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CM RATING 42 /100

# Shadowfax Technologies

## Fastest growing 3PL company

### Direct beneficiary of the fast growing online retail market and convenience-led consumption

Shadowfax Technologies (Shadowfax) is a logistics solutions provider offering e-commerce express parcel delivery along with value-added services. The company caters to a wide range of enterprise clients such as horizontal and non-horizontal e-commerce platforms, quick commerce players, food marketplaces and on-demand mobility companies.

Service offerings include e-commerce and direct-to-customer (D2C) delivery, hyperlocal and quick commerce within hours or same day, and short message services (SMS) and personal courier services through Shadowfax's flash app.

Shadowfax operated a nationwide logistics network with 4,299 touchpoints, including first-mile, last-mile and sort centres, covering 14,758 pin codes across India as of 30 September 2025. It is supported by over 3.50 million sq ft of operational space, including 53 sort centres covering 1.80 million sq ft, for shipment consolidation, sorting, and dispatch. The company also operates a dedicated fleet of over 3,000 trucks daily as part of its asset-light linehaul network.

The clients include Meesho, Flipkart, Myntra, Swiggy, Bigbasket, Zepto, Nykaa, Blinkit, Kartrocket, Zomato, Uber, Purple, Licious, ONDC, Magicpin, among others. This makes Shadowfax the only large-scale provider for last-mile and end-to-end e-commerce delivery as well as quick commerce, food delivery, and hyperlocal services.

The fastest growing third-party logistic (3PL) company of scale in India, as of 31 March 2025, Shadowfax is expanding its e-commerce shipment marketshare from about 8% in FY 2022 to around 23% in H1 FY206. The company was the market leaders in reverse pickup shipments by order volume in the express service line in FY 2025 and H1 FY2026. It was also the market leader in 3PL quick commerce solutions and same-day delivery by order volume in FY2025 and H1 FY2026.

Shadowfax handled 436.36 million orders, achieving a compound annual growth rate (CAGR) of 29.77% in FY2025 since FY2023. It processed 294.45 million orders in H1 FY2026, reflecting a growth of 50.11% over the same period last year.

### Object of the offer

The Rs 1,907 crore IPO comprises a fresh issue of 80.6 million equity shares to raise Rs 1,000 crore and an offer for sale (OFS) of up to 73.2 million equity shares worth up to Rs 907.27 crore. Investors Flipkart India, Eight Roads Investments Mauritius II, International Finance Corporation, Qualcomm Asia Pacific, Nokia Growth Partners, NewQuest Asia Fund, and Miare Asset will offload a part of its stake in the OFS.

Shadowfax plans to utilise Rs 423.43 crore from the net fresh issue proceeds for funding enhancing capacity in terms of network infrastructure, Rs 138.64 crore for funding of lease payments for new first mile, last mile, and sort centres. Additionally, Rs 88.57 crore will be for branding, marketing, and communication initiatives. The remaining funds will be used for unidentified inorganic acquisitions, and general corporate purposes.

### Strengths

The only 3PL of scale in India offering both end-to-end delivery for e-commerce and last-mile delivery for quick commerce, food delivery, and other hyperlocal use case. Also, 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.

Has developed an expansive network of last-mile gig-based delivery partners in more than 2,300 cities and towns across India. Its platform had 205,864 average quarterly unique transacting delivery partners. There is a network of franchisee partners in its last-mile ecosystem who operate on a variable cost model, enabling geographic expansion while minimizing fixed overhead.

The network infrastructure serves as the backbone for efficient and scalable delivery system, encompassing first-mile, middle-mile, and last-mile facilities.

Proprietary and agile technology capabilities allow to manage a diverse range of service offerings and a flexible, dynamic delivery partner network, while maintaining high standards of client experience and operational excellence.

Promoted by Abhishek Bansal, MD and CEO; Vaibhav Khandelwal, CTO; Praharsh Chandra, CBO; and Gaurav Jaithlia, Head of Business Strategy, have played pivotal roles in shaping the vision and growth trajectory. Further, they are supported by an experienced management team of professionals.

**Weaknesses**

The top customer contributed 48.9% of H1 FY2026 revenue, while the top five accounted for 74.1% of the revenue in H1 FY2026.

