



COMPARATIVE STUDY ON THE PERFORMANCE OF SELECTED COURIER COMPANIES IN INDIA

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ABSTRACT:

Courier service companies assist in delivering a package from one place to another, whether it be business or personal goods. In India, numerous courier firms provide parcel services around the country. India has witnessed a wave of new ecommerce brands. COVID-19 has also accelerated this wave, and the ecommerce industry has grown rapidly over the past two years. This has also led to a boost in demand for courier companies in India. Courier service is a facility or service for fast & door to door pickup and delivery of goods or documents from one place to another. A company that provides such a service is referred as Courier Company. A courier company charges a rate for the package based upon the weight of the package and urgency of delivery of the package. In addition, courier services are recognized for their security, speed, swift delivery, and tracking features. Moreover, prominent courier service companies comprise DHL, Gati, DTDC, Bluedart, and others. In India, more than 120 plus courier companies provide high-quality, cost-effective courier services solutions to both small and medium and large-scale ecommerce enterprises. The present paper attempts for the assessment of the comparative growth of sample courier companies, the resources such as share capital, reserves, deposits and loan operations, recovery of loans, profitability, etc. were studied.



KEYWORDS: Courier Companies, Performance, Growth.

INTRODUCTION:

Financial performance indicators are quantifiable metrics used to measure how well a company is doing. Company can use assets from its primary mode of business and generate revenues, and also used as a general measure of a company's overall financial health over a given period. Financial health based on assets, liabilities, revenue, expenses, equity, and profitability. It is a thorough analysis of company financial statements. Researcher examine a firm's Income Statement, Cash Flow Statement, Balance Sheet, and Annual Report. Companies taken for the study are Gati Ltd and Blue Dart Express Ltd. Blue Dart Express Ltd is a global carrier engaged as a top courier service company since 1983 and is among the best courier services for online businesses. They offer multiple payment packages that bundle services together. Blue Dart has a reach of 35,000 plus pin codes in India and 220 plus countries globally. GATI Ltd. is a must-have on the list of top courier services in India. GATI Ltd was started in 1989 to optimize distribution for retailers and online businesses. It currently serves 19000 plus pin codes within the country, with a reach that extends to 735 out of the 739 different districts within India.

OBJECTIVES OF THE STUDY:

1. To evaluate the growth and performance of selected two courier companies in India
2. To suggest appropriate policy measures for better performance.

REVIEW OF LITERATURE:

1. Amit Basak (1995-96 to 2006-07) The paper entitled, Performance Appraisal of Urban Co-operative Banks - A Case Study, has highlighted that UCBs figure among the vital segments of the Banking Industry.
2. A study titled "performance of Cooperative banks in supply of loans to farmers in Karnataka" was undertaken by Sri B.N. Ganvir, Sri D.L. Sale and Sri N.L. Kale with the objective to know the performance of different cooperative Banks in respect of distribution of short-term, medium-term and long term loans.
3. Shah (2007), conducted a case study of Sangli and Buldhana District central cooperative Banks regarding the financial health of credit cooperatives in Maharashtra and found NPA's or overdue as the main factors for deterioration in health of these banks.
4. Dangwal and Kapoor (2010) evaluated the financial performance of nationalized banks in India and assessed the growth index value of various parameters through overall profitability indices. The data for 19 nationalized banks, for the post-reform period from 2002-03 to 2006-07, was used to calculate the index of spread ratios, burden ratios, and profitability ratios.

SCOPE OF STUDY:

The present study intends to examine the working, growth and performance of the selected courier companies. The main focus of the investigation is to evaluate the performance of the Gati Ltd. and Blue Dart Express Ltd. Present study encompasses the five financial years of selected units from 2017-18 to 2021-22.

RESEARCH METHODOLOGY:

For the Comparative analysis of the Profitability of two courier companies in India are selected for the study for the year 2017-18 to 2021-22.

Selection of Sample Courier Services:

Sr. No	Name of the Courier Company
1	Blue Dart Express Ltd
2	GATI Ltd

Techniques and Tools of Data Analysis

Data was collected through, online annual reports of the courier company. On the basis of data collected, from all annual reports of the courier company have been analyzed by using simple average, percentage. The objectively collected data have been suitably classified and arranged in tables, charts and graphs.

Analysis of the Study:**1. Share Capital:**

A company is an artificial person and therefore they are unable to generate their own capital and that capital has to be collected from different persons. The persons from whom the capital is collected are called the shareholders and the amount that they contribute towards the business is referred to as the share capital.

**Table No.1: Growth of Share Capital in Sample Courier Companies
From 2017-18 to 2021-22**

(Amount in crores)					
Sr.No.	Year	Blue Dart Express Ltd	Actual Growth	Gati Ltd.	Actual Growth
1	2017-18	23.76	--	23.93 (100.00)	-
2	2018-19	23.76	--	23.97 (100.16)	0.04 (0.16)
3	2019-20	23.76	--	24.84 (103.80)	0.87 (3.64)
4	2020-21	23.76	--	24.99 (104.42)	0.15 (0.62)
5	2021-22	23.76	--	42.09 (175.88)	17.1 (71.46)

(source: Researcher's compilation from the Annual Reports)

Figures in parentheses at columns 4&6 indicate percentage increase over the base year 2017-18

Table No. 1 analysis clearly shows that the amount of share capital in Blue Dart Express Ltd was constant over the period while Gati Ltd was increased in the year 2021-22 is Rs. 42.09 crores

2. Reserve Fund:

A reserve fund refers to a savings account or highly liquid assets set aside to meet unexpected costs or financial obligations. Businesses, individuals, and condominium homeowners' associations are common users of reserve funds.

