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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

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: Intimations of earnings conference call vide letter dated 13 April 2024 and Outcome and audio recording of earnings conference call dated 23 April 2024

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 2024, held on Tuesday, 23 April 2024, with several Analysts/Institutional Investors/Funds. The transcript includes list of management attendees and the dialogues including but not limited to the Q&As' and assents/dissents.

The text transcript and audio recordings of the Q4&FY24 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No Unpublished Price Sensitive Information was shared/discussed by the Company during the earnings conference call.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 weblink:
https://mahindralogistics.com/disclosures-under-sebi-regulation/disclosures-under-sebi-regulation-462/

For **Mahindra Logistics Limited**

JIGNESH ASHOK PARIKH

Digitally signed by: JIGNESH ASHOK PARIKH
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Jignesh Parikh
Company Secretary

Enclosure: As above

"Mahindra Logistics Limited Q4 FY'24
Earnings Conference Call"

April 23, 2024

MANAGEMENT: MR. RAMPRAVEEN SWAMINATHAN – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, MAHINDRA LOGISTICS LIMITED
MR. SAURABH TANEJA – CHIEF FINANCIAL OFFICER, MAHINDRA LOGISTICS LIMITED

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Mahindra Logistics Limited Q4 FY'24 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 call, please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Shogun Jain from SGA for the disclaimer. Thank you and over to you, sir.

Shogun Jain: Thank you. Reyo. Good evening, everyone, and thank you for joining us on the Mahindra Logistics Limited Q4 and FY'24 Earnings Conference Call.

We have with us Mr. Rampraveen Swaminathan – MD, & CEO, Mr. Saurabh Taneja – CFO and the Senior Management Team of the Company.

I hope everyone has had a chance to view our "Financial Results" and "Investor Presentation" posted on the Company's website and Stock Exchanges.

We will begin the call with "Opening Remarks" from the Management, followed by an open forum for Q&A.

Before we begin, I would 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 would now like to invite Ram – the MD, and CEO of Mahindra Logistics Limited, to make some preliminary remarks.

R. Swaminathan: Thank you, Shogun. Good evening, everyone and I trust you all have had a chance to view our Presentation and Financial Results, which are available on the Stock Exchange and our Company's website.

As we wrapped up the year in the interest of time, I will focus our comments this time on a shorter parent markets a more detailed overview of our operations and some key matters of significance, obviously a financial summary and a bit of the roadmap for the future, which is to begin with the domestic markets.

I think at summary level, the broad direction for end market has remained consistent with prior quarters. We do continue to see strength in the overall automotive segment, driven by growth primarily in passenger cars. Commercial vehicles remain muted and during the quarter, we did see some impact of higher NPD's or no production days and lower volumes as some of our CV customers cut production to balance supply and demand.

The Farm segment continues to be sluggish with weakening lead indicators. The short term outlook remains soft. We have seen a fair amount of correction in Q3 and Q4 and we don't expect any further weaknesses other than seasonal variations that are typical to the industry.

The consumer segment, CDR, FMCG, pharma, etc., have seen muted volumes and demand weakness through the last three to four quarters. However, the growing Indian economy increased consumer spending power and enhanced access to reasonably priced high quality goods, will continue to have an impact on the sector. The overall size of the consumer durables market by FY'23 was estimated at Rs.1,303 billion and the market is expected to grow at around 13.5% to 14% CAGR until FY'28, driven by rising rural consumption and shorter replacement cycle, improved retail penetration, the availability of a wider range of brands and products at various price points.

Our long term view for the segment remains extremely positive, though we do see short term softness in rural and urban areas as well. Many of the customers in this segment are now earnestly reviewing their supply chain design as things have settled down post-COVID, and this is resulting in a higher number of bids or RFQs for integrated logistics services.

E-commerce has been a challenging end market for us in the last three quarters of the year. However, we have seen a strong uptick in order intake in the fourth quarter with stronger growth in hyper local grocery and specific product segments in geographical markets.

The Mobility segment is showing strong growth in B2C demand with increased travel and seasonal vacations. The B2B segment continues to show slow but sure growth as return to work has accelerated to higher levels and this is evidenced in our volume growth as well.

Before I move on to operations, let me just make a quick comment on cross-border logistics:

While there has been a small uptick in ocean freight prices in the past quarter, overall markets and pricing remains subdued for cross-border logistics. We did see a moderate impact of the Red Sea crisis on pricing, but we could not gain significant benefits of the same. With an increased focus on Make in India and a greater spread of exports to other geography, cross-border logistics remains a key growth area for us in the future and we'll continue to invest in that space as we try to focus on volume recovery.

Moving on to our business operations themselves:

I believe sales across all our segments showed a positive trend in Q4. The third-party logistics business had a strong order intake with an annual contract value of over Rs 100 crores, which is also mirrored by strong growth in our last mile delivery business. Growth largely came from a higher share of wallet in existing customers such as Hindustan Unilever, Cummins, Meesho, Marico and a few others, as well as new logo additions such as Mars during the quarter.

Freight Forwarding business, as I mentioned earlier, has seen broad macro challenges, but on a sequential basis, did see growth with a higher share of ocean volume driving most of our growth, though we did have some softness late in Q4 in our air products.

In the Express business, we added 12 logos during the quarter and we saw high growth, higher synergy between the Express business and our 3PL business. However, our sales focus has been on driving lean utilization as we try to look at cost optimization, margin improvement and thus, we have been selective with customer growth.

Overall, our focus on sales synergy across all our segments remains high,67% of the top-100 customers of MLL as a group, in supply chain now consume over two services out of the four which we largely focus on and 25% of our revenues from warehousing and integrated solutions.

From an operations perspective, operations during the quarter were stable across all parts of our business. In the 3PL business, we did have two key challenges; higher labor cost in the quarter and the impact of the NPD or lower volume in non-Mahindra automotive customers. These were largely offset by operational efficiencies, but we were not able to gain further accretive earning benefits from those. Across all the businesses, our operational focus has been strongest on the Express business. The focus on cost optimization and productivity has held the costs in that business come down, enhancing our profitability, which I will share more later in these comments. Volume in the Express business during the quarter was around 75,000 tons, which was lower than our target levels as we try to focus on lane level productivity and yields rather than broad volume growth.

