

SHADOWFAX TECHNOLOGIES LIMITED

January 19, 2026



SMC Ranking

★ ★ ☆ ☆ ☆ (2/5)

Issue Highlights

Industry	Information Technologies (Logistics)
Offer for sale (Shares)	73,166,935
Fresh Issue (Shares)	80,645,161
Net Offer to the Public	153,812,096
Issue Size (Rs. Cr.)	1815-1907
Price Band (Rs.)	118-124
Offer Date	20-Jan-26
Close Date	22-Jan-26
Face Value	10
Lot Size	120

Issue Composition

	In shares
Total Issue for Sale	153,812,096
QIB	115,359,072
NIB	23,071,814
Retail	15,381,210

Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	19.41%	16.71%
QIB	80.59%	76.64%
NIB	0.00%	3.99%
Retail	0.00%	2.66%
Total	100.00%	100.00%

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

- 1) Funding of capital expenditure requirements of the Company in relation to the network infrastructure
- 2) Funding of lease payments for new first mile centers, last mile centers and sort centers.
- 3) Funding of branding, marketing and communication costs.
- 4) Unidentified inorganic acquisitions and general corporate purposes.

Book Running Lead Manager

- ICICI Securities Ltd.
- Morgan Stanley India Company Private Limited
- JM Financial Limited

Name of the registrar

- Kfin Technologies Ltd.

About the company

Incorporated in June 2016, Shadowfax Technologies Ltd is an India-based logistics solutions provider offering comprehensive services across the e-commerce delivery value chain. The company specialises in express parcel delivery and provides a wide range of value-added logistics offerings. Shadowfax's service portfolio includes e-commerce and direct-to-consumer (D2C) deliveries, hyperlocal and quick commerce fulfilment with same-day or within-hours delivery, and SMS and personal courier services through its proprietary Flash app. As of September 30, 2025, the company operated a nationwide logistics network comprising 4,299 touchpoints, including first-mile, last-mile and sort centres, serving 14,758 pin codes across India. Its operations are supported by more than 3.50 million square feet of logistics infrastructure, including 53 sort centres spanning 1.80 million square feet, enabling efficient shipment consolidation, sorting and dispatch. Shadowfax follows an asset-light operating model, leasing logistics facilities and linehaul capacity while owning key automation systems and machinery to maintain operational control. The company operates a dedicated fleet of over 3,000 trucks daily through its asset-light linehaul network. The company's technology platform supported an average of 205,864 quarterly unique transacting delivery partners as of September 30, 2025. Its client base includes leading e-commerce, quick commerce, food delivery and hyperlocal platforms such as Meesho, Flipkart, Myntra, Swiggy, BigBasket, Zepto, Nykaa, Blinkit, Kartrocket, Zomato, Uber, Pincode, Purple, Licious, ONDC and Magicpin. This diversified customer portfolio positions Shadowfax as one of the few large-scale providers offering end-to-end e-commerce logistics alongside last-mile, quick commerce and hyperlocal delivery services. As of September 30, 2025, Shadowfax employed 4,472 permanent employees and 17,182 contract workers.

Strength

Agile and Customisable Logistics Solutions Enabling Faster Go-to-Market:

Shadowfax provides flexible, tailored logistics solutions that enable rapid market entry for clients. It is the only large-scale 3PL in India offering both end-to-end e-commerce logistics and last-mile delivery across quick commerce, food delivery and diverse hyperlocal use cases. Its express services span forward deliveries, reverse pickups, hand-in-hand exchanges, and same-day and quick-commerce fulfilment, allowing it to manage complex, value-added logistics at scale. Deep, multi-service engagements with leading clients have driven continuous innovation, including faster exchange deliveries and accelerated fulfilment, strengthening customer experience and long-term client relationships.

Largest Gig-Based Last-Mile Delivery Infrastructure:

The company operates India's largest crowdsourced last-mile delivery network among e-commerce 3PL players, with an average of 205,864 unique delivery partners per quarter across more than 2,300 cities as of September 30, 2025. Its integrated, gig-based fleet supports multiple service lines through a technology-led demand-supply allocation engine that improves utilisation, lowers client costs and ensures predictable earnings for delivery partners. This ecosystem is powered by the proprietary "Frodo" platform, which enables touchless onboarding, AI-driven order allocation, real-time tracking, transparent payouts and performance-linked incentives, along with benefits such as insurance, early payouts and EV access.

