Annexure A

INDUSTRY OVERVIEW

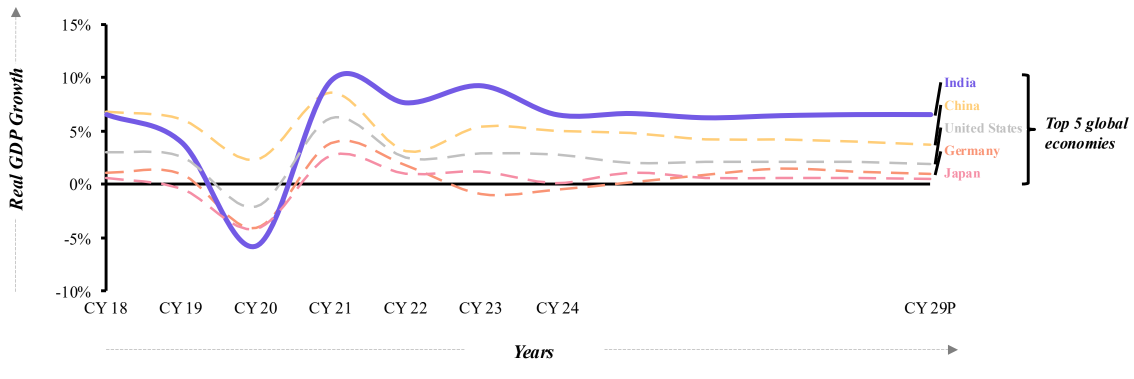
*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Report on India E-commerce Enablement Opportunity" dated 30th November, 2025 (the "**Redseer Report**") prepared and issued by Redseer Strategy Consultants Private Limited ("**Redseer**"), which has been commissioned by and paid for by our Company exclusively in connection with the Offer for the purposes of confirming our understanding of the industry in which we operate. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified any third-party statistical and other industry information in the Redseer Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Redseer Report and included herein with respect to any particular year, refers to such information for the relevant year. The data included herein includes excerpts from the Redseer Report and may have been re-ordered by us for the purposes of presentation. For further details and risks in relation to the Redseer Report, see "Risk Factors – Certain sections of this Updated Draft Red Herring Prospectus contain information from the Redseer Report which has been exclusively commissioned and paid for by us in relation to the Offer and any reliance on such information for making an investment decision in this offering is subject to inherent risks." on page [●]. The Redseer Report will form part of the material documents for inspection and a copy of the Redseer Report shall be made available on the website of our Company at https://www.shiprocket.in/investor-relations/ upon filing of the Updated Draft Red Herring Prospectus-I until the Bid/ Offer Closing Date.*

Chapter 1: India's macroeconomic overview

1.1 India's nominal GDP stands at approximately ₹325 trillion (approximately US$3.9 trillion) in FY 2025 and is projected to grow at a CAGR of approximately 9%, to reach approximately ₹499 trillion (approximately US$6 trillion) by FY 2030

India ranks as the fifth-largest economy globally, with a nominal GDP of approximately ₹325 trillion (approximately US$3.9 trillion) in FY 2025. According to the IMF, it has maintained an annual growth rate exceedingly approximately 6.5% since CY 2014, apart from the Covid-19 period. Following its recovery, India is now positioned on a robust growth path, supported by significant infrastructure development, a favorable demographic profile, enhanced ease of doing business, and greater integration into the global economy.

Figure 1: Real GDP growth – India, China, United States, Germany and Japan
In %, CY 2018 – 2024, CY 2029P



Note(s): 1. Conversion rate: 1 US$ = ₹83 2. Data for India is on FY basis (FY 2019 - 2025 and FY 2030P)
Source(s): International Monetary Fund (IMF)

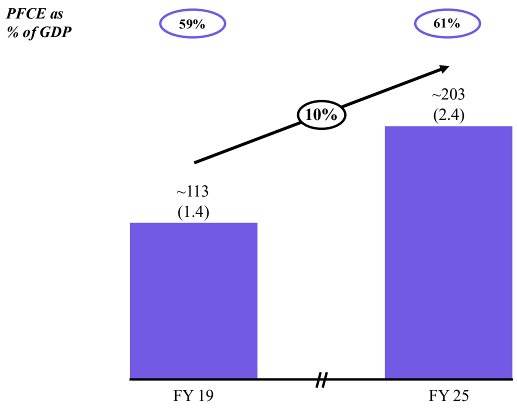
As per IMF, India's nominal GDP is projected to grow at a CAGR of approximately 9% between FY 2025 to FY 2030, reaching approximately ₹499 trillion (approximately US$6 trillion). During this period, India is anticipated to outpace the growth rates of the United States and China, to emerge as the third-largest economy globally.

1.2 Private consumption, a major growth driver, is outpacing GDP growth, supported by multiple tailwinds

According to the Ministry of Statistics and Program Implementation (MoSPI), the Private Final Consumption Expenditure (PFCE) increased from approximately 59% in FY 2019 to approximately 61% in FY 2025. This indicates a growth of approximately 10%, which outperforms the nominal GDP growth rate of approximately 9%

during the same period. Despite this growth, India's PFCE-to-GDP ratio remains lower than that of developed economies, such as the United States where consumption accounts for approximately 68% of GDP as of CY 2024, according to the World Bank.

Figure 2: Private Final Consumption Expenditure (PFCE)
In ₹ trillion (US$ trillion), FY 2019, FY 2025



Note(s): 1. PFCE is at current prices 2. FY2025: Provisional Estimates ("PE") has been considered 3. Conversion rate: 1 US$ = ₹83
Source(s): Ministry of Statistics and Program Implementation (MoSPI)

There are multiple factors driving the consumption growth in India, as detailed below:

1.2.1. India's growing middle class and rising incomes are fuelling discretionary spending and economic growth

India's expanding middle class, comprising both upper and lower middle-income households, is a key driver of the country's economic growth. By CY 2024, the number of middle-income households (households with annual income ₹0.3-1.1 million (US$3,614-13,253) as of year) is estimated at approximately 174 million, up from approximately 144 million in CY 2019, with a further net increase of approximately 37 million projected by CY 2029, reflecting a sustained growth of approximately 4%.

As of CY 2024, the middle and high-income segment accounted for approximately 79% of households in tier 2 cities and beyond, a figure projected to increase to approximately 85% by CY 2029. Further, 65-70% of the incremental growth of middle-income households between CY 2024 and CY 2029 is expected to come from tier-2 cities and beyond. With wider access to digital channels, consumers in these areas are increasingly exposed to new products and services and they aspire to emulate higher-tier urban lifestyles, driving demand, and expanding retail opportunities.

This expansion aligns with India's rising per capita income, which, as per the World Bank, grew at approximately 6% between CY 2019 and CY 2024. Notably, India's per capita GDP crossed the ₹166,000 (US$2,000) mark in CY 2019, a recognized inflection points for economic growth characterized by increased discretionary spending and higher consumer demand. A similar trend was observed in China, where surpassing this threshold in CY 2006 led to an approximately 20% CAGR in PFCE between CY 2007 and CY 2011, driving significant economic expansion.

1.2.2. A younger demographic, rapid urbanization, and the increasing prevalence of nuclear households are driving the demand for convenience-led consumption

India's evolving demographic and economic landscape is driving a transformation in consumer behavior. The middle-income segment, in pursuit of better opportunities, is increasingly migrating to urban areas, resulting in rapid urbanization. As of CY 2024, approximately 531 million people, or approximately 37% of India's population, reside in urban centers, with this share expected to surpass 50% by CY 2050. These urban areas, which currently contribute approximately 63% of the India's Gross Domestic Product in CY 2011, are projected to drive up to 75% by CY 2050 as per World Bank Group report named "TOWARDS RESILIENT AND PROSPEROUS CITIES IN INDIA" , highlighting their growing significance.

This shift has been accompanied by a decrease in average household size, from 4.4 in CY 2019 to 4.2 in CY 2024, creating 30 million additional nuclear households and fostering the rise of convenience-driven consumption. With female labor force participation reaching approximately 42% in FY 2024 as per Periodic Labor Force Survey (PLFS), time-constrained working couples are increasingly turning to e-commerce platforms for everyday essentials.

Simultaneously, India's young demographic, with a median age of approximately 28 years in CY 2024 (as per United Nations) with Gen Z (age group 9-25) and millennials (age group 26-40 years) together comprising approximately 54% of the population (approximately 782 million individuals), is shaping consumption patterns. Their preference for speed, simplicity, and digital convenience accelerates demand for on-demand services, online shopping, and ready-to-use products, cementing convenience as a cornerstone of modern consumer behavior.

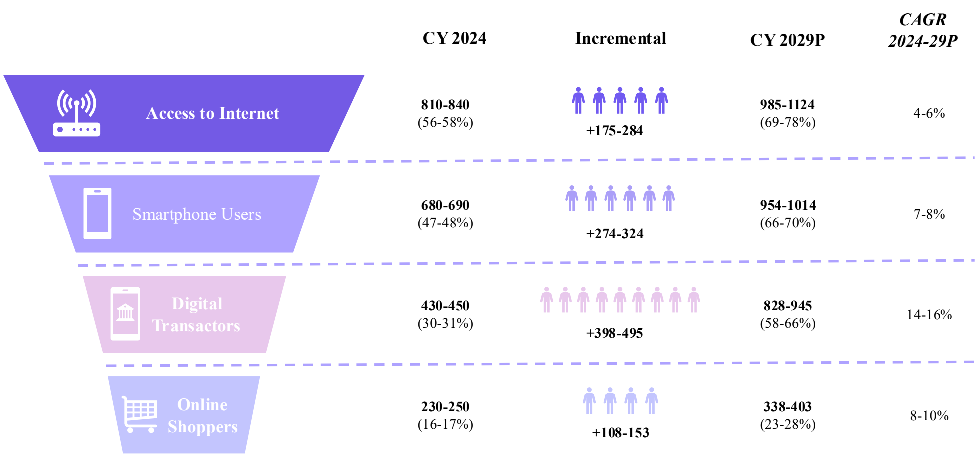
1.3 The internet continues to drive India's consumption, with 810-840 million users, including 430-450 million digital transactors as of CY 2024

The pandemic had resulted in a structural shift in the internet services market, with a material increase in adoption during and post-pandemic. This trend has sustained as Indian consumers continue to embrace digital technologies, with smartphone penetration, and low mobile internet prices expected to continue driving internet usage in India.

1.3.1 India's consumer internet funnel has evolved over the years with significant penetration across different levels of user maturity

Evolving demographic structures driven by a large young consumer base and rising incomes are leading consumers to not only shop more, but also increasingly choose digital channels for their purchases. Online shoppers are expected to increase at 8-10% CAGR from 230-250 million in CY 2024 to reach 338-403 million in CY 2029.

Figure 3: Digital internet funnel
In million (as % of population), CY 2024, CY 2029P



Note(s): This includes only wireless internet connections.
Source(s): Redseer research and analysis

1.3.2 Key growth drivers of the internet story include low cost of data, affordable smartphones, regulatory tailwinds and improved digital infrastructure

A myriad of factors have been contributing to this growth, some of which include the following:

1. **Low cost of data enabling widespread access**: The advent of a major entrant in the telecom market significantly restructured the data plan prices, positioning India among the countries with the lowest mobile data costs globally. This is complemented by a substantial average monthly wireless data usage of approximately 2.5 GB per subscriber in FY 2024 and FY 2025, according to the Telecom Regulatory Authority of India (TRAI).
2. **Availability of affordable smartphones:** In developed economies, users typically transition from Personal Computers (PC) to mobile, while in India, smartphone adoption has bypassed PCs due to

affordability. As per IDC Quarterly Mobile Phone Tracker, in India, smartphones are available at an average price of US$274 in first quarter of CY 2025, compared to global smartphone ASP which is forecast to grow slightly to $434 in CY 2025.

3. **Regulatory tailwinds boosting consumer confidence in digital transactions**: In India, regulatory reforms such as the introduction of the Digital Personal Data Protection Bill and the expansion of the PMGDISHA initiative are enhancing consumer trust in digital transactions. These measures, alongside strong government backing for digital payments, are contributing to greater adoption and confidence among consumers.
4. **Improved digital infrastructure via public initiatives**: Further, improved digital infrastructure through the launch of 5G connectivity and government initiatives for improving digital inclusion and adoption such as the flagship Digital India program, has spurred the growth for online commerce.

