

**MEESHO LIMITED**

(Formerly known as "Meesho Private Limited" and "Fashnear Technologies Private Limited")

CIN: U74900KA2015PLC082263

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February 04, 2026

**To,  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Symbol: MEESHO**

**To,  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001  
Scrip Code: 544632**

Dear Sir / Madam,

**Subject: Transcript of the Earnings Conference Call for Analysts and Investors held on January 30, 2026.**

**Ref.: Disclosure under Regulation 30 and 46 (2)(oa) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations")**

Pursuant to Regulation 30 and 46(2)(oa) of the SEBI Listing Regulations and in furtherance to our intimation dated January 26, 2026 and January 30, 2026, we hereby submit the transcript of the Company's Earnings Conference Call for Q3 FY 2025-26 held on January 30, 2026.

The transcript has also been uploaded on the website of the Company and can be accessed at:

<https://investor.meesho.com/financials?tab=quarterly-results>

You are requested to take the above information on record.

Thanking you,

**For Meesho Limited  
(Formerly known as Meesho Private Limited and Fashnear Technologies Private Limited)**

**Rahul Bhardwaj  
Company Secretary and Compliance Officer  
Membership No.: A41649**



# “Meesho Limited Q3 FY 2026 Earnings Conference Call”

**January 30, 2026**



**MANAGEMENT: MR. VIDIT AATREY – CHAIRMAN, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, MEESHO LIMITED**  
**MR. SANJEEV KUMAR – WHOLE-TIME DIRECTOR AND CHIEF TECHNOLOGY OFFICER, MEESHO LIMITED**  
**MR. DHIRESH BANSAL – CHIEF FINANCIAL OFFICER, MEESHO LIMITED**  
**MR. KARTHIK CHANDRASHEKAR – HEAD (CORPORATE DEVELOPMENT AND INVESTOR RELATIONS), MEESHO LIMITED**



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**Moderator:** Ladies and gentlemen, good day and welcome to the Meesho Q3 FY 2026 Earnings Conference Call hosted by Kotak Securities.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing “\*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Garima Mishra from Kotak Securities. Thank you and over to you, ma’am.

**Garima Mishra:** Thank you, Dorwin. Good evening, everyone. It is indeed a great pleasure to host Meesho’s First Ever Earnings Call after its listing.

Joining us today to discuss earnings for the 3rd Quarter and Nine Months ended 31 December 2025 are:

Vidit Aatrey – Chairman, Managing Director and Chief Executive Officer; Sanjeev Kumar – Whole-time Director and Chief Technology Officer; Dhiresb Bansal – Chief Financial Officer; and Karthik Chandrashekar – Head Corporate Development and Investor Relations.

Investors and analysts are encouraged to review the shareholders’ letter available on Meesho’s Investor Relations website. Management will use this call to focus on questions beyond the uploaded content already covered in the shareholder’s letter.

Before we begin, I would like to remind you that certain statements made on this call may be forward-looking in nature and should be viewed in conjunction with the risk factors disclosed in the company’s filings.

With that, I now hand the call over to Vidit for his opening comments.

**Vidit Aatrey:** Hey, everyone. I will get started with the important takeaways.

I think, first of all, you will see that we had a very good quarter in terms of growth. Our annual transacting user base crossed 250 million for the first time. It was 251 million and on Y-o-Y growth about 34%, which is quite strong. So, we continue to be India’s largest platform by annual transacting users as well as orders and still the most downloaded shopping app in India. So, I think our growth numbers continue to be strong, and this is mostly because of our investments around technology, marketing, wherever we are seeing the right ROI.



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If you look at our annual transacting seller base that has also grown really well, 81% year-on-year growth to 846,000 sellers because we continue to improve our product and invest in better technology, especially for sellers.

Now, if you look at Net Merchandise Value (NMV) growth, I think the nuance here, this quarter, as compared to last year, a lot of festive demand had moved to Q2. So, I think an important way to look at it is combining nine months. If you look at first nine months of the year, our Net Merchandise Value (NMV) grew by 37% and for this quarter, it grew by 26% year-on-year to Rs. 10,995 crores. So, again, we continue to grow at a very good pace. This is some of the investments I talked about.

If I look at contribution margin, our contribution margin was at 2.3%. And again, here we have talked about earlier, some of these investments have come because of almost scale up in a very short period after one of our partners ceased to be in business and there was some bit of third-party logistics consolidation. We had to scale up some capacity in Valmo at a very fast pace, which came at some cost. This should basically go in the next two quarters. We have also mentioned the timeline that some of our margin numbers will converge back to where we were in 1st Quarter of FY 2026 in the next two quarters.

