

**IPO NOTE**

## SHADOWFAX TECHNOLOGIES LTD



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**KantilalChhaganlal SecuritiesPvt Ltd**

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**Anchor Bid on : Monday, 19<sup>th</sup> January 2026**

**Issue Opens on : Tuesday, 20<sup>th</sup> January 2026**

**Issue closes on : Thursday, 22<sup>nd</sup> January 2026**

Fresh Issue of Equity Shares aggregating up to ₹ 1000 cr and offer for sale of Equity Shares aggregating upto ₹ 907.27 cr

#### Indicative Timetable

Activity	on Or About
Finalisation of Basis of Allotment	23-01-2026
Refunds/Unblocking ASBA Fund	23-01-2026
Credit of equity shares to DP A/c	27-01-2026
Listing of Shares	28-01-2026

Category	No. of Shares		Issue Size In Crs.		(% ) of Issue
	@Lower Band	@Upper Band	@Lower Band	@Upper Ba	
QIB	120,906,959	115,056,623	1,426.70	1,426.70	50%
NIB	24,181,391	2,301,124	285.34	285.34	15%
Big HNI	16,120,928	15,340,883			
Small HNI	8,060,463	7,670,441			
RET	16,120,927	15,340,882	190.23	190.23	35%
EMP	423,728	403,225	5.00	5.00	
<b>Total</b>	<b>161,633,005</b>	<b>133,101,854</b>	<b>1,907.27</b>	<b>1,907.27</b>	<b>100%</b>

Big HNI - Bid Above Rs. 10 Lakhs

Small HNI Bid between Rs. 2 to 10 Lakhs'

#### Shareholding (No. of Shares)

Pre and Post-issue	Post-issue~	Post-issue^
49,74,88,085	58,22,33,847	57,81,33,246

~@Lower price Band ^@ Upper Price Band

#### ISSUE HIGHLIGHTS

- Founded in 2015, Shadowfax Technologies (“Shadowfax”) operates as a technology-enabled third-party logistics (3PL) provider, delivering end-to-end logistics solutions that support digital commerce across India. The company serves a diverse range of enterprise customers, including horizontal and vertical e-commerce platforms, quick commerce operators, food and marketplace platforms, and on-demand mobility businesses. Its service portfolio includes express logistics such as hyperlocal deliveries, along with a broader suite of logistics solutions encompassing forward parcel shipments, reverse logistics, hand-to-hand exchange deliveries, prime deliveries, quick commerce and on-demand hyperlocal services, and mobility-related logistics.
- Shadowfax's client roster features a wide range of well-known brands, such as Meesho, Flipkart, Myntra, Swiggy, BigBasket, Zepto, Nykaa, Blinkit, Kartrocket, Zomato, Uber, Pincode, Purplle, Licious, ONDC, and Magicpin, among others.

#### Issue Details

**Issue Size - ₹ 1,907.27 Cr**

**Face Value - ₹ 10/-**

**Employee Reservation - Shares up to ₹ 5 Cr**

**Price Band - ₹ 118 – 124**

**Bid Lot - 120 Shares and in multiples**

**Post Issue Implied Market Cap - ₹ 6,870 – 7,169 Cr**

**BRLM's -** ICICI Securities, Morgan Stanley India, JM Financial

**Registrar - KFin Technologies Ltd**

#### Shareholding (%)

Shareholding Pattern (%)	Pre Issue (%)	Post Issue (%)
Promoters	19.41%	16.70%
Public - Investor Selling Shares	63.06%	41.61%
Pulic Others	17.53%	41.69%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Category	Retail Category	Small HNI 2- 10 Lakhs	Big HNI > 10 Lakhs
Min Bid Lot	120 Eq. Shares	1680 Eq. Shares	8160 Eq. Shares
Min Bid Amt.	14880	208320	1011840
Application for 1x Subscription	127841	4566	9131
	Apps	Apps	Apps

Big HNI - Bid Above Rs. 10 Lakhs

Small HNI Bid between Rs. 2 to 10 Lakhs'

