

INDEPENDENT AUDITOR'S REPORT

To the Members of Meesho Grocery Private Limited

Report on the Audit of the Financial statements

Opinion

We have audited the accompanying financial statements of Meesho Grocery Private Limited ("the Company"), which comprise the Balance sheet as at 31 March 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive (Loss)/ Income, the Cash Flow Statement and the Statement of Changes in Equity for the period 18 March 2024 to 31 March 2025 ("the period") then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, its loss including other comprehensive (loss)/ income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Director's Report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.



Responsibility of Management for the Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

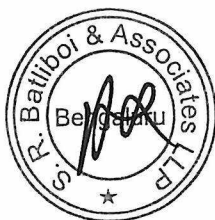
Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except in respect of one application, the back-up of books of accounts and other books and papers maintained in electronic mode was not kept in server physically located in India on a daily basis, and in respect of three applications, the Company does not have servers physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode as disclosed in Note 33 to the financial statements and the matters stated in the paragraph (i) (vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive (Loss)/ Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph below (i) (vi) on reporting under Rule 11 (g);
 - (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the period ended 31 March 2025;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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- iv. a) The management has represented that, to the best of its knowledge and belief that, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief that, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the period by the Company.
- vi. Based on our examination which included test checks, and as explained in Note 33 to the financial statements, the Company has used certain accounting software applications for maintaining its books of accounts, database for employees, customer and order details which have features of recording audit trail (edit log) facility and the same have operated throughout the period for all relevant transactions recorded except:
- (a) in case of two accounting software applications, audit trail was not enabled throughout the period for all relevant transactions recorded in the applications. Accordingly, we are unable to comment upon whether during the period, any instances of audit trail feature were being tampered with in respect of these accounting software applications. Additionally, we are unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention;
- (b) in case of two accounting software applications, audit trail feature is not enabled for direct changes to data when using certain access rights. Further, during the course of our audit in respect of these accounting software applications where the audit trail has been enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, for these applications, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 25213803BMONDZ8084



Place: Bengaluru
Date: June 27, 2025

ANNEXURE 1 REFERRED TO IN CLAUSE 1 OF PARAGRAPH ON THE "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a)(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) All property, plant and equipment have not been physically verified by the management during the period but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the period ended 31 March 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in Note 30 to the financial statements.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the period on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the period, the Company has not provided any loans, stood guarantee or provided security to companies, firms or Limited Liability Partnerships. During the period, the Company has provided advances in the nature loans to Other parties (employees) as follows:

	Advances in nature of loans (Rs. million)
Aggregate amount granted/ provided during the period	3.25
Balance outstanding as at balance sheet date in respect of above cases	0.18

- (b) During the period, the terms and conditions of the grant of loans to other parties (employees) are not prejudicial to the Company's interest. The Company has not made investments, given guarantees, loans and advances in the nature of loans or provided security to companies, firms or Limited Liability Partnerships.
- (c) The Company has granted interest-free loans or advances in the nature of loans during the period to other parties (employees) where the schedule of repayment of principal has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advances in the nature of loans granted to other parties (employees) which was fallen due during the period, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to other parties (employees). Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.



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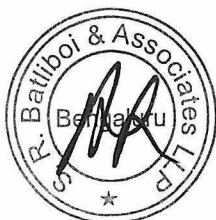
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, professional tax, income-tax, duty of custom, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.
(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the period as disclosed in Note 30 to the financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the period. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(c) The Company did not have any term loans outstanding during the period. Hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the period by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the period under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the period.
(b) During the period, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the period.



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- (xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses amounting to Rs. 791.55 Million in the current financial period.
- (xviii) There has been no resignation of the statutory auditors during the period and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



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- (xix) On the basis of the financial ratios disclosed in Note 32 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's negative net worth, the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date. We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 25213803BMONDZ8084



Place: Bengaluru
Date: June 27, 2025

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MEESHO GROCERY PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of Meesho Grocery Private Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 25213803BMONDZ8084



Place: Bengaluru
Date: June 27, 2025

Meesho Grocery Private Limited
CIN : U46499KA2024PTC186369
Balance Sheet as at 31 March 2025

(All amounts in Indian Rupees in Million, except as stated otherwise)

	Notes	As at 31 March 2025
ASSETS		
Non-current assets		
Property, plant and equipment	3	2.80
Financial assets		
Other financial assets	4	-
Total non-current assets		2.80
Current assets		
Financial assets		
Loans	5	0.18
Other financial assets	4	719.28
Total current assets		719.46
Total assets		722.26
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6	0.10
Share pending issuance	6	4,828.76
Other equity	7	(7,556.98)
Total equity		(2,728.12)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	8	3,319.59
Provisions	9	9.19
Total non-current liabilities		3,328.78
Current liabilities		
Financial liabilities		
Trade payables	10	1.45
Total outstanding dues of micro enterprises and small enterprises		29.66
Total outstanding dues of creditors other than micro enterprises and small enterprises		43.02
Other financial liabilities	11	42.07
Other current liabilities	12	5.40
Provisions	9	121.60
Total current liabilities		3,450.38
Total liabilities		722.26
Total equity and liabilities		722.26
Summary of material accounting policies	2	

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm's Registration Number: 101049W/E300004

per **Rajeev Kumar**
Partner

Membership number: 213803



Place: Bengaluru, India
Date: 27 June 2025

For and on behalf of Board of Directors of

Meesho Grocery Private Limited

CIN : U46499KA2024PTC186369

per **Vidit Aatrey**
Director

DIN: 07248667

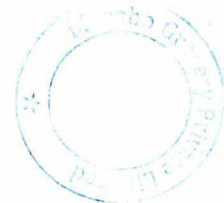
per **Sanjeev Kumar**
Director

DIN: 07248672

per **Abhinav Singhal**
Chief Financial Officer

per **Komal Thakur**
Company Secretary
Membership number: A72819

Place: Bengaluru, India
Date: 27 June 2025



Meesho Grocery Private Limited
CIN : U46499KA2024PTC186369
Statement of Profit and Loss for the period 18 March 2024 to 31 March 2025
(All amounts in Indian Rupees in Million, except as stated otherwise)

	Notes	For the period from 18 March 2024 to 31 March 2025
I Income		
Revenue from operations	13	16.73
Other income	14	97.79
Total income		114.52
II Expenses		
Employee benefits expense	15	365.54
Finance costs	16	0.03
Depreciation and amortisation expense	17	2.17
Other expenses	18	471.25
Total expenses		838.99
III Loss before exceptional items and tax (I - II)		(724.47)
IV Exceptional items	19	(69.25)
V Loss before tax (III + IV)		(793.72)
VI Tax expense	27	
Current tax		-
Deferred tax		-
Total tax expense		-
VII Loss for the period (V-VI)		(793.72)
VIII Other comprehensive income/(loss)		
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Re-measurement gains on defined benefit plans	21	0.83
Income tax on above		-
Other comprehensive income for the period, net of tax		0.83
IX Total comprehensive loss for the period (VII-VIII)		(792.89)
X (Loss)/Earnings per equity share (Nominal value of share Rs. 10 each)	20	
Basic (loss)/earnings per share		(1.64)
Diluted (loss)/earnings per share		(1.64)

Summary of material accounting policies 2

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm's Registration Number: 101049W/E300004

Rajeev Kumar
per Rajeev Kumar
Partner
Membership number: 213803



Place: Bengaluru, India
Date: 27 June 2025

For and on behalf of Board of Directors of

Meesho Grocery Private Limited

CIN : U46499KA2024PTC186369

Vidit Aatrey
Vidit Aatrey
Director
DIN: 07248661

Sanjeev Kumar
Sanjeev Kumar
Director
DIN: 07248672

Abhinav Singhal
Abhinav Singhal
Chief Financial Officer

Komal Thakur
Komal Thakur
Company Secretary
Membership number: A72819

Place: Bengaluru, India
Date: 27 June 2025



Meesho Grocery Private Limited
CIN : U46499KA2024PTC186369
Statement of Changes in Equity for the period 18 March 2024 to 31 March 2025
 (All amounts in Indian Rupees in Million, except as stated otherwise)

A. Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

As at 18 March 2024
 Issued during the period
 As at 31 March 31 2025

No. of shares	Amount
10,000	0.10
-	-
10,000	0.10

B. Share pending issuance

Equity shares of Rs. 10 each pending issuance

Shares to be issued on account of business combination (refer note 31)
 Issued during the period
 As at 31 March 2025

No. of shares	Amount
482,875,705	4,828.76
-	-
482,875,705	4,828.76

C. Other equity

Reserve arising on business combination (refer note 31)
 Loss for the period
 Other comprehensive income for the period, net of tax*
 As at 31 March 2025

Reserve and surplus		
Amalgamation Adjustment Deficit Reserve	Retained earnings*	Total
(6,764.09)	-	(6,764.09)
-	(793.72)	(793.72)
-	0.83	0.83
(6,764.09)	(792.89)	(7,556.98)

* As required under Ind AS Schedule III, the Company has recognised remeasurement gains/ (losses) of defined benefit plans as part of retained earnings.

