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Ref: MLLSEC/57/2025 24 April 2025

To,

BSE Limited,
(Security Code: 540768)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Ltd.,
(Symbol: MAHLOG)
Exchange Plaza, 5th Floor, Plot No. C/1,
"G" Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

Dear Sirs,

Sub: Transcript of Earnings Conference Call - Regulations 30 & 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Ref: Intimation of earnings conference call vide letters dated 13 April 2025 and 18 April 2025 and Outcome and audio recording of earnings conference call dated 21 April 2025

In compliance with Regulation 30(6) read with Schedule III and other applicable provisions of the SEBI Listing Regulations, please find enclosed the transcript of the earnings conference call of the Company for the fourth quarter and financial year ended 31 March 2025, held on Monday, 21 April 2025, with several Analysts/Institutional Investors/Funds. The transcript includes list of management attendees and the dialogues including but not limited to the Questions & Answers.

The text transcript and audio recordings of the said earnings call are also uploaded on the website of the Company at the weblink: https://mahindralogistics.com/investor-interaction/recording-amp-transcript/

No Unpublished Price Sensitive Information was shared/discussed by the Company during the earnings conference call.

This intimation will also be uploaded on the website of the Company and can be accessed at the weblink: https://mahindralogistics.com/investor-interaction/

For Mahindra Logistics Limited
JIGNESH ASHOK PARIKH
Digitally signed by: JIGNESH ASHOK PARIKH
DN: CN = JIGNESH ASHOK PARIKH C = IN O = PERSONAL
Date: 2025.04.24 19:50:27 +05'30'
Jignesh Parikh
Company Secretary
Enclosures: As above

"Mahindra Logistics Limited
Q4 FY25 Earnings Conference Call"
April 21, 2025

"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 21st April 2025 will prevail."

MANAGEMENT: **DR. ANISH SHAH – CHAIRMAN – MAHINDRA LOGISTICS LIMITED**
MR. RAMPRAVEEN SWAMINATHAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – MAHINDRA LOGISTICS LIMITED
MR. HEMANT SIKKA – ADDITIONAL DIRECTOR, MD & CEO DESIGNATE (W.E.F 22 APRIL 2025)
MR. SAURABH TANEJA – CHIEF FINANCIAL OFFICER – MAHINDRA LOGISTICS LIMITED
MR. JIGNESH PARIKH – COMPANY SECRETARY – MAHINDRA LOGISTICS LIMITED

MODERATOR: **MR. SHOGUN JAIN – STRATEGIC GROWTH ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to Mahindra Logistics Limited Q4 FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Shogun Jain from Strategic Growth Advisors. Thank you, and over to you, sir.

Shogun Jain: Thank you. Good evening, everyone and thank you for joining us on the Mahindra Logistics Limited's Q4 and FY '25 Earnings Conference Call. I hope everyone has had a chance to view our financial results and investor presentation, which were posted on the company's website and stock exchanges today. We will begin the call with opening remarks from management, followed by an open forum for Q&A.

Before we begin, I'd like to point out that some of the statements made during today's call may be forward-looking. A disclaimer to that effect was included in the earnings presentation. I'd now like to invite Ram to introduce the speakers and thereafter make some preliminary remarks. Over to you, Ram.

Rampraveen S.: Thank you, Shogun. Good afternoon, everyone and I hope you all have had a chance to see our earnings release some time ago and also an important organization announcement we made about leadership transitions in the company. I'm joined today by Dr. Anish Shah, the Chairman of Mahindra Logistics; Mr. Hemant Sikka, who currently serves as President of the Farm sector at Mahindra & Mahindra and other members of our management team, including Saurabh Taneja, CFO and Jignesh Parikh, who is the Company Secretary of the company.

Before I get to the operating commentary of the business, let me quickly hand it over to Dr. Shah to start us off with some opening comments at his end.

Dr. Anish Shah: Thank you, Ram and good evening, everyone. I wanted to share a few thoughts and therefore, have joined this call for the first 10 minutes or so. And you may have seen the announcement today that Ram has decided to step down from the CEO role and pursue other professional interests.

The Mahindra Logistics Board has accepted his resignation and the Mahindra Logistics Board has also appointed Hemant Sikka as the CEO of the company. Hemant is a veteran and a strong leader, currently runs the Farm business or Farm Equipment Sector at Mahindra & Mahindra, has done exceedingly well in that role over the last 5 years. And you've seen the farm business gain a significant market share even from a very high base and more than double its profits over that time period, while going through a fairly tough environment at multiple points in that time.

Before that, Hemant was the Chief Purchase Officer for M&M and has had a very stellar career. He's one of the top leaders at M&M. And Hemant has been appointed by the MLL Board.

Personally, I'm very excited. The MLL Board is also very excited to have him on board as CEO. We see tremendous potential in this business and we feel that the foundation that has been built by Ram is a strong one and will help take the business forward and Hemant coming in with his experience will make a huge difference to being able to realize the potential that we see in this business.

I would like to personally thank Ram for all his efforts and dedication and hard work over the years, which have helped build a strong foundation at Mahindra Logistics, and wish Hemant and the MLL team all the very best in helping us taking this forward and realizing the tremendous potential that the business has. Thank you.

Rampraveen S.: Thank you, Anish before we ahead for the operating commentary, let me just first quickly welcome Hemant. Hemant has joined us today on the call. And to the Q&A, probably he might jump in. There are things that he knows far better than I would ever know. So there's great stuff.

I just want to echo a lot of things Anish said. I have had the chance to be a colleague of Hemant now for 5 years in the Mahindra Group Executive Board and the Mahindra leadership and Hemant is, I think a phenomenal person. In addition to all his business achievements, I think he has great insights from his supply chain leadership role into the building blocks of our industry as well. And therefore, I wish him the very best.

Hemant Sikka: Thank you, Ram.

Rampraveen S.: I welcome him on board. So with that, let me quickly just jump into a bit of an update about our strategy and the external environment, just operations, highlights and update on where we are with the Express business and any other important highlights for the quarter. In the interest of time, I'm going to keep my opening comments this time really short and open it up early for Q&A from all of you.

So let's jump into the industry. I think FY '25 was a year that tested the strength and flexibility of the entire sector. All the players from carriers to freight brokers, to logistics start-ups, infrastructure providers, all of us felt the weight of economic headwinds, the regulatory uncertainties and, of course, global disruptions. As the year has progressed, many of us forecasted or expected an anticipated turning point, but that relief has really not come in and challenges have continued through the year in terms of headwinds.

