

Our Ref: MLLSEC/149/2022

Date: 6 October 2022

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

Dear Sirs,

Sub: **Credit Rating by ICRA Limited - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

Pursuant to Regulation 30(6) read with Schedule III and other applicable provisions of the Listing Regulations, we hereby inform you that ICRA Limited ("ICRA") has retained the credit ratings assigned to the Long-Term/Short-Term, Fund-based/Non-fund Based credit facilities of Rs. 335 crores of the Company, as given hereunder. The Outlook on the long-term rating continues to be Stable.

(Rs. in crores)

Instrument Type	Previous Rated Amount (vide ICRA letter dated 14 July 2022)	Current Rated Amount (vide ICRA letter dated 6 October 2022)	Rating Action
Long-term / Short-term, Fund-based / Non-fund Based credit facilities	335.00	335.00	[ICRA]AA (Stable) / [ICRA]A1+; outstanding
Total	335.00	335.00	

ICRA's rationale letter dated 6 October 2022 received by the Company today viz. 6 October 2022 is enclosed herewith.

This intimation is also being uploaded on the website of the Company at <https://mahindralogistics.com/disclosures-under-sebi-regulation-46/>

Kindly take the same on record and acknowledge receipt.

Thanking you,
For **Mahindra Logistics Limited**

Ruchie Khanna
Company Secretary
Enclosure: As above

Mahindra Logistics Limited

Corporate Office : Arena Space, 10th & 11th Floor, Plot No. 20, Jogeshwari Vikhroli Link Road, Near Majas Bus Depot, Jogeshwari (East), Mumbai - 400060.

Registered Office : Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400018.

CIN : L63000MH2007PLC173466

<https://mahindralogistics.com> | enquiries-ml@mahindra.com | +91 22 6836 7900

October 06, 2022

Mahindra Logistics Limited: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term / Short-term, Fund-based / Non-fund Based Facilities	335.00	335.00	[ICRA]AA (Stable) / [ICRA]A1+; outstanding
Total	335.00	335.00	

*Instrument details are provided in Annexure-1

Material Event

On September 26, 2022, Mahindra Logistics Limited (MLL) announced on the stock exchanges that it had entered into a Business Transfer Agreement (BTA) with Rivigo Services Private Limited (Rivigo/RSPL) and its promoter for acquisition of its B2B express business, as a going concern, on slump sale basis for a lump sum consideration of Rs. 225 crore. The transaction is expected to be completed by November 1, 2022.

Impact of Material Event

The acquisition is expected to support MLL in expanding its presence in the B2B express logistics business, backed by the technology of RSPL. The acquired business also operates on an asset-light model, similar to MLL's offerings, and operational synergies are expected to be realised through consolidation of warehouses and processing centers, expansion in customer base, savings on overheads and common sourcing of vehicles. While MLL would be funding the purchase consideration through a mix of debt (exact quantum and terms yet to be finalised) and internal accruals, ICRA does not expect any material impact on its credit profile, considering its current comfortable leverage and strong liquidity position. Accordingly, the ratings remain unchanged at the existing level of [ICRA]AA (Stable)/[ICRA]A1+.

Rationale

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position, rating sensitivities, and key financial indicators: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of MLL. The details are given in Annexure-2.

About the company

MLL, a 58.12% subsidiary of Mahindra & Mahindra Limited (M&M, rated [ICRA]AAA (Stable)/[ICRA]A1+) as on June 30, 2022, is a third-party logistics (3PL) provider, operating in the supply chain management (SCM) and enterprise mobility (EM) businesses. MLL's SCM business includes supply chain consultancy, warehousing, stores and line feeding, transportation and freight forwarding. Its EM business, meanwhile, provides customisable and technology-enabled employee transportation services to corporate enterprises.

The company commenced operations from December 2000 as a division of M&M to handle the captive logistics and supply chain needs of the Group. Subsequently, the division began operating for external clients across the country. MLL was spun off as a 100% subsidiary of M&M, with effect from April 01, 2008. MLL concluded its initial public offering (IPO) in November 2017 and was listed on the Bombay Stock Exchange and the National Stock Exchange.

MLL has six subsidiary companies, LORDS Freight (India) Private Limited (LORDS), 2X2 Logistics Private Limited (2X2 Logistics), Meru Travel Solutions Pvt Ltd (MTSPL), MLL Mobility Private Limited (MMPL) (formerly known as Meru Mobility Tech Private Limited (MMTPL)), V-Link Automotive Services Private Limited (VASPL), and V-Link Fleet Solutions Private Limited (VF SPL); as well as a 39.79% joint venture, Transtech Logistics Private Limited (Shipx) and a 36% stake in ZipZap Logistics Private Limited (Whizzard). LORDS is an international freight forwarder and 2X2 Logistics provides transportation services to MLL, other original equipment manufacturers (OEMs) and other transport companies through its fleet of owned trucks. Meru is a ridesharing company that provides app-based transportation services like city rides, city rentals, airport transfers, and outstation travel, etc., to individuals as well as corporate houses in various cities across India. ShipX is a SaaS (Software as a Service)-based Transport Management Solution (TMS) platform that serves the supply chain automation needs for 3PLs, shippers and transporters. Whizzard operates as an intra-city distribution network for digital commerce and last mile delivery.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2023)				Chronology of Rating History for the past 3 years		
		Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2022 (Rs. crore)	Date & Rating on		Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
				06-Oct-22	14-July-22	30-June-21	25-June-20	27-Dec-2019
1 Fund-based Working Capital Facilities	Long-term	-	--	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
2 Non-fund Based Facilities	Short-term	-	--	-	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3 Fund-based / Non-fund Based Facilities	Long-term/ Short-term	335.00	--	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	-
4 Commercial Paper Programme	Short-term	-	--	-	-	[ICRA]A1+ withdrawn	[ICRA]A1+	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term / Short-term, Fund-based / Non-fund Based Facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term / Short-term, Fund-based / Non-fund Based Facilities	-	-	-	335.00	[ICRA]AA (Stable)/ [ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation approach
LORDS Freight (India) Private Limited	99.05%	Full Consolidation
2X2 Logistics Private Limited	55.00%	Full Consolidation
Transtech Logistics Private Limited	39.79%	Equity Method
Meru Travel Solutions Private Limited	100.00%	Full Consolidation
MLL Mobility Private Limited (formerly known as Meru Mobility Tech Private Limited (MMTPL))	100.00%	Full Consolidation
V-Link Fleet Solutions Private Limited	100.00%	Full Consolidation
V-Link Automotive Services Private Limited	100.00%	Full Consolidation
ZipZap Logistics Private Limited	36.00%*	Equity Method

Source: Q1 FY2023 Results; *On fully diluted basis

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Branches



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