Summary of material accounting policies (refer note 2)

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S R Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm's Registration Number: 101049W/E300004

Rajeev Kumar
 per Rajeev Kumar
 Partner
 Membership number: 213803



Place: Bengaluru, India
 Date: 27 June 2025

For and on behalf of Board of Directors of
Meesho Grocery Private Limited
 CIN : U46499KA2024PTC186369

Vidit Aatrey
 Vidit Aatrey
 Director
 DIN: 07248661

Abhinav Singhal
 Abhinav Singhal
 Chief Financial Officer

Place: Bengaluru, India
 Date: 27 June 2025

Sanjeev Kumar
 Sanjeev Kumar
 Director
 DIN: 07248672

Komal Thakur
 Komal Thakur
 Company Secretary
 Membership number: A72819



Cash flow from operating activities
Loss before tax

Adjustments to reconcile loss before tax to net cash flows
Depreciation and amortisation expense
Finance cost
Impairment allowance for doubtful receivables (Refer Note 28C)
Bad debts written off
Interest income
Operating loss before working capital changes

Movement in working capital:
Decrease in loans
Decrease in other financial assets
Decrease in other assets
Increase in trade payables
Increase in other financial liabilities
Increase in other current liabilities
Increase in other liabilities and provisions
Cash flows used in operating activities
Income taxes paid (net of refund)
Net cash flows used in operating activities (A)

Cash flows from investing activities (B)

Cash flows from financing activities
Proceeds from issue of share capital (including securities premium)
Net cash flows from financing activities (C)

Net increase/ (decrease) in cash and cash equivalents (A + B + C)
Cash and cash equivalents at end of the period

Cash and cash equivalents comprise of:
Balances with banks:
- in current accounts
Total cash and cash equivalents

For the period from
18 March 2024 to 31 March 2025

(793.72)

2.17

0.03

7.77

20.86

(97.76)

(860.65)

2.38

704.10

78.94

9.61

22.15

42.07

1.30

(0.10)

-

(0.10)

-

-

0.10

0.10

-

-

-

-

-

-

-

-

-

For the period from
18 March 2024 to 31 March 2025

3,319.59

-

-

3,319.59

Changes in liabilities arising from financing activities
Borrowings (refer note 8)
Issuance of Compulsorily Convertible Preference Shares for business combination (refer note 31)
Cash outflow
Non cash adjustments
Balance as at the end of the period

Summary of material accounting policies (refer note 2)

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants
ICAI Firm's Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership number: 213803



For and on behalf of Board of Directors of
Meesho Grocery Private Limited
CIN : U46499KA2024PTC186369

Vidit Aatrey
Director
DIN: 07248661

Abhinav Singhal
Chief Financial Officer

Sanjeev Kumar
Director
DIN: 07248672

Komal Thakur
Company Secretary
Membership number: A72819



Place: Bengaluru, India
Date: 27 June 2025

Place: Bengaluru, India
Date: 27 June 2025

1.1 Corporate information

Meesho Grocery Private Limited ("the Company") [CIN: U46499KA2024PTC186369] has its registered office and principal place of business located at 3rd Floor, Wing-E, Helios Business Park, Kadubeesanahalli Village, Varthur Hobli, Outer Ring Road, Bellandur, Bangalore, Bangalore South, Karnataka, India, 560103. The Company was incorporated on 18th March 2024.

The Company is incorporated to carry out the business of serving low-cost logistics network for delivery of grocery and other essential products by using platform of Meesho Technologies Private Limited, a fellow subsidiary and the related logistics and other directly attributable costs incurred by the Holding Company would be reimbursed by the Company to the Holding Company on cost plus appropriate markup. Also refer note 1.2 and note 31 to the financial statements regarding transfer of Grocery Business from the Holding Company to the Company.

In order to unlock value and achieve long-term sustainable growth, the Company proposes to demerge its Grocery Business into a separate entity.

The Company's financial statements for the period ended 31 March 2025 were approved for issue in the meeting of the Company's Board of Directors held on 27th June 2025.

1.2 Basis of preparation

The Financial Statements of the Company have been prepared for the period ended 31st March 2025 in accordance with Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

During the period ended 31 March 2025, the Board of Directors of the Holding Company and the Company, Meesho Technologies Private Limited ('MTPL' or 'Resultant Company-2') and Meesho Inc. ('Transferor Company'), have approved the Composite Scheme of Arrangement between the Holding Company, the Company, MTPL, Transferor Company and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in accordance with the provisions of Sections 230 to 232 of the Act which was filed with National Company Law Tribunal, Bengaluru Bench on 25 April 2024 for transfer of grocery business of the Holding Company to the Company and consequent consideration payout by the Company through issuance of shares of MGPL to the Holding Company.

Subsequent to the period ended 31 March 2025, the Grocery business of the Holding Company has been transferred to the Company by virtue of approval of the Composite Scheme of Arrangement and the order passed by the Bengaluru Bench of National Company Law Tribunal on 27 May 2025. Subsequently, the certified copy of the order passed by NCLT has been filed with the Registrar of Companies, Bengaluru on 15 June 2025.

In accordance with the requirements of Appendix C to Ind AS 103, the transfer of Grocery business from the Holding Company to the Company is a common control business combination. The amalgamation has been accounted in accordance with "pooling of interest method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015. The Company has retrospectively accounted for transfer of the grocery business as on the date of its incorporation and the assets, liabilities and equity of the grocery business are recognised at their respective carrying value and no fair value adjustments have been done.

The assets and liabilities, income and expenses which are directly attributable to grocery business are transferred to the Company. Common expenses and income are allocated on a reasonable basis as ascertained by the management.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest millions, unless otherwise indicated.

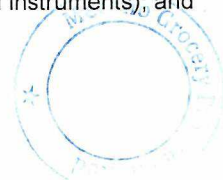
2.1 Going Concern

The Company has incurred loss of Rs. 792.89 million during the period ended 31 March 2025 and has negative net worth of Rs. 2,728.12 million as at 31 March 2025. The net worth of the Company is negative largely on account of consideration issued in respect of business combination in the form of compulsorily convertible preference shares which are classified as borrowings. The management of the Company basis its business plan expects that there will be a significant increase in operations that will lead to improved cash flows and long-term sustainability and the Company will be able to generate sufficient profits in future years to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Further, Meesho Limited, the Holding Company has also committed to provide financial and operational support to the Company for its continued operations in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Share based payments



2.3 Summary of material accounting policies

a) Use of estimates, judgments and assumptions

The preparation of Financial Statements requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future years if the revision affects both current and future years.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ▶ Held primarily for the purpose of trading;
- ▶ Expected to be realised within twelve months after the reporting period; or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle;
- ▶ It is held primarily for the purpose of trading;
- ▶ It is due to be settled within twelve months after the reporting period; or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

c) Common control business combinations

Common control business combination refers to a business combination involving entities in which all the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method.

The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities. Adjustments are made only to harmonise accounting policies.

The difference, if any, between the purchase consideration paid either in the form of share capital or cash or other assets and the amount of net assets of the entities acquired is transferred to capital reserve in case of credit balance and Amalgamation adjustment deficit account in case of debit balance and presented separately from other reserves within equity.

d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.



A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in below categories

- (i) Financial assets at Amortized cost
- (ii) Financial assets at fair value through profit and loss (FVTPL)

- i) Financial assets at Amortized cost:

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets that are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

- ii) Financial assets at fair value through profit and loss (FVTPL):

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Subsequent measurement

For purposes of subsequent measurement, all financial liabilities except financial liabilities held for trading, derivative financial liabilities and financial liabilities designated upon initial recognition as at fair value through profit or loss are measured at amortised cost.



Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Reclassification of financial assets/financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Offsetting of financial assets and financial liabilities

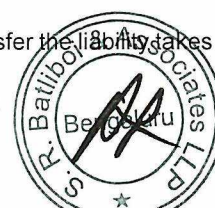
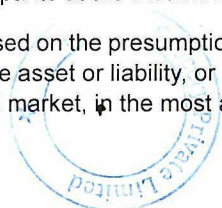
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

a. Fair value measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability.