Our LTM free cash flow for the last 12 months was at Rs. 56 crores and free cash flow to equity was at Rs. 437 crores, taking our overall cash balance to Rs. 7,277 crores.

So, these are the important takeaways. We can get started with the questions.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Sachin Salgaonkar from Bank of America. Please go ahead.

**Sachin Salgaonkar:** Hi, Vidit, and team. Congrats on continued good set of numbers. I have three questions. First question is on logistics and what you mentioned in shared a letter about optimization of logistics costs. So, question out here is how should that change your outsourcing mix? I think the last reported number was around 62% to 65%, and because of the change in mix, should we see an increase in cost or decrease in cost?

**Vidit Aatrey:** Yes, we can go one-by-one. So, I think on this outsourcing point, I think we have talked about this earlier. We will continue to basically decide the right mix between Valmo and third-party logistics partners. This is the lowest cost structure. As we said, like right now, for example, because we built some of the capacity in Valmo at a very fast pace, some of that was not like optimized for cost. So, I think we will fix it and then start to scale up Valmo again. That will bring a lot more goodness in pricing. So, that will continue.

In the meantime, we are also like building up capacity with a third-party logistics partner at the right price. So, in the long run, I think we will continue to kind of build a very competitive



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logistics ecosystem so that prices are reduced everywhere. So, it is not that only in Valmo we continue to improve pricing. We continue to improve pricing even with third-party logistics partner as their business keeps growing on our platform and they also have more operating leverage.

**Sachin Salgaonkar:** Got it very clear. Just a small clarification Vidit, you guys created a new subsidiary on logistics. The thought process behind that is it for opening up for third-party guys or this is more like a captive logistics entity only?

**Dhiresb Bansal:** Hi Sachin, this is Dhiresb here. I think we are setting up that subsidiary primarily to explore how should we kind of structure the Valmo financials, so that they are more clearly visible for people to understand. There is no plan of opening this up to other third parties.

**Sachin Salgaonkar:** Got it. My second question is on your margin uptick where you guys said that for the next couple of quarters the margin will improve. So, just wanted to double-click on the drivers for the margin improvement. Is it mainly because of the logistics investments pulling down or the investments what you guys are making in terms of onboarding new set of users even that will slow down?

**Vidit Aatrey:** I think it will be both. It will be both and not just these two, I think we will get a lot of operating leverage on all our investments. So, last two years you saw that we invested aggressively to increase our growth rate. So, those investments came in more marketing, came in people, technology investments going up. So, again you will start to see operating leverage on that, that should contribute to margin improvement. As well as, as we like for example, continue to kind of scale our logistics business going forward and make it more optimized, I think that will also lead to improvement in margin. So, it will basically be across the board.

**Sachin Salgaonkar:** Is it fair to say that your absolute adjusted EBITDA losses have peaked in this quarter and going ahead these numbers should decline?

**Vidit Aatrey:** Yes. So, I think going forward, all these numbers on bottom line peaked in this quarter. And as I said, in the next two quarters, you should start to see them come back to where they were at the beginning of this year.

**Sachin Salgaonkar:** Okay. My last question is on ad revenues would be great to get some color in terms of how it has improved in the quarter? And from a two year to three year point of view how should this scale up? And a related question is how is your ad engine different from that of other e-commerce peers in India?

**Vidit Aatrey:** So, right now we are not sharing specific ad numbers, but in terms of inputs we continue to see a lot of progress happening on that product. Every quarter larger base of sellers, larger base of products are coming on ads and they are also seeing much better ROI on their money. So, I think at the right time we will come out with more details there. I think when we talk about steady



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state we have in general shared that like 5.5% to 6% is something that a lot of value commerce platforms globally kind of at least get to and we also believe we should get there. So, I think that is what we are going after.

Now, if you look at the differentiation of our product as compared to other platforms most of the platforms because they have branded sellers tend to focus a lot more on keywords and stuff like that whereas most of our sellers, these are some of the smallest to medium-sized sellers, may not have known brands, so they are very-very sensitive to return on ad spends, because they want to make money on every single order in the right way. And hence, our product has been built out that smallest to the largest sellers, with very small budgets not knowing what keyword to target should be able to use a simple product and get to the kind of return on ad spends that they want.