Extensive Pan-India Network: Shadowfax's scalable logistics network spans first-mile, middle-mile and last-mile operations, covering over 14,000 pin codes through 4,299 touchpoints as of September 2025. Operating on an asset-light, fully leased model, the company retains strong operational control through automation and technology, supported by fully automated sort centres in Surat, Bilaspur and Jaipur. Advanced

infrastructure—including high-speed sortation systems, x-ray and DWS machines, mechanised handling equipment and camera-based surveillance—ensures security, traceability and real-time visibility. Its linehaul network runs over 3,000 trucks daily, supplemented by airline partnerships for next-day metro deliveries.

Proprietary and Scalable Technology Platform: Shadowfax has built an in-house, microservices-based logistics technology platform designed to support large-scale digital commerce. The unified and customisable stack is enhanced by AI-driven optimisation engines and includes a real-time supply-demand allocation engine, the “Frodo” delivery partner lifecycle platform, “SF Shield” for fraud prevention, and “SF Maps,” an AI-enabled address intelligence system. Together, these systems enable efficient scaling, cost optimisation, demand variability management and consistent service quality for clients and end consumers.

Proven Asset-Light and Profit-Focused Business Model: The company has demonstrated strong, profitable growth at scale, with operating revenue rising from ₹14,151.24 million in FY23 to ₹24,851.31 million in FY25. Revenue for the six months ended September 30, 2025, grew 68.43% year-on-year to ₹18,056.44 million. Profitability has improved materially, with Adjusted EBITDA turning positive in FY25 and increasing to approximately ₹515 million in H1 FY26. A capital turnover ratio of 3.96x in FY25—the highest among Indian 3PL peers—underscores the efficiency of its asset-light model.

Experienced and Diverse Management Team: Shadowfax is led by a seasoned management team comprising Abhishek Bansal (MD & CEO), Vaibhav Khandelwal (Whole-Time Director and CTO), Praharsh Chandra (Whole-Time Director and Chief Business Officer), and Gaurav Jaithlia (Whole-Time Director and Head of Business Strategy). Supported by a broader leadership team with an average industry experience exceeding 13 years, this blend of entrepreneurial vision and professional execution has enabled strong governance, rapid scalability and continuous innovation.

Strategies

Market Share Expansion Through Deeper Client Engagement and Operating Leverage: Shadowfax has emerged as the fastest-growing large-scale 3PL in India by order volume between FY22 and FY25, increasing its e-commerce shipment market share from approximately 8% to around 23%. The company aims to further increase wallet share with existing clients while expanding its presence among D2C brands and SMEs, which typically offer higher margins and demand customised, high-speed solutions. This disciplined growth approach has driven improving profitability and sustained industry-leading capital efficiency.

Continued Expansion of the Service Portfolio: In response to the rapid evolution of India's logistics landscape, Shadowfax plans to enhance its infrastructure and service capabilities to deliver faster, more flexible and diversified solutions. Key initiatives include expanding dark-store-enabled high-speed logistics, developing dynamic mobility solutions, entering BFSI and cross-border parcel segments, scaling express B2B and time-critical deliveries, strengthening large and heavy shipment handling, and selectively monetising reverse logistics within B2B operations.

Ongoing Network Strengthening and Capacity Expansion: The company intends to expand its geographic coverage by increasing the number of serviced pin codes and enhancing capacity at strategic locations. Investments will focus on strengthening middle-mile infrastructure and upgrading facilities to support higher volumes and faster deliveries. A core priority is the rollout of fully automated sortation centres, with one vertical cross-belt sorter already commissioned and plans to add six large-scale automated facilities over the next three years.

