

Logistics companies look to India for investment

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Domestic and global logistics companies are making investment plans for the coming financial year even as several loose ends still need to be tied before the goods and services tax (GST) can be rolled out.

“The GST will only add to our investment plans. In a growing logistics market like India, higher investments are needed to improve earnings and streamline operations,” said Abhishek Chakraborty, executive director at DTDC Express.

The Bengaluru-based company has about 65 per cent of its total revenue coming in from the express business where it competes with giants like Blue Dart and Fedex. “We plan to invest ₹20-25 crore, of which a part will

go into technology, hardware and increasing headcount. Over the next two years, we expect to make serious efforts to raise capital,” Chakraborty added. The company is expected to close the 2016-17 with a top line of ₹1,050 crore.

Agility’s Emerging Markets Logistics Index last month picked India as the country with the most potential to grow for the second consecutive year. The report, which surveyed more than 800 supply chain and logistics professionals, said the GST would be the game-changer and companies would have to re-gear themselves. Economic Affairs Secretary Shaktikanta Das on Thursday said the government was planning to roll out the new tax from July 1, 2017.

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