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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: Intimation of earnings conference call vide letter dated 16 January 2026; and Intimation of Outcome and audio recording of earnings conference call dated 28 January 2026

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 third quarter and nine months ended 31 December 2025, held on Wednesday, 28 January 2026, 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No Unpublished Price Sensitive Information was shared/discussed by the Company during the earnings conference call.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 weblink: <https://mahindralogistics.com/investor-interaction/>

For **Mahindra Logistics Limited**

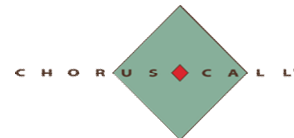
Jignesh Parikh
Company Secretary

Enclosure: As above



**“Mahindra Logistics Limited
Q3 & 9MFY26 Earnings Conference Call”
January 28, 2026**

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the website of the stock exchange on 28th January 2026 will prevail.



**MANAGEMENT: MR. HEMANT SIKKA – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER
MS. ISHA DALAL – CHIEF FINANCIAL OFFICER**

**MODERATOR: MR. MANDAR CHAVAN – STRATEGIC GROWTH
ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Mahindra Logistics Limited Q3 and 9MFY26 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. Mandar Chavan from SGA. Thank you, and over to you, sir.

Mandar Chavan: Thank you, Huda. Good afternoon, everyone and thank you for joining us for Mahindra Logistics Limited Q3 and 9MFY26 Earnings Conference Call. We are pleased to have with us today Mr. Hemant Sikka, our Managing Director and CEO; Ms. Isha Dalal, Chief Financial Officer ('CFO'), along with the members of the senior management team.

I hope everyone had a chance to view our financial results and investor presentation, which were recently posted on the company's website and stock exchanges. We will begin the call with the opening remarks from management, followed by an open forum for question and answer. 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 like to invite Mr. Sikka to share his remarks.

Hemant Sikka: Thank you so much, Mandar. Good afternoon, everybody and a very Happy New Year to you. This quarter marks an important inflection point for Mahindra Logistics. After 11 consecutive quarters of losses, we have turned profitable, a milestone that reflects the decisive actions we took over the past few months.

These actions are now visible in our operating outcomes with measurable improvement driven by sharper execution, tighter cost management and a more disciplined approach to growth. I must say that while we are still early in this journey, the momentum is clear and we are committed to building on it sustainably.

A key enabler of this progress has been the stabilization of our leadership and operating teams. We have strengthened alignment across functions, clarified ownership at the ground level and re-established execution rigor across regions and business lines. This has led to faster decision-making, more consistent operations and stronger customer responsiveness.

With a stable and aligned team in place, we are now shifting our focus to driving sustained performance improvement. Scaling profitability remains our most important near-term priority. During the quarter, we reinforced pricing discipline, enhanced contract renewals and sharpened customer level profitability management.

We also choose to step away from a few non-profitable relationships and recalibrated several engagements to reflect the true value of the services that we offer to our customers. These actions are already visible in sequential margin improvement with further upside as ongoing discussions and cost efficiencies flow through.

Let me now turn to a few specific business updates. Let me start with MESPL Rivigo, our B2B Express Logistics Services. We saw an uptick of 19% in quarter 3 volumes Y-o-Y while maintaining stable yield levels. Our gross margin also expanded from 0.2% in Q3FY25 to 2.4% in Q3FY26. This is clearly the manifestation of the multiple initiatives under execution, resulting in improved service levels for our customers, boosted lane utilization and improved unit economics.

This gives us confidence that the foundation of the business is only getting stronger and we are well positioned for meaningfully scaling this business up. In our 3PL business, Q3 revenue grew by 20% Y-o-Y and our gross margins grew by 27%, a clear indication that our focus on operational efficiencies, rigor and profitable customers is working. Also, we are selectively expanding our owned fleet as we see a clear demand on specific lanes.

This is in line with our disciplined approach to capital investments based on utilization, yields and our return metrics. On the white space opportunities we had highlighted earlier, the execution remains firmly on track. We expect the impact of our actions to become more visible over the next three quarters.

