



IPO Note

SHADOWFAX TECHNOLOGIES LIMITED

Jan 20th, 2026



Jan 20th, 2025**Details of the Issue**

Price Band	₹ 118 - ₹ 124
Issue Size	₹ 1,907 Cr
Face Value	₹ 10
Bid Lot	120
Listing on	BSE, NSE
Post Issue Mcap	₹ 7,168.85 Cr
Investment Range	₹ 14,160 - ₹ 14,880

Important Indicative Dates (2025)

Opening	20 - Jan
Closing	22 - Jan
Basis of Allotment	23 - Jan
Refund Initiation	27 - Jan
Credit to Demat	27 - Jan
Listing Date	28 - Jan

Lead Manager

ICICI Securities Ltd
Morgan Stanley India Company Pvt Ltd
JM Financial Pvt Ltd

Offer Details

Offer Size	₹ 1,907 Cr
Fresh Issue	₹ 1,000 Cr
OFS	₹ 907 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	1,430	115	121	75
NII	286	23.07	24.24	15
Retail	191	15.38	16.16	10
Em-ploy.	-	-	-	-
Total	1,907	154	162	100

Invest Now**Company Profile**

Shadowfax Technologies Ltd, incorporated in June 2016, provides end-to-end logistics solutions to e-commerce companies in India. Its service portfolio includes express forward deliveries, reverse pickups and exchanges, prime and same-day deliveries, quick commerce, on-demand hyperlocal logistics, mobility, and critical logistics services. As of September 30, 2025, STL's network covered 14,758 pin codes across India, supported by a nationwide infrastructure of 4,299 touchpoints, and catered to a diversified enterprise client base spanning horizontal and non-horizontal e-commerce, quick commerce, food marketplaces, and on-demand mobility platforms. The company is the fastest-growing 3PL player in India as of March 31, 2025, with its e-commerce shipment market share rising from ~8% in FY22 to ~23% in 6MFY26. The company is a market leader in reverse pickup shipments and quick commerce logistics, and also leads in same-day delivery volumes for FY25 and 6MFY26. STL processed 436.36 million orders in FY25, registering a 29.77% CAGR between FY23 and FY25, and processed 294.45 million orders as of September 30, 2025, reflecting a strong 50.11% CAGR from 6MFY24 to 6MFY26.

GEPL's Insights & Investment Thesis:

- Shadowfax Technologies is a third-party logistics solution provider with marquee companies such as Meesho, Flipkart, Zepto, and Others. The company's largest client contributed approximately 49% to the total revenue in the first half of fiscal year 2026.
- The company reported improving financial performance with 32.5% CAGR revenue growth between FY23-25 and turned PAT positive in FY2025.
- Based on the FY25 earnings, relative to the company's paid-up capital, the issue is priced at a P/S ratio of 2.6x. We believe that the issue is overly valued compared to its peers, faces client concentration risk, and weak profitability. Therefore, we recommend a "Avoid" rating for the issue.

Business Highlights & Services

Shadowfax Technologies is the only 3PL in India offering both end to end delivery for e-commerce and last mile delivery for quick commerce, food delivery, and other hyperlocal. It serve the diverse and complex needs of clients and end customer through a comprehensive suite of express logistics solutions, including forward parcel delivery, reverse pickups and hand-in-hand exchange logistics, prime delivery, quick commerce, on-demand hyperlocal delivery, and critical item logistics. As a result, we are the largest 3PL provider in India for value-added services such as reverse pickups logistics, hand-in-hand exchange deliveries, same day, and quick commerce, by order volume for the FY25 and 6MFY25. The company has marqueri client portfolio including Meesho, Flipkart, Myntra, Swiggy, Bigbasket, Zepto, Nykaa, Blinkit, Kartrocket, Zomato, Uber, Pincode, Purplle, Licious, ONDC, Magicpin, among others. STL is a market leader in terms of order volumes for the FY25 and also for certain complex and Value added logistic services like reverse pick up and same day delivery .

The company operates India's largest crowdsourced last mile dilevery fleet among the 3PL e-commerces payer, with ~2.06 lakh active delivery partner on average across 2,300+ cities in H1 FY26 creates a strong entry barrier. The company operates on the Asset light business model through a gig based model, this keeps cost low, fleet lowers fixed cost and enables scables growth without heavy capital investment. Single fleet deployed across multiple services smoothens demand cycles, increases partner productivity, and enhances margins through higher utilization.



