# Transport Corporation of India

## Powering India's logistics with seamless and smart supply chain solutions






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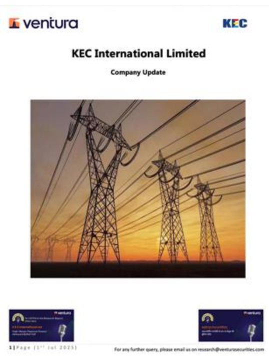
## Our recent initiating coverage reports

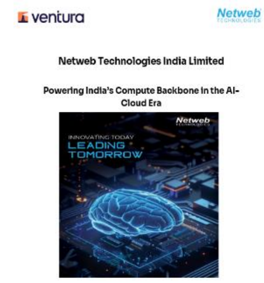



KEC International

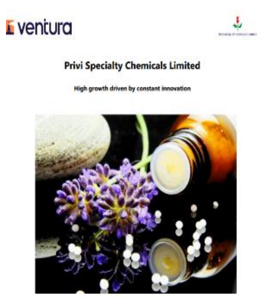

Raymond Realty


Prudent Corporate


Pearl Global




Netweb Tech

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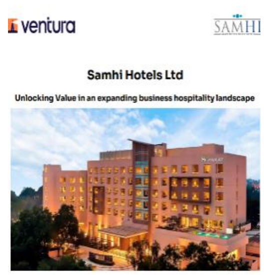



Samhi Hotels


ICICI Pru Life


Tata Elxsi


SBI Life


Suraksha


Thomas Cook

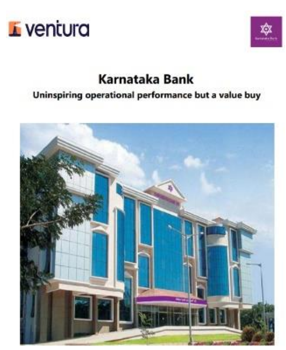

Patel Engineering


SPML Infra


ABSL AMC


360 One WAM


Union Bank




Karnataka Bank


UTI AMC


Mahanagar Gas



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ventura

# Transport Corporation of India Ltd

TCI LEADERS IN LOGISTICS

**BUY @ CMP INR 1138** | **Target: 1448 INR in 36 months** | **Upside Potential: 27%**

## Powering India's logistics with seamless and smart supply chain solutions

**Business Model: Transport Corporation of India Ltd. (TCI) operates in the logistics space. It has 3 sub-divisions, a) freight division handling domestic and international truckload shipments, b) the supply chain solutions segment offering tailored warehousing and distribution (primarily domestic), and c) TCI Seaways providing coastal and international shipping. In addition it has 3 joint ventures/subsidiaries namely TCI CONCOR, TCI Cold Chain, Transystem and a few international ventures.**

**The Indian logistics sector is set for healthy 8-10% CAGR growth over the period FY25-28, driven by government initiatives such as National Logistics Policy, GatiShakti, Sagarmala etc and investment in infrastructure. In addition, increasing demand for multimodal transport solutions and e-commerce logistics are also strong trends contributing to the growth of the sector. TCI being one of the leading players is expected to be one of the biggest beneficiaries of these tailwinds.**

**We expect TCI's revenue to grow at a CAGR of 13% to INR 6424.5 crore by FY28E driven by**

- **high margin LTL freight vertical, expected to grow at 8-10% to ₹2,939 cr**
- **the Supply Chain business, expected to grow at a 12-15% CAGR to ₹2,699 cr on the back of warehousing demand and new business wins**
- **Seaways targeting flattish growth at ₹600 cr,**
- **JVs growing at 15-20% on average, bolstered by rail logistics and new partnerships.**

**EBITDA/Net profit are expected to grow at CAGR of 14%/9%, to ₹683/₹539.3 crore with EBITDA margin expanding by 30 bps to 10.6%.**

**We expect TCI to undertake a capex of ~ ₹950 crores over the forecast period with 70% being funded through internal accruals. Net Debt to EBITDA/ Net Debt to Equity is expected to improve to -0.64X/-0.13X by FY28. ROE (18-20%) and ROIC (16-20%) are expected to maintain a steady trend with room to grow as capex generates returns.**

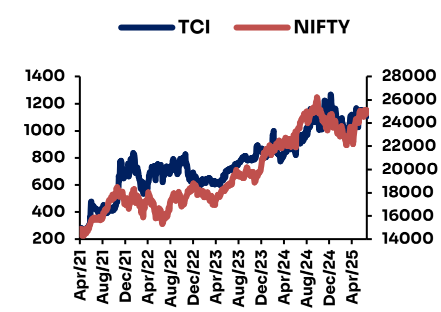
**Valuation call: We initiate coverage with a buy for a price target of INR 1448 (20.6X FY28E forward P/E) representing an upside of 27% from the current CMP of INR 1142 over the next 36 months.**
**Key Risk: Economic slowdowns (Red Sea disruption), competitive margin pressure, delayed infrastructure projects, rising costs, and potential capex execution issues.**

| Industry | Logistics |
|---|---|

| Scrip Details | |
|---|---|
| Face Value (INR) | 2 |
| Market Cap (INR Cr) | 8862 |
| Price (INR) | 1138 |
| No of Sh. O/S (Cr) | 7.7 |
| 1M Avg Vol (000) | 22.86 |
| 52W H/L (INR) | 1309/842 |
| Dividend Yield (%) | 0.86 |

| Shareholding (%) | Mar 2025 |
|---|---|
| Promoters | 69 |
| Mutual Funds | 11 |
| Indian Public | 10 |
| Foreign Holdings | 4 |
| Other | 6 |
| **TOTAL** | **100.0** |

**Price chart**





### Key consolidated financial data (INR cr, unless specified)

| | Net Revenue | EBITDA | Net Profit | EBITDA (%) | Net (%) | EPS (INR) | BVPS (INR) | RoE (%) | RoIC (%) | P/E (X) | EV/EBITDA (X) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| FY24 | 4024.3 | 410.5 | 354.5 | 10.2 | 8.8 | 46.3 | 265.9 | 17.7 | 16.3 | 24.6 | 20.6 |
| FY25 | 4491.8 | 461.1 | 416.9 | 10.3 | 9.3 | 54.4 | 286.0 | 19.3 | 16.7 | 20.9 | 18.7 |
| FY26E | 5079.1 | 529.0 | 442.6 | 10.4 | 8.7 | 57.8 | 333.4 | 17.6 | 16.2 | 19.7 | 16.1 |
| FY27E | 5712.3 | 601.0 | 485.9 | 10.5 | 8.5 | 63.4 | 385.4 | 16.7 | 16.1 | 17.9 | 14.0 |
| FY28E | 6424.5 | 682.8 | 539.3 | 10.6 | 8.4 | 70.4 | 443.2 | 16.1 | 16.3 | 16.2 | 12.1 |

*Source: Ventura Research & Company filings*



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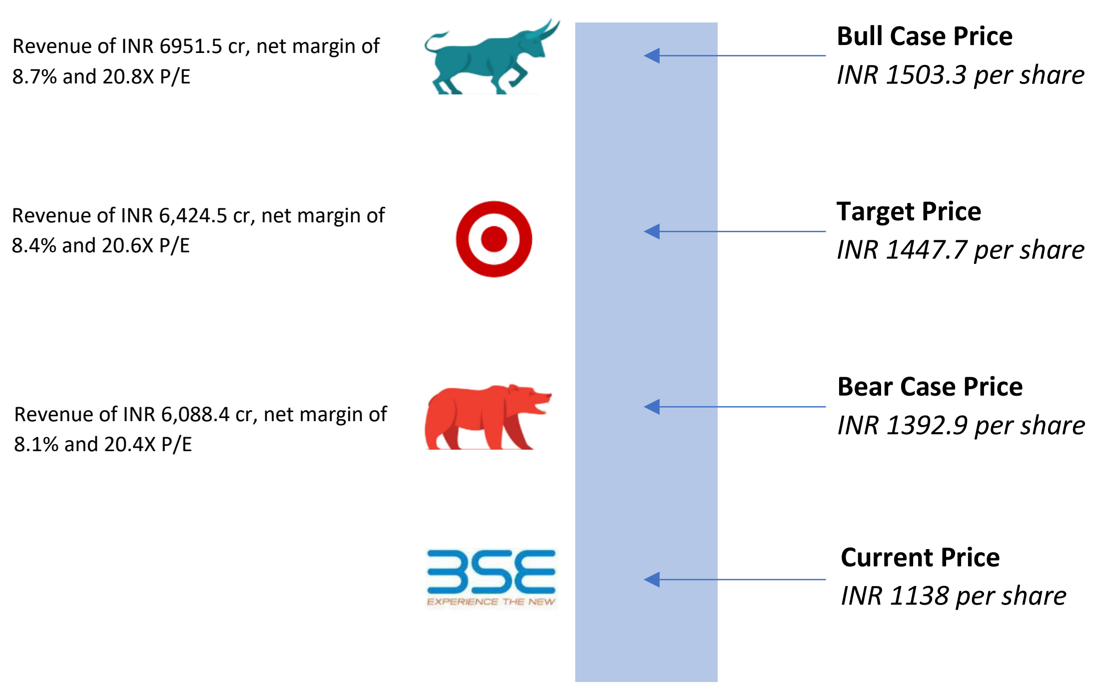
## Our Bull and Bear Case Scenarios

We have prepared likely Bull and Bear case scenarios for FY28 price, based on revenue growth, net margins and P/E multiples.

- **Bull Case:** We have an assumed revenue of INR 6951.5 cr (16% 3-year CAGR) and a net margin of 8.7% at a P/E of 20.8X, which will result in a Bull Case price target of INR 1503.3 per share (an upside of 32% from CMP).
- **Bear Case:** We have an assumed revenue of INR 6088.4 cr (11% 3-year CAGR) and a net margin of 8.1% at a P/E of 20.4X, which will result in a Bear Case price target of INR 1392.9 per share (an upside of 2% from CMP).

**Bull & Bear Case Scenario**




*Source: BSE & Ventura Research*



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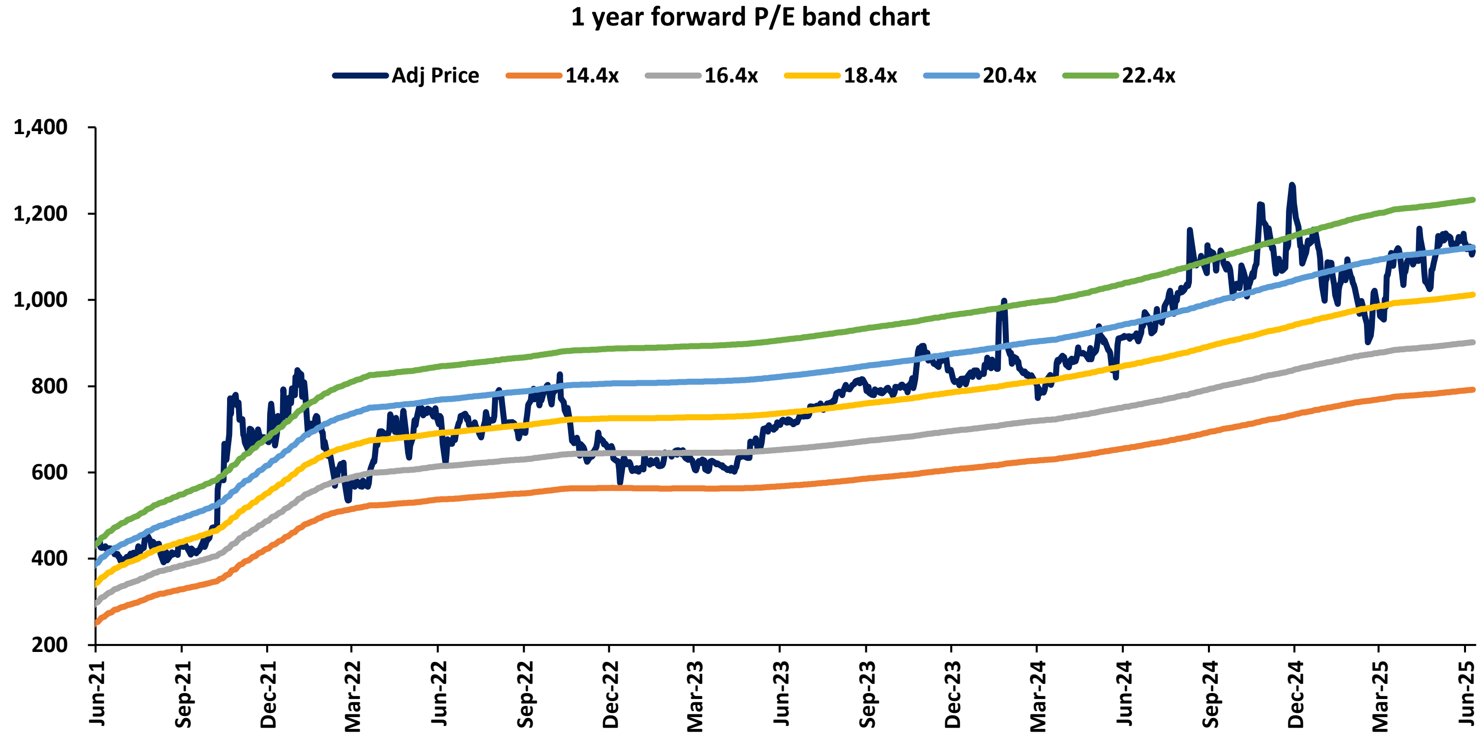
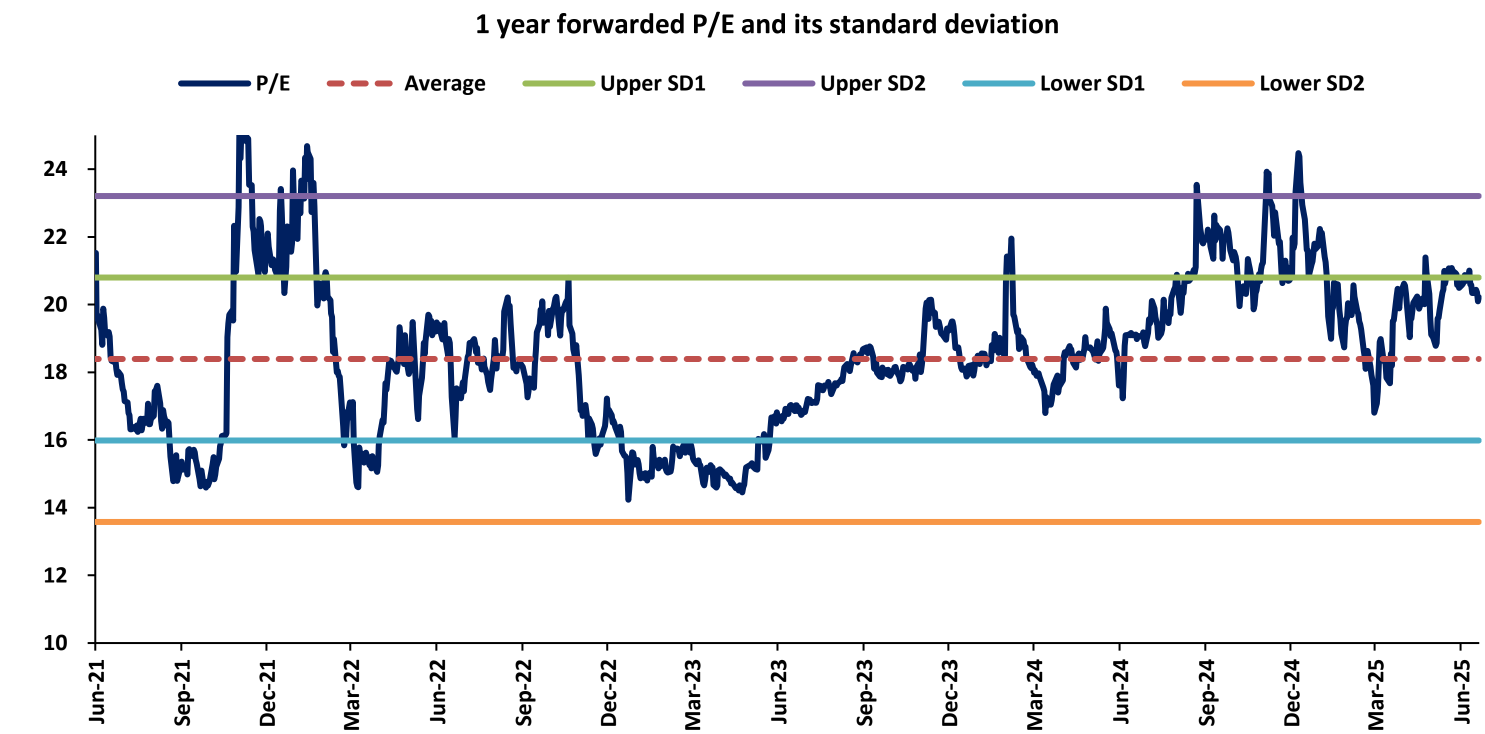
## Story in Charts