But let me reiterate that we remain fully committed to our glide path to almost eliminating our white space by September '26. In our Freight Forwarding business, Q3 revenue grew by 33% Y-o-Y and our gross margins grew by 36% Y-o-Y, driven primarily by improved trade flows, operating leverage and a diversified customer base. I must add here that this is in spite of huge global uncertainties across the trade lanes.

This reinforces our view that the business provides a very steady base for improving profitability potential as the volumes grow further from here. In our Mobility business, Q3 revenue grew by 38% Y-o-Y and our gross margins grew by 18% Y-o-Y. Our focus here is on improving the utilization levels for the asset-heavy part of our business.

Alyte, you know that we have launched a new brand into our premium B2B offering is part of this business and we are calibrating our fleet expansion strategy based on the strong return thresholds that we are seeing. In our last mile delivery business, revenue and gross margin declined due to pricing pressures and strategic decisions at certain sites.

We are in active discussions with our customer and expect profitability to improve from Q4FY26 onwards. At the same time, our focus on operations excellence continues to be recognized. During the festive peak, we won multiple accolades and rewards from leading e-commerce players, including the best quality delivery partner in North India, the best performance in East and South from another client.

And similarly, across our portfolio we have received awards for ESG leadership, safety performance from the National Safety Council of India and supply chain resilience during the festive season. With the debt being paid through rights issue, our interest costs have reduced materially, strengthening our profitability profile further. We continue to closely monitor our working capital requirements.

Now let me share my view on the broader industry trends. The festive quarter saw a clear uplift in demand across key sectors, supported by festive consumption, GST-related effects and improved micro stability. While the recovery has been uneven across categories, the underlying momentum strengthened meaningfully versus the first half of the year.

In logistics, execution rigor, supply chain preparedness and having the right set of customers have become clear differentiators and we'll continue to focus on this. In Express Logistics, the industry focus is shifting from aggressive expansion to consolidation and improved asset utilization, signalling a more mature and sustainable phase of growth for the industry.

Despite global uncertainties, the overall outlook remains positive and has strengthened over the last quarter. So in conclusion, I want to emphasize that the transformation momentum in Mahindra Logistics is real and accelerating. Our pipeline is healthy, our execution engine sharper and our internal performance framework far more outcomes driven than ever before.

More importantly, our confidence is grounded not in intent, but in actual delivery in the progress we are already seeing on the ground. With that, I would like to invite Isha, our CFO, to take you through the financials. Isha, please.

Isha Dalal:

Thank you, Hemant. Let me now give a brief on the consolidated financial performance for Q3 and 9MFY26. Our revenue for Q3FY26 has increased by 19% on a year-on-year basis to INR1,898 crores. This has been driven by strong volume growth, particularly in our Auto and Farm business, which caters to M&M and across our Express, Mobility and Freight businesses.

The revenue from our warehousing segment stood at INR345 crores in Q3FY26 as compared to INR300 crores in Q3FY25, up by approximately 15%. Our revenue mix between supply chain management, which includes our 3PL and network services business and the mobility business remains in line with historical trends.

SCM contributes 94% of our overall revenue and the mobility business have contributed 6% for Q3FY26. We have seen a significant consolidated gross margin expansion of 76 bps at the consolidated level with the GM now at 10% in Q3FY26 compared to 9.2% in Q3FY25. Scaling profitably remains our most important near-term priority, as Hemant has already called out.

And our discipline on pricing, contract selection and renewal and profitability management is reflecting in this margin improvement across several business segments. The year-on-year margin expansion is driven by enhanced profitability in key 3PL segments and in the turnaround journey of MESPL, which has improved gross margin by INR7.2 crores year-on-year.

This consolidated gross margin improvement has also resulted in an improvement in EBITDA, which has grown at 40% year-on-year to INR102.8 crores, up from INR74 crores in Q3FY25. Our reported PAT for the quarter stands at INR3.3 crores. However, operational PAT is INR9.2 crores after removing the tax adjusted impact of exceptional items.