And because again you want to extract out all the complexity away from the seller, we have built quite sophisticated systems that now use AI to do the right targeting and get the right ROI for these sellers. So, I think that is the big difference.

**Sachin Salgaonkar:**

Perfect. Thanks so much and all the best of future.

**Moderator:**

Thank you. Our next question is from the line of Gaurav Rateria from Morgan Stanley. Please go ahead.

**Gaurav Rateria:**

Hi, thanks for taking my question. My first question is on logistics cost optimization initiative. Is it only going to come from the Valmo related stuff or will there be any efficiency that will be shared by the 3PL guys on pricing front or other front, which would comprise this margin improvement journey for you?

**Vidit Aatrey:**

I think it will come from both, but if you look at overall and I would take maybe a mid-term view next one year or two years, it will come from everywhere. Because everyone has their business skills, they have operating leverage, they will pass it on to us, some bit of that will happen. But the largest share we believe will come from them. Because again, it is a newer network, lots of optimization opportunities we have talked about, there are a lot of opportunities there of automation of doing much better route optimization. So, there the opportunity of improving margin is much-much more.

But everyone as they continue to scale their business, they will basically realize certain cost and when they pass it back to us in some form we will also reward them with more volume. So, everyone will continue to get better in the ecosystem.

**Gaurav Rateria:**

Got it. My second question is on ad monetization, what is the return on ad spend currently we are operating at from seller's point of view and at what level of return on ad spend you would get to your 5.5% - 6% percent study range that you talked about?



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**Dhiresb Bansal:** Hi, this is Dhiresb here. I think we do not specifically talk about the ROI, but to give you a directional sense over the last one year or so, the return on ad spend that we are providing to our sellers has increased by almost 50% and we continue to be on an upward trajectory there which is leading to better adoption of the ad product as we described earlier. And I think for the 5.5% to 6% obviously as we keep on becoming a more and more competitive ad marketplace as well. Some of this return on ad spend will get competed away and that is been the course of the journey for some of the e-commerce peers outside of India as well. So, I think that is the way it will directionally progress from here.

**Gaurav Rateria:** Got it. And last question is on your cost of customer acquisition. My understanding is that every new 50 million or 100 million that you add on the platform is going to come probably at a higher cost of customer acquisition. So, what has been your experience since you kind of accelerated your growth in the annual transacting users? Have you seen your Customer Acquisition Costs (CAC) moving up compared to last year and then, if that happens, how do you manage your payback period? Thank you.

**Vidit Aatrey:** So, actually by the way we see the opposite, and over the last many years, most of our growth, again, you have to go deeper into the country to get the next 50 - 100 million people. And you realize that there are not a lot of people who are reaching out to those customers apart from us, not many products out there, not many platforms target mass India consumer. So, it is not that there is a lot of competition there and hence the cost of ads are high. It is more around do you have the product, that basically can convert these people and get the right LTV out of them. And that is what we focus on. How do you make a product which is very intuitive for them, language that they connect with. They see the product that they connect with.

So, it is a lot of our improvement and growth comes by making a product relevant to someone even in the rural areas and them connecting with that product much easily. The cost of ads generally has not been, actually it has gone down over the last few years. So, the most important thing we obviously work on before we go out and scale that user base and make sure that our product is good enough that we can get good enough LTV and hence good ROI for the investment that we do in acquisition.

**Gaurav Rateria:** Thank you. All the best.

**Moderator:** Thank you. Our next question is from the line of Garima Mishra from Kotak Securities. Please go ahead.

**Garima Mishra:** Thanks. Vidit, as you keep growing, you will rely on both ATU growth as well as frequency growth, right? Which between the two will be a bigger driver over the next two years - three years considering you have 250 million users on the platform?



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**Dhiresb Bansal:**

Hi, Garima. This is Dhiresb here. So, I think if you look at the trend in the last quarter, our ATU base grew by about 24% year-on-year, which is obviously quite high and that has been the result of all of these efforts that we have just kind of highlighted on going deeper into the country and figuring out those use cases for our users, which resonate with them. In this initial period, let us say if I look at around three year - four year kind of horizon, the growth would be faster on the annual transacting users versus frequency also because typically the first year of transaction frequency is lower versus as people mature and become habit form users of our platform.

And then it will shift towards kind of higher frequency growth over a longer horizon. But I think for the next one year to two years, the growth would come more from kind of addition to annual transacting use of these than frequency.