From people, technology and ESG perspectives, Mahindra Logistics continues to be a leader in DNI across our industry. During the quarter, we strengthened several people and diversity and inclusion initiatives across our business.

The launch of our LOGIONE technology platform continues to make progress. During the quarter, we upgraded several of our sites to LogiPick, our new WMS system or warehouse management system which is integrated with LogiFreight and other elements of the LOGIONE infrastructure.

During the year, we also completed a significant transition on our technology infrastructure, which has strengthened the businesses, and integrated services as well as provide better data protection and lower our vulnerability on our overall cloud-based architecture and that was completed in Q4 of the year.

From a sustainability level, our focus remains on three pillars: Decarbonizing our supply chains, cleaning infrastructure and driving secularity across our business. We finished FY'2024 with over 27 million green kilometers across our electric vehicle fleet and over 3.6 mn.sq.ft. of renewable power warehousing. We have around 3.5 mn.sq.ft. of IGBC Platinum, or LEED certified buildings, which constitutes a 80% of our build-to-suite or multi-client infrastructure.

Few matters of significance for the quarter, which I think we covered in earlier calls as well or are relevant to the quarter results. Firstly, from MESPL perspective of the Express business, our improvements in the business remain on trajectory, which were indicated earlier. Our EBITDA for the quarter include QoQ by Rs.8 crores to a loss of Rs.14.8 crores during the quarter. Overall losses at a PAT level shrunk by Rs.8.9 crores. Our focus remains on becoming EBITDA-positive by the end of Q2 FY'25.

The core businesses, especially the third-party logistics business, saw the impact of some one-time non-recurring charges. During the quarter, we reviewed accounts which we had been ramping down with discontinued since FY'22, specifically around the commodity segment. As we review those, we obviously look at the impact of that and we took a charge which reflected the exposure we have to those segments. The collective impact of this was around Rs.10 crores at a PAT level. These remain non-recurring charges. At an overall level our ECL dock, our non-Mahindra supply chain, 3PL supply chain receivables level is between Rs 500 crores to Rs 600 crores and our ECL provisions around 0.3% to 0.4%. So, overall our overall exposure remains extremely muted in terms of credit quality in our business. But this is something which we thought we had to review as we had largely exited the segment and discontinued that and some other operations in the rest of the business as well,

During the quarter, the IT transition we spoke about earlier also had an one-time cost, right, which was around Rs.2 crores at a PAT level. Collectively, these added to around Rs.12 crores at a PAT level. These are non-recurring costs and adjusted for the same we would have reported an EBITDA of Rs.70 crores for the quarter at a consolidated level.

This quarter also shows the fully integrated impact to the Whizzard, majority acquisition we completed earlier in the year. Integration of the business, the rest of MLL is on track and we are confident that it will be accretive to the business on full integration.

Let me just move on quickly to finance consolidated and quarterly performance for the year. From an overall Q4 FY'25 level, revenue for the quarter increased by 14% year-on-year to around Rs.1,451 crores. Revenue from warehousing and solutions segment and 3PL business stood at Rs.268.3 crores in the quarter, representing 24% of our revenue in the segment. The supply chain, which includes our 3PL, Frieght Forwarding, last mile delivery and Express businesses contributed 94.25% of the overall revenue and the Mobility business contributed around 5.75% of our revenue for the quarter.

Gross margin on a fully consolidated basis stood at 9.4% in Q4 FY'24 compared to 10.2% in Q4 FY'23. Gross margin without the impact of the MESPL business was 10.6%, which was an improvement year-on-year.

EBITDA for the quarter stood at Rs.56.4 crores, up from Rs.52 crores for same quarter last year. Despite the impact of the consolidation of the Rivigo acquisition, EBITDA was also impacted as I mentioned earlier, by the one-time charges which were approximately Rs.12 crores at a PAT level. At a consolidated level, our PAT for Q4 FY'24 stood at a loss of Rs.12.8 crores, an improvement versus the prior quarter which was a loss sequential prior quarter, which is a loss of Rs.17 crores.

Moving on to specific components at MLL:

Revenue for the quarter was Rs.1,183 crores, up from Rs.1,054 crores for the same quarter last year. PAT for the quarter was Rs.8 crores as compared to Rs.22.4 crores in the same quarter of last year. As I said earlier, these reflect approximately Rs. 12 crores impact of the one-time charges which we have taken during the quarter.

In our Frieght Forwarding business, Lords freight revenue for the quarter was Rs.63.4 crores, up sequentially compared to the prior quarter but down compared to the same quarter of last year where revenues are Rs.72.6 crores. PAT for Q4 FY'24 was Rs.1.2 crores, up 33% from the corresponding quarter for the prior year.

Our Express business revenue for the quarter was around Rs.97.2 crores. We did have a PAT loss of Rs.24.9 crores, which is Rs.8.9 crores improvement versus the third quarter of FY'24.

In the Mobility business, revenue for the quarter ended at around Rs.83.7 crores, up 11% from Rs.75.3 crores for the corresponding quarter of last year. PAT for the quarters stood at around Rs.2.3 crores. We now are in sequential trend line of profitability and with the full integration of both the Alyte and the Meru businesses, we have been able to kind of turn that business around.

Whizzard, which represents half our last mile delivery business reported revenue of Rs.32 crores for the fourth quarter of FY'24 and the PAT for the quarter was around Rs.10 lakhs was partially just about breakeven.

The 2x2 Logistics business which largely provides car carrier services to MLL for a large part has completed turnaround. The division made a profit of Rs.1.1 crore for the quarter as compared to a loss of Rs.30 lakhs for the same quarter last year.

From overall perspective, we continue to be diversified across all our businesses with a strong contribution of both auto and non-automotive businesses. Our automotive business including Mahindra and non-Mahindra clients contributed around 60% of our overall revenue across all our business segments and the non-automotive business contributed around 40% of our business. As I mentioned earlier, that's largely split across consumer, discrete manufacturing and e-commerce broadly across all three.

