

# TRANSPORT CORPORATION OF INDIA LTD.

RECOMMENDATION : BUY

MARKET PRICE : Rs.612.20 (As on 26<sup>th</sup> Apr 2023)

TARGET PRICE : Rs.766.00

FACE VALUE : Rs.2

BSE CODE : 532349

NSE CODE : TCI







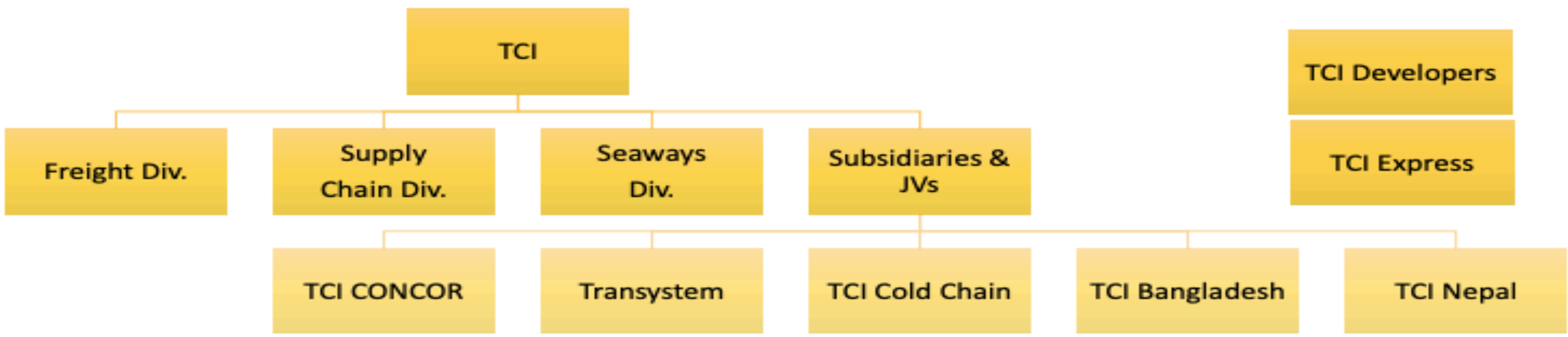
Incorporated in 1958, as a “One Man, One Truck, One Office” company, Transport Corporation of India Ltd. has progressed within its division both internally and externally across boundaries to serve businesses among various industry verticals by being an intrinsic part of the customers’ logistics process. Equipped with highly advanced modern technology, encompassing various walks of life and fields of work and innovative business solutions, TCI is a flag bearer in the arena of logistics for trade and commerce, and is fully poised to leverage the new age technology to reach even newer horizons.

## ABOUT THE COMPANY

It is India’s leading integrated multimodal logistics and supply chain solutions provider. As “Leaders in Logistics”, TCI continuously strives to better existing systems, processes and productivity. With expertise spanning over six decades and infrastructure comprising an extensive network of 1400+ company owned offices, 12 million sq. ft. of warehousing space, a strong team of 6000+ trained employees and a strong foundation, TCI group has expanded boundaries to offers seamless multimodal transportation solutions in both Indian and International markets.



