

Mahindra Logistics Limited

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I. INTRODUCTION

Overview of Mahindra Logistics Ltd

Mahindra Logistics Limited (MLL) is one of India's leading third-party logistics (3PL) service providers, offering integrated supply chain and people transport solutions. Established in 2000 as a part of the renowned Mahindra Group, the company has grown rapidly by leveraging its asset-light business model, strategic partnerships, and technology-enabled logistics solutions.

Initially set up to serve the logistics requirements of Mahindra Group companies (especially in the automotive sector), MLL has since diversified its portfolio and customer base significantly. Today, the company operates across diverse sectors including automotive, consumer goods, e-commerce, engineering, pharmaceuticals, fast-moving consumer durables (FMCD), fashion, and grocery. It also provides people mobility services for enterprise employee transportation.

Vision and Mission

MLL envisions becoming the most customer-centric logistics solutions provider in India, driven by a focus on safety, efficiency, sustainability, and technology innovation. Its mission includes empowering businesses with smarter supply chains and mobility solutions that are reliable, scalable, and sustainable.

Business Segments

Mahindra Logistics operates primarily through the following business verticals:

1. Supply Chain Management (SCM):
This segment includes end-to-end logistics services such as transportation, warehousing, in-factory logistics, inventory management, packaging, fulfilment, and value-added services. It supports multiple industries and is the largest revenue contributor.
2. People Mobility Solutions (PMS):
This vertical provides employee transportation solutions to corporates,

including end-to-end route planning, driver management, safety compliance, and fleet tracking. It operates under the brand name Alyte.

3. Last-Mile and Fulfilment Services:
With the rise of e-commerce and quick-commerce, MLL has invested heavily in B2C fulfilment, micro-fulfilment centers, and last-mile delivery infrastructure. It serves grocery, consumer electronics, and retail businesses through this vertical.
4. Express Logistics (via acquisition):
MLL entered the express logistics market by acquiring the B2B express business of Rivigo. This allows the company to serve time-sensitive, high-volume shipments, especially for manufacturing and industrial clients.

II. INDUSTRY CONTEXT

India's logistics industry is undergoing a major transformation, driven by the rapid growth of e-commerce, digitalization, government initiatives like Gati Shakti and National Logistics Policy (NLP), and increasing demand for just-in-time and cost-effective delivery models. However, the sector also faces challenges such as high operating costs, infrastructure bottlenecks, regulatory complexities, and fragmented service providers.

Within this dynamic landscape, Mahindra Logistics has positioned itself as a reliable, technology-driven, and scalable logistics partner. The company leverages digital tools such as real-time shipment tracking, warehouse management systems (WMS), transportation management systems (TMS), and data analytics to drive efficiency and visibility.

Strategic Positioning

- Asset-light model: MLL does not own major transportation or warehousing assets, allowing for flexibility, scalability, and lower capital expenditure.
- Pan-India presence: With over 20 million square feet of warehouse space under

management and a strong transportation network, MLL covers almost all major industrial and consumption hubs.

- Sustainability focus: Mahindra Logistics integrates green practices into operations — using electric vehicles (EVs), solar-powered

warehouses, and sustainable packaging solutions.

- Diverse clientele: While MLL still services Mahindra Group companies, it now derives a majority of its revenue from external clients, enhancing business resilience.

III. OPERATIONS & RECENT INITIATIVES

These are some of the recent facilities, expansions, and operational moves by MLL:

Initiative	Location	Size/Purpose	Key Features / Strategic Importance
New Warehousing facility for Cummins India	Phaltan, Maharashtra	~ 3 lakh sq ft (phase-1 operational) Mahindra Logistics+1	This is an <i>Integrated Logistics Centre</i> — helps consolidate inbound & outbound operations for Cummins; improves efficiency, visibility. It's near key highways & industrial zones. Also, aligned with sustainability: solar, water treatment systems etc. Provides over 500 jobs. Mahindra Logistics+1
Fulfilment expansion in West Bengal (Malda)	Malda	~1.1 lakh sq ft fulfilment centre; plus 14 last-mile delivery stations Logistics Outlook+3 Business Standard+3 Blog-TruckSuvridha+3	Dedicated to grocery & e-commerce verticals. Serves Northern West Bengal, Eastern Bihar, parts of the Northeast. Daily processing capacity ~10,000 orders; inventory capacity >15 lakh units. Also generates ~750 jobs. Emphasis on last-mile reach, greater pin code coverage (~2,000 pin codes). Business Standard+1
Entry / Strengthening in grocery / quick commerce vertical	Various cities (Hyderabad, Bangalore, Vizag etc.)	Multiple fulfilment centres, micro-fulfilment centres, last-mile delivery network Mahindra	Rapid expansion in B2C grocery. Leveraging technology for efficiency. Emphasis on reach, store count, daily units served. Also inclusive hiring. Mahindra
Warehousing footprint increase in Pune / Sudhawadi etc.	Pune region	Leases ~3 lakh sq ft industrial/warehouse space at Sudhawadi along Talegaon-Chakan highway The Economic Times	Strategic location in a strong industrial corridor; helps with network density, reduces lead times, improves service capability. The Economic Times

IV. FINANCIAL PERFORMANCE (RECENT)

Metric	FY 2023-24	FY 2022-23 / Prior	Change / Notes
Consolidated Revenue from Operations	₹5,506 crores	~₹5,128 crores	~+7.36% YoY growth Financial Report Insights
Standalone Revenue	~₹4,530 crores	~₹4,459 crores	small growth ~ +1.6% Financial Report Insights
EBITDA (Consolidated)	~₹229 crores	~₹260 crores	Drop; margin contraction from ~5.1% to ~4.2% Financial Report Insights

Profit / (Loss) Before Tax (Consolidated)	Loss of ~₹26.4 crores	Profitable in previous year (~₹38 crore profit)	Decline; impacted by costs, acquisition/integration burdens etc. Financial Report Insights
PAT (After Tax, Consolidated)	Net loss ~₹54.7 crores	PAT of ~₹26.3 crores earlier	Significant swing to loss Financial Report Insights
Adjusted PAT (excluding some non-core / one-time / B2B express business impacts)	~₹69 crores (indicating underlying business shows some profit potential) Financial Report Insights		

Other points:

- Costs of freight, warehousing, and operations are rising, squeezing margins. Reuters+1
- They had several quarters with net losses, despite revenue growth. Reuters+1

V. STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS (SWOT)

Strengths

- Strong Parent / Brand: Being part of the Mahindra Group gives credibility, access, and scale.
- Diversified service offering: 3PL, last-mile, warehousing, fulfilment, people transport etc. Helps spread risk.
- Asset-light & technology enabled: Lower capital expenditure burden; ability to scale faster.
- Geographical spread & strategic locations: New facilities in Malda, Phaltan etc. Improving pan-India presence.

Weaknesses

- Profitability issues: Net losses lately, margin shrinkage. Rising operating costs, especially freight and warehousing.
- Dependence on major customers / concentrated exposure: If a large portion of revenue comes from few clients, risk if contracts change. (Note: in past reports, group companies of Mahindra contributed sizable revenue). Financial Report Insights
- High competition: Many 3PL and logistics players, often competing on cost, speed, innovation.

Opportunities

- Growth of e-commerce and grocery sectors: Rising demand for quick commerce, B2C

fulfilment, last-mile. MLL is expanding in this vertical.

- Tier 2 / Tier 3 markets: Unpenetrated markets with rising consumption; lower real estate costs; less logistics infrastructure currently.
- Sustainability / green logistics: Use of renewable energy, sustainable warehouse features can be competitive differentiator.