As we come into the end of FY'24, we look forward to the coming year, we remain confident in our strategy of providing integrated and customized solutions across the supply chain for our customers. Our core businesses are now showing strong growth tailwinds and the Express business margin improvements are on track. Our overall technology ecosystem will provide customers the opportunity to visualize and orchestrate the supply chain, and not just specific elements of it, such as trucks, warehouses or packages.

We continue to invest in our green logistics capabilities focused on becoming net zero by 2040 and empowering our customers energy transition.

I believe that at MLL, our greatest asset is our people and FY'24 has been a challenging year, but a year where we have made improvements across our business and have started turning around the trajectory in our Express business.

With this I will open the floor for questions and answers.

Moderator: Thank you very much. We will now begin the Question & 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 questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles. To ask questions, please press "*" and "1". The first question is from the line of Alok Deora from Motilal Oswal. Please go ahead.

Alok Deora: Hello, Good evening, Sir, Sir, a couple of questions. So, first on the standalone business, this other expenses have shot up quite a lot even if I look at QoQ basis; it's increased from nearly Rs.27 crores to Rs.46 crores in one quarter itself. So, what happened there, is the one-off you were talking about, if you could just elaborate on that?

R. Swaminathan: Yes, good afternoon, Alok. Thanks for joining us. Yes, I think that largely represents just the one-time charges we had. I think between last year during Q3 and Q4 the cost went up by around Rs.17 crores. All of that largely is the one-time charges at a pre-tax level. So, the Rs.12 crores at a pre-tax level would be pretty much all the difference that you see.

Alok Deora: I mean, If I look at the other expense, it's quite a large jump. So, what is that regarding, I mean it's for any particular project or -?

R. Swaminathan: To be honest, this is just obviously for the purpose of reporting simplification. It carries a lot of other line items inside it. And I think if you refer to last year's annual report, Alok, you will find the schedules detail out all the other expenses, but it includes PDD cost, it includes IT cost, it includes infrastructure cost, includes some of our CSR work, our marketing and brand work. So, it's a wide different categories under, Alok. It's a bit of a catch-all category for a wide variety of expenses. But the big movers in that is our technology cost and our ECL adjustments, which are really the things which move quarter-on-quarter in a significant way. The rest of those journey time to be fairly within kind of an inflationary window. If you look back at last year's annual report, as you will find a break up for the Rs.37 crores which we reported last year, and I think obviously we have had some reclassification this year with rentals and other things we added into this year. When you see the annual report this year I think you will be able to get a better appreciation of the breakups.

Alok Deora: Sure, and in the Rivigo business, while the losses have come down from nearly Rs.22 crores to Rs.15 crores, I mean the revenue growth has been pretty muted. I mean, so what is been the volume growth that you mentioned about handling 75,000 tons or so, what has been the growth QoQ?

R. Swaminathan: I think as I said, we have added 12 logos. I think on a daily run rate basis growth has been on 3.5%, right. And our big focus, Alok, there, things I mentioned in my opening comments has been on really getting our lean utilizations up. So, we are really focused on driving sales on getting capacity utilization up. If you look at last quarter what we had said was that we remain focused on running the network at very high service levels and that remains. Obviously, we run more aggressive schedules across our network when we try to do that. We do get exposed towards lower utilization. So, most of the sales effort over the last quarter has been balancing that, and that is why you are actually seeing the margin improvement on flat volume or reasonably low volume growth. We are seeing that impact because of that. To answer your question directly, we think volume tonnage growth is around 3.5% quarter-on-quarter. We did see some set off on that because of a marginal drop in yield, but overall in that range. We can pull out more specific data, Alok, if you mail us separately, we'll give you more detail.

Alok Deora: So, earlier, we are looking at turning EBITDA-positive by end of FY'24 and now we are talking about I think September quarter we will be kind of being EBITDA-positive. But this first quarter might be kind of a muted activity in an election quarter specifically and then we hit the monsoon period also and also the festive season will kind of hit in the third quarter. So, how confident are we of getting EBITDA-positive because most of the other companies in the express side are talking about pretty muted growth in the first half of FY'25, so just your thoughts please on that?

R. Swaminathan: Sure Alok, it's a fair reflection. I don't think we expect to see a lot of volume growth in the first half of the year. I think the second half as you get into this festive season, obviously we should see a bigger impact. That's why I think we have been more focused on cost, Alok, and cost optimization, driving productivity across the entire system to get much of the improvement which is there. So, I would say we have a fairly very high level of confidence to hit break even at an EBITDA level by the end of Q2 of this financial year. That's a point we had pegged around two quarters ago and said that we expect to start seeing a hockey stick of improvement. In Q3 we saw a 10% reduction in EBITDA losses. This quarter I think we have seen something like a 27%, 28% improvement in EBITDA and we hope to sustain that improvement through both in combination of cost and volume over the next couple of quarters. But obviously, we are not going to have a gangbusters volume story because I think demand is slightly on the muted side.

Alok Deora: Got it, so one last question, so, this Rs.97 crores run rate which we have done in the fourth quarter, even if it remains pretty muted as we are talking about, say, maybe Rs 98 crores to Rs 99 crores sort of a quarterly run rate, so still this Rs 15 crores loss could keep coming down or it would kind of prolonged?

R. Swaminathan: Alok, I would give demand guidance, but I think as I said at this stage while we are factoring in some of the weakness in our markets and the volume growth we expect to see we are pretty confident about our ability to kind of meet that point. The thing as I mentioned last quarter as well, there is a hockey stick improvement and we are starting to hit that hockey stick, we still are not exactly in the purple patch of improvement, but we are in good stead to get there.

Alok Deora: Got it. Thank you. I'll come back in the queue if I have more. Thank you Sir.

Moderator: Thank you. The next question is from the line of Sudarshan Padmanabhan from JM Financial. Please go ahead.

S Padmanabhan: Thank you for taking my question. My question is on the comment on the supply chain management business, which we have seen an improvement specifically towards the e-commerce side where we have seen the entire industry seeing some kind of a struggle, we have seen the industry as you mentioned has turned around. If you can elaborate a bit about what is on the environment side to move the needle and how sustainable is it? Is it primarily because we are seeing a lot more orders coming into the organized players as compared to the unorganized players, a little bit more color on that?