Dependence on non-exclusive partners could impact service continuity.

Inability to expand and grow its network infrastructure in a balanced manner could adversely affect growth.

Any mishandling of goods by the delivery partners may lead to operational inefficiencies and client dissatisfaction.

Reliant on technology infrastructure and third-party technology applications in business operations. Need to improve and effectively utilize the existing technology infrastructure and develop new technologies.

Leased all the logistics facilities. Failure to renew leases or to locate desirable alternatives for the facilities could materially and adversely affect the business.

Regulatory shifts including implementation of India’s social security code may increase compliance costs.

Has incurred losses in the past. Also, had negative cash flows in the past.

**Valuation**

Consolidated sales were up 68.4% to Rs 1805.64 crore in H1 FY2026 over a year ago period. Net profit stood at Rs 21.04 crore, up 113.9%.

Consolidated sales were up by 31.8% to Rs 2485.13 crore in FY2025. OP increased by 394.1% to Rs 56.19 crore. OI rose 153.2% to Rs 29.53 crore. Interest costs jumped 101.4% to Rs 14.41 crore and depreciation inclined 135.0% to Rs 65.24 crore. Net profit was Rs 6.43 crore in contrast to loss of Rs 11.88 crore.

At the higher price band of Rs 124, the offer is made at P/E of 413.3 times TTM EPS of Rs 0.3. The company’s EV/TTM sales is 2.1 times and EV/TTM EBITDA of 68.0 times.

Listed industry peers are Blue Dart Express and Delhivery. In comparison, Blue Dart Express trades at 48.4 times P/ TTM EPS, 2.3 times EV/TTM sales, and 15 times EV/TTM Ebitda. Delhivery trades at 217 times P/TTM EPS, 3 times EV/TTM sales and 22 times EV/TTM Ebitda.

<b>Shadowfax technologies: Issue Highlights</b>	
Fresh issue (in Rs crore)	1000.00

Offer for sale (in Rs crore)	907.27
Offer for sale (in number of shares)	
- in Upper price band	73166855
- in Lower price band	76887203
Price Band (Rs)	118-124
For Fresh Issue Offer size (in no of shares)	
- in Upper price band	80645161
- in Lower price band	84745763
<b>Post issue capital (Rs crore)</b>	
- in Upper price band	578.13
- in Lower price band	582.23
<b>Post issue Promoter and Promoter Group shareholding</b>	
-On higher price band (%)	16.71%
-On lower price band (%)	16.59%
Bid Size (in No. of shares)	120
Issue open date	20/01/2026
Issue close date	22/01/2026
Listing	BSE, NSE
<b>Rating</b>	<b>42/100</b>

### Shadowfax Technologies: Consolidated Financials

	2303 (12)	2403 (12)	2503 (12)	2409 (6)	2509 (6)
Sales	1415.12	1884.82	2485.13	1072.07	1805.64
OPM (%)	-8.02	0.60	2.26	2.17	3.56
OP	-113.47	11.37	56.19	23.28	64.34
Other inc.	7.77	11.66	29.53	16.90	14.16
PBIDT	-105.70	23.03	85.71	40.18	78.50
Interest	12.94	7.16	14.41	6.07	7.61
PBDT	-118.64	15.88	71.30	34.11	70.89
Dep.	24.00	27.76	65.24	24.28	49.85
PBT	-142.64	-11.88	6.06	9.84	21.04
Share of profit/loss from JV	-	-	-	-	-
PBT Before EO	-142.64	-11.88	6.06	9.84	21.04
Exceptional items	-	-	-	-	-
PBT After EO	-142.64	-11.88	6.06	9.84	21.04
Total Tax	-	-	-0.37	-	-
PAT	-142.64	-11.88	6.43	9.84	21.04
Minority Interest	-	-	-	-	-
Net Profit	-142.64	-11.88	6.43	9.84	21.04
EPS (Rs)*	-2.47	-0.02	0.01	#	#
EPS is on post issue equity capital of Rs 578.13 crore of face value of Rs 10 each					
Figures in Rs crore					
Source:Shadowfax Technologies Issue Prospectus					