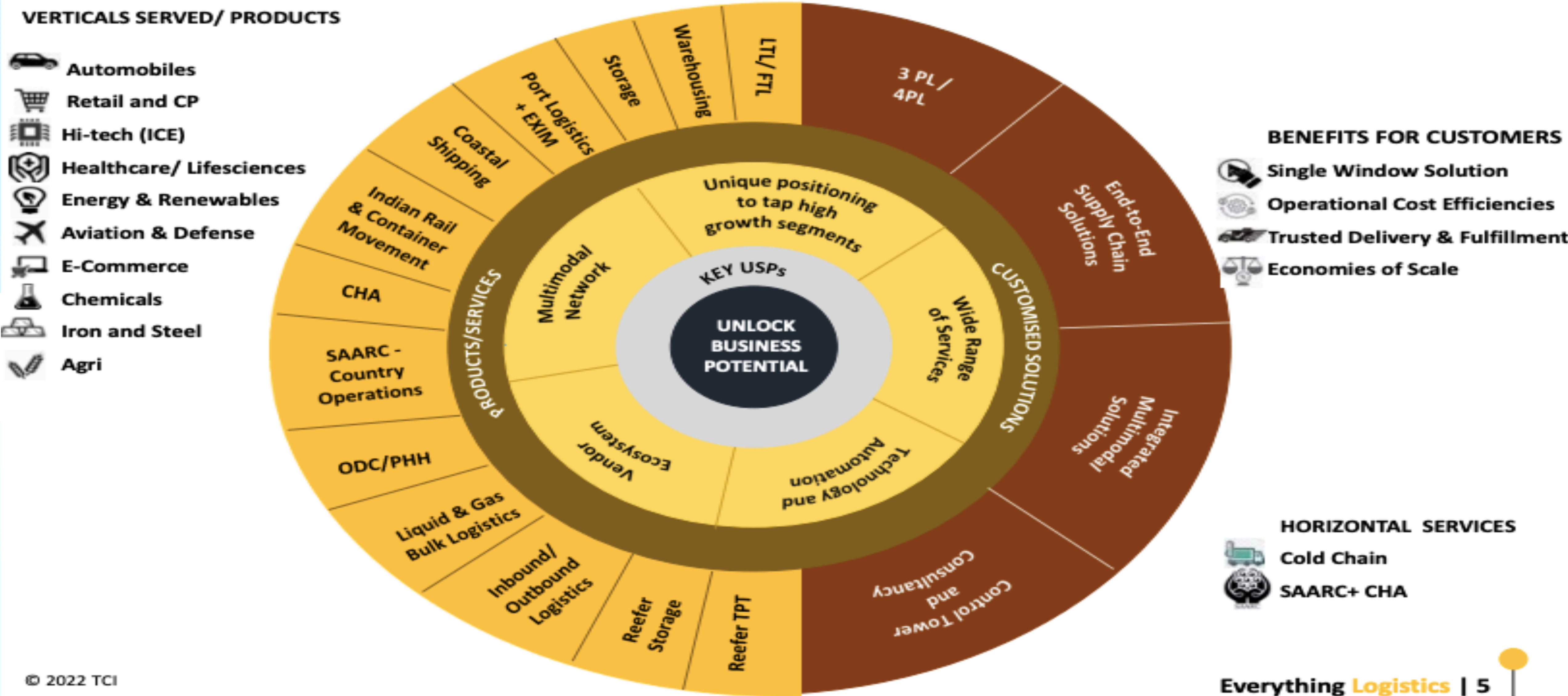
# Group Overview



 <b>6+</b> Decades of Experience	 <b>\$600+ Mn</b> Revenue	 <b>2.5%</b> Moving India's GDP by Value	 <b>7000+</b> Employees Strength	 <b>1,500+</b> IT Enabled Own Offices	 <b>12,000+</b> Trucks in Operations
 <b>650+</b> ISO Containers	 <b>160</b> Reefer Vehicles + <b>13,000+</b> Cold Pallets positions	 <b>8,000+</b> GP Containers	 <b>06</b> Coastal Ships	 <b>13</b> (Mn sq. ft.) Warehouse Space	 <b>500</b> (Mn Km) Delivered Distance (per year)



# Wide Range of Customized Services





# Multimodal Network



## Rail



Own Trains : 3 AFTO (Trains)

- High End CBU Logistics
- End-to-End container movement
- Cross Border movement

Full rake movements  
1009(9M 2021-22)  
1353(9M 2022-23)

## Coastal



Ship Deployed :6  
DWT : 79,000  
GP containers : 8000+  
ISO TTR – 650+

## Containers management



- Intl/Exim
- Baffle/ISO
- Marine

TEUs handled:  
102807(9M 2021-22)  
96835 (9 M 2022-23)

## Yards & Terminals



No. of Yards & Terminals  
managed /Operated

Yards : 55  
Terminals:60



# Unique Positioning to **incubate High Growth Segments** **TCI** LEADERS IN LOGISTICS



**Chemical + Pharma**



**Agri. ++**



**Renewables**



**Cold Chain**



**SAARC**

## WHY are these high growth segments?

1. Supply chain disruption in China & Europe
2. Chemicals flow into Pharma through APIs.
3. India is preferred manufacturing destinations for chemicals (all MNCs are present here).
4. Maturing SCs

1. 16% of GDP in farm & food sector
2. Consumption linked sector with shorter cycles