The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company has set policies and procedures for both recurring and non-recurring fair value measurement of financial assets, which includes valuation techniques and inputs to use for each case.

For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ▶ Disclosures for valuation methods, significant estimates and assumptions (note 31)
- ▶ Quantitative disclosures of fair value measurement hierarchy (note 31)
- ▶ Financial instruments (including those carried at amortised cost) (note 31)

b. Impairment

Financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g., debt securities, deposits, trade receivables and bank balances. The impairment methodology applied for financial assets except trade receivables depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

In respect of other financial assets (e.g.: deposits, bank balances etc), the Company generally invests in instruments with high credit rating and consequently low credit risk. In the unlikely event that the credit risk increases significantly from inception of investment, lifetime ECL is used for recognising impairment loss on such assets.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost and trade receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.



The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets

Non-financial assets are tested for impairment events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Impairment loss of non-financial assets, if any are recognised in the Statement of Profit and Loss.

e) Revenue recognition

Revenue from contracts with customers

The Company generates revenue from online delivery of grocery and other essential products. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated towards that performance obligation. The transaction price of goods sold and services rendered is net of any taxes collected from customers, which is remitted to government authorities and variable consideration on account of discounts and schemes offered by the Company. The transaction price is an amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services. Where performance obligation is satisfied at a point in time, the Company recognizes revenue when the customer obtains control of promised services in the contract. Revenue is recognized net of any taxes collected from customers, which are remitted to governmental authorities.

Revenue recognition for the shipping income generated by the Company is as follows:

Revenue derived from operating the marketplace is recognized based on the terms of the contracts with the seller. Revenue is recognised at a point in time upon the delivery of goods from the seller to the end consumer. Revenue from contracts with seller is recognised when control of the goods or services are transferred to the end consumer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue also excludes any amounts collected on behalf of sellers or any third parties including taxes or duties collected on behalf of the government. As there is no credit period given to the sellers, there is no financing component in the contract.

Shipping income is the revenue generated from shipping charges recovered from sellers upon successful delivery of goods. The amount of Shipping Income is determined based on factors including product weights, delivery zones and the chosen mode of payment. Shipping charges reflect the logistical and operational costs associated with transporting goods to their destinations.

The Company manages shipping services through its logistics platform - 'Valmo' and third-party logistics services providers. Until 15 March 2025, the Company charged order shipping income from sellers and paid appropriate costs to the logistics partners for all stages of deliveries i.e. first mile, mid mile and last mile delivery services. The Company considers itself to be a principal in this arrangement and recognises revenue on a gross basis as the fulfilment of the order is the primary responsibility of the Company.

Effective 15 March 2025, the Company has transitioned to a model wherein if the seller opts for Valmo, then with regard to the last mile delivery services the sellers are responsible with regard to the payment of logistics fees pertaining to such last mile delivery and the Company merely acts a facilitator connecting delivery partners with the sellers. The arrangement between seller and last mile delivery partner is on principal-to-principal basis. Sellers have the right to decide the last mile delivery partners and related pricing and the Company considers itself to be an agent in this arrangement. The Company is merely a technology platform provider in respect of last mile delivery, connecting last mile delivery partner and seller. Accordingly, service fee from seller and last mile delivery partner is recognized as revenue in respect of last mile delivery.

Pursuant to transfer of grocery business from the Holding Company to the Company, grocery revenue for the period 18 March 2024 to 31 March 2025 have been transferred to the Company. Further, the related logistics and other directly attributable costs incurred by the Holding Company have been reimbursed by the Company to the Holding Company on cost plus appropriate markup.

f) Other income

Interest income is recognised using the effective interest method. Effective interest is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss. Other income primarily comprises interest income on fixed deposits, certificate of deposits and changes in fair value and gains/(losses) on disposal of financial instruments classified as FVTPL.



g) Foreign currency transactions

Functional and presentation currency: Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Financial statements are presented in Indian Rupee (Rs.). The Company determines the functional currency and items included in the financial statements of are measured using that functional currency. All amounts have been rounded off to two decimal places to the nearest millions, unless otherwise indicated.

- i. Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in the statement of profit or loss.
- ii. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

h) Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Company has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and current tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

(ii) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

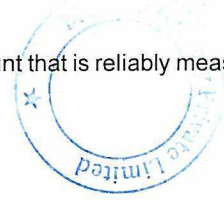
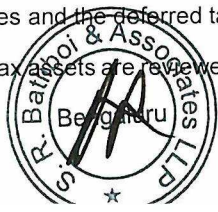
- when the deferred tax liability arises from the initial recognition of goodwill or when deferred tax liability or asset arises on an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are reviewed as at each reporting date and written down or written up to reflect the amount that is reliably measured.



i) Provisions, Contingent Liabilities and Contingent Assets

Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent Liability

Contingent liability is:

- (a) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or
- (b) a present obligation that arises from past events but is not recognized because;
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by- the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. The Company does not recognize the contingent asset in its financial statements since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits are probable, the Company disclose a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognize such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

j) Retirement and other employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit method as at the reporting date.

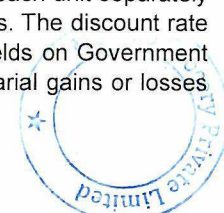
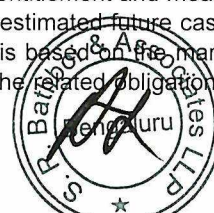
Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. All eligible employees receive benefit from provident fund, which is a defined contribution plan. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The Company provides for gratuity, a defined benefit plan covering all eligible employees. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried at the period-end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date having maturity periods approximating the term of the related obligation. Actuarial gains or losses are recognized immediately in the Statement of Other Comprehensive Income/(Loss).



The plan provides a lump-sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company.

Actuarial gains or losses are recognised in other comprehensive income. Remeasurement comprising actuarial gains or losses are not reclassified to the Statement of Profit and Loss in subsequent periods.

k) Employee Share-based payment

The grant date fair value of equity settled share based payment awards granted to employees is recognized as a compensation expenses relating to share based payments in the Statement of Profit and Loss using fair value in accordance with Ind AS 102 Share Based Payment. These Employee Stock Options Scheme granted are measured by reference to the fair value of the instrument at the date of the grant. The expense is recognised in the Statement of Profit and Loss which generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

For cancelled options, the payment made to the employee shall be accounted for as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments, measured at the cancellation date. Any such excess from the fair value of equity instrument shall be recognised as an expense.

l) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the Company's cash management.

m) Earnings per share / loss per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) Cash flow statement

Operating cash flows are reported using the indirect method, whereby profit / loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.



o) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management (Note 28)
- Financial risk management objectives and policies (Note 28)
- Sensitivity analysis disclosures (Note 28)

The Company bases its assumptions and estimates on parameters available when the Financial Statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the Financial Statements are as below:

Tax contingencies and provisions

Significant management judgement is required to determine the amounts of tax contingencies and provisions, including amount expected to be paid/recovered for uncertain tax positions and the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of financial assets

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Company's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected return, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Fair value measurement of financial instruments

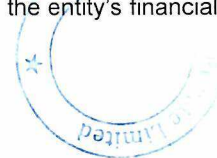
When the fair values of financial assets and financial liabilities recorded in the Financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

p) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt this new and amended standard, when it becomes effective.

Lack of exchangeability – Amendments to Ind AS 21

The Ministry of Corporate Affairs notified amendments to Ind AS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.



Meesho Grocery Private Limited

CIN : U46499KA2024PTC186369

Notes to the financial statements for the period 18 March 2024 to 31 March 2025

(All amounts in Indian Rupees Million, except as otherwise stated)

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Financial Statements.

q) Recent Accounting Pronouncements:

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance Contracts

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117, *Insurance Contracts*, vide notification dated 12 August 2024, under the **Companies (Indian Accounting Standards) Amendment Rules, 2024**, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 *Insurance Contracts* is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 *Insurance Contracts*. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- ▶ A specific adaptation for contracts with direct participation features (the variable fee approach)
- ▶ A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have a material impact on the Company's Financial Statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

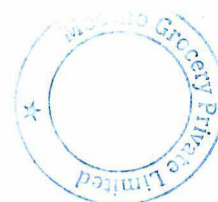
(ii) Amendments to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the **Companies (Indian Accounting Standards) Second Amendment Rules, 2024**, which amend Ind AS 116, *Leases*, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have impact on the Financial Statements.



