



TCI Investors Presentation FY 2015-16

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synergy in logistics



Cautionary Statement

Statements in this “Presentation” describing the Company’s objectives, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and other factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

About TCI Group

Group TCI

SBU's & Services

 **TCI Freight** FTL/FCL, LTL & Over-dimensional cargo services through Road, Rail & Sea.

 **TCI XPS** India's fastest growing express company for door to door courier and cargo.

 **TCI Supply Chain Solutions** A Single-window solutions enabler from Conceptualization to Implementation

 **TCI Seaways** Leading player in Coastal Shipping, NVOCC & Project Cargo

 **TCI Global**
GLOBAL LOGISTICS Completes the service offering of the Group with connectivity & services across the world at global standards

Other Group Companies & Services

 **TCI CONCOR** JV with CONCOR to provide end to end multi modal solutions.
Multimodal Logistics Solutions

 **TCI Developers Ltd.** TDL undertakes development of the commercial properties of TCI. It also develops large scale Warehouses, Logistics Parks etc.

 **Transystem** JV with Mitsui & Co for Auto logistics (Toyota India project)

TCI Transportation Company Nigeria Ltd.

A JV between Indorama Eleme Petrochemicals Ltd. and TCI Global

Group TCI

Key Facts

Year of Establishment

1958

Turnover

2800 Cr.

Movement by Value of India GDP

2.5%

Employees Strength

6000+

Company Owned Branches

1400+

Warehouse Covered Area

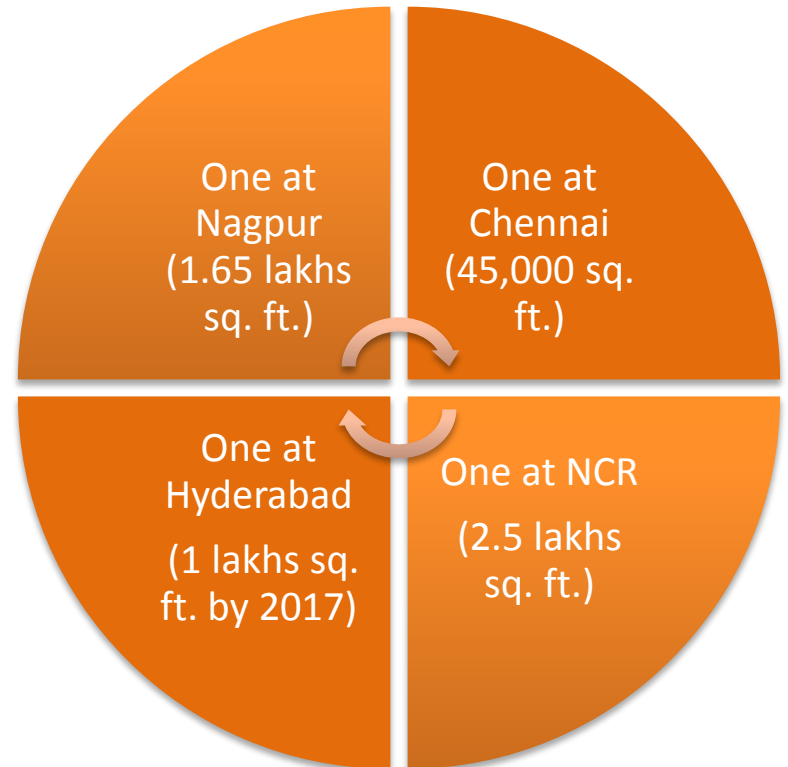
11 Mn Sft

Vehicles/Day Managed on Road

9000

GST Ready New Warehouse locations

4 new Warehouses (For W/H management only)



Corporate Governance

Listed Entity



Rated and Certified



Engaged in areas of education, women & child health, disability alleviation and rural sports growth.

