

## Delhivery Limited

### Investment Note

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#### 1. Investment Recommendation

Conditional go — Delhivery has crossed into self-funded scale, but the single most important reason to stop short of a full go is that FY25 Net Income of Rs 1,621 Mm still depended on Rs 4,401 Mm of other income while EBIT remained negative at Rs -1,591 Mm. Revenue increased from Rs 81,415 Mm in FY24 to Rs 89,319 Mm in FY25 (9.7% YoY), EBITDA increased from Rs 1,266 Mm to Rs 3,758 Mm (196.8% YoY), and Free Cash Flow improved from Rs 3,846 Mm to Rs 4,420 Mm (14.9% YoY), which confirms that the business is no longer burning cash to grow. Balance-sheet risk is low: Total Borrowings fell from Rs 1,256 Mm in FY24 to Rs 396.7 Mm in FY25 (-68.4% YoY), while public disclosures describe total liquidity of Rs 54,930 Mm and net debt of negative Rs 54,530 Mm at March 2025, giving the company unusual flexibility for a logistics platform [9]. The operational moat is real: the network served 18,833 PIN codes with 85 fulfilment centres, 158 processing centres, 111 gateways, 4,494 last-mile centres, and 118 freight serving centres by March 2025, which is difficult for Blue Dart, TCI Express, VRL Logistics, Mahindra Logistics, or Shadowfax to replicate quickly across all service lines [11][18]. The verdict would change to go if FY26 public filings show positive EBIT without reliance on outsized other income and sustain EBITDA margin above FY25 while keeping Free Cash Flow positive.

#### 5-Year Financial Summary (MCA)

Metric	Units	FY21	FY22	FY23	FY24	FY25	CAGR
Year End Share Price	Rs/Share	—	—	332.4	445.4	255.1	-12%
Market Cap	Rs Mm	0.0	0.0	242,225	328,164	190,198	-11%
Enterprise Value	Rs Mm	239.0	1,241	237,759	325,388	187,235	+429%
EV/EBITDA	x	-0.2	-0.3	-52.6	256.9	49.8	—
P/E	x	-0.0	-0.0	-24.0	-131.7	117.3	—
P/BV	x	0.0	0.0	2.6	3.6	2.0	-12%
Revenue	Rs Mm	36,465	68,823	72,253	81,415	89,319	+25%
EBITDA	Rs Mm	-1,229	-4,720	-4,516	1,266	3,758	—
Net Income	Rs Mm	-4,157	-10,110	-10,078	-2,492	1,621	—
Net Worth	Rs Mm	28,368	59,574	91,771	91,446	94,322	+35%
Net Debt	Rs Mm	239.0	1,241	-4,466	-2,776	-2,963	—
Free Cash Flow	—	477	-2,405	-1,180	3,846	4,420	+210%
Book Value per share	Rs/share	5,447	92.8	125.9	124.1	126.5	-61%
Earning per share	Rs/share	-798.3	-15.7	-13.8	-3.4	2.2	—
Net Fixed Assets per share	Rs/share	603.9	10.6	20.4	26.5	33.8	-51%
Net Working Capital per share	Rs/share	2,039	15.5	49.6	34.0	22.7	-68%
Cash Share per share	Rs/share	532.8	3.6	8.9	5.5	4.5	-70%
Debt per share	Rs/share	578.7	5.5	2.7	1.7	0.5	-83%
Cash Conversion Cycle	Days	17.8	9.6	38.2	29.1	23.4	+7%
Fixed Assets Turnover Ratio	x	15.3	11.1	4.9	4.2	3.6	-11.7 %
ROCE	%	-0.2	-0.2	-0.1	-0.1	-0.0	+0.1 %
ROE	%	-0.1	-0.2	-0.1	-0.0	0.0	+0.0 %
EBITDA Margin	%	-0.0	-0.1	-0.1	0.0	0.0	+0.0 %
Net Income Margin	%	-0.1	-0.1	-0.1	-0.0	0.0	+0.0 %
No. of shares outstanding	Mm shares	5.2	642.1	728.7	736.8	745.6	+246%
Conversion Rate	Rs per \$	76.1	76.1	82.2	83.4	85.6	+9.5 %

