

Aviral
Presents

A Report on **INDIAN** **EXPRESS LOGISTICS** **INDUSTRY 2022**



Associate Partners





Disclaimer

This Report has been prepared by Aviral Consulting OPC Pvt Ltd. All information in this report has been derived from the Industry reports, for which reference source have been mentioned. Neither we, nor any other person connected with the report has independently verified this information. This material may contain information sourced from publicly available information. Industry sources, discussions and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Aviral Consulting does not independently verify any such sources and is not responsible for any loss whatsoever caused due to reliance placed on information sourced from such sources. In no event shall Aviral Consulting Pvt Ltd or its content providers be liable for any damages whatsoever, whether direct, indirect, special, consequential and/or incidental, including without limitation, damages arising from loss of data or information, loss of profits, business interruption, or arising from the access and/or use or inability to access and/or use content and/or any service available in this report, even if Aviral Consulting Pvt Ltd is advised of the possibility of such loss. Investment and commercial decisions should not be taken only on the basis of illustrations in this report. Nothing in this material creates any contractual relationship between Aviral and reader of report.

Editor & Publisher

Tariq Ahmed

Art Director

Shaique Ahmad

Lead - Business Development

Gaurav Dubey

Director Sales & Marketing

Parminder Singh

CONTENTS

Foreword	4
----------------	---

• India & Economy	5
• Indian Logistics Industry and Market Overview	6
• Indian Express Industry Background and Overview	15
• Express Industry Value Chain	17
• Express Industry Segmentation	19

DOMESTIC

• Surface B2B	21
• Air B2B	25
• B2C/E-commerce	27
• Documents	31

OTHER RELATED SUB-SEGMENTS 32

- Reverse logistics
- Retail
- International Air
- Railway
- India Post

• Key end user segment in Express Industry	35
• Growth Drivers of Express Logistics	38
• Technology Trend in Express	40
• Regulation and Government Support	42
• Future Outlook	44
• Major Players	46

Logistics is an integral activity for economic growth as it involves the management of flow of goods from the place of origination to the place of consumption. The sector comprises shipping, port operation, warehousing, rail, road, air freight, express cargo and other value-added services. Businesses need logistics services for reaching out to their customers within the tight timelines and delivering products. The express industry, by creating and integrating door to door linkage across domestic and international regions along with shipment tracking facilities, serves the need for time sensitive logistics service. Surface express logistics is the dominant mode of transportation followed by air express in India.

Government initiatives to develop infrastructure and implementing new tax regime GST have changed the express logistics business. With the introduction of GST, interstate transportation has become more efficient due to removing multiple taxes in state and central. Logistics sector is likely to get increase in upcoming years. Express Logistics companies in India are moving from traditional set ups towards integration of IT and technology and this is expected to reduce the costs incurred and meet services demands. Government's initiative "Make in India" is expected to boost the manufacturing sector to 10% growth. EXIM Cargo, Agriculture, textile, auto and auto ancillary etc have been identified as traditional growth drivers to demand for Express & warehouses space in India. Furthermore, booming e-commerce market is major growth driver for Express Logistics.

Spurred by policy changes and infra upgrade, the logistics industry is expected to grow at 10-12% CAGR in the near term, improving India's competitiveness. With a pick-up in demand, the logistics market, pegged at ~\$250 bn, is expected to grow at 10-12% CAGR, to \$380 bn by FY25.

Joint Foreword from Chair and Co- Chair, ICC Regional Council
Mr. Inderdeep Singh *Mr. Dheeraj Puri*

INDIA & ECONOMY

The Global Economy is expected to expand 4% in the year 2021 after a rough year affected by the pandemic, which resulted in contraction of 4.3%. India is one of the fastest growing economy and is expected to be one of the top three economic powers in the world by 2035 supported by its young demographics and strong democracy. Even though COVID-19 was a huge jolt on the Indian economy, there has been a strong recovery. India's GDP has contracted by a record 7.3% during 2020-21 as COVID-19 pandemic severely hit the key manufacturing and services segments, as per government projection. Indian economy has shown V shaped recovery in 2021 with the return of consumer confidence, robust financial markets, an uptick in manufacturing and exporters braving it out in the global market with never-say-die spirit. India's GDP is 2.59 Trillion USD and according to target set by government, GDP is expected to touch 5 Trillion USD by 2025. India's per capita GDP was a meager 82\$ in 1960 and today has reached 2100\$ USD according to World Bank data.

INDIAN LOGISTICS INDUSTRY & MARKET OVERVIEW

Logistics sector globally has a market size of over USD 5.2 trillion as per a report from IMARC group. On an average, sector accounts for anywhere between 8-20% in various country's GDP. Logistics costs in India are higher than those in developed countries. USA spends 9.5 per cent of the GDP on logistics while Germany is even more competitive with a share of eight per cent. Higher logistics costs in India could be ascribed to the lack of efficient inter-modal and multi-modal traditional systems thereby presenting significant future scope for development and efficiency.

India has the second-largest population in the world with 1.38 billion people and its logistics market is estimated to be around \$210 Billion. The domestic logistics market is growing at a faster pace than the economy and is expected to maintain its CAGR of 8-10% in coming years. As per various reports logistics sector contributes around 13% of GDP. Last decade has witnessed multifold changes in logistics landscape like implementation of GST, improvement in road infrastructure and high degree of automation leading to improvement in logistics efficiency. It is estimated that these reforms have led to around 200 to 300 BPS improvement in overall logistics cost to GDP ratio. Going forward we also expect reduction in it, as a resultant of following facts

- Fast tracking western DFC and announcing three new DFC's
- Sagarmala project to promote inland waterway transport
- Make in India initiative to provide industrial clusters along the key logistic routes
- Scheduled trains to lower lead time
- Increase in in-house development of software
- Usage of RFID's to real time tracking
- Tech based security to reduce pilferage
- Increase focus on services in addition to time and cost by corporates

Lockdown imposed due to COVID-19 was a huge shock on the Indian Economy as well as the Indian logistics Industry. The impact was especially serious for transportation sector in

the initial few weeks, due to strict restrictions on movement of goods vehicle limiting to only essentials. Logistics sector also faced intense labor crisis in initial months of FY21. However, workforce returned and resumed their respective duties after 2-3 months of lockdown. As lockdowns were lifted across the country, the logistics industry, in cohesion with the economy showed high degree of resilience. In the year of pandemic in FY 21 total cargo volume for Indian railway has registered a growth of 2% in volume and 3% in revenue terms with a load of 1232 Mn ton[^]. After sharp dip in e-way bills generation during April 2020, it witnessed a consistent growth post lockdown and in the month of march FY 21 it touched the ever-highest figure of 71.2 million e-way bills. Similarly in EXIM, international trade suffered significantly because of lockdown around the world and in India as well. But, as the lockdowns were lifted across the world, the total export shipments grew by 60.29% to \$34.45 billion in march21

when compared with march20. Also, imports grew by 53.74% to \$48.38 billion in march21 when compared with march20.

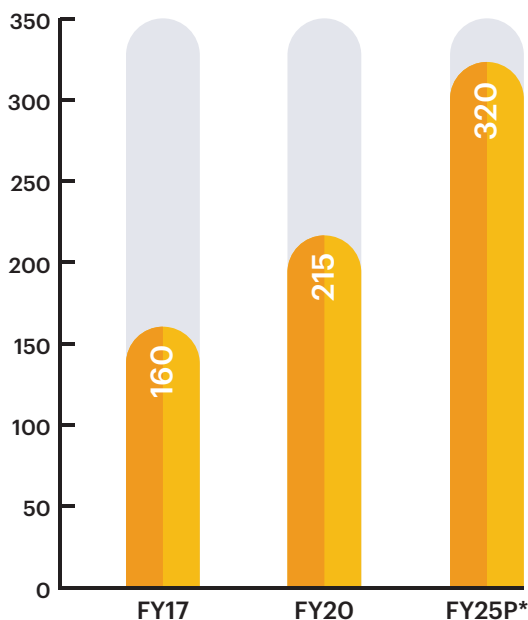
Indian Logistics market for FY 2020 was estimated to be \$215 bn in economic survey of 2017-2018, Our research has estimated logistics market to touch \$320 bn by 2025.

The logistics sector in India can be divided into following categories:

- 1.) **Transportation**
- 2.) **Warehousing**
- 3.) **Value Added / Other Services**

Out of these components, transportation account for the largest pie. In Indian context out of total logistics cost share of transportation and warehousing is lower compared to developed market like US. This is due to low cost of transportation and high contribution of cost due to wastages & inefficiencies. But the scenarios are changing over times and wastages in logistics cost are getting reduced. [^]pib.gov.in

India's logisitcs market size



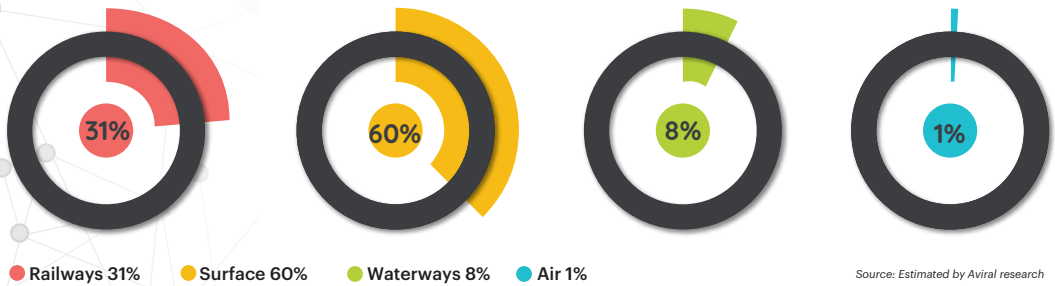
Source: Economic survey FY17-18, Ministry of commerce
*Estimate of FY25 by Aviral Research

At present, the logistics market is dominated by road transportation sector and the trend is expected to continue in future. Share of road transportation is around 60% of total cargo movement in terms of tonnage in spite of it being the second costliest mode of transport. Tilt toward surface has increased gradually in last 7 decades. In year 1950 use of rail was around more than 80% in modal mix and which has come down to around 31% in present time. Such a high percentage share of road cargo movement is in contrast with other countries such as China (30%), the US (37%), and Europe (~10%). However, lack of speed, multi-modal connectivity, and last-mile reach make other modes significantly less preferable in the near term.

[^]Industry Estimated

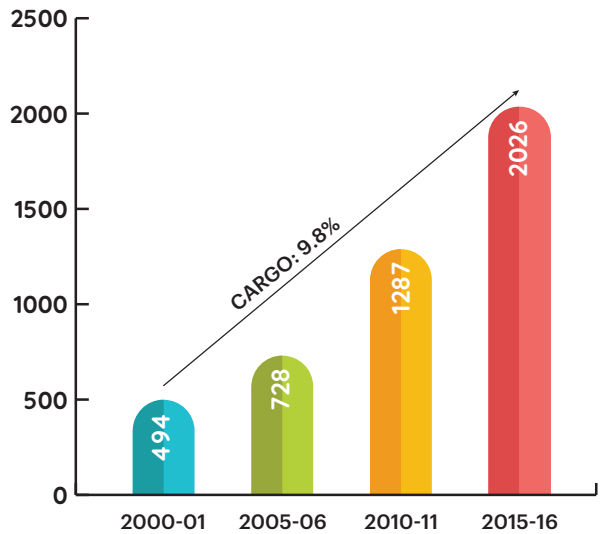
According to a report by McKinsey, wastage caused by inefficiencies contributes to 4.3% of GDP, and, if not corrected, can increase to 5% of GDP or \$100Bn.

Percentage Of Modal Mix



On analyzing BTKM of road vs rail, data clearly indicate faster growth of Road transport with a CAGR of 9.8% in terms of BTKM, while the Rail freight has registered mere CAGR 1.1% in last 10 years.

Road Freight (BTKM)



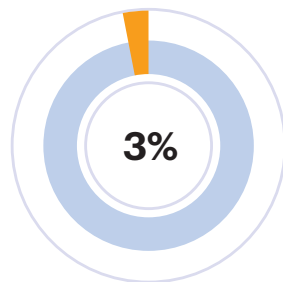
Source: <https://data.gov.in>

The surface transportation sector is expected to grow at a CAGR of more than 8% thereby becoming the fastest growing area of India's infrastructure sector (not considering the short-term effects of COVID-19). The revenue of surface Transportation sector is \$140* Bn. The transportation sector can be further divided into the following:

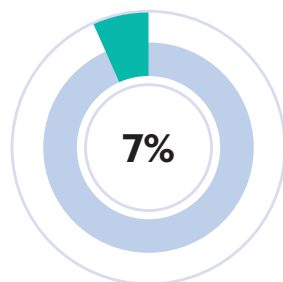
- I. Full Truck Load**
- II. Part Truck Load**
- III. Express**

* Industry estimate

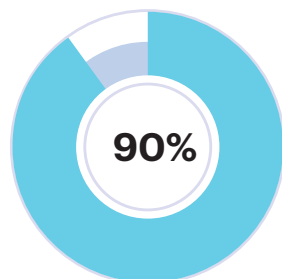
Segment share



Express



Part Truck Load



Full Truck Load

Source: Aviral Research

We will be dealing with the express segment later on in detail in report.

- Full Truck Load (FTL): Dedicated truck for point-to-point delivery.
- Part Truck Load (PTL): Less than truck load is used for transportation of small freight by way of consolidation or when freight doesn't require the use of an entire truck.

The FTL market is the major contributor to the Transportation sector. The FTL market in terms of revenue is estimated to be at USD 120 Billion* and is expected to grow at the rate of 7-8% in coming year. There is a high level of competition in the FTL market which has resulted in declining profit margin over the years. The traditional players in the FTL market are facing increasing competition from the tech enabled startups.

After the FTL, PTL is the second largest contributor to the Indian Surface transportation sector in terms of revenue. It is estimated to be around \$12 Bn^ and has an annual growth rate of 8-10%. There is a rising demand for Part truck load services across the country. The part truck load business is a complex business compared to FTL and has challenges linked to network and load pattern. In comparison to FTL, there are fewer PTL players with an established network and national presence.

The trucking industry is also highly unorganized and fragmented. 70% of the truck owners have a fleet of less than five trucks. In last few years a shift has been noticed in FTL segment from unorganized to semi organized sector. In certain scenarios, few small truck owners joined together for adoption of technology and offering a fleet service to organized players. In other scenario, these small fleet owners are getting attached with some large aggregator or service provider as a vendor to them. Although this model commands a small share in overall pie as semi organized market, but trend is getting momentum.

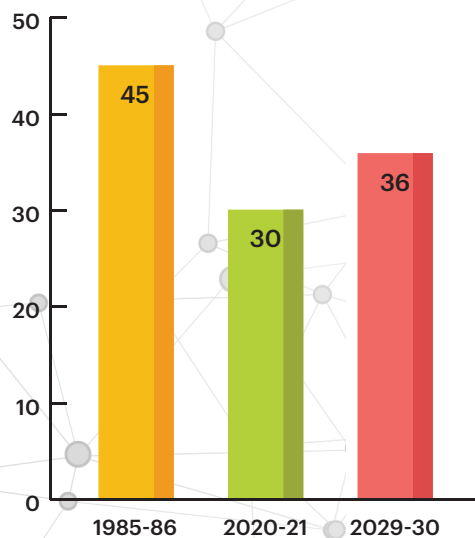
^* Industry Estimated

Railway

India has the world's fourth largest rail network after US, China, and Russia. Railways after roadways account for second highest percentage of goods moved in terms of volume. As can be seen from the cargo movement-modal mix, railways nearly account for 31% of the entire modal movement across the country. While the railways can be one of the cheapest option in terms of long-distance movement of goods, concerns regarding time sensitivity and safety of the goods remain. Also, there has been an underinvestment in the railways and its share in terms of total freight carried has declined over the years whereas the share of roadways has increased over the years. This is due to the fact that there has been a substantial private investment in commercial vehicles. Whereas in the railways

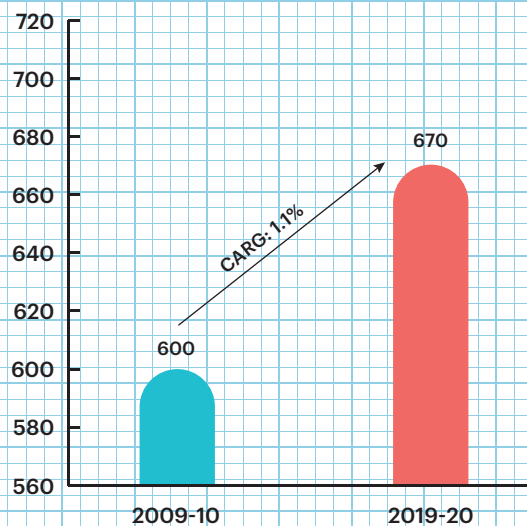
sector, private players are permitted only in container transportation, the Indian railways has a monopoly when it comes to rail network, operation and other infrastructure. In India, passenger trains receive preference on railway routes and as a result, container trains usually end up clocking paltry 25-35 kmph mileage. This is because of the fact that freight trains share the same railway infrastructure as the passenger trains. However, during covid lockdown period, average speed of freight trains increased significantly. With start of Dedicated Freight Corridor (DFC) average speed of freight trains on DFC will be more than double. Improvement in efficiency and reduction in transit time will boost to rail freight market in future.

