IPO REVIEW

Shiprocket IPO

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- The company has created niche place in an end-to-end, new age, merchant-first and API-led technology platform to enable e-commerce transactions.
- Though the company posted steady growth in its top lines, it continued to mark red at the bottom.
- The company is operating in a highly competitive and fragmented segment.
- Based on its negative earnings, the issue is priced with a negative P/E.
- Only well-informed/cash surplus/risk seekers may park moderate funds for long term.

About the Company

Shiprocket Ltd. (SL) is an end-to-end, new age, merchant-first, and API-led technology platform designed to enable e-commerce transactions for India's MSMEs and Large Retailers. Its Shiprocket platform simplifies logistics, checkout, payments, fulfilment, and cross-border trade, enabling Merchants to sell online and offline efficiently and at scale. According to the Redseer Report, it is the largest new-age end-to-end horizontal e-commerce enablement platform (in terms of revenue from operations) registered in India in Fiscal 2026. Its platform is purpose-built to simplify e-commerce for Merchants who sell directly to end consumers through their own websites, apps or social media channels ("Direct Commerce").

SL's business has evolved into a platform that offers a range of additional tools and platforms that Merchants can leverage independently of, or in addition to, its Core Business offerings, to enhance Merchant operations and the end consumer experience. Its business also has offerings that focus on new market creation and solving challenges in early stages of the order journey and underserved segments of e-commerce. These additional offerings primarily comprise- Cargo and Fulfillments, Cross-boarder platform, Ads and Marketing solutions, and other related services.

Company's AI-powered logistics provider assignment optimizes logistics by intelligently suggesting the best logistics partner based on historical performance, logistics provider ratings, and cost-effectiveness. The system not only evaluates their overall reliability but also analyses past shipments to the same end consumer, recommending logistics providers that previously delivered successfully. This increases the likelihood of on-time delivery, reduces RTO, and enhances shipping efficiency, helping Merchants make data-driven decisions for every order.

The company allows Merchants to customize their logistics provider assignment with advanced rules, offering flexibility and control over logistics. With multiple configurable parameters, Merchants can

create custom rules, block specific logistics services for certain routes, and leverage Shiprocket's AI-driven logistics provider recommendations for optimal decision-making. Additionally, fallback workflows ensure smooth order assignment, eliminating manual intervention and reducing shipment delays.

SL's Emerging Business offerings focuses on new market creation and solving challenges in early stages of the order journey and underserved segments of e-commerce. Merchants are able to utilize these offerings together with, or independent of, its Core Business offerings. Its key products comprise: (i) cargo and fulfilment business, including Shiprocket Omuni, (ii) cross-border platform, (iii) ads and marketing solutions, and (iv) others, comprising capital solutions, hyperlocal deliveries and other Merchant solutions within its Emerging Business. Such offerings extend its value proposition by enabling Merchants to improve sales and conversion and scale their business.

The company offers a suite of technology solutions to facilitate e-commerce transactions, including streamlining logistics, order fulfilment and returns, improving conversion rates and checkout experience, retaining and servicing end consumers through omnichannel communication channels, accepting orders from multiple order channels and generating end consumer data insights, among others. In addition, it provides Merchants with access to an intuitive Merchant website and mobile application for business management and an ecosystem of more than 250 partners from April 2021 to March 2026. Through a fully managed e-commerce infrastructure, it enables businesses to efficiently grow their operations. As of March 31, 2026, it had 1470 employees on its payroll, and additional 2578 contacts workers in various departments.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO worth Rs. 1617.49 cr. (approx. 166751547 equity shares at the upper cap). The IPO consists of fresh equity shares worth Rs. 885.50 cr. (approx. 91288660 equity shares) and an Offer for Sale (OFS) worth Rs. 731.99 cr. (of approx. 75462887 equity shares at the upper cap). The company has announced a price band of Rs. 92 – Rs. 97 per equity shares of Rs. 10 each. The issue opens for subscription on August 12, 2026, and will close on August 14, 2026. The minimum application to be made is for 154 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 22.92% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 210.00 cr. for repayment/prepayment of certain borrowings, Rs. 365.60 cr. for investment in platform for marketing initiative and technology infra, and the rest for inorganic growth and general corporate purposes.

The company has reserved equity shares worth Rs. 1.00 cr. (approx. 103093 equity shares at the upper cap), and offering them a discount of Rs. 9.00 per share. From the rest, it has allocated not less than 75% for QIBs, not more than 15% for HNIs and not more than 10% for Retail investors.

The four Book Running Lead Managers (BRLMs) to this issue are Axis Capital Ltd., BofA Securities India Ltd., JM Financial Ltd., and Kotak Mahindra Capital Co. Ltd., while KFin Technologies Ltd. is the registrar to the issue.

After issuing initial equity shares at par value, the company has issued/converted further equity shares in the price range of Rs. 110.54 - Rs. 34252.90 between October 2013, and February 2026. It has also issued bonus shares in the ratio of 0.15 for 1 in February 2020, and 265 for 1 in November 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NIL, Rs. 1.25, Rs. 3.82, Rs. 12.28, Rs. 45.53, Rs. 126.01, Rs. 143.82, and Rs. 163.14 per share.

Post-IPO, its current paid-up equity capital of Rs. 636.28 cr. will stand enhanced to Rs. 727.57 cr. Based on the upper cap of the price band, the company is looking for a market cap of Rs. 7057.40 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit/ - (loss), of Rs. 1357.83 cr. / Rs. – (595.18) cr. (FY24), Rs. 1674.82 cr. / Rs. – (74.45) cr. (FY25), and Rs. 2077.42 cr. / Rs. – (79.25) cr. (FY26). The company posted growth in its top lines but bottom line remained in red for the reported periods.

According to the management, though it is operating in a highly competitive and fragmented segment, it has created a niche place and is gaining more business for its technological based offerings with speed in its logistics services.

For the last three fiscals, the company has posted an average EPS of Rs. – (2.75) and an average RoNW of – (11.95) %. The issue is priced at a P/BV of 4.05 based on its NAV of Rs. 23.96 as of March 31, 2026, and at a P/BV of 2.93 based on its post-IPO NAV of Rs. 33.12 per share at the upper cap.

As the company has posted losses for the reported periods, its IPO is being offered at a negative P/E. Its NAV is simply because of portion of equity issue is done at hefty premiums.

For the reported periods, the company has posted losses and hence has not shown data for its PAT and RoCE margins.

Dividend Policy

The company has not paid any dividends since incorporation. It has already adopted a dividend policy in April 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Unicommerce ESolutions as its listed peer. It is currently trading at a P/E of 21.1 as of August 07, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

The four BRLMs associated with this issue has handled 87 IPOs in the last three fiscals out of which 23 issues closed below the issue price on the listing date.

Conclusion / Investment Strategy

SL has created niche place in an end-to-end, new age, merchant-first and API-led technology platform to enable e-commerce transactions. Though the company posted steady growth in its top lines, it continued to mark red at the bottom. The company is operating in a highly competitive and fragmented segment. Based on its negative earnings, the issue is priced with a negative P/E. Looking at its top line and declining losses, only well-informed/cash surplus/risk seekers may park moderate funds for long 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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