The year also saw some major elections at both Central and State levels, which slowed down growth for us, especially from a consumption perspective which drives a lot of our business. And in general, I think as companies are waiting more for government plans post elections. I think the recent past, we are seeing positive economic tailwinds, at least from a domestic economy perspective. The recent interest rate cuts and tax relief announces a budget should start kind of driving an increased level of growth.

I think the post-COVID restructuring of demand and consumption cycles, especially on things like appliances and durables, the introduction of the BEEE rating, some of those, I think have -- all of them have had some impact in terms of disruption of demand, but they're all now past us. And therefore, I think the industry is looking forward to a period of stronger growth. As this demand increases, so will the need for stronger supply chain networks and we expect to see more investment, obviously, in warehousing, transportation and technology-driven solutions.

From an end market perspective, the Automotive business remains obviously our biggest end market and overall industry volumes have been bolstered by the early arrival of the festive season. This change also offered a slight boost to retail activity across key segments. The two-wheeler segment recorded low-to-mid-single-digit growth. But I think a real positive thing has been rural demand growth during the quarter. Strong discounts and new product launches have helped momentum and helped maintain momentum.

Right, in rural areas, while urban demand has still remained relatively subdued. Passenger vehicle volumes have witnessed growth, primarily driven by robust performance of SUVs, which, as you know, blends positively to us. Commercial vehicle volumes have recorded growth, but it's on a very low base given where we were last year. And the medium and heavy commercial vehicle segment continues to be constrained, though I think we are all cautiously optimistic about what the future holds.

Our Farm & Equipment has been really strong recently. Tractors stood out with strong double-digit growth, fueled by a bit of a rural revival and improved food grain production, higher MSPs. We are expecting the segment will maintain its growth trajectory backed by kind of continued positive farm sentiments.

The FMCG industry, which probably represents around a little bit of -- around 20% of our demand and probably a larger part of our growth, continues to navigate a challenging external environment with another quarter of muted performance. The urban markets are experiencing a sustained slowdown, while rural demand is showing signs of gradual recovery. Our inflationary pressures remain a key concern for most of our end customers and there's a focus on keeping the -- not just the raw material costs, but also associated things like logistics costs low.

And while the end industry continues to try to make price hikes across categories, there has been the negative impact of the way volume growth has moved. Urban general trade, in particular, continues to face headwinds despite a slight quarter-on-quarter improvement. The consumer durable industry, I think, is something we are quite positive about in the near-term, near-to-mid-term.

The Indian Meteorological Department's forecast of above normal temperatures and potential heat waves is already shaping market dynamics. Robust demand for cooling products, including RACs, fans and coolers is expected as consumers prepare for an intense summer. One of the important things which happened in this industry, especially on fans was the introduction of the BEEE norm last year. And as that transitions out, I think we are now seeing demand settling down to more consistent patterns.

RACs firms are actively stocking up to ensure supply keeps pace with this heightened demand, setting the stage for significant growth in the coming months. We see that going -- happening directly from the end industry itself as well as indirectly from e-comm marketplaces, etcetera, who are serving the same demand. On the industrial side, the Cable and Wires business continues to benefit from strong B2B demand.

This growth is driven by activation of new capacities and recent surge in copper prices, which has triggered kind of a proactive inventory stocking throughout the supply chain. Additionally, robust export activity and a healthy rebound in real estate development are driving volume growth in the Wires segment, which has encountered challenges in previous quarters. Very briefly on e-commerce and quick commerce, I think this is a highly researched industry.

And I think from our perspective, we have started seeing green shoots in the industry with a renewed focus on some areas, especially around things like consumer appliance distribution. The grocery segment continues to grow, but the growth of quick commerce has resulted in distribution models for grocery marketplaces kind of undergoing a change and most of them are being forced to review their strategy and their way forward.

In this context, I think our recent quarter continued to show continued progress. Some things which went well, continued volume growth and order intake, especially in contract logistics. This has been very important. Overall, our revenues grew by 8.2% in the quarter on a year-on-year basis and contract logistics was a positive thing. From an order intake perspective, we have completed contracting approximately 1 million square feet of additional space.

This is going to basically be against some of the white space, which has challenged us in the last 12 months to 18 months. And therefore, we expect this -- these projects we look at -- are under implementation and we expect them -- this 1 million square feet to be fully occupied well before Diwali this year.

Express has had a better quarter this quarter after a challenging quarter in Q3, where our order intake was soft and our deliveries were also impacted by some operational disruptions. We did see a stronger Q4 despite Q4 generally being sequentially a weaker quarter compared to Q3. Our order intake of new contracts continues to be at around 5,000 tons per month. And we are continuing to focus on expansion of sales, both by expanding the sales organizations and by focusing on synergies.

Overall operations have remained stable. I think our net service levels remain North of 90% on an adjusted basis. And I think as I said the network is well tuned today, though there is obviously a big need to kind of bring in more volume into the system. Overall, order intake at a company level remained positive and consistent with prior quarters, slight uptick in contract logistics from e-commerce and FMCG and as I said earlier, an uptick in our Express business.

From a full year perspective, I think several of our subsidiaries have really had a very strong year. The mobility business, 2x2 and LORDS have performed well on a year-on-year basis. The Whizzard Investment or ZipZap Logistics has had a strong profitability improvement in the year compared to the previous year, remains an important growth lever for us. And so, we are -- we see a positive kind of shift towards a more stable playbook there.

The thing, which we're really kind of focused on -- or kind of watch outs really remain more of the same really as we get into this year. Obviously, the most important thing, which everybody is talking about is global trade right now. Global trade remains pretty volatile with all the tariff actions across the world led by the U.S. administration. I don't think we really have a perfect ask -- answer to what exactly will happen.

We are continuing to watch this space very carefully. But I think for the forwarding business, we do expect to see a period of volatility in demand and pricing probably through the first two quarters of this year at least. New project launches have been a challenge in terms of stretched out time lines compared to the past. In the past, compared to 90- day kind of 120-day rollouts, which was the norm for us, coming out of COVID, we are now seeing like a 150-day rollout on most projects or -- and some even longer. And that, I think, remains a challenge for us.

Inflation remains -- the third thing which I think is an area of focus for us, obviously, is managing inflation, especially from a manpower perspective. I think as our operations are pretty widespread, the logistics industry has a high dependence on migrant labor across at least eight or nine major states which we operate in. And given just the broader inflation, the overall economy, I think we are seeing the pressure in terms of cost control and cost management.