R. Swaminathan: Sure Sudarshan, I think as I have consistently maintained over the last few quarters, I think e-com demand still has been growing, I think for the E-com marketplace where you can see numbers as well, there has been growth there. What specifically was the challenge for us in the first half of the year was that we had added a lot of capacity in the in-house operations and as we did that and volume did not grow at that expected level, a lot more volume was in-sourced by them, and we did obviously seen impact of that as a very large partner for all the leading marketplaces in the country. As we came to Q3, we have kind of bottomed that out. Most of that impact has been taken in and the sites which had to be shut down and sourced have already been done. Since then we have been seeing three big parts of our strategy playing out and the first one has been a focus on specific niches. So, I think as a Company we have really not been focusing on just the traditional categories of small pack electronics, but we kind of turned our focus towards segments like grocery and so on where we think we actually have both more value addition and the ability to provide and more capable service. So, those niches of apparel, grocery have been big growth boosters for us. The second one obviously has been account expansion. We have expanded or deepened our presence in both emerging marketplaces as well as in some brands and that account expansion has been part of growth for us. And the third one has been around adding new services, for example, we started and integrated line all service in in partnership with Flipkart. We've kind of driven more integration between our fulfillment centers and last mile delivery operations. So, both the focus on new offerings and integration has helped us I think increased our penetration. From a sustainability perspective, I think, in our e-commerce business around 25% of it. So, obviously we have exposure to e-com both through our third-party logistics business and our last mile delivery business. Around 15% of this is purely transportation, which moves up and down. The rest of the business is generally contracted out for at least two to three years. So, from a sustainability perspective, I don't see a significant challenge as we go forward. We have obviously taken that hit or that adjustment which we had to. From a short-term perspective, obviously volume remain a challenge. We do have minimum guaranteed volumes in all our sites, but predictably of course we are much more profitable if those energy bills are breached by substantial amount. So, that challenge remains, but from a downside risk we don't see anything substantial at least in this financial year, Sudarshan.

S Padmanabhan: Sir, in express transportation, we have seen that in a few quarters there's some kind of jump in the volumes. And with respect to even the earlier participant when we talked about kind of losses coming down. We did say that there is going to be some kind of a pressure in the near-term as far as the volume pickup is concerned, it will be more back-ended. If you can throw a little color on the cost optimization? If I just run the annual cost, I mean at around Rs.100 crores, we are running at around Rs.15 crores of EBITDA loss, while it has narrowed down, on an annual basis, it is still about Rs.60 crores. So, that is the amount of cost that we need to remove. So, what are the kind of optimization that we can see in that sense?

R. Swaminathan: Sudarshan, the difference between obviously the Express business and more conventional contract logistics business is just operating leverage, right. So, we are running a fairly stable fleet and our focus really on the cost side has been on two, three things. And the first one has been improving the utilization of the vehicles both by doing better network operations and planning and specifically filling demand on those lanes and routes where we have a utilization challenge. So, at the end of Q3 our line-haul is about approximately 55% to 60% of the cost. Line-haul utilization was around 60% to 70%. It's now up to around 80%, 85%. On our forward lane it's even higher, sites around close to 87%, 88%. So, one big lever which has been an improvement for us is technically, for example, freight cost you Rs.10 to move a kilo or Rs.5.5, Rs 6 is line-haul. So, if we actually improve the utilization on those vehicles by 15%, you can actually see a substantial reduction. We think there's still more headroom to go there, but that's been one big driver, Sudarshan, for the cost optimization. The second one has been obviously pick-up and delivery, which is the other big part of our cost, how we pick up and deliver products from our customers and what is the network design from a processing center down to branches and terminals. We have been working on restructuring those to drive lower pickup and delivery costs. So, pick-up and delivery costs are typically around 15% to 17% of our costs. And again, we think there's an entitlement of 20% to 25% improvement there. A lot of that goodness has still not come in fully. In the third quarter what we saw a lot of goodness was actually on the line-haul cost optimization. But that's a second big lever and the third lever really is around site operations themselves., the sites are a fixed cost within a time period for us and a big focus is on driving more productivity and volume through the existing sites. And as we do that, we'll ensure that you get an operating leverage from that. Collectively those represent approximately in our mind, as we stand right now, 15% to 17% potential in terms of improvement and that's the gap we are trying to bridge over the next two quarters. And so, if you do your math, if you bridge that 17% on 97 crores, it will come down to 15 crores, which is the current EBITDA loss we have at a quarterly level.

S Padmanabhan: It is Sudarshan, actally. And Sir, one final question from my side…

Moderator: Sudarshan, I am really sorry to interrupt, but may we request you to rejoin the queue as there are several participants waiting their turn.

S Padmanabhan: Sure.

Moderator: Thank you very much. Before we take the next question, we request that participants please limit their questions to two per participant. Should you have a follow up question, we request you to rejoin the queue. The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

R. Swaminathan: Hi Aditya.

Aditya Mongia: Hi, Ram, thanks for the opportunity. I will start with the questions. The first one is a more detail oriented. In your standalone segment, what has been the full year order inflows and what kind of growth visibility does it give you for next year?

R. Swaminathan: I am guessing your question is largely around the standalone MLL numbers, which is the contract logistics business. I think annual ACV for the year consolidated was around Rs.270 crores, largely non-Mahindra business. Some amount has already been monetized during the year and therefore is in our Q4 run rate, but a fairly large amount of that is something which will flow through the rest of this financial year.

Aditya Mongia: The second question that I had was more kind of getting a sense. You said with Flipkart you are doing an integrated line-haul service. Does that mean that Flipkart is outsourcing to you the line-haul part of business, how does it?

R. Swaminathan: We have traditionally been doing line-haul services of Flipkart earlier as well and we have largely maintain what we call trip-based services which is point-to-point surface fleet freight operations. Earlier this year, we actually started kind of a network operation for them. So, we essentially operate a fleet which is location-agnostic. It works across the entire Flipkart network on a dedicated basis for them and that's an operation we launched I think in August, September last year around Independence Day and of course, we are looking at further expanding that this year.