As you are all aware, in accordance with the new Labour Code, the company has currently estimated the incremental impact on retiral benefits to be INR7.36 crores in the consolidated results and INR4.76 crores in the standalone financial results, which has been presented under

exceptional items. It is the impact of this item that I'm adjusting while calling out the operational PAT for the quarter.

On a standalone basis, we had no debt for 31st December and our consolidated gross debt stands at INR64 crores. Moving on to segment performance. In the 3PL segment, our revenue for the quarter was INR1,502 crores as compared to INR1,255 crores in Q3FY25, which is up by 20%.

This, as I mentioned earlier, is led by strong growth in the AFS segment, followed by the consumer business. Our gross margin for Q3FY26 was INR165 crores as compared to INR130 crores in Q3FY25, which is a growth of 27% in 3PL. Our freight forwarding business clocked a revenue of INR94.8 crores as compared to INR71.5 crores in Q3FY25, up by 33%, led largely by volume growth across ocean and air.

Our reported PAT in this business was INR2.4 crores. Again, the operational PAT adjusted for Labour Code impact is INR2.8 crores as compared to INR1.5 crores in Q3FY25. In our Express business, which is MESPL, our Q3FY26 revenue was INR113.6 crores as compared to INR89.1 crores in Q3FY25, up by 27.5%.

In this business, we have witnessed a 19% year-on-year growth in delivered volumes, along with steady yields resulting out of multiple actions that we have taken. Volume leverage and scale have resulted in a corresponding increase in unit economics, which you will see reflected in the gross margin improvement that I called out earlier.

The reported PAT loss in this entity stands at INR15.5 crores. Again, operational PAT loss is INR14.5 crores in the third quarter. In our Mobility business, this business has had a very good quarter, driven largely by momentum in the B2B part of the business. The revenue for Q3FY26 was INR110.7 crores as compared to INR78.1 crores in Q3FY25, up by almost 42%.

Reported PAT in this business was INR1.3 crores and operational PAT was INR2 crores versus INR0.8 crores in Q3FY25. Our last mile business has a Q3FY26 revenue of INR82 crores as compared to INR103 crores in Q3FY25. The GM has also declined from INR7.3 crores in Q3FY25 to INR2.7 crores in Q3FY26.

As Hemant mentioned last time as well as earlier, we have taken some strategic calls in this business and exited customers or sites that remain unviable for us. This has led to a decline in revenue and in margins in the near term. This is an operationally complex business and while the rate pressure continues in the near term, with the sustained efforts on rate renegotiation and operational excellence, we expect business performance to witness steady improvement in this segment.

Coming to the revenue breakup for the quarter. Auto business contributes 62% of the revenue and the non-auto business contributes 38%. The Mahindra business contributes 58% to our top line and the non-Mahindra business contributes 42%. That brings me to the end of my prepared remarks and I now open the floor for question and answer.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove

yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Alok Deora from Motilal Oswal. Please go ahead.

Alok Deora:

Good afternoon and congratulations on good numbers. Just had a couple of questions. So, first is on the Express business. We saw very strong traction there, be it Y-o-Y or even as against the second quarter.

So just wanted to understand what led to this kind of volume growth, which we have not seen since the longest time? And also, was it like because of the GST rate cut, we saw some bump up in volume, which may not sustain ahead? Any color on that? That's the first question.

Second question is that despite such high-volume growth and revenues in this in a quarterly basis, the EBITDA really has not moved much. So when can we really expect the breakeven to happen here? I mean, what kind of volumes we would require for that? Yes, that would be my questions.

Hemant Sikka:

Thank you, Alok. So let me answer the second part first. As you have seen that in the Q2FY26, we had just turned kind of positive on gross margin. This time, we have further upped the gross margin from, let's say, INR20 lakhs to about INR2.4 crores in Q3FY26.

Further, we feel that the actions that we are taking on the ground, which is in terms of driving more volumes, putting more feet on street, maintaining a high net service levels, better engagement with our clients, making sure that our lane utilization, both for volume and weight remain at a very healthy level, ensuring that the backward lane consolidation is again done with various verticals within MLL.

