

Make Money Differently

# IPO NOTE

from

Mahindra Logistics Limited

**Mahindra**  
LOGISTICS

Issue Opens on: Oct 31 , 2017

Issue Closes on: Nov 2, 2017

## Promoters of the Company:

The Promoter of the Company is Mahindra & Mahindra Limited.

## Issue Break up:

Reservation For	No. of Shares	Rs. in Cr.	% of Issue
QIB*	9,603,672	408.16 – 412.00	50%
NIB	2,881,102	122.45 – 123.60	15%
Retail	6,722,572	285.71 – 288.40	35%
Employee	125,000	4.79 - 4.84	-
<b>Total</b>	<b>19,332,346</b>	<b>821.10 – 828.83</b>	<b>100%</b>

\*Company may allocate up to 60% Shares of the QIB Portion to Anchor Investors.

## Indicative Timetable:

Activity	On or about
Finalization of Basis of Allotment	November 8, 2017
Refunds/Unblocking ASBA Fund	November 9, 2017
Credit of equity shares to Depository account	November 9, 2017
Trading commences	November 11, 2017

## Brief Financial Details\* (Rs. In Cr.)

Particulars	As of June 30, 2017	As of Mar 31, 2017	As of Mar 31, 2016	As of Mar 31, 2015
Share capital	68.0	68.0	59.8	59.8
Reserves	294.7	279.6	241.9	204.8
Net worth	362.7	347.6	301.7	264.6
Revenue from Operations	852.4	2,666.5	301.7	1930.8
Revenue Growth (%)	-	29.2%	6.8%	-
<b>Pre Tax Operating Profit</b>	28.5	29.2%	65.5	65.6
Profit Before Tax	23.4	67.8	55.9	59.2
Net Profit	15.1	46.0	35.9	38.5
<b>Adjusted Profit after Tax#</b>	17.6	60.0	39.9	40.1
EPS (Rs.)	2.1 <sup>^</sup>	6.7	5.3	6.6
RoNW (%)	4.0 <sup>^</sup>	13.1%	12.1%	14.8%
<b>NAV Per Equity share (Rs.)</b>	53.3	51.1	44.8	45.0
Adjusted ROE (excluding surplus funds) <sup>^</sup>	29.2%	33.7%	39.9%	89.5%

Source: RHP, \*Restated Financial Information prepared as per Ind AS.

# Adjusted Profit after Tax" refers to profit after tax in a given period, after excluding FTSCSF (post tax) from the legal and professional fees (post tax).

<sup>^</sup> Adjusted ROE (excluding Surplus Funds), excludes FTSCSF (post tax) from the legal and professional fees (post tax), interest on income tax refund as well as the income generated from average Surplus Funds (post tax).

## Business Overview:

Mahindra Logistics is one of India's largest Third Party Logistics ("3PL") Solutions Providers in the Indian Logistics Industry which was estimated at Rs.6.40 trillion in Fiscal 2017, according to the CRISIL Report. Their competitive advantage is their "asset-light" business model pursuant to which assets necessary for their operations such as vehicles and warehouses are owned or provided by a large network of business partners. The technology enabled, "asset-light" business model allows for scalability of services as well as the flexibility to develop and offer customized logistics solutions across a diverse set of industries.

Mahindra Logistics operates in 2 distinct business segments, Supply Chain Management ("SCM") and Corporate People Transport Solutions ("PTS") Business:

- Supply Chain Management ("SCM") Business:

Mahindra Logistics offers customized and end-to-end Logistics Solutions and Services including Transportation and Distribution, Warehousing, In-factory logistics and Value added services to their clients. The company operates their SCM business through a pan-India network comprising 24 city offices and over 350 client and operating locations as at August 31, 2017. They have a large network of over 1,000 Business Partners providing the company, vehicles, warehouses and the other assets and services for their SCM Business.

As at August 31, 2017, Mahindra Logistics managed over 10 million sq.ft. of warehousing space spread across the pan-India network of multi-user warehouses, built-to-suit warehouses, stockyards, network hubs and cross-docks. As at August 31, 2017, the company operated in-factory stores and line-feed at over 35 manufacturing locations. Their "asset-light" business model along with the solutions design capabilities enables them to serve over 200 domestic and multinational companies operating in several industry verticals in India, including Automobile, Engineering, Consumer Goods, Pharmaceuticals, E-commerce and Bulk.

Mahindra Logistics has sourced or developed their customized technology systems in order to provide innovative and cost-efficient solutions and to improve transparency and visibility for their clients.

- People Transport Solutions (“PTS”) Business:

The company provides technology-enabled people transportation solutions and services across India to over 100 domestic and multinational companies operating in the IT, ITeS, Business Process Outsourcing, Financial Services, Consulting and Manufacturing industries. They offers their services through a fleet of vehicles provided by a large network of over 500 Business Partners. As at August 31, 2017, they operated their PTS business in 12 cities and over 120 client and operating locations across India.

Company’s subsidiary, 2X2 Logistics, provides logistics and transportation services to OEMs to carry finished automobiles from the manufacturing locations to stockyards or directly to the distributors through specially designed vehicles. The other subsidiary, Lords, provides international freight forwarding services for exports and imports, customs brokerage operations, project cargo services and charters.

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