I think the management team is focused on solving for all these three things as we look forward. And, of course, the Express business remains a very big priority in terms of getting volume growth, which has been a priority for us in the last quarter and we hope we'll sustain that momentum and accelerate it further in the coming quarters. So just moving on to consolidated financial performance for the quarter.

Our revenue for Q4 increased by 8.2% year-on-year to around INR1,570 crores. Revenue from the warehousing segment stood at INR297 crores in Q4 compared to around INR249 crores for the same quarter last year, a growth of around 19%. As we end 2025, the warehousing business has more than quadrupled compared to what it was in 2021. So we continue to be very long and bullish on expanding warehousing and warehousing linked solutions in the company despite the short-term challenges we have had around white space in the last 12 to 15 months. It's something we remain -- may believe is a very integral part of the playbook.

And we continue to kind of expand and put in new facilities, though with a sharper eye on short-term demand. The supply chain management business, including our 3PL and network services businesses contributed around 95.5% of overall revenue and the mobility business contributed the balance. Gross margin at a fully consolidated basis stood at 9.5% in Q4 '25 compared to 9.4% in Q4 of the previous year and 9.2% in the preceding quarter of the year.

Our gross margin without the impact of the Express business was at 10.3%. To remind you all, I think our broad target has been to be around 10.5% on the basket. And excluding MESPL, we are at around 10.3%. EBITDA for the quarter stood at INR78 crores approximately, up 37% from the same quarter for last year. Our consolidated losses for the quarter were around INR6.8 crores, pretty much all the entities were positive with the exception of MESPL, where losses have continued to decline year-on-year and sequentially quarter-on-quarter, but obviously, something which we need to continue to focus on.

With that, let me quickly talk about component performance for a couple of minutes and then I'll open it up for questions. I'll begin with the standalone entity, MLL, which hosts and to remind you, MLL hosts our Contract Logistics business and parts of our Last Mile Delivery business. Revenue for Q4 '25 was INR1,293 crores compared to INR1,183 crores in the previous year, up approximately on 9.3%. PAT for the quarter was -- in Q4 '25 was INR13.1 crores as compared to INR7.9 crores for the same quarter last year.

Last year, we did have some gains in terms of other income for the same quarter last year. The other income accrual -- earnings from other income are lower in this year's Q4. And adjusted for that, the improvement was slightly short. The freight forwarding business, despite the recent challenges has had a strong year and revenue for Q4 F '25 was INR69.4 crores, up 10% from the same quarter last year, though down sequentially.

PAT for the quarter was around INR0.8 crores, down from INR1.2 crores last year. A lot of that's just been the pressure we have continued to see from a pricing volatility perspective in Q4 as some of the -- especially from an ocean perspective, where we've had a lot of challenge in terms of the moving prices. The Express business, Q4 '25 revenue stood at INR93.8 crores, losses shrunk to around INR23.7 crores for the quarter.

Mobility revenues stood at around INR80 crores for the quarter, down marginally from INR84 crores in Q4 F '24. I think you would remember -- probably those of you attended Q3 call, we had highlighted that we have seen a couple of big accounts churning out towards the end of Q3. And we have got new orders and new customers who are ramping up slowly and therefore, it will be a couple of quarters before we actually catch up on revenue rate. PAT for the quarter, though remained consistent at around INR1.3 crores for the quarter.

The ZipZap Logistics revenue for the quarter was INR42 crores as compared to INR32 crores in the same quarter last year, a very healthy revenue growth. PAT for the quarter was just about breakeven, pretty much in line -- down from Q4 last year. I think on a positive side -- and Whizzard is roughly half our Last Mile Delivery business, the other half sits inside MLL.

On a positive sense, I think generally, Q4 is weaker than Q3 in the Last Mile Delivery business, given the challenges we see with the -- because of the e-commerce kind of peak going off. I think our continued focus on growing beyond e-commerce into other markets, I think, continues to be a real positive. Our Last Mile Delivery business today, approximately 15% of its revenue is non-e-commerce. And as we kind of try to scale that up, I think we'll just see more leveling of this business, both from segment shifts as well as from richer services such as micro fulfillment.

2x2 Logistics, which is our automotive car carrier business has had a standout year, continues to do really well. It's kind of -- to remind you all, we've stayed with this business through a significant downturn, reinvested in the business and grown it back. And I think revenue for Q4 F '25 was INR24 crores, up 60% from the same quarter last year, which was around INR15 crores. PAT for Q4 F '25 was INR3.3 crores as compared to INR1.9 crores for the same quarter last year.

I think overall revenue breakup between automotive and non-automotive is -- Auto and Farm, I won't say automotive alone, Auto and Farm together, Auto and Agri is approximately 58% of demand. Consumer and e-commerce roughly split the balance, in general. I think as supply chains evolve and customer expectations continue to increase, we obviously remain focused on driving integrated logistics by expanding the network, investing in technology and just diving on our operational strengths to maintain our competitive advantage.

So with that, I'll open the floor for questions and answers, and we'll come back once again for closing comments in the end. Thank you.

Moderator: Thank you very much, sir. We will now begin the question and answer session. Anyone who wishes to ask a question may press "*" and "1" on the touchtone telephone. If you wish to remove yourself from the question queue, you may press "*" and "2". Participants are requested to use handsets while asking a question. I repeat, anyone who wishes to ask a question may press "*" and "1" on the touchtone telephone. If you wish to remove yourself from the question queue, you may press "*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We have our first question from the line of Amit Dixit from ICICI Securities. Please go ahead.

Amit Dixit: Hi, thanks for the opportunity, a couple of questions from my side. The first one is on Contract Logistics. So if I look at it, if you can highlight the quantum of unabsorbed cost that was there in this quarter. And similarly, for the 4 new warehouse locations, what kind of revenue trajectory should we build in for these? In the prepared presentation, it is mentioned that 3 of them will start breaking in Q1 FY '26. And when do we expect these to break even on profitability front? That is the first question?

Rampraveen S.: Okay, Amit. Do you want to ask the second question as well? I'll take them together.

Amit Dixit: Yes, sure. The second question is on the Rivigo again. So in the last call, you mentioned that you expect 6,000 to 7,000 tons of additional monthly volume to achieve EBITDA breakeven. Now this quarter, we have achieved around 5,000. So what is the rate looking like in April? And how soon can we achieve this breakeven run rate?

Rampraveen S.: Sure. So let me just answer the first one and Saurabh might add in some more details as well. I think, in the Contract Logistics business, we rarely -- we don't generally have unabsorbed capacity in that business. As a normal way of business, as you know, we build customized solutions for clients. And therefore, we don't generally have minimum guaranteed volumes.