## Consensus vs Ventura Estimates

### Consensus vs Ventura Estimates

| Consensus vs Ventura Estimates | FY25 | FY26E | FY27E | FY28E | FY25-28E CAGR |
|---|---|---|---|---|---|
| **Revenue (INR cr)** | | | | | |
| Consensus | 4,491.8 | 5,047.5 | 5,686.0 | 6,330.9 | *12%* |
| *YoY Growth (%)* | | *12.4%* | *12.6%* | *11.3%* | |
| Ventura Estimates | 4,491.8 | 5,079.1 | 5,712.3 | 6,424.5 | *13%* |
| *YoY Growth (%)* | | *13.1%* | *12.5%* | *12.5%* | |
| **EBITDA (INR cr) & EBITDA margin (%)** | | | | | |
| Consensus | 461.1 | 517.3 | 590.8 | 640.0 | *12%* |
| *Consensus Margin (%)* | *10.3%* | *10.2%* | *10.4%* | *10.1%* | |
| Ventura Estimates | 461.1 | 529.0 | 601.0 | 682.8 | *14%* |
| *Ventura Margin (%)* | *10.3%* | *10.4%* | *10.5%* | *10.6%* | |
| **Net Profit (INR cr) & Net margin (%)** | | | | | |
| Consensus | 416.1 | 454.7 | 522.5 | 586.4 | *12%* |
| *Consensus Margin (%)* | *9.3%* | *9.0%* | *9.2%* | *9.3%* | |
| Ventura Estimates | 416.1 | 442.6 | 485.9 | 539.3 | *9%* |
| *Ventura Margin (%)* | *9.3%* | *8.7%* | *8.5%* | *8.4%* | |
| **EPS (INR)** | | | | | |
| Consensus | 53.4 | 58.1 | 66.6 | 73.5 | |
| Ventura Estimates | 53.4 | 57.8 | 63.4 | 70.4 | |
| **Valuation** | | | | | |
| P/E Ratio (X) | | | | | |
| Consensus | | | | | |
| Ventura Estimates | 20.9 | 19.7 | 17.9 | 16.2 | |

## Valuation and comparable metrics of domestic and global companies

| | Mkt Cap | Price | EV/EBITDA to EBITDA CAGR (X) | P/E (X) | | | EV/Sales (X) | | | EV/EBIDTA (X) | | | RoE (%) | | | RoIC (%) | | | Sales | | | EBITDA Margin (%) | | | Net Margin (%) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 2026 | 2027 | 2028 | 2026 | 2027 | 2028 | 2026 | 2027 | 2028 | 2026 | 2027 | 2028 | 2026 | 2027 | 2028 | 2026 | 2027 | 2028 | 2026 | 2027 | 2028 | 2026 | 2027 | 2028 |
| Domestic Peers (fig in INR cr, unless specified) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TCIL | 8,720.9 | 1,138.5 | 0.9 | 19.7 | 17.9 | 16.2 | 1.7 | 1.5 | 1.3 | 16.1 | 14.0 | 12.1 | 17.6 | 16.7 | 16.1 | 16.2 | 16.1 | 16.3 | 5,079.1 | 5,712.3 | 6,424.5 | 10.4 | 10.5 | 10.6 | 8.7 | 8.5 | 8.4 |
| Delhivery | 26,680.4 | 357.6 | 0.2 | 53.0 | 49.1 | 35.8 | 2.4 | 2.1 | 1.8 | 35.3 | 24.0 | 16.4 | 3.5 | 5.4 | 6.9 | 1.0 | 4.7 | 8.3 | 10,261.7 | 11,832.5 | 13,631.7 | 6.8 | 8.6 | 10.7 | 3.3 | 4.6 | 5.5 |
| Mahindra Logistics | 2,482.8 | 344.2 | 0.2 | 46.7 | 25.3 | 21.3 | 0.4 | 0.3 | 0.3 | 7.8 | 5.8 | 5.5 | 9.5 | 17.6 | 18.7 | 15.1 | 27.6 | 22.5 | 7,033.1 | 8,014.2 | 8,446.9 | 5.3 | 5.7 | 6.1 | 0.6 | 1.2 | 1.4 |
| VRL Logistics | 4,953.3 | 566.3 | 0.4 | 49.2 | 20.7 | 18.5 | 1.6 | 1.4 | 1.3 | 8.5 | 7.7 | 7.0 | 17.9 | 17.8 | 18.1 | 22.5 | 24.4 | 25.9 | 3,386.5 | 3,713.2 | 4,058.1 | 18.8 | 18.3 | 18.0 | 6.3 | 6.4 | 6.6 |
| Gateway Distriparks | 3,277.2 | 65.6 | 0.7 | 35.7 | 11.0 | 8.9 | 1.8 | 1.6 | 1.5 | 7.8 | 6.9 | 6.3 | 11.1 | 11.7 | 14.0 | 12.1 | 13.1 | 14.2 | 2,030.8 | 2,233.5 | 2,518.0 | 22.7 | 22.6 | 22.8 | 13.0 | 13.4 | 14.7 |
| CONCOR | 47,074.1 | 772.6 | 1.6 | 45.4 | 27.1 | 22.1 | 4.3 | 3.8 | 3.3 | 19.4 | 16.1 | 8.9 | 11.4 | 12.4 | 14.2 | 20.0 | 23.2 | 30.4 | 9,886.5 | 11,168.4 | 12,797.0 | 22.2 | 23.3 | 36.6 | 15.1 | 15.5 | 16.7 |
| Global Peers (fig in USD mn, unless specified) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nippon Express | 5,024.1 | 19.2 | 0.6 | 32.7 | 12.8 | 11.8 | 0.5 | 0.5 | 0.5 | 5.1 | 4.8 | 4.7 | 5.6 | 6.1 | 6.3 | 5.1 | 5.8 | 5.9 | 18,498.3 | 18,991.5 | 19,486.2 | 9.6 | 9.8 | 10.0 | 1.9 | 2.1 | 2.2 |
| CH Robinson | 11,229.5 | 94.6 | 1.2 | 26.5 | 17.4 | 16.8 | 0.7 | 0.7 | 0.7 | 14.2 | 12.7 | 12.4 | 32.6 | 35.9 | 38.1 | 27.2 | 30.4 | 31.0 | 16,678.2 | 17,474.0 | 18,283.8 | 5.2 | 5.6 | 5.5 | 3.4 | 3.7 | 3.7 |
| XPO Logistics | 14,206.3 | 120.6 | 0.7 | 26.7 | 25.8 | 22.5 | 2.1 | 2.0 | 1.9 | 13.5 | 11.8 | 10.5 | 23.0 | 23.8 | 22.4 | 16.1 | 18.3 | 20.3 | 8,057.8 | 8,428.9 | 8,718.7 | 15.7 | 16.9 | 17.9 | 5.4 | 6.5 | 7.2 |
| TFI International | 7,573.3 | 90.7 | 1.6 | 14.8 | 14.4 | 11.4 | 1.2 | 1.1 | 1.1 | 8.3 | 7.1 | 6.3 | 14.7 | 18.2 | 18.2 | 12.0 | 14.9 | 15.1 | 8,200.4 | 8,574.2 | 9,058.0 | 14.8 | 16.0 | 17.3 | 4.9 | 6.1 | 7.3 |
| Schneider National | 4,243.3 | 24.2 | 1.4 | 8.0 | 17.6 | 11.7 | 0.8 | 0.7 | 0.7 | 6.7 | 5.5 | 4.4 | 4.9 | 7.6 | 9.6 | 6.8 | 10.1 | 12.8 | 5,746.9 | 6,119.6 | 6,397.2 | 11.7 | 13.1 | 15.1 | 2.6 | 3.9 | 5.7 |