Percentage Share of Indian Railways in Cargo Movements



Source: Aviral Research

Rail freight in BTKM



Source: Ministry of Railways

Waterway

Waterways account for a total of only 8% of cargo movement in India. Water transportation has a definite edge over other modes, in terms of possessing the highest carrying capacity and being the best suited for long distance carriage of bulky goods at lowest cost. India has a huge coastline of 7517 KM and is surrounded on three sides by the sea. India has in total 11 major and 168 minor/intermediate ports across the country. This creates huge scope for movement of cargo along the Indian coast. There are many advantages of coastal shipping ranging from cost saving to the shipper to reduction of road traffic and carbon emission. According to government, India has witnessed a growth of 11.3% of cargo movement on coastal routes from 2015-16 to 2018-19. The total cargo movement is expected to reach 250 MTPA by 2025. Coastal shipping is ideal for commodities like Petroleum, Oil, lubricant, construction material, dry bulk cargo like food grains, fertilizers, steel, coal and minerals.

In order to improve the share of coastal shipping and inland waterways, government

has taken several major initiatives, which in turn will increase the share in terms of total modal mix cargo movement. India has approximately 14,500 km of navigable waterways comprising of rivers, canals, backwaters, creeks etc which has significant growth potential, as a mode of transportation. In order to develop this mode Government of India established Inland Waterways Authority of India (IWAI) under Ministry of Shipping in 1986 to develop and regulate the inland waterways for shipping and navigation. Huge investment is being planned to develop National Waterways with nearly ₹2,000 crore invested in National Waterway-1. Of the three multimodal terminals to be built on the Ganga River under JMVP, the one at Varanasi in UP and Sahibganj in Jharkhand are already operational. Work on the third terminal at Haldia and a new navigation lock at Farakka (both in West Bengal) is on in full swing. Government data shows that cargo movement by IWT has increased to 72.31 mt in fiscal 2019 from 55.03 mt in fiscal 2018 with plans to push it up to 150 mt by 2025.

source: <http://sagarmala.gov.in/projects/coastal-shipping-inland-waterways>



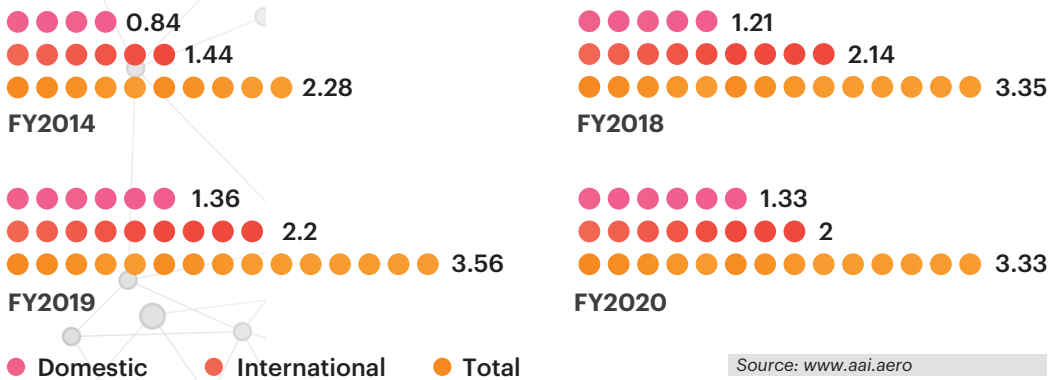
Airway

While the focus has been mostly on-air passenger market in India, air cargo segment is also an important part of India's growth story. The airways share of the modal mix accounts for less than 2% of the total. The materials which are carried by the air for cargo movement are mostly items which are time sensitive in nature like Pharmaceuticals, Healthcare, Electronics, wireless telephony, and Automotive Spares etc apart from horticulture and perishable. For non-time sensitive cargo movement of goods, airways are not preferred as it is expensive when compared to other modes of transport. The cargo movement by air takes place by following ways:

- 1.) **Dedicated Air cargo:** These are dedicated freighter for air cargo.
- 2.) **Belly Cargo Movement:** This movement of cargo usually takes place in the belly of the commercial planes

Role of air cargo is very critical due to its efficiency in transit times. In spite of being multiple times costlier than other modes, it proves to inevitable for many product categories. The international air cargo industry is highly organized due to regulations of international body (IATA). More than 75% of the air freight market in India is with organized players.

Air freight in Million Metric Tonnes (mmt)



Warehousing

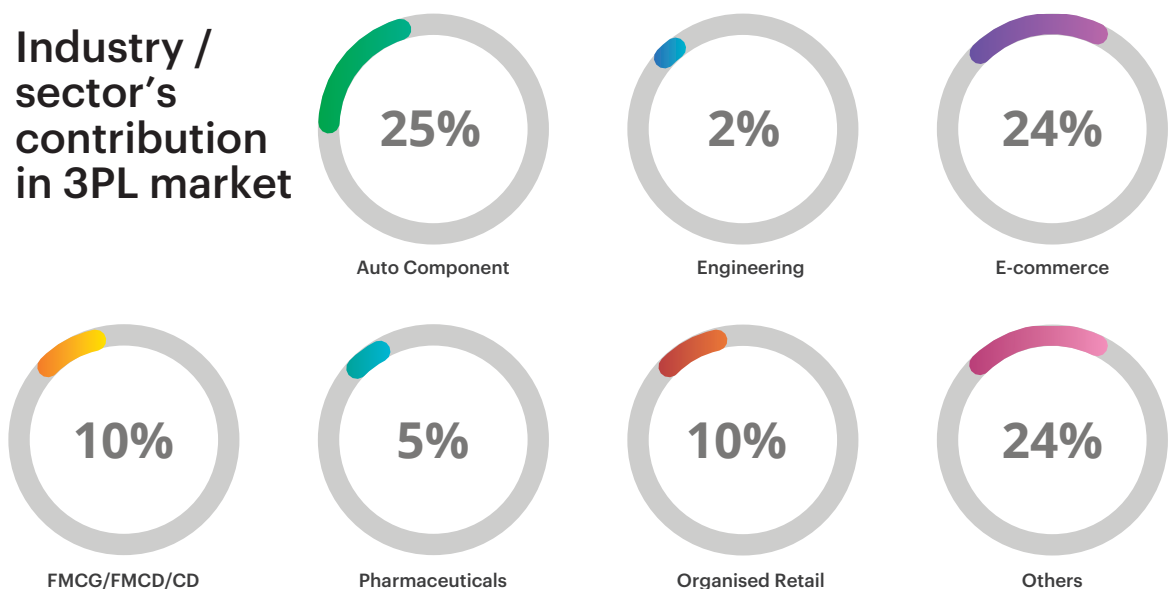
The warehousing market in India is estimated to be worth 12 billion USD in 2020[^] and is growing at a faster pace. The warehousing has attracted more than \$ 6.5 Bn investment since 2017 and market is expected to attract more investment in next 5 years. In terms of land availability for development, warehousing has a potential FSI of 500 mn sq ft across the major 8 cities in India, while existing stock across these cities is 307 mn sq ft^{^^}. The growth in warehousing market is driven by various factors such as rising share of India's businesses in the international markets, demand for greater storage, rise in e-commerce businesses, etc. Post GST implementation, companies which had a network of small warehouses due to tax efficiencies, have started shifting and prioritizing larger warehouse in more strategic locations.

Warehousing market demand is driven by the growth in manufacturing, retail,

FMCG, e-commerce and logistics sectors. Furthermore, supportive government policies such as GST, easy clearances for land, 100% FDI, establishment of logistic parks / MMLP and FTWZ are expected to be a major driver for the sector. GST implementation has led to the removal of check points thereby diminishing state boundaries and created a way for setting up large efficient warehouses.

3PL and e-commerce are the largest lessors of the warehousing space with more than 60% share. This is in line with the trend of more and more companies outsourcing their non-core business operations to experts and focusing on the core area for faster growth. This trend of outsourcing to 3 PL is expected to continue in future. E-commerce has risen significantly in India over the last 10 years and this unprecedented rise has made e-commerce a major user of the warehousing segment. The 3PL market is estimated to be worth around USD \$8 Bn.

Industry / sector's contribution in 3PL market



Source: Estimate by Aviral Research

[^]Industry Estimate

^{^^}India warehousing market report 2020 by Knight Frank

Value Added/Other Services

As customer demand for customized product grows, the contribution and importance of value-added services to the overall supply chain also grows. Value added services make the overall supply chain and logistics network smoother and more efficient. Value added/Other services cover range of activities such as custom clearing, Logistics packaging, Inventory management, Material handling equipment, etc.

Custom clearing: Today, for international trade and businesses to run efficiently, custom clearing is one of the most important parts of the process. Custom clearing is a complex and time-draining process that requires hefty documentations, co-ordination. However, now a days many established companies and startups are using technological platforms to make the process more simplified. Automation of customs has helped the sector and made the operations simpler.

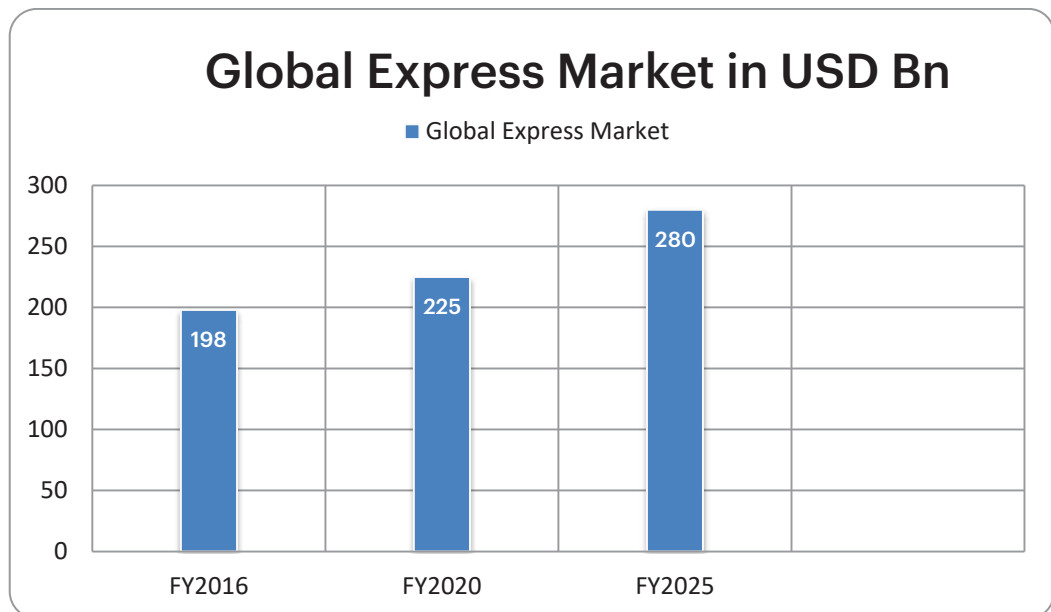
Freight Forwarding: Freight Forwarding is a business of organizing shipments for individuals/ corporations to transport materials from manufacturer to overseas customer. The freight forwarder acts as a link between liner and the shipper. Freight forwarder facilitates the process and quotes the rate to the customer after adding his margin. Tech-enabled startups are disrupting the traditional processes. For example, Cogoport, an online logistics marketplace, aggregates ocean and airline freight carriers for exporters as well importers. Cogoport also offers freight comparison of various players that bid through for freight. Thus, customer can select from the different bids according to their suitability.

Logistics Packaging: Packaging plays an integral role in the overall supply chain. Proper packaging services are a critical component for the companies before the goods are delivered to the customer.



EXPRESS INDUSTRY BACKGROUND & OVERVIEW

The express industry started in the United States in 1850s when the United States Congress sanctioned overland stage route that carried mail and other parcels. In due course, the industry moved out of the United States and became a global industry. As trade increased, the role of the express industry in the global environment grew even more significant. Initially the express delivery mainly comprised of documents and parcel which are high value and low weight items. Subsequently as customer demand for on time delivery increased, the use of express delivery services by other industries also increased. Today the global express market is worth around 225 USD billion[^] and has a CAGR of 4%[^].



(Note: Aviral Research 2020 and 2025 estimated based on growth rate)

The international air express market is dominated by large global players. As per few global research, the international air cargo is expected to grow at the rate of 4-5% in next five years. Three key players are as follow:

- 1] Deutsche Post AG (DHL): Dalsey, Hillblom and Lynn or DHL was founded in the year 1969, by Adrain Dalsey, Larry Hillblom and Robert Lynn, in San Francisco. The company initially began its operation by transporting cargo documents from San Francisco to Honolulu by plane thereby reducing the waiting times in the harbor. Later on, DHL became a wholly owned subsidiary of Deutsche Post in 2002. Later on, in 2005, DHL acquired Exel for 5.5 billion euros. Today DHL has expanded to over 220 countries and territories worldwide and has 5,70,000 employees worldwide. The estimated revenue is 66 billion euros.

[^]Industry Estimated

- 2] United Parcel Service (UPS): UPS was started in 1907 with a \$100 loan by Jim Casey and Claude Ryan in Seattle. It subsequently expanded into different cities across America and later on in the world. Today, UPS has a network covering over 220 countries and territories and has 4,95,000 employees globally and has a net revenue of over 13 billion USD.
- 3] FedEx Corporation: In 1965, Yale university undergraduate Fredrick W. Smith wrote a paper detailing a system for time-sensitive transportation of shipments such as medicine, computer parts, and electronics. In August 1971, he bought a controlling stake in Arkansas Aviation Sales and subsequently, Federal Express shifted their headquarters to Memphis, Tennessee. Federal Express officially began operation in April, 1973. Subsequently, it was renamed FedEx and expanded its operation throughout America and later on in 1988 went global. Today it has a global presence and has an estimated 2,45,000 employees with a net revenue of 17.4 Billion USD in 2020.

INDIAN EXPRESS MARKET

While India is a very small market in global express industry with less than 2% of the global market size, India has one of the fastest growing express industry. The Indian express industry started in a very unorganized way few centuries ago, where traders used to send urgent and high value cargo to destination by 'Angadia' i.e. someone who carries the high value cargo with him in person. The first organized player to start its operation in India was Government of India itself. Government launched Speed Post in 1980. Subsequently, in 1980s, few international express companies entered the Indian market in joint venture with Indian companies. DHL started operation in India in the year 1979 to help make exports easier for SMEs. Whereas, FedEx started its operation in 1984 in India. TNT had started its services much later in 2006. UPS entered India in the year 2001 with its acquisition of Fritz Inc in 2001.

In case of domestic landscape, Gati as a division of TCI was the first player that started express distribution in India by surface mode. Gati started its operation between Madras and Madurai. Almost at the same time, Blue Dart started with express services for documents. Later on, Blue Dart entered the air cargo and surface express distribution services. As market size and scope for growth kept on increasing, other players such as Safexpress entered the market.

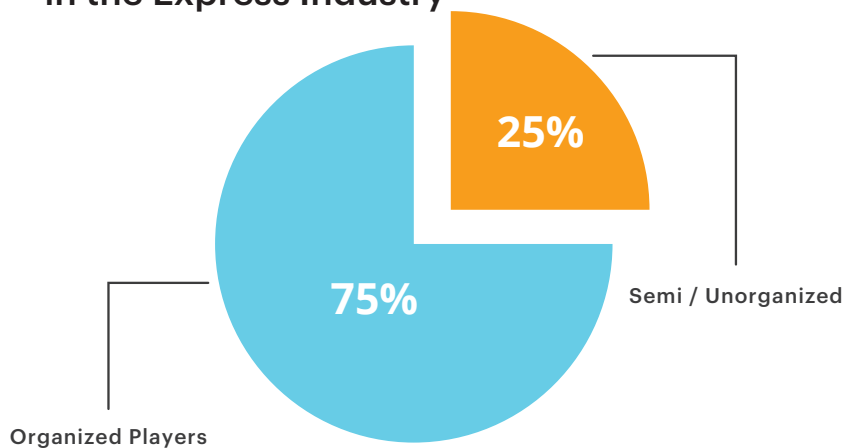
According to our research, the industry registered CAGR of close to 15% to reach USD 5.5 Bn[^] in 2020. FY 21 witnessed a dip in momentum of growth due to pandemic. The surface express industry accounts for 3% of the total surface transportation market. However, in future this segment is expected to maintain the momentum of growth at more than 15% per annum.

