




Transport Corporation of India Limited

Investors Presentation FY 2017-18 (9M)

 **MOVING INDIA'S
GROWTH STORY.**



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.

Group TCI

SBUs & Services



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



A Single-window solutions enabler from Conceptualization to Implementation



Leading player in Coastal Shipping , NVOCC & Project Cargo

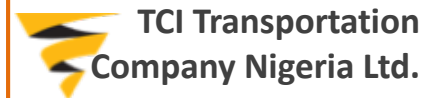
Other Group companies



JV with CONCOR to provide end to end multi modal solutions.



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



A JV between Indorama Eleme Petrochemicals Ltd. and TCI.



Specialized in offering time definite solutions with strength of 2000+ team of professional and 13000+ delivery points.



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

Key Facts

Year of Establishment

1958

Turnover

3200 Cr.

Movement by Value of India GDP

2.5%

Employees Strength

6000+

IT enabled Owned Branches

1400

Vehicles/Day Managed on Road

14500



Key Facts

Turnover

1950 Cr.

Employees Strength

3500

IT enabled
Owned Branches

900

Warehouse Covered
Area managed

12 Mn Sqft

Vehicles/Day
Managed on Road

12000

Owned Vehicles

1800+

Cargo Ships

5

Recent Developments

**Enabling
Tech
Eco-system**

Investments in
Tech-startups
having impact
on logistics
space

The company
geared to be
GST ready from
day one

GST

**Connecting
SAARC**

Incorporation of
100% subsidiary
in Nepal as "TCI
Nepal Limited"

Board of Directors

Name

Designation

Mr. S M Datta

Chairman (Non-executive independent director)

Mr. D P Agarwal

Vice Chairman & Managing Director

Mr. Vineet Agarwal

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

Mr. Vijay Sankar

Non-executive independent director

Mrs. Urmila Agarwal

Non-executive director

Mr. M P Sarawagi

Non-executive director

Mr. Chander Agarwal

Non-executive director



Corporate Social Responsibility

TCI would be taking CSR initiatives through TCI Foundation, TCI Institute of Logistics & TCI Charities under below activities:



TCI Policies

The company considers its employee as the most important and valuable asset and is committed to provide conducive, healthy and professional work environment. So the Company establishes the policies and procedures to protect the rights of employees as well as the enable social & economic environment within the organization. Certain important policies are:

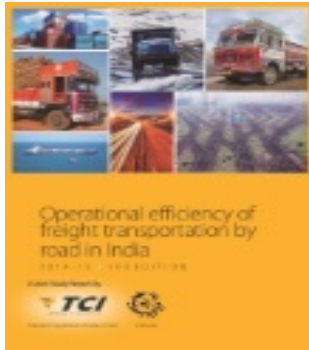
HSE Policy , Code of Conduct , Sexual Harassment Policy , CSR Policy , Risk Management Policy.



Listing, Rating & Certifications

TCI is listed in two stock exchange i.e. NSE & BSE whereas having Rating & Certifications form the following:
ISO 9001:2008 , CRISIL: AA-/stable for long term , ICRA: A1+ short term , IATA Certificate





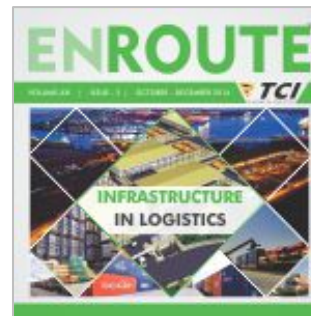
A Joint Study Report by TCI & IIM 2014-15

Transport Corporation of India (TCI), in collaboration with IIM Calcutta, launched the 3rd edition of the joint study report titled “Operational Efficiency of Freight Transportation by Road in India”. The report is based on the joint survey of road freight transportation along 28 key routes in India. The aim of the study is to explore new ways to increase the operational efficiency of freight transport by road.