Aditya Mongia: If you are doing 80%, 85% capacity utilization on your Express business, shouldn't one be worried with the kind of losses that the business still kind of reports, this kind of not clear whether it's a good thing or a bad thing still we are having losses at that kind of high utilization and the largest cost element that you have?

R. Swaminathan: I think I tried to answer this with Alok, the question earlier, but I think as I said, around early 80s in terms of line-haul utilization and we think there is an upside there, right, especially as some of the volume increases, we'll obviously add more schedule fleet there as well and there is more goodness to be had there. The second big part of it is actually on pickup and delivery costs, which we have not seen most of goodness come into our financial. So, that's a big priority focus for us right now. The third one is around site operations and physical infrastructure on the network. We need to kind of improve our gross EBITDA levels around 15% over the first six months of the year, not all of that is actually coming from line-haul, a substantial part of that's actually coming from site ops and pickup and delivery as well. Smaller part will actually come from line-haul. A lot of the line-haul improvements have already happened. So, as I mentioned earlier from the mid-to-late 60s, we have gone to the early 80s in terms of line-haul utilization and that's what we are showing partially in the improvement in the numbers as well. So, that will not be the primary vector, would not be the primary level, the other levers is what we are focusing on right now.

Aditya Mongia: Sure. And those are my questions. I will get back into the queue. Thank you.

Moderator: Thank you. The next question is from Amit Dixit from ICICI Securities. Please go ahead.

Amit Dixit: Hi. Good evening, everyone, and thanks for the opportunity. I have two questions. The first one is, if I look at the contract logistics business, while revenue has grown by 15% YoY in Q4, gross margin has grown by just 2%. So, just wanted to understand what is playing out there -- is it that because of higher e-commerce share we are having this kind of muted growth in gross margin in contract logistics?

R. Swaminathan: Amit, I think it's a mix of multiple things. I think firstly, we obviously have had a pickup and transportation services more than warehousing. So, there has been a mixed impact on incremental volume, which we have seen of approximately Rs.80 crores on a year-on-year basis, reasonably large amount of that has been transportation services and that's had an impact And the second thing which you might see later on in the slide deck, right, which is uploaded on the investor deck is on the warehousing and solutions business, especially on warehousing we have had a lower year-on-year yield from that business. As you are starting up new sites, typically new sites take three to six months to hit the right level of earnings in them and the last four months of the year we have had quite a few sites which have been under construction and a launch, and we obviously carry a certain pre-operative cost or a pre-launch cost for that. That should settle down in the first half of this year. We are launching several new sites by May this year. So, there is a carry of that part and that realization on a gross margin at a pre-Ind AS per square feet should go by 10% to 12% through this financial year. So, it's a combination of those two things which are resulting in earnings not being so accretive, but these are all early cycle parts of a four, five-year contract. So, on a window of time they will actually settle down to the right level. And I think there is a slide later on the deck which actually shows you the warehousing margin as well. We haven't included normally for your reference.

Amit Dixit: Great. The second question is on B2B Express. Again, what we are seeing is that even in gross margin level we have a loss of roughly Rs.6 crores. While it is appreciated that we are trying to optimize the lane mix and everything, but despite being at a high utilization level, despite optimizing the lane mix, we are still incurring this gross margin loss. So, what kind of volume would give you break even at gross margin level at least in B2B Express?

R. Swaminathan: I think it's not a pure volume game, right, Amit. Otherwise we would not have shown the improvement we showed this quarter, right. So, I think as I said earlier on the three big parts of the puzzle at a pre-gross margin level, the first one is around the line-haul cost itself, there the utilization is around 80%, 85%, we believe there's still a 5% to 10% improvement potential there especially as new volume comes in, we'll add more lines there as well. The larger part which we are really focusing on right now is pickup and delivery, which is approximately 18% to 20% of our cost, right, obviously the site operations. So, collectively between the three of them, we think there's a 15-percentage improvement potential. There is some volume growth in-built into that model, but we are on track to accomplish that. So, I think it's just important to understand why line-haul is the largest part of our cost. It's not the only part of our cost. There's goodness to be derived in other parts of our cost structure as well. And while we attack line-haul first for the obvious reason that is the largest part of our cost structure. There is work going on in other parts of that cost elements as well and that's what we think will flow into the numbers more strongly in the next two quarters.

Amit Dixit: So, basically, while we have guided that by Q2 FY'25, we will be EBITDA- positive or EBITDA-neutral in B2B, is it fair to assume that by Q1 FY'25 at least you would be at the breakeven level on gross margin front?

R. Swaminathan: Amit, as you know, I don't give guidance, but that's a good assumption.

Amit Dixit: Okay, great. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Yash from ithought. Please go ahead.

Yash: Most of my questions are answered, but if you could just help what are the key things you as a Company would be tracking in your targets of breaking even right in the Express business? And secondly, you mentioned that the realizations are lower because of new warehouse operations. So, broadly, where do you see these realizations stabling and that will lead to an improvement in the EBITDA margin for the standalone business, am I right?

R. Swaminathan: Let me address the second part of the question first because we don't really talk about expressing ourselves the whole time. So, I think on the contract logistics part, I think earnings, as I said there are three big drivers for us, one is volume, volume is very important. As I mentioned, I think when Aditya asked a question, we have had annual contract volume came in at Rs 270 crores this year, more than half of that is yet to be monetized and so we will see flow through of the volume through the rest of this financial year. The second part is obviously cost control in terms of our operating costs across the sites. A lot of our business is longer-term contracts and therefore managing cartridges and costs is absolutely critical. And the third one is really startups applications. As we are adding up new sites every quarter, we are doing the startups well, just startup window and shortening the startup window is extremely critical. Those are three big elements which are drivers for earnings growth. So, to your point, Amit, I think with the absence of the one-time charges and some of these things flow in it, we feel positive about the runway in terms of earnings growth in the contract logistics business. We obviously have to execute that well, but those are the metrics we track internally as well and really it comes down to being ruthless in terms of how well we executed day-in and day-out. On the express side of the business, I think for us, the important thing is to get the playbook right. I think as you have seen we have been successful with acquisitions such as what we have done with Meru or what we have done even with Whizzard has become full subsidiary only now, or even with the Lords business, the Frieght Forwarding business, each of them are focused initially as being not to just grow, but to actually get the playbook right so we now then have a scalable business. I think therefore, while there is an absence definitely on volume growth in Express business, I think getting the cost structure right is a very important thing as well. So, the last three months or four months, we have been really aggressively pursuing the rightsizing the cost structure. That will remain a focus over the next six months or so. And so our operating metrics are really round getting the line-haul cost right, getting obviously up into every cost elements right and ensuring the service levels remain extremely high through the network, both in terms of that or customer promise dates as well as in terms of deps which is damages or excess or short shipments. So, those are the things that we focused on. Obviously, volume growth is something which we all focus on. So, I want to kind of the label obvious point, but the real metrics which we focused on is getting the costs right. Our endeavor is not just to make basically EBITDA breakeven by the end of the first half but to actually build a scalable playbook between customer prominence and cost structures and network efficiency, which we then can scale up consistently over a period of time. And that's actually when we start seeing -