## 2. What Would Change Our View

**Upgrades to go if:** FY26 EBIT turns positive in audited filings; FY26 Net Income remains positive with other income below FY25's Rs 4,401 Mm; goodwill on Spoton remains unimpaired while Free Cash Flow stays positive for a third consecutive year **Downgrades to no-go if:** any FY26 or FY27 filing records a material impairment against Rs 13,076.31 Mm of goodwill or the Rs 15,381 Mm Spoton carrying value; EBITDA margin falls below FY24's 1.6%; a top customer disclosed in annual filings exceeds 20% of revenue or major tax/property title matters expand materially

## 3. Company Snapshot

Delhivery is a scaled integrated logistics platform built to help customers run lower-cost, more resilient supply chains across express parcel, part-truckload freight, truckload freight, cross-border logistics, warehousing, and technology-enabled logistics services [7][11]. The company operated at national density by FY25, with revenue of Rs 89,319 Mm, coverage of 18,833 PIN codes, 85 fulfilment centres, 158 processing centres, 111 gateways, 4,494 last-mile delivery centres, and 118 freight serving centres, making it one of the few Indian logistics networks with true multi-product breadth [11][18]. Delhivery began in 2011 as a hyperlocal delivery startup in Gurgaon, pivoted into e-commerce logistics within months, later rebranded from SSN Logistics to Delhivery, and then transitioned from venture-backed startup to listed public company through its 2022 initial public offering [3][11][24][25]. The business reached its current form through network buildout, proprietary software, automation investments, and two especially important strategic moves: the FedEx domestic asset partnership and the 2021 acquisition of Spoton, which materially expanded its part-truckload freight capabilities [4][16]. The FY25 annual report also presents newer growth options such as Rapid Commerce and consumer-facing Delhivery Direct, while management highlights 38,000-plus customers and over 3.2 billion cumulative shipments since inception [8][11]. The company is worth investigating because it now combines a hard-to-replicate physical network with a net-cash balance sheet and the first signs that a decade of scale investment is finally producing durable earnings.

## 4. Market Context

Industry economics are shifting toward dense, multi-product networks, and that favors Delhivery more than narrower peers. India's express delivery market is projected to grow at roughly 10.6% to 12.4% CAGR through the next six to seven years, while the broader India logistics market is expected to compound at roughly 6.5% to 8.0% [17][19][20][21][23]. That matters because Delhivery is not just an express parcel operator like Blue Dart or TCI Express; it spans parcel, freight, truckload, warehousing, and cross-border services, so volume density in one lane can support cost efficiency in another. Blue Dart remains a benchmark in premium express, TCI Express in asset-light B2B express, VRL Logistics in surface transport, Mahindra Logistics in broader third-party logistics, and Shadowfax in digital-commerce last mile, but Delhivery's advantage is breadth on a single network rather than single-vertical specialization.

Competitive advantage is moving from simple transportation capacity to software-led orchestration and automation, and that again supports Delhivery's positioning. The company states its network is run through a proprietary logistics operating system and continues to invest in sorters, automated storage and retrieval systems, autonomously guided vehicles, and other network automation [11][14][15]. This raises the bar for newer entrants and compresses the edge of traditional asset-light players when customers want end-to-end integration, returns handling, and data visibility. For Delhivery specifically, this means margin upside depends less on market growth alone and more on whether it can keep translating automation into lower cost per shipment faster than Blue Dart, Shadowfax, and Ecom-linked networks can respond.

Customer mix is also shifting toward omnichannel, rapid commerce, and outsourced supply-chain complexity, which creates both upside and pressure. Delhivery launched Rapid Commerce in January 2025 for sub-2-hour brand deliveries and expanded consumer logistics through Delhivery Direct, signalling that it is trying to capture faster-turn, higher-frequency flows before they are permanently won by app-led last-mile specialists [8][11]. The implication is clear: if Delhivery wins these newer flows, its network utilization and data advantage improve; if it fails, large e-commerce and quick-commerce clients will keep more logistics in-house or split volumes aggressively, limiting pricing power despite national scale.

## 5. Ownership & Governance

Delhivery is institutionally owned rather than promoter-controlled, and that is the right governance frame for a minority investor.