So all these are levers that the team is really focusing hard and making sure that we execute a very tight game on this. This is leading to better gross margin and better EBITDA performance, as you have seen from Q2 to Q3. We are, I would say, not achieved EBITDA positive in this quarter, but I can just tell you that we don't give a guidance, but we are very close to EBITDA breakeven level.

Alok Deora:

Sure. Just on the first question on the volume, what really happened in this quarter?

Hemant Sikka:

So volume is, Alok, better execution. We have engaged with our customers in a more holistic manner. We have internal dashboards that we are now monitoring at a daily basis. There is a very strong rigor which is happening. Our NSL has actually improved month-on-month. So that is also giving better customer satisfaction.

So, I would say it is multiple levers, which are all standard first principle levers of any business that you execute very well, you satisfy your customers well, make sure you run a tight shift. And that is what is leading us to, win more and more businesses from our customers. I think that this volume is sustainable, and we should, in fact, do better from here.

- Alok Deora:** Got it. So it was not really the one-off deferred demand in October. it's more a stabilized quarter only. And we would have done a similar run rate in January also? To bring out the number, I mean...
- Hemant Sikka:** Alok, the business varies from quarter-to-quarter because the whole GDP varies from quarter-to-quarter. Q3 is always a high-intensity quarter for us. Q4 is also a good quarter, but I would say that you can't, like, take 1 quarter and multiply by 4, but there is some variability in quarter-to-quarter. All I can tell you is that we are winning customers, we are executing well, and that gives us confidence that we should be able to do better from here.
- Alok Deora:** Sure, yeah. That's all from my side. I'll come back in the queue if I have more. Thank you, sir. All the best.
- Hemant Sikka:** Thanks, Alok.
- Moderator:** Thank you. The next question is from the line of Krupashankar from Avendus Spark. Please go ahead.
- Krupashankar:** Hi, good afternoon and thank you for the opportunity. My congrats on great set of numbers. My first question will be on a clarification. You did mention that the Mahindra Group contribution this quarter was about 58%. What was it last year in the same period?
- Isha Dalal:** It would have been in a similar range, maybe slightly lower than that. So it has gone up slightly this quarter.
- Krupashankar:** So, just why I'm trying to build on it is because we did see a very strong growth in the 3PL business. Just wanted to get a sense on whether the growth is coming in primarily from Mahindra and the auto piece picking up materially? Or have you seen some traction around other sectors as well? If you can throw some light around that, please?
- Isha Dalal:** Yes, sure. So there is no doubt that the volume growth in the M&M business and everybody knows the volume growth there that is also publicly disclosed, does help our business as well since we do service the Mahindra & Mahindra Auto and Farm business. So yes, that has contributed to the strong growth.
- But there is also a growth in the other verticals, as I called out in my remarks. We don't disclose the growth segment by segment at a 3PL level, but I can tell you that we are adding customers. And as Hemant said, executing well and growing across our various segments as well. But yes, there is no doubt that the growth of the Mahindra business does help us.
- Krupashankar:** Got it. And with respect to white space reduction, I think Hemant you had called out last quarter that there was a 20% reduction. And this quarter, any commentary around how much of white space reduction have we seen? And , your commentary on by reducing it by 95% by September '26 holds, right? So some comments on that please.
- Hemant Sikka:** So, Krupa, I would suggest that we will not share how our reduction is going on because you would appreciate that any information like this leads to pricing pressure on us. But as I said in

my opening remarks, we remain committed to reducing our white space by 95% by September. We are absolutely on track. In fact, we are slightly better on our glide path quarter-on-quarter on this. And I mean, we are committing that this will happen.

Krupashankar:

Got it. Understood. Last from my side on the Express business. Now typically, earlier, it was communicated that there is a certain tonnage which was required to achieve your EBITDA breakeven or PAT breakeven.

Now while the growth has been quite strong on the tonnage side of things, 19% Y-o-Y growth and you are on path, is it possible to mention what would be the extent of further tonnage required for getting the maximum efficiency with respect to your gross profits or gross margins or what you are targeting?