Corporate Social Responsibility



Non Discrimination Policy

On-going Investor Outreach programs

- Regular conference calls and annual meet with shareholders and analysts
- Timely and transparent disclosures through comprehensive annual reports and corporate presentations (readily available on the Company's website)

Management Body

Unique to Logistics industry with high degree of professionalism



Board of Directors

Name	Designation
Mr. S M Datta	Chairman (Non-executive independent director)
Mr. D P Agarwal	Vice Chairman & Managing Director
Mr. S N Agarwal	Non-executive director
Mr. O S Reddy	Non-executive independent director
Mr. K S Mehta	Non-executive independent director
Mr. Ashish Bharat Ram	Non-executive independent director
Mrs. Urmila Agarwal	Non-executive director
Mr. M P Sarawagi	Non-executive director
Mr. Vineet Agarwal	Managing Director
Mr. Chander Agarwal	Jt. Managing Director

Impact of Macro-economic changes on Logistics

GST

- Rationalizing the impact of taxes on Production, Distribution and Inventory management
- Consolidation of warehouses and moving towards Hub-and-spoke model
- Multi modal movement between Hubs

DFC/ Diamond Quadrilateral

- Creation of additional dedicated rail freight capacity,
- Will reduce unit cost of Transportation by speeding up freight train operations.
- Increased bulk multi modal movement for improved productivity & efficiency
- Will result in development of logistic Warehouses in the vicinity of Freight Corridor.

Increased outsourcing of Logistics

- Growth in trend towards outsourcing of logistics in non traditional industries
- Larger scope of outsourcing e.g. order processing, packaging, kitting etc. will go up

E-commerce driven growth in consumption

- With increased per capita disposable income, consumption driven sectors will grow
- Sectors like Food services, e-commerce, consumable durables etc. will get a boost .

GST-Key Implications on Warehouse & Transport Industry

GST

- Rationalizing the impact of taxes on Production, Distribution& Inventory management
- Consolidation of warehouses
- Multi modal movement between Hubs

Transportation

- Larger Warehouses and borderless movement of goods would leads to increased transportation lot sizes, multimodal movement
- Lesser border checks/paper work would lead to faster movement of trucks. Transit times and cost may shrink by 20-30%

Warehouse

- Network to be determined based on the ambit of Additional Tax.
- Network optimization efforts to commence
- Consolidation of warehousing to commence.
- Emergence of hub and Spoke model
- Larger sizes of warehouses (hubs)
- Warehouses closer to manufacturing and/ or consumption areas.

TCI : Serving the Complete Ecommerce Chain



1. At Supplier

- i Supplier Coordination
- ii Scheduling
- iii Route optimization





2. Inventory / Marketplace / Cross Dock- FC

- i Receipts and Bar Coding
- ii Put away and Storage
- iii Order processing on SLA
- iv Sortation and Ship
- v Return Shipment Management
- Vi Return To Vendor