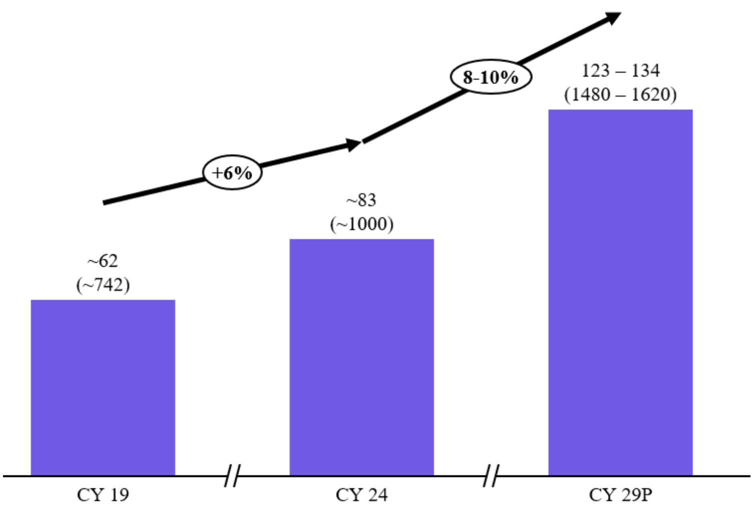
Chapter 2: India domestic retail overview

2.1. India's approximately ₹83 trillion (approximately US$1,000 billion) domestic retail Gross Merchandise Value (GMV), is projected to grow at a CAGR of 8-10%, reaching ₹123-134 trillion (US$1.5 -1.6 trillion) by CY 2029

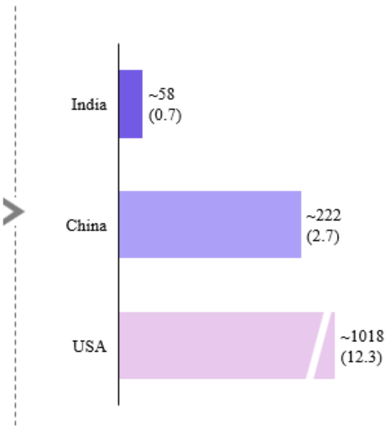
India's consumption led growth story is reflected in the resilience of its retail market which has exhibited steadfast growth both pre and post the Covid 19 pandemic. Following easing of the pandemic induced restrictions, pent-up demand drove a sharp rise in retail sales during CY 2021, achieving approximately 16% increase compared to CY 2020, before consumer spending gradually normalized to pre-pandemic levels. As of CY 2024, the Indian domestic retail GMV is an approximately ₹83 trillion (approximately US$1,000 billion) market, projected to grow at 8-10% till CY 2029.

India's per capita retail spending remains relatively low compared to its global counterparts, at approximately ₹58K (approximately US$1K) in CY 2024, markedly lower than in the United States at approximately ₹1018K (approximately US$12K) and China at approximately ₹222K (approximately US$3K) during the same period. This indicates significant growth headroom for India. This growth will be driven by the increasing consumption trends in tier 2+ cities, coupled with a diversification in the range of products available to Indian consumers.

Figure 4: India domestic retail GMV
In ₹ trillion (US$ billion), CY 2019, CY 2024, 2029P



Per capita retail spends
In ₹ 000's (US$ 000's), CY 2024



Note(s): Conversion rate: 1 US$ = ₹83
Source(s): United Nations, Redseer research and analysis

India's domestic retail market is undergoing a transformation, reshaping the retail landscape, creating opportunities across urban and emerging markets.

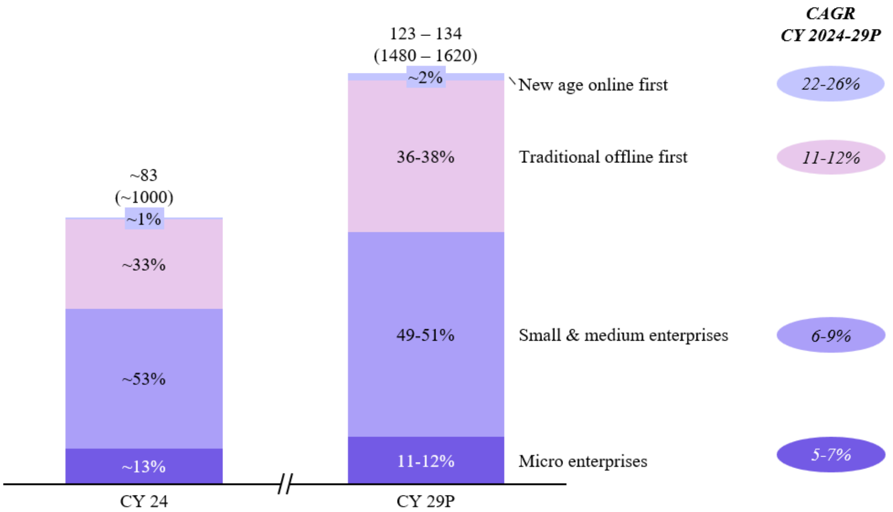
1. **Rising potential of tier 2+ cities**: The decentralization of industries and expanding internet reach is making room for businesses to tap into tier 2+ markets' potential and leverage distributed workforces. With a growing demand for branded products and modern shopping experiences, consumers in tier-2 cities are increasingly seeking convenience, quality, and variety. Government initiatives like the Smart Cities Mission further enhance infrastructure, modernize these regions, and expand retail demand by growing the aspirational user base.
2. **Shift towards discretionary spending by growing middle income households**: As of CY 2024, middle-income households accounted for 64-69% of the retail market, a share projected to remain unchanged by CY 2029. Their rising disposable incomes are shifting growth toward discretionary segments like electronics, fashion, and beauty & personal care. Non-grocery categories are expected to grow from approximately 39% in CY 2024 to 41-43% by CY 2029. This shift is driven by higher incomes, urbanization, and a tech-savvy, youthful population embracing global trends through digital connectivity, reshaping India's retail landscape.

2.1.1. With evolving consumer preferences, growing market opportunities, & a supportive ecosystem approximately 66% of overall domestic retail is driven by MSMEs, as of CY 2024

The Indian retail market is segmented into four primary seller types. The traditional offline first retailers which are legacy offline brands with more than ₹2,500 million (US$30 million) in revenue per year. Falling in the same revenue bracket are also the new age online-first brands, but they derive >50% of their revenue from online sales. Any enterprise making less than ₹2,500 million (US$30 million) but more than ₹50 million (US$0.6 million) are the small and medium enterprises. Lastly, there are micro and own-account worker enterprises making less than ₹50 million (US$0.6 million) in revenue including but not limited to solopreneurs. Together, the last two segments comprise Micro, Small and Marginal Enterprises (MSMEs).

As of CY 2024, trade/retail MSMEs constitute 64-68% of India's domestic retail market, emerging as the largest contributors to this ecosystem. Of the total 80-85 million MSMEs in India, 55-60 million are retail MSMEs as of December 31, 2024. This also includes wholesalers, which partake in the Indian retail market.

Figure 5: MSME contribution to India domestic retail
In ₹ trillion (US$ billion), CY 2024, 2029P



Note(s): Conversion rate: 1 US$ = ₹83
Source(s): Redseer research and analysis

Catering to diverse categories such as fashion, electronics, beauty & personal care and home goods, MSMEs effectively address the rising consumer demand for regional authenticity and personalization by offering unique, localized, and affordable products. They help to bridge the gaps left by larger brands, particularly in underserved tier 2+ cities.

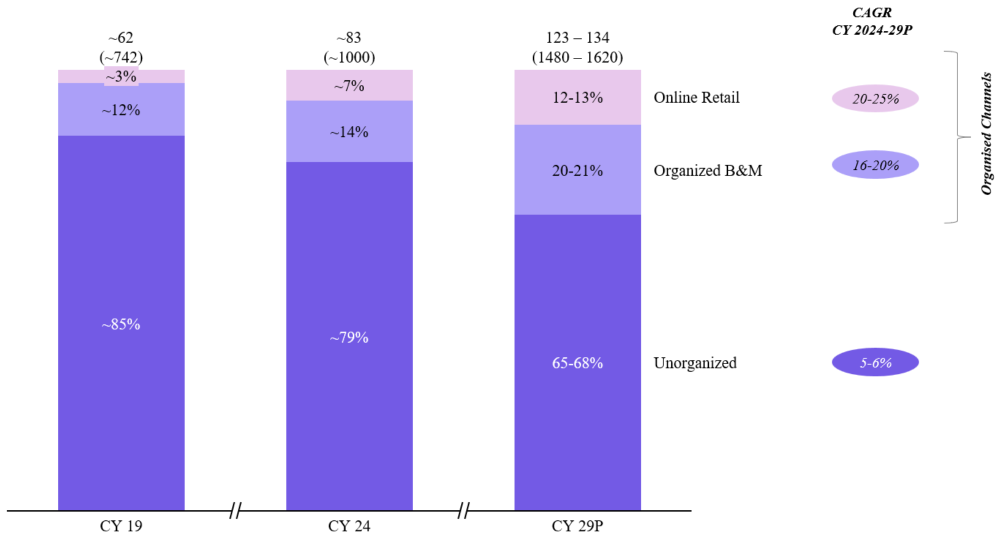
The growth of MSMEs is being fuelled by shifting consumer preferences, expanding market opportunities, and a supportive ecosystem that empowers them to scale and innovate.

1. **Consumer preferences and market expansion**: The rising demand for local, personalized, and unique products is attracting consumers to MSME. Simultaneously, growing internet penetration in tier2+ cities is opening new markets, enabling MSMEs to tap into previously underserved regions.
2. **Supportive ecosystem**: Government initiatives like Digital India and Startup India provide MSMEs with funding, infrastructure, and simplified compliance. Additionally, cost-effective logistics solutions and innovative payment models like BNPL and micro-credit are helping MSMEs scale by improving affordability and operational efficiency.
3. **Direct commerce, omni-channel, and export opportunities**: Direct commerce strategies, blended online-offline models, and cross-border exports of niche products are driving incremental growth, allowing MSMEs to improve margins and diversify revenue streams.

Moving forward, whilst they retain their majority status, they are expected to experience a reducing share by faster growth in more organized channels in traditional offline first and new age online first sellers. This decline in share is also attributed to the upward transition of MSMEs into new-age, online-first brands, as they enhance digital capabilities, formalize operations, and scale through omnichannel strategies. Primary reasons for this include:

1. **Transition towards more organised retail forms**: Organized retail, including modern brick-and-mortar (B&M) stores and online platforms, is drawing new shoppers and shifting them from unorganized retail. As of CY 2024, approximately 21% of retail is organized, projected to grow at a CAGR of 16-25%, reaching 32-34% by CY 2029, driven by traditional offline-first brands adopting omnichannel strategies. As MSMEs scale, they also transition up to organised retail, contributing to the growth of organised sector.

Figure 6: Indian domestic retail GMV by level of organisation
In ₹ trillion (US$ billion), CY 2019, 2024, 2029P



Note(s): Conversion rate: 1 US$ = ₹83
Source(s): Redseer research and analysis

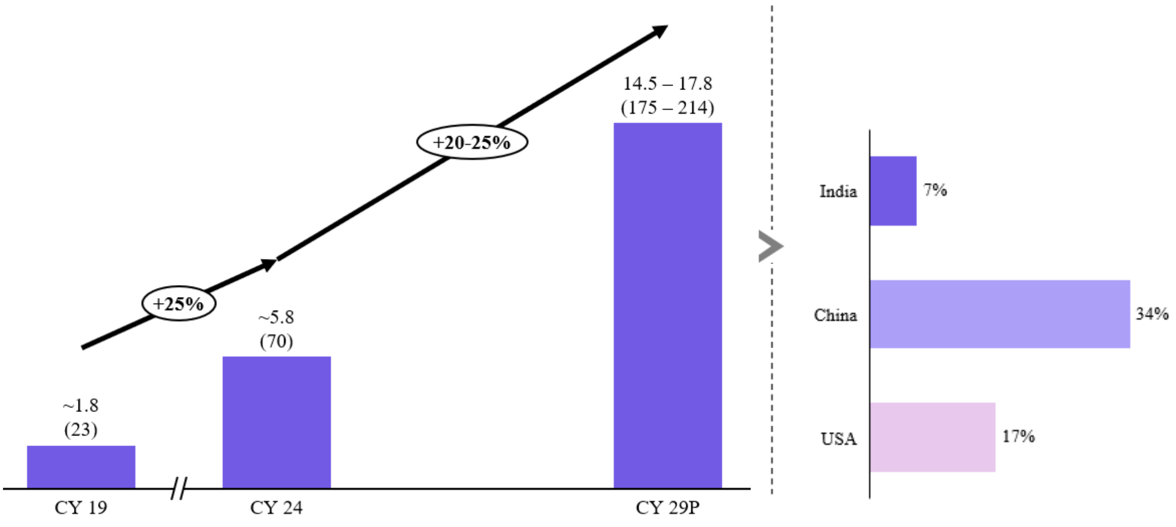
2. **Brandification led by small and mid-sized brands**: With rising disposable incomes, consumers are increasingly seeking high-quality yet affordable lifestyle products across categories. Consumers in T1+ cities are also showing increasing preference towards branded products. With around 50 tier-1 and 1,250 tier-2+ cities as of CY 2024, these cities offer untapped potential for organized retailers. By establishing efficient supply chains, localized distribution centres, and leveraging stores as mini warehouses, retailers can expand their reach and enhance convenience.

2.2. Significant growth of Indian domestic retail is driven by the online channel, which is gaining popularity as its reach and product offerings expand, attracting a growing customer base.

As of CY 2024, online retail contributed approximately 7% of the total retail GMV. This share is projected to increase to around 11-13% by CY 2029, growing at a CAGR of 20-25% as digital channels continue to transform the Indian retail landscape. India's online retail market remains underpenetrated compared to global benchmarks, with online penetration at approximately 34% in China and approximately 17% in the USA as of CY 2024, underlining significant headroom for growth.