With proprietary AI/ML platform manages the entire delivery partner lifecycle onboarding, training, order allocation, tracking, payouts, and quality checks using AI/ML for efficient job matching. The platform gamifies payout through surge pricing, incentives, and referrals, boosting engagement, ~37% of new partners in FY25. Additional support includes early payouts, micro-financing, insurance cover, and brand discounts, improving partner retention and satisfaction. Large, skilled, and expanding delivery network acts as a core competitive moat, supporting sustained volume growth across e-commerce, quick commerce, and allied logistics services.

The company has large scale network which serve as the backbone of the efficient and scalable delivery system encompassing first mile, middle mile facilities. As of Sep 30, 2025, it has network span of 14,758 pin code through network more than 4,299 touch point across first and the last mile centers, franchisee partner and sort centers. It runs fully automated sorting centers in Surat, Bilaspur, and Jaipur, and follows an asset-light model by leasing trucks and properties, which helps achieve industry-leading capital efficiency among Indian 3PL players. These sort centers use advanced machines like cross-belt sorters, X-ray scanners, and dimension-weight systems to sort parcels quickly, accurately, and securely. For heavy and bulky shipments, mechanized equipment reduces manual work, improves speed, and lowers operational risk. A camera-based tracking system (SF Shield) provides real-time visibility of shipments across the network, improving security, transparency, and risk control. The company operates 3,000+ trucks daily, covering first-mile pickup, inter-hub movement, and last-mile delivery, and also partners with airlines for next-day delivery in metros. The network is flexible and demand-driven metro areas get multiple daily delivery runs, while smaller cities receive at least one ensuring speed, reliability, and high throughput, especially for time-critical deliveries.

STL is the Indian's fastest growing 3PL, with rising market share from ~8% to ~23% in H1FY26, driven by execution strength and technology-led operations. Its strategic focus on higher-yield D2C and SME clients, alongside network-level operating leverage, has already translated into a sharp improvement in Adjusted EBITDA from -7.2% in FY23 to +2.9% in H1 FY26, with further margin upside ahead. A capital-efficient, asset-light model with the highest capital turnover among peers enables profitable scaling, while expansion into quick commerce infrastructure, BFSI and cross-border parcels, express B2B, heavy shipments, and reverse lane monetization provides multiple growth options. Backed by strong e-commerce and logistics industry tailwinds, the company is well positioned to compound growth, strengthen profitability, and sustain long-term market leadership.

The company offers a compelling investment opportunity driven by its scalable network expansion, automation-led operating leverage, and technology-first strategy. Continued pin-code expansion, capacity augmentation, and investments in automated, vertically scalable sortation centers are expected to improve delivery speed, reduce costs, and support margin expansion as volumes grow. Strong focus on proprietary technology, generative AI, and data analytics enhances forecasting accuracy, last-mile efficiency, network security, and customer experience, creating a durable competitive moat. The transition toward EV-led logistics lowers delivery costs, improves delivery partner retention, and aligns the business with long-term sustainability trends. An asset-light, capital-efficient model supports high ROCE-led growth, while a proven M&A track record in reverse and critical logistics strengthens capabilities, diversifies higher-yield services, and provides sustained long-term growth visibility in India's structurally growing logistics market.

Operational Metrics

Particular	1HFY26	FY25	FY24	FY23
Express Orders (mn)	228	342	302	210
Hyperlocal Orders (mn)	66	95	48	49
Total Orders (mn)	294	436	350	259
Pin-Codes Reach (nos)	14,758	14,387	13,169	7,955
No of Touchpoints (nos)	4,299	3,964	3,093	1,817
Average quarterly unique transacting delivery partners (nos)	2,05,864	1,51,385	1,01,761	1,40,468

Cash on Delivery Order Metrics

Particular	1HFY26	FY25	FY24	FY23
Number of clients providing cash on delivery orders on the platform (nos)	387	272	144	133
Number of cash on delivery orders delivered (mn)	101	158	156	122
Cash on delivery Orders as % of Total Orders (%)	34.5	36.1	44.4	47
Total	523	466	344	302