- As of September 30, 2025, Shadowfax had established a nationwide logistics footprint comprising 4,299 operational touchpoints. These touchpoints span first-mile and last-mile delivery centers as well as sortation hubs, collectively enabling service coverage across 14,758 PIN codes.
- In FY2025, the platform handled a total of 43.64 crore shipments, recording a compound annual growth rate (CAGR) of 29.77% since FY2023. During the six-month period ended September 30, 2025, order volumes reached 29.45 crore, translating into a CAGR of 50.11% compared with the corresponding six-month period ended September 30, 2024.
- To deepen digital commerce penetration in India and deliver scalable solutions to its customers, Shadowfax relies on three key pillars: (i) a pan-India logistics infrastructure, (ii) a dense intra-city last-mile delivery network powered by gig-based delivery partners, and (iii) a proprietary technology platform that incorporates an intelligent supply-demand allocation engine.
- As of September 30, 2025, the company's logistics operations occupied over 3.50 million square feet of functional space. This included 53 sortation centers covering more than 1.80 million square feet, which are responsible for the aggregation, sorting, and onward dispatch of shipments.
- Shadowfax follows a predominantly leased approach for its logistics facilities and linehaul operations, while maintaining ownership of key automation equipment and machinery to retain operational oversight. Consistent with its asset-light strategy, the company deploys a dedicated linehaul fleet averaging more than 3,000 trucks per day.

## **BUSINESS STRATEGIES**

- Driving market share gains through stronger client engagement and operating leverage**

The company seeks to increase its share of business from existing customers while also onboarding new clients across its service offerings, enabling deeper participation in India's e-commerce ecosystem. A key focus area is expanding engagements with direct-to-consumer (D2C) brands and small and medium enterprises (SMEs), which generally deliver higher yield profiles than large horizontal marketplaces and aggregator-led platforms. Increased penetration within these higher-yield segments, alongside growth in existing service lines, is expected to support improved margin outcomes through operating leverage and efficiencies achieved at the network level.

## BUSINESS STRATEGIES

- **Broadening the scope of service offerings**

The company plans to enhance its express logistics capabilities by reinforcing its high-speed delivery infrastructure and enabling time-definite shipments closer to end customers. It also intends to build specialized capabilities for parcel deliveries in the banking, financial services, and insurance (BFSI) sector, as well as cross-border parcel movements. In addition, the company aims to expand its express business-to-business (B2B) parcel services to address time-sensitive inter-city and intra-city delivery requirements.

- **Ongoing expansion and optimization of the logistics network**

The company's growth strategy involves increasing supply chain capacity at key locations to support rising shipment volumes, improve proximity to end consumers, and optimize delivery timelines and costs. Through investments in middle-mile infrastructure, including capacity additions and replenishment of existing assets, the company aims to enhance delivery speeds across its platform and provide faster, more efficient solutions to customers.

- **Continued investment in technology capabilities**

The company intends to continue investing in technology to: (i) launch new services in complex verticals such as BFSI, (ii) lower last-mile and middle-mile logistics costs, (iii) strengthen network security through enhancements to its SF Shield modules, (iv) elevate customer experience and related performance metrics, (v) further develop last-mile operational capabilities, and (vi) introduce additional digital tools and features that enhance digital commerce use cases for clients. A key priority will be the advancement of generative AI capabilities to support these objectives and address evolving operational challenges.

- **Facilitating adoption of electric vehicle (EV) fleets**

The company's EV strategy is driven by increasing client demand for environmentally sustainable and cost-efficient logistics solutions. Transitioning to electric vehicles helps reduce environmental impact while also lowering operating costs for delivery partners and linehaul vendors. To support last-mile delivery operations, the company plans to establish offline EV hubs that provide rental EVs to delivery partners.

- **Capability expansion through inorganic growth initiatives**

Strategic asset acquisitions have played a significant role in strengthening the company's operational capabilities. Notable acquisitions include Pickingo Logixpress in 2015, Nuvo Logistics in 2017, and CriticaLog in 2025. The acquisition of Pickingo Logixpress facilitated the company's entry into the reverse pickup logistics segment, while the Nuvo Logistics acquisition enabled customer synergies within the same domain. The company continues to actively evaluate and pursue selective acquisitions that can enhance both revenue growth and margin performance.