**Garima Mishra:**

Got it. And to understand this frequency pattern a little better, could you give us some sense of how many times a year are your let us say top 5% or top 10% consumers transacting?

**Dhiresb Bansal:**

Sure. So, I think roughly if you look at the top quartile of our users transact at a frequency of more than 20 times a year. That is kind of the frequency that we see. And the typical correlation of who these customers are, are people who have spent long enough time on the platform. So, as the cohorts keep maturing, people keep on adding to their frequency of transactions.

**Garima Mishra:**

Understood. And last question from me really is on the product profile on the platform, right? You have slowly diversified away from apparel footwear as a category, added new categories. In that context, what other categories do you think can potentially be big growth drivers for the company? And a related question, what are you doing in Meesho Mall? How large is it? And what value proposition do you think it fulfills?

**Vidit Aatrey:**

Yes. So, I think again, you rightly picked, what we are doing is to keep expanding categories. We continue to kind of make our platform conducive to different kinds of products. So, for example, a big focus area for the last few years was to grow categories like beauty, personal care, kids, baby care, that have a lot more branded products and what people buy. And we started Meesho Mall. And we have seen some of those categories grow really fast on the back of Meesho Mall. We have also started to see certain categories in the grocery section also grow within Meesho Mall that are part of that.

Again, as we have made a platform more conducive to low AOV products over the last few years, we have seen categories like home and kitchen grow really, really fast. Because a lot of products in that category fall in lower prices. So, I think it is a continuous thing. I do not think we take a big focus area. At the end of the day, for us, it is building the platform and building the right supply chain for all products to flow through. I would say our focus is to eventually have every category out there.



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And the category that I just talked about, which was focus area for the last two years, our job is not done there. There is a lot of expansion opportunities available there in all these categories. We continue to add more sellers, more brands that are fulfilling more use cases, offering across price points, across different use cases. So, I think that continues to be a focus area. And as the customer evolves, also, I think our focus area on categories will change as more people come from maybe rural areas, a lot of product categories that are more relevant to them will come onto the platform. So, I think it is a continuous thing.

There is no like one or two categories we focus on. Our goal is eventually to have each and every category that our customer wants to be available on Meesho.

**Moderator:** Thank you. Our next question is from the line of Gaurav Malhotra from Axis. Please go ahead.

**Gaurav Malhotra:** Yes, hi. Good evening, everyone. Thank you for the opportunity. I just had a couple of questions. Obviously, the number of sellers on the platform has moved up quite sharply in your opening remarks, as you mentioned about it, almost 80%. So, then how do we think of this sort of higher seller numbers, densification, if that is the way we should think about it, and then sort of tie it up with the logistics cost?

**Vidit Aatrey:** Sure. So, I think over the last few quarters, we have been seeing this acceleration in terms of the seller numbers going faster. And a lot of it comes on the back of the introduction that we made for non-GST sellers to be also able to sell on the platform. There have also been changes on the onboarding flow, which have kind of helped grow the seller number much faster. So, I think what used to happen initially or till a few years ago in India, that only GST registered sellers were allowed to sell online.

And as that law changed, we were the first and only ones to kind of launch a product, which supports even getting non-GST sellers to be able to sell online. That has led to significant growth in the number of sellers. And these sellers are also then graduating into becoming GST sellers. So, overall, it has been good for the flywheel and the ecosystem on the seller side.

**Gaurav Malhotra:** Got it. In terms of the Net Merchandise Value (NMV) to Gross Merchandise Value (GMV) ratio, that has moved up from around 57% to 60%. So, what has helped here? It is like better RTOs, cancellations, returns. Where is any salience of one versus the other?

**Vidit Aatrey:** So, it has been across. I think primarily the improvements have come from RTOs as well as cancellations. But I think, we will continue to see those in the future as well. As the prepaid share of the platform improves, that also leads to a certain percentage improvement in our RTO numbers, because the prepaid RTOs tend to be lower than cash on delivery RTOs. And that has been the case in the last quarter as well, where our prepaid ratio continues to improve. And so



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we are seeing consequent impacts in terms of Net Merchandise Value (NMV) to Gross Merchandise Value (NMV) ratio.

**Gaurav Malhotra:** Thank you. And this last question in terms of Meesho Mall, does it come under new initiatives or this would be coming under your marketplace itself?

**Vidit Aatrey:** So, Meesho Mall is part of the core marketplace, all of the numbers are captured within the marketplace financials.