*Source: Bloomberg, Company Reports & Ventura Research*





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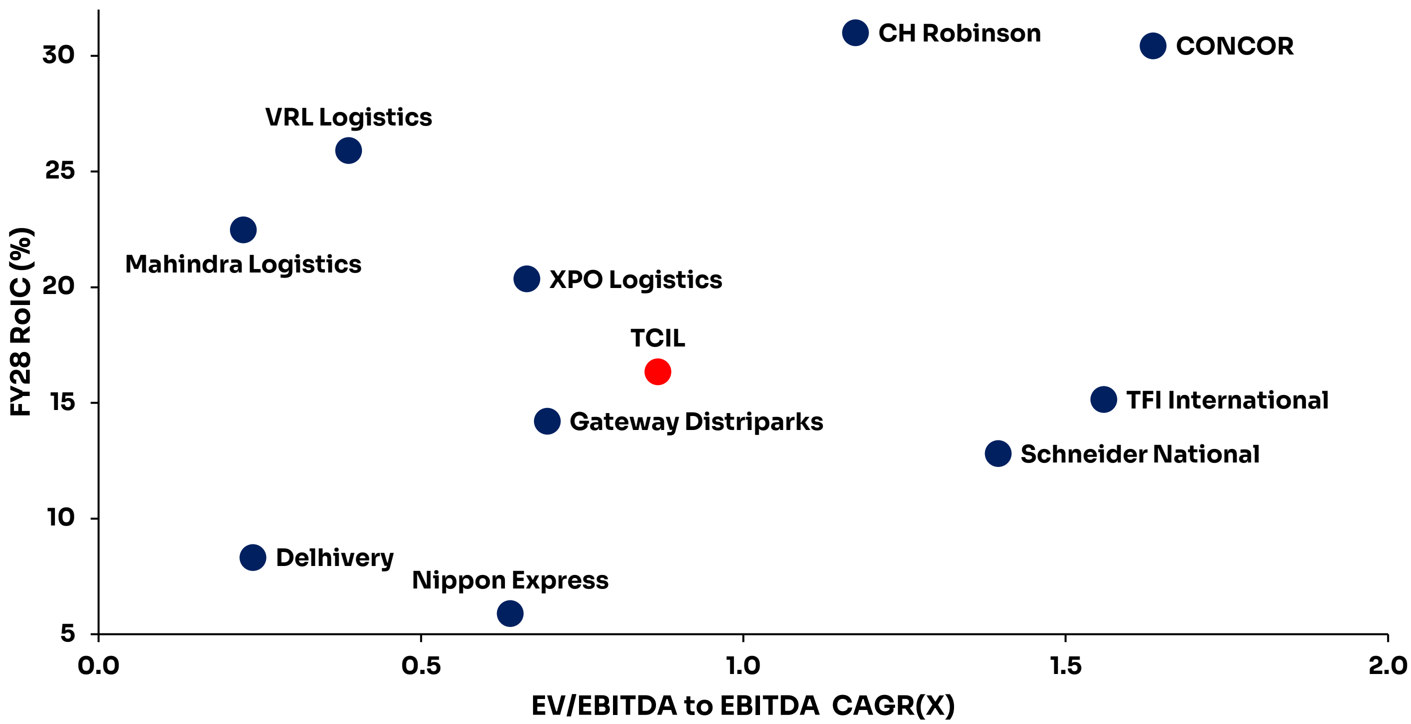
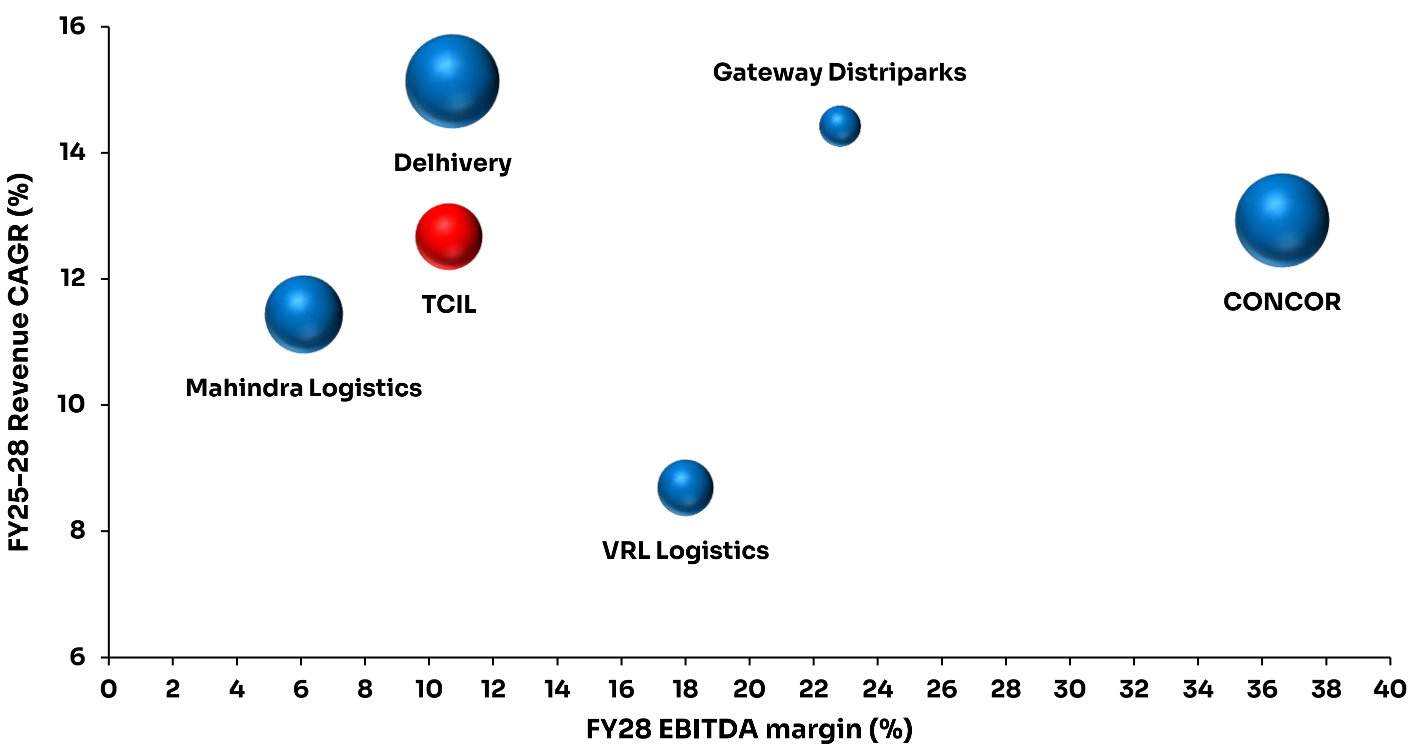
## Peer Comparison




*Source: Ventura Research, ACE Equity & Bloomberg*
*Bubble size indicates the size of the company's revenue*



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## TCIL's Financial Summary

| Fig in INR Cr (unless specified) | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E | FY29E | FY30E | FY31E | FY32E | FY33E | FY34E | FY35E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from operations | 3,782.6 | 4,024.3 | 4,491.8 | 5,079.1 | 5,712.3 | 6,424.5 | 7,225.6 | 8,126.5 | 9,092.7 | 10,119.2 | 11,199.1 | 12,323.4 | 13,481.6 |
| *YoY Growth (%)* | *16.1* | *6.4* | *11.6* | *13.1* | *12.5* | *12.5* | *12.5* | *12.5* | *11.9* | *11.3* | *10.7* | *10.0* | *9.4* |
| Raw Material Cost | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| *RM Cost to Sales (%)* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* |
| Employee Cost | 196.5 | 223.4 | 249.7 | 282.4 | 320.1 | 362.7 | 410.9 | 465.2 | 526.5 | 595.6 | 673.7 | 761.6 | 860.8 |
| *Employee Cost to Sales (%)* | *5.2* | *5.6* | *5.6* | *5.6* | *5.6* | *5.6* | *5.7* | *5.7* | *5.8* | *5.9* | *6.0* | *6.2* | *6.4* |
| Other Expenses | 3,162.0 | 3,390.3 | 3,781.0 | 4,267.8 | 4,791.3 | 5,379.0 | 6,038.8 | 6,779.6 | 7,572.0 | 8,411.7 | 9,292.5 | 10,207.0 | 11,146.0 |
| *Other Expenses to Sales (%)* | *83.6* | *84.2* | *84.2* | *84.0* | *83.9* | *83.7* | *83.6* | *83.4* | *83.3* | *83.1* | *83.0* | *82.8* | *82.7* |
| EBITDA | 424.0 | 410.5 | 461.1 | 529.0 | 601.0 | 682.8 | 775.9 | 881.7 | 994.2 | 1,111.9 | 1,232.9 | 1,354.9 | 1,474.8 |
| *EBITDA Margin (%)* | *11.2* | *10.2* | *10.3* | *10.4* | *10.5* | *10.6* | *10.7* | *10.9* | *10.9* | *11.0* | *11.0* | *11.0* | *10.9* |
| PAT | 276.2 | 278.6 | 327.3 | 350.0 | 390.3 | 440.7 | 500.5 | 571.0 | 645.2 | 721.8 | 799.0 | 874.8 | 946.9 |
| *PAT Margin (%)* | *7.3* | *6.9* | *7.3* | *6.9* | *6.8* | *6.9* | *6.9* | *7.0* | *7.1* | *7.1* | *7.1* | *7.1* | *7.0* |
| Net Profit | 317.3 | 354.5 | 416.9 | 442.6 | 485.9 | 539.3 | 602.1 | 675.6 | 752.8 | 832.4 | 912.6 | 991.4 | 1,066.5 |
| *Net Margin (%)* | *8.4* | *8.8* | *9.3* | *8.7* | *8.5* | *8.4* | *8.3* | *8.3* | *8.3* | *8.2* | *8.1* | *8.0* | *7.9* |
| Adjusted EPS | 41.4 | 46.3 | 54.4 | 57.8 | 63.4 | 70.4 | 78.6 | 88.2 | 98.3 | 108.7 | 119.1 | 129.4 | 139.2 |
| *P/E (X)* | *27.5* | *24.6* | *20.9* | *19.7* | *17.9* | *16.2* | *14.5* | *12.9* | *11.6* | *10.5* | *9.6* | *8.8* | *8.2* |
| Adjusted BVPS | 222.2 | 261.6 | 281.3 | 328.7 | 380.7 | 438.4 | 502.9 | 575.2 | 655.8 | 744.9 | 842.6 | 948.7 | 1,062.9 |
| *P/BV (X)* | *5.1* | *4.4* | *4.0* | *3.5* | *3.0* | *2.6* | *2.3* | *2.0* | *1.7* | *1.5* | *1.4* | *1.2* | *1.1* |
| Enterprise Value | 8,510.7 | 8,445.0 | 8,620.1 | 8,508.3 | 8,415.7 | 8,284.2 | 8,105.8 | 7,875.6 | 7,605.6 | 7,290.6 | 6,926.4 | 6,509.5 | 6,038.1 |
| *EV/EBITDA (X)* | *20.1* | *20.6* | *18.7* | *16.1* | *14.0* | *12.1* | *10.4* | *8.9* | *7.6* | *6.6* | *5.6* | *4.8* | *4.1* |
| Net Worth | 1,701.8 | 2,003.8 | 2,154.7 | 2,517.7 | 2,916.1 | 3,358.3 | 3,852.0 | 4,406.0 | 5,023.3 | 5,705.8 | 6,454.2 | 7,267.1 | 8,141.7 |
| *Return on Equity (%)* | *18.6* | *17.7* | *19.3* | *17.6* | *16.7* | *16.1* | *15.6* | *15.3* | *15.0* | *14.6* | *14.1* | *13.6* | *13.1* |
| Capital Employed | 1,764.3 | 2,154.2 | 2,309.9 | 2,769.5 | 3,225.3 | 3,726.0 | 4,279.1 | 4,893.7 | 5,577.4 | 6,332.0 | 7,158.1 | 8,054.3 | 9,017.5 |
| *Return on Capital Employed (%)* | *14.8* | *11.7* | *13.2* | *11.8* | *11.4* | *11.2* | *11.2* | *11.2* | *11.1* | *11.0* | *10.8* | *10.5* | *10.1* |
| Invested Capital | 1,491.5 | 1,728.0 | 2,053.9 | 2,305.0 | 2,610.9 | 2,921.5 | 3,236.9 | 3,560.7 | 3,908.0 | 4,275.6 | 4,659.6 | 5,055.7 | 5,458.8 |
| *Return on Invested Capital (%)* | *20.3* | *16.3* | *16.7* | *16.2* | *16.1* | *16.3* | *16.8* | *17.5* | *18.1* | *18.5* | *18.8* | *18.9* | *19.0* |
| Cash Flow from Operations | 361.2 | 299.3 | 359.2 | 504.2 | 573.3 | 641.6 | 721.2 | 809.4 | 911.5 | 1,020.5 | 1,135.3 | 1,254.2 | 1,375.3 |
| Cash Flow from Investing | (193.1) | (403.8) | (99.3) | (287.3) | (372.5) | (386.2) | (401.5) | (418.6) | (459.7) | (501.3) | (543.3) | (585.5) | (627.8) |
| Cash Flow from Financing | (66.0) | 17.6 | (292.0) | (8.4) | (65.1) | (80.8) | (98.5) | (118.0) | (134.1) | (151.3) | (169.5) | (188.2) | (207.0) |
| Net Cash Flow | 102.0 | (86.9) | (32.1) | 208.5 | 135.7 | 174.6 | 221.1 | 272.7 | 317.7 | 367.9 | 422.5 | 480.5 | 540.5 |
| Free Cash Flow | 216.7 | 69.2 | 27.9 | 15.4 | 268.2 | 332.3 | 406.3 | 487.6 | 557.1 | 633.4 | 715.2 | 801.3 | 889.7 |
| *FCF to Revenue (%)* | *5.7* | *1.7* | *0.6* | *0.3* | *4.7* | *5.2* | *5.6* | *6.0* | *6.1* | *6.3* | *6.4* | *6.5* | *6.6* |
| *FCF to EBITDA (%)* | *51.1* | *16.9* | *6.0* | *2.9* | *44.6* | *48.7* | *52.4* | *55.3* | *56.0* | *57.0* | *58.0* | *59.1* | *60.3* |
| *FCF to Net Profit (%)* | *68.3* | *19.5* | *6.7* | *3.5* | *55.2* | *61.6* | *67.5* | *72.2* | *74.0* | *76.1* | *78.4* | *80.8* | *83.4* |
| *FCF to Net Worth (%)* | *12.7* | *3.5* | *1.3* | *0.6* | *9.2* | *9.9* | *10.5* | *11.1* | *11.1* | *11.1* | *11.1* | *11.0* | *10.9* |
| Total Debt | 63 | 150 | 155 | 252 | 309 | 368 | 427 | 488 | 554 | 626 | 704 | 787 | 876 |
| Net Debt | (210) | (276) | (101) | (213) | (305) | (437) | (615) | (845) | (1,115) | (1,430) | (1,795) | (2,211) | (2,683) |
| *Net Debt to Equity (X)* | *(0.1)* | *(0.1)* | *(0.0)* | *(0.1)* | *(0.1)* | *(0.1)* | *(0.2)* | *(0.2)* | *(0.2)* | *(0.3)* | *(0.3)* | *(0.3)* | *(0.3)* |
| *Net Debt to EBITDA (X)* | *(0.5)* | *(0.7)* | *(0.2)* | *(0.4)* | *(0.5)* | *(0.6)* | *(0.8)* | *(1.0)* | *(1.1)* | *(1.3)* | *(1.5)* | *(1.6)* | *(1.8)* |
| *Interest Coverage Ratio (X)* | *30.8* | *21.3* | *17.0* | *14.7* | *12.0* | *11.3* | *11.0* | *10.9* | *10.9* | *10.7* | *10.6* | *10.3* | *10.0* |
| Fundamental scores | | | | | | | | | | | | | |
| Altman Z Score | 2.8 | 2.4 | 2.5 | 2.4 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.2 | 2.2 | 2.2 | 2.1 |
| Piotroski F-score | 6.0 | 4.0 | 4.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Beneish M-score | (2.3) | (2.3) | (2.2) | (2.3) | (2.3) | (2.3) | (2.3) | (2.3) | (2.3) | (2.3) | (2.4) | (2.4) | (2.4) |

*Source: ACE Equity, Company Reports & Ventura Research*

## SWOT Analysis

### Transport Corporation of India Ltd

#### Growth Drivers

- National Logistics Policy, budgetary support for ports, Dedicated Freight Corridors (DFC), roads, and Multimodal Logistics Parks (MMLP), along with the Unified Logistics Interface Platform (ULIP), are driving logistics efficiency.
- The Production Linked Incentive (PLI) scheme and increasing EXIM-oriented manufacturing further boost demand for logistics services.
- TCI serves high-growth sectors like automotive (3% penetration in India vs. 22% in China), chemicals, and e-commerce, positioning it to capitalize on rising demand in these areas.