1. Global Renewable energy market projected to reach **\$1,977.6 billion** by 2030
2. Boom in "green" energy
3. Increased shift from fossil fuels to renewable energy

1. Growth in the organized food delivery and e-commerce segments.
2. Market maturing to quality vs cost

1. BBIN & CMLV countries.
2. Increasing SC linkages in neighboring countries
3. Look East Policy with Govt investment into projects

## TCI's approach to these high growth segments

1. Multimodal solution for movement of Haz. and Non-Haz. bulk liquid and dry chemicals.
2. Own strategic assets- ISO Tanks, Gas Tankers, Dry Bulk Containers.
3. Responsible Care, ITCO, PESO and Drugs License
4. Chemical & GDP compliant warehouses.

1. Multimodal solutions comprising last mile deliveries.
2. 3PL Solutions, Yard management, OBL, WH
3. Offers hub-spoke solutions.

1. End-to-End multimodal through Rail.
2. Import clearance and Warehousing
3. Last Mile and Storage

1. Dedicated team under JV with Mitsui
2. Quality operations with ` cold & dry solutions
3. 150 +fleet (90 Own), 13000+ Pallet position.

1. Own Subsidiaries in Nepal and Bangladesh.
2. Offices at all major borders and capital cities,
3. End-to-End multimodal through Road and Rail.
4. AEO, IATA, CHA, Courier Licenses.



# Technology Driven Operations

## SECURITY & BUSINESS CONTINUITY

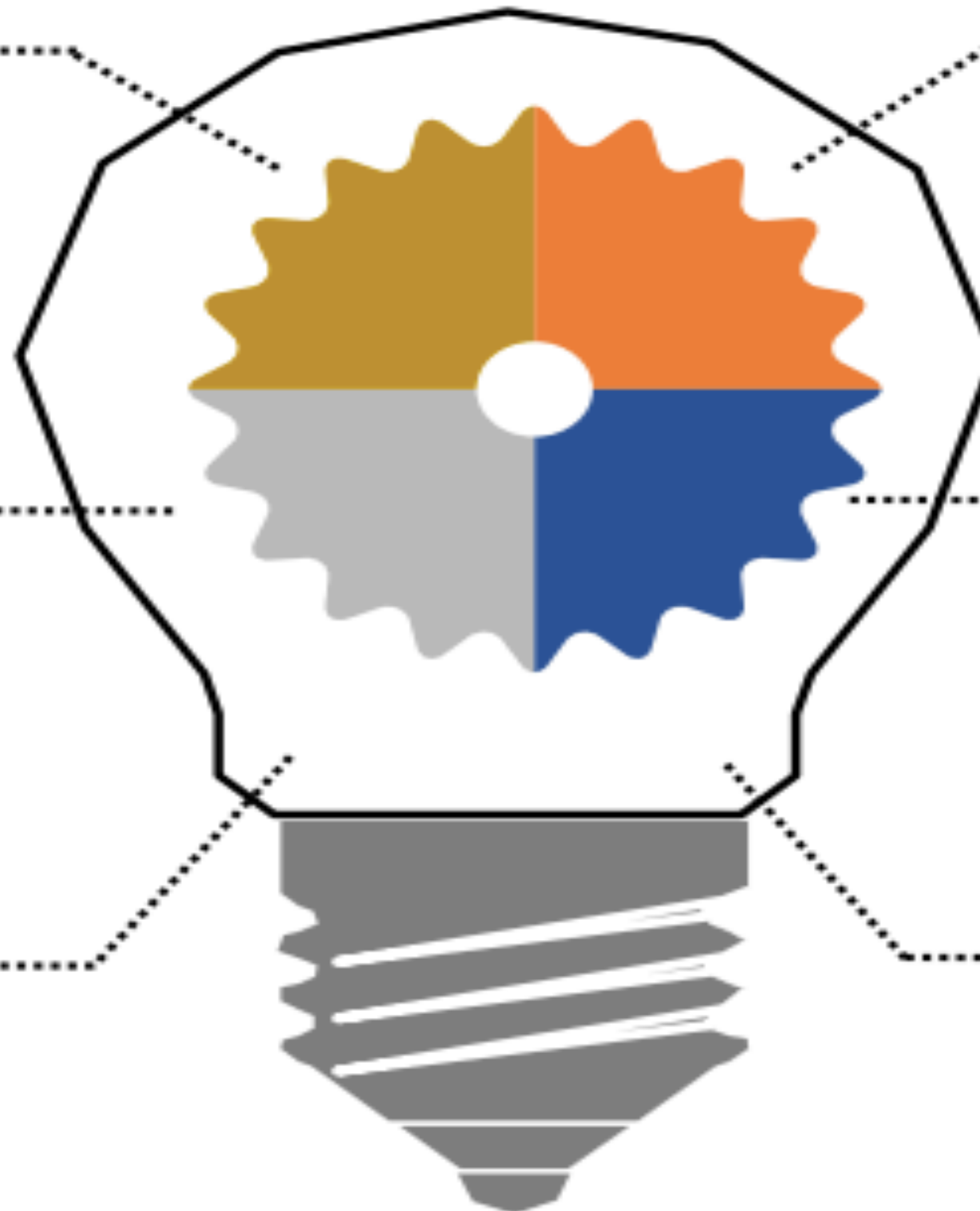
- Endpoint Detection and Response
- Advance Threat Protection
- Network & Web Application Firewall
- SSL, Security Protocols & Policies
- High Availability Disaster Recovery
- Secure code Repository