**Gaurav Malhotra:** If I may ask, I am sure it is still early, but any sense on numbers or size or proportion, etc.?

**Vidit Aatrey:** So, I think, like you said, it is early, but we have been seeing good healthy growth on the Meesho Mall front as well. I think last quarter, it grew by roughly about 70% year-on-year. So, faster than the platform in terms of Net Merchandise Value (NMV) growth. And we continue to see good traction from various brands like P&G, Nivea, etc, which have continued to scale up on the Meesho Mall platform.

**Gaurav Malhotra:** Thank you so much.

**Moderator:** Thank you. Our next question is from the line of Sachin Dixit from JM Financial. Please go ahead.

**Sachin Dixit:** Hi, welcome team. Congratulations on a successful listing. I had three questions. The first one was on Valmo, basically. You highlighted that there was some rapid expansion of Valmo, which is why we saw some cost spikes. How do we think of what exactly happened? And if you can put some color around, how will we take the cost down? Because broader understanding, it is largely a variable supply for you.

**Vidit Aatrey:** Yes. So, basically, in this case, what happened was you would see that I think around May - June, one of our partners stopped being in business and which is why a lot of our capacity in logistics was not available. And that also tends to be a time when you just have festive three months – four months away. And at that point in time, basically, we had two options, not to build capacity and basically not service many users or basically, build capacity but at much inferior cost in a very short period of time.

Because a lot of logistics capacity has certain lead times of getting the right node, your partner may do certain investments to get started and so on. And we basically said that, hey, we have invested in our business for the last 10 years, we want to make sure that we retain the trust of our users. So, we built some of this capacity in a very short period of time to service the demand. And because we had to basically do certain short-term contracts, they were more expensive. Now, that basically flowed into the two festive quarters, which is Q2 and Q3.



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As I mentioned, a lot of that short-term capacity is behind us. We have been unwinding that for the last few months. And by the end of this quarter, most of that should go away and we should get to similar bottom line economics as we were at the beginning of this year. So, I think that is basically what happened. We have never had a situation where one of our partners basically goes away. But now I think going forward, we are much better prepared for something like this to ever happen in terms of if we have to basically do this again, we can do it without ever paying extra for that capacity.

But in this case, though, we know that it was basically came at a certain cost, but we believe that was the right thing to do for the platform in the long run.

**Sachin Dixit:** Understood. Is it fair to assume that your insourcing would have declined because of this quite sharply in this quarter?

**Dhiresh Bansal:** Yes, that is right. I think, it has declined marginally.

**Sachin Dixit:** But that is the right sort of mix at which the nodes that we operate are operating at the optimal cost and increasing efficiencies in those existing nodes.

**Sachin Dixit:** Fair enough. Thanks for that. My second question is in terms of expenses. So, in the filing, we see a large other expenses line item. Is it possible for you to break down that between at least the larger ones, things like logistics and fulfillment expenses, advertisement maybe?

**Dhiresh Bansal:** Let me just check what it is. So, I think if you go to the shareholder letter and Page 15, that has some of the details of these other expenses, which are kind of broken down into individual components, including ad and sales promotion and employee benefit. So, we are in software tools. The other expenses not directly attributable to place orders, which is the indirect expenses which come above, come below the contribution margin line are also mentioned there. Rest, everything which is direct cost goes above the contribution margin line in terms of the cost structure and that is primarily composed of logistics related costs. Although it will have some other direct variable costs like communication costs, etc. built in, which are directly attributable to the order. But overall, (+90%) would be logistics costs.

**Sachin Dixit:** Possible to have that logistics number?

**Dhiresh Bansal:** Yes, overall, in terms of percentage, if you look at the contribution margin bridge that we have described on Page 9, out of the 29.7% cost directly attributable, about 27.5% is related to fulfillment expenses.

**Sachin Dixit:** Got it. Thanks so much for that. My last question is on basically user acquisition, right? So, we are on a very good trajectory this year, already having acquired 50 to 1 million. How do we think of this number going ahead? Do we expect a similar, let us say a (+50) million sort of a number



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in 2027 and 2028 as well? Or we should expect, I mean, I do understand that you will want to continue spending rapidly, but do you do we expect relative sampling of this number?

**Vidit Aatrey:**

So, I think it is hard to predict very accurately. But if I kind of think about the trends that we are seeing, return on investment in terms of ad dollars that we kind of spend, leading to new user acquisition continues to be fairly healthy. Plus, the more importantly, organic traction of people who kind of discover us, friends and family who kind of share and get others to kind of install the app also continues to be on an upward trend. So, I think where we are sitting right now, we see pretty healthy trends in terms of user acquisition.