The Indian Express industry is fragmented and has an estimated 1000 active players. There are around 15 major players in the domestic express market. The rest are a combination of small and

medium sized players. In case of domestic express business, most of the players are home grown and some of them have been acquired by global logistics players.

However, as compared to Full Truck Load and Part Truck Load industry, express industry is highly organized. Large players contribute to around 75% of the market while the rest is a combination of medium and small sized players.

Share of organized players in the Express Industry

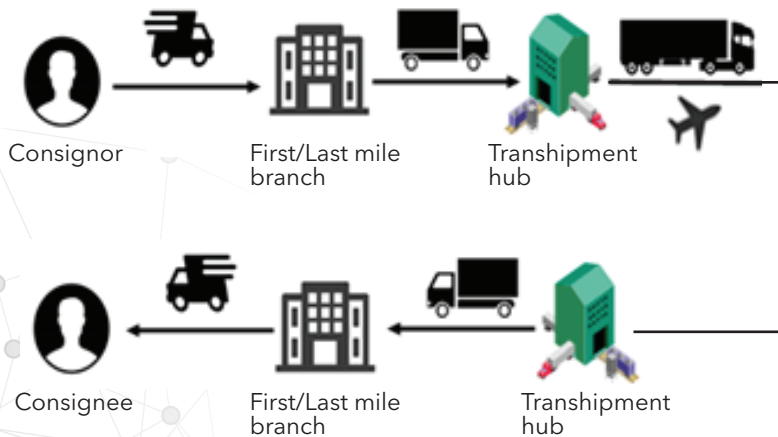


Source: Industry Estimate

EXPRESS INDUSTRY VALUE CHAIN

This model of express logistics is Hub and Spoke. Consignments are picked up from the shipper via a local pickup vehicle and are unloaded at the nearby branch. Branches subsequently ship consignments to nearby transshipment hub. At transshipment hub sorting and lane wise consolidation takes place. These transshipment hubs connect consignment to next hub as per route. From there the materials are connected according to the delivery branches. Finally, from branch it gets delivered. The movement of goods from consignor to local branch and delivery branch to consignee is termed as first mile and last mile respectively, local branch to hub/hub to delivery branch is called feeder lane whereas the hub-to-hub movement is termed as linehaul movement. While most large players in the industry have their own network of branches and hubs, some players have grown with the help of franchisee model at branch level. Most large players have their own networks, well governed operations and strong use of technology.

The express industry value chain for surface is usually as follows:



In case of air express, the hubs are usually located in the vicinity of the airport. Very few large players have their own freighter fleet, whereas small players usually rely on belly cargo for movement of materials.

Most of the players in the surface express transport segment give contracts to third party vendors for local delivery/ local pickup. The middle mile hub to hub movement is done by trucks attached by these companies on long term contracts. However, in some cases, even this middle mile transportation is completely outsourced.

In addition to collection, transportation and delivery, the companies also provide value addition services such as packaging, storage, deferred delivery and reverse pickup.

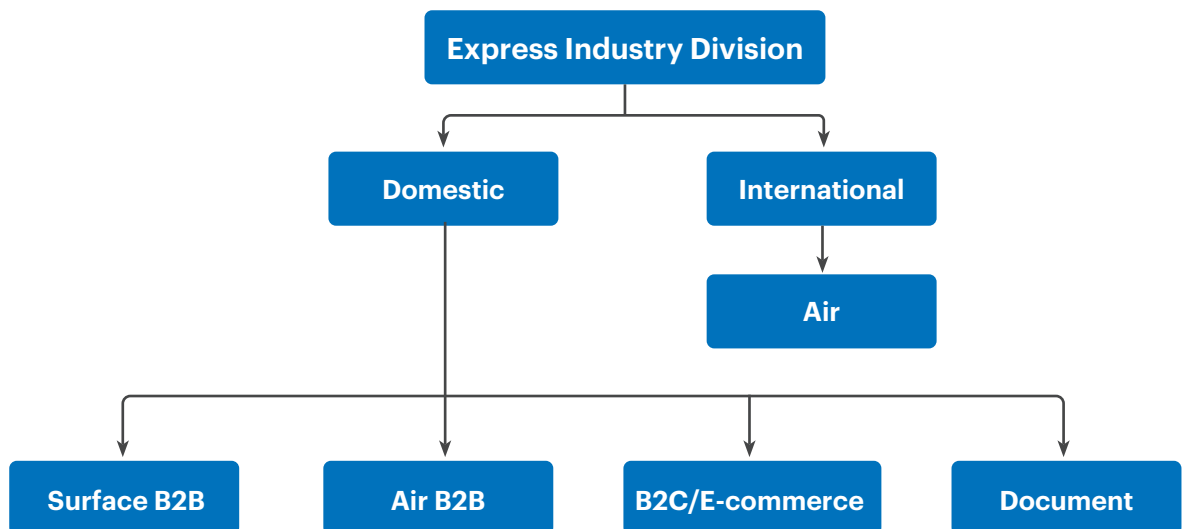
On a competitive landscape, framework of express industry is highly competitive with moderate entry barriers and moderate risk of substitution. The risk of substitution is moderate due to 2 factors: One due to consolidation of loads to FTL and other from semi organized Part load players.



EXPRESS INDUSTRY SEGMENTATION

Express industry can be segmented in various ways based on mode of transportation (Air or Surface), nature of shipment (Dox & Non Dox), based on end usage customer (B2B & B2C) segment etc. For the purpose of this report, we have considered segmentation as follows:

witnessed drastic change in express segment. With growth in e-commerce and penetration of internet, B2C segment busted like anything and registered so high growth that in a single decade it surpassed market size of B2B domestic express market. On the other hand, courier segment saw steep decline.



As shown in segmentation chart, International / cross border is by Air mode only, as cross border express transportation does not take place by ocean or surface mode. Domestic express is further divided in four sub categories, some of which are overlapping. The market size of domestic express transportation is approx. \$ 4.5 Bn.

Express market is most organized and highly competitive segment in domestic transportation industry. The segment has grown in last 4 decades, out of which First 3 decades witnessed growth of B2B express logistics and courier segment but last decade

The major players of the organized industry are as follows:

- **Gati-KWE**
- **Safexpress**
- **TCI-Express**
- **Blue Dart**
- **Spot On**

These above five mentioned companies account for a total of 55%-60% of the Surface Express Industry. In terms of revenue above players have 700 Cr to 3000 CR per Annum annual revenue from Express domain. While some other players having lesser revenue in domestic express market are:

- **Scorpion Express**
- **V-Express**

In terms of product portfolio, Blue dart has the best modal mix in domestic express and is dominant player in Air mode, While Safexpress is dominant player in Surface express segment

Apart from above, many B2C players like delhivery, Ecom Express and Xpressbee started their services post e-com evolution. All these companies started as e-com delivery company with quite focus on tech enablement and later entered in B2B segment as well. While a new age company 'Rivigo' entered to disrupt full truck market as express trucking and later entered in express delivery segment. The new emerging companies are giving a tough competition to the existing set of large established players.

- **Rivigo**
- **Delhivery**
- **E-com Express**
- **Xpressbees**

*NEW AGE PLAYERS
(Entered the Market
post 2010)*

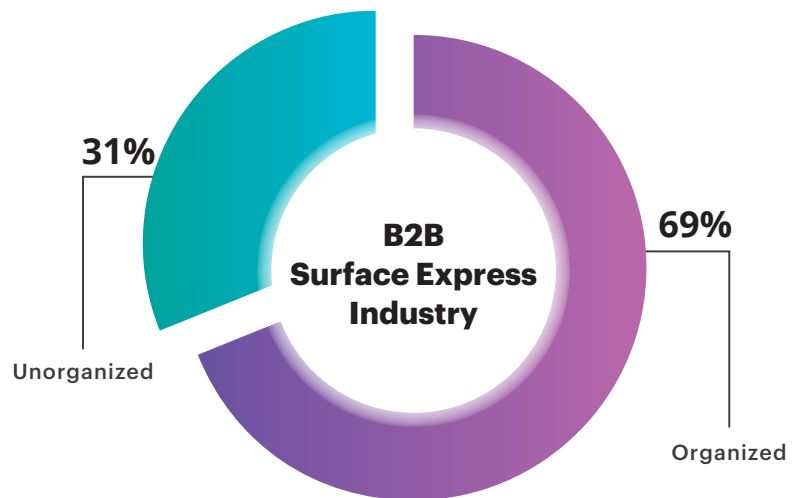
Apart from these there are many new express delivery companies like Dunzo, Wefast, Dotzot, Wow express, etc.

Among the large players, India post has the highest coverage of pin-codes. However, other players are also catching up fast with huge investments in network infrastructure. The medium and small players in the express segment are focusing and forming their own niche in the market. In the niche segment, some players only cater to certain industry segments such as perishable products or chemicals while some others are trying to be a strong in a geographical region.

Surface B2B segment

The Business-to-Business segment of the express industry currently dominates the domestic surface express transportation. Market size of B2B surface express segment is around 1.75 Bn USD and is expected to touch USD 3 Billion by 2025 at a CAGR of 15%. As the overall business landscape got more and more competitive, customers are looking for more value-added services along with on-time and full delivery. In B2B segment, selection of suppliers also depends on multiple factors like lead time, service levels and cost. In surface mode average time of delivery of goods is always higher than Air mode but the price differential is phenomenal. In order to bridge the time gap some companies has introduced surface express products with reduced transit time compared to normal. Transit time depends on the distance but on a national level its around 3 days.

The B2B Express surface transport is composed of organized as well as unorganized/semi-organized companies. Over the period of time share of organized players have kept on increasing and it is around 69% as of now.

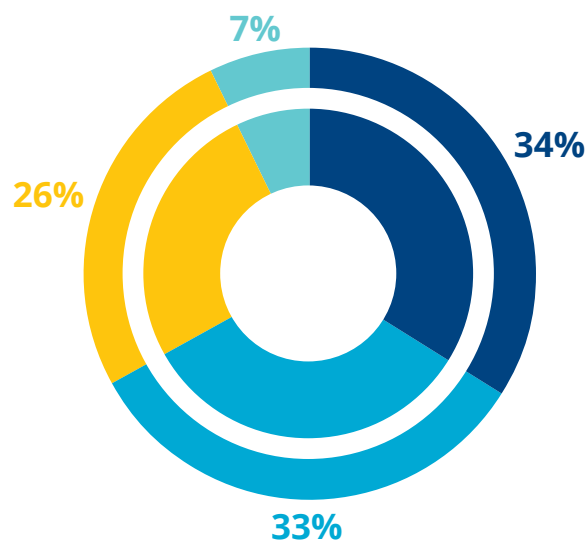


Regional spread & Network

Across this segment we find regional load imbalance. In terms of surface load origin, North India is the biggest market, followed by West and South respectively. The East Indian market is still at a weak market and has a lot of potential for growth. The pattern of load origin is highly in sync with large and SME manufacturing concentration in the regions. The percentage-wise distribution of the same is as follows:

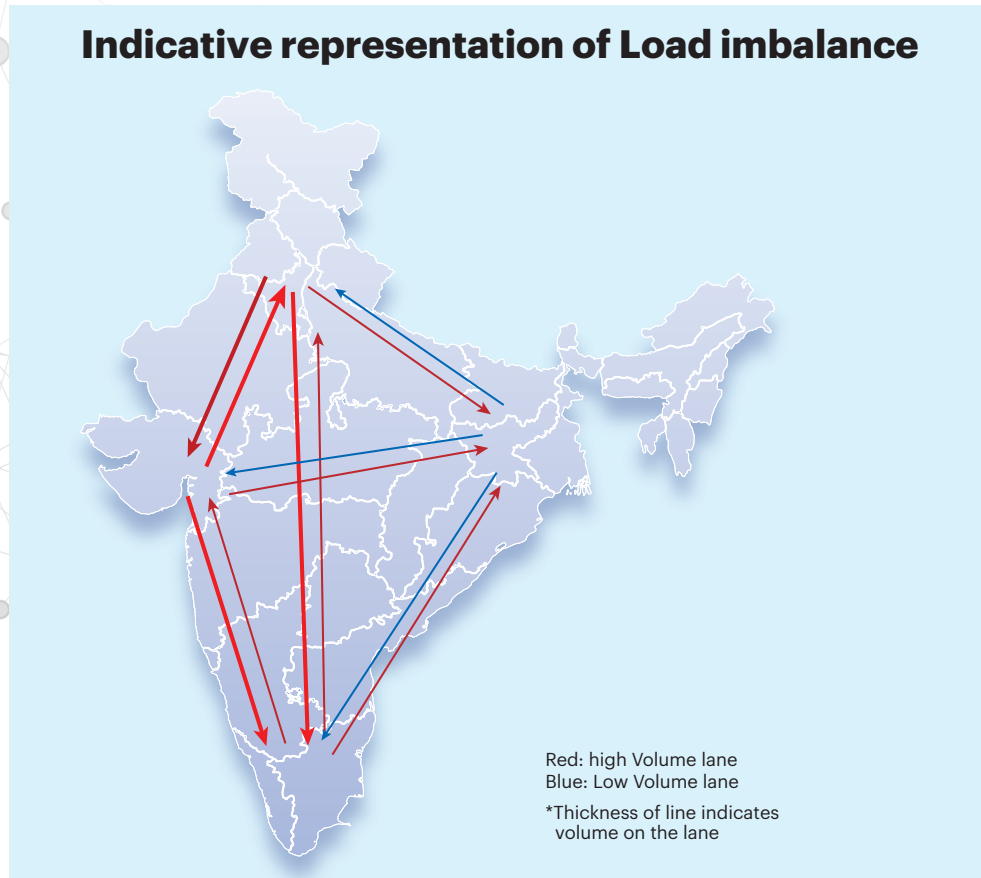
Regional business distribtuion (In weight)

- North
- West
- South
- East



Due to differential in load volumes across regions, various long-haul lanes have significant load imbalance. In such a scenario network optimization become a very critical factor. West-North, West-South and North to South are high volume lanes, while lanes towards east are most imbalanced

Indicative representation of Load imbalance



Even within a region B2B Express load origin and destination are having area-specific concentration, which is dependent on industrial cluster and consumption centers. i.e: Eastern part of India is contributing very less in manufacturing or industrial activities, but it's a significantly large consumption center. As per estimate, the East contributes only 6-7% of volume generation for express industry, but its contribution in delivery volume is around 16-17%. Accordingly, logistics companies build their networks to cater the demand and supply.

In express industry, most of the volume is contributed by interzone booking. The segment become least competitive for short distance lanes. So, the volume contribution of short lanes / within state is minimal. Many a times, it's also non-competitive in terms of transit time as material flows through hub and spoke model, while unorganized sector provides direct connectivity in a better way. As per estimate Interzonal business contribution hovers around 70% by volume for surface express industry.

MAJOR LOAD ORIGINATING CLUSTERS THAT HAVE A LOAD OF GREATER THAN 1000 TON/MONTH ARE AS FOLLOWS:

Ahmedabad	Indore, Dewas & Pithalpur	Greater Mumbai
Baroda	Hyderabad	Pune (Including Ranjangaon, Baramati & Kurkumbh)
Vapi & Surat	Bangalore	Baddi & Nalaghar
Kolkata & Howrah	Delhi NCR	Ludhiana
JAIPUR	Chennai & Sriperumbudur	Ghaziabad, Meerut & Noida

As detailed in earlier section, express logistics work on Hub and spoke model. Normally a national surface express provider has 15 -32 major hubs spread across geography catering to 250-750 branches. As per requirement, each player has customized their network as some have developed mini hubs in addition to major hubs. Most of the major service providers have reach across all pin codes in India.