## CONFIGURATION & INTEGRATION

- GPS & GIS Services
- Location & Route Geofencing
- API's
- IOT Devices – RFID, Temperature Sensors, Barcode, Scanner

## IT INFRASTRUCTURE & DATABASE

- Cloud Computing Services and Servers
- Data warehousing
- Communication Tools
- WhatsApp Business
- Version Control and Repository System



## VALUE BASED RELATIONSHIP

- Customer Relationship Management
- Supplier Relationship Management
- Order Management System

## DECISION SUPPORT SYSTEMS

- Logistic Control Tower
- Business Intelligence Tool
- Route Planning & Optimization
- Security Operation Center

## CORE BUSINESS OPERATIONS

- Enterprise Resource Planning
- Fleet & Tyre Management System
- Workforce Management System
- Procurement Management System
- GST, E-way, E-Invoice



# TCI Freight Division: Core competencies and capabilities

- One of India's premier organized freight services provider with pan India presence & to SAARC
- 700 IT Enabled Owned offices, 25 Strategic Hubs
- Truck under Operation : 4500+ :Owned : 120
- On demand use of Foldable Large Containers (FLCs) to safeguard goods.
- Single window Key Account Management (KAM) solutions for managing information flow and tracking.



## Services

- Provides full truck load (FTL), less than truck load (LTL)
- Customized Solutions
- ODC and Project Heavy Haul



## IT Capabilities

- Mobile App controlled loading, unloading and dispatch of goods.
- Centralized vehicle tracking through geofenced system and customer service by quick response team.





# TCI Supply Chain Division: **Core competencies and capabilities**

WH/ DC	E-fulfillment centers	Yards	Cross-docking	Multimodal	3PL, 4PL	IBL, OBL	Control Tower
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- ✓ Integrated Logistics & Supply Chain Solutions – from **conceptualization to execution**
- ✓ Vehicles under Operation : 4000 + Owned : 1000
- ✓ Yards managed: 55
- ✓ IBL Pickup per day: 5000+
- ✓ 100+ trains operated per month
- ✓ Managing diverse logistics operations for the mobility sector (passenger, industrial, Agri)

## Strong Distribution Network Optimization capabilities



**Healthcare**

**Chemical**

**Hi-tech**

**Retail &CP**

**Auto**



# TCI Seaways Division: **Core competencies and capabilities**



## Reach & Services

- One of the leading multimodal coastal players having presence along the **Western, Eastern & Southern ports of India**
- Expertise in coastal shipping services, container & bulk cargo movements, and transportation services
- First-mile and last-mile connectivity via rail & road
- Multi-modal solutions with reduced carbon footprint (Green logistics)



Owens **8000+** marine containers (multipurpose)

**06 domestic coastal ships** with a total capacity of **77,957 DWT**

Serves **7** of India out 13 pots





## TCI's Joint Ventures

**TCI CONCOR**  
Multimodal Logistics Solutions

**TCI COLD CHAIN SOLUTIONS**



9M FY23 (FY22)



Revenue

2251 (3010)

456 (587)

4906 (4670)



Y-o-Y Growth

3.0% (-7.1%)

5.8% (62.5%)

42.5% (29.9%)



PAT

37.6 (56.1)

23.0 (27.60)

643 (540)



Capital Employed

446 (419)

387 (336)

2931 (2924)



Strategic Partner's Share

49%

20%

51%



**Key Operational Highlights**

Operates on asset-light model  
Building upon its capabilities of integrated multimodal logistics solutions  
Chemicals, Food  
Grains, Metals etc

Cold chain services to cater temperature control Warehousing, Primary & secondary distribution requirements.

