**-1,404**	**6,745**
Trade receivables	-252	-54	-190	-31	-12	-11
Loans	-21	30	-13	2	-	-
Other financial assets	3,467	-1,221	-1,541	-1,242	-772	-527
Other current assets	-1,759	2,820	1,782	-1,276	-312	-293
Trade payables	-4,897	402	1,970	3,866	5,014	4,708
Other financial liabilities	-2,803	2,704	5,837	1,179	3,901	3,809
Other liabilities and provisions	-43	38	7,928	-29,970	1,027	964
Cash flow from operations	**-22,984**	**2,331**	**5,760**	**-37,961**	**7,440**	**15,395**
Income taxes paid (net of refunds)	-98	-129	-366	-1,301	-517	-892
Net cash inflow (outflow) from operating activities	**-23,082**	**2,202**	**5,394**	**-39,262**	**6,923**	**14,502**
Proceeds from PPE (net)	-365	-347	-229	-410	-414	-387
Purchase of investments (net)	-10,719	16,374	-40,577	17,777	-1,066	-1,095
Purchase of bank and corporate fixed deposits (net)	15,192	-18,230	11,409			
Proceeds from subsidiaries	-	4	-	-2	-4	-4
Interest received	875	543	3,044	4,493	4,526	5,260
Net cash inflow (outflow) from investing activities	**4,984**	**-1,656**	**-26,353**	**21,858**	**3,042**	**3,774**
Proceeds from issue of equity shares and securities premium	-3	-	21,248	41,800	-	-
Finance costs paid	-	-	-	-58	-67	-76
Principal elements of lease payments (net)	-116	-114	-196	-328	-178	-163
Others	-	-	-			
Net cash inflow (outflow) from financing activities	**-118**	**-114**	**21,053**	**41,414**	**-245**	**-238**
Net increase (decrease) in cash and cash equivalents	**-18,216**	**432**	**94**	**24,010**	**9,720**	**18,038**
Net foreign exchange difference	163	7	-27			
Cash and cash equivalents at the beginning of the FY	4,237	965	1,404	1,471	25,480	35,201
Adjustments on account of business combination	14,782	-	-			
Cash and cash equivalents at end of the year	**965**	**1,404**	**1,471**	**25,480**	**35,201**	**52,239**