3. At Customer place

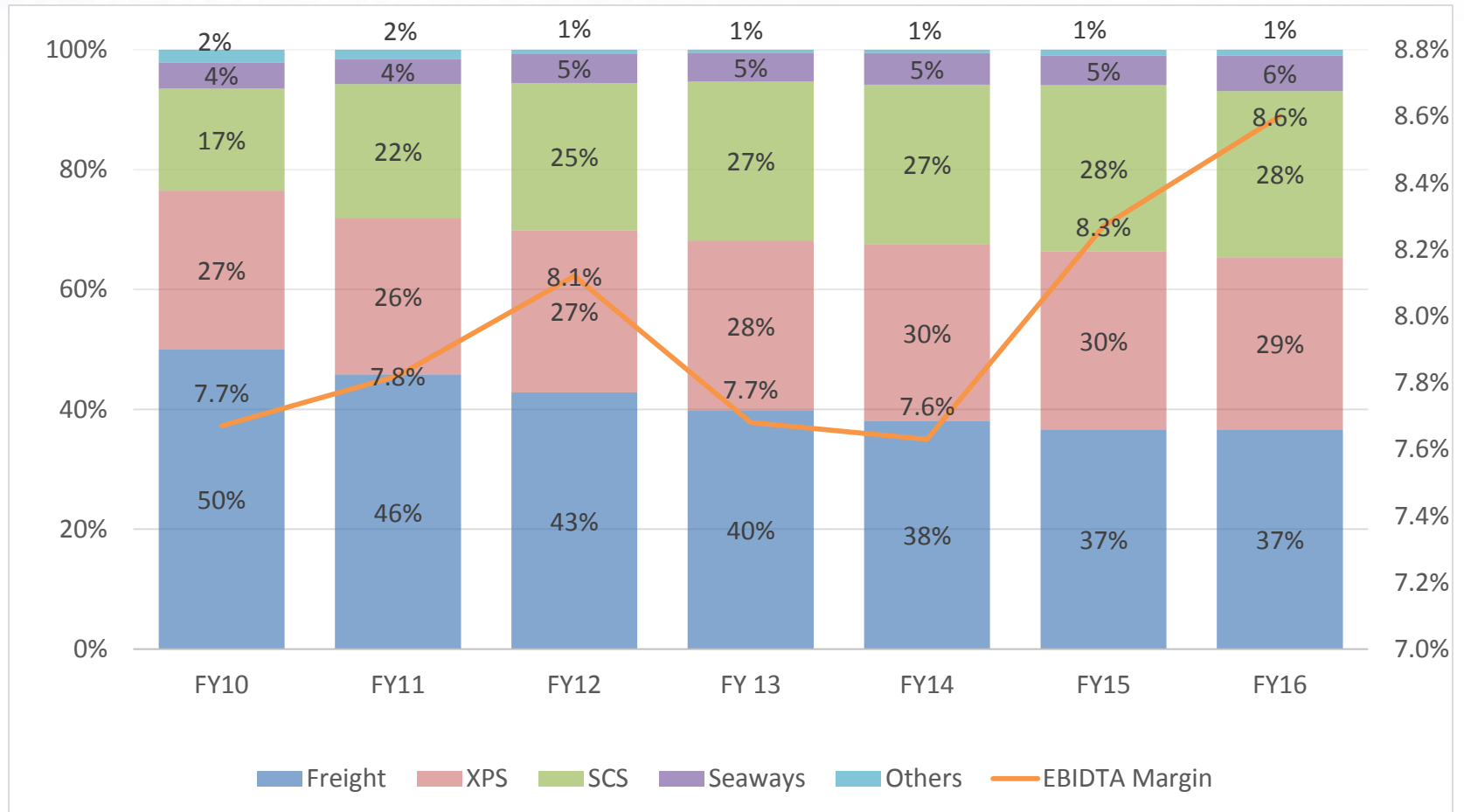
- i Doorstep delivery
- ii FOD
- iii Reverse logistics

Industry Dynamics and SBU Snapshot

	 TCI Freight	 TCI XPS	 TCI Supply Chain Solutions	 TCI Seaways
Industry Scenario	Mature, Fragmented, Low barriers to entry, low cost	Growth, niche, high entry barriers, cost efficiency	Nascent, knowledge based, very high barriers, single window	Growth, high entry barriers, low cost
Industry Growth	5-8%	8-12%	15-20%	10-15%
% of Total Revenues (FY 15-16)	37% (835 cr.)	29% (663 cr.)	28% (625 cr.)	6% (130 cr.)
TCI EBIDTA Margins	3-5%	8-10%	10-12%	25-30%
Rev. Growth CAGR 5 Yrs.	0.6%	7.6%	9.7%	13.3%
ROCE (5-yr Average)	8%	45%	23%	19%
ROCE (10-yr Average)	14%	39%	23%	16%

Divisional Performance

Standalone Revenue Mix : Share of XPS & SCS is rising



TCI Freight Division

- One of India's premier organized freight services provider with pan India presence
- Around 2400 trucks and trailers, both owned and leased, provide freight movement services on a daily basis
- Single window Key Account Management (KAM) solutions for managing information flow and tracking
- Started new service for SAARC region to provide door to door service.