Hemant Sikka:

Krupa, I would suggest that we think about this business turnaround, not in tonnage terms at all. Let me tell you that I can pick as much tonnage as I want from the East of India if I just drop, let's say, INR3 a kg, I can pick as much tonnage as I want, but that doesn't help the business overall. So I would suggest that we should think about this in terms of both tonnage and yield.

I can tell you that while our tonnage has improved in this quarter, we have been able to maintain good yields. And that is what is leading to this good performance financially. I again reiterate that we are very focused on turning this business EBITDA positive, and we are pretty close to it now.

Krupashankar:

Understood. Thank you for answering my questions.

Moderator:

Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Jinesh Joshi from PL Capital. Please go ahead.

Jinesh Joshi:

Yeah, thanks for the opportunity. Sir, I just wanted one clarification. In the opening remarks, you mentioned that in the B2B Express business, our yields are steady. But if I look at the revenue growth, it was at about 30% and volumes were up by about 19%, which essentially implies that yield growth was quite healthy. So if you can just clarify whether yields were steady or have you seen an improvement?

Isha Dalal:

Could you repeat your question? Sorry, we didn't catch that.

Jinesh Joshi:

In the opening remarks, it was mentioned that in the B2B Express business, yields were steady, but volumes are up by about 19%, whereas the value growth in the Express business is 30%, which essentially implies that yield growth was quite healthy. So just wanted to clarify on that part.

Hemant Sikka:

Yes. So, Jinesh, clearly, we have been able to grow the volumes on stable yield. We have obviously improved our yields over the quarters. But if you slice it specifically by quarter 1, quarter 2, quarter 3, we may not be able to pinpoint a very big increase, but we would say steady increase. But in the previous quarters, we had improved the yields and they are also coming into the overall calculation, if that answers your question. Isha, you want to comment?

- Isha Dalal:** Yes, I also just want to clarify. Also to clarify on this holding steady yields part, our yield has been increasing versus last year. When we were pointing out stable yields, we were pointing out also stable yields sequentially versus the previous quarter.
- Hemant Sikka:** Quarter 2 to quarter 3.
- Isha Dalal:** Right. So that's not the right comparison.
- Hemant Sikka:** Did we answer, Jinesh?
- Jinesh Joshi:** Yes, sir. That answered my question. Sir, my second question is that if you can clarify, does the group have any Express business piece that is routed through Rivigo? And is it possible to share what proportion of that business is routed in-house versus that is being outsourced currently? Is it possible to share?
- Hemant Sikka:** So, Jinesh, we do serve M&M and the group for Express business. Of course, we do serve, but it is a small part of our overall business, I can say that.
- Jinesh Joshi:** Possible to share any quantum in percentage terms?
- Hemant Sikka:** Right now, it's almost very, very small.
- Jinesh Joshi:** Got that. One last question from my side. Sir, it has been quite some time since we have announced our JV with Seino. But I think there has been no traction on that side. So can you update about the latest progress over there?
- Hemant Sikka:** Yes. let me talk about Seino. So Seino is one of the most reputed logistics company from Japan, and they have some very core multi-decadal relationships from some of the big Japanese name that we all know. We are very happy with this joint venture, and we believe that this joint venture can really do very well in India. The team is now in place.
- We have a Managing Director in the Joint venture company, which is nominated by Seino. We have a CFO from our side there, and we are gradually scaling up this business. Right now, we don't see any material revenue in this business because with Japanese clients, it takes a little longer life cycle to crack the deals.
- But I can share with you that we are in active discussions with some very large Japanese companies in India. And with the kind of relationship which Seino brings in the kind of execution rigor which Mahindra Logistics bring in, I think we should be able to show some wins in the next year.
- Jinesh Joshi:** Got it, sir. Thank you so much and all the best.
- Hemant Sikka:** Thank you.
- Moderator:** Thank you. The next question is from the line of Achal Lohade from Nuvama Wealth. Please go ahead.