Our absorption gaps or if you may come from 2 basic things: unsold white space, because we do contract out facilities over a period of time, larger facilities do give us cost advantages in terms of construction, but then we have to obviously sell them out as part of our solutions to different customers. The second thing which is there, obviously, is that there are start-up costs as a project takes -- is being bid out, it does take a certain amount of spend as we are currently doing that. We largely expense that spend. We do not capitalize that spend.

I think we have mentioned earlier on, we generally try to keep our network at around 3% in terms of warehousing space. We have today around -- the 3% is around 0.6 million square feet.

We have for most of last year, had around 1.5 million to 1.7 million square feet of unabsorbed space in the 7% to 8% range. So the first thing which we are doing, obviously, is to try and reduce that.

And that would essentially come down over the next -- and that's a comment I made in my opening comments, approximately 1 million square feet of that has been sold. It's contracts which are under implementation. And therefore -- as you know, a lot of those contracts start peaking up before Diwali. And therefore, by September, we should start seeing that 1 million fully utilized.

That 1 million, and I'm just going for some ballpark numbers, it roughly comes at probably around INR20 per square feet, and you could -- site level changes are there, but just at a macro level, that's just a header number. Then there would be of course, I think I made a specific reference to the sites which we listed in the photograph. And I think those are all in some level of operations already. So I think -- but let me just talk about each of them. Kolkata right now is a 4 lakh square feet facility.

We have commissioned half of that facility already. The other half will get into commission towards August or September based on the construction schedule. The 2 lakh square feet which is commissioned is already operating. We are running a grocery fulfillment centre and an Apparel FC there.

The Phaltan project, which you can see there is basically a project which is completely sold out. That project went live in April, and we are building -- there's a second phase to it, but the first phase, which we have commissioned is around 3.3 lakhs, and that's fully sold out. That's actually all to one customer, and it represents a very large national logistics facility for them. The second phase of construction will start later that year, but it has no impact and we capitalized after construction is done, and that's pretty much sold out as well because it's sold to the same customer.

Agartala is approximately a 1 lakh square feet facility. We are going to probably build out -- go live with the first 1 lakh. Around half of that is essentially sold out and we will get commissioned through the first quarter of this year. So essentially, Phaltan will be completely sold out. Calcutta come half is already sold out and is already operational. The other half only comes by September. Agartala, will probably carry some white space, right, through the first half of the year, but it's a small amount of white space, around 50,000 square feet.

Pune is a new site, which we are building. It's a brand-new facility as you know, it's 4.5 lakhs and kind of a benchmark facility for us, lighthouse facility for us in the West. And that facility, around half of that is -- goes into full absorption into our books somewhere around July, end of Q1. And at this stage, we've got around -- probably around more than half of that sold. We are relocating some of our existing projects there as well. So it's also not all new projects. It's in consolidation.

So I think from a revenue perspective, therefore, you should start seeing -- the Phaltan one is completely scratched. It's absolutely brand new, from a revenue and cost perspective. Kolkata revenue and cost is already there in our numbers. The second phase will come up in September. Agartala revenue and cost will start with 50% utilization in Q1. And Pune will actually -- will go into revenue and cost by the end of the first quarter of the year. So that's just quickly on the four projects.

And as far as the MESPL number is concerned, I think what we had said is that we need to get probably 6,000 tons more per month to actually be able to get to the EBITDA breakeven level. And if you look at where we finished this quarter, we overall finished around approximately around 2,000 tons per month up. We booked orders of around 5,000 tons. But just -- and so, I just want to draw that clarity for your sake, Amit just for the segregation, Amit.

So we book orders and contracts. It takes us several months for the orders to flow in. So we did in Q4 book around 5,000 tons per month of order intake or 4,500 tons to 5,000 tons. Around 40% of that came through in the numbers in the quarter. So you will see that roughly revenue was -- tonnage was up by around 2,000 tons to 3,000 tons per month. And obviously, that will continue to have a tailwind through the first and second quarter.

So the way it works is every month -- every quarter, we have to add the volumes of 6,000 to 8,000 tons per month. And obviously, with some -- with the conversion ratio, we expect somewhere towards the end of Q2. As of now, I think we expect -- or we estimate that by the end of Q2, we should be in a position to get to that 6,000 tons to 7,000 tons gap. I hope that answered your question, Amit.

Amit Dixit: Thanks a lot. All the best for your future endeavors. I hope our paths cross again. Thank you so much.

Moderator: Thank you. We have our next question from the line of Alok Deora from Motilal Oswal Financial Services.

Rampraveen S.: Good Evening, Alok.

Alok Deora: Good evening. Firstly all the best for your new endeavors and also all the best to Mr. Hemant Sikka for the new position at Mahindra Logistics. So I'll just quickly jump on the question side. See, just wanted to understand, so if we look at the Y-o-Y numbers, the Express revenues are lower in the fourth quarter. And I'm assuming the pricing would not have changed much. It's mostly the volumes which have been on the lower side.

So in the scenario right now, it's that the first quarter, second quarter should also be kind of similar than what it was that we would have done in the fourth quarter. So how do we see this profitability moving? I mean, you have given a run rate that some 6,000 tons, 7,000 tons will get added in 2Q. But the market scenario is very difficult in the Express side. So just any change we have seen than what we had thought in the last quarter?

Rampraveen S.: Alok, I think just first because there's a bunch of data points you raised, but let me address a couple of them, which I think are most relevant. Obviously, revenue is down year-on-year, some part of by around 3% compared to Q4 last year and Q4 this year. There is a little bit of that impact, which basically -- and I wouldn't call it substantial, but probably 1.2% this quarter has been yield.

It's not prices which are down, Alok, but I think yield is down based on retail versus enterprise versus some volumetric load shifts which have happened. 1.5% to 2% is still because volume is behind where we were in Q4. So as you know, we had in Q1, we had softness in the market. Volumes actually came down. In Q2, we had some of those operational issues. Last quarter, I had said that we have picked most of that volume back in terms of clients trading back with us, and we expect that volume to start coming back.

And I think around 2/3rd of that is back from those clients. We have been filling the rest with new volume. So I think that's broadly at least what's happened on a year-on-year basis. I think to the other question you asked, Alok, I think we've had this conversation at some frequency. Obviously, markets are tough right now, especially on the Express side.

But as I said last quarter as well, we are confident we'll start trading up. This quarter, on a sequential basis, between Q3 and Q4, we have been up by around 8% in terms of volume. And I think we feel, based on the order intake, we feel we should be able to consistently be able to move that up.