**Table No.2: Growth of Reserve Funds in Sample Courier Companies
From 2017-18 to 2021-22**

(Amount in crores)					
Sr.No.	Year	Blue Dart Express Ltd	Actual Growth	Gati Ltd.	Actual Growth
1	2017-18	597.49 (100.00)	-	730.09 (100.00)	-
2	2018-19	641.01 (106.78)	43.52 (6.78)	743.98 (100.005)	0.04 (0.005)
3	2019-20	559.74 (92.28)	-81.2 (-14.50)	775.23 (100.11)	0.87 (0.11)
4	2020-21	655.42 (106.87)	95.68 (14.59)	600.07 (100.13)	0.15 (0.02)
5	2021-22	931.12 (136.47)	275.7 (29.60)	590.09 (103.02)	17.1 (2.89)

(source: Researcher's compilation from the Annual Reports)

Figures in parentheses at columns 4&6 indicate percentage increase over the base year 2017-18

Above table reveals that the growth of reserve fund during the five years was at varying degrees. However, the reserves have increased in 2020-21 and 2021-22 of Blue Dart Express Ltd. The reserves of Blue Dart Express Ltd jumped from 655.42 crores to 931.12 crores. The position of Blue Dart Express Ltd was satisfactory. The reserves of Gati Ltd have decreased in year 2021-22.

3. Loans & Advances :

Loans and advances means any direct or indirect advance of funds (including obligations as maker or endorser arising from discounting of commercial/business paper) which are made to a person on the basis of an obligation to repay the funds. Loans and advances are sources of finance that can be used to meet our business's short-term or long-term funding requirements. Loans are suitable to meet capital requirements, while advances are ideal for meeting the daily needs of the business.

**Table No.3: Growth of Loans & Advances in Sample Courier Companies
From 2017-18 to 2021-22**

(Amount in crores)					
Sr.No.	Year	Blue Dart Express Ltd	Actual Growth	Gati Ltd.	Actual Growth
1	2017-18	164.43 (100.00)	-	77.44 (100.00)	-
2	2018-19	171.62 (104.18)	7.19 (4.18)	76.98 (99.41)	-0.46 (-0.59)
3	2019-20	224.56 (127.75)	52.94 (23.57)	96.55 (119.67)	19.57 (20.26)
4	2020-21	216.34 (123.96)	-8.22 (-3.79)	95.49 (118.56)	-1.06 (-1.11)
5	2021-22	462.82 (177.21)	246.48 (53.25)	66.10 (74.10)	-29.39 (-44.46)

(source: Researcher's compilation from the Annual Reports)

Figures in parentheses at columns 4&6 indicate percentage increase over the base year 2017-18

The growth of the loans & advances in Blue Dart Express Ltd were highest 462.82 cores in 2021-22. The Board of Directors has taken sincere efforts in mobilizing the deposits. Gati Ltd was decreased in value 66.10 cores in 2021-22.

4. Total Income:

Also referred to as "net income" or "net profit," income is the total amount of earnings a company makes minus expenses. Profit is the remaining revenue, also known as income, left after a company has accounted for all expenses. Profit is the money a business pulls in after accounting for all expenses.

**Table No.4: Growth of Total Income in Sample Courier Companies
From 2017-18 to 2021-22**

(Amount in crores)					
Sr.No.	Year	Blue Dart Express Ltd	Actual Growth	Gati Ltd.	Actual Growth
1	2017-18	2790.45 (100.00)	-	524.73 (100.00)	-
2	2018-19	3165.46 (111.84)	375.01 (11.84)	542.45 (103.26)	17.72 (3.26)
3	2019-20	3166.39 (111.86)	0.93 (0.029)	445.51 (81.51)	-96.94 (-21.75)
4	2020-21	3279.70 (115.31)	113.31 (3.45)	286.50 (26.01)	-159.01 (-55.50)
5	2021-22	4409.02 (140.91)	1129.32 (25.60)	257.60 (14.80)	-28.9 (-11.21)

(source: Researcher's compilation from the Annual Reports)

Figures in parentheses at columns 4&6 indicate percentage increase over the base year 2017-18

The year 2021-22, was a year of unprecedented challenges, but the Company's agile business model helped navigate headwinds and deliver consistent profitable performance for the year. Income from the operations of the Company reported for the financial year ended March 31, 2022 was Rs. 4,40,902 Lakhs as compared to Rs.3,27,970 Lakhs for the year ended March 31, 2021. Performance of the Gati Ltd in 2021-22 was decreased Rs. 25760 compared to last year 2020-21

CONCLUSION & RECOMMENDATIONS:

All the above four table shows the ranking of the each courier company in respect of the above items. It reveals that Blue Dart Express Ltd. ranked first in the items like share capital, reserve and funds, loans and advances and total income of the company. Table also revealed that Gati Ltd was on the second position in the items like share capital, reserve and funds, loans and advances and total income of the company. Now a days the mouth publicity is not enough to survive in the competition. Company should make proper publicity regarding the services. Customers' expectations are changing every day the company must find new marketing strategies.

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