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	76,151	93,899	1,29,617	1,74,199	2,16,060
Sales Growth	*32.8%*	*23.3%*	*38.0%*	*34.4%*	*24.0%*
Other Operating Income	0	0	0	0	0
Total Revenue	**76,151**	**93,899**	**1,29,617**	**1,74,199**	**2,16,060**
Cost of Goods Sold/Op. Exp	59,268	73,521	1,04,250	1,35,423	1,64,293
Personnel Cost	7,577	8,482	9,432	10,407	11,469
Other Expenses	14,248	17,682	28,673	32,524	36,055
EBITDA	**-4,941**	**-5,785**	**-12,739**	**-4,154**	**4,245**
EBITDA Margin	*-6.5%*	*-6.2%*	*-9.8%*	*-2.4%*	*2.0%*
EBITDA Growth	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Depn. & Amort.	581	340	433	477	505
EBIT	-5,523	-6,125	-13,172	-4,631	3,740
Other Income	2,441	5,110	4,493	4,526	5,260
Finance Cost	64	69	58	67	76
PBT before Excep. & Forex	-3,145	-1,084	-8,737	-172	8,924
Excep. & Forex Inc./Loss(-)	-131	-13,464	-1,374	0	0
PBT	-3,276	-14,549	-10,111	-172	8,924
Taxes	0	24,868	1,301	0	0
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	-3,276	-39,417	-11,412	-172	8,924
Adjusted Net Profit	**-3,145**	**-25,953**	**-10,038**	**-172**	**8,924**
Net Margin	*-4.1%*	*-27.6%*	*-7.7%*	*-0.1%*	*4.1%*
Diluted Share Cap. (mn)	3,771.6	3,951.1	4,546.3	4,737.7	4,737.7
Diluted EPS (INR)	**-0.8**	**-6.6**	**-2.2**	**0.0**	**1.9**
Diluted EPS Growth	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	22,296	14,455	48,467	50,528	61,059
Share Capital	0	3	43,598	43,598	43,598
Reserves & Surplus	22,296	14,455	48,467	50,528	61,059
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	723	583	851	1,143	1,418
Def. Tax Liab. / Assets (-)	-405	-783	-1,705	-1,705	-1,705
Total - Equity & Liab.	**22,614**	**14,255**	**47,613**	**49,966**	**60,772**
Net Fixed Assets	538	521	722	919	1,082
Gross Fixed Assets	805	983	1,393	2,067	2,735
Intangible Assets	16	4	2	2	2
Less: Depn. & Amort.	283	466	673	1,150	1,655
Capital WIP	0	0	0	0	0
Investments	15,852	54,795	37,018	38,084	39,179
Current Assets	24,814	16,163	42,171	53,202	72,230
Inventories	0	0	0	0	0
Sundry Debtors	2	5	36	48	59
Cash & Bank Balances	1,404	1,471	25,480	35,201	53,239
Loans & Advances	20	33	31	31	31
Other Current Assets	23,389	14,654	16,623	17,922	18,901
Current Liab. & Prov.	18,591	57,223	32,298	42,239	51,720
Current Liabilities	8,749	10,710	14,576	19,590	24,298
Provisions & Others	9,842	46,513	17,722	22,649	27,422
Net Current Assets	6,223	-41,060	9,872	10,963	20,510
Total – Assets	**22,614**	**14,255**	**47,613**	**49,966**	**60,772**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	-3,276	-14,549	-10,111	-172	8,924
Depn. & Amort.	581	340	433	477	505
Net Interest Exp. / Inc. (-)	-1,958	-2,547	-4,435	-4,459	-5,184
Inc (-) / Dec in WCap.	4,719	15,772	-27,472	8,844	8,650
Others	2,266	6,743	3,624	2,750	2,500
Taxes Paid	-129	-366	-1,301	-517	-892
Operating Cash Flow	**2,202**	**5,394**	**-39,262**	**6,923**	**14,502**
Capex	-347	-229	-410	-414	-387
Free Cash Flow	*1,855*	*5,165*	*-39,673*	*6,509*	*14,115*
Inc (-) / Dec in Investments	16,374	-40,577	17,777	-1,066	-1,095
Others	-17,683	14,453	4,491	4,522	5,256
Investing Cash Flow	**-1,656**	**-26,353**	**21,858**	**3,042**	**3,774**
Inc / Dec (-) in Capital	0	21,248	41,800	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	0	0	-58	-67	-76
Others	-114	-196	-328	-178	-163
Financing Cash Flow	**-114**	**21,053**	**41,414**	**-245**	**-238**
Inc / Dec (-) in Cash	**432**	**94**	**24,010**	**9,720**	**18,038**
Opening Cash Balance	972	1,377	1,471	25,480	35,201
Closing Cash Balance	1,404	1,471	25,480	35,201	53,239

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	-4.1%	-27.6%	-7.7%	-0.1%	4.1%
Asset Turnover (x)	3.2	4.9	4.0	3.4	3.8
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	-13.4%	-141.2%	-31.9%	-0.3%	16.0%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	5.9	3.7	10.7	10.7	12.9
ROIC	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	-13.4%	-141.2%	-31.9%	-0.3%	16.0%
Net Debt/Equity (x)	-0.7	-3.9	-1.3	-1.4	-1.5
P/E (x)	0.0	0.0	0.0	0.0	91.9
P/B (x)	29.3	47.3	16.2	16.2	13.4
EV/EBITDA (x)	0.0	0.0	0.0	0.0	171.8
EV/Sales (x)	10.6	8.1	5.9	4.3	3.4
Debtor days	0	0	0	0	0
Inventory days	0	0	0	0	0
Creditor days	39	39	37	40	42

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081
Member of BSE Ltd. and National Stock Exchange of India Ltd.
SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com
Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

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

New Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (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) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

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 JM Financial Institutional Securities and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions. Please click here to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1177 Avenue of the Americas, 5th Floor, Offices 5045 and 5046, New York, New York 10036. Telephone +1 (332) 900 4956 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.