Road

Provides full truck load (FTL), less than truck load (LTL) and parcel services

600 owned offices

Large client base with a strong Key Account Management system

Rail

Provides different types of services such as containers, wagons and special automotive wagons

Over Dimensional Cargo

Provides logistics solutions for over dimensional, bulk and heavy cargo

Project management

Own hydraulic axles and trailers

Multi-modal Logistics JV



51% equity stake



TCI CONCOR
Multimodal Logistics Solutions

49% equity stake



Container Corporation of India Ltd

Potential Benefits

- Integration of rail and road cargo movement
- Establishing synergy between two rail and road giants
- JV company provides end to end multi modal solutions
- Providing ideal mix of cost & speed
- Total Paid up Equity- Rs 7 Cr
- FY 2015-16 Net Revenues- Rs. 130.6 Cr. and Net Profit of RS. 0.85 Cr.

TCI Freight Division: Financials

<i>Rs. In Crores</i>	2015-16 Unaudited	% increase over Last year	2014-15 (Audited)
Revenues	834.8	3.0%	810.6
EBDITA	24.8	15.9%	21.4
EBITDA Margin %	3.0%		2.6%
PBIT	15.0	19.0%	12.6
Capital Employed	201.2	3.3%	194.7

Division's share in overall business consistently reducing

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Share in total Revenue	43%	40%	38%	37%	37%

Outlook:

- Projected growth of around 5-10% with better economic conditions
- Our business strategy has been modified to reduce losses in the division by increasing the focus on higher margin sundry & less than truck load (LTL) business, to utilize the fixed cost of branches, hubs & manpower.

TCI XPS Division

- The division provides express door-to-door service for time sensitive and high value parcels
- Operates through dedicated vendors
- 6% business is through air cargo
- Growing in both B2B and B2C part of e-commerce business

Domestic & International

13000 locations in India &
200 countries

Air (chartered space from
Airlines)

Surface: Road & Rail

Value Added Services

Diplomat (non service
location) Delivery

Holiday Service

Freight on Delivery

Money back guarantee
scheme

USP

Air cargo: all dimensions

Well positioned hubs

Key Account Management
system

TCI XPS Division: Financials

<i>Rs. In Crores</i>	2015-16 (Unaudited)	% increase over Last year	2014-15 (Audited)
Revenues	663.0	0.6%	658.9
EBDITA	54.6	5.2%	51.9
EBITDA Margin %	8.2%		7.9%
PBIT	48.8	6.3%	45.9
Capital Employed	166.1	58.2%	105.0

Outlook

- Business growth projected at 10%-15% with increased focus on ecommerce, high consumption driven sectors.
- Focusing on improvements in operating margins by better capacity utilization and services automation

TCI Supply Chain Division

- SCS division provides inbound/outbound logistics and supply chain solutions from conceptualization to implementation
- Operates with a customized fleet of 1100 own trucks including 34 refrigerated trucks
- Auto sector currently contributes to 75% of total SCS revenue
- High growth in managing Fulfillment centers and backend operations for e-commerce

Supply Chain Consulting

Design of Supply chain strategy from procurement to distribution

Supply Chain Execution

Lead Logistics Provider

Warehousing

Distribution Centers, Cross Docks & In-Plant

Cold Chain

Transport & storage solutions for perishable cargo in Pharma, Foods & Chem

Key Account Management

Group Services

Marquee Customers

Maruti, VW Group, Tata Motors, Hero, Bajaj, Hindustan Unilever, Samsung,

Auto

Retail & CP

Hi-Tech

Pharma

Cold Chain

Chemicals

Record
Management
Services -RMS

Automotive Logistics JV



49% equity stake



51% equity stake



Mitsui & Co. Ltd

Synergy with TCI

- Lead logistics partner for Toyota Kirloskar Motors Ltd. and for other Japanese auto companies in India
- Complete logistics solutions from inbound to outbound transportation across India and abroad

TCI Supply Chain Division: Financials

Rs. In Crores	2015-16 (Unaudited)	% increase over Last year	2014-15 (Audited)
Revenues	625.2	2.2%	611.8
EBDITA	67.2	3.7%	64.8
EBITDA Margin %	10.8%		10.6%
PBIT	38.1	1.9%	37.4
Capital Employed	232.3	42%	163.6

Outlook

- Planned growth of 10-15% with improvement in auto, retail and economy in general
- Aims to be significant player in warehousing in Apparel, Retail, FMCG and E-commerce
- Significant pipeline of potential contracts in all verticals.
- Launched state of the art 5000 pallet position multi temperature cold chain warehouse.

