

Transport Logistics Cos Riding Growth Wave as Covid Wanes

Cos such as TCI, FM Logistic expect strong show to sustain; DHL Express bets on its new facility

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Mumbai: India's logistics companies are riding a wave of growth after the waning of the second wave of the Covid-19 pandemic.

Global supply chain constraints and fuel price hikes remain major challenges for these companies — such as automotive companies that have been hit the hardest — but a second wave of increase in production, while the overall market is still subdued, has lifted fuel prices. Transport Corporation of India (TCI), one of India's leading supply chain and integrated logistics players, expects better profits to grow 40% this year and its revenues to grow 30% in FY23, its managing director said in an interview.

DHL Express recently opened its largest airside cargo facility in Bangalore as one of the biggest investments it has made in India, said its India managing director to EY French Logistics group FM Logistic. The company's 40% growth in India this year is due to the first half of



the first half and its India managing director.

"The estimate we are giving the board is of a 40% revenue increase in the second half and a 30% revenue increase in FY23," said Vivek Agrawal, managing director of TCI.

He added that TCI is helped by increased freight rates in inland shipping. While its supply chain business has been affected due to a global shortage of semi-tractors and its impact on the construction and other goods industry, he said some sectors have used the re-

source and production will increase from the October-December quarter in FY23, the company posted a net profit of ₹100 crore compared to ₹100 crore a year earlier. Its revenue for the year ended March 2023 was ₹1,000 crore, a 10% increase over the previous year.

Consolidated revenue grew 10% and net profit doubled in the July-September quarter.

Agrawal, however, said it will use 50% of its planned capital expenditure of ₹200 crore due to the increase in costs of ships and

containers. Acquisition of ships was to buy new container ships and containers.

The global pandemic led to prolonged partial closures of ports across the world, creating a glut of containers in some ports and ships shortage in others. Freight rates and container prices have shot through the roof. In a recent report, DHL said the supply of new containers will only ease the pressure by 2023.

Due to India's infrastructure, a report is expected to come together with an investment from large companies in India and encouraged them to invest in new infrastructure.

DHL Express, part of Deutsche Post DHL, one of the world's largest logistics players, recently opened an airside facility in Bangalore. The gateway will help to sustain its Indian operations a month, said its Indian managing director. It will also save 12-14 hours in terms of transit time for DHL's customers, he added.