Yash: Barring the one-time of new warehouse operations, what would be the warehousing gross margin yield, which is I think Rs.18 which you have mentioned in the presentation, if you remove those new warehousing opening….

R. Swaminathan: I think what we have mentioned there is Rs.18 for the quarter. These are pre-IndAS levels. I think Aditya asked this question last quarter, so we added that footnote. But at Rs.18 per square feet, I think it will probably be around Rs.20.

Yash: Right, That will be on year-on-year basis, right?

R. Swaminathan: Q4 last year, yes. I think we have said this earlier as well. My own sense is we do look at warehousing margins on a full year basis because the business is going to be reported on a quarter-on-quarter basis for your convenience. But ultimately, there are quarters for example, last year in Q4 we had a peak in Q3 and we had some run off of benefits flowing through in Q4. So, those got accounted in Q4 and therefore you saw a higher number in Q4, but those are periodic numbers, I think it will stabilize very honestly at around Rs.20, I don't see it going to Rs.22 this year, but I think we are going to Rs.20 and if we get a 2% improvement in gross margin roughly a Rs.1,000 crores business, we think that will actually be a big earnings.

Moderator: Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: Hi Ram, my first question is on last mile delivery where we got the first full quarter benefit of Whizzard. So, from this level organically, how does the business grow for the next one year if you could speak about that? And this business has a certain gross margin in this quarter. What is the outlook going forward for the last mile delivery?

R. Swaminathan: So, I think obviously we have seen the full benefit for the last mile delivery business this quarter and as you know, Sumit, as I mentioned earlier, roughly half our business is still within MLL and the other half of it is actually in the Whizzard business. I think as you look forward, I think the two big drivers from a margin perspective, obviously our gross margins improved in Q4 compared to last year, and I think on a full year basis, as we have seen a reasonably strong improvement in gross margins, but margins are still low, as you can see that gross margins are around 5%, 5.5%. As you look forward, I think this year we are expecting F'24-25 to be a year of strong growth. When I say strong growth, I think as you know our broad expectation is a mid-teen growth across our entire business. So, I do expect last mile will outstrip that growth pattern, right, given where we are in terms of order intake and network expansions in that space. Larger focus there obviously is on gross margins. I think we are around 5% today. We want to take gross margins up to 8%. That's going to come from two, three things -- increased purchasing power, as you know, we are combining this business in terms of buying ice and ice fleets and so on from partners. So, that's one big lever. The second one is co-locating operations more consistently. We have multiple sites across these businesses which are within a few kilometers of each other and we are looking at saying how do we get some network and infrastructure leverage. And the third one is driving better productivity. With Whizzard, we get a very strong technology platform which allows us to manage workforce productivity a lot more aggressively. That work has already started already, right now, Sumit since after we completed the second tranche will become a majority subsidiary. So, over a period of time, I think these three things will actually help us to grow margin as well. I won't specifically comment on how much of that will happen in this fiscal. But we have in the past told you all that our broad expectations at our last mile delivery would be an 8% gross margin and we are right around 4.5%, 5% now. So, we have that gap to bridge. The Whizzard business reported around 6.5% gross margin for the quarter. So, it's kind of a little bit ahead of the MLL part of the last mile delivery business. And so there's some learning and synergy which will flow through as we have now completed the majority part of the acquisition. But focus for this year, Sumit, is obviously top line growth. We expect high teens or even probably early 20-percentage kind of growth in the business and a substantial focus is on crossing a large part of that journey towards 8% to 10% in terms of gross margin.

Sumit Kishore: My second question is just to understand how with 3.5% quarter-on-quarter volume growth line-haul utilization could be improved from early 60s to 80%, 85%? So, is that because you have got the fleet size down, how does utilization improve so much with a 3.5% volume growth?

R. Swaminathan: Great question, Sumit. I am glad you asked it because I think it's a little party trick in the puzzle. So, I think the key thing of course has just been our entire work on redesigning the network. So, really in a plain vanilla way, you'd probably look at this saying that volume went up by 3.5%, so utilization should go up by 3.5%. That just assumes that we are running the network exactly the same way. I think a lot of work has gone in terms of redesigning network, changing network, vehicle frequency. So, we are actually running fewer kilometers now on load than we did earlier, right? And that's actually part of what is driven that improvement across the entire network. Obviously, we have kind of at the right points of network, cut down some of our schedules as well. So, instead of let's say running daily in all some locations we have actually moved in, taken some cut offs in between or changed vehicle frequencies, we redesigned the routing part of the network. So, those actually have added to a fair amount of that improvement in terms of utilization. Probably 7% to 8% of the improvement in utilization has come from that. 3.5% to 4% has come from pure volume, but inside that 3.5% of volume growth, we have also specifically churned some customers on lanes which are completely unprofitable and added customers into lanes which were very profitable. So, there are some services, for example, I won't give any specific PIN code, but let's say if we are running at 25%, 30% utilization on some PIN codes, we have actually kind of reduced volumes in those lanes and actually brought in volume to the other lanes where we can bring in capacity. So, those are the three things we have actually added capacity utilization. Great question, Sumit. I am glad you asked it because that's been a big part of our focus in the business has been reorganizing the network and that's why it took time to do it as well. If it was just a pure volume game we'd have probably done it much earlier.