What's driving that, I think, is a couple of things, which I've already said again earlier as well, but we'll just repeat that. I think the first thing is sales coverage. We have historically been -- had a sales organization, which was pretty much -- which was really focused on depth, just large market clusters.

I think after Q2 this year, we have been focused on expanding the sales organization significantly. And as we just put more feet on the ground, we just get more coverage of the market. And that is one thing which will drive the order intake. The feet on the ground will take some time to mature, but I think that's an important driver for growth.

The second thing, obviously, is more synergy with the rest of the MLL business. A lot of customers whom we have in 3PL business, they generally are large enterprise accounts, and they sign annual contracts, right? And in between the year, they normally don't switch customers or vendors they already have. Several customers will come up for rebidding this year or contracts will come up this year. We have a view on what we think we can win there. And that's the second lever, which will drive some of this volume movement, Alok.

And the third one, obviously, is we are putting a higher focus in terms of regional distribution and some newer offerings, which are we're tailoring our offerings more for things like quick commerce and some segment customization of our offering should allow us to get some deeper penetration in segments we don't serve very well today. But those are the 3 things, reach, synergy as we call it, and obviously, to improve our offerings. And those 3 should really are what we think will drive the volume and never say never -- both ways, never say never in terms of it can go bad.

Never say never, it can actually turn good as well. And so Alok, as I said, I think we projected a 10% -- 9% to 10% growth for Q4, and we came in at 8%. Market conditions happen to be tough, but we are obviously working that up and moving it up. It's coming at some impact of yield as well, which is a question which you have raised in the past saying that we -- and I think we've taken cognizance of some of those market issues as well, and we've adjusted pricing, and that's impacted some yield for us as well, as I mentioned. I'll stop here, Alok, and see if you have anything else to add.

Alok Deora: Yes. Just one last question. So based on the full year tonnage, which we would have done in FY '25, what kind of tonnage growth are we looking for FY '26? Because the Street -- I mean, most of the other listed players or the larger players in this space are talking about 5% to 7% growth even in the best-case scenario. So just wanted to understand what kind of growth you expect?

Rampraveen S.: Coming from the base we are in right now, we are probably looking at around mid-teens. So I think as I said, the 6,000 tons from where we exited the year is like a mid- to high-teens number. And that's kind of what we are targeting right now, Alok, and that's got some runway. So I think the market is -- but I think, as I said, there are some emerging market segments as well like quick commerce, etcetera, which lend into the market's growth as well. So we'll see how it turns out.

Alok Deora: Sure. Okay. That's all from my side. Thank you and all the best.

Rampraveen S.: Thank you, Alok.

Moderator: Thank you. We have our next question from the line of Krupashankar from Avendus Spark. Please go ahead.

Krupashankar: Good evening and thank you for the opportunity. The first question is on the warehousing business…

Moderator: Sorry to interrupt, Mr. Krupashankar. Your audio is quite disturbed.

Rampraveen S.: It's kind of breaking. Krupa, I don't know if it's disturbance. Breaking for sure. So if you want to come back on the queue. Why don't we just go to Vikram and then we'll come back to Krupa when he comes back on the queue?

Moderator: Next participant is Vikram Suryavanshi from Phillip Capital India. Please go ahead.

Vikram Suryavanshi: Sir, what was the warehousing revenue for this fourth quarter and full year?

Rampraveen S.: I think, I said earlier on, our warehousing revenue So INR297 crores for the quarter, up from INR249 crores for the same quarter last year. For the full year, I think, warehousing was around INR1,133 crores. And I think, you'll find more detail of that, Vikram, in the extracts in the investor deck, which has been shared.

Saurabh Taneja: Yes. So there has been a growth of 15% in the warehousing revenue. It was INR984 crores last financial year. It has increased to INR1,133 crores this year. And between quarters, fourth quarter of last year, it was INR249 crores. It has gone up to INR297 crores, which is approximately 19% higher warehousing solution revenue.

Rampraveen S.: And Vikram, just when you are trying to -- you'll see on other slides, we list our total warehousing space that obviously includes space which we use in our Express Business, etcetera, which is in-house. So there is a separate chart, which also talks about yield, et cetera, in the investor deck to help you frame that.

Vikram Suryavanshi: Yes. And just to clarify that, see, whatever whitespace we have, say, around 1 million square foot, and we expect it to get utilized by Diwali, which also include the new addition which are coming up in, say, next quarter. So...

Rampraveen S.: Yes. So Vikram, I think the new facilities we said, as we said, some of it is only coming up by Diwali. Like Calcutta will come up -- 2 lakh square feet will come up by Diwali, really. And so Agartala's smaller whitespace in Agartala is included in that number, which we share.

Vikram Suryavanshi: Got it. And just last question about customer side. Do we do any business with the Meesho and would it be -- just to give brief, your unit economics are similar to our warehousing business only?

Rampraveen S.: I won't make a client-specific comment, but I think what I would say, Vikram, is that we do work with pretty much all the marketplaces which are there in e-commerce. Some we do integrated solutions, some obviously, we do specific parts of mid-mile and first-mile for them. And so I think Meesho would be one of those clients which we do work with, largely on the mid-mile.

Vikram Suryavanshi: Understood, sir. Okay. Thank you.

Moderator: Thank you. We have our next participant from the line of Krupashankar from Avendus Spark. Please go ahead.

Krupashankar: Am I audible?

Rampraveen S.: Yes, Krupa. Go ahead.

Krupashankar: Yes. Thank you for the opportunity. Just wanted to check one part on the warehousing piece. You did mention that there is a mixed demand environment relating to the overall warehousing structure?

Moderator: Sorry to interrupt again, Mr. Krupa. Your voice is quite breaking now.

Rampraveen S.: Let Krupa continue. Krupa, why don't you just continue? We'll answer it to the best I can.

Krupashankar: Sure. Thank you, Ram. So with respect to the warehousing division, just wanted to see your confidence with respect to whitespace fulfillment. I wanted to check, given the mixed demand environment, how confident are we with respect to that? Do you want to take it a little bit slower on the expansion going ahead in account of muted environment in the industry?

Rampraveen S.: Yes, Krupa, it's a great question. And I think, to be honest, we've already done some of that. I think since our white space, as you know, warehousing construction is a 12- to 18-month cycle if you go from and probably even longer based on some geographies, we are looking at how much land reclamation, et cetera, we have to do. And therefore, we plan the projects on 18 to 24 months as kind of a bellwether in terms of planning. And so, to the extent we contract something within 18 to 24 months, it's hard for us to re-contract it.