TCI Seaways Division

- This division provides coastal shipping services for transporting container and bulk cargo along the Western & Eastern coast of India

Ships Owned

04 domestic ships with capacity of 3500 – 10600 DWT, including Project Ships equipped with own cranes

(Total capacity of 23360 DWT)

Coastal Shipping Services

Scheduled services on both coasts:

-Mundra to Cochin

-Chennai/Vizag to Andamans

Other Services

Chartering of Vessels

Stevedoring & MTO License

NVOCC with own & leased containers

TCI Seaways Division: Financials

Rs. In Crores	2015-16 (Unaudited)	%increase over Last year	2014-15 (Audited)
Revenues	129.7	14.9%	112.9
EBDITA	34.2	1.5%	33.7
EBITDA Margin %	26.4%		29.9%
PBIT	27.1	-5.2%	28.6
Capital Employed	157.4	0.9%	156.0

Outlook

- West coast service to further stabilize and grow
- Over all planned growth is 25% supported by stabilized operations at west coast by adding another ship.
- Increasing awareness of coastal service as a multi modal option
- The division is planning to add 1400 more marine containers during the FY 2016-17.

Other Divisions

Energy division

Rs. In Crores	2011-12 (Audited)	2012-13 (Audited)	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Unaudited)
Cumulative capacity	11.50 MW	11.50 MW	11.50 MW	11.50 MW	11.50 MW
Capital Employed	37.4	34.6	31.1	29.6	28.4
EBIDTA	6.0	6.3	5.8	5.0	4.7

Global division

Only operating in Brazil & Nigeria for local business.

Financial Statement

Income Statement

Particulars (Rs in Cr.)	2014-15	2015-16
Freight	2050.01	2072.46
Other Sales & Services	146.74	185.31
Other Income	12.38	12.13
Total Income	2209.13	2269.90
Revenue growth %	8.66%	2.80%
Operating expenses	1764.78	1783.56
Other expenses	261.61	291.83
Total Expenses	2026.39	2075.39
EBITDA	182.74	194.51
EBITDA Margin %	8.27%	8.57%
Interest Expense	31.91	28.20
Depreciation	49.46	53.92
Exceptional Item	0.17	0.03
PBT	101.20	112.36
PBT Margin %	4.58%	4.95%
Taxes	25.25	27.30
PAT	75.95	85.06
PAT Margin %	3.44%	3.75%

Balance Sheet

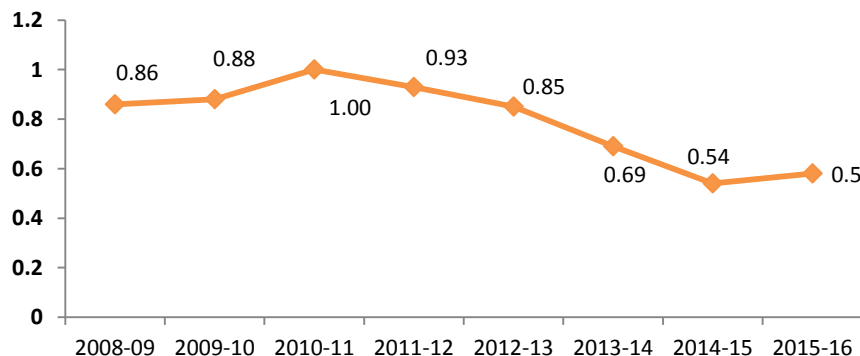
Particulars (Rs in Cr.)	2014-15	2015-16
1. Shareholders Funds		
Share Capital	15.13	15.21
Reserves & Surplus(Excl. Rev. res)	559.84	624.43
Minority Interest	0.00	0.00
2. Non Current Liabilities		
Long term Borrowings	73.45	96.34
Deferred tax Liabilities (net)	28.48	34.34
Other long term liabilities & Provisions	0.00	0.00
3. Current Liabilities		
Short term borrowings	197.53	244.03
Trade payables	69.30	74.79
Other current liabilities	53.31	64.30
Short term provisions	48.29	50.71
TOTAL	1045.33	1204.15
1. Non current Assets		
Fixed Assets	470.66	587.61
Goodwill on consolidation	0.00	0.00
Exchange fluctuation on consolidation	0.00	
Non current Investments	44.40	44.55
Long term loans and advances	40.71	42.08
Other non current assets	2.64	0.00
2. Current Assets		
Inventories	2.28	1.76
Trade Receivables	393.84	418.38
Cash & cash equivalents	16.51	23.25
Short term loans and advances	73.02	84.47
Other current assets	1.27	2.05
TOTAL	1045.33	1204.15