Figure 7: Online domestic retail GMV (Including Quick commerce)
In ₹ trillion (US$ billion), CY 2019, 2024, 2029P

Online retail penetration
In %, CY 2024

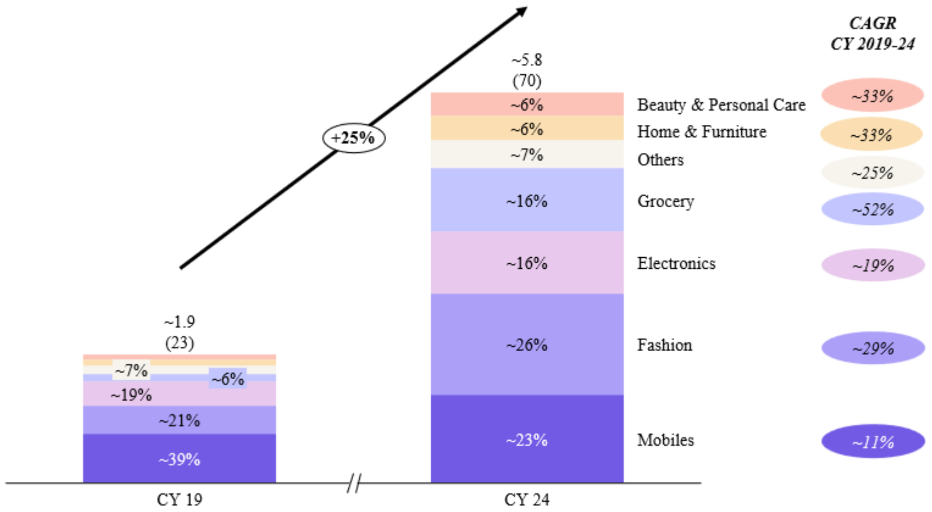


Note(s): Conversion rate: 1 US$ = ₹83
Source(s): National Bureau of Statistics China, USA Gov Census, Redseer research and analysis

The Indian online domestic retail GMV is being driven by multiple structural growth drivers, such as an expanding digital funnel with growing internet users, smartphone users and online shoppers. Whilst on the supply side, the market is expected to be driven by the emergence of multiple business models, increasing prominence of long-tail categories (grocery, home & furniture, pharma etc.) and supply-side innovations like vernacular-based interfaces, voice, and visual search. Following are the key trends shaping the sector:

1. **As of CY 2024, approximately 46% of the online domestic retail GMV comes from tier 2+ cities**: Online retail in tier 2+ cities is rapidly expanding, now contributing nearly half of the total GMV. Increased internet access, smartphone penetration, and a rising middle class are fuelling this growth. As these regions develop, they are becoming key market propellants of e-commerce across India.
2. **The growing product range, especially in grocery and fashion, is driving online adoption**: The expansion of product categories is accelerating online shopping adoption. Consumers are increasingly turning to e-commerce for everyday essentials and other convenience led purchases. This diverse product offering meets a wider range of needs, making online shopping diversified and accessible, especially for long-tail categories.

Figure 8: Online domestic retail GMV - by product category
In ₹ trillion (US$ billion), CY 2019, 2024



Note(s): Beauty & Personal Care (BPC) includes products belonging to hair care, oral care, bath & shower, skincare, fragrance, makeup, and men's grooming categories (excluding BPC appliances). Others category includes baby-care, ePharma, general merchandise and others. Grocery here includes quick commerce. Conversion rate 1 US$ = ₹83
Source(s): Redseer research and analysis

3. **Growth in convenience-led online retail**: Convenience led retail such as quick commerce has high purchase frequency and low AOVs, thereby creating low friction for habit-forming tendencies and gaining popularity amongst online shoppers. These platforms started off by catering to the grocery top-up case in metro cities of India, the use case has since then evolved multi-fold with these platforms now offering other retail goods and services beyond grocery, and servicing 50+ cities in India.

2.2.1 E-commerce has evolved to accommodate two prominent business models- marketplaces (including horizontals and verticals) and direct commerce with brands selling directly to customers online

Over the past decade, India's e-commerce landscape has diversified into distinct models, each catering to specific consumer needs and preferences. Traditional online retail marketplaces such as horizontals offering multiple categories on a single platform have been complemented by the rise of verticals, alongside direct commerce brands which cater to specific products and category niches. Overall, e-commerce platforms can be broadly categorized into two prominent models:

1. **Marketplaces,** contributing a GMV of ₹4.9-5.4 trillion (US$59-65 billion), forms the largest segment within India's e-commerce ecosystem. These platforms offer a broad range of categories, appealing to customers across various regions and income segments.
   a. **Large marketplaces** (annual GMV more than $1 billion or with affiliate logistics providers) have data-driven personalization capabilities, enabling them to drive high order volumes efficiently. Their ability to provide comprehensive seller support—including warehousing, marketing, and payment solutions, allows them to attract a vast array of sellers, ranging from MSMEs to national and global brands.
   b. **Other marketplaces** (with annual GMV of less than US$1 billion and without a captive/affiliate logistics partners): Customers are drawn to these platforms for their niche product offerings, curated selections and personalized shopping experiences, often relying on trust built through community-driven recommendations. Their focus on niche products and curated selections allows them to engage customers better and capture emerging verticals.
2. **Direct commerce,** with a GMV of ₹588-740 billion (US$7-9 billion), include sales from brand websites for both new-age brands and traditional brand platforms. The former prioritizes high-quality and personalised products, engaging directly with their customers, catering to Gen Z's demand for niche, personalized, and sustainable products. The traditional brand.com platforms include offline-first brands

which are transitioning to omnichannel platforms to enhance sales. Direct commerce accounts for approximately 11% of India's e-commerce market in CY 2024, highlighting its early-stage adoption.

2.2.2 MSMEs are prioritizing direct commerce to enhance profitability and build stronger brand identity

As merchants seek to improve profitability and customer ownership, many are increasingly focusing on building demand through their own direct commerce channels alongside marketplaces. Key advantages of using direct commerce over large marketplaces:

1. **Full ownership of customer data:** Unlike marketplaces that restrict access to buyer information, direct commerce platforms allow merchants to leverage first-party data for retargeting, remarketing, and personalized marketing strategies.
2. **Stronger brand recall & customer loyalty:** Brands that engage customers directly via their websites and social channels can build lasting relationships without competing in a price-driven, algorithm-controlled environment.
3. **Managing margins via non-marketplace platforms:** While e-commerce platforms bring in higher customer traffic, their commissions can be higher than direct commerce.
4. **Lower customer acquisition costs:** In direct commerce, growing repeat customer bases reduce average acquisition costs over time. Unlike marketplaces, where recurring commissions is incurred, direct commerce drives long term margin expansion.
5. **Operational flexibility and control:** Direct commerce removes dependency on external platforms, enabling businesses to tailor their pricing, promotions, and fulfilment models to better serve their customers.

2.3 Offline-led MSMEs and entrepreneurs are increasingly adopting channels like hyperlocal fulfilment and digitally enabled social commerce to reach more customers and augment their sales

Offline retail continues to remain the backbone of Indian retail with approximately 93% share of total retail as of CY 2024. However, this segment is also increasingly adopting digital tools to better serve its customers. Offline commerce includes in-store purchases and digitally enabled social commerce.

2.3.1 In-store purchases are increasingly integrating hyperlocal fulfilment models, allowing retailers to offer doorstep deliveries and enhance customer convenience

In-store purchases are evolving with hyperlocal fulfilment, wherein stores are making deliveries to customer doorstep for increased convenience, across categories. While several of these use-cases have existed in traditional retail, the popularity of e-commerce and quick commerce have also bolstered customer preference for convenience and doorstep deliveries. Some notable use-cases of such deliveries include:

- **Grocery**: Mid to large retailers often facilitate home deliveries for bulk purchases, allowing consumers to receive large orders directly at their doorsteps.
- **Fashion**: In case of purchases requiring alteration and tailoring services, where customers can't immediately take the purchase home, retailers can provide home delivery of the garments. These are usually same-city deliveries but can be over a larger distance as compared to categories such as grocery and pharma.
- **Electronics and Appliances**: Electronics and appliances often require delivery logistics, especially for goods that either get delivered from the warehouses or are too large for the customers to carry with them.
- **Pharma**: Offline pharmacies manage deliveries for prescription and over-the-counter medications, providing a crucial service for immediate medical needs

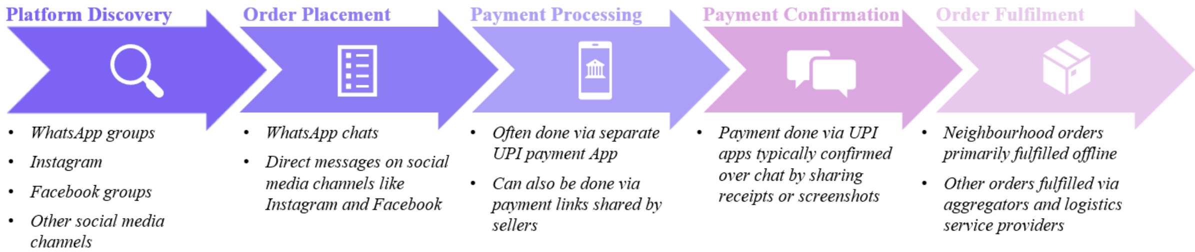
Growing consumer demand for faster deliveries and retailer adoption of digital order management is accelerating hyperlocal fulfilment. With resource and time constraints, merchants are often unable to fulfil this demand with in-house manpower. E-commerce enablement platforms provide optimized last-mile solutions, ensuring scheduled or on-demand deliveries within 90–180 minutes. E-commerce enablement platforms operate broadly under two models to enable such fulfilment, the own-fleet model and the aggregator-based model. Under the own-fleet model, deliveries are made through in-house riders and vehicles, allowing greater control over service quality but requiring higher capital and operational investment. Conversely, under the aggregator-based model, merchants can access multiple third-party delivery partners through a unified application interface. The platform provides real-time options across service levels and pricing, enabling merchants to select their preferred logistics partner for each order. Deliveries are executed through partner fleets rather than owned assets, resulting in an asset-light and scalable model.

2.3.2. Social media and other digital channels are revolutionizing MSMEs retail by offering low-cost, accessible tools for customer engagement, sales, driving efficiency and growth

Digital channels and tools are revolutionizing the way MSMEs interact with customers, simplifying and making accessible the entire value chain, from discovery and order placement to payment and fulfilment. With increasing smartphone use and internet penetration, adoption of digital solutions to enable retail is only expected to increase.

Social media is widely used for sales across retailers of all sizes. Larger brands often redirect customers to their brand websites- only using the platform to increase visibility. On the other hand, smaller and individual retailers, lacking the technical know-how to build a website, rely on direct communication to receive orders, as outlined below. Major platforms like WhatsApp, Facebook, and Instagram, with their vast user bases, offer small brands a powerful avenue to expand their reach, engage customers, and drive sales. Social media, by its design, is not only easy on the seller's end but also on the consumer's end. The purchase journey, starting with product discovery, takes orders via direct messages and payments typically made through UPI apps.

Figure 9: Digitally enabled social commerce – value chain
Illustrative



Key trends fuelling the rise of digitally enabled social commerce among MSMEs includes:

- **Conversational commerce:** Consumers are increasingly engaging with brands through chat-based interactions rather than static product listings. Platforms like WhatsApp Business, Instagram DMs, and Facebook Messenger enable real-time customer queries, product recommendations, and instant purchases. AI-powered chatbots further streamline order processing and customer support, making transactions seamless.
- **Community-driven commerce:** MSMEs are building loyal customer bases through private WhatsApp groups, Telegram channels, and Facebook communities. These platforms enable direct engagement, peer recommendations, and exclusive deals, fostering stronger relationships and increasing repeat purchases.
- **Live commerce is farming engagement**: Live shopping on Instagram, Facebook, and YouTube is driving purchases, with MSMEs real-time product demos, Q&A sessions, and influencer-led promotions to replicate in-store experiences across online platforms.
- **Localized selling:** Regional-language content and vernacular chatbots are making digital commerce more accessible in Tier-2+ cities enabling MSMEs to connect with a broader audience.

These trends are reshaping how MSMEs operate, leading to a surge in digital commerce adoption and attracting significant investment in relevant platforms. Unlike marketplaces, which involve listing fees and commission structures, social media allows MSMEs to scale their business at minimal upfront cost while maintaining direct control over customer interactions. Some key advantages that small businesses gain from these digital platforms include:

- **Low customer acquisition costs (CAC)**: Platforms like WhatsApp groups provide a cost-effective way to acquire and retain customers. Discovery on such groups often happens through recommendations, resulting in both lower CAC and higher conversion due to trust.
- **Additional channel for repeat business**: Many small retailers that were traditionally offline, use WhatsApp chat as an additional channel to reach their customers. Long-time customers, familiar with the business's products or services, can quickly place repeat orders via familiar platforms like WhatsApp or social media. This increases convenience for both the business owner and the customer.

- **Low setup cost**: Social channels allow sellers to market and sell their products without the need for an expensive website or e-commerce infrastructure. Entrepreneurs can use these channels to quickly test their products and iterate based on direct customer feedback.
- **Seamless order fulfilment and payments**: Most transactions are completed through UPI-based apps, QR codes, and payment links, reducing dependency on complex checkout processes. Customers frequently confirm payments via screenshots, creating trust-driven transaction flow.

As digital channels evolve, the ability to integrate tools across the value chain into a single interface will drive adoption. Offering a one-stop-shop for marketing, customer interaction, payments, and logistics can greatly enhance the user experience for MSMEs, simplifying their operations and boosting efficiency. As more MSMEs embrace these channels, the landscape of small business commerce is rapidly evolving, with many leveraging a combination of social media, messaging platforms, and logistics services to grow their operations and reach a broader audience.

2.4 Enabling exports, especially for MSMEs, which contributed approximately 46% to total merchandise exports in CY 2024, remains a major driver of cross-border GMV growth

India's merchandise exports have been steadily expanding, reaching approximately ₹37 trillion (approximately US$442 billion) in CY 2024 and projected to grow at a CAGR of 12-15%, reaching ₹65-74 trillion (US$778-888 billion) by CY 2029. This incorporates a diverse range of products, including textiles, electronics, pharmaceuticals, and handicrafts, catering to key markets such as the Middle East, Europe, and the US.