## Basics

<b>Sector</b>	Integrated logistics services
<b>Revenue (FY25, Rs Mm)</b>	89,319
<b>Headcount</b>	Not disclosed in the provided MCA extract; annual public disclosures indicate a large pan-India operating workforce [11]
<b>Listed / Unlisted</b>	Listed
<b>Promoter Group</b>	No conventional promoter group in exchange-style market classification; founder-led influence remains through shareholding and board roles [2][6]

## Shareholding

Shareholder	Category	% Holding
SVF Doorbell (Cayman) Ltd.	Institutional investor	Source file shows 71.086644 indicator
SBI Mutual Fund	Domestic institutional investor	Source file shows 54.553225 indicator
Nexus Ventures III, Ltd.	Venture investor	Source file shows 43.852891 indicator
Mirae Asset Mutual Fund	Domestic institutional investor	Source file shows 47.325757 indicator
HDFC Mutual Fund	Domestic institutional investor	Source file shows 37.906737 indicator
Canada Pension Plan Investment Board	Institutional investor	Source file shows 1.479237 indicator

The FY25 shareholder source is not normalized into a clean statutory percentage register, so these figures identify major holders rather than a reliable cap table. Public market sources show promoter holding reported at 0.00% by March 2026, with foreign institutional investors at 48.23% and domestic institutional investors at 36.19%, which is consistent with founder ownership existing outside the promoter-label framework [2][6].

## Key Personnel

- **Sahil Barua** — Managing Director and Chief Executive Officer; founder-era leader, in place since inception; promoter/founder-management type [11]
- **Amit Agarwal** — Chief Financial Officer; current finance lead per FY25 annual report; professional management [11]
- **Vani Venkatesh** — Chief Business Officer; current operating management; professional management [11]
- **Kapil Bharati** — Executive Director and Chief Technology Officer; founder and technology leader; promoter/founder-management type [11]
- **Suraj Saharan** — Founder-level leader named in public leadership materials; continuing founder influence though current statutory role is less clear in the provided set [11]
- **Sandeep Kumar Barasia** — Whole Time Director; senior executive director; professional management
- **Aruna Sundararajan** — Independent Director; non-executive oversight; independent
- **Kalpana Morparia** — Independent Director; non-executive oversight; independent
- **Romesh Sobti** — Independent Director; non-executive oversight; independent
- **Saugata Gupta** — Independent Director; non-executive oversight; independent

## Promoter Background

Delhivery was founded by Sahil Barua, Mohit Tandon, Bhavesh Manglani, Suraj Saharan, and Kapil Bharati after identifying the logistics bottleneck in Indian online retail [24]. This is not a family-controlled business or part of a legacy industrial group; it is a founder-built, venture-backed platform that moved into public markets in May 2022 through an initial public offering comprising a fresh issue of Rs 40,000 Mm and an offer for sale of Rs 12,350 Mm [3][25]. Ownership has since become more institutional as early investors such as Nexus and Alpha Wave have sold stakes through block deals, while modest annual share-count expansion from 736.8 million in FY24 to 745.6 million in FY25 reflects continuing employee stock dilution rather than control recapitalization.

No promoter pledging is disclosed in the provided record. The main ownership watchpoint is classification opacity rather than extraction risk: founders still appear economically relevant, but exchange-style promoter holding is nil, so actual influence must be read through board roles, insider holdings, and voting patterns rather than the promoter bucket alone.

## Corporate Structure

Entity	Type	Listed?	Owned By	Ownership %
Delhivery Limited	Parent	Listed	—	—
Spoton Logistics Private Limited	Subsidiary	Unlisted	Delhivery Limited	—
Spoton Supply Chain Solutions Private Limited	Subsidiary	Unlisted	Delhivery Limited	—
Delhivery Freight Services Private Limited	Subsidiary	Unlisted	Delhivery Limited	—
Delhivery Cross Border Services Private Limited	Subsidiary	Unlisted	Delhivery Limited	—
Algorhythm Tech Private Limited	Subsidiary	Unlisted	Delhivery Limited	—
Orion Supply Chain Private Limited	Subsidiary	Unlisted	Delhivery Limited	—
Delhivery Robotics India Private Limited	Subsidiary	Unlisted	Delhivery Limited	—
Delhivery Corp Limited (UK)	Subsidiary	Unlisted	Delhivery Limited	—
Delhivery HK Pte. Ltd.	Subsidiary	Unlisted	Delhivery Limited	—
Delhivery Singapore Pte. Ltd.	Subsidiary	Unlisted	Delhivery Limited	—
Delhivery Bangladesh Logistics Pvt. Ltd.	Subsidiary	Unlisted	Delhivery Limited	—
Delhivery USA LLC	Subsidiary	Unlisted	Delhivery Limited	—
Delhivery Robotics LLC	Subsidiary	Unlisted	Delhivery Limited	—
Venkatesh Pharma Private Limited	Subsidiary	Unlisted	Spoton Logistics Private Limited	—
Sahil Barua	Promoter	Unknown	—	—
Suraj Saharan	Promoter	Unknown	—	—
Kapil Bharati	Promoter	Unknown	—	—
SVF Doorbell (Cayman) Ltd.	Investor	Unknown	—	—
SBI Mutual Fund	Investor	Unknown	—	—
Nexus Ventures III, Ltd.	Investor	Unknown	—	—
Mirae Asset Mutual Fund	Investor	Unknown	—	—
HDFC Mutual Fund	Investor	Unknown	—	—
Canada Pension Plan Investment Board (CPPIB)	Investor	Unknown	—	1.479237%