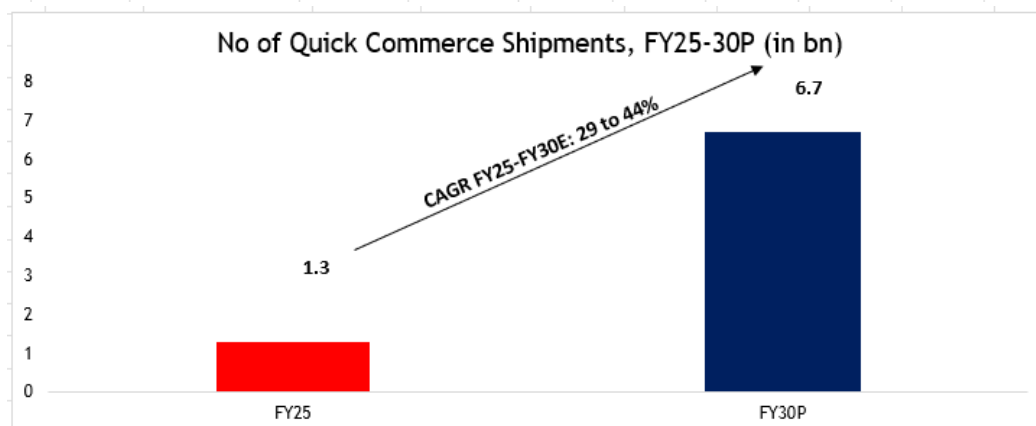
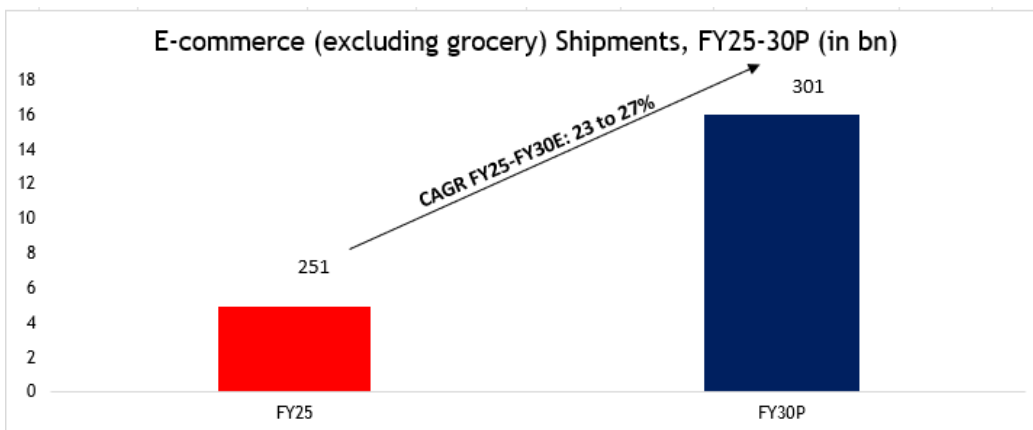
Services wise revenue breakup

Particular	1HFY25		FY25		FY24		FY23	
	Amount (In Cr)	%	Amount (In Cr)	%	Amount (In Cr)	%	Amount (In Cr)	%
Express	1,239	68.60%	1,716	69.05%	1,495	79.31%	1,035	73.14%
Hyperlocal	359	19.88%	513	20.64%	254	13.47%	255	18.02%
Other Logistics Services	208	11.52%	256	10.30%	136	7.21%	125	8.83%
Total Revenue	1,806	100%	2,485	100%	1,885	100%	1,415	100%

STL Services Offerings



Industry Outlook





Peers Comparisons

Name of the company	Face Value (₹)	Total Revenue (In Cr)	EPS	P/E (x)	NAV (In INR)	RoNW(%)
Shadowfax Technologies Ltd	10	2,514.6	0.13	NA	13.83	0.97
Peers Group						
Blue Dart Express Ltd	10	5,762.2	106.4	50.7	657.05	17.25
Delhivery Ltd	1	9,372.1	2.1	195.1	124.77	1.75

Company's Competitive Strength

- Agile and customisable logistics services that enable faster go-to-market for clients.
- Largest last-mile gig-based delivery partner infrastructure.
- The extensive nationwide network.
- Proprietary and agile technology capabilities.
- Proven business model, with focus on profitability, while delivering healthy growth.
- Experienced management team supported by entrepreneurial founders.

Key Strategies Implemented by Company

- Consistent market share expansion driven by deepening customer relationships and operating leverage.
- Continue to expand the service portfolio.
- Continue to strengthen and expand the network.
- Continue to invest in technology.
- Enabling EV fleets.
- Inorganic growth through acquisition for expansion of the capabilities.

Particular (INR in Cr)	1HFY26	FY25	FY24	FY23
Equity Capital	152	152	-	-
Reserves and Surplus	542	509	422	176
Net Worth	694	661	422	176
Revenue	1,806	2,485	1,885	1,415
Growth (%)		32%	33%	
EBITDA	64	56	11	-113
EBITDAM (%)	4%	2%	1%	-8%
PAT	21	6	-12	-143
PATM (%)	1.2%	0.2%	-0.6%	-10.1%
ROE (%)	-	1.0%	-	-
ROCE (%)	-	3.1%	-	-



Notes

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