And what we have done is, I think, since the whitespace challenges started surfacing out in Q4 last year, actually, Q4 F '24, not Q4 F '25, after what was a very, very tepid e-commerce peak. And our customers decided to kind of take some of that space. As you know, Krupa, we've kind of really shut down a lot of expansion. The ones which are going down like Phaltan are basically a back-to-back with an anchor customer for 7 years.

So apart from that, almost everything, which is -- some of them like Agartala, we've actually pushed back the launch. So we have kind of reworked construction schedules with partners as well. So at this stage, I don't think we are actively looking at adding immediately. I think the immediate focus right now is to stay true to our strategy, which is firstly 30% multi-client, 70% bespoke.

And so, Krupa, what we are doing right now is, I think as I mentioned last quarter, we've increased the bespoke, which is back-to-back percentages substantially. So since Q3 last year -- Q3 of F '25, we've not really commissioned any new multi-client facility. All of those have really been stuff which have been -- all of them have been bespoke build outs for -- with a back-to-back client. What you're seeing today is just customer sites which are in construction from before that.

And we will wait to see how volume picks up. As Saurabh mentioned just now, year-on-year volume is up by 16% -- quarter- on-quarter up by 15%, year-on-year up even more. So the growth in warehousing in that sense is panning itself out. It is just that we obviously are putting capacity ahead of that demand. So at the right point, you got to break that. We broke it in July last year and I'm pretty sure that the management team going forward will maintain that discipline in terms of future build outs.

Saurabh Taneja: Yes. And Krupa, Saurabh here. Just one thing to add, the 1-plus million square feet that you see in the deck, this is the last of our expansion in the BTS space. With this, we'll be at about 5 million square feet from a BTS perspective. And there are no further plans or sites that we have announced beyond these.

Rampraveen S.: So we're going to take a bit of a high it is, Krupa, till the market really starts shaping up a little bit to the way we like to see it. We're also reviewing design standards and so on and so forth. So it's a good time for us to just halt -- to kind of just recalibrate a little bit. Any other questions, Krupa? I hope that answered your question.

Krupashankar: Yes. One more on B2B Express business. I wanted to check, Ram, if going ahead, I think, you did mention in the presentation that Tier 2 and 3 cities would be one of the areas where you'll be focusing on. Is there a large portion of the integrated solution provided already tapped in and limited scope over there to drive your growth in the Express business on the required tonnage for EBIT breakeven?

Rampraveen S.: Yes. Obviously, integrated solutions do add a lot more -- add to the Express volume, Krupa. That's one of the reasons why we strategically are very interested in the Express business. It's a balance of both regional Express and national Express. But typically, during most years, it changes by end markets.

So obviously, as we sell more integrated solutions, we will see the flow through of that volume. I think to your question specifically is currently all our integrated solutions, wherever they use Express, barring a few exceptions like pin codes we don't serve. Where we do serve pin codes, they use our own Express business. So as we get new sites, we will obviously see a pull-through of it.

For example, in Q4, we launched for a very large global cosmetic company, we launched and distribution center and integrated warehousing and distribution in Nagpur. So that's a business where the Express deliveries or the part-truckload deliveries from that DC, which we run together on one platform, that business basically uses -- the contract logistics business uses our Express business itself to do the PTL. So you will see that pull-through coming in. And we think that's a very strategic capability for IWD, Krupa, as I mentioned before.

Krupashankar: Thank you very much, Ram. And all the very best.

Rampraveen S.: Sorry, Krupa. It's just very difficult to hear you. So probably you can just send some follow-up notes as well.

Moderator: Thank you. A reminder to all participants, if you wish to ask the question you may press (*)and "1" The next question is from the line of Jainam Shah from Equirus Securities. Please go ahead.

Jainam Shah: Yes. Thanks for the opportunity. Hope I am audible clearly.

Rampraveen S.: Yes Jainam.

Jainam Shah: So congratulations, Hemant sir, for joining in Mahindra Logistics. This question is mainly to him. So basically, of course, it's very early stage to say anything. But as we see that over the last 2, 2.5 years, the major pain for the company has been the Express logistics business. So any view of him like how he will be going ahead with that business and how overall profitability will be coming in probably in, let's say, medium term over next 2 to 3 years' time, if he can comment on anything on that part?

Hemant Sikka: Thank you very much, Jainam. I think it would not be appropriate for me to comment on Express logistics at this stage. I would still request Ram to take this question. And as I slide into my new role from the next quarter, then I'll be more okay to take such questions. Yes? Go ahead, Ram.

Rampraveen S.: I think, Jainam already knows my answer. So I think he's going to fact-check it with you. Jainam, do you want me to comment on it? I'll kind of give it a pass.

Jainam Shah: No, sir, just one thing on that part. As you have already told about the tonnage that we have been signing in on a consistent basis over the last few months or quarters, are we doing too much tons that is eventually impacting our revenue growth? As, of course, we know, overall revenue for this year has not been growing for the Express segment. So what kind of change we can see from this lower base for the next year, the new contracts that we would have signed over the last 12 months?

Rampraveen S.: So, I think, Jainam, it's a long question, but I think just 2 broad data points. I think the first thing is, as I said, we exited roughly, give or take, the same tonnage at the end of the year, for a full year basis, as we had in the previous year. That was a tale of 2 stories, 2 halves. The first half of the year, we got severely -- volume actually declined, given both market conditions and some of the issues in our network.

In Q3 and Q4, Q3 also, we had operational issues. It kind of challenged us to move tonnage in. But so what we have done at the end of Q4 is basically recover some of that volume and get some new orders in. So we just basically mitigated -- while our new orders continued to come in, we basically had a bunch of churn which was there in the system. We had to get that churn fixed, which is kind of what we've really done in Q4.

And I think that's why there's a -- as you look at the math, if you're trying to figure out where the new orders have gone, it's gone into the best books, is that some of the old orders basically were impacted by churn. And that's kind of why we think that there will be a positive flip. I think -- and to the other question about how I see the year, I think how we see the year.

I think, it's the same thing which I mentioned earlier on to Alok that we are looking at probably a mid- to high-teen growth year-on-year basis what we laid out as some of the sales focus we are doing. Large part of the focus right now is strategically on driving the sales engine faster and accelerating that, I think, and that's what the big focus is.

Jainam Shah: Noted Sir, and sir, from the industry perspective, has there been anything that has changed over the last 1 year? Of course, we know that competition has increased, few players are cutting down the pricing and taking away the market share and all those things. So anything that has changed from that or this kind of competitiveness is still in the industry?