3 Property, Plant and Equipment

Gross Carrying value

Transfer on account of business combination* (refer note 31)
Additions during the period*
Disposals during the period
At 31 March 2025

Accumulated depreciation

Charge for the period
Disposals during the period
At 31 March 2025

Net book value

At 31 March 2025

Computers and accessories	Total
2.31	2.31
2.66	2.66
-	-
4.97	4.97
2.17	2.17
-	-
2.17	2.17
2.80	2.80

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business. Further, additions during the period represents assets purchased by the Holding Company which have been transferred.

4 Other financial assets*

(Financial assets at amortised cost)

Non current

Unsecured, considered doubtful
Security deposits

Less: Impairment allowance for doubtful receivables (refer note 28C)

Current

Unsecured, considered good

Marketplace related receivables^
Receivable from related parties (refer note 23)

Unsecured, considered doubtful

Marketplace related receivables^
Less: Impairment allowance for doubtful receivables (refer note 28C)

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

^represents amount receivable from payment gateways.

As at 31 March 2025
1.54
1.54
(1.54)
-
2.07
717.21
719.28
7.35
(7.35)
-
719.28

5 Loans

(Carried at amortised cost)

Current

Unsecured, considered good

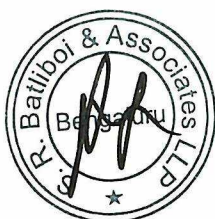
Loans to employees*

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business. Balance represents loans provided to employees directly attributable to the grocery business are transferred to the Company.

(a) There are no advances to directors or officers of the Company or any of them either severally or jointly with any other person or advance to firm or private companies in which any director is a partner or a director or a member, respectively.

(b) There are no loans or advances in the nature of loans granted to promoters, directors, key managerial personnel or related parties, which are outstanding as at 31 March 2025.

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6 Equity share capital

A Authorised share capital*

Equity shares of Rs. 10 each

As at 18 March 2024

Increase/(decrease) during the period

As at 31 March 2025

Numbers	Amount
150,000	1.50
-	-
150,000	1.50

*Subsequent to the period ended 31 March 2025, pursuant to the resolution passed by the shareholders at the Extra-ordinary General Meeting held on 02 April 2025, the Company has increased the authorised share capital from Rs. 1.50 million i.e. 0.15 million equity shares of Rs.10 each to Rs. 9,778.02 million (i.e. (a) 488.90 million Equity Shares of Rs.10 each amounting to Rs. 4,889.01 million and (b) 488.90 million Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10 each amounting to Rs. 4,889.01 million respectively.

B Issued, subscribed and fully paid-up

Equity shares of Rs. 10 each

As at 18 March 2024

Increase/(decrease) during the period

As at 31 March 2025

Numbers	Amount
10,000	0.10
-	-
10,000	0.10

C Shares pending issuance

Equity shares of Rs. 10 each

As at 18 March 2024

Shares to be issued on account of business combination (refer note 31)

As at 31 March 2025

Numbers	Amount
-	-
482,875,705	4,828.76
482,875,705	4,828.76

D Terms/rights attached to equity shares and equity shares pending issuance on account of business combination

As at 31 March 2025, the Company has only one class of equity share, having a par value of Rs. 10 per share. Each holder of Equity share is entitled to one vote per share and receive dividends as declared from time to time. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

E Details of shareholders holding more than 5% equity shares and equity shares pending issuance in the Company

(A) Equity shares of Rs. 10 each, fully paid up

Meesho Limited (formerly known as Meesho Private Limited/Fashnear Technologies Private Limited)
(Holding Company)

As at 31 March 2025	
Numbers	% holding in the class
9,999	99.99%
9,999	99.99%

(B) Equity shares pending issuance of Rs.10 each

Meesho Limited (formerly known as Meesho Private Limited/Fashnear Technologies Private Limited)
(Holding Company)(refer note 31)

482,875,696	99.99%
482,875,696	99.99%

F Details of equity shares held by promoters

31 March 2025

Equity shares of Rs.10 each, fully paid-up

Meesho Limited (formerly known as Meesho Private Limited/Fashnear Technologies Private Limited)
(Holding Company)

Equity shares pending issuance of Rs.10 each

Meesho Limited (formerly known as Meesho Private Limited/Fashnear Technologies Private Limited)
(Holding Company)

No. of shares on the date of incorporation	Change during the period	No. of shares at the end of the period	% of total shares	% change during the period
9,999	-	9,999	99.99%	-
-	482,875,696	482,875,696	99.99%	100%

G There are no equity shares issued as bonus, shares issued for consideration other than cash and shares bought back since the incorporation of the Company. Subsequent to the period ended 31 March 2025, the Company has issued 482.88 million equity shares of Rs. 10 each as consideration for business combination for a consideration other than cash. (Refer note 31).



7 Other equity**Amalgamation Adjustment Deficit Reserve (A)**

Reserves arising on account of business combination (refer note 31)

Balance at the end of the period**As at
31 March 2025**

(6,764.09)

(6,764.09)**Retained earnings (B)**

Loss for the period

Other comprehensive income for the period, net of tax

Balance at the end of the period**Total other equity (A+B)**

(793.72)

0.83

(792.89)**(7,556.98)****Nature and purpose of reserves:****A. Amalgamation adjustment deficit reserve**

Amalgamation adjustment deficit reserve represents the difference between consideration given and net assets acquired in the course of business combination (Refer note 31).

B. Retained earnings

Retained earnings are the profit/(loss) that the Company has earned/(incurred) till date. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

8 Borrowings*(Carried at amortised cost)***As at
31 March 2025****Non Current**

Consideration payable on business combination*

3,319.59

3,319.59

*Represents 331.96 million compulsorily convertible preference shares (CCPS) with nominal value of Rs. 3,319.59 million payable as a consideration to the Holding Company pursuant to the business combination. Refer note 31.

Terms of the CCPS

(i) Compulsorily convertible preference shares (CCPS) to be issued are entitled to dividend rate of [1year INR IRS Swap rate + 3.25%] compounded yearly from date of issuance of CCPS to date of conversion on face value of each preference share per annum.

(ii) All CCPS shall be mandatorily converted to equity shares on the date which is earlier of (a) the maturity date of the respective Outstanding CCPS, i.e., 20 years from the date of the issue; or (b) 15 years from date of issuance at option of holder.

(iii) Each CCPS shall be convertible into Equity shares of the Company as below:-

Number of the Equity to be issued upon conversion = Original issue price of each CCPS/Adjusted Fair Value per Equity (Fair Value of Company's Equity prevailing at the time of conversion) divided by [1+ Agreed rate]).

(iv) The holders of the CCPS will not carry any voting right in decision making however can exercise protective/veto rights on matters related to preference shareholders.

(v) The CCPS will have a liquidation preference in priority to all issued shares in case of liquidation as defined in scheme of arrangement.

(vi) The holder of CCPS can require the Company to buyback the CCPS at any point in time either out of its free reserves or securities premium account or the proceeds of issue of any shares or other securities, during the tenure of the CCPS at a price which provides an internal rate of [1year INR IRS Swap rate + 3.25%] compounded yearly from date of issuance of CCPS to date of buyback on face value of each preference share per annum.

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9 Provisions*

	As at 31 March 2025
<u>Non current</u>	
Provision for employee benefits	
Gratuity (refer note 21)	9.19
Compensated absences	
	<u>9.19</u>
<u>Current</u>	
Provision for employee benefits	
Gratuity (refer note 21)	1.31
Compensated absences	4.09
	<u>5.40</u>

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

10 Trade payables*

(Carried at amortised cost)

	As at 31 March 2025
Total outstanding dues of micro enterprises and small enterprises (refer Note 24)	1.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	29.66
	<u>31.11</u>

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business. Amounts pertain to supplier payables by the Holding Company directly attributable to grocery business which have been transferred.

(a) Trade payables are non-interest bearing and are generally settled within 30 days.

(b) Trade payables ageing schedule

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2025							
Total outstanding dues of micro enterprises and small enterprises	0.21	-	1.17	0.07	-	0.00	1.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	4.15	-	14.10	9.63	0.85	0.93	29.66
	<u>4.36</u>	<u>-</u>	<u>15.27</u>	<u>9.70</u>	<u>0.85</u>	<u>0.93</u>	<u>31.11</u>

*There are no disputed trade payables as at 31 March 2025.