I think it will be premature to forecast specifically the number over the next year or so. But like I mentioned earlier, initial part of, let us say, a four year or five year journey, growth would come more from Average Transacting Users (ATU) addition. And then towards the latter part, we expect to come from more frequency addition of existing user base.

**Sachin Dixit:**

Fair enough. Thank you so much and all the best.

**Moderator:**

Thank you. The next question is from the line of Vijit Jain from Citi. Please go ahead.

**Vijit Jain:**

Yes, hi. Thank you for the opportunity and congratulations on the numbers to all of you and for the IPO. My first question is, if I look at platforms outside India, like Temu, etc., they have user bases, significant user bases across income curves, right? For you guys, do you think there is a path towards that where say the top 5% - 10% households in the country also use more extensively than they do now? That is my first question.

**Vidit Aatrey:**

So, I think even now we have a good share of our business come from like Tier 1 cities. So, if you look at the top 6 cities, would be close to like 25 million. So, about (+25) million people buy from us every year from the big cities and these people are split across income segments. They may be buying different categories and you see the same thing globally. So, they may not buy apparel on our platform because they tend to buy apparel from certain brands, which are high-end.

But a lot of them, we see even high-income households in India buy a lot of home and kitchen products because of our large selection and certain unique selection. So, we are seeing that and we believe it will continue to get better. I think we will keep expanding across all segments. Our focus is not just in one city or the other, but basically to expand across all cities, all segments and eventually have everyone on our platform.

**Vijit Jain:**

Thanks, Vidit. My second question is with Valmo, with the things you described just now to the question from Sachin, you also said in the past and in this letter that you will remain asset-light there. So, I am just wondering, as you build out Valmo further in terms of the workflow of



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logistics, I know you do network design, network orchestration, node design and all of those kinds of things which are more technology investments.

I am just trying to understand as you build it out further, are there other aspects of that design that you could undertake and would there be any kind of capital involved within that? And relatedly, over time, in the mid-mile or even in the mid-mile especially, things like automation or tractor trailers there could be some benefit if someone can procure it at scale on behalf of your partners in the logistics network. Would you get involved in something like that if and when it makes sense for Valmo? That is my second question.

**Vidit Aatrey:**

Yes. So, I think our philosophy is very simple. We tend to invest in mostly technology. Now, that technology could be software. As you said, some of that technology could be around automation in certain nodes and technology tends to have very good ROI. So, that we will do. But now, going out and doing CapEx across the board, building our logistics capacity like warehousing, etc., that tends to have lower ROI. We may not do it ourselves as we have done so far. So, there staying asset-light makes sense.

So, even today in Valmo, the entire software stack end-to-end is our own. So, the entire technology is our own because that is where we believe the majority of experience, value, better pricing lies. And we continue to, by the way, we have a team which is focused on automation. Can we bring more robotics eventually? Can we bring, I do not know, maybe 5 years - 10 years down the line, autonomy is possible. Many other things will be possible. So, we will bring all kinds of technology, not just software. And there, we have to invest, we will do investments.

But again, some of this is hypothetical at this stage. As we have something, we will come forward and tell you that, hey, we are doing this. But broadly, as I said, directionally, we will invest in technology. Other assets may not be something that we want to invest in. We believe there are enough players out there who are ready to partner with us and offer a very good service.

**Vijit Jain:**

Got it, thanks. My next question is on the seller-side growth, right? So, you had, I mean, a pretty stellar growth here, 81% Y-o-Y. My first question is, when you see expansion in seller community of this space, are there any seller side incentives also that you are doing in terms of maybe lower fulfillment charges for a short period of time or whatever the case might be as you try to kind of amp up this seller community?

**Vidit Aatrey:**

So, today, we do not do this. Like, there is incentive in the beginning for anyone to come on board. But in general, I think, if you look at our overall penetration, the seller side in India is actually lower than the user side. On the user side, we have 250 million people out of, I do not know, potentially 1 billion people or maybe more.



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But on the seller side, in India, about 60 million - 70 million sellers altogether, and we have less than a million annual transactions. So, there, because the penetration potential is quite large and as they said, now, even non-GST sellers are allowed to sell online, which is a large mix of overall seller base in India. We believe just by the need of people reaching every consumer, this base we expect will continue to grow at a faster pace but because people want to get access to this distribution channel.