Logistic Focus

Log Focus is a quarterly in house publication of Group TCI and covers a wide spectrum of topics of Logistics and Supply Chain ranging from Case Studies, White Papers and Analysis



Enroute

Enroute is a quarterly in house publication of Group TCI. It has various sections such as Cover Story, Industrial Trends, Food for thought, Health etc that take up current issue pertaining to Logistic Industry & for general Interest.



2nd Sustainability Report

TCI has released its second CSR cum Sustainability Report for the year 2010-14 base on Triple Bottom Line of Profit-People-Planet. TCI is the first Indian Logistics Company to come out with such a report.

Awards & Recognition for 2017



Recognition as “Logistics Service Provider” to TCI Supply Chain Solutions

Presented By: Jubilant Life Sciences



Operational Excellence in Cold Chain to TCI Supply Chain Solutions

Presented By: ASSOCHAM India



11th Express Logistics & Supply Chain Leadership Award 2017 To TCI Group for Diversified Logistics Company of The Year

Presented By: Kamikaze B2B Media



Warehousing Achiever of the Year to TCI Supply Chain Solutions

Presented By: Tata Strategic Management Group & Infinity Expo



Cold Chain Rising Star of the Year to TCI Supply Chain Solutions

Presented By: Kamikaze B2B Media



Manufacturing Supply Chain Service Provider of the year to TCI Supply Chain Solutions

Presented By: Kamikaze B2B Media



Carried Highest Volume in Financial Year 16-17

Presented By: Bajaj Auto



Awards for Retail Excellence for Effective Retail through Supply Chain to TCI Supply Chain Solutions

Presented By: Asia Retail Congress

Logistics Growth Drivers

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
- Shift of business from unorganized to organized sector

Logistics Infrastructure Development

- Creation of additional dedicated road, rail as well as costal 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 and distribution will become more omni channel.

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
- Shift of business from unorganized to organized sector

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 may shrink by 10-20%

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.

GST: Status post implementation

Area	Expected Impact	Current Status
Increased speed & efficiency for trucks	Reduced transit time, less bottlenecks and paperwork , reduced corruption	Improvement in certain routes but national impact to be seen post full implementation of E-way bill
Rationalizing the impact of taxes on Production, Distribution and Inventory management leading to reduced inventory costs & supply chain efficiency	Consolidation of warehouses with abolition of CST and emergence of hub & spoke distribution networks	Impact seen on ground but slow due to frequent changes in GST
Reduced paperwork and compliances	E-transactions, simple system	Still too many complications in rate structure Return filings etc.
Shift of business from unorganized to organized sector in logistics specially in surface transport	Registration and compliance of all unorganized players for a level playing field	Due to recent changes in GST road transport activities are out of GST requirement now