Focused on automotive logistics of Japanese clients

Everything **Logistics** |



# Future Outlook

- Demand momentum to continue in the coming quarter though at a slower pace than expected
- Headwinds of the global recession, distressed rural demand, and the impact on domestic manufacturing, commodity prices, and export sector due to the sudden reopening of China.
- Revenue and Profit growth of 10%-15%
- Estimated capex 110-125 Cr; Ship prices remained exorbitant

	Figures In Mn.		
	Actual (FY07 to FY22)	FY 23 Budget	FY 23 9M Actual
Hub Centers & Small warehouses	5198	700	224
Ships	3210	900	0
Containers	1251	600	76
Trucks & Rakes	4716	650	360
Others (W/H Equip, Wind Energy, IT etc.	1329	301	157
Total	15704	3151	817



# Yearly Results

YEARLY RESULTS OF TRANSPORT CORPORATION OF INDIA (in Rs. Cr.)	MAR '22	MAR '21	MAR '20	MAR '19	MAR '18
Net Sales/Income from operations	3,256.68	2,802.39	2,717.84	2,753.65	2,346.13
Total Income From Operations	3,256.68	2,802.39	2,717.84	2,753.65	2,346.13
EXPENDITURE					
Employees Cost	169.98	145.49	157.22	140.17	124.48
Depreciation	113.02	92.81	82.49	77.44	68.65
Other Expenses	2,677.96	2,395.68	2,320.09	2,363.96	2,008.91
P/L Before Other Inc., Int., Excpt. Items & Tax	295.72	168.41	158.04	172.08	144.09
Other Income	19.91	25.47	20.12	19.51	18.18
P/L Before Int., Excpt. Items & Tax	315.63	193.88	178.16	191.59	162.27
Interest	12.83	26.70	34.32	37.38	32.21
P/L Before Exceptional Items & Tax	302.80	167.18	143.84	154.21	130.06
Exceptional Items	--	-13.06	-9.88	-0.67	22.42
P/L Before Tax	302.80	154.12	133.96	153.54	152.48
Tax	37.65	23.83	15.92	33.34	28.66
P/L After Tax from Ordinary Activities	265.15	130.29	118.04	120.20	123.82
Net Profit/(Loss) For the Period	265.15	130.29	118.04	120.20	123.82
Minority Interest	-3.21	-3.29	-0.83	-0.89	-0.64
Share Of P/L Of Associates	27.67	20.13	25.15	25.09	--
Net P/L After M.I & Associates	289.61	147.13	142.36	144.40	123.17
Equity Share Capital	15.47	15.42	15.37	15.33	15.32
Reserves Excluding Revaluation Reserves	1,406.96	1,147.70	999.46	869.74	746.46
EPS BEFORE EXTRA ORDINARY					
Basic EPS	37.50	19.12	18.54	18.84	16.08
Diluted EPS	37.34	19.07	18.54	18.80	16.07
EPS AFTER EXTRA ORDINARY					
Basic EPS.	37.50	19.12	18.54	18.84	16.08
Diluted EPS.	37.34	19.07	18.54	18.80	16.07