And we continue to invest more in product rather than incentives. Just make sure that people who come from any part of the country, know any kind of language, should find a product very easy to use and come online and start selling very quickly. So, that is what we are focusing on, less on incentives.

**Vijit Jain:**

Great. Thanks. Just my last question, if I can squeeze one in. So, just thinking about the assortment available on the platform, and if I break that into branded and unbranded, do you think that branded and unbranded can both coexist and both do fairly well? And in that context, could you partner more effectively with branded manufacturers as well going forward? I am just trying to understand if that category of assortment you think can do equally as well on the platform, or if there is anything that kind of makes these two things not coexist that well.

**Vidit Aatrey:**

Yes and by the way, Meesho Mall that we were just talking about is a very good example of that. It coexists on a platform, all the big brands now are available across most categories, and they are continuing to grow at a very good pace. So, I think it is less about branded and unbranded, it is more about like serving use cases. So, consumers who come into a platform for different use cases prefer brands over unbranded.

As I said, for personal care, like people even very deep into the country prefer brands all the time, because they do not want to put something on their face that they do not know. But in many other categories, like apparel, women apparel, even big cities, you see a lot of people because they care about more variety, they tend to buy from all kinds of sellers.

So, I think it is coexistence is not a question. Meesho Mall continues to grow at a very, very good pace, more brands come on board, they tell us that they are able to reach an audience for the first time that they could not before. So, we will keep investing on both, we look at this as a problem of like serving every single use case that our customers have across all price points and categories.

**Vijit Jain:**

Thank you so much, those were my questions. And best of luck to you guys.

**Moderator:**

Thank you. The next question is from the line of Aditya Suresh from Macquarie. Please go ahead.



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**Aditya Suresh:** Thank you and congratulations on the listing. So, three questions all around logistics. The first one is just on an absolute rupee broader basis, can you talk through the movements in your logistics cost this quarter versus last? And are there any kind of accounting impacts there for us to work through or kind of adjust for?

**Dhiresb Bansal:** Sure. So, I think directionally Aditya there was I think we have mentioned it in the DRHP and RHP subsequently as well, there was a treatment change for some of our last mile costs related to Valmo, which were between the periods April 2025 till September 2025. But not part of either the revenue or the cost. And then subsequently, we had kind of brought them into the revenue as well as the cost basis, the GST law change that had kind of happened.

So, on a Q-o-Q basis for the November, December quarter, you would see that increments sort of come in both revenue as well as cost. On a Y-o-Y basis, this was the same treatment that we had last year as well. So, no change in terms of Y-o-Y trends, but on Q-o-Q trends, you would see this difference kind of be there.

**Aditya Suresh:** Thank you. The second piece is around your delivery time, right? So, like going back to the DRHP again, I understand that I think the average delivery times was anywhere between, say, five days to seven days. Is there any kind of desire or thrust towards moving this down more towards, say, one day to two days or are you happy with the current kind of pace of delivery? I guess, what I am trying to get at is, are we servicing just a completely unique different use case compared to what some of the other logistics players or e-commerce players are catering to?

**Vidit Aatrey:** Yes. So, I think I will take that question. So, I think what is happening is as our platform is getting diversified both on user and seller side, now we have sellers across the country and users across the country. So, on average, basically that means that our network continues to get more and more complex. A lot of consumers in like one city could be buying from a very remote part of the country, and the seller will ship from there and reach here and vice versa.

So, I think in general, if nothing else changes, our speed should slow down because we are serving more interland and more products are being picked from smaller places. What we have done is we have ensured that the speed stays in the same area. I think one to two days, unless people do, for example, their housing close to the customer, which many platforms do, you cannot do. I do not think it is possible in a marketplace format. So, that is not a goal that we take.

Our goal is obviously to be better than the last year, and we do that as our network gets stronger, better, more density as our business keeps growing. But our aspiration is not to be the fastest because we want to give access to the best products, best quality products, best price products to people. And to have that last selection, people end up buying from sellers anywhere in the country.