GST

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Transportation

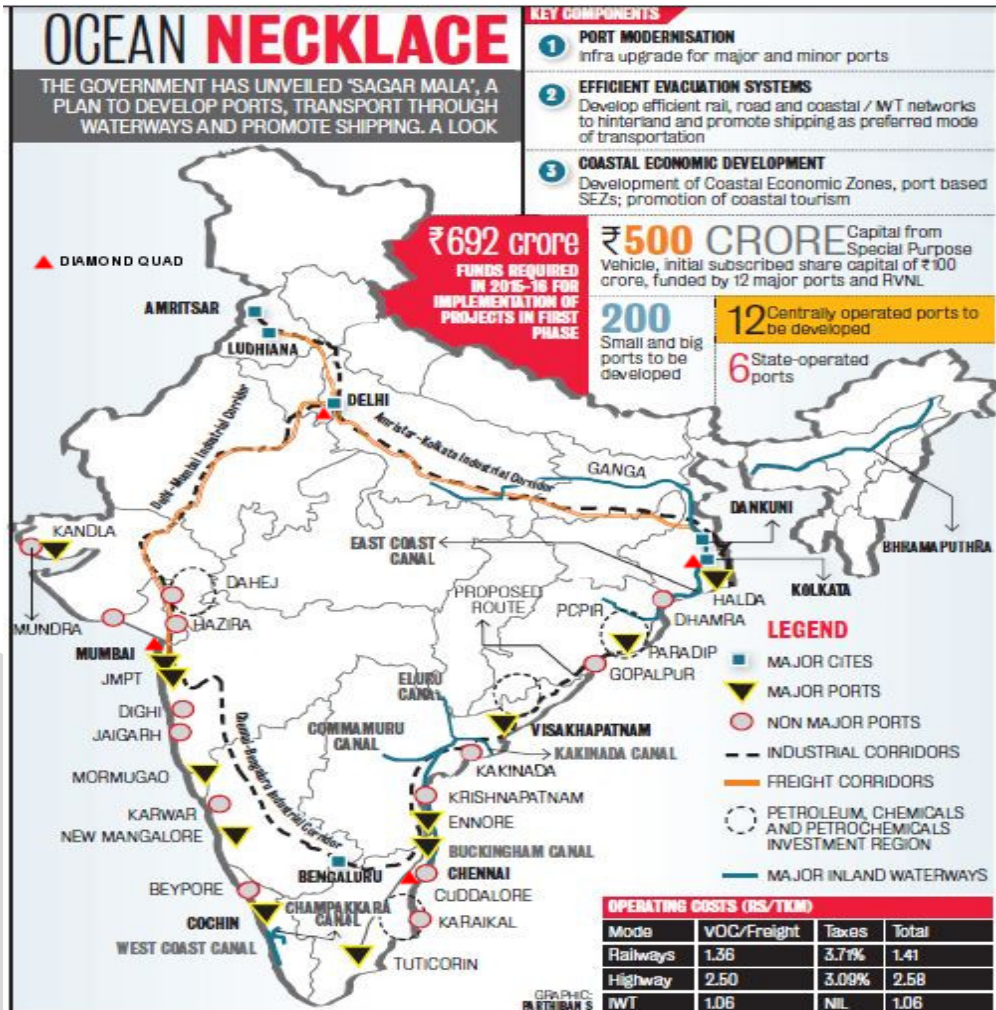
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Sagar Mala

Sagar Mala envisages port led development of the country that would look towards transforming the existing Ports into modern world class Ports and integrate the development of the Ports, and provide a boost to multimodal logistics

Bharat Mala

This will connect eastern and western India through 7,000 Km of National Highways. It will allow goods to move comfortably across the country and help reduce the cost of passenger and freight travel. The project will improve road connectivity not just in coastal and border areas, but also provide seamless connectivity along the borders with Nepal, Bangladesh, China, Pakistan and Bhutan, which is crucial for strategic reasons.

Dedicated Freight Corridors

DFC will give boost to share of railways in carrying domestic freight and strengthening the prospects of multi-modal transportation in India.

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

Impact of Outsourcing on logistic sector

- **Transit Time Reduction** : Acceleration of loading and unloading processes, better co-ordination of roads transport shipments by railway.
- **Price Reduction** : Rebate on rail price because of larger transport volume and Economics of scales effects on warehousing at the terminal.
- **Shortening of Tracking delay** : Own tracking system and better integration with the logistic management system.
- **Frequency** : Improved Frequency with additional shipments.
- **Reliability** : Flexible transport mode choice.