## 6. Financial Summary

Delhivery's income statement has moved from scale-up losses to operating proof, but not yet to fully self-evident franchise profitability. Revenue increased from Rs 36,465 Mm in FY21 to Rs 89,319 Mm in FY25, a 25.1% compound annual growth rate, while EBITDA improved from Rs -1,229 Mm in FY21 to Rs 3,758 Mm in FY25. The crucial turn came in FY24, when EBITDA shifted from Rs -4,516 Mm in FY23 to Rs 1,266 Mm in FY24 because prior network investments finally found better cost absorption; FY25 then extended that recovery to Rs 3,758 Mm as employee cost fell from Rs 14,368 Mm to Rs 13,759 Mm (-4.2% YoY) despite higher revenue. Net Income improved from Rs -2,492 Mm in FY24 to Rs 1,621 Mm in FY25, but the cause was not only operating improvement: Rs 4,401 Mm of other income remained essential in bridging negative EBIT to positive reported earnings.

Delhivery's balance sheet is strong enough to support patience, but asset productivity now has to catch up with asset growth. Net Worth increased from Rs 28,368 Mm in FY21 to Rs 94,322 Mm in FY25, mainly reflecting the public-market capital raise and then retained earnings stabilization. Total Borrowings fell from Rs 1,256 Mm in FY24 to Rs 396.7 Mm in FY25 (-68.4% YoY) because internal cash generation funded deleveraging. The larger issue is capital intensity: Property, Plant & Equipment - Net rose from Rs 2,380 Mm in FY21 to Rs 24,840 Mm in FY25, while Fixed Assets Turnover Ratio fell from 15.3x to 3.6x over the same period, showing that the built network still needs higher utilization.

Cash flow quality is now the strongest part of the file. Free Cash Flow improved from Rs -2,405 Mm in FY22 and Rs -1,180 Mm in FY23 to Rs 3,846 Mm in FY24 and Rs 4,420 Mm in FY25, while Net cash flows from operating activities increased

from Rs 4,724 Mm in FY24 to Rs 5,674 Mm in FY25. The reason was better receivable discipline: Trade Receivable, current fell from Rs 14,297 Mm to Rs 14,121 Mm while revenue grew 9.7%, and Cash Conversion Days improved from 29.1 to 23.4. Returns are still weak relative to the asset base. ROCE stayed effectively flat at around zero through FY25, and ROE only just turned positive with the move to profit. Delhivery has therefore proven liquidity and scale, but not yet high-quality capital efficiency.

## 7. Accounting Analysis

Delhivery's earnings quality is improved but still incomplete, and the central conclusion is that cash generation is ahead of true operating profitability. FY25 delivered EBITDA of Rs 3,758 Mm and Net cash flows from operating activities of Rs 5,674 Mm, which is a strong combination for a logistics company that spent years consuming cash. That said, EBIT remained negative at Rs -1,591 Mm and Net Income of Rs 1,621 Mm relied on Rs 4,401 Mm of other income, so the current profit profile is economically real at the cash level but not yet fully proven after depreciation and capital intensity.

Revenue quality is stronger than headline skepticism would imply. Revenue increased from Rs 81,415 Mm in FY24 to Rs 89,319 Mm in FY25 while Trade Receivable, current fell from Rs 14,297 Mm to Rs 14,121 Mm, and debtor days improved from 64.1 to 57.7. That combination usually indicates disciplined billing and collection rather than aggressive year-end recognition. The main revenue-quality concern is concentration, not timing: one customer, FashNear Technologies Pvt. Ltd., accounted for 16.51% of FY25 revenue, versus 16.42% in FY24 and 16.94% in FY23. This makes reported revenue credible but commercially fragile, because a single contract repricing can move margins faster than accounting policy can hide.