Sustained Investment in Technology and Data Analytics: Shadowfax will continue to invest in its proprietary technology platform, leveraging AI, machine learning and generative AI to introduce new services, enhance security, improve customer experience and optimise last-mile and digital commerce capabilities. This data-driven approach is expected to improve demand forecasting, resource allocation and scalable execution.

Enabling EV Adoption Across the Network: Driven by client demand for sustainable logistics, Shadowfax is advancing an EV-focused strategy to lower operating costs for delivery partners and

improve retention. The company is building a three-sided EV marketplace and plans to establish offline EV centres in high-density urban markets to support rental access. It aims to expand EV leasing across last-mile and middle-mile operations and transition a majority of its biker fleet to electric vehicles over the next five years.

Inorganic Growth Through Selective Acquisitions: Shadowfax's inorganic growth strategy focuses on strengthening core capabilities through targeted acquisitions. The acquisitions of Pickingo Logixpress and Nuvo Logistics enabled its expansion into reverse logistics, positioning it as the leading 3PL in reverse pickup shipments by order volume in FY25. Going forward, the company plans to pursue selective acquisitions in adjacent segments to enhance margins, expand service offerings and reinforce its competitive position.

Risk Factor

- Shadowfax has reported losses in recent years and negative cash flows in certain periods, and may continue to incur losses as it invests in growth and expansion.
- Dependence on third-party franchisees for last-mile deliveries exposes the company to risks related to service quality, operational disruptions and reputational impact.
- Cash-on-delivery transactions create operational complexity and expose the company to risks associated with cash handling and potential losses.
- All logistics facilities are leased, and any non-renewal of leases or inability to secure alternative facilities could adversely affect operations.
- The business is highly dependent on technology infrastructure and third-party applications, and system failures or inadequate upgrades could impact operations and growth.
- The company faces risks related to loss, damage or non-compliance associated with the goods it transports and handles.
- Insurance coverage may be insufficient to fully cover all operational risks and potential losses.
- Past delays in regulatory filings have resulted in late fees, indicating potential compliance-related risks.
- Rising costs or limited availability of key logistics inputs, including transportation and equipment, could impact profitability.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Blue Dart Express	5920.26	266.37	112.25	48.11	7.85	687.44	10	5399.80	12813.73
Delhivery	9423.19	138.22	1.85	217.05	3.15	127.34	1	401.55	30047.69
Shadowfax Technologies Ltd.	3611.29	42.07	0.73	170.39	4.18	29.66	10	124.00	7168.85

*Peer companies financials are TTM based

Shadowfax technologies limited financials are based on Estimated FY26

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.124, the stock is priced at pre issue P/E of 146.62x on estimated annualised FY26 EPS of Rs.0.85. Post issue, the stock is priced at a P/E of 170.39x on its EPS of Rs. 0.73. Looking at the P/B ratio at Rs.124 pre issue, book value of Rs. 14.36 of P/Bvx 8.63x. Post issue, book value of Rs.29.66 of P/Bvx 4.18x.

Considering the P/E valuation, on the lower end of the price band of Rs.118, the stock is priced at pre issue P/E of 139.52x on estimated annualised FY26 EPS of Rs. 0.85. Post issue, the stock is priced at a P/E of 162.14x on its EPS of Rs.0.73. Looking at the P/B ratio at Rs. 118 pre issue, book value of Rs. 14.36 of P/Bvx 8.22x. Post issue, book value of Rs.29.66 of P/Bvx 3.98x.

Industry Outlook

India's logistics sector is experiencing a significant transformation, supported by increased growth in e-commerce, quick commerce, and escalating consumer demands for speed, reliability, and convenience. As of FY25, the Indian logistics market is projected to be valued at Rs. 21-23 trillion, having expanded at a CAGR of 2.5-5% since FY20. This growth is strengthened by government initiatives such as Gati Shakti, Bharatmala, and the National Logistics Policy, which aim to lower costs and enhance efficiency. The e-commerce logistics segment has seen substantial growth, with shipment volumes anticipated to reach 4.9-5.3 billion in FY25 and expected to grow at a CAGR of 23-27% to 15-16 billion shipments by FY30. This growth is driven by lower average order value (AOV) categories like fashion and increasing market penetration in Tier 2+ cities. Hyperlocal and quick commerce are emerging as rapidly growing sub-segments, with the quick commerce market estimated at Rs. 0.53 trillion in FY25 and projected to expand at a CAGR of 50-62% through FY30. Additionally, the online food delivery sector is expected to reach Rs. 1.7-2.2 trillion by FY30. The industry is also benefiting from an increasing gig workforce, which is expected to grow from approximately 10 million workers in FY25 to 24 million by FY30, facilitating asset-light and scalable operating models. In the context of increasing consolidation and the demand for diversified, technology-driven services such as same-day delivery, reverse logistics, and hyperlocal fulfillment, large integrated third-party logistics (3PL) providers are well-positioned to capture market share and achieve the next phase of growth.