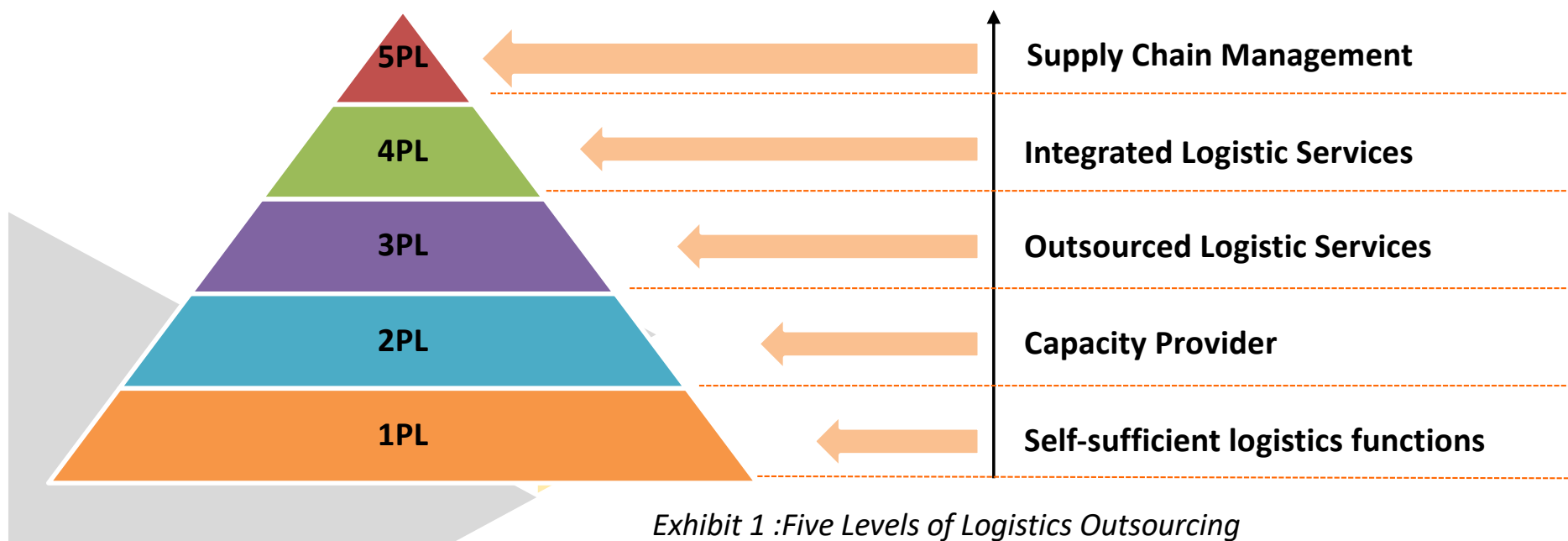
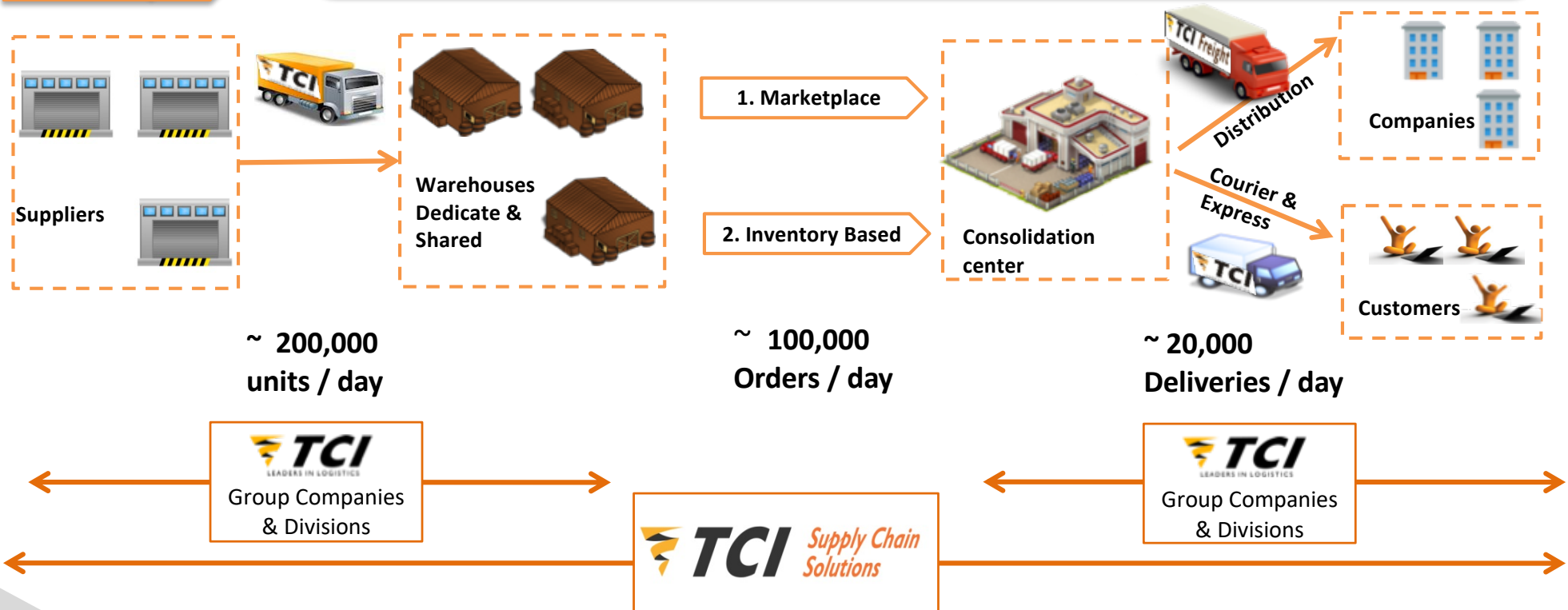