This question is mainly because we are already kind of a smaller player from the overall industry perspective. So we have a lot of volumes to cater, but we are still at INR90 crores a quarter revenue. So is this competition that might, you can say, put our numbers into the check for next year as well?

Rampraveen S.: So Jainam, it's hard to say yes or no to your question because it's kind of self-answering. But what I would say is that our low tonnage is both an opportunity and a challenge, okay? Why we see it as an opportunity is because we have, on the 3PL side, very significant customer partnerships. As I said, many of them will come in for bidding this year. They generally do a once in a year, once in 2-year contract, right?

So that's something which will come in. I think the second thing which is there is that we don't measure the network so much by tonnage as much as by delivery capability and coverage. In that sense, the network, the Rivigo network does serve around 19,000 plus pin codes, delivers to 7,000-plus pin codes directly.

You can, obviously, through boomerangs, deliver all the pin codes. And therefore, our value proposition of better TAT, better quality handling still remains. And we think that's what will -- what differentiates us independent of our size in the market. Markets are tough. There's no question. I think we are seeing a correction really, in this Express business. Business grew in the COVID period very significantly, and that's quite normal. Every time -- Express is time-defined delivery for less than part-truckload of emergency requirements. And therefore, it thrives when supply chains are inefficient.

The more efficient the supply chain gets, the lesser you -- the more you can plan your volume, the more you can consolidate it, and therefore automatically you see the flip. It's the same thing in cross-border, the more stable the supply chain, the more you can move to ocean. The less stable your supply chain, the more you'll do air. So I think you're just seeing that toppling happen in a reset.

From a long-term perspective, the shift towards part-truckload will continue to happen. I think, all of us in the short term are worried about industry headwinds. I think all of us are also equally optimistic about the medium term that this has been a secular growth rate, which is in the mid-teens across multiple business cycles and we expect that to continue.

Jainam Shah: Got it, sir. Thank you so much and all the very best.

Rampraveen S.: Thank you, Jainam.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we'll take last question from the line of Mayur Parkeria from Wealth Managers (India) Private Limited. Please go ahead.

Mayur Parkeria: Good evening to the entire management and thank you for taking the last question. I hope my voice is not breaking and it's clear.

Rampraveen S.: Yes, Mayur, please carry on.

Mayur Parkeria: So firstly, so congratulations to the new management and wishing all the best to Ram in terms of that. It's been a while since I've been looking at Mahindra Logistics in the sense of earlier we were invested, and we looked, but it's been a while post the -- whatever is happening at the company level. So just wanted to understand two, three basic things in terms of, so that we can pick it up from where we left.

In the discussion I followed, I still get the understanding that the warehousing revenues around INR300 crores for the quarter or INR1,100 crores for the year, and the balance appears to be transportation revenues. Then we have freight forwarding, we have express logistics, which are there.

What I just wanted to understand is when we looked at this sector, the earlier hypothesis was that the sector is moving towards the 3PL conceptually, and it is going to be a lot more integrated services rather than looking at bits and pieces of services offerings and solutions. Is it still in bits and pieces? And if so, why aren't we actually moving towards such an integrated? And if it is integrated, what is the actual revenue share of the total integrated, the way one should look at rather than bits and pieces? Is the question relevant?

Rampraveen S.: Yes, it's a good question, and probably a great way to end this call. But is that the only question you have or do you have something else?

Mayur Parkeria: No, sir, that is first. And secondly, I think many participants were trying to understand, and the same question remains is, despite whatever opportunity we have in the logistics space and overall right from government to every corp, we are looking at reducing the logistics cost and improving the runway for the entire sector. The sector remains in a low margin. We talk of EBITDA margin I don't know why, but we should truly be looking at PBT margins because it is a very different way to look at rental cost now in the post IndAS.

But from a financial perspective, it remains a dismal profitability margin business in that sense -- in the true sense. I mean we barely are able to get even 1% net margins on a consistent basis. So some of your thoughts from a slightly longish perspective over the next 2, 3 years rather than only a quarter?

Rampraveen S.: Sure. So I think the first part of your question, Mayur. I think what we have always mentioned is that while we go to our customers and provide end-to-end solutions or integrated solutions to them, we report by service line, and we report the business by service line to the market because we think -- because the market is better able to configure our numbers in the context of individual service lines.

So contract logistics tends to be our solutions plus our full-truckload, distribution, and warehousing business. And then Express tends to be part-truckload, cross-border tends to be freight forwarding and obviously, last mile tends to be B2C and B2B deliveries. So we report these out numbers because the cost dynamics and the profiles are slightly different. But when we go to customers, obviously, our attempt is to integrate them using process and technology.

And the purpose of reporting on the segments is because we manage the delivery process on the segment basis and because it is easier for all of you to do comps of our business with others, right, and understand how the margin profiles of the business works. Now, to your specific question, I think we've got two kinds of solutions. We have solutions which are complex in terms of the way they operate, in terms of domain knowledge and require a lot of design and solution capability. That total revenue is approximately 25% of our revenues. It's around 23% of our total revenues.

In that 23%, approximately half or probably around 8% to 10% of the total revenue would be what we call really integrated solutions, right, which is where we are running an integrated network. We may be billing on a cost per-unit basis or a cost per shipment basis still because of how contracting works, but where we actually run an integrated network for our client.

So we still go ahead and charge the customer for the warehouse separately because there are hundreds of pin codes. But the customer might still say we want to have a transportation fee per box, which is different from the warehousing charge. But we run the system, run it together, right? So purely integrated solutions, which has been -- is around 8% to 10% -- 8% to 9% of our revenue. Our total solutions, Mayur, is around 23% to 25% of our revenue.

To the other point you made, yes, warehousing is approximately 20% of revenue today. At an overall level, it's around 17% to 18%. The remaining 80% is transportation. But today, it is very small amount -- it's a much smaller amount of full-truckload transportation. Approximately 25% of the 82% is Express it's global freight forwarding, it's last-mile delivery. And, of course, the mobility piece is also included. So put it differently, you've got around 20% of those -- of that transportation, you've got on 60% of full-truckload and distribution and you've got around 20% of warehousing.

Does that kind of make sense? I think from a longer-term perspective, which I think was also a great question. I think when you look at profit potential, it is a toss-up between assetization. So there are two, three levers. One, I think, is how much is a differentiated profit pool which an industry has. And the second one, obviously, is what's your level of vertical integration in the industry. Logistics to some extent -- to a very large extent is a layered industry.

And we -- any company which is asset-light basically tends to, as you pointed out very well yourself, tends to be a return on capital employed play rather than a return on sales play, right? And that's a toggle which we are doing between balancing between risk and systemic inefficiency, which happens because of infrastructure constraints, versus assetizing our business.