- Achal Lohade:** Yes. Congratulations, first of all, on great turnaround. Just a couple of questions. First, if you could give us some sense in terms of pricing scenario in 3PL, in Express. You know, one of the comments, Isha, I think you made was the yields are still under pressure.
- So just wanted to understand because some of the peers have taken price hikes or price increases. Just wanted to understand. And also, Isha, you had mentioned in one of your remarks that we have let go certain business. If it's possible to know any volume impact of that in that segment?
- Hemant Sikka:** Yes. So let me answer the second part first. So all that volume impact is already subsumed in the results that we have shown you. So all the growth numbers that you see is in spite of us giving us certain businesses away. So it kind of like covers that up.
- In terms of pricing, I would say, overall, since the economy is doing very well, and we have some very good customers, and we are very happy that our customers wanted to do very well. We are not seeing any pricing pressure in terms of any downward pressure.
- However, we are doing price corrections where we feel that our services are not appropriately priced. We are willing to give some businesses away and also renegotiate with our customers. However, in last mile, we continue to see pricing pressures. As you know, this is the last chain, the guy who brings the packet to your house. This is the toughest part of the business, and it's very difficult to kind of make meaningful profit in this.
- But we still continue to work very hard on this. I think our overall profitability on this part of the business has also improved, and you will continue to see more improvements in quarter 4 and quarter 1 in the coming quarters. So except for last mile, I don't want to call out any other thing. I think our pricing is relatively very good. And wherever it is not good, we are engaging very, very positively with all our customers and having those negotiations and discussions.
- Achal Lohade:** Sorry, just to extend to that question, sir, in terms of this price correction, like are we broadly through or we are not even halfway mark in terms of price corrections across our customer base?
- Hemant Sikka:** I would say that we are halfway through, but there is still about half work yet to be done.
- Achal Lohade:** Understood. And any sense you could provide with respect to margins? How do we see this on a consolidated level? Do we see meaningful improvement soon or it will take probably 6 to 8 quarters to really see a meaningful improvement at the EBITDA margin performance, if you could give any comment?
- Hemant Sikka:** Yes, I will request Isha to comment.
- Isha Dalal:** Yes. So Achal, we don't really provide guidance on margins, but I will just reiterate what Hemant said earlier that with all the actions that we are taking on cost interventions at our end, appropriate selection of customers, rate renegotiation and all our other actions on operating and financial discipline, we expect margin to keep expanding in the near to medium term. That's the only guidance I will give.
- Achal Lohade:** Got it. Thank you. Those were my questions. I wish you all the best. Thank you.

Hemant Sikka: Thank you Achal.

Moderator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question, may press star and one on their touchtone telephone.

The next question is from the line of Vikram Suryavanshi from Phillip Capital. Please go ahead.

Vikram Suryavanshi: Yes, good afternoon, sir. I think some of the questions already answered. But if you can give outlook on non-Mahindra 3PL business, which are the industries or sectors looking promising and any further scope to increase value-added services in non-Mahindra 3PL business?

Hemant Sikka: For non-Mahindra, I would say that all our verticals are doing very well. We continue to clock very good numbers on our e-commerce business. We are similarly doing pretty well on our manufacturing and consumer verticals. I think our deal pipeline is looking strong. Some of the conversions were expected to happen in Q3.

We've got a little delayed because these are very long-term commitments. So we completely appreciate that our clients take a little longer to make the final decision. But we are in active discussions with many of our large clients in e-commerce, manufacturing, consumer, mobility to kind of close these deals as fast as possible. I can just say that we work with the best logos in the country, and we have some very strong relationships even with non-Mahindra clients that we have.

Vikram Suryavanshi: And just on challenges in last mile, is it like just a competition is the major challenge? Or are there any other challenges, which we can turn it around from our own business?

Hemant Sikka: Vikram, I would suggest that actually competition is not a challenge at all. In this, the unit economics is the challenge. How do you serve your customers well and still make money? I think that is the challenge. The business is so much that our customers are repeatedly calling us and saying, please take more business, but we are being very, very choosy and politely refusing to our customers on sites which are not viable.