#### Key Challenges

- Industry faces rising fuel costs, toll fees (up 7%), and a fragmented market (only 15% of the LTL segment is organized), increasing competition and operational costs.
- Despite government efforts, poor road and port infrastructure, coupled with complex tax systems and licensing requirements, hinder industry efficiency.
- TCI's green initiatives, such as 3,500 CNG vehicles and 154K TEUs via multimodal transport (saving 1.6 lakh tonnes of CO2 in FY25), involve high upfront costs for fleet upgrades and infrastructure.

#### New Trends

- Adoption of on-demand trucking, real-time pricing, and tech platforms like ULIP. AI, IoT, and blockchain are enhancing visibility and efficiency across supply chains.
- Quick commerce and cold chain logistics (up over one-third recently) are growing due to e-commerce expansion into tier 3/4/5 cities and rising pharmaceutical demand

#### Investment Themes

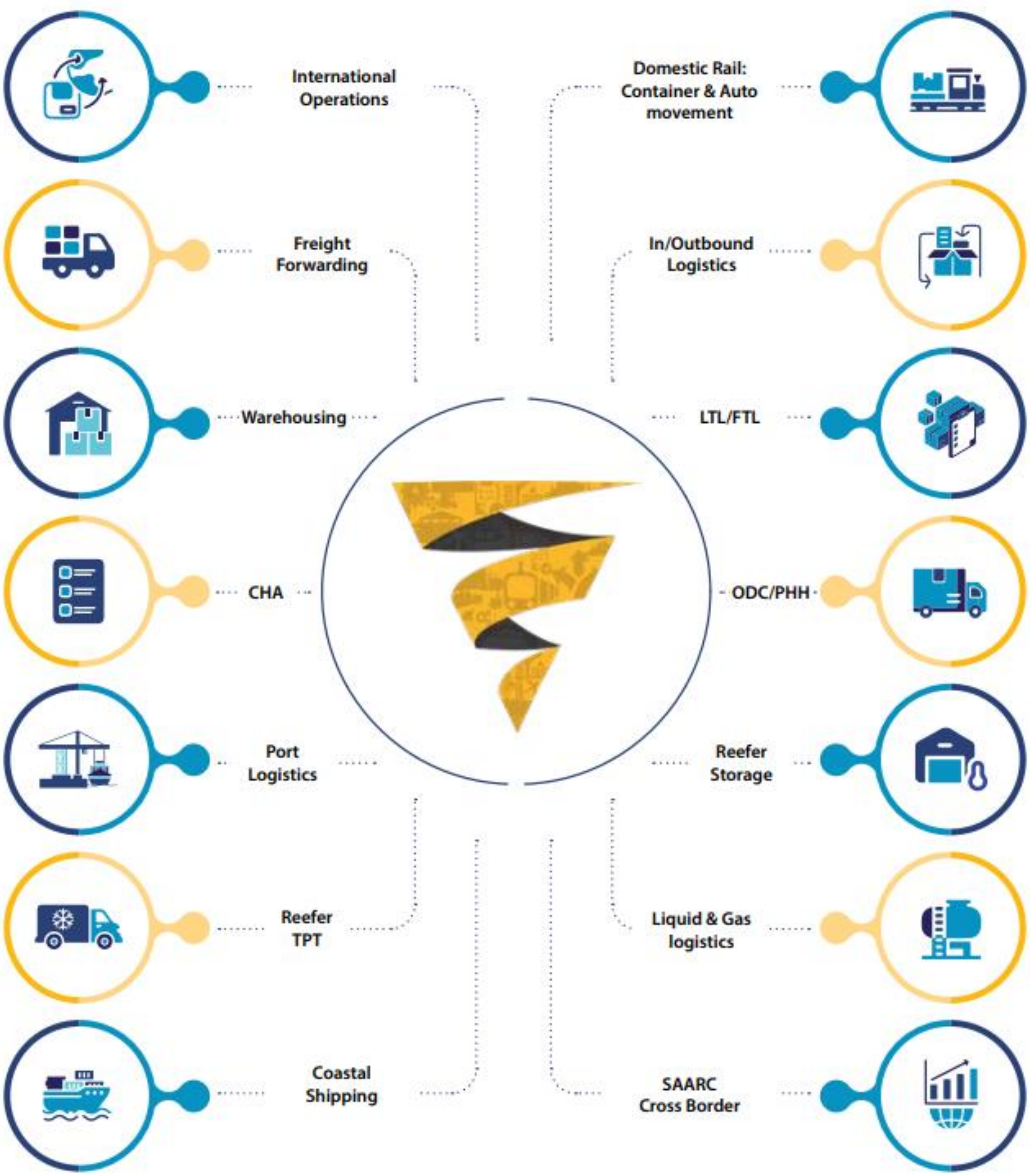
- Increasing FDI and PE/VC funding in logistics, coupled with a projected market growth to USD 330 billion by 2030, make the sector appealing for investors
- Integrated logistics providers like TCI benefit from economies of scale, multimodal capabilities, and tech adoption, offering better returns compared to fragmented players
- The logistics industry benefits from collaborations, such as joint ventures with global players or government entities (e.g., CONCOR), which provide access to technology, infrastructure, and new markets

*Source: Company Reports & Ventura Research*

## About TCI

Founded in 1958, Transport Corporation of India Limited is a leading integrated supply chain and logistics solutions provider in India, primarily engaged in freight forwarding, multimodal transportation, and logistics services. The company has established itself as a prominent player in the logistics industry, offering services such as express cargo delivery, warehousing, supply chain management, and coastal shipping through its Seaways division. It serves key sectors including automotive, retail, and pharmaceuticals with a robust network across India and beyond.

**TCI's Service Offerings**



## Verticals Served

| | | |
|---|---|---|
| Automobiles | E-Commerce | Retail and CP |
| Chemicals | Hi-tech (ICE) | Industrial & Engineering |
| Healthcare/ Lifesciences | Agri ++ | Energy & Renewables |
| Metals & Minerals | Avination and Defense | Electronics & Semiconductors |

## Segments



**Freight Division**

With a robust network of over 1,000 IT-enabled offices and a fleet supported by multimodal logistics, it delivers efficient, cost-effective solutions across India, handling diverse cargo types for industries like automotive, engineering, and retail.

**Supply Chain Division**

It provides end-to-end logistics and supply chain management, catering to high-growth sectors such as electronics, chemicals, and cold chain logistics. Digital integration with platforms like ULIP and ONDC, it offers customized solutions, including warehousing and 3PL services.

**Seaways Division**

It focuses on coastal and international shipping, enhancing the company's multimodal logistics capabilities. Operating with over 650 ISO containers and handling 1.46 lakh TEUs of cargo annually, it supports efficient freight movement across domestic and cross-border routes.

## Operational Strength

**25**
Strategically located hubs

**Control Towers**
Single Window Control & Visibility

**1250+ Mn**
Production Logistics Parts Handled

**3,000+**
Vehicles under Operation Owned:1200+

**750+**
IT Enabled Owned offices

**4,600+**
Truck under Operation (4,500+ Owned: 30)

**150+**
Trains Operated per Month

**67**
Yards Managed

**16+ Mn Sq. ft.**
Warehousing Space Managed

**8,500+**
Own Multipurpose Marine Containers

**7**
Out of 13 Major Ports Served

## Joint Ventures/Subsidiaries

- TCI CONCOR Multimodal Logistics Solutions
- TCI BANGLADESH LEADERS IN LOGISTICS
- Transystem
- TCI NEPAL LEADERS IN LOGISTICS
- TCI COLD CHAIN SOLUTIONS
- TCIL MIDDLE EAST LEADERS IN LOGISTICS

## Revenue Growth by FY28E: Fueled by Technology, Government Initiatives and Infrastructure

Revenues have shown a steady increase from INR 3276 crores in FY22 to 4492 crores by FY25. Key moves included

- expanding the hub-and-spoke network,
- capitalizing on government infrastructure investments, and
- entering the UAE market,

all of which bolstered operational efficiency and market presence.

TCI targets a 10-15% annual revenue growth estimating a revenue of 6425 crores by FY28E. We expect a CAGR of 9% from FY25 to FY28E driven by

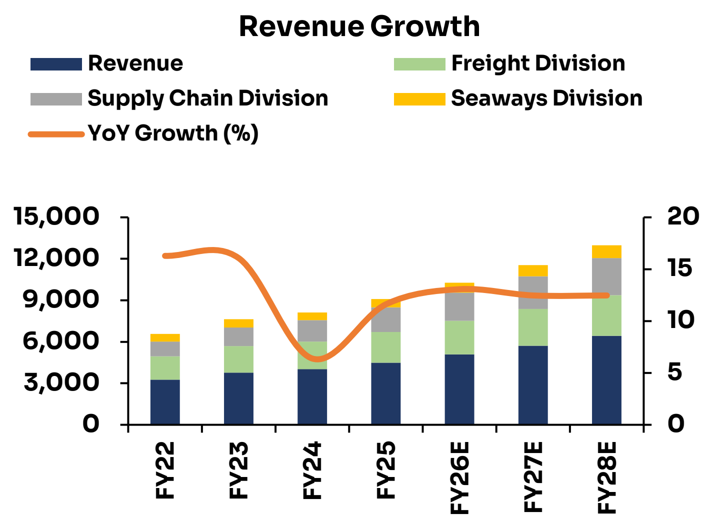
- boosting the high-margin Less Than Truckload (LTL) business to 40% of freight,
- adding new seaways ships, and expanding into chemicals, agriculture, renewables, and cold chains
- government logistics initiatives, technology adoption (ULIP, ONDC)
- and rising outsourcing trends,

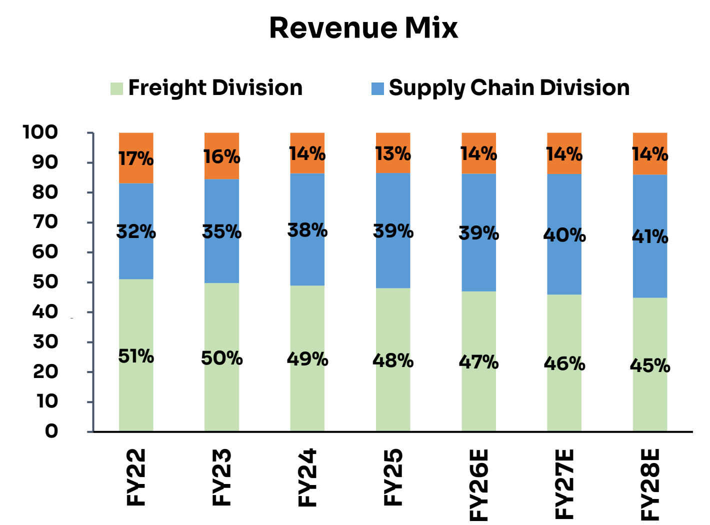
though challenges like MSME weakness, competition, and global uncertainties may require careful navigation.

The revenue mix for TCI highlights a growing share of

- the Supply Chain Division, rising from 32% to a projected 41-49%, driven by new contracts, robust warehousing demand, and investments in multimodal services.
- the Freight Division's share is declining from 51% to 45%, reflecting challenges from weaker infra demand and a strategic shift toward higher-margin LTL, though recovery efforts are underway.
- Seaways remains stable at 13-17%, supported by consistent freight rates.

Enhanced focus on sustainability, with investments in electric vehicles (EV) and renewable energy-powered warehouses, expected to attract eco-conscious clients and unlock new revenue streams by FY28E.



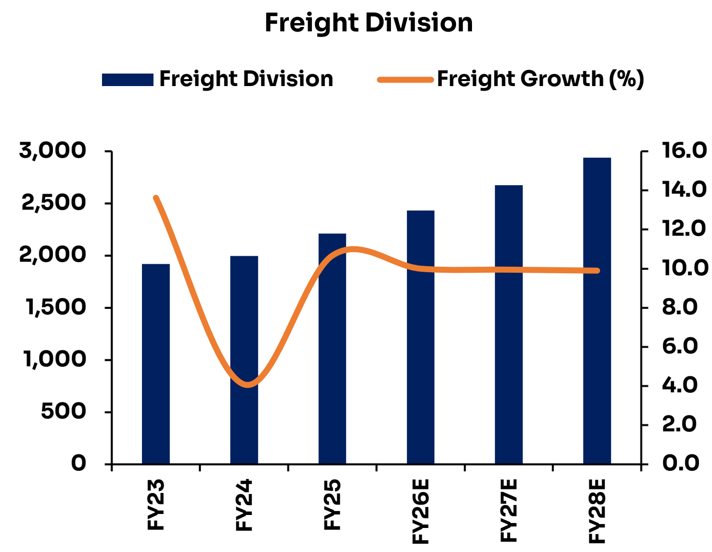




### Reason for sudden decline in growth in FY24

-***Freight Division*** **:** Competitive pricing from express companies, MSME slowdown, and rising driver wages and tolls pressured FY24 margins

- ***Supply Chain Division:*** Maintained stable margins despite cost pressures, driven by growth in FMCG, FMCD, quick commerce, and high-potential sectors like chemicals and renewables.