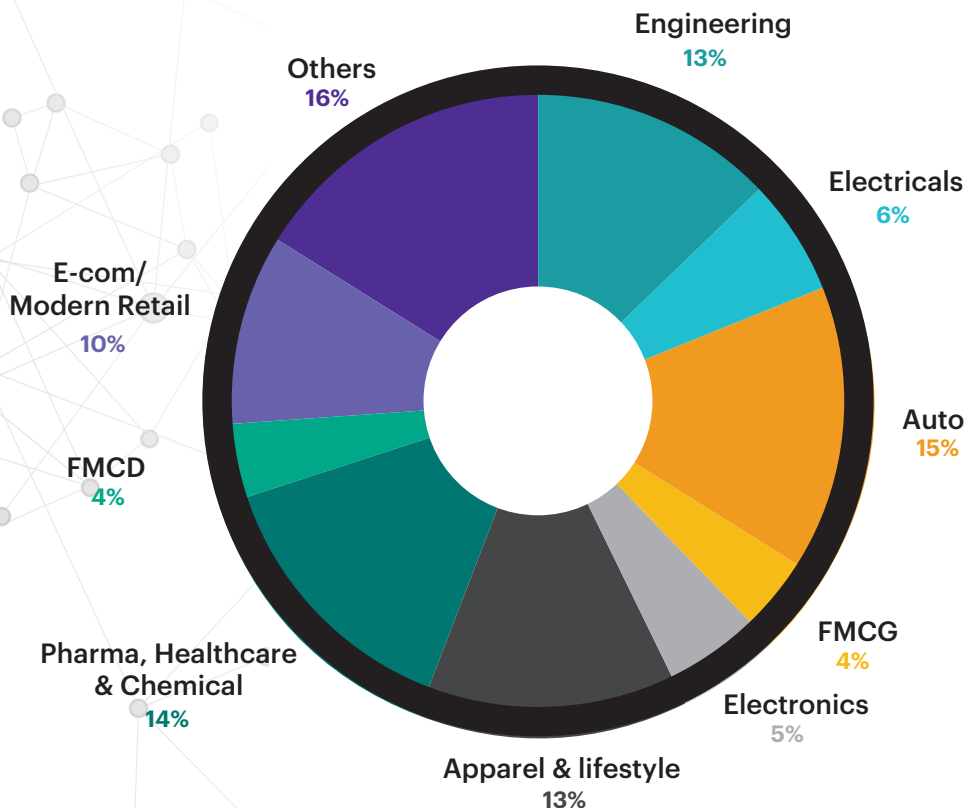
INDUSTRY VERTICAL

Express logistics transportation delivers value in terms of time and safe handling of product verses conventional transportation. Very high time sensitive shipment uses air mode, while other time sensitive material requiring relatively faster delivery in order to drive efficiency through reduced TAT, uses surface express mode for logistics. Although almost every industry uses express logistics service but the quantum of usage varies significantly. Some of the major users of this service include Apparel, Pharma, Auto, ecommerce and electronics. Pharmaceuticals and Auto has been major contributor to Express logistics since beginning.

In pharmaceuticals sector express logistics is not used for bulk transfers from plant to CFA / regional distribution center, instead it is used in shipping of smaller volume stock transfer, inter depot transfer and physician sample. In automobile sector express mode is not for logistics of finished vehicle transportation, instead its more for aftermarket spare movements. Express logistics usage in apparel industry has increased in last decade with the growth of multi brand and single brand retail industry, wherein apparel companies utilize express service to directly ship the products to retail outlets. Volume contribution from e-commerce players have seen a steep jump in express logistics. Its premaritally a stock transfer from one distribution center to other distribution center.

On the other hand, industry that has very high volume and low value products does not use express distribution i.e: FMCG. Even in case of very high value and moderate volume, express is not preferred over dedicated transportation mode.

Industry wise contribution in Express logistics FY20



Trends in B2B express logistics

- 1] Reduced Transit time:** As businesses aim for the next level of growth, improving service level plays a critical role in it. Road infrastructure of country has improved year over year in last decade. This has resulted in reduction of overall transit time of express cargo. Now a days an express vehicle with double driver covers around 850 Km per day, which used to hover around 650 Km per day in past. Even the similar trends of improvement in travel speed have been registered in other segments like FTL.
- 2] Network Reach:** The reach of the express players is no longer a differentiator i.e. it has become a Hygiene. This is because a lot of companies have expanded their network so as to improve efficiency of business operations. Now more focus is moving to rural area reach for deliveries especially due to e-commerce rise.

- 3] Information Availability:** Initially information availability such as delivery status, parcel tracking, payment status, etc. formed a major difference between top players and others. However, now all the companies have adopted various IT solutions that provide information to their customers i.e. just like Network reach, it has become a hygiene and is no longer a major differentiator. Now industry is moving to proactive information and alerts, instead of only sharing the current status.
- 4] Cost Optimization:** Competition has increased in the B2B express segment as new entrants are entering the market due to good growth prospects. On the other hand, companies that utilize the express services are looking for cheaper alternatives. This has negatively impacted the margins of various B2B express service providers. Because of the competition and margin reductions, companies are continuously focusing to optimize their processes to reduce the cost. Thus, cost optimization has become a major factor for companies.
- 5] Service Quality:** Companies are increasingly focusing on improving their service quality level. So as to cater to this demand, companies are investing not only in expanding their reach but also in automation, process standardization, training and development, thereby fulfilling their customer expectations.
- 6] Outsourcing non-core activities:** There is growing trend of businesses outsourcing their non-core areas such as logistics to specialized players. This is done so that companies can focus on their core business activity and grow faster.
- 7] Integrated offering:** Logistics service providers are increasingly offering integrated services to their clients. Under single integrated umbrella supply chain services range from warehousing, value added services to transportation. In this journey of integrated express logistics have played a vital role in delivering on time delivery and supported growth of warehousing industry, especially post GST when companies went for their distribution network optimization. This trend is expected to continue in future.

Air B2B segment

The domestic air express business-to-business segment is used by corporates to deliver materials which are extremely time sensitive or perishable in nature. The average time of delivery of goods is 1-2 days depending on location or sector. As per data released by Airport Authority total domestic lodgment in FY 20 was 13.25 Lakh tones. Volumes of Air mode is very small compared to surface in domestic express segment.

Air express services is mostly used by specific industries having high value and time sensitive products, such as consumer electronics, cold chain pharmaceutical and medical equipment's, e-commerce, auto spare parts, Life style products, Perishables and IT Hardware. The total domestic B2B air express segment today is worth about 0.4 USD Bn (Door-to-door)* and is growing at a CAGR of 7-8%

In air cargo movement by air linehaul takes place by two ways as Dedicated Air freighter and Belly Cargo. In air B2B segment, the service offerings are in two ways:

- **Door to Door (D2D)**
- **Port to Port (P2P)**

Industry which are using air freight services are:

- **Pharma**
- **Automotive**
- **Hi-tech**
- **Perishable**
- **Fashion**
- **Engineering**
- **High value commodity**

Majority of volumes moved on P2P basis, which has not been considered as part of express domain in this study.

**Only door to door has been considered as express cargo in this report*

Blue Dart being the early entrant along with strong captive linehaul capacity dominates the market. While other players are far behind in terms of market share. Blue dart has scheduled departure from major cities, on the other hand most of other players uses belly space of commercial flights for connectivity. Second player having dedicated freighter in domestic sector is SpiceXpress, which uses a combination of freighter and belly capacity. Few years back, SpiceXpress also started door to door service, but its first and last mile capabilities are far lower than market leader. As per Industry reports Indigo is also planning to deploy air freighter for air cargo.

Even though Port-to-port has a greater share in terms of overall market size, the overall yield in port to port is much lesser as compared with Door-to-door services. In the Door-to-door segment, some of the major players are as follows:

- **Blue Dart**
- **SpiceXpress**
- **Gati KWE**
- **Safexpress**
- **Om Logistics**
- **TCI Express**
- **SD Cargo**

Out of total domestic lodgment, west zone has the highest volume, closely followed by Northern part

Air Cargo

35%

Door 2 Door

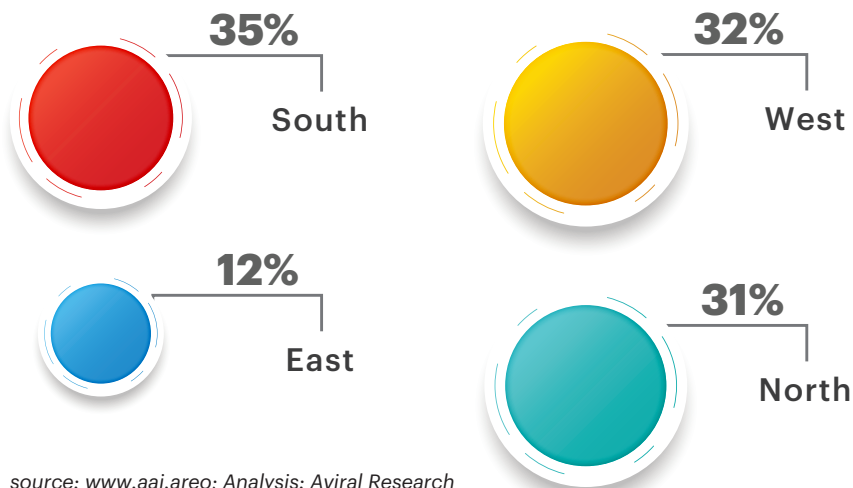
65%

Port 2 Port

** Industry estimate*

of country. East has lowest share. Regional share pattern of air lodgment is quite aligned to surface express load pattern. Similarity in both data clearly indicate the industrial / manufacturing pattern.

Regional Lodgement share



source: www.aai.ero; Analysis: Aviral Research

B2C Segment/E-commerce

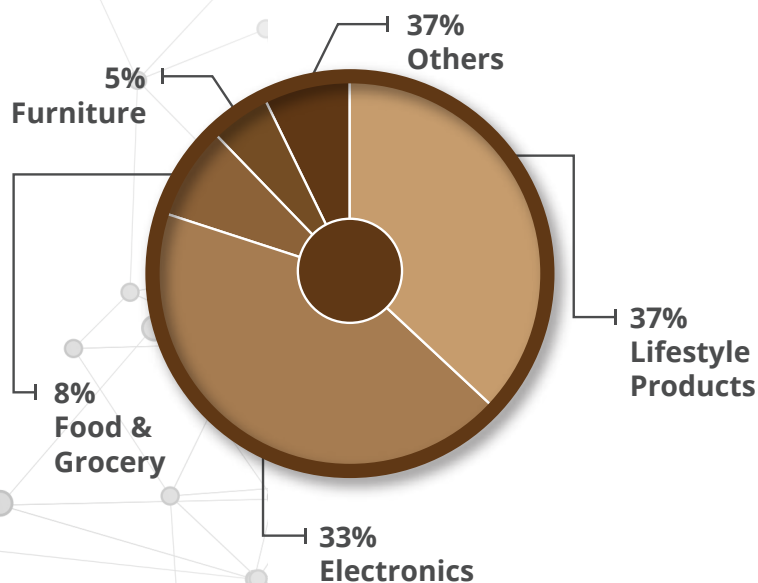
The rise of E-commerce not only in India but across the world is a story in itself. It has provided customers the option of buying items at the tip of their fingers and has increased customer convenience. Even though E-commerce companies initially burnt a lot of cash to grow faster, it has resulted in a major shift in consumer behavior. Consumers now prefer to buy things online as they can get a wide variety of options rather than going to various stores which cost money and travelling time. E-commerce has also resulted in the rise of omnichannel retailing, i.e. businesses connect with their customers or potential customers through various social media, email, website, etc. In this day of social media, if something goes viral, then the first place customers search for the product is on E-commerce websites. If a customer finds the product unsatisfactory, they can return the product without paying any charges. Customers are more informed about the product before buying online and possess higher service expectations. This overall ability of buying at the click of a hand and getting it on time as required by the customer has resulted in increased efficiency in the backend supply chain. Increasing internet penetration, rise in digital payments and ease of government rules and regulations with regards to selling online are some of the major reasons for the rise in E-commerce. The E-commerce industry is estimated around USD 30 Bn in 2019[^] and is expected to cross USD 100 Bn[^] by 2025 growing at a CAGR of more than 25%. The contribution of the B2C segment in the domestic express industry is likely to increase further in the future owing to faster growth in e-commerce.

As the E-commerce industry grows, the B2C express services are bound to grow. In e-commerce business, turnaround time, from order to receipt of product, is most critical factor for buyers and has impact on decision making. Any delay in delivery leads to cancellation of orders. Such factors have led to use of express delivery network for the e-commerce transactions. Apart from forward delivery, return has also been a challenge for e-commerce industry. In e-commerce, return accuracy and on time pickup are also very important, wherein express industry provides better solution than conventional players. This phenomenon has resulted in rapid growth of B2C express logistics.

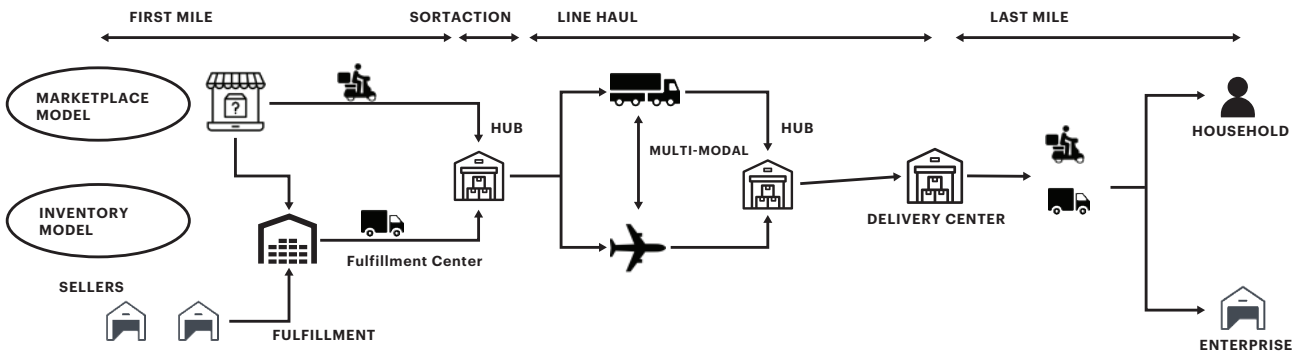
For B2C delivery, initially e-commerce companies preferred air express services for prompt delivery as the adequate infrastructure of distribution centers was not in place. However, as time went by companies cut reliance on expensive air express services and started using surface express services more and more. Over the time major e-com players have also built network of distribution centers to optimize logistics cost.

The E-commerce rise was primarily driven by two major players: Amazon and Flipkart and both the companies have created captive logistics companies as well. However, many E-commerce players have come up such as Jiomart, Grofers, etc.

E-commerce Landscape- Category distribution



As can be seen in the graph, the highest delivery is done of lifestyle products followed by electronics. In order to understand the complicated operations of e-commerce, it is important to understand the value chain of the e-commerce transportation. Below is the diagram that is the value chain of the e-commerce.



The product is ordered by the customer online and the company picks it up from the seller/retailer/fulfillment center. From there, the shipment is brought to nearby collection center. From the hub, the product is transported to the Hub/ Warehouse. This process of shipping of product from the seller/retailer or fulfillment center depends on the marketplace/inventory model of e-commerce company. Then the product is shipped to hub which is nearest to the receiver's location. This transportation takes place via the air/surface and is known as middle mile logistics. The final movement of product from the delivery center to the receiver/retailer is known as last mile logistics.

Companies today are increasingly outsourcing their logistics operation to experts which helps them to not only efficiently manage the logistics but also help them focus on their core business area. This is one of the major trends contributing to the rise of express logistics services. Both the major players of e-commerce retail have started captive logistics company to handle the majority of volumes generated by them. Currently in-house (captive) logistics arms of large retailers execute the most shipments, followed by E-commerce focused logistics service providers (LSPs) and traditional LSPs. Captive logistics arm of Amazon and Flipkart handles more than 50% volume of e-commerce shipments. Apart from these 2 captive players, there are many new age tech enabled startups that are catering this demand. Out of numerous e-commerce logistics startups, few like Delhivery, Ecom Express, Xpressbees are performing exceptionally well.

Other players include some established major like Blue Dart & Gati along with numerous startups like Wowxpress, Shadowfax, etc

SHIPMENT PROFILE

There is an overall shift in category of items sold online. i.e. when e-commerce started, items having weight in the category of 0-3 kg were major items sold online. While that category still holds the major share of the items sold, the goods sold in the 3-7 kg category and 7+ kg category are rising faster.