Exports occur through multiple channels, including traditional B2B bulk shipments, direct commerce exports, and hybrid models that combine digital and offline sales. The Indian e-commerce exports market remains relatively small, presenting significant headroom for growth when compared to countries like China. As of CY 2022, China is the global leader in e-commerce exports, recoding an approximately ₹23 trillion (approximately US$ 278 billion) in e-commerce exports as per NITI Ayog report – Boosting export from MSMEs

MSMEs play a significant role in India's export ecosystem. According to the Press Information Bureau, as of FY 2025, the total number of exporting MSMEs has increased to approximately 173,000 up from approximately 53000 in FY 2021 (growing at a CAGR of approximately 36%).

While there is substantial demand for Indian products in global markets, MSMEs face multiple constraints that limit their ability to scale internationally. Exporting involves regulatory complexities, cost inefficiencies, and infrastructure gaps that create barriers for small businesses looking to expand beyond domestic borders.

- **Complex customs and compliance requirements –** MSMEs must navigate intricate export documentation, country-specific regulations, and evolving trade compliance standards, making international expansion administratively intensive and time-consuming.
- **High shipping and logistics costs –** Small consignments often face high freight rates, while gaps in warehousing, packaging, and last-mile delivery infrastructure impact cost competitiveness.
- **Payment and currency challenges –** Managing international payments, handling currency conversions, and mitigating delays in settlements introduce financial uncertainties that affect business viability.
- **Fragmented e-commerce export framework** – Existing trade regulations were originally designed for large-scale B2B exporters, leading to compliance burdens and inefficiency for small businesses engaged in cross-border e-commerce.

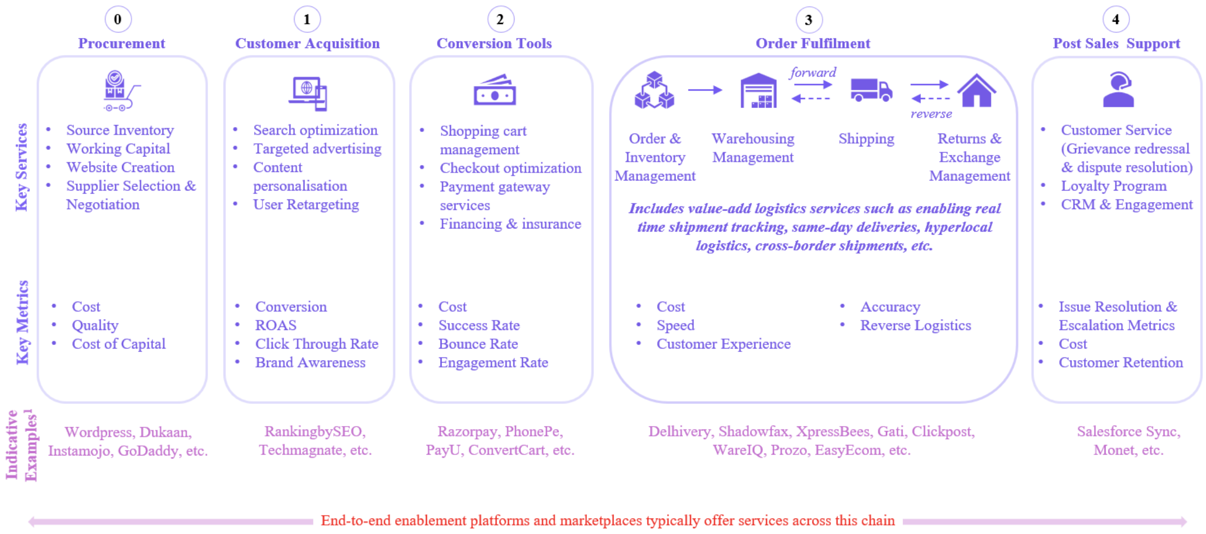
Technology-driven platforms address structural inefficiencies and enabling MSMEs to participate in cross-border trade more effectively. By integrating logistics, compliance, and payments, these platforms are lowering the entry barriers and operational risks for smaller businesses.

Chapter 3: Role of integrated tech platforms in enabling retail

3.1 Online retail relies on a complex, tech-driven ecosystem to enhance efficiency and customer experience, posing challenges for MSMEs to adapt and participate effectively

India's online retail sector operates through a highly interconnected ecosystem of technological tools spanning the entire e-commerce value chain. From customer acquisition to payments, to order fulfilment and post-sale engagement, MSMEs require digital tools across the value chain for running their business seamlessly.

Figure 10: Enabling digitization of retail
Illustrative



Note(s): 1. The examples provided are illustrative rather than exhaustive. Moreover, they may apply only to certain services within each stage—procurement, customer acquisition, conversion tools, order fulfilment, and post-sales support—given the wide variety of services encompassed in each segment.
Source(s): Redseer research and analysis

Following are some of the services ranging from marketing, conversion to fulfilment for which MSMEs often rely on third party service providers:

1. **Marketing:** Tailored marketing solutions help retailers enhance brand visibility, drive customer engagement, and optimize ad spending. By leveraging data-driven insights, businesses can refine their targeting strategies, improve return on investment, and strengthen customer loyalty
2. **Conversion:** Fast checkout services, convenient delivery options act as a strong conversion driver. Additionally, cart management tools, retargeting strategies, and automated reminders help recover abandoned carts, ensuring that potential buyers are re-engaged and guided toward completing their purchases
3. **Fulfillment:** Optimizing fulfillment requires significant investment in warehousing, inventory management systems, and operational infrastructure resources often beyond the reach of small businesses. This makes outsourcing ready-to-use, customizable solutions essential, as they allow businesses to scale operations and ensure seamless order processing and efficient delivery without incurring heavy upfront costs

One way to opt for integrated services is through e-commerce marketplaces that offer end-to-end solutions. Outside of such marketplaces, managing these services can require integration with multiple third-party service providers. For merchants, managing online commerce through multiple service providers often results in operational complexity. Engaging with various stakeholders for functions such as checkout management, payment processing, logistics, and returns creates fragmented systems that demand additional time and capital. This complexity diverts merchants from focusing on core business growth

Figure 11: Key Challenges faced by MSMEs
Illustrative

Source(s): Redseer research and analysis

3.1.1 A seamless checkout and payment experience is critical for MSMEs to drive online retail

A seamless checkout and payment experience is critical to e-commerce, particularly for MSMEs looking to build trust and drive conversions. As digital commerce grows, MSMEs may face challenges around secure payment acceptance, ease of integration, and managing multiple payment modes to meet diverse customer preferences.

Some common MSME pain points include:

- **Complex Integration**: MSMEs can struggle with integrating secure, reliable payment gateways into their online storefronts, especially when using legacy systems or limited technical resources.
- **Limited Payment Options**: If unfamiliar with the technical complexities of such a system, MSMEs may only be able offer only a narrow range of payment methods, which can lead to drop-offs if customers don't find their preferred mode of payment.
- **Trust Deficit**: Customers may be hesitant to complete purchases if the checkout process appears unreliable or lacks familiar security features.

Payment platforms, marketplaces and E-commerce enablement platforms solve these issues by offering plug-and-play checkout solutions with built-in support for ease of access and integration. Many also offer fraud protection, payment reconciliation tools, and no-code setup options. For MSMEs, this means faster go-to-market, higher conversion rates, and the ability to serve a broader customer base with minimal technical effort.

3.1.2 MSMEs also require flexible financing options to scale effectively across multiple retail channels

Access to timely and flexible financing is a major enabler for MSMEs looking to scale their e-commerce operations. As businesses scale across channels, the need for working capital to manage inventory, marketing, logistics, and tech infrastructure becomes critical. However, traditional financing avenues may fall short in meeting the unique needs of small and mid-sized enterprises.

Some notable pain points faced by MSMEs include:

- **Limited Access to Credit**: MSMEs may operate with minimal collateral or formal credit history, making it difficult to secure loans from traditional financial institutions. In addition, lengthy paperwork and slow approval timelines delay access to quick funds.
- **Lack of Tailored Products**: Conventional loans may not align with the seasonal or operational cycles of MSMEs, particularly in sectors like fashion, FMCG, or electronics.

E-commerce platforms and fintech providers are stepping in with innovative financing solutions or by connecting MSMEs with relevant lenders to offer solutions such as embedded credit, invoice-based lending, revenue-based financing, and BNPL (Buy Now Pay Later) for sellers. These options offer quicker approvals, minimal documentation, and repayment terms linked to sales performance.

3.2. E-commerce enablement platforms are stitching together these services to provide an integrated platform empowering MSMEs to optimize operations through customisable solutions

E-commerce enablement platforms have emerged as a key enabler, through streamlined solutions that unlock growth potential by providing end-to-end solutions within a single interface. By enabling key services like logistics, checkout, inventory, and marketing into a cohesive ecosystem, they eliminate redundancies and simplify workflows. Centralized dashboards provide real-time visibility across the value chain, enabling businesses to monitor critical metrics, optimize fulfilment timelines, and auto-sync inventory status. This operational transparency not only enhances the customer experience but also supports data-driven decision-making. Additionally, by leveraging shared infrastructure, these platforms reduce per-unit costs.

Unlike the one-size-fits-all systems used by large marketplaces; integrated platforms cater to the diverse needs of MSMEs by offering adaptable and modular solutions. This flexibility allows for tailored shipping solutions, support dynamic scaling, and ensure seamless integration across platforms with end-to-end management ranging from customer acquisition to dispute resolution. By addressing key inefficiencies and leveraging data-driven tools, these platforms enable MSMEs to achieve sustainable growth and provide competitive advantage. Following is some of the ways such a platform impacts MSMEs:

1. **Revenue acceleration with geographical expansion:** These platforms facilitate market entry into underserved regions, including tier 2+ cities and international markets, where infrastructure challenges previously limited MSME access.
2. **Data driven decision making:** Integrated customer acquisition features, targeted advertisements, demand forecasting, etc. enable MSMEs to expand their customer base, increase sales conversions and optimize inventory. It helps leverage transactional and behavioural data to provide insights that refine MSME offerings, predict demand trends, and improve overall business strategy.
3. **Profitability improvements:** Centralized operations reduce logistical inefficiencies, optimize inventory management, and minimize return-to-origin rates, boosting cost efficiency.
4. **Enhanced consumer experience:** Real-time updates, personalized shopping journeys, and streamlined delivery processes strengthen customer loyalty and drive repeat purchases- a crucial metric for small brands which often build reputation in close knit and/or local communities.

3.3. Offerings of such e-commerce enablement platforms are broad based and caters to all four retailer archetypes in Indian retail

Indian retail businesses can be categorized into four distinct archetypes based on revenue, operational focus, and online integration levels. The propensity to adopt specific services like customer acquisition, order fulfilment, or post-sale tools varies significantly across these archetypes, reflecting their needs and priorities.

Figure 12: Retailer archetypes

Descriptive

Need for service
Low ○ > ● High

		Traditional	New Age	Medium, Small & Micro Enterprises	
				Small & Medium Enterprises	Micro Enterprises
Definition		Traditional offline-first retail brands, often with omnichannel presence	New age online-first brands clocking >50% of their sales online	Offline and online retailers, including branded, unbranded, and solopreneurs on social media, with a strong presence in tier 2+ cities.	
Revenue (INR Mn)		>2,500	>2,500	50-2,500	<50
Online Integration		◕	●	◑	◔
Focus Segments		Support omnichannel with newer, faster and efficient logistics management tools easily integrable across multiple channels	Seamless coordination across channels with focus on own channel growth with premium customer experience & niche offering	Seamless and easy to adopt digital integration, expanding presence across channels & customers with affordable solutions	Easy to integrate tech set-up, customizable low-cost shipping management, social media integration, ready-to-use templates
Services	**Customer Acquisition**	◑	◑	◕	◔
Services	**Conversion Tools**	◑	◕	◕	◕
Services	**Order Fulfilment**	◕	◕	◕	◕
Services	**Post Sales Tools**	◑	◕	◕	◑

Source(s): Redseer research and analysis

Catering to diverse customer cohorts and service needs represents a significant growth opportunity for tech-enabling platforms, as they can offer tailored solutions for retailers of every size. From seamless omnichannel integration for traditional players to affordable, ready-to-use setups for micro-enterprises, these platforms can address the unique challenges of each segment, driving adoption and unlocking scalable efficiencies.

With India's direct commerce market growing at a CAGR of 20-25% from CY 2024 to CY 2029, MSMEs increasingly seek solutions to compete effectively in the online channel. However, they face structural challenges, including high fulfilment costs due to limited access to optimized shipping, a fragmented service landscape that complicates integration across logistics, payments, and marketing, and limited working capital restricting inventory expansion. Additionally, disjointed checkout and payment experiences contribute to drop-off rates, impacting conversion.

3.4. MSMEs can leverage different e-commerce solutions based on four dominant models

To scale efficiently, MSMEs require a seamless, integrated approach that streamlines their commerce journey, from storefront creation to fulfilment and post-purchase engagement. This can be achieved through four dominant models:

1. **Large marketplaces –** These platforms control the entire commerce value chain, offering integrated logistics and payments but limiting merchant independence. While they provide access to large customer bases, MSMEs can face higher platform fees, reduced brand ownership, and intense competition. These platforms can retain significant control, making it difficult for merchants to build an independent brand identity. Additionally, merchants operate in a highly competitive and commoditized environment, where product visibility is also dependent on the marketplace's algorithms. Some examples of this includes Amazon, Flipkart, Nykaa, etc.