- ***Seaways Division:*** Hit by a 22% freight rate drop, market capacity buildup, dry-docking of two ships, and volume weakness from Andaman project delays.

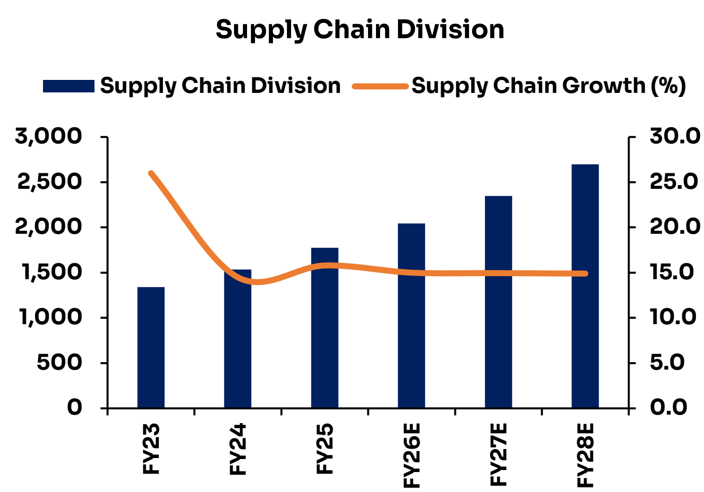


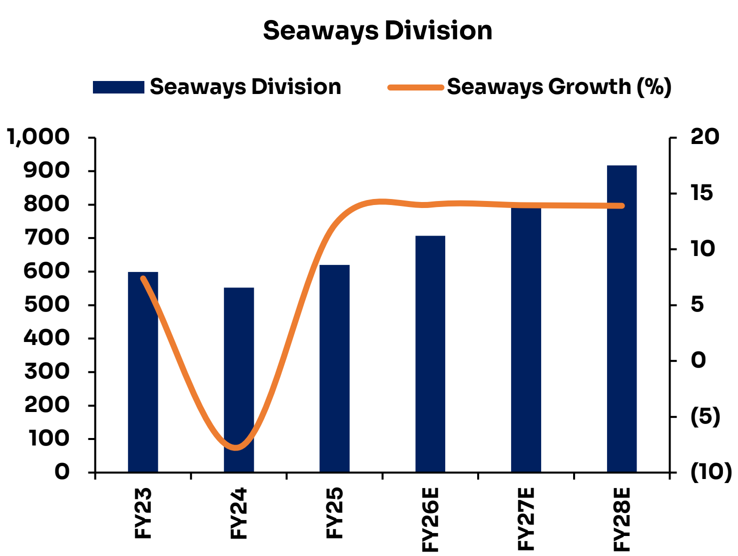

## Freight Division

The projected growth from INR 2,211 crore in FY25 to nearly INR 3,000 crore by FY28E, with an 8-10% annual rate, is driven by the strategic increase of the Less Than Truckload (LTL) business to 40% by FY26, enhancing high-margin revenue streams. The opening of 50 new branches will expand market reach, while government initiatives provide a supportive backdrop. Additionally, effective cost pass-through to customers and adoption of digital tools like ULIP for operational efficiency will bolster growth, though challenges from competitive pressures and rising costs like wages and tolls need careful management.

## Supply Chain Division

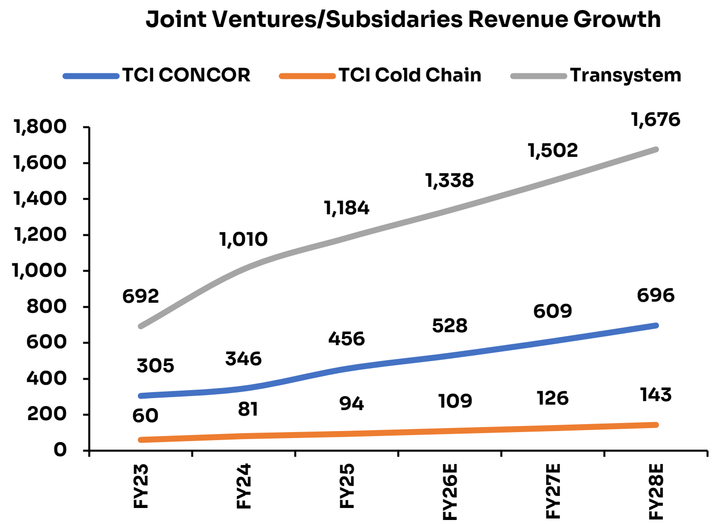
The projected growth from INR 1777 crore in FY25 to nearly ~INR 2700 crore by FY28E with a consistent 12-15% annual rate, driven by expanding into high-growth segments like chemicals, cold chains and agriculture, leveraging new contracts, and adopting technology such as ONDC for efficiency. However, risks from market competition, rising operational costs, and global economic uncertainties may require strategic navigation to sustain this trajectory.




## Seaways Division

The revenue share from this division aims to grow to an estimated INR 917 cr by FY28E from a mere INR 620 cr with a steady 13-15% annual rate, driven by the addition of new ships in FY26-27, government initiatives like the Sagarmala Project, and expanded waterway capacity. Adoption of advanced navigation technologies and fuel-efficient vessels will reduce costs and improve margins, while tapping into growing export-import demand in the Andaman region and cross-border trade routes adds revenue potential. However, risks such as fluctuating freight rates, delays in infrastructure projects, and rising fuel costs may require strategic adjustments.

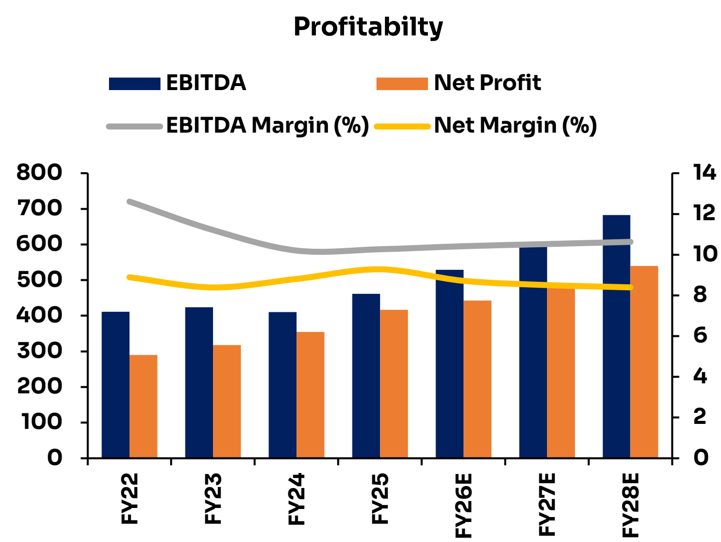


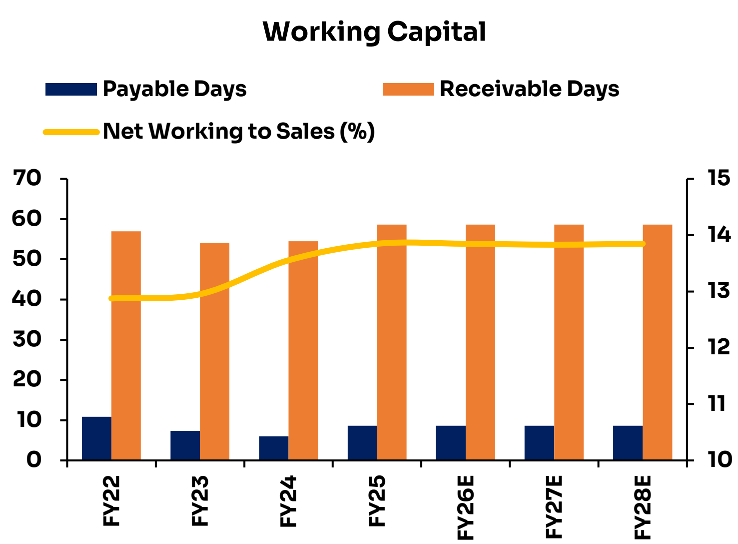

### Joint Ventures

- **TCI CONCOR** (with CONCOR, 51% share) grew 32% due to container, cross-border, and CBU logistics targets 16% growth expanding multimodal logistics.
- **TCI Cold Chain** (with Mitsui & Co. , 80% share) rising 16.3% from warehousing and trucking investments and aiming for a top-3 spot by FY27 with storage and trucking growth.
- **Transystem Logistics** (with Mitsui & Co.,49%) up 17.2% from automotive logistics for Japanese clients, expecting flat growth in FY26 due to stable Toyota and Maruti demand, further projecting 13% growth.

### TCI's business model, with its strong offshore and multimodal capabilities, drives cost efficiencies that enhance profitability margins.

EBITDA is projected to rise from **INR 461 crores** to approximately **INR 683 crores by FY28E**, with the margin stabilizing around 10% due to leveraging technology and scale, maintaining profitability despite moderate top-line growth. Net Profit is expected to grow from **INR 416 crores** in FY25 to **INR 539.3 crores in FY28E**, and the net profit margin stabilizing at approximately 8-9%. Key drivers include a diversified business model, investments in EV/LNG trucks, renewable energy, and AI-driven analytics.



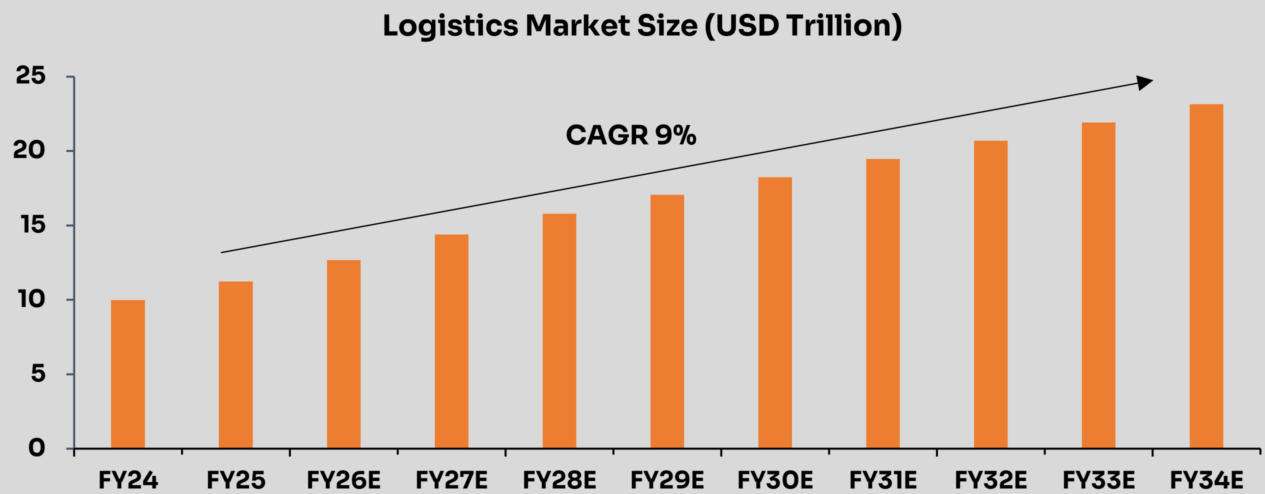




### Working capital is expected to remain stable

TCI's working capital dynamics, as shown in the graph, indicate **Receivable Days stabilizing around 59 days** driven by the adoption of digital tools like the Unified Logistics Interface Platform (ULIP) ensuring timely collections. **Payable Days remaining low at around 9-10 days**, supported by cash surplus and net-debt free status, and Inventory Days consistently near zero are a result of the asset-light model, particularly in divisions like Seaways and Transystem, minimizing stock holdings, while the planned ₹450 crore capex in FY26 for infrastructure and technology further optimizes operational efficiency. Hence, **Net Working Capital to Sales (%) stabilizing around 14% by FY28E.**

## Global Logistics Industry

The global logistics industry is projected to surpass **US$ 15.79 trillion by FY 2028 and reach US$ 18.23 trillion by 2030**, driven by evolving consumer lifestyles, the growth of B2B and B2C e-commerce, and the globalization of trade. This rapid expansion is further fueled by transformative technologies like the Internet of Things (IoT), Machine Learning (ML), and Artificial Intelligence (AI), which are revolutionizing key functions such as route optimization, warehouse management, and inventory turnover, significantly reducing costs and boosting productivity. The **Asia Pacific logistics market**, valued at approximately **US$ 3.5 trillion in 2022**, underscores the region's critical role in this global growth trajectory.




*Source: Precedence Research*

## Logistics in India

The Indian logistics industry is set for a decade of transformation and robust growth, with an estimated compound annual growth rate **(CAGR) of 7.85%,** propelling its market size from **US$ 282.3 billion to US$ 563 billion by 2030.** This growth is driven by a combination of government impetus, technology adoption, and automation. As per the World Bank's Logistics Performance Index Report (2023), India has improved its ranking from 44th in 2018 to 38th out of 139 countries, reflecting its rising global competitiveness.