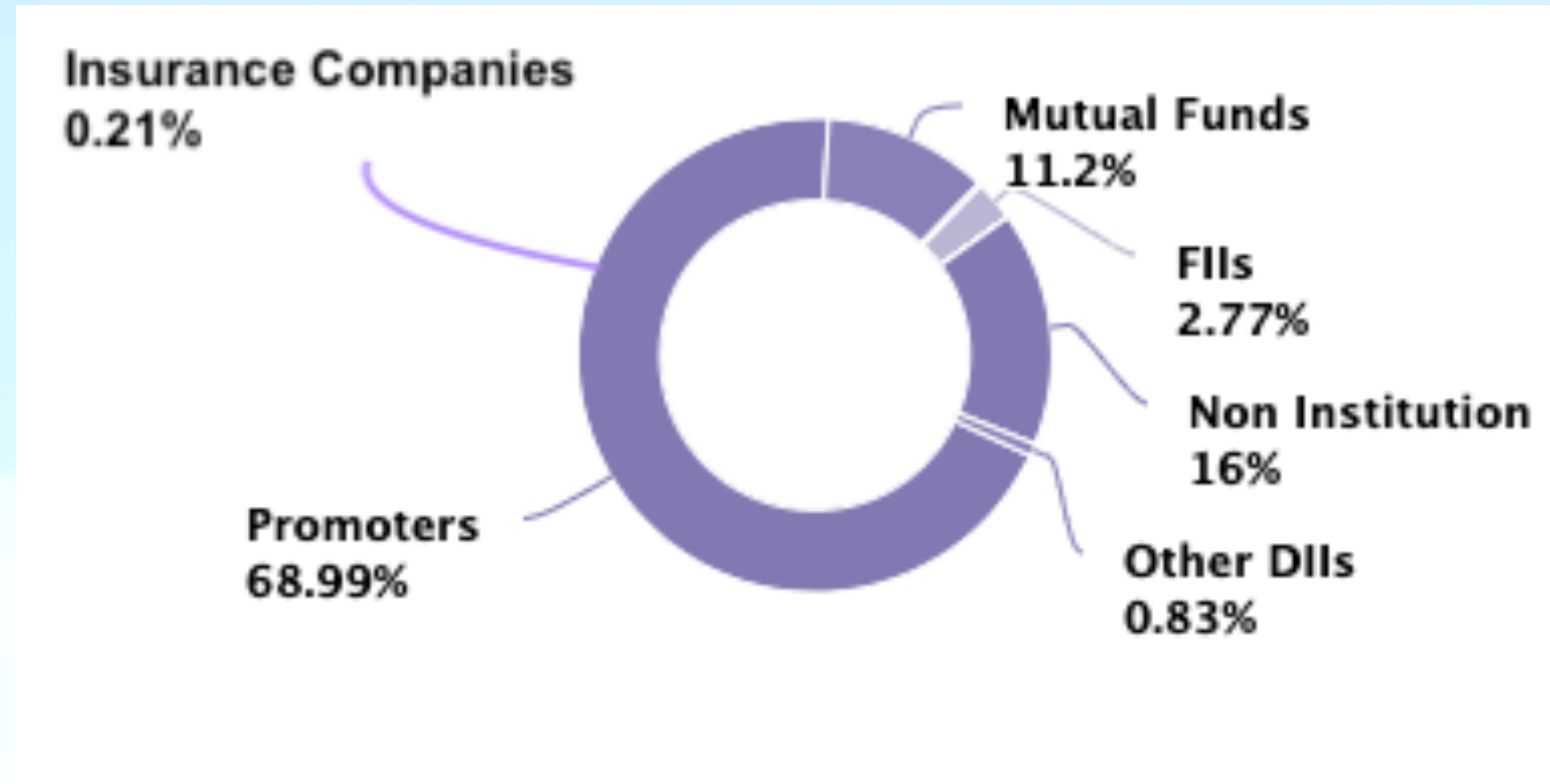


Key Financial Ratios

KEY FINANCIAL RATIOS OF TRANSPORT CORPORATION OF INDIA (in Rs. Cr.)	MAR 22	MAR 21	MAR 20	MAR 19	MAR 18
PER SHARE RATIOS					
Basic EPS (Rs.)	37.50	19.12	18.54	18.84	16.08
Diluted EPS (Rs.)	37.34	19.07	18.54	18.80	16.07
Cash EPS (Rs.)	48.91	28.94	26.10	25.78	22.21
Book Value [ExclRevalReserve]/Share (Rs.)	188.51	152.83	134.01	117.03	100.09
Book Value [InclRevalReserve]/Share (Rs.)	188.51	152.83	134.01	117.03	100.09
Revenue from Operations/Share (Rs.)	421.16	363.48	353.76	359.19	306.37
PBDIT/Share (Rs.)	55.43	37.18	33.93	35.09	30.15
PBIT/Share (Rs.)	40.82	25.15	23.19	24.99	21.19
PBT/Share (Rs.)	39.16	19.99	17.44	20.03	16.98
Net Profit/Share (Rs.)	34.29	16.90	15.36	15.68	13.24
NP After MI And SOA / Share (Rs.)	37.45	19.08	18.53	18.84	16.08
PROFITABILITY RATIOS					
PBDIT Margin (%)	13.16	10.23	9.59	9.77	9.84
PBIT Margin (%)	9.69	6.91	6.55	6.95	6.91
PBT Margin (%)	9.29	5.49	4.92	5.57	5.54
Net Profit Margin (%)	8.14	4.64	4.34	4.36	4.32
NP After MI And SOA Margin (%)	8.89	5.25	5.23	5.24	5.25
Return on Networth/Equity (%)	20.24	12.57	13.90	16.18	16.16
Return on Capital Employed (%)	20.48	14.59	14.68	17.03	12.77
Return on Assets (%)	15.85	8.46	8.45	8.93	8.81
Total Debt/Equity (X)	0.04	0.20	0.36	0.46	0.52
Asset Turnover Ratio (%)	1.72	161.16	161.45	170.40	167.85
LIQUIDITY RATIOS					
Current Ratio (X)	2.85	1.77	1.50	1.41	1.30
Quick Ratio (X)	2.82	1.75	1.49	1.40	1.29
Inventory Turnover Ratio (X)	0.00	393.75	412.95	517.68	708.55
Dividend Payout Ratio (NP) (%)	14.14	6.27	10.79	9.55	9.94
Dividend Payout Ratio (CP) (%)	10.17	3.85	6.83	6.22	6.38
Earnings Retention Ratio (%)	85.86	93.73	89.21	90.45	90.06
Cash Earnings Retention Ratio (%)	89.83	96.15	93.17	93.78	93.62
COVERAGE RATIOS					
Interest Coverage Ratios (%)	33.42	7.26	5.19	5.13	5.04
Interest Coverage Ratios (Post Tax) (%)	33.42	7.26	5.19	5.13	5.04