Exhibit 1 :Five Levels of Logistics Outsourcing

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 and distribution will become more omni channel.



1. At Supplier

- i Supplier Coordination
- ii Scheduling
- iii Route optimization

2. Inventory / Marketplace / Cross Dock- FC

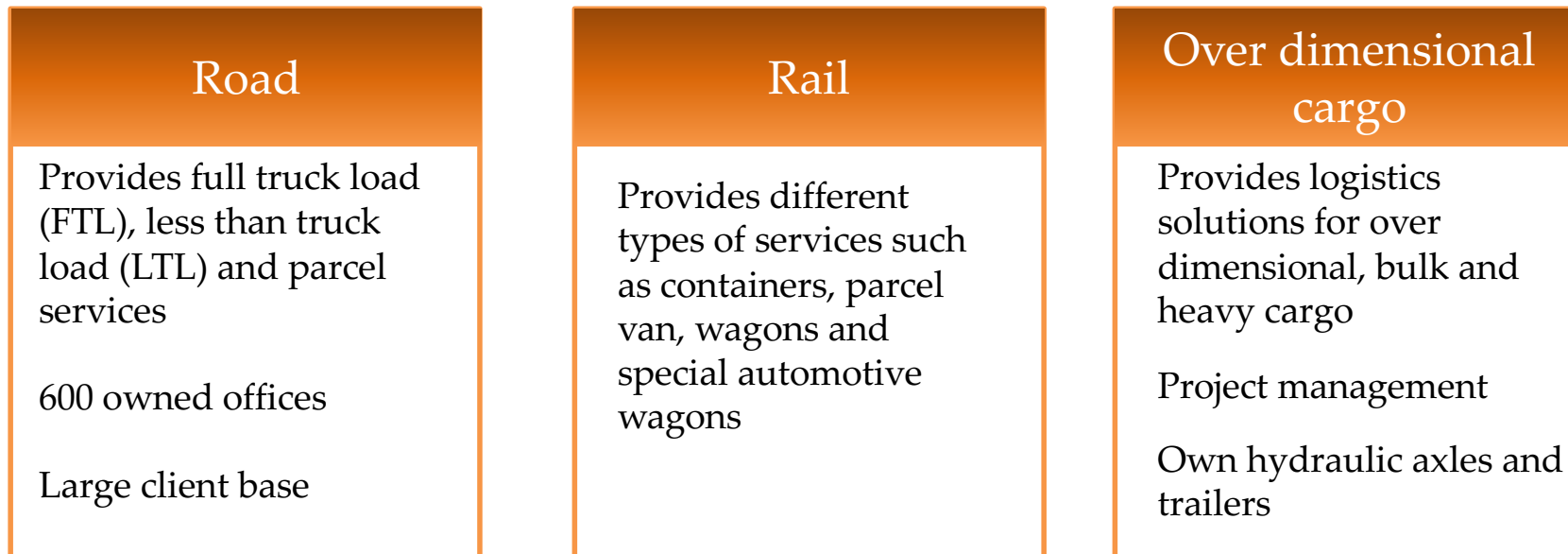
- i Receipts and Bar Coding
- ii Quality Check and Put away
- iii Order processing on SLA
- iv Sortation and Ship+ CUBISCAN
- v Return Shipment Management