Figures for FY 2015-16 are unaudited

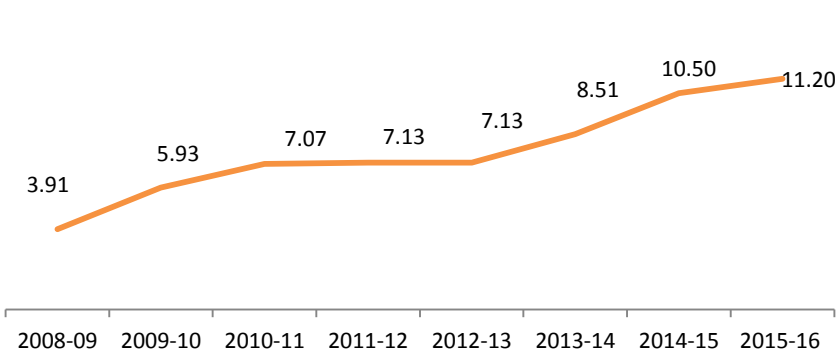
Financial Performance

Owing to Top ratings from Credit Agencies, good financial discipline and high creditworthiness, TCI's average interest cost is below 10.00%

Debt – Equity Ratio



Earnings per Share (in Rs)



	UOM	2013-14	2014-15	2015-16
Debt Service Coverage Ratio	Times	1.80	2.39	2.54
Return on Capital Employed	%	14.62	15.20	14.31

Capital Expenditure Plan

Rs. In Crores	Total Actual (FY 2006-07 to 2014-15)	2015-16 Actual	2016-17 Proposed
Hub Centers & Small warehouses	260.2	95.7	101.0
Wind power	9.0	0.0	0.0
Ships & Containers	151.5	4.3	66.0
Trucks & Cars	240.7	64.5	59.0
Others (W/H Equip., IT etc.)	77.1	3.9	9.0
Total	738.5	168.4	235.0

Funding Pattern:

Sources of finance for the Capex in FY 2016-17

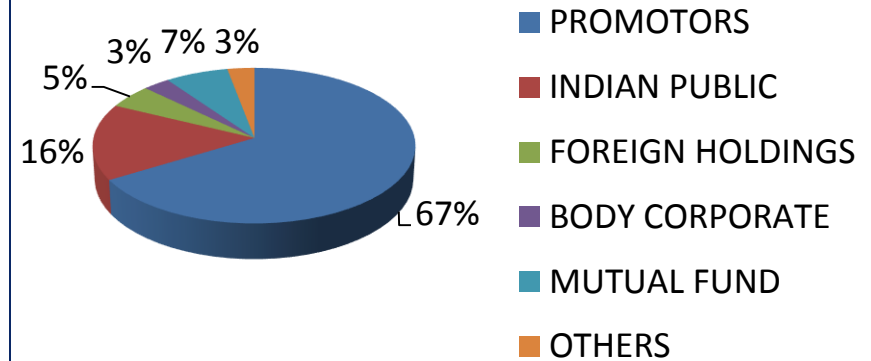
Rs. In Crores	Debt	Equity	Free Cash Flows	Total
FY 2016-17	100	0	135	235