India is reshaping its logistics industry by **connecting B2B, B2C, and B2G sectors**. Key trends that are becoming increasingly apparent and are starting to exert their influence include growing digitalization and automation, demand for sustainable transport, GHG emission reductions, process formalization, unified database adoption, and multimodal supply chains. Present capabilities that exist in Indian Logistics are as follows –

| Road Network | Rail | Shipping | Airports |
|---|---|---|---|
| **66.71** Lakhs km | **1.26** Lakhs km | **12** Major ports | **148** |
| | | **200** non-major ports | |

**Imagining India @100: Logistics Development Plan For 2047**

| | | |
|---|---|---|
| Vision@2047 aims to set specific targets for 10 sectors to transition India into a developed nation by 2047. | **Road Logistics infrastructure**<br>▸ Build 32,000 km of expressway and access-controlled highways<br>▸ Invest US$6t (INR 480-490 lakh cr.) for urban infrastructure development | **Maritime infrastructure**<br>▸ Increase port capacity by four times to 10,000 MTPA<br><br>**Air infrastructure development**<br>▸ Develop 20 new airports on aerotropolis approach |
| | **Rail infrastructure development**<br>▸ Invest ~US$1.7t (INR 135-145 lakh cr.) over the next 25 years<br>▸ Target 40% to 45% railway share in freight transport by 2030<br>▸ Develop seven hyperloop lines, including two for cargo | **Multi-modal and logistics hub**<br>▸ Reduce logistics costs by augmenting cargo speed by two to three times (current average speed of intercity transport ~24 kmph)<br>▸ Build more than 70 multi-modal logistics park |

**A Bird's Eye-View of Strategic Policy Initiatives by The Government of India (2025-2035)**

**1. National Logistics Policy (NLP)**
- Objective: Reduce logistics costs to 8–10% of GDP by 2030, creating a tech-enabled ecosystem.
- How: Streamline regulations, promote multi-modal transport, and integrate ULIP, eSanchit, and CLAP for digital efficiency and skilling.

**2. PM GatiShakti National Master Plan**
- Objective: Ensure seamless multi-modal connectivity to cut transit times and costs by 2030.
- How: Map corridors, address 197 infrastructure gaps, and fund coordinated projects integrating DFCs, Bharatmala, and Sagarmala.

**3. Bharatmala Pariyojana Phase II**
- Objective: Increase National Highway freight share to 70–80%, cutting logistics costs by 25% by 2030.
- How: Construct ~3,000 km expressways and 48,000 km roads, enhancing last-mile connectivity to ports and hubs.

**4. Sagarmala Programme**
- Objective: Achieve 12% coastal/inland waterway freight share by 2025, saving US$5 billion annually.
- How: Modernize 234 ports, develop 6 mega port clusters, and enhance connectivity via 62 road/rail projects by 2035.

**5. Unified Logistics Interface Platform (ULIP)**
- Objective: Enable real-time cargo tracking and streamlined processes by 2030.
- How: Integrate 30+ government systems, expand SME access, and use AI, RFID, and GPS for a national e-marketplace.

**Benefits for Transport Corporation of India**

TCI leverages NLP and ULIP for real-time tracking and route optimization, **cutting transit delays and costs by 10–20% while boosting its 7.1% EBITDA margin to 8–10% by 2030**, supported by GatiShakti and Bharatmala infrastructure. Sagarmala's waterways and multi-modal shifts **reduce TCI's carbon footprint by 15–20%,** aligning with ESG goals via CNG/LNG fleets, while NLP-driven export growth and ULIP's e-marketplace expand its 900+ branch network and market share by 1–2% in the USD 200 billion sector.

## Complex Terrain Of The Indian Logistics Industry

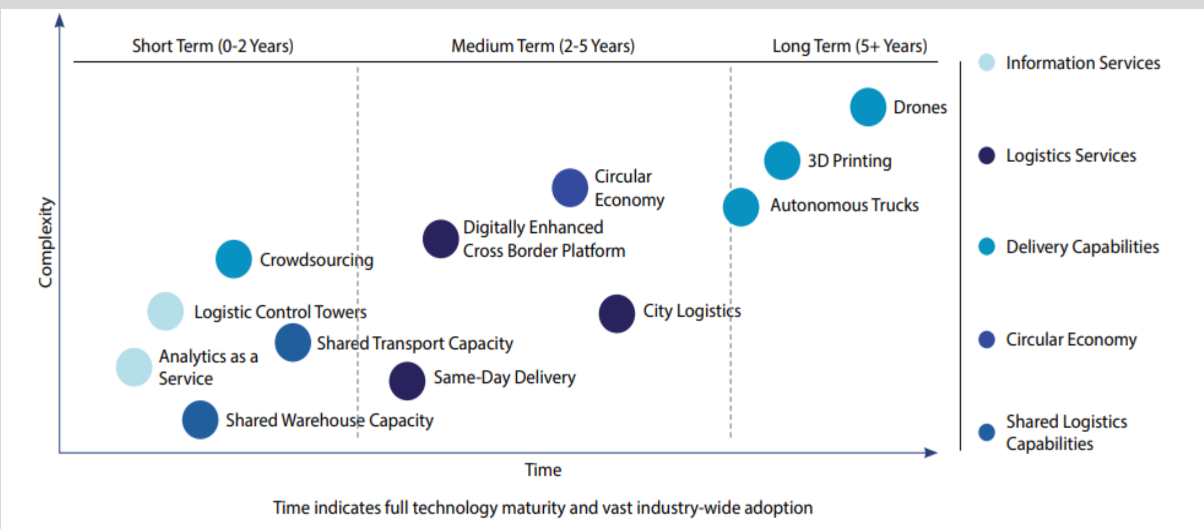
**Infrastructure and Efficiency Challenges:**
- Over-dependence on roadways leads to higher costs, lower efficiency, and increased carbon emissions.
- Development of last-mile infrastructure is hindered by India's vast and varied geographic terrains.

**Operational and Compliance Issues:**
- Preference for informal "jugaad" solutions over standardized operating procedures (SOPs) and compliance due to cost sensitivities.
- Presence of multiple intermediaries and excessive physical documentation reduces ease of doing business.
- Inadequate safety measures persist due to high-cost pressures.

**Sustainability and Economic Pressures:**
- Lack of clarity on integrating sustainability measures into business models, particularly for MSMEs and smaller partners.
- Pricing pressures arise from rising input costs and low efficiency in cost reduction initiatives.
- Spiking and fluctuating demand due to seasonal and festive variations complicates planning.

**Warehousing Sector Challenges:**
- Uneven growth in Grade A and Grade B warehouses.
- Issues with certification and compliance of storage facilities.
- Disparity between geographical demand and supply of warehousing space.
- Inconsistent quality of warehouses in Tier 2 and Tier 3 towns.

## Digitalization in Logistics

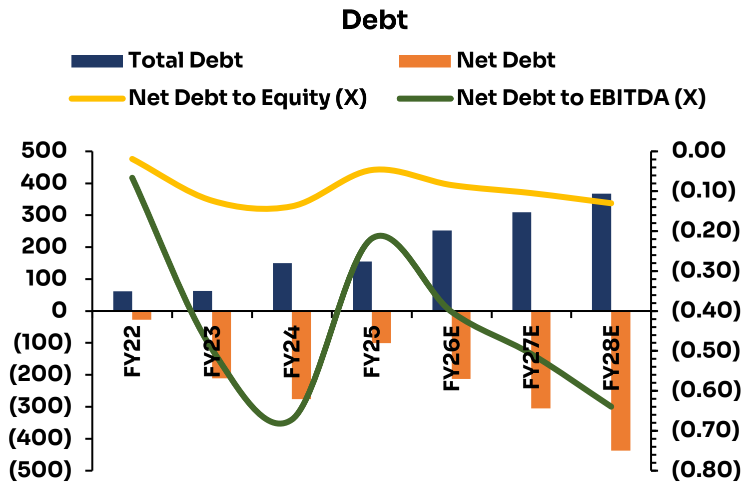



Digitalization in Logistics 4.0 leverages pillar technologies such as big data and AI analytics, digital twins, robots, cybersecurity, and the Industrial Internet of Things (IIoT) to enhance efficiency, reduce costs, and boost customer satisfaction in logistics processes. These technologies follow a prolonged adoption timeline, maturing and integrating at varying paces, with their impact detailed in the World Economic Forum Whitepaper. They are categorized into four key areas, allowing the calculation of "Logistics Value at Stake" for both the industry and society.

*Source: Company Reports, Industry Reports*



Click here to LISTEN to our research on TCI Ltd



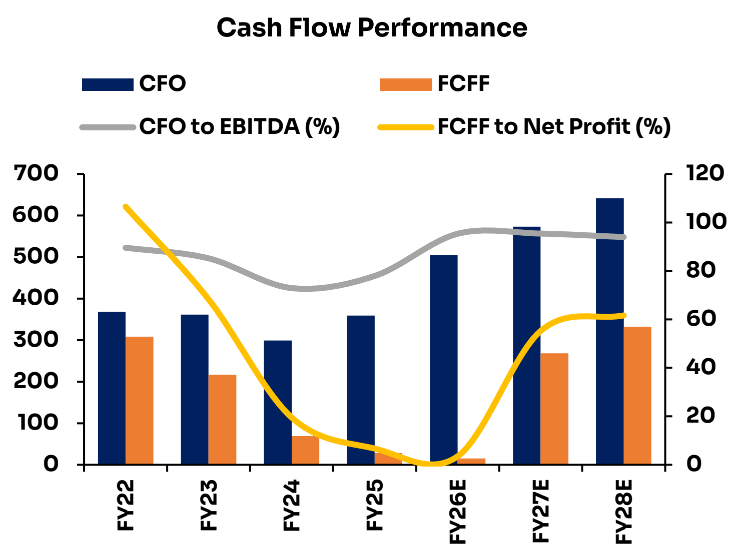

## Negligible debt, strengthens financial position

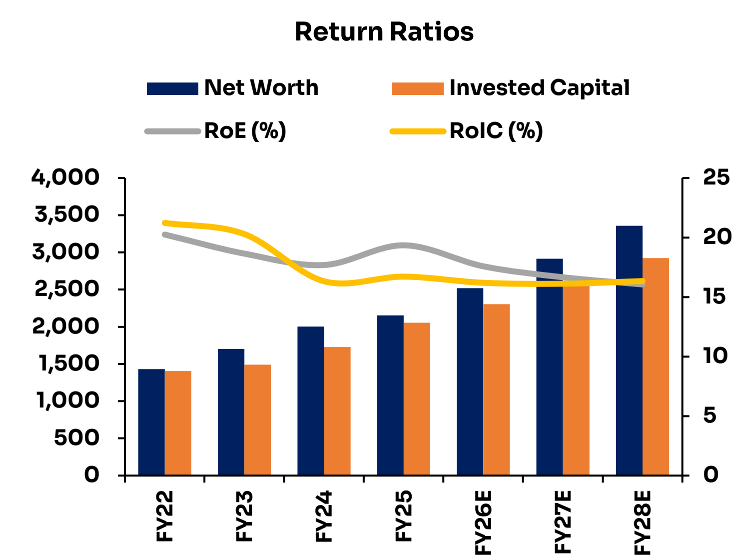
TCI's debt profile, showing Total Debt increasing from **INR 62 crores** in FY22 to an **estimated 368 crores** by FY28E, with Net Debt turning negative around FY22, and remaining negative of an estimated 437 crores by FY28E, reflecting a net cash surplus.

The **Net Debt to Equity** ratio drops to approximately **-0.13x**, and **Net Debt to EBITDA** falls to **-0.64x**, highlighting TCI's strong liquidity and minimal leverage. This shift is driven by robust internal accruals funding 70% of the 950 crores of capex by FY28E, with only 30% from debt.

## Strong positive outlook on future cash flows

TCI's cash flow shows CFO rising steadily from FY22 peaking at an **estimated 642 crores** by FY28E, reflecting robust cash generation. FCFF fluctuates, peaking around FY22, then stabilizing at around 300 crores by FY28E, aligning with capex of 1200 crores by FY30, funded 70% by internal accruals. **CFO to EBITDA** (%) moderates to around **90% by FY28E**, while **FCFF to Net Profit (%)** surges to around 100% in FY22, dropping to **60% by FY28E**, influenced by increased working capital intensity in Freight and Supply Chain divisions due to customer term changes and investments and indicating better cash conversion. Key driver was expansion into high-margin segments like cold chain and chemicals, supported by government incentives.




## Estimated net worth climbs to ₹3358 Cr by FY28E with strong RoIC(%)

TCI's net worth is projected to grow steadily at a CAGR of approximately 16% from INR 2155 crore in FY25 to around INR 3358 crore by FY28E, reflecting a solid expansion in its equity base and a strong PAT retention.

**RoE** is expected to hover around **18-20%,** showing little change suggesting challenges in boosting shareholder returns amid moderate revenue growth forecasts.

**RoIC** remains strong at an estimated **16%,** fueled by efficient capital utilization through asset-light operations, strategic investments in high-margin areas like cold chain and chemicals and net cash surplus despite a virtually debt-free position.