EBITDA-to-cash conversion is good enough to support the business, but not good enough to ignore normalization questions. In FY25, Net cash flows from operating activities of Rs 5,674 Mm exceeded EBITDA of Rs 3,758 Mm by 1.5x, following a similar pattern in FY24 when Net cash flows from operating activities of Rs 4,724 Mm far exceeded EBITDA of Rs 1,266 Mm. The favorable working-capital trend supports this, and there is no sign of receivable inflation. The investment conclusion is positive on liquidity but cautious on durability: a company can generate cash from working-capital discipline while still not earning an adequate return on its fixed and intangible asset base.

Below-EBITDA adjustments materially flatter FY25 comparability. Other income was Rs 4,401 Mm in FY25, down slightly from Rs 4,527 Mm in FY24 but still larger than reported Profit Before Taxes of Rs 1,501 Mm. Public investor materials also disclose that a change in depreciation and amortization method effective April 1, 2024 reduced depreciation and amortization expense by Rs 2,300 Mm across FY25, including Rs 390 Mm in Q1, Rs 550 Mm in Q2, Rs 660 Mm in Q3, and Rs 690 Mm in Q4 [13]. That means FY25 post-depreciation profitability is better than FY24 not only because operations improved, but also because accounting life assumptions became more favorable. The investment conclusion is direct: EBITDA improvement deserves credit, but EBIT and Net Income should be normalized before attaching a premium multiple.

Asset accounting requires scrutiny because capital formation appears larger than cash capex. Purchase of property, plant and equipment was Rs 4,832 Mm in FY25, but Property, Plant & Equipment - Gross increased by Rs 10,484 Mm from Rs 36,004 Mm to Rs 46,488 Mm. Some of that can be explained by non-cash lease recognition, transfers from capital work-in-progress, or acquisition-linked entries, but the size of the gap is too large to ignore. This does not imply misstatement; it does imply that asset growth and depreciation policy are central to any estimate of steady-state return on capital.

Related-party activity is not an extraction red flag, but it confirms that subsidiary economics matter. Consolidated related-party transaction value fell from Rs 123.79 Mm in FY24 to Rs 53.56 Mm in FY25, suggesting limited externalized leakage. On the parent balance sheet, however, loans outstanding to subsidiaries were Rs 1,210.79 Mm and fresh loans granted during FY25 were Rs 175 Mm. The conclusion is balanced: related parties do not appear to be siphoning value, but the parent continues to support an ecosystem of subsidiaries whose economics are only partially visible.

Audit posture is acceptable, yet one accounting nuance is material. The FY25 audit opinion is unmodified, which removes the most serious integrity concern. However, auditors flagged goodwill of Rs 13,076.31 Mm related to Spoton as a key audit matter and highlighted that goodwill amortization under an National Company Law Tribunal-approved scheme for Venkatesh Pharma's amalgamation into Spoton differs from standard Indian Accounting Standards 103 treatment. That matters because a large part of Delhivery's freight expansion is acquisition-built, and acquisition accounting remains one of the few areas where reported earnings could still move materially without any change in operating volumes.

## 8. Disclosure Analysis

Delhivery's disclosure posture is adequate for a listed company but still leaves valuation-critical blind spots.

Gap	Severity	Investor Concern
Single segment reporting across parcel, part-truckload freight, truckload, supply chain, and cross-border	critical	Segment-level profitability is obscured, so investors cannot isolate whether FY25 EBITDA of Rs 3,758 Mm came from structurally attractive businesses or from cross-subsidization within the network.
FY25 Net Income depends on Rs 4,401 Mm of other income without a full recurrence bridge in the provided source set	critical	Valuation based on Net Income can overstate sustainable earnings if treasury income, fair-value gains, or one-off items are not separated from core logistics economics.
Depreciation and amortization method change reduced FY25 expense by Rs 2,300 Mm [13]	significant	FY25 EBIT and Net Income are not directly comparable with FY24, and normalized post-depreciation profitability may be materially lower than reported.
Spoton goodwill of Rs 13,076.31 Mm and standalone carrying value of Rs 15,381 Mm lack a full public cash-generation bridge	significant	A future impairment would directly weaken equity value and would signal that the freight thesis has not delivered the returns assumed in acquisition accounting.
FY25 gross Property, Plant & Equipment increase of Rs 10,484 Mm exceeds cash capex of Rs 4,832 Mm	significant	Non-cash additions, lease capitalization, or transfer policies are not transparent enough for a clean return-on-invested-capital view.
Founder ownership exists economically while promoter holding is publicly shown as 0.00% [2][6]	minor	Governance influence can be misread if investors rely only on promoter classification rather than actual insider holdings and board control.
Ecom Express acquisition status and purchase accounting are not fully reflected in the supplied statutory extract [11]	significant	Forward estimates may overstate synergies or understate integration risk if the transaction stage is not mapped precisely to audited numbers.
Customer concentration beyond the named top customer is not broken out by top-5 or top-10 public filing metric	significant	Revenue resilience cannot be fully tested under churn or repricing scenarios.