11 Other financial liabilities*

(Financial liabilities at amortised cost)

	As at 31 March 2025
<u>Current</u>	
Marketplace related payables^	33.86
Employee benefits payable	3.46
Payable to related parties (refer note 23)	2.38
Security deposits payable	3.32
	<u>43.02</u>

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

^ represents amounts payable to marketplace suppliers relating to grocery business which have been transferred from the Holding Company.

12 Other current liabilities

	As at 31 March 2025
Statutory dues payable*	0.04
Liability towards stamp duty and other charges (refer note 19)	42.03
	<u>42.07</u>

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.



13 Revenue from operations*

Revenue from contract with customers

Sale of services**

For the period from 18 March 2024 to 31 March 2025	
	16.73
	16.73

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

**All the services provided during the period has been rendered at a point of time. The entire revenue is from external customers and is generated in India.

Remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. The contracts entered into by the Company have original expected duration of one year or less. Accordingly, applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures.

14 Other income*

Interest income**

Other non operating income

For the period from 18 March 2024 to 31 March 2025	
	97.76
	0.03
	97.79

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

** Interest income is allocated to the grocery business and pertains to interest earned on deposits held by the Holding Company in respect of working capital to be transferred to the Company pursuant to Business combination as detailed in note 31.

15 Employee benefits expense*

Salaries, wages and bonus**

Contribution to provident and other funds (refer note 21)

Gratuity expenses (refer note 21)

Employee share based payment expense***

Staff welfare expenses

For the period from 18 March 2024 to 31 March 2025	
	282.99
	3.89
	3.82
	69.57
	5.27
	365.54

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

**includes expenses incurred towards common employees of the Group and allocated to the Company amounting to Rs 12.81 million (refer note 23).

***includes expenses incurred towards common employees of the Group and allocated to the Company amounting to Rs 9.19 million (refer note 23 and 25).

16 Finance costs*

Interest on dues to micro and small enterprises (refer note 24)

For the period from 18 March 2024 to 31 March 2025	
	0.03
	0.03

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

17 Depreciation and amortisation expense*

Depreciation on property, plant and equipment (refer note 3)

For the period from 18 March 2024 to 31 March 2025	
	2.17
	2.17

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.



18 Other expenses*

	For the period from 18 March 2024 to 31 March 2025
Logistics and fulfilment expenses	210.68
Advertising and sales promotion expenses	18.53
Facility usage charges (refer note 23)	26.40
Communication expenses	11.40
Server and software tools expenses	16.52
Contracted manpower	45.69
Legal and professional fees	3.30
Recruitment expenses	0.11
Impairment allowance for doubtful receivables (Refer note 26C)	7.77
Royalty expense (refer note 23)	0.84
Payment to auditors (refer note (a) below)	0.50
Bad debts written off	20.86
Rent	0.06
Miscellaneous expenses	108.59
	471.25

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

(a) Payment to auditors (excluding taxes)

	For the period from 18 March 2024 to 31 March 2025
Statutory audit fee	0.50
	0.50

19 Exceptional items

	For the period from 18 March 2024 to 31 March 2025
Employee share based payment expense* (refer note (a) below and note 25)	
- Incremental expense upon modification of share based plan	24.12
- Accelerated charge upon vesting of existing options	3.10
Expenses towards business combination (Refer note (b) below)	42.03
	69.25

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

- (a) Pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Act, read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and approval of the Board of Directors and equity shareholders dated 31 March 2025, 2,724,534 unvested stock options held by the Founders of the Holding Company have been accelerated and fully vested as on 31 March 2025 resulting in an accelerated charge of Rs. 3.10 million and incremental expense upon modification of share based plan of Rs. 24.12 million allocated to the Company from Holding Company.

(b) Expenses towards business combination of Rs. 42.03 million includes:**(i) Fees for increase in authorised share capital - Rs.35 million:**

During the period ended 31 March 2025, the Company has provided for regulatory fees of Rs. 35 million payable in relation to increase in authorized share capital of the Company for issue of equity shares and CCPS pursuant to approval of the Scheme.(Refer note 32)

(ii) Stamp duty payable - Rs. 7.03 million:

During the period ended 31 March 2025, the Company has provided for its share of stamp duty of Rs. 7.03 million payable in relation to the Composite Scheme of Arrangement. The actual payment will be settled in accordance with applicable statutory requirements upon the Transfer becoming effective.

20 (Loss)/Earnings per share (EPS)

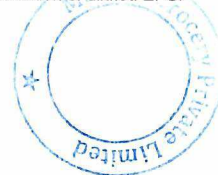
Basic EPS amounts are calculated by dividing the profit or loss for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit or loss for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the loss and share information used in the basic and diluted EPS computations:

	For the period from 18 March 2024 to 31 March 2025
A) Loss for the period for calculation of basic/diluted EPS	(793.72)
B) <u>Weighted average number of equity shares in calculating Basic/Diluted EPS</u>	
Equity shares of Rs.10 each	10,000
Equity shares pending issuance Rs.10 each	482,875,705
	482,885,705
Basic (loss)/ earnings per share*	(1.64)
Diluted (loss)/ earnings per share*	(1.64)

* CCPS outstanding as at 31 March 2025 is anti-dilutive in nature and accordingly, have not been considered for the purpose of calculation of diluted EPS.



21 Employee benefit plans**(a) Defined contribution plan**

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised Rs. 3.89 million for Provident Fund contributions in the statement of profit and loss. The contributions payable to these schemes by the Company are at rates specified in the rules of the schemes.

(b) Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service in the Holding Company and is transferred to the Company pursuant to the Scheme as detailed in note 31, gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year or part thereof in excess of six months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972. The scheme is not externally funded. The following tables summarize the components of net benefit expense recognized in the Profit and Loss and amounts recognized in the Financial Statements and amounts recognized in the Balance Sheet.

Changes in the present value of defined benefit obligation:

	31 March 2025
Obligations at date of incorporation	-
Additions on account of common control transaction (refer note 31)	8.41
Current service cost	3.27
Interest cost	0.55
Benefits paid	(0.90)
Remeasurement of (gain)/loss in other comprehensive income:	
Actuarial loss/ (gain) due to experience adjustments	(0.83)
Actuarial loss/ (gain) due to financial assumption changes	-
Actuarial loss/ (gain) arising from change in demographic assumptions	-
Obligations at period end	10.50
Non current	9.19
Current	1.31
Total	10.50

Net employee benefit expense (recognised in employee benefit expense in the statement of profit and loss)

Current service cost	3.27
Interest cost on benefit obligation	0.55
	3.82

Re-measurement gain/(loss) recognised in other comprehensive income

Actuarial gain/(loss)	
Changes in financial assumptions	-
Changes in demographic assumptions	-
Experience variance (i.e. actual experience vs assumptions)	0.83
	0.83

Principal assumptions used in determining defined benefit obligation

	31 March 2025
Discount rate	6.40%
Salary escalation	10%
Retirement Age	60 years
Attrition rate	28%
Mortality	IALM (2006-08)

Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumptions, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	Decrease	Increase
	31 March 2025	31 March 2025
Impact on defined benefit obligation		
Discount rate (1% change)	0.44	(0.41)
Salary escalation rate (1% change)	(0.34)	0.35
Attrition rate (1% change)	0.19	(0.18)

Maturity profile of defined benefit obligation (undiscounted)

	31 March 2025
Within 1 year	1.35
Between 1 and 5 years	6.97
Beyond 6 years	4.15
Total	12.47

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 3 years.

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.



21 Employee benefit plans (continued)

Risk exposure

Gratuity is a defined benefit plan and the Company is expected to the following risks :

(a) Interest risk :

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

(b) Liquidity risk :

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities.

(c) Salary escalation risk :

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(d) Demographic risk :

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.

(e) Regulatory risk :

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

22 Contingent liabilities and commitments

There are no contingent liabilities and commitments as on March 31 2025.

23 Related party disclosures

A. Names of related parties and description of relationships:

Holding Company

Meesho Inc

Nature of relationship

Erstwhile Ultimate Holding Company (till 20 June-2025)

Meesho Limited (formerly known as Meesho Private Limited/Fashnear Technologies Private Limited)

Holding Company

Entities where common control exists

Meesho Technologies Private Limited (Incorporated w.e.f. 22 March 2024)

Fellow Subsidiary

Meesho Payments Private Limited

Fellow Subsidiary

PT Fashnear Technology Indonesia, Indonesia (under liquidation w.e.f 15 March 2024)

Fellow Subsidiary

Fashnear Shenzhen Trading Co. Ltd, China (till 09 May 2024)^

Fellow Subsidiary

Popshop Commerce Private Limited, India (under liquidation w.e.f 25 April 2022)#

Fellow Subsidiary

^ Fashnear Shenzhen Trading Co. Ltd, China has been liquidated with effect from 09 May 2024

Subsequent to 31 March 2025, Popshop Commerce Private Limited, India has been liquidated with effect from 30 May 2025.