## KEY STRENGTHS

- An asset-light logistics platform powered by proprietary technology, offering pan-India coverage.
- Established footprint across rapidly expanding segments, including e-commerce and quick commerce.
- A highly scalable delivery infrastructure serving more than 14,700 PIN codes nationwide.
- In-house technology stack supporting route optimization, delivery partner management, and robust security systems.
- Deep, long-term partnerships with leading enterprise customers.

## KEY RISKS

- The company has incurred losses of ₹11.88 crore in FY2024 and ₹142.64 crore in FY2023 and has experienced negative cash flows in certain periods, which may continue due to rising expenses.
- Operations are highly dependent on a unified nationwide logistics network comprising 4,299 touchpoints, over 3.50 msf of operational space, and coverage of 14,758 PIN codes as of September 30, 2025, making it vulnerable to network disruptions.
- Revenue concentration risk exists, as the largest client contributed between 48.00% and 59.52% of operating revenue across FY2023–FY2025 and the six months ended September 30, 2024 and 2025.
- Despite revenue growth from ₹1,415.12 crore in FY2023 to ₹2,485.13 crore in FY2025, past growth may not be indicative of future performance and execution risks remain. Inability to scale network infrastructure in a balanced manner could adversely impact growth, operations, financial condition, and cash flows.
- The business relies on a non-exclusive crowdsourced delivery partner base of 205,864 average quarterly unique transacting partners as of September 30, 2025, and any supply disruption could affect operations and profitability.
- Operational risks arise from potential mishandling of shipments by delivery partners, which could lead to inefficiencies and customer dissatisfaction.
- Dependence on third-party franchisees for portions of last-mile delivery exposes the company to performance, relationship, and service-quality risks.
- Cash-on-delivery transactions create operational complexities and expose the company to risks of cash handling losses.
- All logistics facilities are leased as of September 30, 2025, and any lease non-renewal, irregularity, or inability to secure alternative facilities could materially harm the business.

## KC Securities ( Kantilal Chhaganlal ) Outlook on Shadowfax Technologies Ltd IPO

Rating – Long term Investor can Subscribe

### Valuation and Outlook

- **Suitable for high-risk, long-term investors as industry outlook looks Positive.**
- It is well-positioned to benefit from the rapid expansion of India's e-commerce and last-mile logistics market, with recent revenue and order volumes growing strongly. However, while revenue momentum and profitability have both been improving (including turning a small profit in FY25 and a notable net profit increase in the first half of FY26), overall margins remain modest and earnings visibility is still developing.
- At around a 2.8× Price-to-Sales multiple, the IPO valuation is relatively high compared with peers such as Delhivery, making it a pricier play in the logistics space. as small player have lot of growth space in industry hence long term can be promising .
- Shadowfax's business is also highly customer-concentrated, with a significant portion of revenue coming from a small number of large clients historically including Flipkart and Meesho among the top contributors.
- company is the fastest growing 3PL company of scale in India as of March 31, 2025, expanding its e-commerce shipment market share from ~8% in FY2022 to ~23% in the six months ended September 30, 2025. Within the express service line, they are market leaders in reverse pickup shipments, in terms of order volume for FY2025 and the six months ended September 30, 2025. They are also a market leader in 3PL quick commerce (or “Q-Commerce”) solutions and same-day delivery based on order volume for FY2025 and the three months ended June 30, 2025. Their platform processed 43.64 crore orders during FY2025, achieving a CAGR of 29.77% from FY2023. During the six months ended September 30, 2025, they processed 29.45 crore orders, which represents a CAGR of 50.11% from the six months ended September 30, 2024. In FY2025, they generated revenue from operations of ₹2,485.13 crore, with an Adjusted EBITDA margin of 1.96%. For the six months ended September 30, 2025

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