WEIGHT OF SHIPMENT

CATEGORY-A
0-3 KG

CATEGORY-B
3-7 KG

CATEGORY-C
7 KG+

EXAMPLES



SHIPMENT SHARE

86%

12%

2%

***Excluding Grocery segment**

Trends in B2C

- 1.) Demand increase from smaller towns:** With the increase in penetration of internet, e-commerce business has also witnessed a trend of growth from smaller cities and rural market. As per estimate by 2025, more than 50% volume will be from tier 2 and smaller towns and gradually with growth contribution of tier 1 and metro town will go down to 33% by 2030.
- 2.) Substantial investment in e-commerce logistics & warehousing:** With the rapid increase in demand, e-com logistics sector has attracted phenomenal investment to create infrastructure. Most of the investment is to create distribution center at key locations along with developing capabilities to improve first mile and last mile operation.
- 3.) Reduction in COD (Cash on Delivery):** Consumers now prefer to pay through various online methods such as net banking, credit card, debit card, etc. Also, there are various startups that provide online payment services such as Paytm, PhonePe, etc. Various E-commerce companies tie up with this online payment companies so as to provide

* Industry Estimate

customers with different options. Also, there are various schemes ranging from cashback to coupons that consumers can avail using online payment option. Therefore, the use of cash for payments is reducing.

4.) Reduction in RTO (Return to Origin): Initially when e-commerce companies started their operations, there were a lot of return to origin i.e. RTO. This was due to various reasons such as unavailability of customers on the day and time of delivery, wrong address, etc. However, now e-commerce logistics players often give the options of selecting the delivery date and time to the consumer so that there won't be any problem. Also, since the use of online payment has increased, if the customers are not home then the delivery person may leave the parcel as per instructions.

5.) Service level improvement: Due to rise in internet across the India, the use of E-commerce has increased significantly across rural towns and Tier-3 and Tier-4 areas. In order to cater to this demand, companies have started setting up regional fulfillment centers. This in turn has resulted in faster delivery of goods to customers due to decrease in transportation time, thereby resulting in improved service levels.

Document

The document segment was initially the largest segment under domestic express services. It was mainly used by industries such as BFSI, telecom, etc. to dispatch important documents. However, with the rise in email and internet penetration, the usage of the express services for document has decreased considerably as companies now pass on the important information digitally to the consumers. This downward trend is expected to continue in the future. On National landscape now there are only 2 major players - Blue Dart & DTDC, rest of the players are primarily regional player like Professional, Shri Maruti courier, etc.

OTHER SUBSEGMENTS OF EXPRESS LOGISTICS

Retail Logistics: Retail in logistics is cash and carry business, which means logistics services on Paid / To Pay basis. Normally retail consist of those customer segment, who are having less frequent dispatches i.e.: Individual, SME or trader. This concept prevails in B2B express logistics to a large extent. In B2C e-commerce logistics retail segment is very small exist as most of the shippers have large shipping volumes with a high frequency. In document segment a small segment of profitable retail segment exists. Blue Dart and DTDC are major players in C2C retail segment, with a good network of booking points across country.

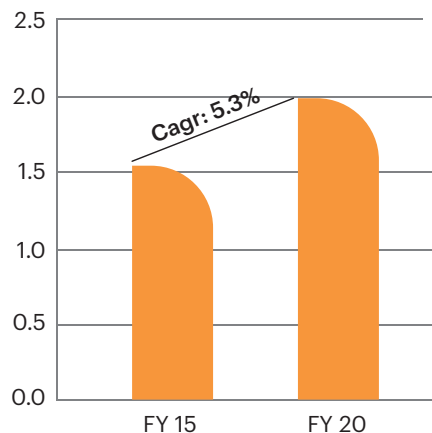
This segment is highly important for express logistics service providers, as it requires least working capital involvement with higher per unit rate realization for similar type of services. Only difference is that it requires deeper reach of channel and higher on street sales efforts. Most of the B2B express service providers have dedicated front end team to handle this business vertical. In revenue terms, contribution of retail is around 25% in domestic organized express market. With unorganized / semi organized players share of retail is more than this. In domestic express market, retail segment is dominated by Gati, Safexpress and TCI express.

International Air

In spite of being pandemic year, India's merchandise trade stood at USD 686 bn**

with a double digit degrowth. Post pandemic its bouncing back sharply. In EXIM trade of India majority of volume flow through Ocean mode, which is not part of express logistics domain. Volume share of Air cargo is relatively very small. As per the data released by Airport Authority of India Ltd international air cargo for year 2019-2020 stood a 2.003 million metric ton. Air cargo volume has more share in Exports. Exports volume are almost 1.5 times of import volumes.

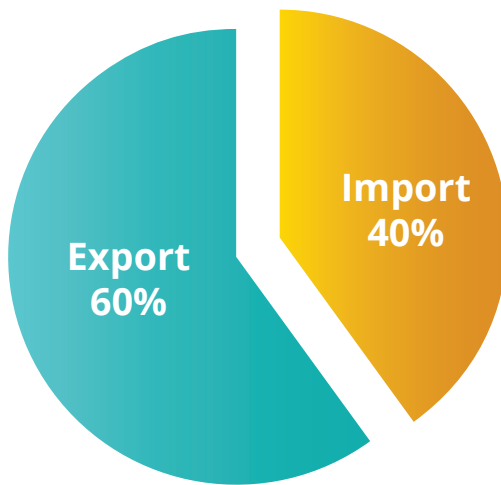
Air Freight Million Metic Ton*



^ Data base of 2018 lodgment & retrieval from Indian airports Nature of International Air cargo industry is highly organized due to regulations of international body (IATA). In India more than 75% of the international air cargo market is organized^. Air freight market from India is estimated at US\$1 billion^. Global multinationals also have significant share in international freight market as opposed to very small share of domestic freight market. Some of the prominent players in Air freight are:

**Source: Department of Commerce *Industry estimate ^ Aviral Research

EXIM Share in Air Cargo



Source AAI- International Cargo

- DSV Air & Sea
- DHL Global Forwarding
- Kuehne + Nagel
- DB Schenker
- Expeditors International
- Geodis
- Hellmann

Reverse logistics

Reverse logistics has become a critical part of the B2C/e-com logistics segment. This is due to the fact that e-commerce companies provide their customers with the option of returning the product. Customer may decide to return the product for various reasons ranging from defective to unsatisfactory. Companies that don't provide the option of returning the goods will be left behind as customers prefer to buy products from companies that provide the option of easy and no-question returns. Managing reverse logistics is a complex task in itself. In case of reverse challenges pertain to pickup timings, on time communication to pick up person, packaging of products etc. In reverse logistics

as well, companies have to make sure that the efficiency as good as the forward logistics. B2C logistics players have done considerable automation to make reverse logistics smooth.

C2C

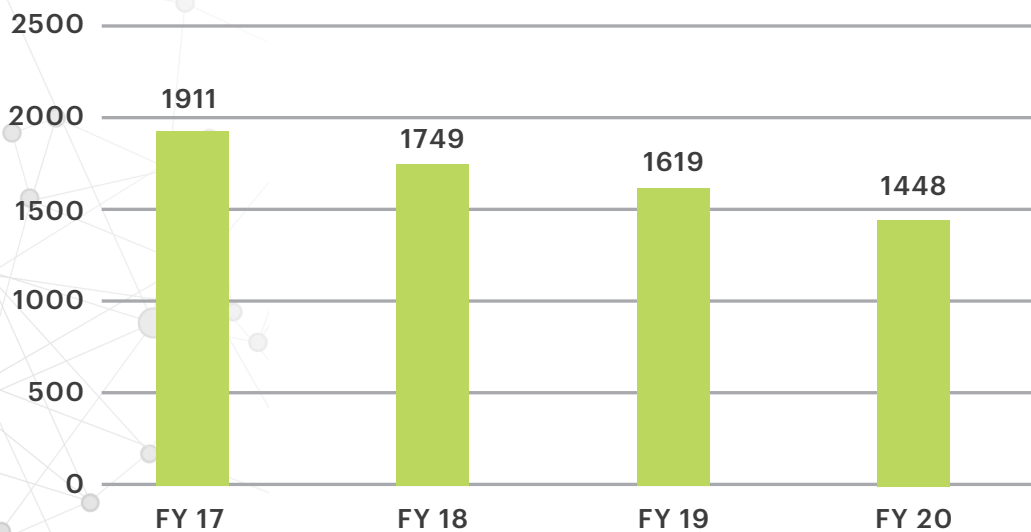
The customer-to-customer logistics market is, at present, very small and unorganized. It is a high margin segment, however demand for it is very miniscule as compared with the B2B and B2C market. Also, in order to set up a C2C business, the initial investment is relatively high to setup complete channel. However, there is an increasing trend of new age companies such as Wefast, PIDGE, etc. who specialize in delivering goods same day within city radius. They also have an option of selecting the time and place of delivery according to the customers convenience. Moreover, they deliver all type of parcels, ranging from retail stores, restaurants, etc. On the other end, document segment of C2C is almost dying due to better technological communication tools adoption by masses.

Rail mode in Express Logistics

Railways have never been considered as alternate mode in express logistics and barring few couriers service provider dependence on railways was almost zero for express logistics. But in later stage some of e-commerce logistics companies started using railways for middle mile leg. Historically railways had parcel service, wherein shipments are connected through SLR/ VPU attached with passenger trains. Speed of transportation of this mode was always higher than road network, but the absence of first and last mile network along with poor

operational efficiencies never made railways as one of the options for express logistics. For the smaller parcels and faster transit railways has dedicated parcel section within it. But over past few years parcel segment witnessed continuous decline in revenues.

Rail Parcel Revenue in Crores



Source: <https://community.data.gov.in/>

In FY 21 railways also introduced a new concept to run parcel trains, just like passenger trains, with a fixed time-table. These trains have become immensely popular among both long-distance and short-distance transporters for being cost-effective and time-efficient. N F Railway has operated 355 such parcel trains during May-June 2020 alone carrying more than 1.1lakh quintals of goods, generating Rs 5 Crore as revenue. Indian Railway is now planning to provide End-to-end Logistic Services in parcel business by gradually moving away from leasing of parcel space in trains to private operators with introduction of on-line booking of parcel space in trains of choice (on first- come-first-serve basis) at pre-determined freight rates. To achieve this railway has launched revamped Parcel Management System (PMS) with advanced features such as user-friendly online booking, status updation of packages through GPRS network, transmission of data from hand held mobile devices through scanning of barcodes etc. With such initiative Railways may register its presence in express logistics market and capture some market share.

India Post is the organization to bring express delivery in India for documents, later in 2013 it introduced express parcel services. Later in 2018, it merged its express parcel service with business parcel services for shipments having weight more than 2 Kg. In terms of reach India Post is having clear lead with more than 155000 post offices, out of which 89% are in rural areas. In spite of immense coverage of India post, its share in express logistics (non docs) is still very low. India post has enough headroom to grow in express parcel business. Amazon and few others companies have tied up with India Post for tier 2 and beyond deliveries. Even on global landscape various e-commerce companies have tied up with respective Government Postal Agencies for delivery.

KEY END USE SECTORS IN INDIAN EXPRESS INDUSTRY

Usage of mode of transportation is dependent on various factors like time sensitivity, cost, security of shipment, lot size etc. even within an industry, the differentiation in mode depends on the type of material i.e.: RM, FG and spares. We see a clear industry wise trend in usage of express industry.

1. Auto and Auto component

India is 4th largest automobile market in the world. In past 4 years (FY 16- FY20) automobile industry grew to 26.36 million automobiles being manufactured. Export growth rate in the same period has been much higher than the domestic growth rate in the same period. This industry has favorable ecosystem in India, where on one side rising young middle-income group is pulling up and on the other side, Government is aiming to make India as Global manufacturing hub. Along with Auto, Auto component industry has also grown by a CAGR of approx. 6% in same period to reach approx. US\$ 48+ billion[^]. Automobile and Auto component put together creates significant contribution to GDP and employment. With the introduction of Electric Vehicles, several technology and automotive companies have expressed interest and/or made investments into the India EV space and EV market is expected to be US\$ 7 billion[^] market by 2025. As per budget 2021 declaration, introduction of vehicle scrap policy and complete fitness check after 15 and 20 years for private and commercial vehicles respectively will result

in additional growth from replacement of old vehicles.

Manufacturing activities of Auto and Auto component is spread across five major clusters: Chennai-Hosur-Bangalore, Mumbai-Pune-Nashik, Delhi-Faridabad, Kolkata-Jamshedpur and Ahmedabad-Sanad. This industry spends approx. 5% of revenue on supply chain and most of the spent is done on transportation. Auto industry contributes significant quantum of business to Express industry. Finished product segment does not contribute to express logistics segment as most of the movement is done through Full truck load in domestic markets and by ocean shipping in case of exports, but some part of OEM business and major part of aftermarket spares moves through Express mode. As per the research by Aviral consulting, Auto component contribute approx. 15%[^] in domestic B2B express market. Growth of auto and auto component market will boost the growth of Express Industry.

2. Pharmaceuticals

Indian pharmaceutical sector is expected to grow to US\$ 100 billion[^] by 2025. Today India is largest manufacturing hub of pharmaceuticals, which supplies 80% of global demand of antiviral drugs, 50% of global vaccines market. Indian pharmaceuticals and bio technology market is estimated at USD 36 billion[^] including domestic and exports, out of which USD16 billion is exports.

[^]Industry Estimate

Pharmaceutical's market is expected to grow in lower double digit CAGR in next 5 years. India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics is expected to grow at an average growth rate of around 30% YOY[^].

Pharmaceutical industry is also a key user of express logistics industry. For normal stock transfers and domestic sales, use of express is minimal, but its substantially high in case of API, exports, medical devices and samples. As per estimates, pharmaceutical industry contributes around 16% of domestic and international B2B express logistics. Physician Samples & API are major segments in domestic surface movement, while devices, clinical samples & cold chain products are prominent in movement by air. Rapid growth of biotechnology-based products will further push more usage of express logistics.

3. Consumer Durable (FMCD, consumer electronics and Appliances)

Indian appliance and consumer electronics market is estimated to be worth US\$ 11 billion[^] in 2019. Appliances and consumer electronics industry is expected to double in next 6 years by 2025. The Government is making strong efforts for growth of this sector under Make in India initiative and has allowed 100% FDI under the automatic route in Electronics Systems Design and Manufacturing sector. FDI into single brand retail has been increased from 51% to 100%[^].

As per industry estimates, logistics spend of this industry is around 5%[^] of revenue of the industry. In the supply chain of electronics, raw material is sourced from various locations and connected to plants.

Finished goods distribution is made through a hub and spoke model, in which the role of CFA is quite prominent. So, the use of express industry is product specific i.e.: in distribution of high value products, express logistics use is higher than in heavy or low value product categories. In a Post GST scenario, use of express has increased marginally. As per industry estimates, consumer durable, electronics and appliances contribute around 14% share in express B2B logistics.

4. Textile (Apparels / Non apparels)

India's textiles industry contributed 13% of the industry production in FY20[^]. It contributed 2.3% to the GDP of India and employed more than 45 million people in FY20. The textiles and apparel industry can be broadly divided into two segments - yarn and fiber and processed fabrics and apparel. The domestic textiles and apparel market was estimated at US\$ 100 billion in FY19[^]. As per industry estimates, the sector is expected to grow at a CAGR of 12%.

As per industry estimates, logistics spend of this industry is around 2%[^] of revenue of the textile industry. Use of express cargo in the textile industry is dependent on sub-category. In case of yarn and fabric, textile companies do not use express logistics due to price sensitivity except for very insignificant volumes of samples.

While in case of apparel, the use of express logistics is relatively high. In case of seasonal fashion clothing, dependence on express mode is much higher. Textile/Apparel / non apparel contribution in B2B express logistics is around 13%. With the growth of organized retail and increasing disposable incomes, spend on express segment by the textile industry is expected to grow further.

[^]Industry Estimate

5. E-commerce

E-commerce is the fastest growing industry of present era. Growth of the industry has changed the landscape of express industry as well. Post evolution of e-commerce segment, B2C express logistics has become bigger than B2B express logistics. E-commerce industry is estimated to be at US\$ 30 billion in FY 2020[^]. As per industry estimate e-commerce market has grown at the CAGR of 29% in last 4 years[^] and expected to grow at CAGR of 27% in next 4 years[^] in terms of GMV, while in terms of shipment volumes growth is expected to be higher than this. Over period of time, penetration of e-commerce has increased in rural markets and it is estimated that contribution of tier 3 and other rural markets has reached to 45%[^].

E-commerce industry has also another unique feature i.e. its 75%[^] market is captured by 2 major players Flipkart and Amazon and is expected to grow further.