Market Summary

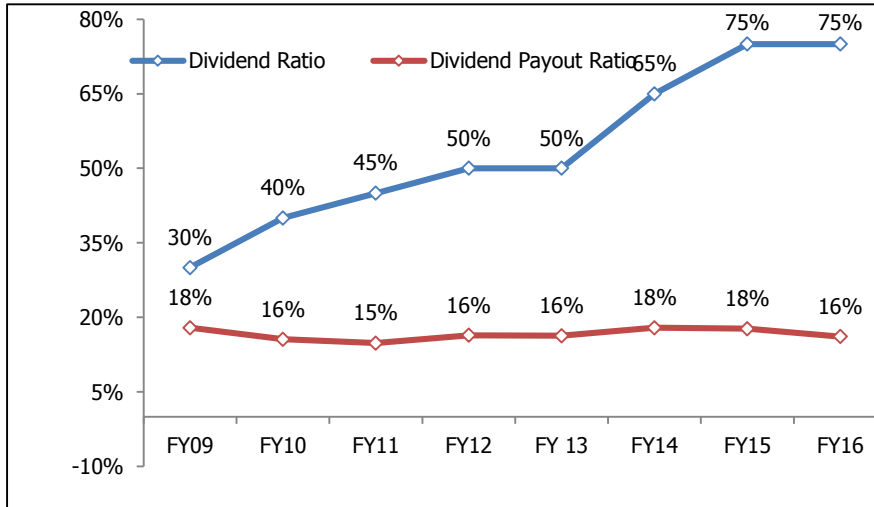
Market Summary (Rs In Crore)

Market Cap as on 31 st March `16	2142
Debt	380
Enterprise Value	2521
P/E	25.1
EV/EBITDA	12.96
52 Week High	348.50
52 Week Low	199.20

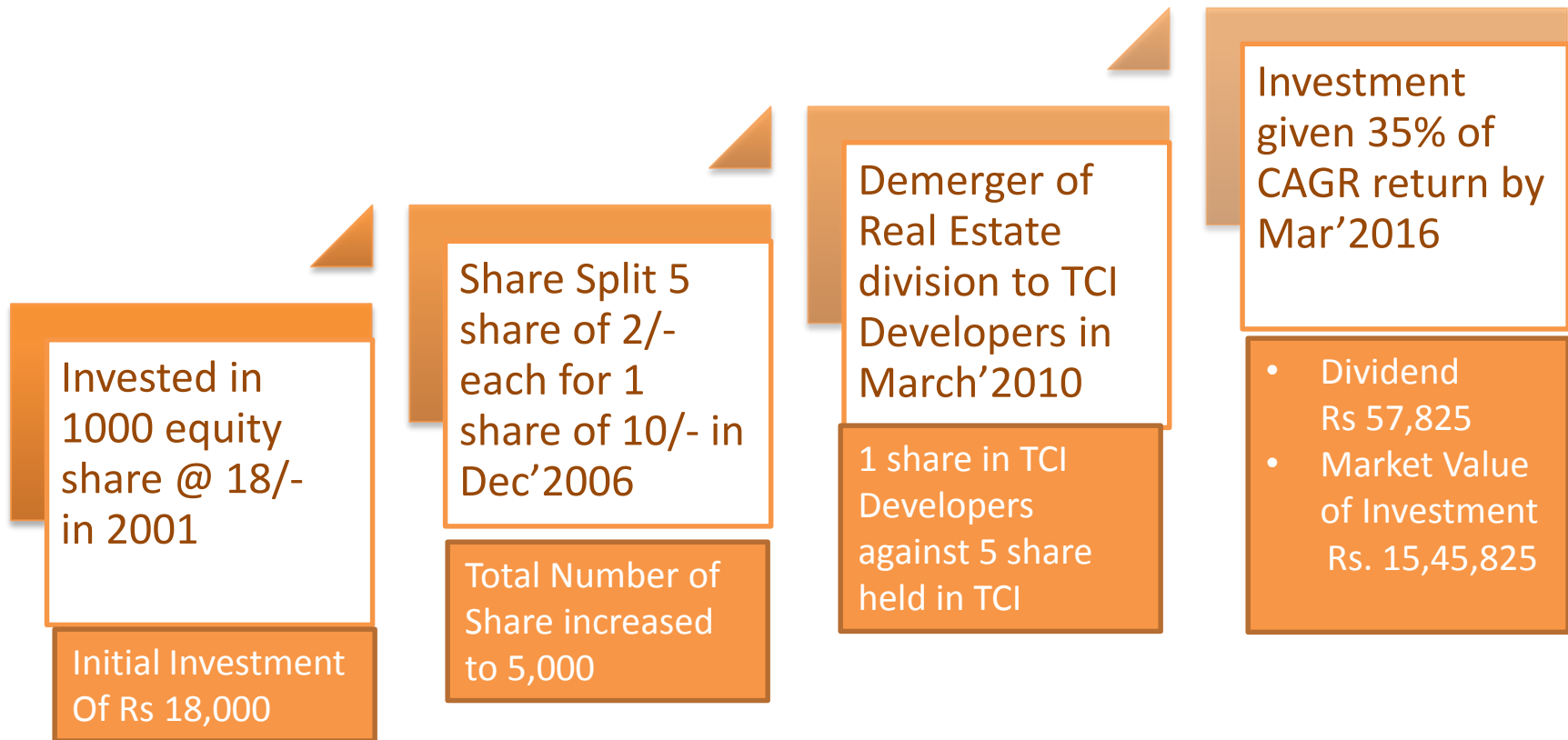
Shareholding Pattern as on 31st Mar 2016



