

Acetech E-Commerce IPO

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- The company is engaged in the e-commerce business to provide related services.
- The company posted growth in its top and bottom lines for the reported periods.
- Surge in bottom lines from FY24 onwards raise eyebrows, as it has outperformed its listed peers.
- Based on its recent financial data, the issue appears aggressively priced.
- Well-informed/cash surplus investors may park moderate funds for medium term.

About the Company

Acetech e-Commerce Ltd. (AEL) is engaged in the e-commerce business with a focus on drop shipping, teleshopping, and direct-to-consumer strategies. Originally incorporated as a limited liability partnership, the Company was restructured into a public limited company in 2024 and has since developed capabilities in e-commerce management, warehousing, and global selling solutions.

Acetech distributes products through major online platforms such as Naaptol, Shop101, and GlowRoad, as well as through its own dedicated portals. The Company's business model is centred on identifying innovative and trending products and sourcing them primarily from domestic manufacturers and traders, with the majority of procurement taking place within Maharashtra, while also exploring select sourcing opportunities from international markets. Its core strength lies in anticipating consumer demand by curating products with strong market potential, thereby enabling profitability and growth.

Its range of activities includes > Product Research and Identification > Sourcing and Procurement > Warehousing and Fulfilment > E-Commerce Platform Management > Marketing and Advertising > Global Selling and Cross-Border Expansion.

The e-commerce industry has witnessed exponential growth in recent years, revolutionizing consumer shopping habits and business operations. This surge is fueled by the increasing use of smartphones, m-commerce innovations like mobile wallets, one-click checkout, and augmented reality shopping experiences. E-commerce platforms have scaled up to international trade boundaries, enabling businesses to reach global markets with ease. The company makes the most of these platforms and are strategically focused on expanding into cross-border selling, tapping into markets worldwide.

The Company's business model is built on leveraging emerging product trends and recent market developments. Drawing on its experience in product research, the Company identifies products with

strong potential for consumer acceptance and sources them from manufacturers or traders. These products are marketed digitally to a global audience through social media and other online platforms, enabling broad customer reach and efficient demand generation. While product life cycles are typically short, initial demand is often strong, allowing the Company to capture premium pricing and attractive margins.

AEL operates through an integrated e-commerce management process that encompasses product identification, sourcing, distribution, and sales. Depending on the nature of the product, it either procure and store inventory for direct sale or, in select cases, identify formulations and operate under a deemed manufacturing license for products manufactured by third parties, subject to requisite regulatory approvals. Its distribution model is flexible and multi-channel, comprising self-drop shipping, fulfilling orders through third-party drop shippers, and leveraging leading online marketplaces and aggregator platforms to reach a broad consumer base. As of September 30, 2025, it had 59 employees on its payroll. As of the said date, it served 522 customers.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 4370400 equity shares of Rs. 10 each to mobilize Rs. 48.95 cr. at the upper cap. The company has announced a price band of Rs. 106 - Rs. 112 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on February 27, 2026 and will close on March 04, 2026. The shares will be listed on NSE SME Emerge. The IPO constitute 26.68% of the post-IPO paid-up capital of the company. From the net proceeds of the IPO, it will utilize Rs. 20.00 cr. for working capital, Rs. 6.00 cr. for marketing and advertising, and the rest for general corporate purposes.

The IPO is solely lead managed by Gretex Corporate Services Ltd., and Skyline Financial Services Pvt. Ltd. is the registrar to the issue. Arihant Capital Markets Ltd. is the market maker as well as a syndicate member. The IPO is underwritten to the extent of 15.02% by Gretex Corporate and 84.98% by Arihant Capital.

The company has issued initial equity capital at par value. It issued further equity shares at a fixed price of Rs. 12 per share in May 2025. The company has also issue bonus shares in the ration of 900 for 1 in March 2025. The average cost of acquisition of shares by the promoters is Rs. 2.44, and Rs. 3.01 per share.

Post-IPO, company's current paid-up equity capital of Rs. 12.01 cr. will stand enhanced to Rs. 16.38 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 183.50 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 52.48 cr. / Rs. 1.52 cr. (FY23), Rs. 60.28 cr. / Rs. 4.02 cr. (FY24), Rs. 70.41 cr. / Rs. 6.88 cr. (FY25). For H1 of FY26 ended on September 30, 2025, it earned a net profit of Rs. 5.74 cr. on a total income of Rs. 40.44 cr.

For the last three fiscals, the company has reported an average EPS of Rs. 5.31 and an average RoNW of 94.21%. The issue is priced at a P/BV of 5.82 based on its NAV of Rs. 19.25 per share as of September 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 16.00, and based on FY25 earnings, the P/E stands at 26.67. The issue appears aggressively priced based on its recent earnings.

The company has posted PAT Margins of 2.89% (FY23), 6.67% (FY24), 9.79% (FY25), 14.19% (H1-FY26), and RoCE margins of 104.48%, 78.38%, 71.12%, 34.46%, respectively for referred periods. The company has outperformed its listed peer on both these counts.

Dividend Policy

The company has not paid any dividends since incorporation. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Pace e-Comm, as its listed peer. It is currently trading at a P/E of 8.24 (as of February 25, 2026). However, they are not truly comparable on an apple-to-apple basis. This compare is nothing but an eyewash.

Merchant Banker's Track Record

This is the 28th mandate from Gretex Corporate in the last three fiscals. Out of the last 11 listings, all listed with premiums ranging from 0.40% to 22.81% on the date of listing.

Conclusion / Investment Strategy

AEL is engaged in the e-commerce business to provide related services. The company posted growth in its top and bottom lines for the reported periods. Surge in bottom lines from FY24 onwards raise eyebrows, as it has outperformed its listed peers. Based on its recent financial data, the issue appears aggressively priced. Well-informed/cash surplus investors may park moderate funds for medium term

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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