Threats

- Rising input costs: Fuel, labour, real estate, regulatory costs could erode profitability.
- Regulatory or infrastructure constraints: Poor roads, delays, taxes/duties, etc.
- Customer demands for faster delivery: Need to invest heavily to match expectations can increase cost.
- Macroeconomic risks: Slowdowns can reduce volumes; high interest rates might increase financing costs.

VI. RECENT CHALLENGES & ISSUES

1. Persistent Losses / Profitability Struggles

- Mahindra Logistics has been reporting *consecutive quarterly losses*. For example, in Q2 FY 2024 it posted its sixth straight quarterly net loss, despite revenue growth. Reuters
- In Q3 FY 2025, it again reported a loss (about ₹9.03 crore) even though revenue rose ~14%. Business Standard
- For the full year FY 2025, loss narrowed somewhat (₹36 crore) from FY 2024 but still in the red. Indian Transport & Logistics

- Also, in quarter ending June 2025, it reported net loss of ~₹10.80 crore vs the previous year, with margin pressures. Journal of Supply Chain

Implication: Despite revenue growth, costs (operational, freight, warehousing, depreciation, finance costs) are eating into margins. Sustained losses impact investor confidence, ability to raise capital, and long-term viability if not addressed.

2. Rising Operating / Input Costs

- Freight and warehousing costs have increased significantly. In some quarters, operating expenses rose ~11-12%, while revenues rose at a lower or similar rate. Reuters+2Moneycontrol+2
- Depreciation, amortization, finance costs (interest) have also increased, especially after acquisitions (notably Rivigo in 2022). Moneycontrol+1

Implication: As expenses rise faster than revenue, margin compression occurs. The express / B2B segments, with long lead times for returns on investment, exacerbate cost burden before they become profitable.

3. Acquisition & Integration Challenges

- The acquisition of Rivigo's B2B express business has not yet fully turned around. Integration has been slower, volumes lower than expected, and losses remain in that segment. mint+1
- The promised synergies or scale effect from acquisitions are delayed; hence, the expected margin improvements are yet to materialize fully. mint+1

Implication: Acquisitions require upfront investments, higher fixed costs, maybe cultural / system integration issues. Until fully integrated and scaled, they can be drag on profitability.

4. Demand Softness in Key Segments

- Some verticals such as e-commerce, consumer durables, engineering, automotive have seen

moderation in demand. lowers volumes for 3PL in those sectors. mint+1

- Also, pricing pressure: freight rates declining, or clients pushing for lower rates. mint

Implication: Lower volumes + pricing pressure mean lower utilisation of assets (warehouses, transport), leading to under-recoverable fixed costs. Makes scaling difficult.

5. Competition

- The logistics sector in India is very competitive: both legacy players (Blue Dart, TVS Supply Chain, AllCargo etc.) and new-age tech-enabled ones (Delhivery, Ecom Express, XpressBees etc.). mint
- In express logistic / B2B express especially, intense competition makes it harder to increase margins. mint

Implication: To stay competitive, MLL has to invest in efficiencies, technology, maybe lower cost operations. Also needs differentiation. Catching up, or staying ahead of tech or process innovations, is not easy and requires capital.

6. Capital Burden / Debt & Fundraising Needs

- To sustain operations, acquisitions, expansions (warehouses, last-mile network etc.), MLL has increasing capital needs. For instance, the company has approved a rights issue of ₹750 crore to repay some borrowings and for general corporate purposes. Business Standard
- The rise in interest / finance cost (due to borrowings) adds cost pressure. Moneycontrol

Implication: High debt or financial leverage increases risk (interest burden, credit risk). Equity raising (like rights issue) dilutes shareholders but may be necessary to stabilize finances.

7. Margin Pressure and Slow Break-even in New Businesses

- The newer businesses (express B2B, last-mile, freight forwarding) have not yet achieved break-even and are dragging down overall margins. mint+1
- Company has set targets for break-even in certain segments (e.g. express business), but these are subject to delays. mint

Implication: Until these new growth segments reach scale and positive cash flows, they remain cost centres. They also increase complexity of operations and require more managerial focus.