The aggregate implication is clear: public filings are strong on balance-sheet facts and weak on earnings segmentation. That supports a minority investor owning the company only if underwriting is anchored to cash generation, network strength, and balance-sheet resilience rather than to reported Net Income alone. The biggest unresolved issue is not whether the company is real; it is whether normalized returns on the built asset base are finally becoming attractive.

## 9. Strategy & Risks

### Network density is finally converting into operating leverage

Delhivery's core strategic claim is now supported by numbers rather than promise. Revenue increased from Rs 81,415 Mm in FY24 to Rs 89,319 Mm in FY25, while EBITDA increased from Rs 1,266 Mm to Rs 3,758 Mm and employee cost fell from Rs 14,368 Mm to Rs 13,759 Mm, showing that the network is carrying more volume at better cost absorption. The physical scale is substantial, with 18,833 PIN codes served through 85 fulfilment centres, 158 processing centres, 111 gateways, and 4,494 last-mile centres by March 2025 [11][18].

**Risk: Density may not translate into true returns** — Property, Plant & Equipment - Net increased to Rs 24,840 Mm in FY25 from Rs 19,203 Mm in FY24, yet ROCE remained around zero. If volume growth slows, the company could remain cash-generative but still fail to earn an attractive return on the asset base.

### Freight scale-up broadens revenue beyond e-commerce dependence

Delhivery has used the Spoton acquisition to build part-truckload freight into a more meaningful business line. Management disclosed that part-truckload revenue mix increased from 16% in FY23 to 21% in FY25, and Q4 FY25 part-truckload revenue reached Rs 5,170 Mm, up 24% year on year, with tonnage of about 460,000 tons, up about 19.4%

[10][16]. This matters because a broader freight mix can stabilize the earnings base relative to pure parcel competitors such as Blue Dart or Shadowfax.

**Risk: Spoton remains the largest accounting and integration exposure** — Goodwill of Rs 13,076.31 Mm and parent-company carrying value of Rs 15,381 Mm tied to Spoton are both subject to impairment testing. Any impairment would directly weaken the freight diversification thesis and would likely force a lower valuation multiple.

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## Balance-sheet strength creates strategic optionality and resilience

Delhivery no longer needs external capital to fund its operating model. Total Borrowings fell to Rs 396.7 Mm in FY25 from Rs 1,256 Mm in FY24, Free Cash Flow remained positive at Rs 4,420 Mm, and investor materials describe total cash balance of Rs 54,930 Mm with net debt of negative Rs 54,530 Mm at March 2025 [9]. That gives the company capacity to fund automation, absorb competition, and selectively pursue consolidation while weaker peers remain capital constrained.

**Risk: Cash richness can hide weak core earnings quality** — FY25 other income of Rs 4,401 Mm exceeded reported Profit Before Taxes of Rs 1,501 Mm. If treasury income falls or gets redeployed into lower-yield acquisitions, reported profitability could contract even if logistics operations hold steady.

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## Rapid commerce and direct consumer offerings add optionality

Delhivery is expanding beyond traditional linehaul and parcel flows into faster-turn logistics use cases. Rapid Commerce launched in January 2025 with 2-4 hour delivery capability for brands, and Delhivery Direct extends pickup-and-delivery into consumer use cases, while management states both businesses will continue receiving investment in FY26 [8][11]. This strategy is sensible because it increases network utilization and protects relevance as shipping volumes migrate toward faster fulfillment models.

**Risk: New bets are still subscale and margin dilutive** — Public commentary states current investment in Rapid and Delhivery Direct was about Rs 140 Mm in Q1 FY26 profit and loss. If these services fail to scale, they will absorb capital and management attention without materially improving network economics.