Apart from these two there are certain niche players like Netmeds, 1Mg, Nykaa etc. Both the major players have their own captive logistics arm to manage end to end logistics, including express. Growth of e-commerce has helped in emergence of new companies in B2C logistics like Delhivery, e-com express. It has also helped in terms of volume to B2B players by way of outsourcing of specific activities of its value chain like first mile from vendor to Fulfillment center (FC) and FC to FC transfer. Growth of e-commerce is going to boost express delivery in a significant way.

6. BFSI

BFSI sector is not a rising star for express logistics sector. Increased use of digitization has drastically reduced need of express logistics for the sector. As of now only statutory document as per rule of land move through express / courier. In days to come this requirement will further reduce.

GROWTH DRIVERS AND FUTURE POTENTIAL

Economic Growth

Post-covid, the IMF has projected a 9.5% growth rate for India in FY 22. Out of all the major economies in the world, India is the only major economy expected to have a such high growth in FY 22.

Increasing consumption and growth of various businesses is expected to be one of the major drivers of the express industry growth in India. Growth of industry verticals like electronics, retail, automobile give higher boost to growth of express logistics. Historic trends also indicate that higher the growth rate of economy leads to much higher growth rate of express logistics.

E-commerce and changing consumer behavior

The rise in e-commerce, as mentioned in the report before, is an incredible story in itself to say the least. The rise in e-commerce was fueled by growth in internet penetration and digital payments infrastructure across the country. Initially, the e-commerce activity was mainly related to major metro cities and urban centers, however over the past couple of years, e-commerce activity in the tier-2 and tier-3 cities as well as various towns spread across the country, has become the major driver in growth of express industry. The consumer expectations of shorter delivery time, smooth return policy and cheaper

pricing has also resulted in increasing competition not only amongst various e-commerce firms but also across various industries. This has resulted in increasing pricing competition amongst different express industry players as companies focus on finding diverse means of reducing their logistics cost.

Value-Added Services

With the rise in competition, value-added services have become a necessity as against a luxury service provided by clients to their customers. The value-added services include picking, packaging, MIS reports, analytics service, mobile updates and online GPS enabled tracking, e-mail alerts among others. As the competition in the express industry increases, value added services are expected to play an ever increasing and important role in future growth of various companies.

Make In India

This initiative was launched by Government of India to encourage companies to manufacture in India and incentivize dedicated investments into manufacturing. Also, COVID-19 has displayed that lack of diversified supply chain can have a devastating effect on the entire business. Hence, many companies are exploring and planning to shift their manufacturing from China to other countries. India, is expected

to be one of the major beneficiaries of this shift along with countries such as Vietnam, Bangladesh, etc. India has an advantage because like China, it is a developing country with a large labor workforce. Also, the Indian government has proposed production linked incentive schemes (PLI) for various industries to support and bring more companies to India. For example, recently, iPhone maker Apple's contract manufacturers, as well other firms such as Samsung, Lava and Dixon have proposed to produce mobile devices and components of over Rs 11 trillion in next five years under the PLI scheme. This will result in increasing demand for express Industry and thereby result in employment as well as wealth generation.

Logistics Infrastructure

Infrastructure is one of the key factors responsible for the growth of the logistics industry in India. Because of infrastructure, the logistics cost in India are often higher as compared with other developed countries. To address these problems, NHAI (National Highways Authority of India) aims to develop 65,000 Km of National Roadways under the Bharatmala programme. This road network transports 64.5% of all goods in the country

and 90% of India's total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns and villages in the country. Also, in order to improve the air connectivity, government has launched on the UDAAN scheme and the ministry of civil aviation focus is to make India the largest overall market by 2030. Government is also creating a network of 35 multi-modal logistics park. As for the railways, government is working on commissioning of the Eastern and western dedicated freight corridor by 2022.

Adoption of agile Business Practices

In today's day and age companies often look upon overall business cost as against the old premise of monitoring only transportation cost and sending parcels via Full Truck Load to reduce the transport cost. With new business practices such as Just in Time, minimum inventory maintenance gaining ground, companies now often use express services to deliver according to customer requirements and maintain minimal/zero inventory. This modern-day business philosophies are expected to be one of the major growth drivers of the express industry for future.

TECHNOLOGY IN EXPRESS LOGISTICS

Companies are innovating as the need for express services expands from the traditional parcel services to cater to the needs of e-commerce companies. There is a huge scope for implementation of various technologies that will not only help to cut cost but will also result in higher customer satisfaction. Currently express companies are not going for monolith architecture of IT platform, instead preference is for modular architecture. IT applications serves 3 major functions: customer interface, operations and analytics.



Information technology is fast changing domain, Some of the technologies that are becoming increasingly popular in logistics are as follows:

1.) Data Analytics: Today it is often said that 'Data is the new oil'. With the use of data which is tracked through various methods and functions, companies can optimize their own processes. Companies are increasingly using python, R, etc. to analyze and find key insights from the data. Through Data Analytics, companies can find their inefficient processes and optimize them. With the help of modern data analytics tools, the domain of Supply chain optimization is becoming a priority for all companies from small to large corporates.

2.) Warehouse Automation: Automation has a huge role to play in the supply chain industry in future. Automation technologies such as ASRS, Auto sorters are now being increasingly used. Also, with the help of automation, companies can cut monotonous jobs and save the money which will help improve the bottom-line. An automated supply chain will be more efficient, organized and agile. This increasing use of automation will create new opportunities.

3.) Blockchain: Blockchain is a system that helps in recording the data in a way that makes it very secure and extremely difficult to hack, change, etc. Users can add or view the information stored but they cannot delete it or make any changes to it, i.e. the original data stays put. With the help of blockchain, companies can increase the accountability and transparency. Moreover, blockchain can also help in reducing transaction fees and transaction time.

4.) First Mile and Last Mile Automation:
Automation will help in reducing the time

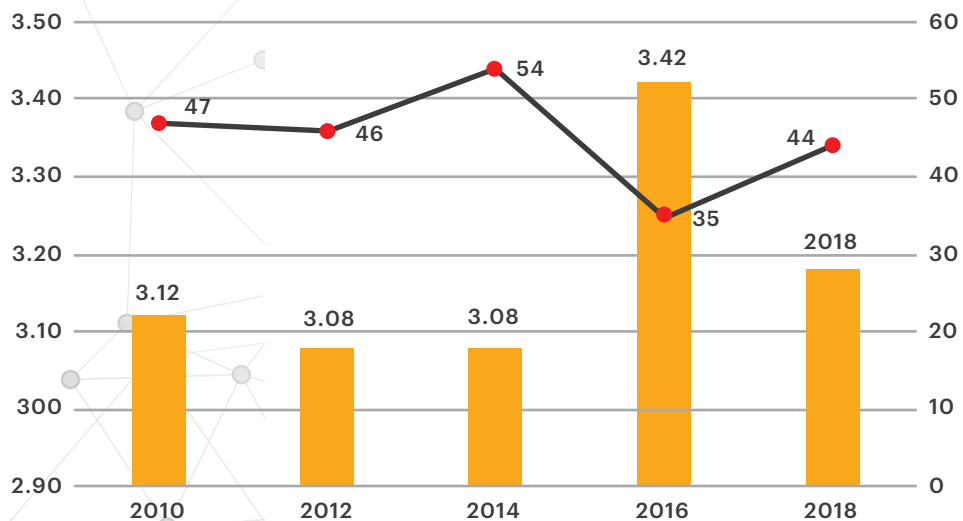
and resources needed for the smooth first mile and last mile transportation. With the rise in e-commerce, companies are increasingly focusing on technologies and management system to automate the last mile delivery but similar attention is needed for first mile transportation as well. Using route-optimization software, companies can manage to deliver the material from one to another i.e. for first mile or last mile in a shortest possible time-frame. Also, customers as well companies can track the field service personnel through which they can be informed about the status of the parcel. With the help of real-time data provided by automated technologies, better measurement of KPIs and process improvements by using data analytics is possible. Also, with automation, companies can easily take care of sudden labor shortage or increased demand for labor while reducing the material damage and handling time. There are few players like Apptymz, who provide automated first mile and last mile solutions to the express industry.

REGULATION AND GOVERNMENT SUPPORT

Government has been exceptional in its support for the overall growth in logistics sector. With reforms such as GST, National Logistics Policy, e-way bill, government has displayed its inclination for improvement in logistics industry. Creation of a specific section under ministry of commerce and recognize it as an industry was the first step towards major Governmental push to improve logistics in India. Government is also going to announce National Logistics Policy in months to come, for which draft was released by Government earlier.

World Bank releases Logistics Performance Index score every alternate year. The score matrix comprises scoring on Customs, Infrastructure, International Shipments, Logistics quality/competence, tracking & tracing and timeliness. India's rank in Logistics Performance Index has touched 35 in 2016 with a significant jump of 19 points, but in following years LPI rank dropped by 9 points. Improved rating in 2016, was primarily due to significant change in Infrastructure score in positive direction.

LPI Performance of India



Source: <https://lpi.worldbank.org/>

Logistics being very vast field, only few factors related to Government policies directly creates impact on Express vertical. Last few years various Government initiatives has very positive impact on Express logistics segment. Some of which are

GST: Prior to the GST regime, inter-state movement of goods in India was subject to many taxes

and clearances. There was a system of check-points for taxes (state taxes, local body tax, entry tax etc) and each check-point in system was cause of added transit time and hassle for service provider. GST has abolished that hurdle completely. With GST bringing about a uniform tax code, Service users no longer need warehouses in so many locations. GST has made cross border movement very easy and has given more avenues of cross border transportation and delivery to customers, wherein express industry plays a vital role. Apart from this in GST regime, express being under forward charge mechanism of GST got benefits of input tax credits as well.

e-waybill: E-way bill is an electronic document, generated from the E-way site, that is required to be carried by a person carrying a truckload worth more than Rs. 50,000. E-Way bill helps in the elimination of state boundary check posts and physical paperwork which facilitate vehicles' movement across the states and reduce their overall turnaround time. Additionally, nowadays many companies are integrating e-way bill

with rfid tag and GST portal. This will enable very fast movement.

Digitization: In order to simplify customs procedures and elimination of bureaucratic obstacles, various digitization related initiatives have been taken in last few years. e-SANCHIT is such a digital push in Indian Customs. Now India Customs Single Window allows importers and exporters, the facility to lodge their clearance documents online at a single point. This saves significant time and makes express movement very smooth. Customs & Excise department CBEC had already executed major projects to automate customs clearance processes and provide electronic data interchange (EDI) with all agencies.

Infrastructure Development: Various Infrastructure projects initiated by Government related to logistics and highways have worked in favor of express industry with better infra transit time and reducing turnaround time significantly.

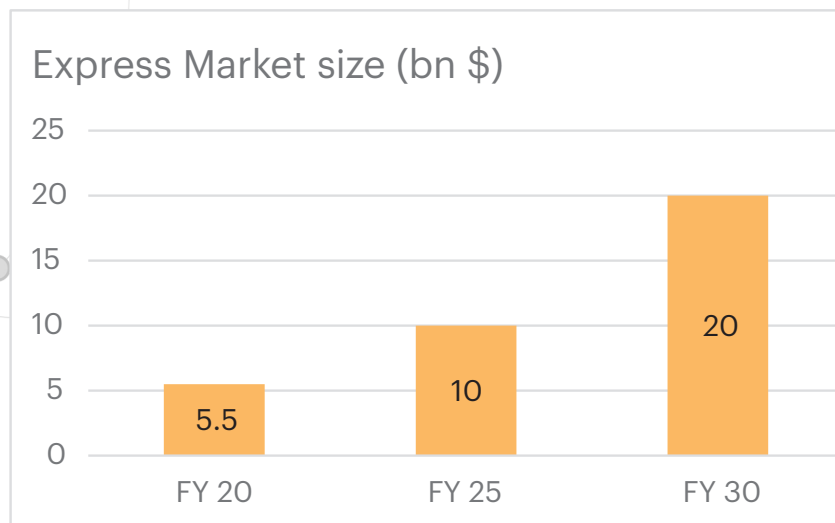
CHALLENGES OF EXPRESS LOGISTICS

Express industry has tremendous potential to grow in Indian logistics market, but it has few challenges associated with its growth as:

- Blurring gap between express and non-express segment
- Lack of skilled manpower for the sector
- Availability of first and Last mile partners
- Limited infrastructure for express in air cargo terminals along with high cost of transaction

FUTURE OUTLOOK

Indian Express Industry has come a long way in last four decades and evolved in terms of product offering & service quality. In last decade segments like e-commerce and on demand logistics have changed the complete paradigm of sector. Future outlook of the sector is very positive and CAGR is expected to be more than 15% in next decade. By year 2025 it's market size is estimated to be around \$ 10 bn.



Source: Aviral Analysis

In the Express domain we foresee few key changes as follow:

Organized Play

In mid to long term, express cargo will be confined to large organized players of industry. In short to medium term competition will be fiercer to gain more market share between organized players. Role of regional express players will get more diluted and many of such regional players may cease to exist. Some more organized players are expected to enter in this domain in next few years.

Acquisition, merger & Consolidation

Express market is going to witness more M&A. In 2019 Reliance acquired a delivery startup Grab and in 2020 Allcargo acquired an established express player Gati and in 2021 acquisition of Spoton by Delhivery. As per current scenario projected number of express players seems to be much higher than a mature competitive market, therefore we estimate few more M&A to take place in coming years. Post these M&A there will be 4-5 large express players providing complete array of express logistics services apart from few regional players.

Unified service offering in express

Earlier express market was quite divided based on nature of shipment and consignee. Accordingly various businesses and positioning of companies developed over period of time like document courier company, Surface express distribution

company, Air cargo, e-commerce logistics company etc. But going forward these different services are expected to be under one umbrella and single service provider to render services across segments of express with same efficiency. This phenomenon may lead to realignment of product portfolio strategies for various express players.

Innovation and technology adoption

In future, digitization and automation will be prerequisite of express business. Technology will not remain as enabler, instead it will be driving processes, efficiency & optimization. Whole range of new technologies from data analytics to automation to quantum computing and 3D printing will be instrumental in growth. New entrant will be early adopters of technology and will become a force for whole ecosystem for accelerated adoption. On the service front we expect more seamless integration with global express industry. With increasing complexities of supply chain and ease of cross border trade we foresee bigger role of the express logistics with integrated and innovative service offerings, which can be valuable for critical part logistics.

MAJOR PLAYERS

Gati-Express:

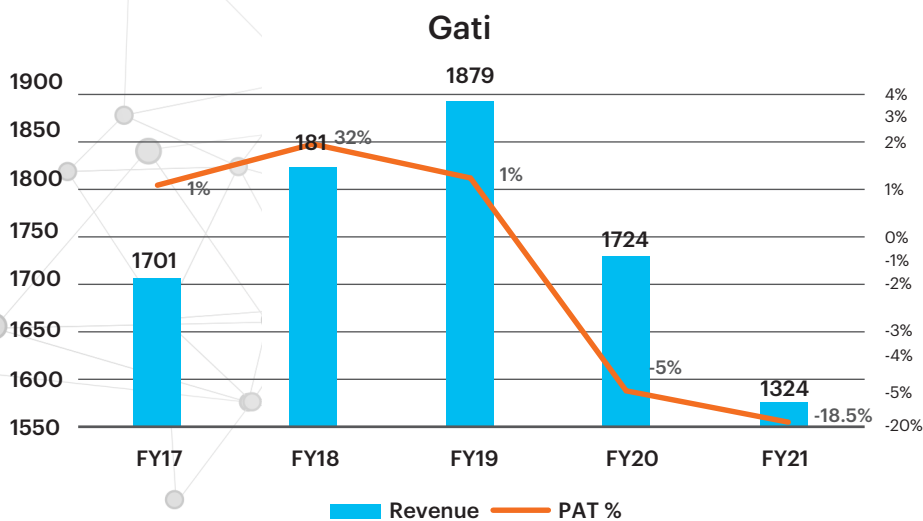
Gati-KWE is a joint venture company between Gati and Kintetsu World Express (Japan's leading logistics provider) and was founded in the year 1989. Gati-KWE is a 5500 people strong company with an annual turnover of INR 15273 million. It has a large fleet of more than 5000 vehicles and assured space across 32 airline sectors. Gati covers 98% of the pin codes across India. Subsequently, Gati was acquired by All cargo logistics.

HEADQUARTERS: HYDERABAD

Services offered by Gati Includes

1. Express (Road & Air) Solutions
2. Supply Chain Management solutions
3. E-commerce solutions

The last five years have not been very good for the organization. In period of FY 16 to FY 20, CAGR of topline remained at 1% while PAT moved to red zone. In FY 19-20 company got acquired by Allcargo Logistics Limited. New management is in process of reviving growth trajectory of company to regain leadership position in B2B surface express domain. The mentioned numbers of Gati is at consolidated level, while its core surface and air express business is in a subsidiary "Gati Kintetsu Express Pvt Ltd" (GKEPL). In FY20 GKEPL registered topline of 1164 with negative PAT.



