

“We are looking for stronger presence in North-West Corridor”



Delhi-based MJ Logistics is considered to be one of the front ranking warehousing player in North India. Eredene Capital infused \$20 MN in MJ in 2008 for a majority equity stake while the original promoter **Anil Arora** (designated as MD) holds the managerial mantle with a minority equity stake. In a candid conversation with **Ritwik Sinha**, Arora narrates the journey of the company since early 90's and the kind of growth it seeks in the medium run. Excerpts from the interview:

Let me begin with a very simple point. Give me a sense of the journey of this company since its inception.

I entered in this business by default. That was in early 1990's. We as a business family were in the business of brick kilns and we had to shut that business because of shift in the market focus from Quality to Quantity. Before it was shut down, I had joined that business and was given the charge of the transportation department. We had ten trucks then which used to ferry our own bricks and I had to manage that fleet. And the experience taught me a lot in terms of understanding the basics of fleet management and delivery requirements, So I could say that was my first initiation into the world of Logistics. Due to the foresight of our father of buying and developing Land for Brick kilns against leasing it, we had a lot of land. This was on the eastern periphery of Delhi, right next to UP border where most of the cargo used to transit in and out of Delhi. In north India, it is still the biggest transportation hub. We saw a good opportunity to offer storage facility

as there were a lot of big companies which wanted better infrastructure in that area. And that prompted us to look at warehouse segment. We were very fortunate to get some very good clients in the early phase. For next ten years, I was solely devoted to build this business and we raised about a million square feet space in the area giving it on rent to top Indian and MNC firms. The Mandoli warehousing complex is an important logistics landmark in the Delhi market today. Because of our initiation, there are a lot of new warehousing units in that area now. But initially the things were difficult. I still remember it used to take us from six months to a year to convince a client to actually move in. But today the situation is that there is almost a waiting period if some client wants to expand. Alongwith this, around 1995 I floated a company called MJ Warehousing Pvt. Ltd. And we started doing C&F and transportation businesses. Phillips was our first client (it had already become our warehousing client) and was ready to give us business to manage. So we got into stock management and transportation –

in fact, practically we grabbed whatever business we could garner from our in-house clients. 3PL was just gathering steam at that time.

As more MNCs moved in the country, things started improving on 3PL front especially since late 1990s. This reflected on us as well. We got a very big contract from Coca Cola and managed their one way packages (can and Pet) across north India for four years. We grew from being a single location company to managing pure 3PL, hiring warehouses, trucks, delivering goods, etc. After 1998, we professionalised more and got in more people and started managing some major accounts like Godrej, MICO, Kirloskar, etc. Our strategy was to tap the companies which figured in top five list of their respective segments. They knew their business very well and they had a stable operational style. By 2005, we had a gamut of about six to eight clients and we used to provide all kinds of logistics services. That is where I realised that the rental business as it stands requires less of intellectual input and 3PL is the way to grow.