2. **Vertical E-commerce enablement platforms –** These platforms focus on specific service areas such as logistics, payments, or marketing, providing best-in-class solutions for each function. However, they often lack end-to-end integration, requiring MSMEs to work with multiple service providers to manage different aspects of their business. The lack of interoperability can make it difficult to integrate disparate services. Additionally, not having value-added tools like Return-to-origin (RTO) prediction, insurance, early Cash-on-delivery (COD) advances, etc., which individual vertical players do not always provide, can further limit operational optimization. Examples of this range across the specific service areas including but not limited to ClickPost, EasyEcom, Increff, etc.

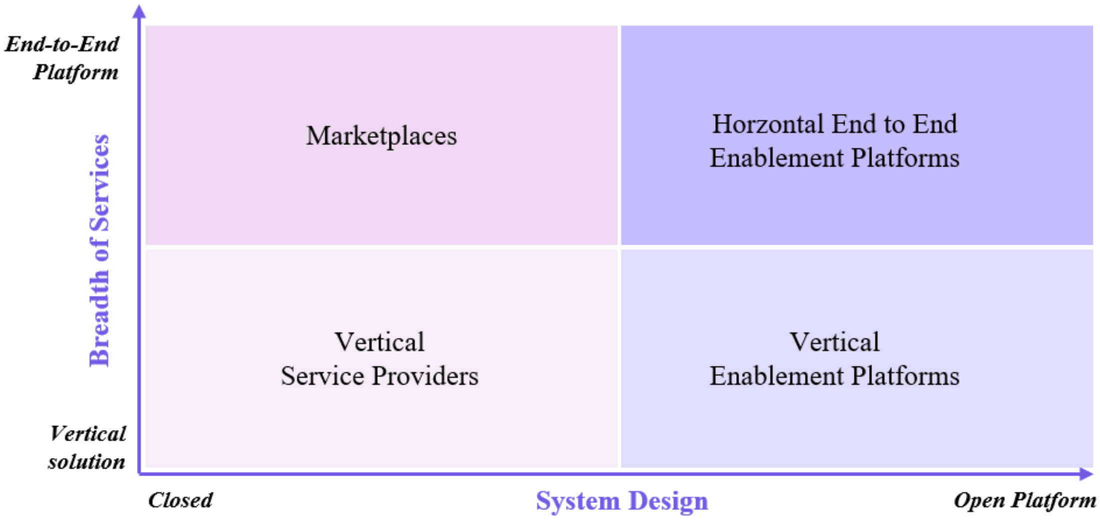
3. **Vertical service providers**: Vertical service providers offer solutions tailored to specific business needs, such as logistics, payments, marketing, and fulfilment. For example, in order fulfilment we have companies such as Delhivery, Gati, Shadowfax, etc. which enable logistic services. MSMEs require flexibility, cost-efficiency, and access to specialized service providers, which vertical solutions may not always deliver effectively. Some of the challenges of vertical services providers are:
    - Limited scope with one vendor – When working with vertical service providers, MSMEs can only utilize the network or capabilities of that particular vendor. MSMEs wanting to work with multiple vendors for reasons of scalability, flexibility or limited reliance on one partner, would need to have separate integrations with each vendor.
    - Scalability Challenges – Vertical providers may not have the reach or infrastructure to support expansion across different regions.
    - Services not optimized for smaller players – MSMEs often don't have the requisite scale to negotiate better prices and get priority service from large vertical service providers who get bulk of their business from large customers.
    - One-Size-Fits-All Approach – Vertical service providers offer bundled solutions for MSMEs' online businesses, but these may not align with the specific needs of different e-commerce models.

4. **New-age end-to-end horizontal e-commerce enablement platforms** – These platforms act as an operating system for commerce, combining the benefits of both large marketplaces and vertical enablement platforms. To offer a wide breath of services, these platforms often partner integrations with vertical service providers. These platforms typically offer:
    - Seamless integration of logistics, checkout, payments, and marketing services in a single interface.
    - Full ownership of customer relationships and data, allowing MSMEs to build their brand independently.
    - Flexible and modular solutions, enabling merchants to customize their service stack based on their business needs.
    - Lower costs and improved efficiency by aggregating demand and negotiating better rates across service providers.

Service providers across these four models can broadly be categorized based on their breadth of service and system design:

- Breadth of service: On one end of the spectrum are service providers who offer specialized solutions in specific verticals and on the other, there are platforms providing end-to-end services
- System design: While some platforms provide a platform for MSMEs to select from services of multiple vendors registered on the platform, others offer a closed system where the MSMEs have to go with the services the platform offers or controls directly.

Figure 13: E-commerce Service Providers
Illustrative



Horizontal end-to-end e-commerce enablement platforms provide MSMEs with a plug-and-play infrastructure by integrating best-in-class service providers across logistics, payments, marketing, and fulfilment. Unlike vertical enablement platforms, which focus on single-function solutions and require businesses to stitch together multiple services, horizontal end-to-end e-commerce enablement platforms offer a seamless, end-to-end commerce stack. New age end to end horizontal platforms lie in the top right quadrant– an example of this would be Shiprocket. Similarly, while vertical service providers address specific business functions, they do not offer bundled solutions, requiring MSMEs to onboard and manage multiple vendors, leading to inefficiencies and higher costs. Even marketplaces, despite providing end-to-end services, restrict brands from selecting specific solutions

Horizontal end-to-end e-commerce enablement platforms offer flexibility, integration, and cost efficiency—allowing MSMEs to scale efficiently while maintaining full control over their operations.

The popularity of horizontal end-t o-end e-commerce enablement platforms is further driven by:

1. **Lowering barriers to entry & enabling cost-effective scaling for MSMEs –** MSMEs often lack the capital and resources to manage shipping, payments, and marketing independently. These platforms offer plug-and-play solutions that allow merchants to start small and scale with modular service integration like international shipping, checkout optimization, and marketing**.**
2. **Possibility for reduced costs –** While e-commerce platforms bring in higher customer traffic, their commissions can be higher than direct commerce. Lower commissions can help retain a larger share of revenue.
3. **Enabling cross-border commerce** – Offering integrated international shipping, customs management, and duty calculation tools, allowing merchants to expand beyond domestic markets.
4. **Data-driven optimization and workflow intelligence** – AI-powered insights help merchants optimize courier selection, minimize return-to-origin (RTO) rates, and enhance checkout conversions. By leveraging data for customer engagement and retargeting, MSMEs can drive higher conversion rates and lifetime value.

Chapter 4: Illustrative Total Market Opportunity for New Age End-to-End Horizontal E-commerce Enablement Platforms

4.1 There exists a total market opportunity of ₹7.7-8.4 trillion (US$92-101 billion) GMV for new age end-to-end horizontal e-commerce enablement platforms as of CY 2024 driving demand for order fulfilment and other supporting services

The B2C market opportunity in India is evolving across both domestic retail and cross-border merchandise retail, driven by a mix of offline and online channels, presenting a large and growing opportunity for new age end-to-end horizontal e-commerce enablement platforms offering key services to merchants (wherein merchants refer to both MSMEs and large retailers).

4.1.1 **Online Commerce:** Online commerce can broadly be classified into 3 segments:

- **Large marketplaces (with annual GMV more than $1 billion or with affiliate logistics providers)**: These marketplaces have built end-to-end solutions for merchants selling on their platforms. For their logistics needs they partner directly with (Logistic Service Providers) LSPs and some of them also have their own captive or affiliate logistics partners. Hence, they are not considered as part of the addressable market.
- **Other marketplaces**: Marketplaces that have an annual GMV of less than US$1 billion and without a captive/affiliate logistics partners can leverage new age end-to-end horizontal e-commerce enablement platforms to scale efficiently without heavy investments in infrastructure. Their focus on niche products and curated selections often results in smaller scale and creating a complex logistics infrastructure is not always feasible. An enabling platform that can connect them to multiple logistics partners can help optimize logistics, reducing cost and improving reliability. Additionally, they can benefit from streamlined checkout and payment solutions offered by new age end-to-end horizontal e-commerce enablement platforms, improving transaction efficiency and conversion rates.
- **Direct commerce:** Brand websites are more than just a sales channel for retailers, they serve as the primary touchpoint for customer engagement, differentiation and direct feedback. However, managing end to end operations from order fulfilment, checkout, marketing, customer engagement and post-sales support can be complex and resource intensive. New age end-to-end horizontal e-commerce enablement platforms provide a one-stop solution for brands across pre-sales, sales and post-sales journey, positioning themselves as critical partners for direct commerce brands.

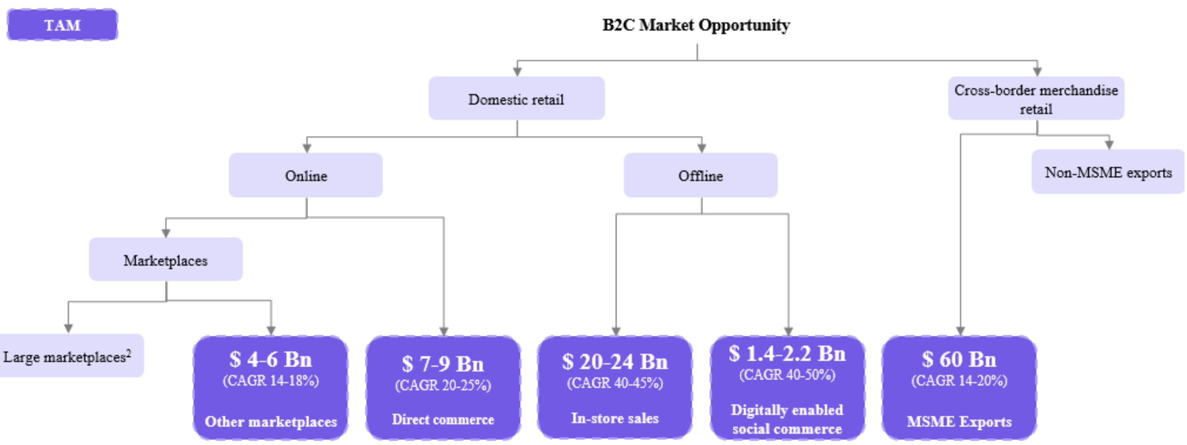
4.1.2 **Offline commerce**: Offline commerce can be classified into 2 segments:

- **In-Store purchases:** It involves hyperlocal fulfilment using local store inventory for quick, last-mile deliveries, meeting rising consumer demand for convenience and speed. New age end-to-end horizontal e-commerce enablement platforms can tap into the growing hyperlocal fulfilment market by providing merchants with digital order management and optimized last-mile delivery solutions. These platforms also help MSMEs overcome resource constraints, enabling faster deliveries (within 90–180 minutes) and enhancing competitiveness in a rapidly evolving retail landscape.
- **Digitally enabled social commerce:** Digitally enabled social commerce, unlike structured marketplaces, enables direct seller-to-buyer interactions, with sellers connecting with buyers through various online channels including chats on social platforms such as WhatsApp and social media chats. While a large share of such orders is from neighborhood communities and are fulfilled manually, many sellers also use social channels to reach broader audiences. With difficulties in inventory management, shipping and fulfillment, they rely on e-commerce enablement platforms and logistics providers for order fulfilment, which are considered as the addressable opportunity.

4.1.3 **Cross-border merchandise retail:** Beyond domestic sales, cross-border merchandise retail is emerging as a growth area for merchants, especially MSMEs, as smaller businesses tap into global demand. This segment presents an untapped potential particularly as platforms and logistics solutions improve accessibility for smaller sellers. The key export categories for MSMEs include textiles, gems & jewellery, electronic goods, leather, and others contributing to approximately 30% of the total merchandise export from India in CY 2024. MSMEs contribute approximately 46% to total merchandise exports in CY 2024, translating to an estimated approximately ₹5 trillion (approximately US$60 billion) for key export categories mentioned above. The MSME share of exports is expected to increase to 50-55% by CY 2029P, leading to ₹9.6-12.4 trillion (US$ 116-149 billion) in exports across key categories mentioned above, growing at a CAGR of 14-20%.