Outlook

Backed by a scalable asset-light model, proprietary technology, and India's largest gig-based last-mile network, Shadowfax is well positioned to benefit from sustained growth in e-commerce and quick commerce. Continued service diversification, network expansion and EV adoption should support profitability improvement. However, execution risks, cost pressures, reliance on partners and technology dependence remain key monitorables as the company scales.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	20-January-26
BID/ISSUE CLOSES ON	22-January-26
Finalisation of Basis of Allotment with the Designated Stock Exchange	23-January-26
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	27-January-26
Credit of Equity Shares to Demat Accounts of Allottees	27-January-26
Commencement of trading of the Equity Shares on the Stock Exchanges	28-January-26

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Sep-25 (6 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	1805.64	2485.13	1884.82
Total expenditure	1741.31	2428.95	1873.45
Operating Profit	64.34	56.19	11.37
OPM%	3.56	2.26	0.60
Other Income	14.16	29.53	11.66
Total Net Income	78.49	85.71	23.03
Interest	7.61	14.41	7.16
PBDT	70.89	71.30	15.88
Depreciation	49.85	65.24	27.76
PBT	21.04	6.06	-11.88
Tax	0.00	-0.37	0.00
Profit & Loss	21.04	6.43	-11.88

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Sep-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	153.04	116.68	89.37
Right Of Use Assets	140.20	121.22	8.73
Goodwill	40.06	40.06	0.00
Other Intangible Assets	55.52	51.29	19.39
Financial assets			
Other Financial Assest	21.02	11.37	6.75
Other Bank Balances	22.50	0.00	20.00
Income Tax Assets	20.78	9.92	22.38
Other non-current assets	7.22	14.88	0.00
Deferred Tax Assets Net	1.59	1.59	0.00
Total non-current assets	461.92	367.00	166.62
Current asset			
Financial Assets			
Investments	375.38	328.56	312.45
Trade receivables	373.43	329.06	183.64
Cash and cash equivalents	171.50	161.99	101.00
Bank balances other than C&C Equivalents	11.37	29.29	1.81
Other Financial Assets	55.90	36.78	19.00
Other Current Assets	3.66	6.57	1.63
Total current assets	991.24	892.26	619.52
Total Assets	1453.16	1259.26	786.14
Non-current liabilities			
Financial liabilities			
Borrowings	0.12	0.28	5.75
Lease Liabilities	94.61	81.24	5.38
Other financial Liabilities	8.48	8.48	0.00
Provisions	16.80	14.95	8.90
Total Non- Current liabilities	120.00	104.95	20.02
Current liabilities			
Financial Liabilities			
Borrowings	0.38	6.18	25.76
Lease Liabilities	52.33	44.53	3.45
Trade Payables	0.00	0.00	0.00
Total outstanding dues of micro enterprises and small enterprises; and	8.69	18.26	4.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	265.05	196.51	140.87
Other financial Liabilities	231.27	196.35	131.49
Other Current Liabilities	79.00	28.76	36.27
Provisions	2.90	3.29	2.15
Total - Current Liabilities	639.63	493.88	344.34
Total Liabilities	759.63	598.83	364.36
Net worth represented by:			
Equity share capital	151.79	151.79	0.24
Instruments entirely equity in nature	260.48	260.48	249.07
Other equity	281.26	248.16	172.47
Total Equity	693.53	660.43	421.78

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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