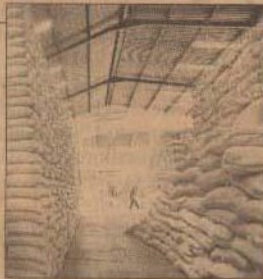


DIESL sees logistics segment fuelling revenue growth to 60%

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DRIVE India Enterprise Solutions Ltd (DIESL), the Tata Group company originally floated to import and distribute telecom gadgets, is looking at earning bulk of its revenue from its logistics business which it entered four years ago. In the next three-four years, the company will see 60% of its business come from the logistics segment, which now stands at about 24%.

"DIESL was floated in 2003 and its primary business was imports of telecom gadgets, including handsets, data cards, accessories and modems. Sometime during 2006, the company decided to enter the logistics turf and is now looking at bulk of its



SUPPORT SYSTEM

DIESL's new software, Wi-mac, is ready to handle this segment as the size of warehouses rises with consolidation. It is looking at adding 32 lakh sq ft of warehousing space in eight locations

turnover coming from this sector over the next few years. In the next three-four years, the logistics segment will grow to about Rs 1,200 crore from the current level of about Rs 300 crore," Ajay Chopra, chief executive officer at DIESL, told ET.

According to Mr Chopra, warehousing and logistics will contribute heavily to the compa-

ny's logistics business in the next few years that will propel it into increasing the turnover for the segment at least four times over the next 3-4 years.

Mr Chopra believes that with GST being introduced from next year, there will be a consolidation in the warehousing business. Currently, the average size of a warehouse in India is about

25,000-30,000 sq ft. With consolidation, the average size will increase which will require a lot of automation in systems management.

DIESL's new software, Wi-mac, is ready to handle this segment as the size of warehouses rises with consolidation. It is looking at adding another 32 lakh sq ft of warehousing space in eight locations with an average size of 4 lakh sq ft each — two each in east and south, one each in north and west.

Currently, DIESL has access to about 4.5 million sq ft of warehousing space.

"We hope to emerge the largest logistics company in the next few years and will also invest about Rs 100 crore in the next three to four years to achieve our targets," said Mr Chopra.