Sumit Kishore: So, that is some of my understanding. For the next two quarters, if you manage again 3.5% volume growth quarter-on-quarter along with the cost saving initiatives that would be more than enough to get you to EBITDA breakeven for the B2B Express business by Q2 of FY'25?

R. Swaminathan: Sumit, you are paraphrasing. History is not a good indicator of the future always. So, I will resist the temptation, I am going to pass on that question, right. But I can tell you is that we are confident of hitting the EBITDA breakeven by Q2.

Sumit Kishore: I wish you all the best. Thanks.

Moderator: Thank you. The next question is from the line of Harshal Mehta from PL Capital. Please go ahead.

Harshal Mehta: Hi Sir, My question is regarding the B2C. So, actually, earlier understanding what I had is we need to scale up to like 35,000 run rate monthly, which you have EBITDA breakeven. But now with this current cost optimization thing, could it be like achieved with even like 30,000 monthly?

R. Swaminathan: I think what we had said earlier on is that we need to get volume to grow by around 30% to be able to see EBITDA breakeven. I think obviously as all of you have noted, we have seen some softness in the last two quarters, especially the quarter and the last quarter and a half on the Express business and therefore our emerging focus has been on trying to drive better cost optimization. I think the question we have always been asked is, if you run the business as it is right now and how much more volume do you need to have to have breakeven. The answer to that obviously was 30%, but that's not the only way to keep breaking. The answer is a combination of both. So, what we have been focusing on is driving volume growth but driving the right volume growth first. And that's why I skipped answering Sumit's question. Because we will need volume growth. At some point in this journey, volume growth will be important. But right now I think there's more to be accomplished from a cost improvement perspective. As we hold this cost improvement, we may not need that 30% growth in volume to hit EBITDA breakeven. We are focused on that because ultimately the game doesn't stop with EBITDA breakeven. Obviously it's a bit of a sticker shock issue right now given the carry it has on earnings, but we have acquired, and we are building the business to become much larger and be more impactful than just being EBITDA breakeven. So, the volume focus remains pretty strong, is just what doing the right volume first and then focusing on overall volume.

Harshal Mehta: How much would be the white space in warehouse currently?

R. Swaminathan: 4%.

Harshal Mehta: CAPEX for next year?

R. Swaminathan: Similar to last year.

Moderator: Thank you. The next question is from Ketan Athavale from RoboCapital. Please go ahead.

Ketan Athavale: Hello Sir. Thank you for the opportunity. In our PPT we have mentioned we will reach Rs.10,000 crores revenue by FY'26. So, I wanted to know what will be the drivers for the same? And if you can give the EBITDA margin expectation for the next two years?

R. Swaminathan: I will answer the first question first, Ketan. We don't give guidance on annualized margins. So, unfortunately I have to give a pass on that question. I think on margin what we have said is over the cycle, we expect to be around 2.5% to 3% on the contract logistics business which is MLL standalone for large part and we expect the other businesses which are the network businesses to be around 3% to 4%. That goal still remains. I want to time stamp that goal to specific. In terms of revenue growth. I think our focus has been on two things and I think one has to split the business into three parts as you look at our revenue story. The first one is our contract logistics business, which right now is running around Rs 4,500 crores. We expect that to grow at around 15% to 17% over the next three years. This year was a particularly challenging year as we saw slow down across most of our end markets. But as I said, we are getting back to that growth point now and we are hoping that we can sustain that both through market growth as well as more penetration by us. So, that's one part of the growth which probably gets us to around Rs.6,000 crores in that range. The second part of it is the network services business which kind of all subscale. Now, the forwarding business had made progress. It's kind of moved a bit backwards because of global macros. The B2B Express business is in a turnaround phase and the last mile delivery business of course is in a scale-up phase. So, those three businesses we do expect over the next three years or a little bit more than three years, we'll scale up to Rs 750 crores to Rs 800 crores reach. And that is not a very significant growth, in percentage it looks large, but in terms of the markets which we operate in the value propositions we have, if we develop the right offerings, we believe we are very confident that we can drive that growth. Now, for example, the Express business today even at Rs.800 crores will probably be around 7 to 8 lakh tons which is not a very large number in the context of the overall industry, it will still probably be around 5% to 6% market share. So, these are not exceptional moves, they're big moves, but they're not something which we think are in complete stretch. So, that's the second part. So, between 6, 6.5 and 2.5 will get around Rs.9,000 crores. And obviously, the Mobility business is right now running at a run rate of around Rs.328 crores was the reported numbers for the year just ended and we are exiting at around Rs 350 crores, Rs 360 crores of run rate and so that's something which we obviously are a bit dependent on larger macros on that because return on to work, etc., has to stabilize. So, I would say that's the one is a bit hard one to timestamp or the hardest one to timestamp, but those are three buckets in terms of driving our growth. The way we organize inside the Company, each of these businesses has individual business leaders, there are specific business plans for each of them, and while they're individually focused on driving growth in their business and that's what they're accountable for. While we focus on driving synergy across the business, that's in multiplier for us.

Ketan Athavale: Will the depreciation stabilize at the current run rate, or do we expect there to increase?

R. Swaminathan: I think there should be moderate increase as I said just now, I think the earlier person asked the question, we do expect to add CAPEX in the same line as what we are doing now and that's something which I think will continue. I think on the warehousing side, you have seen our yields at pre-Ind AS days level around 12.5%, 13%. So, we look to include ad warehousing over a period of time. As we add the warehousing you will see an RTU impact on the depreciation line because those assets as in class and then reported as RTU assets, right, and the depreciation and interest costs they carry, right? But those are the two big things which should move. We don't see a substantial other shift from an organic basis across our businesses.

Moderator: Thank you. Before we take the next question, a reminder to participants to please limit your questions to two per participant. Should you have a follow-up question, we request that you rejoin the queue. We take the next question from Nitin Gandhi from Inoquest Advisors. Please go ahead.

Nitin Gandhi: Thanks for taking my question. Just a small confirmation. These five businesses which are making losses at PAT level, so do we expect them to be break even or PAT-positive in this fiscal?