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## Technology and automation support a defensible service moat

Delhivery's operating system and automation stack remain meaningful strategic assets. The company highlights proprietary logistics software, high-speed sorters, automated storage and retrieval systems, autonomously guided vehicles, patents for Indian address intelligence, and ISO 9001:2015 and ISO 27001:2022 certifications [7][11][14][15]. In a fragmented market, that improves customer stickiness and reduces the replicability of its network relative to transport-first operators such as VRL Logistics and more narrowly focused express peers.

**Risk: Customer concentration still limits pricing power** — FashNear Technologies Pvt. Ltd. contributed 16.51% of FY25 revenue, after 16.42% in FY24 and 16.94% in FY23. A single large customer can capture part of the efficiency gains through pricing pressure, preventing the technology moat from fully converting into margin expansion.

## 10. Capital & Corporate Events

Date	Event Type	Amount (Rs Mm)	Counterparty	MCA Status	Investment Implication
2019-09	Equity investment	Not disclosed in MCA extract	Canada Pension Plan Investment Board	undisclosed	Early institutional backing validated the business before listing, but the absence of the amount in the supplied MCA summary limits capital-history precision [1].
2021-07	Strategic equity investment and commercial alliance	8,000	FedEx Express	disclosed	The FedEx transaction added capital, cross-border credibility, and domestic asset transfer support, strengthening Delhivery's enterprise and international positioning [4][22].
2021-08-24	Acquisition	Not disclosed in supplied MCA summary	Spoton Logistics Private Limited	disclosed	Spoton materially expanded part-truckload freight scale, but it also created Rs 13,076.31 Mm of goodwill and the largest impairment risk in the file [16].
FY22	Initial public offering fresh issue	40,000	Public market investors	disclosed	The initial public offering recapitalized the company and funded network buildout, enabling the current net-cash balance sheet [3][25].
FY22	Initial public offering offer for sale	12,350	Selling shareholders	disclosed	The offer for sale marked the beginning of ownership transition from venture-backed private company to institutionally owned listed company [3][25].
FY23	Equity accretion / post-listing dilution	Securities premium increased to Rs 153,857.93 Mm	Employee stock and other post-listing issuances	disclosed	Post-listing dilution was material in FY23 but normal for a newly listed, stock-comp heavy technology-led company.
FY24	Debt reduction	859.29 reduction year on year	Lenders / vehicle financiers	disclosed	Falling borrowings signaled that the business had reached internal funding capacity rather than relying on external leverage.
FY25	Debt reduction	859.29 reduction year on year from Rs 1,255.98 Mm to Rs 396.69 Mm	Lenders / vehicle financiers	disclosed	FY25 deleveraging materially reduced financial risk and increased strategic flexibility.
FY25	ESOP-linked equity increase	8.8 increase in equity share capital	Employees / option holders	disclosed	Dilution was modest at 1.2% year on year and is acceptable given the company's scale and absence of distress capital raising.
2025-01-16	Product launch	Not disclosed	Customers / brands using Rapid Commerce	undisclosed	Rapid Commerce adds growth optionality in faster fulfillment, but absent MCA monetary disclosure means investors cannot yet assess capital efficiency of the rollout [8].

Date	Event Type	Amount (Rs Mm)	Counterparty	MCA Status	Investment Implication
FY25 annual report period	Acquisition reference	Not disclosed	Ecom Express	undisclosed	The annual report states the recent acquisition of Ecom Express expanded infrastructure and network, but the supplied statutory extract does not clearly map transaction status or purchase accounting, creating a material modeling gap [11].
2025-04	Secondary stake sale	Not disclosed in MCA extract	Nexus funds	undisclosed	Venture investor selling post-listing improves free float but also signals that ownership is rotating from private backers to public institutions [5].

The most significant disclosure gap is the Ecom Express reference: public materials describe it as a recent acquisition, yet the supplied statutory extract does not clearly state whether it was signed, approved, or closed in audited FY25 numbers [11]. That is a significant concern because synergy assumptions, integration costs, and purchase accounting can all distort forward comparisons. A second gap is capital-history completeness: early private funding rounds and the FedEx-linked investment are visible publicly, but the supplied MCA summary does not provide a full chronological capital ledger, which limits precision on cumulative dilution and acquisition funding sources.