Key management personnel

Mr. Sanjeev Kumar

Whole Time Director (w.e.f. 15 June 2025)

Mr. Vinit Aatrey

Director

Mr. Surojit Chatterjee

Additional Director (w.e.f. 23 June 2025)

Other KMP

Mr. Abhinav Singhal

Chief Financial Officer (w.e.f. 12 June 2025)

Mr. Komal Thakur

Company Secretary (w.e.f. 12 June 2025)

B. Related party transactions*:

The transactions that have been entered into with related parties during the period are as follows:

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

Name of the entity	Nature of transactions	For the period from 18 March 2024 to 31 March 2025
Reimbursement of expenses to		
Meesho Technologies Private Limited	Employee benefits expense for common employees	1.54
Meesho Limited (formerly known as Meesho Private Limited/Fashnear Technologies Private Limited)	Employee benefits expense for common employees	47.69
	Facility usage charges	26.40
	Other common expenses	3.75
Other expenses		
Meesho Technologies Private Limited	Royalty Expense	0.84



Meesho Grocery Private Limited

CIN : U46499KA2024PTC186369

Notes to the financial statements for the period 18 March 2024 to 31 March 2025

(All amounts in Indian Rupees in Million, except as stated otherwise)

23 Related party disclosures (continued)

C. The balances receivable from or payable to related parties as at period end are as follows*:

	As at 31 March 2025
<u>Payable to related parties</u>	
Meesho Technologies Private Limited	2.38
<u>Receivable from related parties</u>	
Meesho Limited (formerly known as Meesho Private Limited/Fashnear Technologies Private Limited)	717.21
<u>Borrowings - Consideration payable on business combination (refer note 31)</u>	
Meesho Limited (formerly known as Meesho Private Limited/Fashnear Technologies Private Limited)	3,319.59

Terms and conditions of transactions with related parties

1) The transactions with related parties are made on terms equivalent to those prevailing in arm's length transactions. The outstanding balances are generally unsecured and interest free. There have been no guarantees provided or received for any related party balances.

2) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

24 Dues to Micro and Small Enterprises

The amount due to Micro and small enterprise in the "Micro, small and medium Enterprise Development Act, 2006" (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Holding Company and allocated as detailed in note 1.2, on the basis of information disclosed by the suppliers. The disclosure relating to MSME are as under:

	As at 31 March 2025
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	
Principal amount due to micro and small enterprises	1.42
Interest due on the above	0.03
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	0.03
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.03
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	0.03

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25 Employee share based payment

Pursuant to the transfer of the grocery business by the Holding Company to the Company, certain employees have been transferred along with the grocery business to the Company. Accordingly, the options pertaining to such transferred employees under the Meesho Inc. 2016 Stock Incentive Plan and FTPL ESOP 2024 Plan have been recognised by the Company.

a) Meesho Inc. 2016 Stock Incentive Plan (equity-settled)

Meesho Inc., the erstwhile Holding Company, had issued various Employee Stock Options ("ESOP") under the Meesho Inc. 2016 Stock Incentive Plan to eligible employees of the Company. The Plan is approved by its board and is only available to eligible employees subject to compliance with vesting conditions (including market and non market performance conditions) as applicable for respective plan. Market performance conditions are taken into account when determining the grant date fair value of options on the grant date and non-market performance conditions are taken into consideration while estimating the number of options that will vest.

Further, subsequent to the period ended 31 March 2025, Meesho Inc., has merged with the Holding Company by virtue of approval of the Composite Scheme of Arrangement and the order passed by the Bengaluru Bench of National Company Law Tribunal on 27 May 2025, on account of which the Meesho Inc. 2016 Stock Incentive Plan entire options is discontinued and options fully vested is replaced with stock options under the FTPL ESOP 2024 Plan with same vesting and performance conditions as of the Meesho Inc. 2016 Stock Incentive Plan. Each option of Meesho Inc. 2016 Stock Incentive Plan has been replaced an option under the FTPL ESOP 2024 Plan which entitles the employees to receive 60 shares in the Holding Company upon exercise.

In accordance with Ind AS 102 - Share based payments, the necessary disclosures have been made for the period ended 31 March 2025. The brief description of the various ESOP plans and terms and conditions are as follows:

- Time based vesting with 1 year cliff and monthly vesting after cliff period
- Performance and milestone based grants

a. Milestone grants to eligible employees with performance conditions – As per the scheme the number of options that will vest is conditional on certain performance based measures pertaining to the Holding Company. With respect to year ended 31 March 2024 performance grants, the conditions have been achieved and hence the entire tranche has been vested fully. With respect to year ended 31 March 25 performance grants, the management is of the view that the year ended 31 March 2025 grant performance conditions are likely to be achieved and accordingly, ESOP cost is accounted from the date of grant i.e. 28 November 2023.

b. Performance grants with valuation milestones - As per the scheme the number of options that will vest is conditional on certain valuation based milestones pertaining to the Holding Company. The Board of Directors, via the resolution dated 28 November 2023 has extended the period of achieving the valuation milestone from September 2026 to September 2029. However, the management, basis internal estimate is confident that the milestone criteria would be achieved by September 2026 and has accordingly accounted for the ESOP cost in this regard based on external valuation report.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of such options.

The details of activities under the various ESOP plans for employees of the Company is summarised below:

Particulars	31 March 2025			
	No. of options			
	Meesho Inc. 2016 Plan			
	Time based vesting	Performance based vesting	Total for all plans	Weighted Average Exercise Price for all plans*
Transfer on account of business combination**	42,308	512	42,820	0.15
Granted during the period	-	-	-	0.15
Forfeited during the period	(6,711)	-	(6,711)	0.15
Cancelled during the period	-	-	-	0.15
Exercised during the period	-	-	-	0.15
Outstanding at the end of the period	35,597	512	36,109	0.15
Exercisable at the end of the period	33,400	512	33,912	0.15

*Weighted Average Exercise Price is denominated in United state Dollars (USD) in absolute value. The equivalent weighted average exercise price in Indian Rupees is Rs. 12.66 as at 31 March 2025.

**Options transferred on account of business combination are post considering the effect of migration for eligible options from Meesho Inc. 2016 Plan to FTPL ESOP Plan 2024.

b) FTPL ESOP 2024 Plan

The Holding Company had issued various Employee Stock Options ("ESOP") under the FTPL ESOP 2024 Plan to eligible employees of the Company. The Plan is approved by its board and is only available to eligible employees subject to compliance with vesting conditions as applicable for respective plan. Market performance conditions are taken into account when determining the grant date fair value of options and non-market performance conditions are taken into consideration while estimating the number of options that will vest.

Subsequent to the period ended 31 March 2025, the Holding Company has approved the bonus issue wherein upon exercise of the options the existing option holders will be entitled to 49 shares against each option.

In accordance with Ind AS 102 - Share based payments, the necessary disclosures have been made for the period ended 31 March 2025. The brief description of the various ESOP plans and terms and conditions comprise of time based vesting with 1 year cliff and monthly vesting after cliff period.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of such options.



25 Employee share based payment (Continued)

The details of activities under the various ESOP plans for employees of the Company is summarised below:

Particulars	No. of options			
	FTPL ESOP 2024 Plan			Weighted Average Exercise Price for all plans*
	Time based vesting	Performance based vesting	Total for all plans	
Transfer on account of business combination**	47,049	3,425	50,474	1.00
Granted during the period	34,554	-	34,554	1.00
Forfeited during the period	(15,350)	-	(15,350)	1.00
Outstanding at the end of the period	66,253	3,425	69,678	1.00
Exercisable at the end of the period	18	3,425	3,443	1.00

*Weighted Average Exercise Price is denominated in Indian Rupees (Rs.).

**Options transferred on account of business combination are post considering the effect of migration for eligible options from Meesho Inc. 2016 Plan to FTPL ESOP Plan 2024.

Weighted average remaining contractual life of the options outstanding under FTPL ESOP Plan 2024 is 9.26 years (31 March 2024 - 9.92 years, 31 March 2023 - Nil).