So competition is not an issue here at all. It is the unit economics, whether this business model has to mature. I think this is a business which, Vikram, you would realize that it's a zero-entry business. Anybody can do last-mile packet delivery to a house. So it's a zero entry business, anybody can become a supplier. So that's why the pricing continues to remain under pressure. Till the time client sees a lot of difficulties with these people, they will not be coming to a well-established player like ours.

So when we come in, we solve all the problems, but we have to still compete on pricing. And that's what we are trying to tell our customers that, I mean, if you want to work with Mahindra Logistics, then obviously, our pricing will not be at the same threshold as some other guys working for you. So that is the kind of discussion we are continuing to have with our customers. Some of our customers have accepted our plea. Some of the customers will accept it maybe after a few quarters.

Vikram Suryavanshi: Understood. Yes. Thank you very much.

- Moderator:** Thank you. The next question is from the line of Vineet from Toro Wealth. Please go ahead.
- Vineet Khatri:** Sir, my question was with respect to the B2B business. I mean, after the integration of SML and Mahindra, I mean, is there any impact on our volume growth that we see because of that particular integration from the Mahindra business standpoint?
- Hemant Sikka:** So we are very happy that this acquisition has been done by one of our largest customers. So we have started engagement with the team on the ground, and we are very confident that going forward, we will start winning business from them as well. So this is a good thing for us.
- Vineet Khatri:** Okay. And like was there any impact in our Q3 performance with respect to this?
- Hemant Sikka:** Not yet. We have started work in Q3 because our solution is not that we will just do what other people were serving that company earlier. We want to add a lot of value to our clients. So that's why we have to do complete network planning, network optimization, make sure that we put the right kind of value to our very large customers. So this is kind of work which currently our teams are doing. As we finish this work, then there will be pricing discussion with our client, and then we will start. So I think this should take about a quarter more.
- Vineet Khatri:** Okay. And do we see it as like a significant portion of our financial performance?
- Hemant Sikka:** I won't call that out yet because we are very early stage of our discussion.
- Vineet Khatri:** Understood. Thank you, sir, for taking my question.
- Hemant Sikka:** Thank you, Vineet.
- Moderator:** Thank you. The next question is from the line of Navneet, an Individual Investor. Please go ahead.
- Navneet:** Hi, Mr. Sikka. This is Navneet. So my question is, up until last year, you had outlined -- the company had outlined a vision in terms of top line where it wanted to reach. Of course, you took over as the CEO just about 7, 8 months back. That vision is not there currently in the presentation. So with the new leadership team, do you think you would be coming out with a vision statement on where you want to take the company, in the medium term or in the long term?
- Hemant Sikka:** Absolutely, we will do that. So currently, you know that we have been in a very strong turnaround execution phase over the last 2.5 quarters. And now that we will stabilize this over the next couple of quarters so that you and all our investors get confidence that this performance is for real. And in the meantime, we will start work on our long-term vision, which we'll share with you in due course, but we are beginning to start that work.
- Navneet:** Okay, just wanted to know that. Thank you so much and all the best.
- Hemant Sikka:** Thanks, Navneet.