Figure 14: Illustrative[1] TAM Landscape for New Age End-to-End Horizontal E-commerce Enablement Platforms

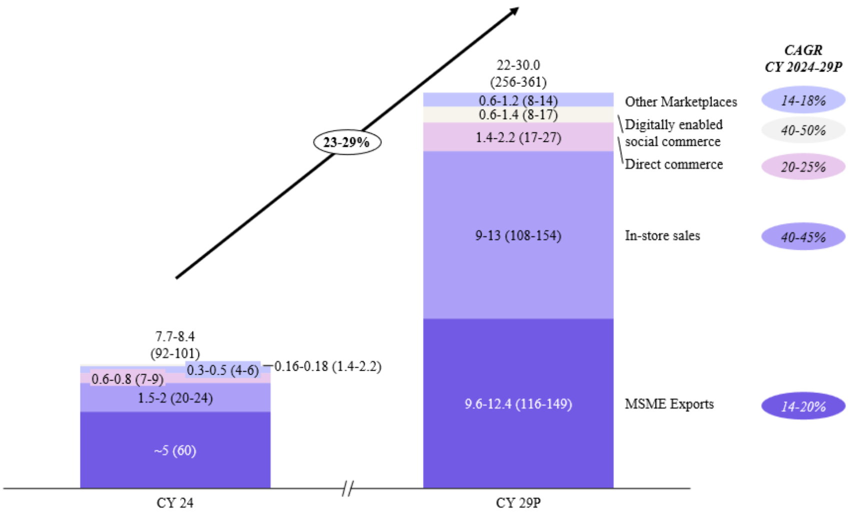
Illustrative, GMV for CY 2024, CAGRs from CY2024 to CY2029P



Note(s): Market opportunity in terms of GMV, 1. The TAM is illustrative, as companies may offer additional services and solutions depending on their business models, leading to variation in TAM; 2. Large marketplaces are defined as platforms with a GMV exceeding $1 billion or those utilising in-house or affiliate logistics service providers.
Source(s): Redseer research and analysis

Together, these segments represent a market opportunity of ₹7.7-8.4 trillion (US$92-101 billion) for new age end-to-end horizontal e-commerce enablement platforms in CY 2024. Among them, cross-border merchandise retail accounts for the largest GMV, contributing approximately ₹5 trillion (approximately US$ 60 billion) as of CY 24 and is expected to grow at a CAGR of 14-20% from CY 2024 to CY 2029P. Direct commerce and other marketplaces generate a GMV of ₹581-747 billion (US$7-9 billion) and ₹332-498 billion (US$4-6 billion), respectively in CY 2024 expected to grow at a CAGR of 20-25% and 14-18% respectively till CY 2029P. Additionally, offline channels contribute ₹1.8-2.2 trillion (US$20-24 billion) in GMV as of CY 2024, including in-store sales of ₹1.7-2 trillion (US$20-24 billion) and digitally enabled social commerce of ₹116-183 billion (US$1.4-2.2 billion), expected to grow at a CAGR of 40-45% and 40-50% respectively from CY2024 to CY 2029P.

Figure 15: Illustrative GMV for New Age End-to-End Horizontal E-commerce Enablement Platforms
In ₹ trillion (US$ billion), CY 2024, 2029P

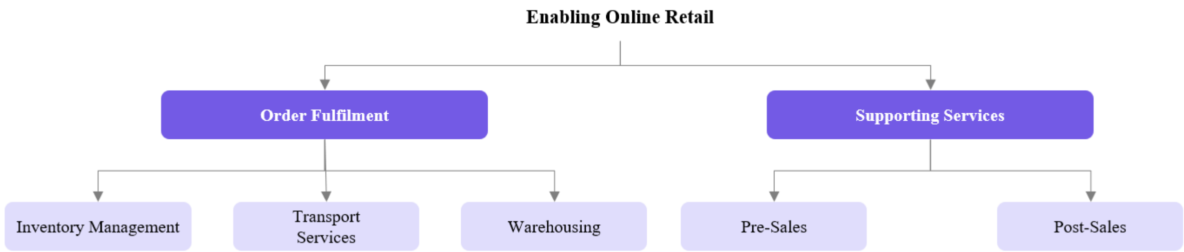


Note(s): Conversion rate: 1 US$ = ₹83
Source(s): Redseer research and analysis

The aforementioned market is primarily segmented into two key service offerings:

1. **Order fulfilment**: Including inventory and order management and transport related services.
2. **Supporting services**: Encompassing checkout payments, customer relationship management, data analytics for marketing, and customer conversion.

Figure 16: Services Landscape
Illustrative



Source(s): Redseer research and analysis

While the total addressable market encompasses all segments, the serviceable market is defined by the extent to which these segments require fulfilment and supporting services.

For instance, online commerce (including direct commerce and other marketplaces) represents a significant portion of the serviceable market, as these players depend on third-party fulfilment for warehousing, shipping, and logistics integration along with supporting services. Similarly, cross-border MSME exports demand robust logistics solutions and other supporting services, contributing substantially to the GMV. However, offline retail is more fragmented in its service adoption, requires fulfilment support, and has limited uptake of supporting services.

New age end-to-end horizontal e-commerce enablement platforms can capture a take rate of up to 20% of enabled GMV, driven by the adoption of core and supporting services essential for streamlining e-commerce operations. Core services including fulfilment, shipping, returns management, forming the backbone of platform engagement, ensuring seamless logistics management. Meanwhile, supporting services such as financing, customer service, payments, and pre-checkout and post-checkout services, among others, contribute incrementally to the overall revenue pool, but their adoption typically scales with merchant maturity and growth.

For merchants utilizing a comprehensive suite of services, the take rate is closer to the upper bound. However, for those initially leveraging only select solutions, the take rate is lower. As businesses scale, increasing operational complexities necessitate a greater reliance on bundled service offerings, leading to higher platform engagement over time. This progression reinforces the enablement model, wherein merchants gradually expand their service adoption, deepening integration with the platform.

4.2 B2B India logistics remains a key area for improvement to fully unlock MSME growth

While B2C logistics has seen rapid digitization, B2B logistics is also becoming easier to enable with structured supply chains and bulk shipments. With fewer touchpoints and predictable demand patterns, B2B logistics can scale efficiently with the right infrastructure and technology.

Traditional processes, such as manual hiring of transport providers, handwritten receipts, and reliance on truckers for shipment updates, create inefficiencies and delays. Digitisation enables businesses to access real-time data on service providers, pricing, and ratings, allowing for more informed decision-making. Digital tools enhance supply chain transparency, facilitate real-time monitoring of goods in transit, and mitigate risks related to damage, theft, or delays. Additionally, automation reduces administrative burdens and frees up valuable time, enabling businesses to focus on expansion and innovation.

Growing formalization under GST and an increased focus on digital procurement are driving greater adoption of organized B2B logistics solutions. Tech-enabled consolidators are stepping in with real-time tracking, optimized routing, and consolidated billing, reducing turnaround times and operational inefficiencies. This is making B2B shipments more accessible to MSMEs, especially those seeking inter-city and cross-state trade.

Chapter 5: Competitive landscape

As e-commerce adoption accelerates, a growing number of platforms are emerging to support MSMEs with end-to-end digital solutions. Globally, players such as Shopify, Global-E, BigCommerce, etc. are deploying varied strategies to enable and scale digital commerce for businesses. These platforms have evolved into comprehensive, one-stop ecosystems- offering tools that span the entire e-commerce journey, from store creation to payments, logistics, and analytics- allowing MSMEs to manage and grow their operations within a single digital ecosystem.

Globally, e-commerce enablement platforms have evolved from offering vertical focused tools for online presence to becoming comprehensive ecosystems that support businesses at every stage of growth. Expanding beyond core offerings to offer wider array of services including payments, inventory management, working capital support etc. allows platforms to deepen merchant engagement and drive higher scale. Strategic expansion into payments has been a major lever for growth. Introducing integrated payment solutions such as instalment plans or localized checkout experiences enable merchants to boost conversion rates and reduce cart abandonment.

A key enabler of such evolution has been the platforms' responsiveness to merchant needs. By closely tracking merchant behaviour and engaging with a broad and diverse user base, platforms can rapidly identify gaps and deploy targeted solutions. This adaptability is further enhanced by thriving third-party ecosystems, comprising app developers, service providers, and certified partners, that extend platform capabilities and offer highly customized add-ons. The result is a self-reinforcing cycle of innovation, where the ecosystem continues to grow and diversify in step with merchant demand.

Another key lever for expansion has been broadening geographic reach. Platforms that initially enabled domestic commerce are now helping merchants unlock global markets through cross-border shipping. By leveraging advanced tracking systems, real-time inventory management, and optimized global logistics networks, MSMEs- once constrained by high international shipping costs and long delivery times-can now expand beyond local markets, improve order accuracy, and deliver superior customer experiences.

In India, Shiprocket had a revenue of ~₹ 16.32 billion (US$196.62 million) in FY2025, making it the largest new-age end-to-end horizontal e-commerce enablement platform (in terms of revenue from operations) registered in India. Shiprocket's growth aligns with the broader rise of direct commerce in India, which accounts for 10-13% of online retail in CY 2024. As India's direct commerce landscape matures, the need for scalable, flexible, and cost-effective commerce enablement solutions will continue to grow. With a pay-per-use model, access to third-party service providers, and a merchant-first approach, e-commerce enablement platforms are positioned to drive the next wave of digital commerce growth in India. Shiprocket has the largest merchant base amongst new-age end-to-end horizontal e-commerce enablement platforms registered in India having a revenue of more than INR 100 Cr (as of FY 2025) in the twelve months period ended March 31, 2025.

Following is a comparison of the key national and international players on some relevant key metrics/measure. The following peers operate primarily as horizontal software platforms providing end-to-end solutions across the e-commerce value chain. They offer these services by integrating with multiple vendors involved at various stages of an e-commerce transaction. Most of these platforms serve small and medium-sized businesses (SMBs), with some also catering to mid-market and enterprise clients. The peer group includes global companies with revenues exceeding US$150mn in FY24 and Indian companies focused on e-commerce enablement.

Unicommerce is an e-commerce enablement Software-as-a-Service ("SaaS") platform helping manage a post-purchase journey through a warehouse and inventory management system (WMS), a multi-channel order management system (OMS), an omni-channel retail management system (Omni-RMS), a seller management panel for marketplaces (Uniware), post-order logistics tracking and courier allocation services (UniShip), and a payment reconciliation solution (UniReco). Shopify is a commerce platform that enables businesses to sell products both online and in physical locations. It offers an integrated suite of tools that support store management, payment processing, inventory tracking, and multi-channel marketing across websites, social media platforms, and retail environments. Global-e offers end-to-end e-commerce solutions that help online retailers sell across international markets. The platform supports local currencies, languages, payment methods, and tax calculations, while also managing cross-border shipping and returns. BigCommerce is an open SaaS platform for e-commerce that enables retailers to build, innovate and grow their business online. It offers three core owned products— the flagship commerce platform, BigCommerce; the AI-based product data feed management platform, Feedonomics; and the brand and commerce site builder and visual editor, Makeswift. These offerings provide a platform for launching and scaling an e-commerce operation, including store design, catalog management, hosting, checkout, order management, reporting, and pre-integration into third-party services like payments, shipping, and accounting.

Figure 17: Key Financial Measure/Metrics
Descriptive, FY 2023

	Shiprocket Ltd[1]	Unicommerce eSolutions Ltd.[2]	Shopify Inc.[3]	Global-E Online Ltd.[4]	BigCommerce Holdings Inc[5]
Revenue from Operations (₹ Mn)	10,888.27	900.58	4,90,030.17	37,379.63	23,636.91
Revenue from Operations - Core Business (₹ Mn)	9,676.26	NA	NA	NA	NA
Revenue from Operations - Emerging Business (₹ Mn)	1,212.01	NA	NA	NA	NA
Restated Profit/(Loss) for the period/year (₹ Mn)	-3,593.08	64.76	-1,59,194.66	-15,346.87	-10,375.17
Contribution Margin (₹ Mn)	1,499.47	NA	NA	NA	NA
Contribution Margin - Core Business (₹ Mn)	1,543.24	NA	NA	NA	NA
Contribution Margin - Emerging Business (₹ Mn)	-43.77	NA	NA	NA	NA
Contribution Margin as a % of Revenue from Operations (%)	13.77%	NA	NA	NA	NA
Contribution Margin - Core Business as a % of Revenue from Operations - Core Business (%)	15.95%	NA	NA	NA	NA
Contribution Margin - Emerging Business as a % of Revenue from Operations - Emerging Business (%)	-3.61%	NA	NA	NA	NA
Adjusted EBITDA (₹ Mn)	-2,084.08	108.30	NA	4,972.12	NA
Adjusted EBITDA - Core Business (₹ Mn)	7.67	NA	NA	NA	NA
Adjusted EBITDA - Emerging Business (₹ Mn)	-2,091.75	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	-19.14%	12.00%	NA	NA	NA
Adjusted EBITDA Margin - Core Business (%)	0.08%	NA	NA	NA	NA

Adjusted EBITDA Margin - Emerging Business (%)	-172.59%	NA	NA	NA	NA
Power Merchants	8,190.00	NA	NA	NA	NA
Power Merchant ARPU (₹ Mn)	1.14	NA	NA	NA	NA
Revenue from operations per Employee (₹ Mn)	7.93	2.70#	NA	NA	NA
New Merchant added - Emerging Business (Count)	1,979	NA	NA	NA	NA
CAC for Core Business (₹)	4,772.47	NA	NA	NA	NA
CAC for Overall Business (₹)	7,119.11	NA	NA	NA	NA
End Consumer served - Core Business (Mn)	37.15	NA	NA	NA	NA
New end consumers served - Core Business (Mn)	21.41	NA	NA	NA	NA
Repeat end consumers served - Core Business (Mn)	15.74	NA	NA	NA	NA
Repeat rate of end consumers served - Core Business (%)	42.37%	NA	NA	NA	NA
Revenue from operations per product and technology team employee (₹ Mn)	33.2	NA	NA	NA	NA

Note(s): Conversion rate: 1 US$ = ₹83. All values are approximated to the nearest 10. # This metric relates to Uniware platform only for FY 2023