For the period ended 31 March 2025, the grant date fair value of common stock was measured using the income (Discounted cash flow method) and market approach (comparable companies method), and OPM allocation method. Under this method, the fair value of the common stock has been computed by applying waterfall distribution to the DCF and comparable companies method backed business valuation, assuming a weighted average duration till exit of 9 months. Thereafter, the ESOPs valuation was carried out using Monte Carlo Simulation (MCS) and Black Scholes models.

	For the period ended 31 March 2025	
	Meesho Inc. 2016 Stock Incentive Plan*	FTPL ESOP 2024 Plan*
Weighted average fair value at grant date	2,139.64	2,972.43
Weighted average share price	2,152.08	2,973.43
Exercise price	12.43	1.00
Expected volatility	65%	55%
Expected term	2.88	2.00
Expected dividends	Nil	Nil
Risk free interest rate (based on 5 year US Government bonds)	4.10%	6.80%

* There are no grants in the Meesho Inc. 2016 Stock Incentive Plan during the period ended 31 March 2025.

Details of expenses accounted during the period*:

Employee share based payment expense for the period	69.57
Incremental expense upon modification of share based plan (refer note 19 - Exceptional items)	24.12
Accelerated charge upon vesting of existing options (refer note 19 - Exceptional items)	3.10
Total expense accounted during the period	96.79

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

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Meesho Grocery Private Limited
CIN : U46499KA2024PTC186369

Notes to the financial statements for the period 18 March 2024 to 31 March 2025
(All amounts in Indian Rupees in Million, except as stated otherwise)

26 Segment reporting

The Company is incorporated to carry out the business of serving low-cost logistics network for delivery of grocery and other essential products by using platform of Meesho Technologies Private Limited, a fellow subsidiary and the related logistics and other directly attributable costs incurred by the Holding Company would be reimbursed by the Company to the Holding Company on cost plus appropriate markup. The Company does not distinguish revenues, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole. The chief operating decision maker reviews the financial results when making decisions about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment. As the Company's non current assets are all located in India and almost all of the Company's revenues are derived from one geographical segment, hence no geographical information is presented. No single customer represents 10% or more of the Company's total revenue from operations for the year ended 31 March 2025. Since the Company has a single business segment and a single geographical segment, no additional disclosures pertaining to the operating segments as per Ind AS 108 have been presented.

27 Deferred tax

(a) Income tax expense

Current tax
Deferred tax

For the period from 18 March 2024 to 31 March 2025
-
-
-

(b) Reconciliation of tax expense to the amount computed by applying the statutory income tax rate to the profit/(loss) before tax is summarised below:

Loss before tax
Applicable tax rate in India
Computed tax charge/(credit)

For the period from 18 March 2024 to 31 March 2025
(793.72)
31.20%
(247.64)

Tax effect on losses and temporary differences on which deferred taxes has not been recognised
Tax effect of non-deductible expenses

245.45
2.19
-

(c) Deferred tax relates to the following:

Temporary differences attributable to:

Deferred tax liabilities
Property, plant and equipment
Total deferred tax liabilities

As at 31 March 2025
0.07
0.07

Deferred tax assets
Provision for gratuity
Provision for compensated absences
Provision for bonus
Carry forward losses and unabsorbed depreciation**
Others
Total deferred tax assets

3.28
1.28
0.85
284.37
45.89
335.67

Net deferred tax assets*

335.60

Deferred tax assets not recognised

335.60

*The Company has reviewed its deferred tax assets as at 31 March 2025. The Company has business losses and other temporary differences which give rise to deferred tax assets. However in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, no deferred tax assets (net) as at 31 March 2025 has been recognised.

**Pursuant to demerger of the grocery business from the Holding Company, the Company has carried forward business losses and unabsorbed depreciation pertaining to grocery business of the Holding Company per Sec 72A(4) of the Income Tax Act, 1961.

(d) Expiry of tax losses

The tax losses on which no deferred tax has been recognised expire as follows:

Financial year ending
March 31, 2031
March 31, 2032
March 31, 2033*

As at 31 March 2025
911.44
-
-
911.44

* The same is not yet assessed and would be available post filing of the Income Tax Return for the year ended March 31, 2025.



28 Financial instruments

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2025 are as follows*:

	Amortized cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets	0.18	-	-	0.18	0.18
i. Loans (refer note 5)	719.28	-	-	719.28	719.28
iii. Other financial assets (refer note 4)	719.46	-	-	719.46	719.46
Total assets					
Financial liabilities	3,319.59	-	-	3,319.59	3,319.59
i. Borrowings (refer note 8)	31.11	-	-	31.11	31.11
ii. Trade payables (refer note 10)	43.02	-	-	43.02	43.02
iii. Other financial liabilities (refer note 11)	3,393.72	-	-	3,393.72	3,393.72
Total liabilities					

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The carrying value of loan, other financial assets (including marketplace receivables), trade payables and other financial liabilities approximate to their fair values largely due to the short-term maturities of these instruments.

B Fair value hierarchy

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

There are no financial instruments currently measured at fair value as on 31 March 2025.

C Financial risk management

The Company is exposed to various financial risks majorly Credit risk, Liquidity risk and Market risk and equity price risk.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and its management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Company monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of (i) marketplace receivables and other financial assets, and (ii) cash and cash equivalents and bank balances of the Company.

a) Marketplace Receivable

Marketplace receivables represent the outstanding amounts due to the Company from transactions facilitated through its platform. These receivables arise primarily from the following sources:

- i) **Amounts Recoverable from logistics partners:** These pertain to cash collected by logistics partners from end consumers upon delivery (Cash on Delivery transactions) and pending remittance to the Company.
- ii) **Amounts Recoverable from Payment Gateways:** These include collections made through various digital payment modes—such as credit cards, debit cards, UPI, wallets, and net banking—that are yet to be settled by payment gateway service providers.

The Company evaluates the credit quality of its vendors based on their financial standing, historical payment behaviour, and other relevant factors. Credit risk is managed through the establishment of individual risk limits, which are determined using internal assessments or external credit ratings, in accordance with policies approved by the Board. Compliance with these credit limits is regularly monitored by the operating management to ensure adherence and mitigate exposure to credit risk.

The following table summarises the change in the provision for allowance for doubtful receivables:

Other financial assets*
Additions pursuant to business combination (refer note 31)
Allowance made during the period
Reversal/write off during the period
Closing balance

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

31 March 2025
10.27
7.77
(9.15)
8.89



28 Financial instruments – Fair values and risk management (continued)**C Financial risk management (continued)****b) Geographic concentration of credit risk**

The maximum exposure to credit risk for trade receivables is by single geographic region i.e., India.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The table below provides details regarding the contractual maturities of financial liabilities:

As at 31 March 2025

Non-derivative financial liabilities*

	Contractual cash flows			Total
	Less than 1 year	Within 1-5 years	More than 5 years	
Borrowings	31.11	-	-	31.11
Trade payables	43.02	-	-	43.02
Other financial liabilities	74.13	-	3,319.59	3,393.72

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency risk. Financial instruments affected by market risk includes trade receivable/payable, other financial assets and liabilities.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's does not have any variable interest rate instruments, hence is not exposed to the risk of changes in market interest rate.

b. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs. The foreign exchange loss is recognised in the Statement of Profit and Loss.

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the management to decide on the requirement of hedging. The Company has not taken any instruments to hedge the foreign currency exposure. The details of financial assets and financial liabilities denominated in foreign currency as at 31 March 2025 are not hedged by a derivative instrument or otherwise are as follows:

Particulars**Financial liabilities***

Trade Payables

Total

Financial liabilities*

Trade Payables

Total

The sensitivity to a reasonably possible change in foreign exchange rate on profit or loss of the Company is as below:

Currency	As at March 31, 2025
USD (in million)	0.00
	0.00
Rs. (in million)	0.07
	0.07
31 March 2025	
5% Increase	0.00
5% decrease	(0.00)

Impact on profit/(loss) before tax

(Note: The impact is indicated on the loss before tax basis. This analysis assumes that all other variables, in particular interest rates, remain constant).

*Refer note 31 for Business combination and note 1.2 for basis of transfer and allocation to grocery business.

iv. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31 March 2025, the Company's funding needs are met through the issuance of equity shares and CCPS classified as borrowings on account of variable conversion ratio to the Holding Company pursuant to the Business combination as detailed in note 31. Consequent to the above capital structure, there are no externally imposed capital requirements.