8. External / Macro Risks

- Inflationary pressures, fluctuating fuel prices, and input cost volatility affect operations. Freight, transport, labour, and real estate costs can fluctuate.
- Infrastructure constraints (e.g. roads, regulatory bottlenecks, customs etc.) continue to impose delays or increase costs. Though specific recent stories are less cited in the sources, these are typical risks in the logistics sector in India.

Implication: External uncertainties make planning difficult; risk of cost overruns; need for good risk management / hedging.

VII. STRATEGIC RECOMMENDATIONS

Based on the above, here are some suggestions that could help MLL improve performance and sustain growth:

1. Cost Control & Operational Efficiency:
 - Optimize freight routes, better fuel efficiency.
 - Use more automation / technology in warehouses to reduce labor costs and improve throughput.
 - Rationalize real estate/lease costs; leverage asset-light models.
2. Focus on High-Margin Segments:
 - Push more into value-added services (packing, kitting, reverse logistics etc.).

- Develop premium services (faster delivery) for customers willing to pay more.

3. Expand in Under-Served Regions:

- Continue expansion in Tier 2/3 cities to tap new demand, possibly at lower cost.

4. Sustainability & Green Operations:

- Build more warehouses with renewable energy, water conservation, efficient lighting etc. This helps reduce long-term operational costs and builds brand image.

5. Strategic Partnerships & Tech Investments:

- Use partnerships or JV to access new markets or share costs.
- Invest in real-time tracking, data analytics, AI/ML for demand forecasting and routing optimization.

6. Risk Management:

- Diversify customer base to reduce dependency.
- Hedge against rising fuel or input costs.
- Monitor regulatory/infrastructure risks and ensure flexible operations that can adapt.

VIII. CONCLUSION

Mahindra Logistics Ltd stands at the forefront of India's rapidly evolving logistics sector. As a part of the reputed Mahindra Group, the company has successfully transitioned from being an in-house logistics arm to a diversified, pan-India, third-party logistics (3PL) service provider. Its unique asset-light model, focus on technology-driven operations, and commitment to sustainability have enabled it to compete effectively in a highly fragmented and competitive logistics environment.

Over the years, Mahindra Logistics has diversified its offerings across supply chain management (SCM), people mobility, last-mile delivery, fulfilment services, and more recently, the B2B express logistics segment. This broad portfolio allows the company to tap into multiple growth verticals such as e-commerce, grocery, automotive, FMCG, pharmaceuticals, and engineering, while reducing dependency on any single customer or sector.

Despite facing significant challenges in recent years—including rising input and fuel costs, competitive pricing pressure, and margin contraction—MLL has demonstrated resilience through strategic investments, expansion into underserved geographies, and digital transformation. The company's proactive approach in building infrastructure in Tier 2 and Tier 3 cities, strengthening last-mile capabilities, and partnering with key industrial players reflects its long-term vision and customer-centric strategy.

Moreover, its efforts toward green logistics, including the use of electric vehicles (EVs), solar-powered warehouses, and eco-friendly practices, highlight a forward-looking approach that aligns with both environmental and economic sustainability goals.

Financially, while the company has experienced a temporary dip in profitability due to operational costs and integration of acquired businesses (like Rivigo's B2B express operations), the long-term outlook remains positive. Revenue growth has been steady, and adjusted profitability metrics suggest that core operations remain fundamentally strong.

In summary, Mahindra Logistics Ltd is well-positioned to capitalize on the structural growth in India's logistics sector. However, success will depend on its different ability to:

- Control costs and improve margins,
- Leverage digital innovations for operational efficiency,
- Expand its presence in high-growth segments like e-commerce and grocery,
- Continue building a resilient, scalable logistics network.

With the right mix of strategy, technology, and execution, Mahindra Logistics has the potential to emerge as a top-tier, end-to-end logistics solutions provider in India and possibly across global markets in the future.

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