## Ventura Business Quality Score

| Key Criteria | Score | Risk | Comments |
|---|---|---|---|
| **Management & Leadership** | | | |
| Management Quality | 9 | Low | The company's management team consists of highly experienced professionals with a successful track record in the industry. |
| Promoters Holding | 5 | Medium | The promoters possess a 69% stake, but any undisclosed pledging could introduce moderate risk. |
| Board of Directors Profile | 9 | Low | The directors have significant experience in their respective sectors and expert areas. |
| **Industry Consideration** | | | |
| Industry Growth | 9 | Low | The Asia Pacific logistics market is projected to reach USD 11.43 trillion by 2034 driven by e-commerce, infrastructure investments, and manufacturing growth, creating strong opportunities. |
| Regulatory Environment or Risk | 5 | Medium | TCI operates under complex regulations across 20+ agencies, with evolving policies (e.g., SEBI) potentially impacting operations and costs for its 750+ offices. |
| Entry Barriers / Competition | 8 | Low | TCI's extensive network and tech adoption (ULIP, GPS) create high entry barriers, but competition from unorganized players in the market remains a challenge. |
| **Business Prospects** | | | |
| New Business / Client Potential | 8 | Low | Expansion into e-commerce and cold chain logistics aligns with Asia Pacific's industry growth, offering growth potential in emerging markets like Vietnam. |
| Business Diversification | 7 | Low | TCI's diversified portfolio spans freight, supply chain, and seaways, and a wide customer base of 200,000+, reducing segment dependency. |
| Market Share Potential | 7 | Low | Targets a 1–2% market share by 2030 in India, leveraging its multimodal capabilities and tech edge, despite competition |
| Margin Expansion Potential | 6 | Medium | Margins are constrained due to fuel costs and competition, limiting near-term expansion despite operational efficiencies. |
| Earnings Growth | 7 | Low | TCI projects 10–12% revenue and profit growth, supported by diversified services and tech adoption, but geopolitical tensions and cost pressures may pose risks. |
| **Valuation and Risk** | | | |
| Balance Sheet Strength | 9 | Low | TCI maintains zero net borrowing and a substantial cash surplus, ensuring strong liquidity for growth and operations. |
| Debt Profile | 9 | Low | With zero net debt and minimal financial leverage, TCI can comfortably meet obligations, reflecting a conservative financial strategy. |
| FCF Generation | 8 | Low | Strong free cash flow generation is expected as profitability rises. |
| **Total Score**<br>**Ventura Score (%)** | **106**<br>**75.7%** | **Low** | **The overall risk profile of the company is good, and we consider it a LOW-risk company for investments.** |

*Source: Company Reports & Ventura Research*

## Management Team

| Key Person | Designation | Details |
|---|---|---|
| Mr. D. P. Agarwal | Chairman & Managing Director | Associated with the logistics industry for over 54 years, Mr. Agarwal has driven TCI's growth and worked to organize the unorganized logistics sector in India. He leads TCI Group's social initiatives through TCI Foundation, focusing on HIV/AIDS, education, sports, and skilling. He is also active in various trusts and philanthropic organizations. |
| Mr. Vineet Agarwal | Managing Director | Since joining in 1996, Mr. Agarwal has transformed TCI into an integrated supply chain provider, emphasizing technology (e.g., AI, RFID integration) and sustainability, achieving 30% green logistics revenue (FY24). He has also expanded TCI's global presence (e.g., UAE, Nepal) and targeted 1–2% market share by 2030. |
| Mr. S. N. Agarwal | Non-Executive Director | Leveraging 46+ years of experience, Mr. Agarwal has provided strategic oversight, strengthening TCI's governance and diversification into high-growth sectors like chemicals and automotive logistics. His insights have supported TCI's operational scale, handling 1.46 lakh TEUs annually (FY24). |
| Mr. Ashish Tiwari | Group Chief Financial Officer | As Group CFO, Mr. Tiwari oversees TCI's financial strategy, including budgeting, financial reporting, and risk management, supporting the company's operations across its 1,000+ offices |
| Ms. Archana Pandey | Company Secretary & Compliance Officer | Associated with TCI for approximately 13 years, Ms. Pandey has 16 years of total experience. An associate member of the Institute of Company Secretaries of India (ICSI) and a law graduate, she specializes in corporate law, SEBI compliance, FEMA, ESOPs, and corporate restructuring, ensuring governance for TCI's operations. |

*Source: Company Reports*

## Business risk

- **Economic Volatility**: Global and Indian economic fluctuations, fuel price hikes, and geopolitical tensions could increase costs and disrupt demand, threatening TCI's 10–15% growth target.
- **Regulatory Complexity:** Navigating regulations across 20+ agencies risks operational delays or penalties for TCI's 1,000+ offices and 12,000+ trucks if compliance with evolving policies like SEBI Listing Regulations falters.
- **Technology Risks:** Heavy investment in ULIP, AI, and digital infrastructure (₹3,750 million capex) faces cybersecurity threats and integration challenges, potentially undermining TCI's real-time tracking for 200,000+ customers.
- **Infrastructure Delays:** Reliance on GatiShakti, Bharatmala, and Sagarmala exposes TCI to delays in 197 infrastructure gaps, hindering multi-modal efficiency for 1.46 lakh TEUs and cost reduction goals.
- **Sustainability Pressures:** Scaling green logistics (30% revenue) to meet net-zero and regulatory demands risks higher costs or client loss if TCI's CNG/rail multimodal investments lag

## Board of Directors

| Name | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| Mr. D. P. Agarwal | Chairman & Managing Director | Chairman & Managing Director | Chairman & Managing Director | Chairman & Managing Director |
| Mr. Vineet Agarwal | Managing Director | Managing Director | Managing Director | Managing Director |
| Mr. S. N. Agarwal | Non-Executive Director | Non-Executive Director | Non-Executive Director | Non-Executive Director |
| Mr. Ravi Uppal | Independent Director | Independent Director | Independent Director | Independent Director |
| Mr. Vijay Sankar | Independent Director | Independent Director | Independent Director | Independent Director |
| Mr. Vikrampati Singhania | Additional Director | Independent Director | Independent Director | Independent Director |
| Ms. Gita Nayyar | Independent Director | Independent Director | Independent Director | Independent Director |
| Ms. Urmila Agarwal | Non-Executive Director | Non-Executive Director | Non-Executive Director | Non-Executive Director |
| Mr. Chander Agarwal | Non-Executive Director | Non-Executive Director | Non-Executive Director | Non-Executive Director |
| Mr. S. Madhavan | Independent Director | Independent Director | Independent Director | - |
| Mr. Avinash Gupta | - | - | - | Independent Director |

## FY24 Annual Report Takeaways

**- Indian Logistics Industry Growth:** The Indian logistics sector, valued at ~USD 200 billion in 2022, is poised for growth at a 4.5% CAGR (2022–2050), driven by India's economic expansion (projected USD 6 trillion GDP by FY2030) and export targets (USD 2 trillion by 2030). Government initiatives like NLP, GatiShakti, and ULIP enhance efficiency and reduce costs.

**- TCI's Market Position:** TCI, a leader in integrated multimodal logistics, operates across freight, supply chain, express, and coastal shipping, handling 1.46 lakh TEUs annually with a network of 1,000+ IT-enabled offices, 12,000+ trucks, and 15 million sq. ft. of warehousing, serving 200,000+ customers.

**- Technology and Sustainability Focus:** TCI leverages digital tools (ULIP, ONDC integration) for operational excellence and invests in green logistics, completing 50,000+ B2B last-mile trips via 3,500+ CNG vehicles, saving 184,000 eCO2 tonnes in FY24, with over 30% revenue from green multimodal logistics.

**- Financial Performance:** TCI reported revenue of ₹4,070 crore (6.74% YoY growth), EBITDA of ₹532.2 crore, and PAT of ₹354.5 crore (10.57% YoY growth) in FY24, with a 10–15% growth guidance for FY25, driven by high-growth sectors like automobiles, electronics, and cold chains.

**- Social and ESG Commitment:** TCI's CSR initiatives reached 7.2 million people, provided medical services to 2.2 million, and trained 13,000+ healthcare workers. Programs like 'Anokhee' empower tribal women, while TCI Safe Safar engaged 1.2 million in road safety pledges.

## Auditors and Their Qualified Opinion/Comments

M/s Brahmayya & Co., Chartered Accountants, TCI's auditors, issued an unqualified opinion. Based on their audit, the standalone and consolidated financial statements for FY24 comply with the Companies Act, 2013, and present a true and fair view in conformity with Indian Accounting Standards (Ind AS) and generally accepted accounting principles in India. No qualifications or adverse remarks were noted.

## TCIL's quarterly and annual performance

| Fig in INR Cr (unless specified) | FY23 | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from operations | 3,782.6 | 949.8 | 993.5 | 1,002.0 | 1,078.9 | 4,024.3 | 1,045.1 | 1,120.8 | 1,147.1 | 1,178.8 | 4,491.8 | 5,079.1 | 5,712.3 | 6,424.5 |
| *YoY Growth (%)* | *16.1* | *5.1* | *6.5* | *3.7* | *10.2* | *6.4* | *10.0* | *12.8* | *14.5* | *9.3* | *11.6* | *13.1* | *12.5* | *12.5* |
| Raw Material Cost | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| *RM Cost to Sales (%)* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* |
| Employee Cost | 196.5 | 55.5 | 56.8 | 56.6 | 54.5 | 223.4 | 61.4 | 62.9 | 63.5 | 61.9 | 249.7 | 282.4 | 320.1 | 362.7 |
| *Employee Cost to Sales (%)* | *5.2* | *5.8* | *5.7* | *5.6* | *5.1* | *5.6* | *5.9* | *5.6* | *5.5* | *5.3* | *5.6* | *5.6* | *5.6* | *5.6* |
| Other Expenses | 3,162.0 | 793.5 | 836.3 | 845.5 | 915.0 | 3,390.3 | 879.9 | 940.8 | 965.1 | 995.2 | 3,781.0 | 4,267.8 | 4,791.3 | 5,379.0 |
| *Other Expenses to Sales (%)* | *83.6* | *83.5* | *84.2* | *84.4* | *84.8* | *84.2* | *84.2* | *83.9* | *84.1* | *84.4* | *84.2* | *84.0* | *83.9* | *83.7* |
| EBITDA | 424.0 | 100.8 | 100.4 | 99.9 | 109.4 | 410.5 | 103.8 | 117.1 | 118.5 | 121.7 | 461.1 | 529.0 | 601.0 | 682.8 |
| *EBITDA Margin (%)* | *11.2* | *10.6* | *10.1* | *10.0* | *10.1* | *10.2* | *9.9* | *10.4* | *10.3* | *10.3* | *10.3* | *10.4* | *10.5* | *10.6* |
| PAT | 276.2 | 65.8 | 67.6 | 62.0 | 83.2 | 278.6 | 70.5 | 83.1 | 79.6 | 93.3 | 327.3 | 350.0 | 390.3 | 440.7 |
| *PAT Margin (%)* | *7.3* | *6.9* | *6.8* | *6.2* | *7.7* | *6.9* | *6.7* | *7.4* | *6.9* | *7.9* | *7.3* | *6.9* | *6.8* | *6.9* |
| Net Profit | 317.3 | 82.3 | 87.0 | 79.4 | 102.1 | 354.5 | 91.0 | 106.4 | 100.9 | 114.2 | 416.9 | 442.6 | 485.9 | 539.3 |
| *Net Margin (%)* | *8.4* | *8.7* | *8.8* | *7.9* | *9.5* | *8.8* | *8.7* | *9.5* | *8.8* | *9.7* | *9.3* | *8.7* | *8.5* | *8.4* |
| | | | | | | | | | | | | | | |
| Adjusted EPS | 41.4 | 10.7 | 11.4 | 10.4 | 13.3 | 46.3 | 11.9 | 13.9 | 13.2 | 14.9 | 54.4 | 57.8 | 63.4 | 70.4 |
| *P/E (X)* | *27.5* | | | | | *24.6* | | | | | *20.9* | *19.7* | *17.9* | *16.2* |
| Adjusted BVPS | 222.2 | | | | | 261.6 | | | | | 281.3 | 328.7 | 380.7 | 438.4 |
| *P/BV (X)* | *5.1* | | | | | *4.4* | | | | | *4.0* | *3.5* | *3.0* | *2.6* |
| Enterprise Value | 8,510.7 | | | | | 8,445.0 | | | | | 8,620.1 | 8,508.3 | 8,415.7 | 8,284.2 |
| *EV/EBITDA (X)* | *20.1* | | | | | *20.6* | | | | | *18.7* | *16.1* | *14.0* | *12.1* |
| | | | | | | | | | | | | | | |
| Net Worth | 1,701.8 | | | | | 2,003.8 | | | | | 2,154.7 | 2,517.7 | 2,916.1 | 3,358.3 |
| *Return on Equity (%)* | *18.6* | | | | | *17.7* | | | | | *19.3* | *17.6* | *16.7* | *16.1* |
| Capital Employed | 1,764.3 | | | | | 2,154.2 | | | | | 2,309.9 | 2,769.5 | 3,225.3 | 3,726.0 |
| *Return on Capital Employed (%)* | *14.8* | | | | | *11.7* | | | | | *13.2* | *11.8* | *11.4* | *11.2* |
| Invested Capital | 1,491.5 | | | | | 1,728.0 | | | | | 2,053.9 | 2,305.0 | 2,610.9 | 2,921.5 |
| *Return on Invested Capital (%)* | *20.3* | | | | | *16.3* | | | | | *16.7* | *16.2* | *16.1* | *16.3* |
| | | | | | | | | | | | | | | |
| Cash Flow from Operations | 361.2 | | | | | 299.3 | | | | | 359.2 | 504.2 | 573.3 | 641.6 |
| Cash Flow from Investing | (193.1) | | | | | (403.8) | | | | | (99.3) | (287.3) | (372.5) | (386.2) |
| Cash Flow from Financing | (66.0) | | | | | 17.6 | | | | | (292.0) | (8.4) | (65.1) | (80.8) |
| Net Cash Flow | 102.0 | | | | | (86.9) | | | | | (32.1) | 208.5 | 135.7 | 174.6 |
| Free Cash Flow | 216.7 | | | | | 69.2 | | | | | 27.9 | 15.4 | 268.2 | 332.3 |
| *FCF to Revenue (%)* | *5.7* | | | | | *1.7* | | | | | *0.6* | *0.3* | *4.7* | *5.2* |
| *FCF to EBITDA (%)* | *51.1* | | | | | *16.9* | | | | | *6.0* | *2.9* | *44.6* | *48.7* |
| *FCF to Net Profit (%)* | *68.3* | | | | | *19.5* | | | | | *6.7* | *3.5* | *55.2* | *61.6* |
| *FCF to Net Worth (%)* | *12.7* | | | | | *3.5* | | | | | *1.3* | *0.6* | *9.2* | *9.9* |
| | | | | | | | | | | | | | | |
| Total Debt | 63 | | | | | 150 | | | | | 155 | 252 | 309 | 368 |
| Net Debt | (210) | | | | | (276) | | | | | (101) | (213) | (305) | (437) |
| *Net Debt to Equity (X)* | *(0.1)* | | | | | *(0.1)* | | | | | *(0.0)* | *(0.1)* | *(0.1)* | *(0.1)* |
| *Net Debt to EBITDA (X)* | *(0.5)* | | | | | *(0.7)* | | | | | *(0.2)* | *(0.4)* | *(0.5)* | *(0.6)* |
| *Interest Coverage Ratio (X)* | *30.8* | | | | | *21.3* | | | | | *17.0* | *14.7* | *12.0* | *11.3* |
| | | | | | | | | | | | | | | |
| Fundamental scores | | | | | | | | | | | | | | |
| Altman Z Score | 2.8 | | | | | 2.4 | | | | | 2.5 | 2.4 | 2.3 | 2.3 |
| Piotroski F-score | 6.0 | | | | | 4.0 | | | | | 4.0 | 5.0 | 5.0 | 5.0 |
| Beneish M-score | (2.3) | | | | | (2.3) | | | | | (2.2) | (2.3) | (2.3) | (2.3) |