29

Ratios

The ratios for the period ended 31 March 2025 are as follows:

Ratio	Measured In	Numerator	Denominator	As at 31 March 2025
Current ratio	times	Current assets	Current liabilities	5.92
Return on equity ratio	%	Loss for the period	Average total equity	34.04%
Trade payables turnover ratio	times	Other expenses (net of non-cash items) + staff welfare expenses + exceptional items (professional and consultancy expenses)	Average trade payables	8.35
Net capital turnover ratio	times	Revenue from operations	Working capital = current assets - current liabilities	0.03
Net profit ratio	%	Loss for the period	Revenue from operations	(47.44)
Debt equity ratio	times	Total borrowings	Total Equity	(1.22)
Return on capital employed	%	Earnings before interest and taxes	Capital employed	(134.19%)

Note:**Reason for variance exceeding 25% as compared to the preceding year :**

Given the company is a newly incorporated entity, comparable ratios for previous year are not disclosed.

30 Other Statutory Information :

- (a) The Company does not have any Benami property nor any proceeding is pending against the Company for holding any Benami property.
- (b) The Company transacts with numerous suppliers and vendors for its market place business. The Company has verified the transactions with the suppliers and vendors and noted no transactions with struck off companies.
- (c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (d) The Company has not traded or invested in crypto currency or virtual currency during the financial period.
- (e) The Company has not advanced, loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) in any entity with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other entities by or on behalf of the Company (ultimate beneficiaries) or
 - provide any guarantee or security to or on behalf of the ultimate beneficiaries.
- (f) The Company has not received any fund from any persons or entities including foreign entities with an understanding that the Company shall:
- lend or invest in other entities or persons identified by or on behalf of the funding Party (ultimate beneficiaries) or
 - provide any guarantee or security on behalf of the ultimate beneficiaries.
- (g) The Company is not classified as wilful defaulter.
- (h) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 such as search or survey.

(This space has been intentionally left blank)



31 Business Combination

During the period ended 31 March 2025, the Board of Directors of the Holding Company and the Company, Meesho Technologies Private Limited ('MTPL' or 'Resultant Company-2') and Meesho Inc. ('Transferor Company'), have approved the Composite Scheme of Arrangement between the Holding Company, the Company, MTPL, Transferor Company and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in accordance with the provisions of Sections 230 to 232 of the Act which was filed with National Company Law Tribunal, Bengaluru Bench on 25 April 2024 for transfer of Grocery business of the Holding Company to the Company and consequent consideration payout by the Company through issuance of shares of the Company to the Holding Company as of the Record Date fixed by the Board of Directors of the Company.

Subsequent to the period ended 31 March 2025, the Grocery business of the Holding Company has been transferred from the Holding Company to the Company by virtue of approval of the Composite Scheme of Arrangement and the order passed by the Bengaluru Bench of National Company Law Tribunal on 27 May 2025. Subsequently, the certified copy of the order passed by NCLT has been filed with the relevant Registrar of Companies on 15 June 2025.

In accordance with the requirements of Appendix C to Ind AS 103, the transfer of grocery business from the Holding Company to the Company is a common control business combination. The amalgamation has been accounted in accordance with "pooling of interest method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015. The Company has retrospectively accounted for transfer of the grocery business as on the date of its incorporation and the assets, liabilities and equity of the grocery business are recognised at their respective carrying value and no fair value adjustments have been done.

Details of assets and liabilities of grocery business added to the opening balance sheet of the Company as at the incorporation date and consequential adjustment to Amalgamation adjustment deficit reserve is as follows:

Particulars	As at 18 March 2024
Assets acquired	
Property plant and equipment	2.31
Loans	2.56
Other financial assets	1,349.14
Other current assets	86.71
Total Assets (A)	1,440.72
Liabilities assumed	
Non-Current liabilities	8.41
Provisions	
Current liabilities	21.47
Trade payables	22.53
Other financial liabilities	4.05
Provisions	56.46
Total liabilities (B)	
	1,384.26
Net identifiable assets (C = A-B)	
Following are the details of the consideration paid by the Company in the nature of equity and preference shares*:	
Equity Share Capital pending issuance	4,828.76
Compulsorily convertible preference shares pending issuance	3,319.59
Total Consideration issued (D)	8,148.35
Amalgamation adjustment deficit reserve (C-D)**	6,764.09

*The Boards of Directors of Holding Company and the Company have determined to issue either of: (a) fully paid and compulsorily convertible preference shares or (b) fully paid up equity shares of the Company, to the shareholders of the Holding Company as referred in scheme, and in accordance with the option elected by the shareholder set out in scheme. Based on the options elected by the shareholders, subsequently the company has issued 482.88 million equity shares and 331.96 million compulsorily convertible preference shares to the shareholders of the Holding Company.

**The difference of Rs. 6,764.09 million between nominal value of equity shares and fair value of compulsorily convertible preference shares issued and the net assets taken over has been presented as Amalgamation adjustment deficit reserve within other equity.

Refer note 1.2 for basis of transfer and allocation to grocery business.



Meesho Grocery Private Limited

CIN : U46499KA2024PTC186369

Notes to the financial statements for the period 18 March 2024 to 31 March 2025

(All amounts in Indian Rupees in Million, except as stated otherwise)

32 Subsequent to period ended 31 March 2025, and pursuant to the approval of the Board of Directors and shareholders, as applicable under the provisions of the Act and all other applicable laws and regulations :-

(i) the Company has increased its authorized share capital from Rs. 1.50 million i.e. 0.15 million equity shares of Rs.10 each to Rs 9,778.02 million i.e. 488.90 million equity shares of Rs.10 each amounting to Rs 4,889.01 million and 488.90 million Compulsorily Convertible Preference Shares of Rs. 10 each amounting to Rs 4,889.01 million respectively in accordance with the resolution passed by the shareholders at the Extra-ordinary General Meeting held on 2 April 2025.

(ii) subsequent to the year ended 31 March 2025, the Grocery undertaking has been transferred from the Holding Company and merged with the Company by virtue of approval of the Composite Scheme of Arrangement and the order passed by the Bengaluru Bench of National Company Law Tribunal on 27 May 2025. The certified copy of the order passed by NCLT has been filed with the relevant Registrar of Companies on 15 June 2025.

(iii) subsequent to the period ended 31 March 2025, pursuant to the approval of the scheme and the same becoming effective, the Company in accordance with the board resolution passed in meeting held on 15 June 2025, has issued 482.88 million equity shares of Rs.10 each and 331.96 million Compulsorily Convertible Preference Shares (CCPS) to the equity shareholders of the Holding Company, as consideration towards business combination, refer note 31.

33 As per the amended Rule 3 and 11(g) of the Companies (Accounts) Rules, 2014 (the "Accounts Rules"), Companies are required to maintain daily back-up of the books of account and other relevant books and papers which are maintained in electronic mode on servers physically located in India and accounting software used for maintaining its books of account should have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. In addition, Companies are required to preserve audit trail as per the statutory requirements of record retention.

In respect of one software application, the back-up of books of accounts and other books and papers maintained in electronic mode was not kept in server physically located in India on a daily basis and in respect of three applications, the Company and its subsidiaries incorporated in India, does not have servers physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode.

Further, the Company has used certain accounting software applications for maintaining its books of accounts, database for employees, customer and order details which have features of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded except in case of two accounting software applications, audit trail feature is not enabled and in respect of two accounting software applications, audit trail feature is not enabled for direct changes to data when using certain access rights. Further, audit trail feature has not been tampered with in respect of the accounting software application where the audit trail has been enabled and the audit trail of prior year(s) has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

34 Absolute amount less than Rs. 5000 are appearing as "0.00" in the financial statements due to presentation in million.

As per our report of even date attached

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm's Registration Number: 101049W/E300004


per Rajeev Kumar
Partner
Membership number: 213803



Place: Bengaluru

Date: 27 June 2025

For and on behalf of Board of Directors of

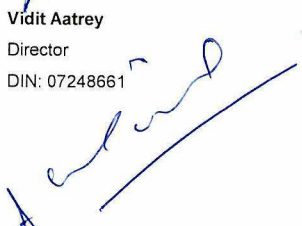
Meesho Grocery Private Limited

CIN : U46499KA2024PTC186369


Vidit Aatrey

Director

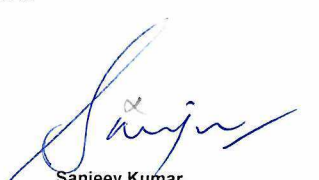
DIN: 07248661


Abhinav Singhal

Chief Financial Officer

Place: Bengaluru

Date: 27 June 2025


Sanjeev Kumar

Director

DIN: 07248672


Komal Thakur

Company Secretary

Membership number: A72819