- Moderator:** Thank you. The next question is from the line of Krupashankar from Avendus Spark. Please go ahead.
- Krupashankar:** Yes, thank you for the follow-up. One question on the freight forwarding business. Just wanted to get a sense while growth has been quite strong this time around, any one-offs you want to call? Or are you seeing any improvement in freight forwarding operations on a whole because EXIM volume growth has not been as great as one would have anticipated. So something to call out over there?
- Isha Dalal:** There are no one-offs in this business, Krupa. This is organic growth of the business that is coming out of volume growth of some of our key customers. So no one-offs that I would like to call out.
- Krupashankar:** Got it. That was the only question from my side. Thanks.
- Isha Dalal:** Thank you, Krupa.
- Moderator:** Thank you. Ladies and gentlemen, anyone who wishes to ask a question, may press star and one on their touchtone telephone. The next question is from the line of Pradeep Panchal an Individual Investor. Please go ahead.
- Pradeep Panchal:** Yes hi. You mentioned there is 58% from Mahindra & Mahindra. So 42%, can you give some sector-wise state like if it is a major auto, right, like from other companies, then are we like a proxy to auto sector performance?
- Isha Dalal:** Yes. So 62% of our revenue does come from auto. A large part of that is Mahindra and some small part of it, you can do the math is from the other customers.
- Hemant Sikka:** I would just say it is auto and tractor and trucks and everything. So it's like not only passenger car.
- Isha Dalal:** That's right.
- Hemant Sikka:** But this includes the whole auto, tractors, truck, 2-wheelers, everything.
- Isha Dalal:** That's right. That's right. But no, as far as the other sectors or our exposure to other segments go, we will not be providing that split. So it's 62% auto and 38% non-auto. And again, auto includes all kinds of vehicles, yes.
- Pradeep Panchal:** So like this is like a major proportion. is there a plan to also include other sectors, not just other companies when we are acquiring new customers?
- Hemant Sikka:** Yes, Pradeep, that's one of our continuous work, and that's why we are focusing very strongly on our other verticals of e-commerce, where we continue to do very well. On manufacturing and consumer, we are scaling that business up, and you will see results in the next few quarters on both these verticals. So we continue to do.

You have seen how mobility and freight forwarding have done well. So we are a fully integrated player, and we never prioritize one sector over the other. We want to grow our business across all our verticals, across all our segments.

Pradeep Panchal: Yes. Thank you.

Hemant Sikka: Thanks Pradeep.

Moderator: Thank you. The next question is from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Hello.

Moderator: Yes, Disha, please go ahead.

Disha: Yeah, am I audible?

Moderator: Yes, audible, loud and clear.

Disha: Yes. So you had mentioned in your commentary that we have to let go some of the business because the margins were too low. So if you could just share what is the minimum margin threshold we keep below which we will not be taking like orders?

Isha Dalal: That is internal to us, and that is a threshold that we'd not like to share publicly. But I can just tell you that every customer contract, every negotiation and every repricing, goes through a very rigorous evaluation at our end. We decide if it makes sense economically and strategically and make that decision.

Hemant Sikka: Also to add to what Isha said, Disha, I mean, leaving a customer is never a happy decision for us. And we really try our best to engage with the customers and have multiple rounds of discussions with them before we take that decision. It's never an easy decision, and it's never a quick decision. So we are very mindful that we exist here to serve our customers.

Disha: Okay. Fine. Fair enough. And my second question was, so currently, our auto and non-auto breakup is around 62% versus 38%. And I understand that we are building out these manufacturing, consumer and e-commerce segments. So it will take a bit of time. But say, 1, 2 years down the line, how do we see this mix changing?

Hemant Sikka: We used to have a target internally, Disha, just to share that we should have so much of M&M, so much of non-M&M, so much of auto. But then we realize that we are not able to control this at all because it depends on how well our customers are doing. We are very happy that both the large businesses of Mahindra, which is auto and tractor, is doing so well.

So even though all other customers are doing well, but since Mahindra and Auto are hitting above the belt, obviously, their percentage ratio in our business goes up. So we continue to serve our customers to the best of our ability. Then it's for customers how they grow and then we grow with them.

Disha: Okay, all right. Okay, that's it from my side. Thank you.

Hemant Sikka: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Hemant Sikka, Managing Director and CEO, for closing comments. Over to you, sir.

Hemant Sikka: Thank you. So friends, as we look ahead, our priorities remain clear and unwavering, and that is to drive profitable growth, improve customer satisfaction and continuously enhance the quality of our revenue base. Demand trends across our core sectors remain encouraging and with a sharper execution framework and a disciplined capital approach, we believe we are well positioned to build on the momentum established in this quarter.

Thank you so much for joining us today. We hope we have been able to address your questions and provide a clear view of our strategy and progress. If you have any further questions or need any additional information, please feel free to reach out to our team or to our Investor Relations advisers at SGA. Thank you all so much.

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