## 11. Comparable Benchmarking

Delhivery sits above most listed Indian logistics peers on network breadth and balance-sheet strength, but below the best operators on proven margin quality. Relative to Blue Dart Express and TCI Express, Delhivery is broader across parcel, part-truckload freight, truckload, warehousing, and cross-border; relative to VRL Logistics, it is more technology-led and more exposed to e-commerce-linked flows; relative to Mahindra Logistics, it has a cleaner net-cash position and stronger express-network density; relative to Shadowfax, it is far more established as an integrated national platform. The valuation case therefore warrants a selective discount to premium framework: Delhivery deserves a premium to narrower or more leveraged peers because it has Rs 89,319 Mm of revenue, positive Free Cash Flow, and very low reported borrowings, but it deserves a discount to best-in-class margin franchises until EBIT turns sustainably positive without the support of Rs 4,401 Mm of other income. In short, Delhivery should trade as a scaled platform with optionality, not yet as a fully proven compounder.

### Comparable Company Benchmarking

Company	Type	Size (Rs Mm)	RoCE	P/E	Note
VRL Logistics Ltd.	Listed	31,609	—	—	VRL Logistics is an established domestic transportation and parcel logistics player with nationwide branch and hub operations. It is comparable to Delhivery for surface transport, parcel movement, and organized logistics benchmarking.
TCI Express Ltd.	Listed	12,538	—	—	TCI Express is a leading B2B express logistics provider with an asset-light model and nationwide reach, closely aligning with Delhivery's express and time-definite delivery offerings. Its focus on express cargo and network-led service model makes it a strong listed peer.
Mahindra Logistics Ltd.	Listed	71,309	—	343.6x	Mahindra Logistics is an integrated logistics and mobility solutions provider spanning contract logistics, express, cross-border, and last-mile services. It is relevant for benchmarking Delhivery across broader 3PL and supply-chain segments.
Shadowfax Technologies Ltd.	Listed	1,253	—	—	Shadowfax is a technology-led third-party logistics company focused on digital commerce in India, overlapping with Delhivery in e-commerce logistics and last-mile delivery. Its

Company	Type	Size (Rs Mm)	RoCE	P/E	Note
					platform-led operating model and rapid scale-up make it a relevant new-age peer.
<b>Median</b>	—	—	—	343.6x	—

Data vintage: FY2024-25 or latest available

Listed peers identified but data not retrieved: Blue Dart Express. Verify on screener.in / groww.in.

## 12. Next Steps

### Tier 1 — Can be inferred from public filings

- Rebuild FY25 normalized earnings from annual report and exchange materials by stripping out Rs 4,401 Mm of other income and adjusting for the Rs 2,300 Mm depreciation and amortization benefit from the method change disclosed in public presentations [11][13].
- Track quarterly shareholding patterns and insider disclosures to map actual founder influence versus the reported 0.00% promoter classification, with special attention to continued venture-investor exits [2][6][5].
- Compare FY26 quarterly EBITDA margin, EBIT trajectory, and receivable efficiency against FY25 to judge whether the profitability inflection is continuing beyond one year [9][10][12].

### Tier 2 — Would require voluntary company disclosure

- Segment-level profitability across express parcel, part-truckload freight, truckload, supply chain, and cross-border cannot be inferred from statutory reporting because the company reports a single Logistics Services segment.
- A full bridge explaining the recurrence profile of FY25 other income and the cash yield assumptions behind treasury balances is not available in the supplied extract.
- The precise purchase accounting, integration costs, and expected synergy timetable for Ecom Express are not fully visible in the provided public source set.

### Tier 3 — Watch for in next annual filing

- Watch for any impairment, sensitivity change, or expanded key audit matter language around the Rs 13,076.31 Mm goodwill balance and the Rs 15,381 Mm Spoton carrying value, because this is the largest single downside marker in the accounts.
- Watch for whether EBIT turns positive and whether Property, Plant & Equipment growth moderates closer to cash capex, because that will determine whether Delhivery is becoming a high-return network or simply a better-managed low-return one.

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Legend: MCA = Ministry of Corporate Affairs filings; EBITDA = Earnings before interest, tax, depreciation and amortisation; EBIT = Earnings before interest and tax; PAT = Profit after tax; PBT = Profit before tax; ROE = Return on equity; ROCE = Return on capital employed; CCC = Cash conversion cycle; EV = Enterprise value; P/E = Price to earnings; P/BV = Price to book value; Rs Mm = Indian Rupees in millions

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