(1) For Shiprocket Ltd., definitions are as follows:

a. Revenue from operation is revenue from sale of services and goods.
b. Revenue from operation - Core Business is revenue from Core business i.e. domestic shipping and shipping apps.
c. Revenue from operation - Emerging Business is revenue from other business apart from the core business such as Cross-border platform, Checkout platform, Marketing solutions, Hyperlocal deliveries through Shiprocket Quick and Capital solutions.
d. Restated Loss for the period / year is the Total Income after reduction of Total expenses, Exceptional item, Share of loss of an associate and Total tax expenses.
e. Contribution Margin represents Revenue from operations less cost of merchant solutions, communication cost, payment gateway charges, promotional cashback & incentives expenses, performance marketing costs, fulfilment center related costs and salary costs for Key Account Managers ('KAM') and performance marketing team.
f. Contribution Margin - Core Business means revenue from operations of Core Business less cost of merchant solutions, communication cost, payment gateway charges, promotional cashback & incentives expenses, performance marketing costs, and salary cost for KAM and performance marketing team pertaining to the Core Business.
g. Contribution Margin - Emerging Business means revenue from operations of Emerging Business less cost of merchant solutions, communication cost, promotional cashback & incentives expenses, performance marketing costs, fulfilment center related cost and salary cost for KAM, warehouse management team and performance marketing team pertaining to the Emerging Business.

h. Contribution Margin as a % of Revenue from Operations means Contribution Margin divided by revenue from operations for the relevant period/fiscal.
i. Contribution Margin - Core Business as a % of Revenue from Operations - Core Business means Contribution Margin - Core Business divided by Revenue from operations of Core Business for the relevant period/fiscal.
j. Contribution Margin - Emerging Business as a % of Revenue from Operations - Emerging Business means Contribution Margin - Emerging Business divided by Revenue from operations of Emerging Business for the relevant period/fiscal.
k. Adjusted EBITDA means adjusted earnings before interest, taxes, depreciation and amortisation which has been arrived at by reducing Cost of Merchant Solutions, Purchase of traded goods, Changes in inventories of traded goods, Employee benefits expense (excluding Share Based Payment Expense), Other expenses, Rent expenses not included in Other expenses in accordance with Ind AS 116 - Leases from Revenue from Operations for the relevant period/fiscal.
l. Adjusted EBITDA – Core Business means adjusted earnings before interest, taxes, depreciation and amortisation of Core business which has been arrived at by reducing Cost of Merchant Solutions, Employee benefits expense (excluding Share Based Payment Expense), Other expenses, Rent expenses not included in Other expenses in accordance with Ind AS 116 – Leases of Core business from Revenue from Operations of Core business for the relevant period/fiscal.
m. Adjusted EBITDA – Emerging Business means adjusted earnings before interest, taxes, depreciation and amortisation of Emerging business which has been arrived at by reducing Cost of Merchant Solutions, Purchase of traded goods, Changes in inventories of traded goods, Employee benefits expense (excluding Share Based Payment Expense), Other expenses, Rent expenses not included in Other expenses in accordance with Ind AS 116 – Leases of Emerging business from Revenue from Operations of Emerging business for the relevant period/fiscal.
n. Adjusted EBITDA Margin is calculated as adjusted EBITDA, divided by revenue from operations for the relevant period/fiscal.
o. Adjusted EBITDA Margin - Core Business is calculated as Adjusted EBITDA - Core Business, divided by Revenue from operations of Core Business for the relevant period/fiscal.
p. Adjusted EBITDA Margin - Emerging Business is calculated as Adjusted EBITDA - Emerging Business, divided by Revenue from operations of Emerging Business for the relevant period/fiscal.
q. Power merchant means merchant with an average of more than 100 unique transactions calculated as sum of unique transactions of the merchant for the relevant year/period divided by number of active months. Active month refers to the month in which the Merchant has at least one transaction on company's platform. Merchant refers to MSMEs and Large Retailers, identified by their unique mobile number, which have used company's services at least once during the relevant period/Fiscal.
r. Power merchant ARPU means revenue from power merchants divided by count of power merchants for the relevant period/fiscal.
s. Revenue from operations per employee means revenue from operations divided by average number of employees of the respective periods. Employee refers to the employee who are on payroll of the company as on a given date. Average number of employees is calculated by the sum of the number of employees at the beginning of a particular period/fiscal and at the end of a particular period/fiscal, and then divided by two.
t. New Merchant added - Emerging Business means count of new merchants that joined company's platform through Emerging Business.
u. CAC for Core Business means customer acquisition cost, comprising spend on performance marketing, salaries for seller acquisition team and promotional cashback and incentives to acquire new Merchants divided by new merchants acquired in the Core Business during the relevant period/Fiscal.
v. CAC for Overall Business means customer acquisition cost, comprising spend on performance marketing, salaries for seller acquisition team and promotional cashback and incentives to acquire new Merchants divided by new merchants acquired in the Overall Business during the relevant period/Fiscal.
w. End consumer served means count of e-commerce shoppers served by the Core Business (excluding Pickrr end consumers served), identified based on unique mobile numbers.
x. New end consumers served means count of e-commerce shoppers served for the first time during the relevant period/Fiscal under the Core Business (excluding Pickrr end consumers served), identified based on unique mobile numbers.
y. Repeat end consumers served means count of e-commerce shoppers served in previous periods under the Core Business (excluding Pickrr end consumers served), identified based on unique mobile numbers.

z. Repeat rate of end consumers served (%) means number of repeat end consumers served as a percentage of end consumers served for the relevant period/Fiscal.
a. Revenue from operations per product and technology team employee means revenue from operations divided by the average number of product and technology team employees of the respective periods. Average number of product and technology team employees is calculated by the sum of the number of product and technology team employees at the beginning of a particular period/fiscal and at the end of a particular period/fiscal, and then divided by two.

(2) For Unicommerce eSolutions Ltd., FY24, and FY23 financials are restated financials as per the red herring prospectus of Unicommerce Esolutions Ltd.

a. Revenue from operations refers to revenue from contract with customers generated by the company from SaaS income, excluding other income sources.
b. Adjusted EBITDA represents adjusted earnings before interest, taxes, depreciation, and amortisation, and is calculated by adding share-based payment expenses (which are part of employee benefits expenses) to EBITDA. EBITDA itself is derived by adding total tax expense, finance cost, depreciation, and amortisation expense to the restated profit for the period or year and then reducing other income. It is calculated as total expenses subtracted from total income.
c. Revenue from operations per employee is Revenue from contract with customers per employee calculated by dividing revenue from contract with customers by the average number of employees for the respective periods.
d. Adjusted EBITDA Margin Percentage represents Adjusted EBITDA as a percentage of revenue from contract with customers for the respective period or year.

(3) For Shopify Inc., FY level metrics are calculated basis their quarterly reports. All data refers to global figures.
a. Revenue from operations includes consolidated subscription and merchant solution revenue
b. Restated Profit/Loss for the period/year refers to net income after recovery of (provision for) income taxes.

(4) For Global-E Online Ltd., FY level metrics are calculated basis their quarterly reports. All data refers to global figures.
a. Revenue from operations refers to revenue comprised of service fees and fulfilment services fees.
b. Adjusted EBITDA is a non-GAAP financial measure and is defined as operating profit (loss) adjusted for stock-based compensation expenses, depreciation and amortization, commercial agreements amortization, amortization of acquired intangibles, merger related contingent consideration, and acquisition related expenses and secondary offering costs.
c. Restated Profit/Loss for the period/year refers to Net profit (loss) post income taxes (benefit) expenses attributable to ordinary shareholders.

(5) For BigCommerce Holdings Inc., FY level metrics are calculated basis their quarterly reports. All data refers to global figures.
a. Revenue from operations refers to Revenue including subscription, partner, and services
b. Restated Profit/Loss for the period/year refers to loss from income subtracting provision for income taxes.

Source(s): Company quarterly reports

Figure 18: Key Financial Measure/Metrics
Descriptive, FY 2024

	Shiprocket. Ltd.	Unicommerce eSolutions Ltd.	Shopify Inc.	Global-E Online Ltd.	BigCommerce Holdings Inc.
Revenue from Operations (₹ Mn)	13,159.76	1035.81	6,15,279.00	49,649.60	26,393.75
Revenue from Operations - Core Business (₹ Mn)	10,846.58	NA	NA	NA	NA
Revenue from Operations -	2,313.18	NA	NA	NA	NA

Emerging Business (₹ Mn)					
Restated Profit/Loss for the period/year (₹ Mn)	-5,951.81	131.20	-17,347.00	-10,190.33	-4,062.27
Contribution Margin (₹ Mn)	1,974.31	NA	NA	NA	NA
Contribution Margin - Core Business (₹ Mn)	1,940.23	NA	NA	NA	NA
Contribution Margin - Emerging Business (₹ Mn)	34.08	NA	NA	NA	NA
Contribution Margin as a % of Revenue from Operations (%)	15.00%	NA	NA	NA	NA
Contribution Margin - Core Business as a % of Revenue from Operations - Core Business (%)	17.89%	NA	NA	NA	NA
Contribution Margin - Emerging Business as a % of Revenue from Operations - Emerging Business (%)	1.47%	NA	NA	NA	NA
Adjusted EBITDA (₹ Mn)	-1,279.56	181.62	NA	8,259.33	NA
Adjusted EBITDA - Core Business (₹ Mn)	721.73	NA	NA	NA	NA
Adjusted EBITDA - Emerging Business (₹ Mn)	-2,001.29	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	-9.72%	17.50%	NA	NA	NA
Adjusted EBITDA Margin - Core Business (%)	6.65%	NA	NA	NA	NA
Adjusted EBITDA Margin - Emerging Business (%)	-86.52%	NA	NA	NA	NA
Power Merchants	9,020.00	NA	NA	NA	NA
Power Merchant ARPU (₹ Mn)	1.28	NA	NA	NA	NA
Revenue from operations per Employee (₹ Mn)	10.18	3.20#	NA	NA	NA
New Merchant added - Emerging Business (Count)	3,758	NA	NA	NA	NA
CAC for Core Business (₹)	4,101.24	NA	NA	NA	NA
CAC for Overall Business (₹)	6,383.59	NA	NA	NA	NA

End Consumer served - Core Business (Mn)	48.32	NA	NA	NA	NA
New end consumers served - Core Business (Mn)	25.71	NA	NA	NA	NA
Repeat end consumers served - Core Business (Mn)	22.61	NA	NA	NA	NA
Repeat rate of end consumers served - Core Business (%)	46.79%	NA	NA	NA	NA
Revenue from operations per product and technology team employee (₹ Mn)	33.4	NA	NA	NA	NA

Note(s): Conversion rate: 1 US$ = ₹83. Other notes same as above. # This metric relates to Uniware platform only for FY 2024

Source(s): Company quarterly reports

Figure 19: Key Financial Measure/Metrics
Descriptive, FY 2025

	Shiprocket Ltd.	Unicommerce eSolutions Ltd.	Shopify Inc.	Global-E Online Ltd.	BigCommerce Holdings Inc.
Revenue from Operations (₹ Mn)	16,320.12	1347.90	7,78,457.00	66,132.16	27,799.77
Revenue from Operations - Core Business (₹ Mn)	13,059.27	NA	NA	NA	NA
Revenue from Operations - Emerging Business (₹ Mn)	3,260.85	NA	NA	NA	NA
Restated Profit/Loss for the period/year (₹ Mn)	-744.49	176.21	1,33,630.00	-5,092.30	-1,742.25
Contribution Margin (₹ Mn)	3,062.76	NA	NA	NA	NA
Contribution Margin - Core Business (₹ Mn)	2,754.09	NA	NA	NA	NA
Contribution Margin - Emerging Business (₹ Mn)	308.67	NA	NA	NA	NA
Contribution Margin as a % of Revenue from Operations (%)	18.77%	NA	NA	NA	NA
Contribution Margin - Core Business as a % of Revenue from Operations - Core Business (%)	21.09%	NA	NA	NA	NA
Contribution Margin - Emerging	9.47%	NA	NA	NA	NA

Business as a % of Revenue from Operations - Emerging Business (%)					
Adjusted EBITDA (₹ Mn)	70.28	283.90	NA	12,538.89	NA
Adjusted EBITDA - Core Business (₹ Mn)	1,569.33	NA	NA	NA	NA
Adjusted EBITDA - Emerging Business (₹ Mn)	-1,499.05	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	0.43%	21.10%	NA	NA	NA
Adjusted EBITDA Margin - Core Business (%)	12.02%	NA	NA	NA	NA
Adjusted EBITDA Margin - Emerging Business (%)	-45.97%	NA	NA	NA	NA
Power Merchants	10,005	NA	NA	NA	NA
Power Merchant ARPU (₹ Mn)	1.44	NA	NA	NA	NA
Revenue from operations per Employee (₹ Mn)	12.76	3.60#	NA	NA	NA
New Merchant added - Emerging Business (Count)	8,204	NA	NA	NA	NA
CAC for Core Business (₹)	3,361.46	NA	NA	NA	NA
CAC for Overall Business (₹)	5,742.33	NA	NA	NA	NA
End Consumer served - Core Business (Mn)	61.59	NA	NA	NA	NA
New end consumers served - Core Business (Mn)	30.11	NA	NA	NA	NA
Repeat end consumers served - Core Business (Mn)	31.48	NA	NA	NA	NA
Repeat rate of end consumers served - Core Business (%)	51.11%	NA	NA	NA	NA
Revenue from operations per product and technology team employee (₹ Mn)	48	NA	NA	NA	NA

Note(s): Conversion rate: 1 US$ = ₹83. Other notes same as above. # This metric relates to Uniware platform only for FY 2025