VALUATION RATIOS					
Enterprise Value (Cr.)	4,651.77	2,178.70	1,793.82	2,879.31	2,424.61
EV/Net Operating Revenue (X)	1.43	0.78	0.66	1.05	1.03
EV/EBITDA (X)	10.85	7.60	6.88	10.70	10.50
MarketCap/Net Operating Revenue (X)	1.42	0.70	0.53	0.90	0.87
Retention Ratios (%)	85.85	93.72	89.20	90.44	90.05
Price/BV (X)	3.24	1.69	1.41	2.78	2.68
Price/Net Operating Revenue	1.42	0.70	0.53	0.90	0.87
Earnings Yield	0.06	0.07	0.10	0.06	0.06



## Shareholding Pattern an on Mar'23





# Summary

- ❖ On quarterly basis, the Company delivered fair performance in Q3 of FY'23, with Net Sales up by 15.40% i.e. Rs.966.70 crs in Dec'22 as compared to Rs.837.68 crs in Dec'21. However, the Net Profits increased by 4.69% i.e. Rs.85.78 crs in Dec'22 versus Rs.81.93 crs in Dec'21.
- ❖ Considering sound financials and its consistent performance, the Company is available at a good price of Rs.612.20 with its 52 week low at Rs.555.25 and 52 week high at Rs.844.95.
- ❖ In view of the Promoters holding majority stake around 68.99% as well as its healthy valuations, it is fair to assume that the Management is committed to growth of the Company.
- ❖ In Public Shareholding as on Mar'23, the FIIs and the Other DIIs collectively stood with 3.60% stake. Whereas, the Mutual Fund Houses own 11.20% holdings in the Company.
- ❖ Transport Corporation of India Ltd. is held by HDFC MF, TATA MF, LIC MF, BANDHAN MF, SUNDARAM MF and a few more.
- ❖ On consolidated basis, the Company registered Return on Equity (ROE) and Return on Capital Employed (ROCE) around 20.24% & 20.48% respectively as on Mar'22.
- ❖ For the year ending Mar'22, Transport Corporation of India Ltd. has declared an equity dividend of 300.00% i.e. Rs.6.00 per equity share. The Company has a good dividend track report and has consistently declared dividends for the last 5 years.



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