*Source: ACE Equity, Company Reports & Ventura Research*

## TCIL’s consolidated financials & projections

| Fig in INR Cr (unless specified) | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|
| Income Statement | | | | | | | |
| Revenue | 3,258.8 | 3,782.6 | 4,024.3 | 4,491.8 | 5,079.1 | 5,712.3 | 6,424.5 |
| *YoY Growth (%)* | *16.3* | *16.1* | *6.4* | *11.6* | *13.1* | *12.5* | *12.5* |
| Raw Material Cost | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| *RM Cost to Sales (%)* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* |
| Employee Cost | 170.0 | 196.5 | 223.4 | 249.7 | 282.4 | 320.1 | 362.7 |
| *Employee Cost to Sales (%)* | *5.2* | *5.2* | *5.6* | *5.6* | *5.6* | *5.6* | *5.6* |
| Other Expenses | 2,678.0 | 3,162.0 | 3,390.3 | 3,781.0 | 4,267.8 | 4,791.3 | 5,379.0 |
| *Other Exp to Sales (%)* | *82.2* | *83.6* | *84.2* | *84.2* | *84.0* | *83.9* | *83.7* |
| EBITDA | 410.9 | 424.0 | 410.5 | 461.1 | 529.0 | 601.0 | 682.8 |
| *Margin (%)* | *12.6* | *11.2* | *10.2* | *10.3* | *10.4* | *10.5* | *10.6* |
| *YoY Growth (%)* | *57.3* | *3.2* | *(3.2)* | *12.3* | *14.7* | *13.6* | *13.6* |
| Depreciation & Amortization | 113.0 | 121.4 | 128.5 | 117.8 | 155.7 | 180.2 | 205.5 |
| EBIT | 297.8 | 302.6 | 282.1 | 343.3 | 373.3 | 420.8 | 477.4 |
| *Margin (%)* | *9.1* | *8.0* | *7.0* | *7.6* | *7.4* | *7.4* | *7.4* |
| *YoY Growth (%)* | *76.9* | *1.6* | *(6.8)* | *21.7* | *8.7* | *12.7* | *13.4* |
| Other Income | 17.8 | 30.3 | 45.8 | 46.7 | 52.8 | 59.4 | 66.8 |
| Bill discounting & other charges | 12.8 | 9.8 | 13.3 | 20.2 | 25.4 | 35.0 | 42.2 |
| Fin Charges Coverage (X) | 23.2 | 30.8 | 21.3 | 17.0 | 14.7 | 12.0 | 11.3 |
| Exceptional Item | 0.0 | (3.4) | (2.4) | 0.0 | 0.0 | 0.0 | 0.0 |
| PBT | 302.8 | 319.7 | 312.2 | 369.8 | 400.7 | 445.2 | 502.0 |
| *Margin (%)* | *9.3* | *8.5* | *7.8* | *8.2* | *7.9* | *7.8* | *7.8* |
| *YoY Growth (%)* | *96.5* | *5.6* | *(2.3)* | *18.4* | *8.4* | *11.1* | *12.7* |
| Tax Expense | 37.6 | 43.4 | 33.6 | 42.5 | 50.7 | 54.9 | 61.3 |
| *Tax Rate (%)* | *12.4* | *13.6* | *10.8* | *11.5* | *12.7* | *12.3* | *12.2* |
| PAT | 265.2 | 276.2 | 278.6 | 327.3 | 350.0 | 390.3 | 440.7 |
| *Margin (%)* | *8.1* | *7.3* | *6.9* | *7.3* | *6.9* | *6.8* | *6.9* |
| *YoY Growth (%)* | *103.5* | *4.2* | *0.9* | *17.5* | *7.0* | *11.5* | *12.9* |
| Min Int/Sh of Assoc | 24.5 | 41.1 | 75.9 | 89.6 | 92.6 | 95.6 | 98.6 |
| Net Profit | 289.6 | 317.3 | 354.5 | 416.9 | 442.6 | 485.9 | 539.3 |
| *Margin (%)* | *8.9* | *8.4* | *8.8* | *9.3* | *8.7* | *8.5* | *8.4* |
| *YoY Growth (%)* | *96.8* | *9.6* | *11.7* | *17.6* | *6.2* | *9.8* | *11.0* |
| | | | | | | | |
| Balance Sheet | | | | | | | |
| Share Capital | 15.5 | 15.5 | 15.5 | 15.3 | 15.3 | 15.3 | 15.3 |
| Total Reserves | 1,442.2 | 1,716.4 | 2,021.5 | 2,175.7 | 2,538.7 | 2,937.1 | 3,379.3 |
| Shareholders Fund | 1,457.7 | 1,731.9 | 2,037.1 | 2,191.0 | 2,554.0 | 2,952.4 | 3,394.6 |
| Long Term Borrowings | 22.8 | 39.6 | 102.1 | 102.1 | 192.1 | 242.1 | 292.1 |
| Deferred Tax Assets / Liabilities | 27.6 | 30.0 | 32.8 | 36.4 | 36.4 | 36.4 | 36.4 |
| Other Long Term Liabilities | 28.3 | 25.3 | 38.5 | 77.7 | 82.7 | 87.7 | 92.7 |
| Long Term Trade Payables | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Long Term Provisions | 4.6 | 5.7 | 6.8 | 7.6 | 7.6 | 7.6 | 7.6 |
| Total Liabilities | 1,541.0 | 1,832.5 | 2,217.2 | 2,414.8 | 2,872.8 | 3,326.2 | 3,823.4 |
| Net Block | 801.4 | 791.3 | 861.8 | 825.2 | 1,180.5 | 1,336.0 | 1,476.9 |
| Capital Work in Progress | 7.3 | 26.0 | 109.0 | 255.0 | 0.0 | 0.0 | 0.0 |
| Intangible assets under development | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non Current Investments | 178.0 | 197.7 | 212.1 | 240.0 | 271.4 | 293.9 | 318.4 |
| Long Term Loans & Advances | 22.8 | 44.7 | 23.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Non Current Assets | 2.3 | 5.7 | 3.4 | 201.0 | 211.0 | 221.0 | 231.0 |
| Net Current Assets | 529.2 | 767.1 | 1,007.4 | 893.6 | 1,209.9 | 1,475.2 | 1,797.1 |
| Total Assets | 1,541.0 | 1,832.5 | 2,217.2 | 2,414.8 | 2,872.8 | 3,326.2 | 3,823.4 |

| Fig in INR Cr (unless specified) | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|
| Per share data & Yields | | | | | | | |
| Adjusted EPS (INR) | 37.8 | 41.4 | 46.3 | 54.4 | 57.8 | 63.4 | 70.4 |
| Adjusted Cash EPS (INR) | 52.6 | 57.3 | 63.0 | 69.8 | 78.1 | 87.0 | 97.2 |
| Adjusted BVPS (INR) | 190.3 | 226.1 | 265.9 | 286.0 | 333.4 | 385.4 | 443.2 |
| Adjusted CFO per share (INR) | 48.0 | 47.1 | 39.1 | 46.2 | 65.8 | 74.8 | 83.8 |
| CFO Yield (%) | 4.2 | 4.1 | 3.4 | 4.1 | 5.8 | 6.6 | 7.4 |
| Adjusted FCF per share (INR) | 40.3 | 28.3 | 9.0 | 3.6 | 2.0 | 35.0 | 43.4 |
| FCF Yield (%) | 3.5 | 2.5 | 0.8 | 0.3 | 0.2 | 3.1 | 3.8 |
| | | | | | | | |
| Solvency Ratio (X) | | | | | | | |
| Total Debt to Equity | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Net Debt to Equity | (0.0) | (0.1) | (0.1) | (0.0) | (0.1) | (0.1) | (0.1) |
| Net Debt to EBITDA | (0.1) | (0.5) | (0.7) | (0.2) | (0.4) | (0.5) | (0.6) |
| | | | | | | | |
| Return Ratios (%) | | | | | | | |
| Return on Equity | 20.2 | 18.6 | 17.7 | 19.3 | 17.6 | 16.7 | 16.1 |
| Return on Capital Employed | 17.5 | 14.8 | 11.7 | 13.2 | 11.8 | 11.4 | 11.2 |
| Return on Invested Capital | 21.2 | 20.3 | 16.3 | 16.7 | 16.2 | 16.1 | 16.3 |
| | | | | | | | |
| Working Capital Ratios | | | | | | | |
| Payable Days (Nos) | 11 | 7 | 6 | 9 | 9 | 9 | 9 |
| Inventory Days (Nos) | 1 | 0 | 1 | 1 | 1 | 1 | 1 |
| Receivable Days (Nos) | 57 | 54 | 54 | 59 | 59 | 59 | 59 |
| Net Working Capital Days (Nos) | 47 | 47 | 49 | 51 | 51 | 51 | 51 |
| Net Working Capital to Sales (%) | 12.9 | 13.0 | 13.6 | 13.8 | 13.8 | 13.8 | 13.8 |
| | | | | | | | |
| Valuation (X) | | | | | | | |
| P/E | 30.1 | 27.5 | 24.6 | 20.9 | 19.7 | 17.9 | 16.2 |
| P/BV | 6.0 | 5.0 | 4.3 | 4.0 | 3.4 | 3.0 | 2.6 |
| EV/EBITDA | 21.2 | 20.1 | 20.6 | 18.7 | 16.1 | 14.0 | 12.1 |
| EV/Sales | 2.7 | 2.2 | 2.1 | 1.9 | 1.7 | 1.5 | 1.3 |
| | | | | | | | |
| Cash Flow Statement | | | | | | | |
| PBT | 302.8 | 319.7 | 312.2 | 369.8 | 400.7 | 445.2 | 502.0 |
| Adjustments | 98.6 | 155.2 | 76.3 | 103.4 | 235.5 | 269.7 | 300.5 |
| Change in Working Capital | 4.3 | (70.3) | (55.5) | (76.5) | (81.3) | (86.8) | (99.6) |
| Less: Tax Paid | (37.6) | (43.4) | (33.6) | (42.5) | (50.7) | (54.9) | (61.3) |
| Cash Flow from Operations | 368.0 | 361.2 | 299.3 | 354.2 | 504.2 | 573.3 | 641.6 |
| Net Capital Expenditure | (70.7) | (153.0) | (241.9) | (349.2) | (510.9) | (335.7) | (346.4) |
| Change in Investments | (5.5) | (40.1) | (161.9) | 249.9 | 223.6 | (36.8) | (39.8) |
| Cash Flow from Investing | (76.2) | (193.1) | (403.8) | (99.3) | (287.3) | (372.5) | (386.2) |
| Change in Borrowings | (207.5) | (4.9) | 82.3 | (194.4) | 96.7 | 57.4 | 58.5 |
| Less: Finance Cost | (12.8) | (9.8) | (13.3) | (20.2) | (25.4) | (35.0) | (42.2) |
| Proceeds from Equity | 3.4 | 3.5 | 3.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Buyback of Shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend Paid | (41.0) | (54.8) | (54.9) | (77.4) | (79.7) | (87.5) | (97.1) |
| Cash flow from Financing | (258.0) | (66.0) | 17.6 | (292.0) | (8.4) | (65.1) | (80.8) |
| Net Cash Flow | 33.8 | 102.0 | (86.9) | (32.1) | 242.4 | 135.7 | 174.6 |
| Forex Effect | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Opening Balance of Cash | 34.1 | 67.9 | 169.9 | 83.1 | 51.0 | 293.4 | 429.2 |
| Closing Balance of Cash | 67.9 | 169.9 | 83.1 | 51.0 | 293.4 | 429.2 | 603.7 |

*Source: Company Reports & Ventura Research*

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