I think what we have done is where we feel the capability is very positive or where we think that we believe that our business models can run very tightly, we have assetized as required. So the 2X2 business is a great example. I think contrary to what a lot of people often asked us, we went ahead and assetized that business from a downturn.

And as you can see, it's kind of now had four really good quarters. So we've shown conviction in that process, saying that we will assetize, but we'll assetize when we know we can ensure high uptime, high fleet operatability because of the nature of the sector. And I think that remains a challenge for the industry. And, therefore, you will see that I think ROCEs will start playing up as you start getting more scale.

Because it typically requires us to maintain very strong operational cash flows, which I think we've done very tightened up in the last 2 years. It allows you to actually have the right margin accreditation. And with that, you can actually get an 18%-ish ROE, which is pretty attractive on the business portfolio. But it requires you to maintain that discipline.

It also, I think requires you to consistently differentiate yourself. I think our focus on new offerings like eDeL or electric vehicles, Pro-Trucking, which is high-end transportation solutions, our focus on integrated warehousing and distribution and your solutions is all about finding a way to differentiate ourselves.

So we are creating productivity-led value for the client, which can then result in better margin profiles for us. This is not a 1 or 2 year play. This is a 5 to 7 year play. It just requires us to consistently work it. There will be a dipping point along the way. I do believe that some things will continue to play out in the industry. Indian demand is probably more omni-channel, which means that demand is more online, demand is more general trade, demand is more retail, organized trade.

And that means that companies will require to adopt more complicated logistics to deliver to all these multiple channels. And that's where our -- that's where integration really comes in. I think as India -- as the economy starts focusing back on cost to serve, I think there is an increased focus on trying to say how do I manage risk downwards and how do I actually outsource for better efficiency and productivity. And that's, I think, the other thing which will continue to drive integration.

The third thing, obviously, which will continue to be a challenge for us is the rural/urban divide continues to be a challenge for logistics because the economics of rural logistics is actually a challenge, especially in the context of per capita consumption or per capita product value or per capita shipment value. So these challenges will remain, but I think over the next 3 to 5 years, and as I said earlier on, this is not a 1 or 2 year play.

There is a risk that everybody -- there is obviously the challenge of maintaining short- term results and the expectation is everything will happen in 6 months or 9 months or a year. But I think we want to create a differentiated play in a very informal industry. It's not just fragmentation, it's informal. You have to be ready to play long ball.

I think the Mahindra Group, we have tried to always play that long ball with capital discipline, right? And therefore, if you see MLL itself, we have tried to grow the business. We probably doubled the revenue in the last 4 years with very, very low amount of capital spend as a part of percentage of revenue, and also, I think, a very low amount of burn.

While there is burn today in the Express business, there's a substantial amount of our businesses, which we have turned around like Meru and other businesses have scaled up. I think with Hemant coming in and Saurabh as a team, I'm very confident -- and all our other leaders, I'm very confident that, that capital discipline will continue. And that capital productivity focus will remain unchanged.

So I think that remains part of Mahindra DNA and MLL DNA, and I'm pretty optimistic about that. With that, Mayur, I gave a very long answer to your question. I hope it was of some value.

Mayur Parkeria: Yes. Last bookkeeping kind of question from your presentation.

Rampraveen S.: Yes, sure, absolutely. Our bookkeeper is here, so please do ask him.

Mayur Parkeria: We have mentioned that in the deck slide that the road to ROE would be monetization, if just taking one word out of it. So have we identified any segments or any areas where we need to -- which will be -- because as you were just mentioning the last point, I also had in mind that Mahindra Group has moved significantly to selling out or disposing of all the noncore or wherever there is capital inefficiency built in. So have we identified any of the segments right now and any outlook on that to that road?

Saurabh Taneja: So Saurabh here. So we have an annual process to review our investments and decide based on that. Right now, there's nothing that has been decided, but we go through our strategy every year. And if there is any update on account of that, we'll share with all of you.

Mayur Parkeria: Okay. Thank you very much and wish you all the best.

Rampraveen S.: Okay. Thank you, all. I think, let me just quickly wrap up the call. And firstly, I think we are well set up as we go into this year. Some of the challenges we've had over the last year and some -- our component businesses are actually doing well. We do think some tailwinds are coming from a demand perspective. And, obviously, there still remains a challenge on the Express business. And we take into account some of the concerns you all have shared as well.

But that said, I think we are pretty confident about where we are overall as a business. I think I am pretty excited about the quality of our leadership team and obviously, Hemant joining the team now. Most of the times when you leave a job, you're always worried about -- you kind of look back at all the past. I think our group's confidence and my own -- my relationship with Hemant and my confidence in just seeing what he has done in other businesses, which makes me feel that the future is actually better than the past and will remain that way.

So I'm pretty excited about what the company will look forward to. And I think I've always, over the last 5 years, we always maintain and try to maintain very high engagement system with investors. It's something which I think even before Saurabh joined, we did our best to do that and expand. And I think after Saurabh and his team have come in, we've actually continued to do that a lot more.

I do think that investors keep us clean, for the lack of any other word. You challenge us, you look up, you challenge our perspective and sometimes that's just an invaluable amount of feedback. I remember when I came to the industry, I came from outside logistics. And my greatest learning actually is from meeting all of you. So on that note, I do want to thank you all for what -- for all your support and contributions over the last 5 years.

I've learned as much of logistics from you all as I've learned otherwise. And thank you for your patient support of the company as well. It's doing what you want is freedom. Loving what you do is happiness and I've had the chance to have both over the last 5 years and it's been great fun. And I think you all have been a great part of helping us get to the journey we have.

So thank you all once again and thank you for joining us today. I know we kind of squeezed this call and rescheduled at a short notice and I really appreciate all of you joining us today. We hope we have addressed all your questions and provided insights on our performance and strategy.

I think as Hemant and I transition, I think we will work along with Saurabh and the Investor Relations team to put together a calendar. Obviously, Hemant will need some time to get onboard with various things in the company. But I am sure, in the coming months, he will work along with Saurabh and our Investor Relations team to get in front of all of you. And so, please do contact our Investor Relations team for any questions, not only about today's results, but also about getting in touch with the management team.

With that, let me wrap this call up. Thank you all for your continued support, your engagement today and as always over the past. I hope our paths do cross again. Till then, please remain -- thank you for your investment in Mahindra Logistics and your interest in the logistics sector. Thank you very much.

Moderator: Thank you, sir. On behalf of Mahindra Logistics Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

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