Source(s): Company quarterly reports

Figure 20: Key Financial Measure/Metrics
Descriptive, 1H FY 2025

	Shiprocket Ltd.	Unicommerce eSolutions Ltd.	Shopify Inc.	Global-E Online Ltd.	BigCommerce Holdings Inc.
Revenue from Operations (₹ Mn)	8,170.08	567.76	3,49,181.00	28,550.26	13,739.74
Revenue from Operations - Core Business (₹ Mn)	6,605.76	NA	NA	NA	NA
Revenue from Operations - Emerging Business (₹ Mn)	1,564.32	NA	NA	NA	NA
Restated Profit/Loss for the period/year (₹ Mn)	-423.07	79.86	82,917.00	-3,735.50	-1,514.58
Contribution Margin (₹ Mn)	1,520.07	NA	NA	NA	NA
Contribution Margin - Core Business (₹ Mn)	1,375.54	NA	NA	NA	NA
Contribution Margin - Emerging Business (₹ Mn)	144.53	NA	NA	NA	NA
Contribution Margin as a % of Revenue from Operations (%)	18.61%	NA	NA	NA	NA
Contribution Margin - Core Business as a % of Revenue from Operations - Core Business (%)	20.82%	NA	NA	NA	NA
Contribution Margin - Emerging Business as a % of Revenue from Operations - Emerging Business (%)	9.24%	NA	NA	NA	NA
Adjusted EBITDA (₹ Mn)	13.89	106.30	NA	5,179.70	NA
Adjusted EBITDA - Core Business (₹ Mn)	763.05	NA	NA	NA	NA
Adjusted EBITDA - Emerging Business (₹ Mn)	-749.16	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	0.17%	18.70%	NA	NA	NA
Adjusted EBITDA Margin - Core Business (%)	11.55%	NA	NA	NA	NA
Adjusted EBITDA Margin - Emerging Business (%)	-47.89%	NA	NA	NA	NA

Power Merchants	8,229	NA	NA	NA	NA
Power Merchant ARPU (₹ Mn)	0.88	NA	NA	NA	NA
Revenue from operations per Employee (₹ Mn)	6.55	NA like to like metric not available[1]	NA	NA	NA
New Merchant added - Emerging Business (Count)	2,387	NA	NA	NA	NA
CAC for Core Business (₹)	3,465.96	NA	NA	NA	NA
CAC for Overall Business (₹)	5,832.64	NA	NA	NA	NA
End Consumer served - Core Business (Mn)	38.18	NA	NA	NA	NA
New end consumers served - Core Business (Mn)	16.30	NA	NA	NA	NA
Repeat end consumers served - Core Business (Mn)	21.88	NA	NA	NA	NA
Repeat rate of end consumers served - Core Business (%)	57.31%	NA	NA	NA	NA
Revenue from operations per product and technology team employee (₹ Mn)	23.99	NA	NA	NA	NA

Note(s): Conversion rate: 1 US$ = ₹83. Other notes same as above. (1). Like-to-like metric not available. Unicommerce eSolutions Ltd.'s reported revenue per employee for the respective period (₹3.4 Mn), as per the quarterly reports, is calculated using annualised revenue from contracts with customers, which differs in methodology from Shiprocket's definition
Source(s): Company quarterly reports

Figure 21: Key Financial Measure/Metrics
Descriptive, 1H FY 2026

	Shiprocket Ltd.	Unicommerce eSolutions Ltd.	Shopify Inc.	Global-E Online Ltd.	BigCommerce Holdings Inc.
Revenue from Operations (₹ Mn)	9,426.74	963.16	4,58,492.00	NA[2]	14,148.35
Revenue from Operations - Core Business* (₹ Mn)	7,049.13	NA	NA	NA	NA
Revenue from Operations - Emerging Business* (₹ Mn)	2,377.61	NA	NA	NA	NA
Restated Profit/Loss for the period/year* (₹ Mn)	-383.23	96.71	97,110.00	NA	-881.88
Contribution Margin (₹ Mn)	1,715.94	NA	NA	NA	NA

Contribution Margin - Core Business (₹ Mn)	1,485.03	NA	NA	NA	NA
Contribution Margin - Emerging Business (₹ Mn)	230.91	NA	NA	NA	NA
Contribution Margin as a % of Revenue from Operations (%)	18.20%	NA	NA	NA	NA
Contribution Margin - Core Business as a % of Revenue from Operations - Core Business (%)	21.07%	NA	NA	NA	NA
Contribution Margin - Emerging Business as a % of Revenue from Operations - Emerging Business (%)	9.71%	NA	NA	NA	NA
Adjusted EBITDA (₹ Mn)	52.59	208.90	NA	NA	NA
Adjusted EBITDA - Core Business (₹ Mn)	871.49	NA	NA	NA	NA
Adjusted EBITDA - Emerging Business (₹ Mn)	-818.90	NA	NA	NA	NA
Adjusted EBITDA Margin (%)	0.56%	21.70%	NA	NA	NA
Adjusted EBITDA Margin - Core Business (%)	12.36%	NA	NA	NA	NA
Adjusted EBITDA Margin - Emerging Business (%)	-34.44%	NA	NA	NA	NA
Power Merchants	8,596	NA	NA	NA	NA
Power Merchant ARPU (₹ Mn)	0.94	NA	NA	NA	NA
Revenue from operations per Employee (₹ Mn)	7.17	NA like to like metric not available[1]	NA	NA	NA
New Merchant added - Emerging Business (Count)	13,792	NA	NA	NA	NA
CAC for Core Business (₹)	2,817.88	NA	NA	NA	NA
CAC for Overall Business (₹)	5,359.76	NA	NA	NA	NA
End Consumer served - Core Business (Mn)	42.27	NA	NA	NA	NA
New end consumers served - Core Business (Mn)	14.98	NA	NA	NA	NA

Repeat end consumers served - Core Business (Mn)	27.29	NA	NA	NA	NA
Repeat rate of end consumers served - Core Business (%)	64.56%	NA	NA	NA	NA
Revenue from operations per product and technology team employee (₹ Mn)	28.70	NA	NA	NA	NA

Note(s): Conversion rate: 1 US$ = ₹83. Other notes same as above. (1). Like-to-like metric not available. Unicommerce eSolutions Ltd.'s reported revenue per employee for the respective period (₹4.2 Mn), as per the quarterly reports, is calculated using annualised revenue from contracts with customers, which differs in methodology from Shiprocket's definition. (2) H1 FY 2026 for Global-E Online Ltd. cannot be computed as Q2 FY 2025 results are not yet published.
Source(s): Company quarterly reports

Chapter 6: Threats and challenges

E-commerce enablement platforms operate by consolidating multiple courier partners, merchant relationships, and technology integrations. While this model offers flexibility, it also exposes these platforms to a set of specific challenges and threats. Some of the key challenges are:

1. **Dependence on third-party couriers:** New age end-to-end horizontal e-commerce enablement does not own fleets, depending instead on courier partners to provide timely and consistent service. Any disruptions in partner performance such as delivery delays, limited coverage can directly affect customer satisfaction and the enabler platform's brand perception. Maintaining competitive shipping rates also depends on high transaction volumes and favourable contract terms with courier partners.
2. **Merchant retention risk:** MSMEs and direct commerce retailers have multiple options for fulfillment, including large marketplaces and dedicated 3PL providers. New age end-to-end horizontal e-commerce enablement platforms must consistently demonstrate superior value in terms of cost, service quality, and technology integrations to retain merchants and prevent attrition.
3. **Operational scalability and technological demands:** As new age end-to-end horizontal e-commerce enablement platforms add partners, geographies, and service offerings (e.g., quick commerce, cross-border shipments), the technology stack must be scaled accordingly. Any lapse in platform reliability, real-time tracking, or data analytics can reduce user satisfaction.

In addition to these challenges, new age end-to-end horizontal e-commerce enablement platforms also face threats:

1. **Disintermediation by large players:** Courier companies can enhance their digital capabilities to offer self-serve platforms, bypassing new age end-to-end horizontal e-commerce enablement platforms altogether. This exposes them to the risk of merchants shifting directly to these alternatives, eroding the enabler's value proposition.
2. **Uncertain regulatory environment**: Policy changes (e.g., new e-commerce guidelines, dedicated freight corridors) could alter cost structures and compliance obligations. Remaining agile in addressing these shifts is crucial to avoid disruptions in courier partnerships and merchant workflows.
3. **Exposure to pricing volatility and contract renegotiations:** Unlike asset heavy logistics firms that control key infrastructure, new age end-to-end horizontal e-commerce enablement platforms operate in a highly fluid pricing environment. Courier partners may revise rates, impose surcharges, or renegotiate contracts based on shifting fuel costs, regulatory levies, or peak season demand fluctuations. This can put pressure on new age end-to-end horizontal e-commerce enablement platform's margins and necessitate constant recalibration of pricing strategies

To mitigate these challenges and threats, new age end-to-end horizontal e-commerce enablement platforms can diversify their partner networks, invest in scalable technology, and enhance data driven insights that help manage courier performance and maintain profitable operations. Consistent evaluation of logistics partnerships and staying current with regulatory developments will be critical for ensuring continued success in this evolving landscape.

Glossary

Term	Description
Merchant Base	A merchant who has utilized concerned company's services at least once during the relevant fiscal/period and has contributed to the said company's revenue for that fiscal/period.
Conversion Rate	US$1 = ₹83
CY	Calendar Year (January to December)
Direct commerce	A business model in which merchants sell directly to customers without intermediary platforms or commission-based third parties through own websites.
FY	Financial year as per Indian standard which begins on 1st April of the base year and ends on 31st March of the following year. For reference, FY 25 includes time period 1st April 2024 to 31st March 2025.
Private Final Consumption Expenditure (PFCE)	Expenditure incurred by the resident households and non-profit institutions serving households on final consumption of goods and services, whether made within or outside the economic territory
Gross National Income (GNI)	GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad
Low-Income Households	Households with annual income less than ₹0.3 million (US$3,300)
Lower Middle-Class Income Households	Households with annual income between ₹0.3 to 0.8 million (US$3,300 to 9,400)
Upper Middle-Class Income Households	Households with annual income between ₹0.8 to 1.1 million (US$9,400 to 13,000)
High-Income Households	Households with annual income more than ₹1.1 million (US$13,000)
Take rate	The percentage of enabled Gross Merchandise Value (GMV) that an e-commerce enablement platform captures as revenue. It varies based on the adoption of core and supporting services, with higher take rates associated with merchants utilizing a more comprehensive suite of offerings.
E-commerce enablement platforms	Platforms that enable commerce on the website/platform of their customers but do not have end consumers who directly purchase on the e-commerce enablement platform
New-age end-to-end horizontal e-commerce enablement platforms	E-commerce enablement platforms offering complete end to end services to merchants across the e-commerce value chain like customer acquisition tools (such as search optimization, targeted advertising, etc.), conversion tools (such as payments, checkout optimization, etc.) , order fulfilment (such as order and inventory management, warehousing management, transport, returns, etc.) and post-sales tools (such as customer loyalty, grievance redressal, etc.) and founded after 2010.
MSME	Micro, Small and Medium Enterprises (MSME) refers to any enterprise making less than ₹2,500 million (US$30 million) in revenue per annum including but not limited to solopreneurs on social media platforms as of FY 2024
Merchant	Refers to MSMEs and large retailers (doing more than ₹2,500 million (US$ 30 million) in revenue per annum) as of FY 2024
Metro	Metro cities indicate 8 cities, namely – Mumbai (Maharashtra), Delhi (NCT), Bangalore (Karnataka), Chennai (Tamil Nadu), Hyderabad (Telangana), Kolkata (West Bengal), Pune (Maharashtra) and Ahmedabad (Gujarat)
Tier-1	Cities with a population of more than 1 million, excluding metro cities
Tier-2+	Cities with a population of less than 1 million
[Year]P	[Year] Projected

Annexure B

List of subsidiaries, associates, Directors, KMP, Senior Management, selling shareholder(s)

Name	Designation
Directors	
Saahil Goel	Managing Director and Chief Executive Officer
Gautam Kapoor	Executive Director and Chief Operating Officer
Arjun Sethi	Non-Executive Director
Chetan Kumar Mathur	Independent Director
Kaushik Dutta	Independent Director
Vani Gupta Dandia	Independent Director
Brijesh Kumar Agrawal	Independent Director
KMPs	
Kumar Tanmay	Chief Financial Officer
Deepa Kapoor	Company Secretary and Compliance Officer
SMPs	
Akshay Ghulati	Chief Executive Officer (International Shipping)
Atul Mehta	Chief Executive Officer (Domestic Shipping)
Praful Poddar	Chief Product Officer
Gaurav Mangla	Chief Executive Officer (Checkout and Advertisements)
Sunil Kumar	Chief Technology Officer
Saumya Khati	Chief Human Resources Officer
Subsidiaries, Associate and Group Companies	
Pickrr Technologies Private Limited	Subsidiary
Shiprocket Omuni Private Limited	Subsidiary
Shiprocket Merchant App Private Limited	Subsidiary
Shiprocket Pte. Limited	Subsidiary
Shiprocket Inc.	Subsidiary
Shiprocket DMCC	Subsidiary
Logitrust Freight Services Private Limited	Subsidiary
Logibricks Technologies Private Limited	Associate and Group Company
Bertelsmann Nederland B.V	Group Company
Selling Shareholders	
Gautam Kapoor	
Saahil Goel	
Vishesh Khurana	
500 Startups III, L.P.	
Agility International Investment LLC	
Arvind Limited	
Bertelsmann Nederland B.V.	
LR India Fund I S.a.r.l. SICAV-RAIF	
MCP3 SPV LLC	
Moore Strategic Ventures, LLC	
Sameer Ashok Mehta	
Tribe Capital III, LLC- Series- 1	
Ankit Kaushik	
Gaurav Mangla	
Rhitiman Majumder	
AFOS, LLC	