R. Swaminathan: I am sorry, can you repeat that question, Nitin? I couldn't get it.

Nitin Gandhi: The five businesses that is Mobility, Express, 2x2, Wheeling and Whizzard which are in losses, will they be break even or PAT-positive this year?

R. Swaminathan: I think, across those businesses, Whizzard, Lords businesses will be PAT-positive, the Mobility business is PAT-positive on a run rate basis, will be profitable for the full year as it was this year as well and 2x2 and Wheeling also we expect to be profitable for the year. All of them should show profit improvement this year. I think the challenge will still remain in the Express business. We expect to be EBITDA-positive by the second quarter of the year. Between EBITDA and PBT, we have approximately Rs.30 crores , Rs 35 crores impact between the interest on the long-term debt, the write-off of the fixed assets, the depreciation of some of the assets. And so those will probably continue over a period of time we will get volume to recover that. But the rest of the businesses we expect, Nitin, should be profitable and should accelerate profitability.

Nitin Gandhi: Wish you all the best for Express. We will talk maybe after second-half. All the best.

Moderator: Thank you. The next question is from Anshul Agrawal from Emkay. Please go ahead.

Anshul Agrawal: Hi, thank you for the opportunity. Ram, what could be the sustainable gross or EBITDA margins for the Express business once our cost optimizations are completed?

R. Swaminathan: So, I think a couple of things. I think cost optimization is the real journey to EBITDA-positivity, right. The entire volume which has to pick up after that. I think what we have pegged the business from a longer-term perspective is a 4% PAT level and we are confident that's actually very possible. Bellwethers in the industry are actually above that number, but they are also at higher volume points. So, we do feel pretty good to hit that. I won't give you line-item breakups because it could have complicated the story. The story is a combination of volume and cost optimization. And since it's an infrastructure business and we put the infra before we actually sell it, there is an interplay between cost and volume as well. But when it settles down, in our business plan for the acquisitions business, which I shared fairly openly with all of the investors in the past, we expect that the business to be at around 4% and as we start to feel pretty confident that we'll get there we are a couple of quarters behind, because we are in integration, right, but we are repivoting back to on that path.

Anshul Agrawal: Just a follow up on that. So, I understand that the B2B express industry is going through a cyclical downturn, but when do we expect to grow probably at industry level, or would it be say FY'26 or beyond?

R. Swaminathan: No, I think we will start seeing that kind of higher growth level starting from the second half of this year itself. What we must understand is, as I said, even though we have signed up new logos, we have been selective or adding lane wise volumes because we have been trying to optimize it for the right volume. It's not the volume not available. In all fairness, we are 3%, 3.5% market share. So, it's not like we have a very large market share. As you also know from a synergy perspective, we have a lot of customers in contract logistics, forwarding, etc., we also use express. So, our sales strategy is also driven by the multiplier we get from inside. We are very complementary with other business as well. So, the volume will start coming back, I think more material will be in the second half of the year and I think our volume growth given our current market share I think our volume growth is not a function history of the overall industry. And I believe we can grow, if we get the right volume, we can go even if the market is not growing because we have a great offering, we have got a significant market share today and we have great synergy with the rest of our portfolio.

Anshul Agrawal: Very helpful. Thanks Ram.

Moderator: Thank you. Due to time constraints, we will be able to take one last. Question. We take the last question from the line of Rohit Suresh from Samatva Investments. Please go ahead.

Rohit Suresh: Good evening, Sir, and thank you for the opportunity. Could you give some clarity on which sectors you are actually seeing good demand and which sectors are actually struggling currently and what is your outlook for the year going ahead?

R. Swaminathan: I think across the portfolio, I already gave outlook, we are expecting an early teen kind of growth rate across the entire portfolio. Different parts of our businesses are in slightly different positions, Rohit. That said, in the contract logistics business, more consolidation whereas the other businesses are in some point of scale up. So, they obviously intend to grow faster, but overall, across the portfolio early teen number. I think where we are seeing volume growth coming from, obviously, automotive is still stable and strong, right, we do expect to see growth in the FMCG and durable business which remains positive for us, a lot of business has come up for rebuilt and tendering and e-commerce is coming back specifically in specific niches. So, those are the three big drivers I think for growth from an end market perspective and those are the ones which we think will continue to be over the rest of the year as well. I guess the one call out or watch out is just really to add we believe right now that we have seen much of the softness play out already. Q4 volumes were softer adjusting for some of those lead indicators. There will be seasonal variations and acts which are always there because of farm business, that's farm sector that's have seasonality, but that's the one call out in terms of specific softness which is there which continues to be there The other call out I will make is that the pricing environment is actually pretty competitive, right? As we have got past the COVID situation, I think there is a lot more tightness in pricing and that kind of covers all our segments and therefore the discipline on pricing and the disciplined execution remains one fly on the wall to watch for all of that.

Rohit Suresh: Got it. Last question would be on the fuel cost. So, how easily are we able to pass on the fuel cost right now, are we facing any challenges on that?

R. Swaminathan: Different parts of business, I would say, Rohit, the Express business, we obviously run, we are not running it for others, we are running it for ourselves and we do get the benefit or the cost of it. Last quarter fuel prices did come down both for diesel and I think ATF actually came down as well, but we did see some creep of that benefit but not very substantial because there were not very significant movements. On the contract logistics business that we largely run distribution and line-haul, almost all our customer contracts are fuel indexed. So, we don't carry the exposure of price increases of inflation. We pass on most of the benefits of reducing prices to our customers as well. If you are asking about the model, the model is fairly stable. There are a little bit of windows there because there are always price triggers happen, but those are also passed back to our customers on supply basis end and therefore we are not exposed to.

Rohit Suresh: Got it, Sir. Thank you so much for answering and all.

Moderator: Thank you very much. That was the last question. I would like to return the conference to the management team for closing comments.

R. Swaminathan: All right. Thank you, everyone. I hope we have been able to answer all your questions satisfactorily. However, if you have any further clarifications or you want to know more about the Company, please do contact our Investor Relations team at MLL or at SGA who are our investor relations advisors. Thank you for your continued interest in the business and our Company and thank you for joining us this afternoon.

Moderator: Thank you very much. On behalf of Mahindra Logistics Limited, that concludes this conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.

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