Data: mca.gov.in; Aviral Analysis

Safexpress:

Safexpress started its operation in the year 1997 with 9 offices and 12 vehicles by Mr. Pawan Jain. In last 25 years, Safexpress has expanded its network by establishing 697 gateways, 61 logistics park, 84 transshipment centers, connectivity with 54 cargo airports, running 7500+ fleet and with a warehousing space of over 18 million square feet. Safexpress offers services amongst 8 verticals that include Healthcare, Automotive, Hi-Tech, FMCG & consumer goods, Apparels & lifestyle, Engineering, Books & periodicals and Alliance partner management.

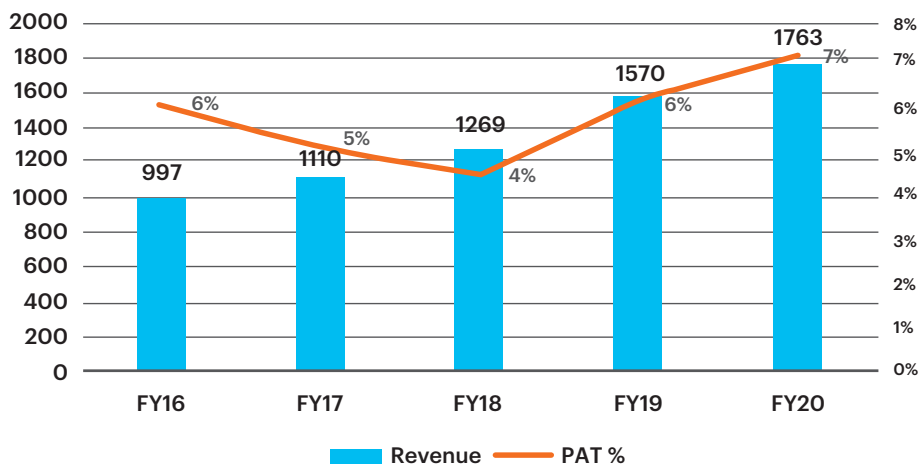
HEADQUARTERS: DELHI

Services Offered:

1. Express Distribution: Surface and air modes
2. 3PL and Consulting: For B2B enterprises
3. C2C: Campus2Home (college students), Easy2Move(Personal use), Sainik Express(armed personnel), Bike Express(moving bikes).
4. Customized B2B services for the 8 sectors.

As of now Safexpress is clear market leader in B2B surface express domain. In last five years company has remained consistent performer in the space and registered 15% CAGR in topline. In last few years Safexpress touched double digit EBITDA. In FY 2020 its PAT crossed 7%.

Safexpress



Data: mca.gov.in; Aviral Analysis

Blue Dart Express:

Blue Dart started its operation in the year 1983. Initially the company was started to cater to the parcel market demand. Subsequently, the company ventured into the air express distribution market and later on started its operation for the surface express distribution market as well. Later on, it was acquired by DHL. Its distribution network is spread across 34,800+ locations in India and 220 countries & territories worldwide. Blue Dart has integrated air support and ground network, with over 28 Lakh sq. ft. of facilities which include 7 aviation hubs and bonded warehouses, 11 Domestic Hubs and 87 Ground Hubs and dedicated air services with a fleet of six Boeing 757-200 freighters operating every night to seven of India's most bustling and connected metros. Blue Dart's core competence lies in the business of superior express delivery services and company claims maintaining reliability levels of 99.96%. The company has ISO 9001-2008 certifications standards for design, management and operations of countrywide express transportation and distribution service within the Indian subcontinent and to

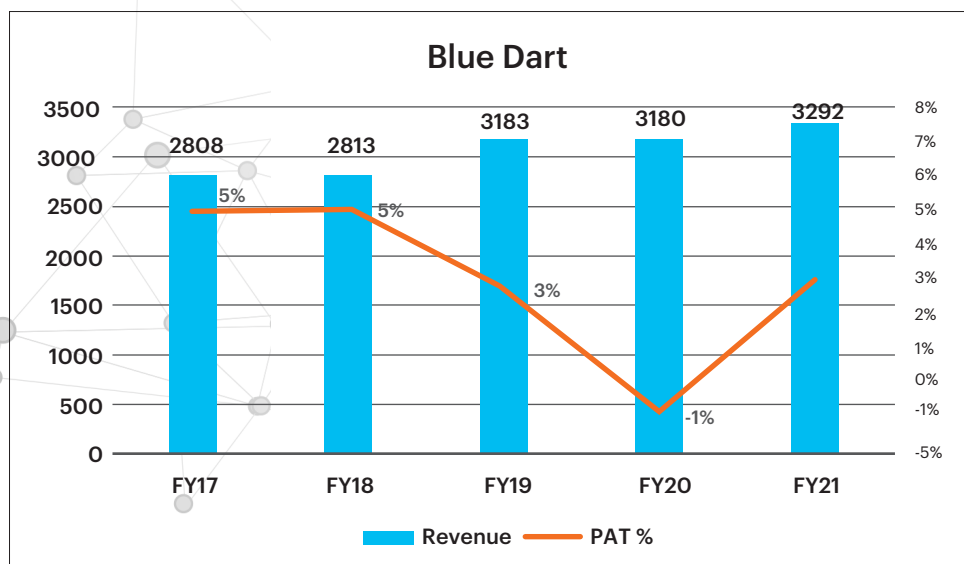
international destinations serviced through multinational express companies.

HEADQUARTERS: MUMBAI

Services Offered by Blue Dart includes:

1. Time Definite Solution- Domestic Priority 1030, Domestic Priority 1200 & Dart Apex 1200
2. Day Definite Solution- Domestic Priority, Dart Apex & Dart Surface line.
3. Critical Express and Temperature controlled logistics
4. Packaging Solutions: Express Pallet (Air and Ground) & Smart Box (Air and Ground).
5. Other services: Cargo solutions (Airport to Airport, interline & charters), Rakhi Express (Festive solution) & Student Express (Student Solution).

Blue Dart performance in last 5 years have been moderate with a topline CAGR of 5%. But its EBITDA witnessed consistent decline. In FY 20 PAT dropped to -38 Cr.



Data: mca.gov.in; Aviral Analysis

SPOTON:

Spoton Logistics started its journey in 2012 when a private equity firm 'India Equity Partners' bought the domestic business from TNT India.

In 2018, Spoton partnered with a consortium of investors led by Samara Capital and Xponentia Fund Partners to invest in and build out the next stage of Spoton's growth. The company has a nation-wide presence across 350+ locations. Spoton has a self-managed/ owned network. Spot on has a team of over 2500+ logistics professional. It is an ISO 9001:2015 accredited company.

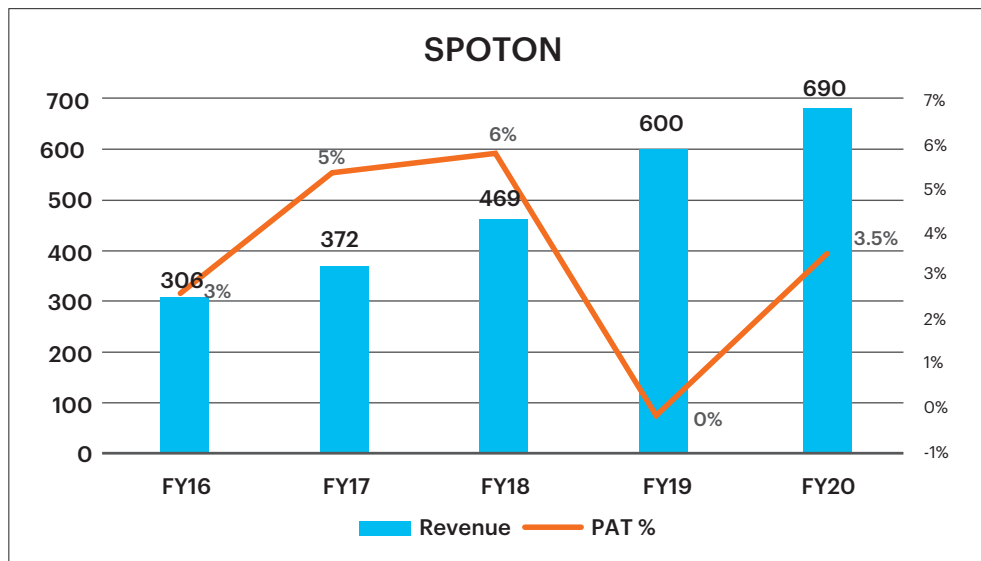
HEADQUARTERS: BENGALURU

Services Offered:

1. Road Express Services

2. Multi-modal express
3. Air Express
4. Spot Retail: Door-to-Door delivery solutions
5. Edu Express: Transport solution for students across India for movement of study material and personal consignments.
6. Spot XHIBIT: Services for movement of Exhibit materials across locations.

Spot-on is the fastest growing surface express company. Air express business of Spoton is almost negligible. From FY 16 to FY 19 company grew with CAGR of 25% and was expected to maintain the pace. In the period Spot-on continued to maintain the EBITDA at positive level. In 2018 Samara Capital and Xponentia Fund Partners acquired Spot-on.



Data: mca.gov.in; Aviral Analysis

TCI EXPRESS:

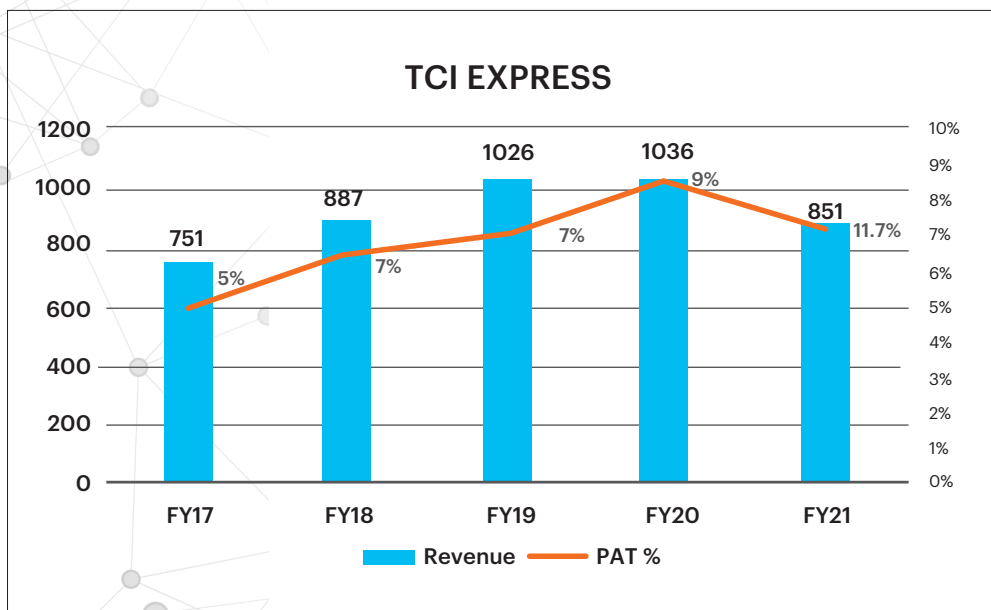
TCI XPS was established in the year 1996 as one of the divisions of Transport Corporation of India (TCI). Subsequently in 2015 express division TCI XPS got demerged from TCI Limited and became TCI EXPRESS LIMITED. TCI today has a team of over 2,500 professionals. It has owned containerized fleet of vehicles connecting over 3,000 pickups and 13,000 delivery locations.

HEADQUARTERS: GURUGRAM

Services:

1. Surface Express
2. Domestic Air express
3. Reverse Express
4. E-commerce

Surface Express has been flagship product of the company. Company is having strong penetration in SME market. In last 5 years TCI Express has registered good growth rate with a CAGR of 12%. But its performance on profitability front has continuously improved. Company's EBITDA has been one of the best between express logistics players in India.



Data: mca.gov.in; Aviral Analysis

Delhivery:

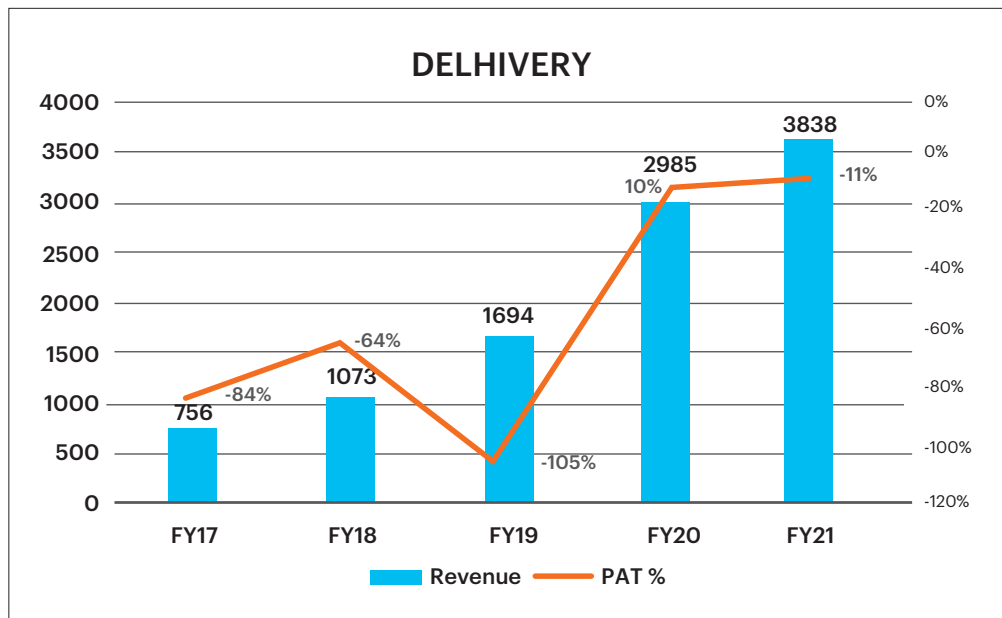
Delhivery was started in year 2011 by Kapil Bharati, Mohit Tandon, Sahil Barua, Suraj Saharan and Bhavesh Manglani. Delhivery has been funded by more than a dozen investors, some of them are Softbank, The Carlyle Group, Fosun International, GIC, CPPIB. Today the company has fulfilled over a billion orders to more than 300 million households. It has 24 automated centers, 85+ fulfillment centers, 75+ hubs, 3000+ direct delhivery centers, 7500+ partner centres, 1500+ vehicles and 40000+ team members.

HEADQUARTERS: GURUGRAM

Services of Delhivery includes:

1. Delhivery Express
2. Delhivery Fulfillment
3. Delhivery Freight
4. Delhivery cross-border
5. Delhivery E2E

Delhivery started primarily as e-com logistics service provider, which later expanded to other service offering. Today it is fastest growing logistics company with clear leadership in e-com logistics space (Excluding captive arms of Flipkart and Amazon). In last five years from FY16 to FY20 company grew at whopping CAGR of 54% and in FY 20 company showed significant improvement on EBITDA front.



Data: mca.gov.in; Aviral Analysis

Xpressbees:

XpressBees (Busybee Logistics Solutions Pvt Ltd) was started in the year 2015 in Pune by Supam Maheshwari and Amitava Sinha.

XpressBees is an ecommerce logistics company, spun out of baby products retailer Firstcry which later acquired BabyOye.