Consistent Dividend track trend



Stock Performance



About Recent announcement on Demerger

- On 8th October 2015 ,the Board has approved demerger of XPS Undertaking into wholly owned subsidiary TCI Express Ltd. Necessary filing has been made with stock exchanges. Complete details in respect thereof are available at tcil.com
- On 1st February 2016 ,BSE and NSE have issued “No Objection Certificate” (NOC) in respect of proposed scheme of arrangement. The scheme has been filed with Hon. High Court of Talengana & A.P
- Shareholders and unsecured creditors in their respective meetings held on 19th March 2016 & have approved the Scheme. All secured creditors have furnished their NOC in respect of proposed Scheme.
- The High Court of Talengana & A.P fixed the next date of hearing on 6th June 2016 for final hearing on proposed Scheme.

Rationale of Demerger

Focused leadership & management required

The XPS undertaking has tremendous growth and profitability potential, more specifically in E-commerce space where it requires focused leadership and management attention.

Investor's attractiveness and unlocking shareholder's value

The nature of the risk and competition with respect to the business of XPS Undertaking is distinct from the other businesses of the Remaining Undertaking and consequently, upon demerger, the XPS Undertaking would be capable of attracting a different set of investors and strategic partners.

Opportunity for Best Investment Strategies and diversification

The reorganization proposed by this Scheme will enable investors to separately hold investment in businesses with different investment characteristics, thereby enabling them to select investments which best suits to their investment strategies and risk profiles.

Greater Synergies in remaining businesses

The reorganization will enable the demerged company to focus its residual business and achieve greater synergies.

Key Points of Demerger Scheme

Swap and Exchange Ratio

- The Equity shareholder of TCI will receive 1 equity share of Rs. 2/- each of TCI Express Ltd. For every 2 equity share of Rs. 2/- each held on the record date of the Company.

Listing of Resulting Company

- As part of Scheme, TCI Express Ltd. Shall also seek listing on Stock Exchange(s) after approval of the Scheme by the Hon`ble High Court.

Appointed Date

- The Appointed date would be closing business hours of 31st March 2016 or such other date as may be approved by Hon`ble High Court.

Future Outlook

Growth Drivers

- Warehousing
- Consumption driven sector like FMCG, Retail , Auto etc.
- E-Commerce

Cost Drivers

- Economies of scale
- Operational efficiency key to maintain cost control
- Receivables management

Macro Drivers

- Economic reforms, Implementation of GST and infrastructure investment: Logistics sector to be in higher trajectory.
- Ambitious Capex and expansion plans in current fiscal

THANK YOU

