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## **MAHINDRA LOGISTICS LIMITED**

PRESS RELEASE (NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION INTO THE UNITED STATES OR OUTSIDE INDIA)

### **Mahindra Logistics Limited – Initial Public Offer to open on Tuesday, October 31, 2017, and to close on Thursday, November 2, 2017**

### **Price Band: Rs. 425 per Equity Share to Rs. 429 per Equity Share**

**Mumbai, October 24, 2017:** Mahindra Logistics Limited (the "**Company**") proposes to open on Tuesday, October 31, 2017, an initial public offering of up to 19,332,346 Equity Shares of face value of Rs. 10 each (the "**Equity Shares**") of the Company for cash within a Price Band of Rs. 425 per Equity Share to Rs. 429 per Equity Share through an Offer for Sale of (I) up to 9,666,173 Equity Shares by Mahindra & Mahindra Limited (the Promoter); (II) up to 9,271,180 Equity Shares by Normandy Holdings Limited; and (III) up to 394,993 Equity Shares by Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1, (the "Offer for Sale" or the "Offer" and such Shareholders offering their respective Equity Shares in the Offer for Sale are collectively hereinafter referred to as the "Selling Shareholders" and individually as a "Selling Shareholder"). The Offer includes a reservation of up to 125,000 Equity Shares for subscription by Eligible Employees (as defined in the RHP) (the "Employee Reservation Portion"). The Offer less the Employee Reservation Portion is hereinafter referred to as the "Net Offer" and such Net Offer aggregates up to 19,207,346 Equity Shares. The Offer and the Net Offer shall constitute 27.17% and 27.00%, respectively, of the post-Offer paid-up Equity Share capital of the Company. The Offer includes a discount of Rs. 42 per equity share on the Offer Price to Eligible Employees (the "Employee Discount").

Bids can be made for a minimum of 34 Equity Shares and in multiples of 34 Equity Shares thereafter. The Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date; i.e., October 30, 2017. The Offer will close on Thursday, November 2, 2017.

The BRLMs to the Offer are Kotak Mahindra Capital Company Limited and Axis Capital Limited.

The Equity Shares proposed to be issued through the RHP are proposed to be listed on BSE and NSE.

The Offer is being made through the Book Building Process and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Category”), provided that the Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the “Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Category shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount (“ASBA”) process, and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see “Offer Procedure” on page 318 of the RHP.

**Disclaimer:-**

*Mahindra Logistics Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed the RHP dated October 16, 2017 with the Registrar of Companies, Mumbai. The RHP is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) as well as on the websites of the book running lead managers, Kotak Mahindra Capital Company Limited and Axis Capital Limited, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see “Risk Factors” of the RHP. Potential investors should not rely on the Draft Red Herring Prospectus for any investment decision.*

*The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold within the United States only to “qualified institutional buyers” (as such term is defined in the Rule 144A under the U.S. Securities Act (“Rule 144A”)) in reliance on Rule 144A or another available exemption from registration under the U.S. Securities Act and outside of the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.*

Capitalised terms not otherwise defined in this press release shall have the meanings given to them in the RHP.

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### **Notes to the Editor**

The Company is one of India's largest (on the basis of annual revenues) 3PL (3<sup>rd</sup> Party Logistics) solutions providers in the Indian logistics industry which was estimated at Rs. 6.40 trillion in Fiscal 2017, according to the CRISIL Report. The Company is a part of the Mahindra Partners Division of the Mahindra Group, which is a well-diversified Group with operations across several industries and countries. The Company believes that its competitive advantage is its "asset-light" business model pursuant to which assets necessary for its operations such as vehicles and warehouses are owned or provided by a large network of business partners. Its 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. It operates in two distinct business segments, supply chain management ("**SCM**") and corporate people transport solutions ("**PTS**").

Through its SCM business, the Company offers customized and end-to-end logistics solutions and services including transportation and distribution, warehousing, in-factory logistics and value added services to clients. It operates its SCM business through a pan-India network comprising 24 city offices and over 350 client and operating locations as at August 31, 2017. It has a large network of over 1,000 business partners providing it vehicles, warehouses and the other assets and services for the SCM business. As at August 31, 2017, it managed over 10.0 million square feet of warehousing space spread across pan-India network of multi-user warehouses, built-to-suit warehouses, stockyards, network hubs and cross-docks. As at August 31, 2017, it operated in-factory stores and line-feed at over 35 manufacturing locations. The Company's "asset-light" business model along with solutions design capabilities enables it to serve over 200 domestic and multinational companies operating in several industry verticals in India, including automotive, engineering, consumer goods, pharmaceuticals, e-commerce and bulk. The Company has sourced or developed its customized technology systems in order to provide innovative and cost-efficient solutions and to improve transparency and visibility for clients. Certain key clients for the SCM business include Volkswagen India Private Limited, Vodafone India Limited, Thermax Limited, JSW Steel Limited, Ashok Leyland Limited, Siemens Limited, Bosch Limited, BMW India Private Limited, 3M India Limited, and Mercedes-Benz India Private Limited.

Through its 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. The Company offers services through a fleet of vehicles provided by a large network of over 500 business partners. As at August 31, 2017, it operated PTS business in 12 cities and over 120 client and operating locations across India. Certain key clients in India for the PTS business include Tech Mahindra Limited, AXISCADES Engineering Technologies Limited and ANZ Support Services India Private Limited.

The 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. Its other subsidiary, Lords, provides

international freight forwarding services for exports and imports, customs brokerage operations, project cargo services and charters.

In the three month period ended June 30, 2017 and in Fiscals 2017, 2016 and 2015, the Company's consolidated total revenue was Rs.8,544.56 million, Rs.26,762.52 million, Rs.20,771.25 million and Rs.19,395.55 million, respectively. Its SCM and PTS businesses contributed 89.89% and 10.11%, respectively, to the total revenue from operations in the three month period ended June 30, 2017 and 88.94% and 11.06%, respectively, to the total revenue from operations in Fiscal 2017. The revenue from operations of the SCM business attributable to non-Mahindra Group clients increased by a CAGR of 64.45% to Rs.9,527.75 million in Fiscal 2017 from Rs.3,523.06 million in Fiscal 2015. Its Adjusted Profit after Tax increased by a CAGR of 22.26% to Rs.600.41 million in Fiscal 2017 from Rs.401.68 million in Fiscal 2015. In Fiscal 2017, its Adjusted ROE (excluding Surplus Funds) was 33.77%.