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- Aditya Suresh:** Thanks. And the final question I had was on, is a bit of a philosophical question, but how do you think about logistics, right, in terms of, let us say, if we invest in Valmo and kind of it settles, we play this out, let us say, over the next, say, 12 months. Any savings in logistics costs, efficiency gains? How do you think about pricing logistics? Should we think about this as a 2% to 3% spread on your actual cost or are you thinking about kind of keeping the gains and we see margin expansion? Just if you can talk through kind of philosophically how you all think about logistics versus what you report as contribution margin.
- Dhiresb Bansal:** Yes. So, I think philosophically, this is Dhiresb here, we tend to keep the logistics margin in a certain range. Now, obviously, last couple of quarters were different, but if you look at the historical trajectory as well as what we intend to do going forward, we keep the logistics margin in a certain trajectory, which is about 2% - 2.5% of NMB from a contribution perspective. And anything we gain in terms of efficiencies, we have historically and expect to pass on in the future as well. So, most of the contribution margin growth that we expect in the future would come from monetization through other forms like ads and other services, value-added services that we provide to ourselves.
- Aditya Suresh:** Great, thank you.
- Moderator:** Thank you. Our next question is from the line of Abhisek Banerjee from ICICI Securities. Please go ahead.
- Abhisek Banerjee:** Hey, hi. First off, on the growth bit, right, you have explained that there was a festive season shift in this year. But from what I understand, the overall e-commerce market would have actually grown at a faster pace in Q3 than Q2. So, is it slightly different for you guys in terms of read times, etc., why the growth has spanned out the way it has done?
- Dhiresb Bansal:** So, I think there is no different trend, obviously, given we have sort of slightly longer delivery timelines and our festive season sale starts sort of earlier or let us say, in line with other kind of horizontal e-commerce platforms. That is why you see some of this shift. Like last year, for instance, our festive season sale started on 27th September, which was pretty much the end of that quarter versus it started in 19th September. So, both in the baseline as well as kind of in current year numbers, this shift is kind of reflected. That is why you had Q2 NMB growth of about 51%, which was not kind of the normalized sort of case. And in this quarter, you would see about 26% growth. But on an aggregated basis, let us say this is about 37% growth. And that is the trend that we kind of continue to see.
- Abhisek Banerjee:** I understand. That is very clear. In terms of the ad monetization bit, right, I completely agree with what you spoke about in terms of getting smaller sellers to really pay for things is very difficult. But do you think there is some room for some manual intervention, some on the ground



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salespeople who can go and push for ad monetization? And will that come into your manpower costs going ahead?

**Vidit Aatrey:**

Yes. So, Vidit here, the way we think of our ad product, because we have such a large seller base, I think, we have taken a very clear approach of building out a product that is very easy to use, self-serve, so that we do not have to go out and sell any product to them. And so far, actually, it is been a while since we have built an ad product. All of our distribution of ad product is via our platform, which is basically via our app and web product and there is no salespeople. And we see very good adoption. As long as you are giving great outcomes in terms of return on ad spends to our sellers, they easily figure this product out and keep ramping up their ad spends.

So, we see no need of having any sales team. We do not have a sales team. We do not plan to add a sales team. And even in any of our experiments and scale-ups so far, we have not felt the need. And we believe, if you want to build a product that millions of businesses in India will use for ads, you have to build a great product. I think sales is unscalable. You cannot get to a million people and sell them ads. You have to do it via product only. And that is the approach that we take.

**Abhisek Banerjee:**

Understood. And just one last question, if I can, which is, you have spoken about how reduction in the cost of delivery is one of the key goals for you going ahead. But with the new laws around gig workers, etc., do you think that the last mile part of that cost is becoming more sticky? And does that impact your thoughts on how the cost of delivery can basically go down over the next three years to four years?

**Vidit Aatrey:**

Sure. I think we are still studying the impact of the gig worker code that has kind of come in. I think there is still some degree of confusion that exists on different state versus central kind of laws. Having said that, I think a large expectation that we have in terms of reduction in the cost going forward does not come from any specific reductions on the last mile delivery partner kind of payouts. I think in general, as the density of orders in a given time period increase and the earnings potential of those partners increase, there will be opportunities to kind of reduce that cost.

But I think, the overall expectation that we have going forward is coming more from overall network optimization, having a better design kind of network, more automation coming in, some more innovative models around how we can do last mile deliveries, etc., as well. And so we do not expect any sort of change in the expectations that we have on reduction of overall logistics costs, even with the new code coming in.

**Abhisek Banerjee:**

I understand. Thanks. Those are all my questions.



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**Moderator:**

Thank you. We will take that as our last question, ladies and gentlemen. Thank you all for joining us on the Meesho Earnings Conference call. On behalf of Kotak Securities, that concludes this conference. You may now disconnect your line.