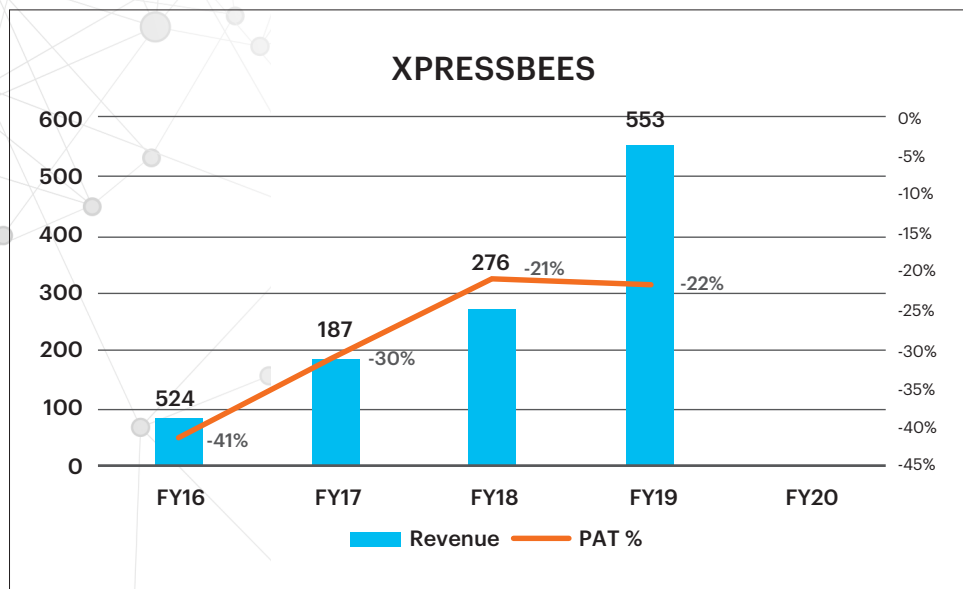
Company has over 2800+ offices and service centres, 100+ hubs, 10 lakh sqft+ warehouse capacity. It offers comprehensive last-mile delivery, reverse logistics, payment collection, drop shipping, vendor management,

cross border services, fulfilment services, and tailored software solutions to clients. Xpressbees has been backed by the likes of Alibaba and Innoven Capital.

HEADQUARTERS: PUNE

Services of Xpressbees includes

1. B2C Xpress
2. B2B Xpress
3. Cross-border logistics
4. 3PL (Third party logistics)



Data: mca.gov.in; Aviral Analysis

Ecom Express:

E-com express was incorporated in the year 2012 by T.A. Krishnan, Manju Dhawan, K. Satyanarayana & Late. Sanjeev Saxena. E-com started its full-fledged operations in 2013 with 35 delivery centres. Currently, it has presence in over 2650+ cities/town, 3000+ facility centres (including hubs, processing centres and delivery centres) and provides services across country. Lead investors of Ecom Express include CDC Group, Warburg Pincus, Peepul Capital and Partners Group. After establishing a foothold in India, Ecom Express marked its maiden venture outside the country in early 2021 with its investment in Paperfly, Bangladesh's largest third-party e-commerce

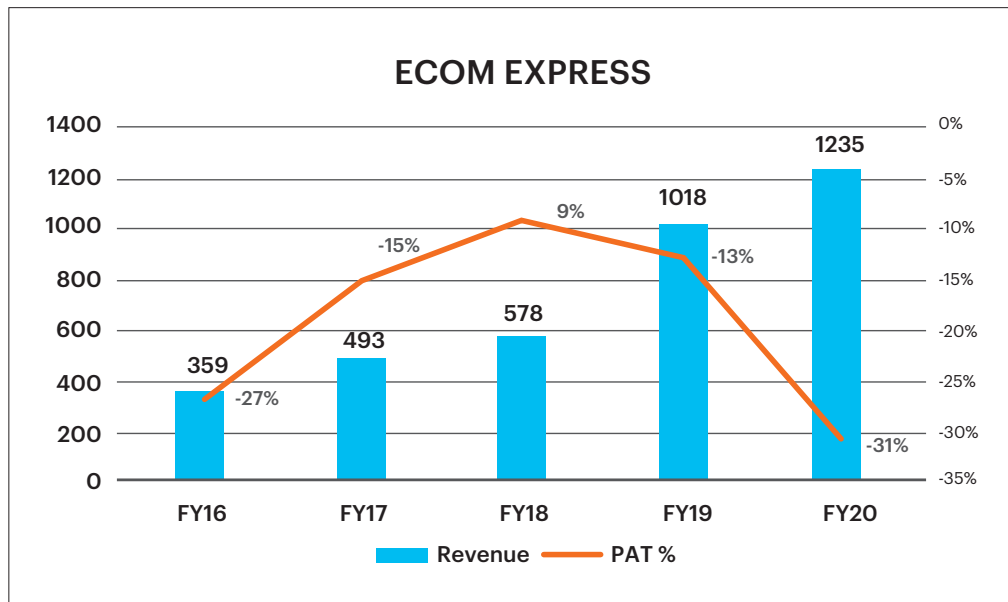
logistics (3PL) firm.

HEADQUARTERS: GURUGRAM

Services of Ecom express includes:

1. E-com Express services
2. E-com Fulfilment services
3. Ecom Digital services

Services of e-com express are confined to B2C e-commerce space and company has not yet ventured in B2B express space like its other peers. In 5 years from FY16 to FY20 company registered CAGR of 36% in topline, while its EBITDA and PAT remained negative in the said period.



Data: mca.gov.in; Aviral Analysis

Rivigo:

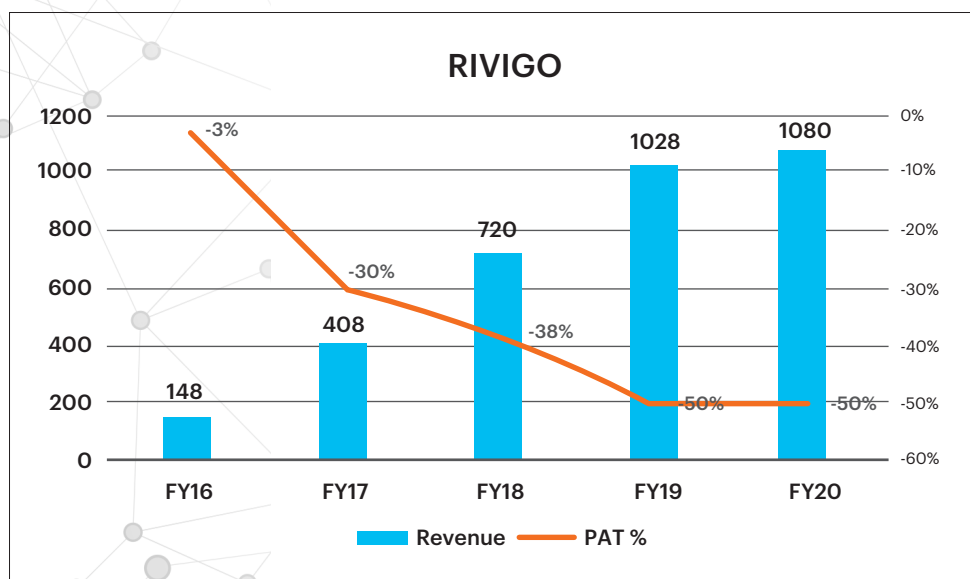
Rivigo was founded in the year 2014 by Deepak Garg and Gazal Kalra. Rivigo positioned itself as a technology-enabled company that offers logistics services and solutions with a unique model of relay to minimize the transit time in surface express. Rivigo was one of the large logistics provider, which relied on asset heavy model. Rivigo has 5 lead investors: SAIF Partners, Warburg Pincus, Trifecta Capital Advisors, Trifecta Capital and KB Global Platform Fund. The company today has an owned truck fleet and has reach across the country. Rivigo has 100+ warehouses, 3000+ employees.

HEADQUARTERS: GURUGRAM

Services:

1. Full Truck Load
2. Part Truck Load
3. Cold Chain

Rivigo started with Full Truck load model and later added service offering in Part Load express and Market place. In FY20 Company registered revenue of 1080 Cr with a CAGR of 64%, but its PAT has continuously declined towards south.



Data: mca.gov.in; Aviral Analysis

OTHER PLAYERS

VXpress:

V-Xpress is the express cargo division of V-Trans India started in the year 2002. V-Trans India was formerly known as Vijay Transports Ltd, founded by Late Shri Kunverji K. Shah in 1958. The company has 300+ branches with a 1000+ strong workforce and covers over 1,00,000+ locations.

HEADQUARTERS: NAVI MUMBAI

Services:

1. VX Surface Express
2. VX Air Express
3. VX Box-n-ship

FedEx:

Federal Express officially began operation in April, 1973. Subsequently, it was renamed FedEx and expanded its operation throughout America and later on it went global. FedEx started its operations in India in the year 1997. FedEx subsequently acquired TNT along with its Indian division. Also, FedEx acquired AFL Pvt Ltd(AFL) and Unifreight India Pvt Ltd(UFL) in the year 2011.

HEADQUARTERS: MEMPHIS, TENNESSEE

Services:

1. FedEx International
2. FedEx Priority Overnight
3. FedEx Standard Overnight
4. FedEx Economy

ShadowFax:

The company was founded by Abhishek Bansal, Vaibhav Khandelwal, Gaurav Jaithliya and Praharsh Chandra in 2015. The company has over 100000 delivery partners today and has operated over 4000 light commercial vehicles across 500+ cities in India with 500+ centres. The startup is valued at around \$200-\$250 million with the latest funding of \$60 million by Flipkart. The company has other investors such as NGP Capital, Qualcomm Ventures, etc. Shadowfax acquired Pickingo in 2015 and NuvoEx in 2017.

HEADQUARTERS: BANGLORE, INDIA

Services:

1. Shadowfax Now: Hyperlocal services
2. Shadowfax Connect: Forward and reverse logistics services
3. Shadowfax E2E: Integrated 3PL services
4. Shadowfax Next: Assisted Task Management services

Mahindra Logistics:

Mahindra logistics is a supply chain solution company of Mahindra group. Mahindra logistics provides integrated third-party supply chain solutions such as warehousing, transportation, in-factory logistics freight forwarding, VAS, line feed and people transport solutions. Mahindra Logistics is also in process of creating a vertical for serving part load / express consignment for its existing and prospective customers.

ACRONYMS

FY	Fiscal Year
3PL	Third Party Logistics
M&A	Merger & Acquisition
VC/PE	Venture Capitalist / Private equity
B2B	Business to Business
B2C	Business to Consumer
CAGR	Compounded Annual Growth Rate
D2D	Door to Door
P2P	Port to Port
CFA	Clearing & Forwarding Agent
FC	Fulfillment Center
BFSI	Banking, Financial Services & Insurance
BTKM	Billion Ton Kilometer
OTIF	On Time in Full
MMT	Million Metric Ton
CFS/ICD	Container Freight Station / Inland Container Depot
JIT	Just in Time
VMI	Vendor managed Inventory
FMCG/CD	Fast Moving Consumer Goods/ Consumer Durable
FTWZ	Free Trade Warehousing Zone
MMLP	Multi Modal Logistics Park
Cr	Core
EDI	Electronic Data Interchange
API	Application Program Interface
IOT	Internet of Things
TMS	Transport Management System
GDP	Gross domestic product
GMV	Gross Merchandise Value
GST	Goods and service tax
INR	Indian Rupee
IT	Information Technology
LTL	Less than truck load
PTL	Part Truck Load
FTL	Full truck load
MSME	Micro Small and Medium enterprises
USD/ US\$	United States Dollar
YOY	Year on year

METHODOLOGY

Individual discussions: with logistics professionals & industry experts

Industry Estimates are based on discussion with Industry experts

SECONDARY RESEARCH

Annual Reports

Company Websites

MCA Website

Data released by Government through pib and data.gov.in

AAI website

Deloitte report on Express Logistics 2018





Logistics Insider



Logisticsinsider.in

India's Most Comprehensive Logistics Media Network

4.5K+
Subscribers

WhatsApp
Notification

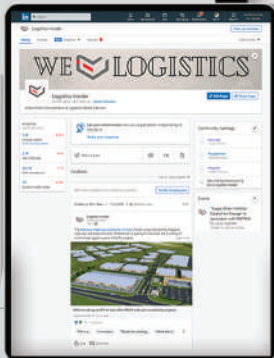


30K+
Unique Monthly
Visitors

Google News Certified
Web Platform

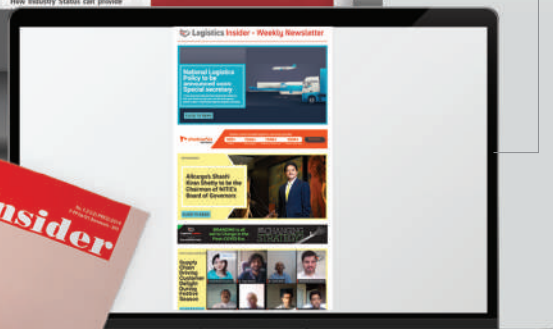
e-Newsletter

24K+
Subscribers



58K+
LinkedIn
Followers

Social Media
Outreach



27K+
Subscribers base

Magazine + Website
(Digital Versions)



Contact Us:

+91 98702 12244, 70425 34911

parminder@logisticsinsider.in

gaurav@logisticsinsider.in

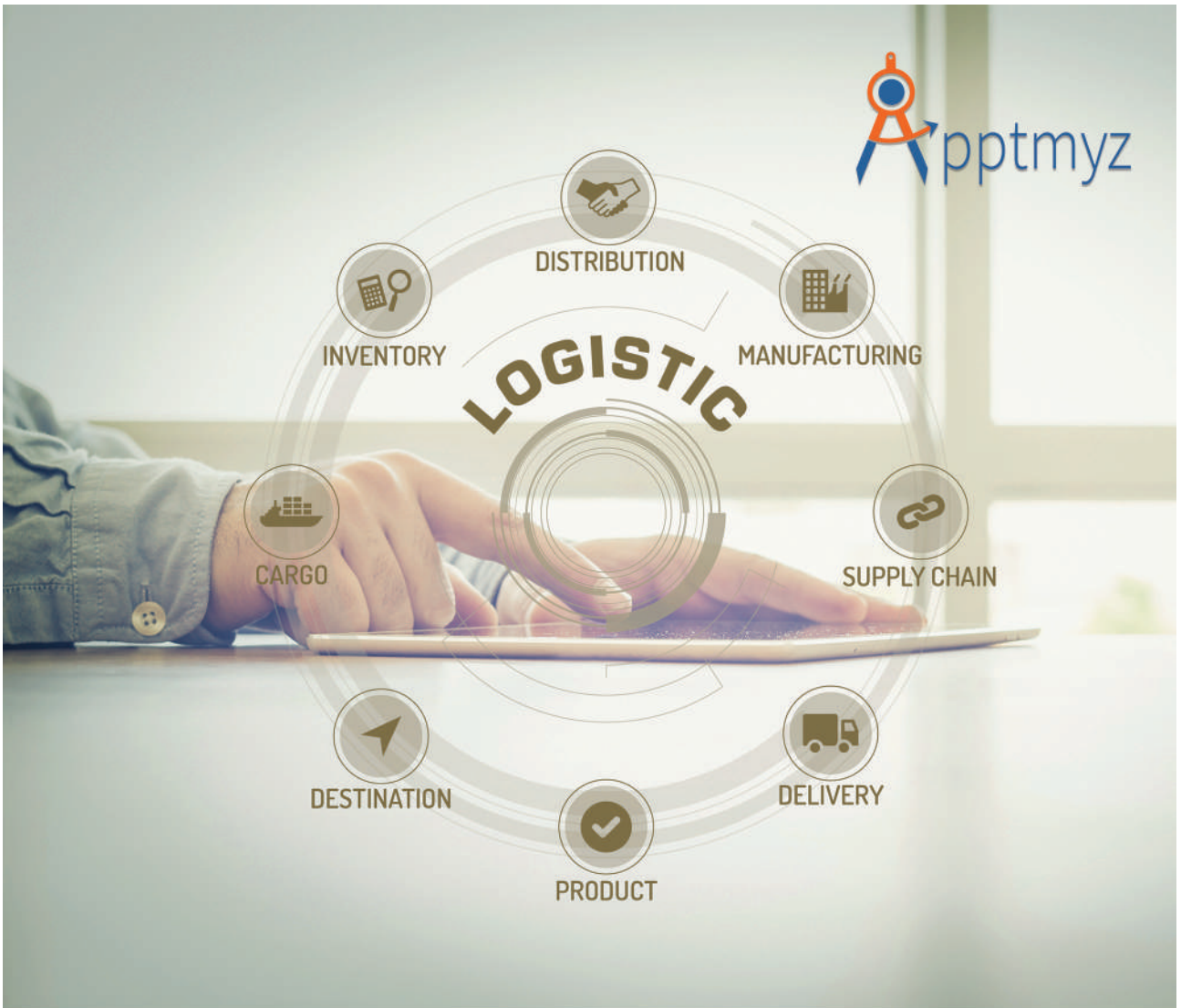
info@logisticsinsider.in

logisticsinsider.in@gmail.com



CHROMOSOMES
Media Pvt Ltd

www.logisticsinsider.in



Is your logistics business ready for a **DIGITAL REVAMP?**



First mile & last mile automation



Shop floor automation



WMS



Fleet management



TMS

Apptmyz Technologies Pvt Ltd.



+91 96 42 77 0000



info@apptmyz.com



www.apptmyz.com