

M J Logistic Services Ltd. is an integrated logistics service provider offering complete storage, transportation and distribution, and cold chain enabled solutions with special focus on delivering the critical 'last mile'. It has presence in different industry verticals including auto components, convergence industry, light engineering, telecommunications, pharma, retail and FMCG, food & beverages and logistics BPO. The company is currently building large, state-of-the-art warehouses under hub and spoke model having 1 million sq ft. of dry and cold warehousing space at a cost of US\$ 50 million. These logistics centres will cover the entire North India with hub at Palwal (Haryana) and spokes at Haridwar (Uttarkhand) and Zirakpur (Punjab). **Anil Arora**, MD, M J Logistic Services Ltd. says that investment in high quality assets and flawless service is their USP. In an interview to **Ramprasad** of Maritime Gateway, he claims warehousing is no more a fixed cost under his pay-per-use model.

Warehousing Redefined

Q What are the challenges that you face as a 3PL logistics service provider?

The foremost is the regulatory challenge. The government does not recognise the 3PL service providers neither as an industry nor as unified providers of certain services. Say for instance, for one of the parameters like service tax, we have to go through three or four registrations for providing one unified service. On the execution side, good quality assets in terms of warehousing have been a challenge. But now we are overcoming it.

We have come a long way in the last eight to ten years and the volumes have increased considerably. But the infrastructure development has not kept pace with the development in volumes. The situation is same in the ports too. If we consider Ennore Port, there is talk for the last five or six years that it will be developed as a container terminal. But nothing has materialised yet. Therefore, I feel that government needs to take a proactive approach and at some point it should stand up and take a call. If the medicine arrives after the patient is dead, then it is of no use. Similarly, cargo is a constant flow and the flow will continue with or without the infrastructure developments. If developments are not done today, we lose the associated opportunities. The associated cost of operations would have been much different had the developments happened much earlier. At the end of the day, we should deliver to the customer and our business is basically to overcome these challenges.



Anil Arora
MD, M J Logistic Services Ltd.

Q What are the users' demands that you face today as a service provider?

There are demands that exist and there are demands that we create. Apart from the manufacturing and marketing processes, a 3PL operator can run the entire supply chain and the value chain of a customer. Smaller customers tend to be more receptive and they will prefer to outsource a larger chunk of their business because we offer them value benefits and cost-effective service portfolio. But as the size of the customer grows and when they look at the unit costs, etc., they start looking at a fragmented kind of service. It becomes difficult when the 3PL supplier has to go and compete with an off-the-road fragmented vendor with lesser overheads. So it depends on customer to customer and industry to industry to balance and find your sweet spot to put your offering on the table.