3. At Customer place

- i Doorstep delivery
- ii FOD
- iii Reverse logistics

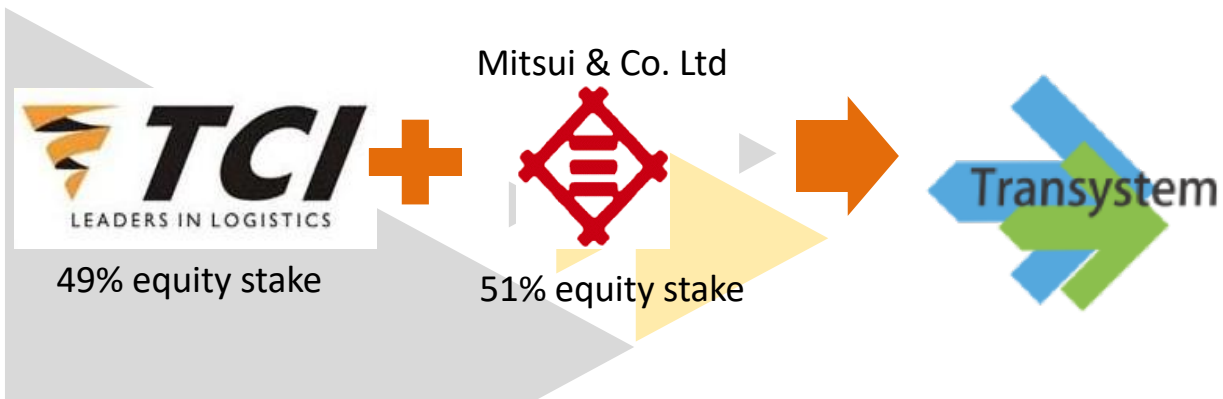
TCI Freight Division

- One of India's premier organized freight services provider with pan India presence
- 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
- Around 2800 trucks and trailers, both owned and leased, provide freight movement services on a daily basis



- Provides inbound/outbound logistics and supply chain solutions from conceptualization designing network to implementation

Key Industry verticals	Range of services
Auto	OEM Solutions, Line feeding ,Spares part distribution, Reverse Logistics, Multi-Modal Movement ,Warehousing, Yard Management
FMCG ,Retail and E-commerce	Warehousing ,Packaging & Value Added Service, Last mile Distribution, and E-fulfillment centers
Hi-Tech	Supplier Management, Primary Movement, CFA management, Spares management ,Warehousing ,Multi-Modal movement ,Reverse Logistics
Chemical	Warehousing ,Packaging & Value Added Services, Bulk Tankers, Hazmat Logistics, ISO Tanktainers movement ,Dry bulk movement in Container liner ,Gas bulk movement. Strengthened our position in Liquid Logistics moving more than 1.5 million tonnes of chemicals. (Liquid, Solid & Gas)
Healthcare Cold Chain	Project movement during harvesting season ,Outbound Transportation ,Specialized DC for Retail ,warehousing. Enhanced cold storage capacity with 5400 multi-temperature pallet positions warehouse at NCR



- ❑ 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 Seaways Division

- One of India's premier organized freight services provider with pan India presence
- Provides coastal shipping services for transporting container and bulk cargo along the Western & Eastern coast of India
- Align and help multi-modal solutions

Ships Owned

05 domestic ships with capacity of 3480 – 13760 DWT, including Project Ships equipped with own cranes

(Total capacity of 37,360 DWT)

Coastal Shipping Services

Scheduled services on both coasts:

-Mundra-Tuticorin-Cochin

-Chennai/Vizag- Andamans

Other Services





Chartering of Vessels

Stevedoring & MTO License

NVOCC with own & leased containers

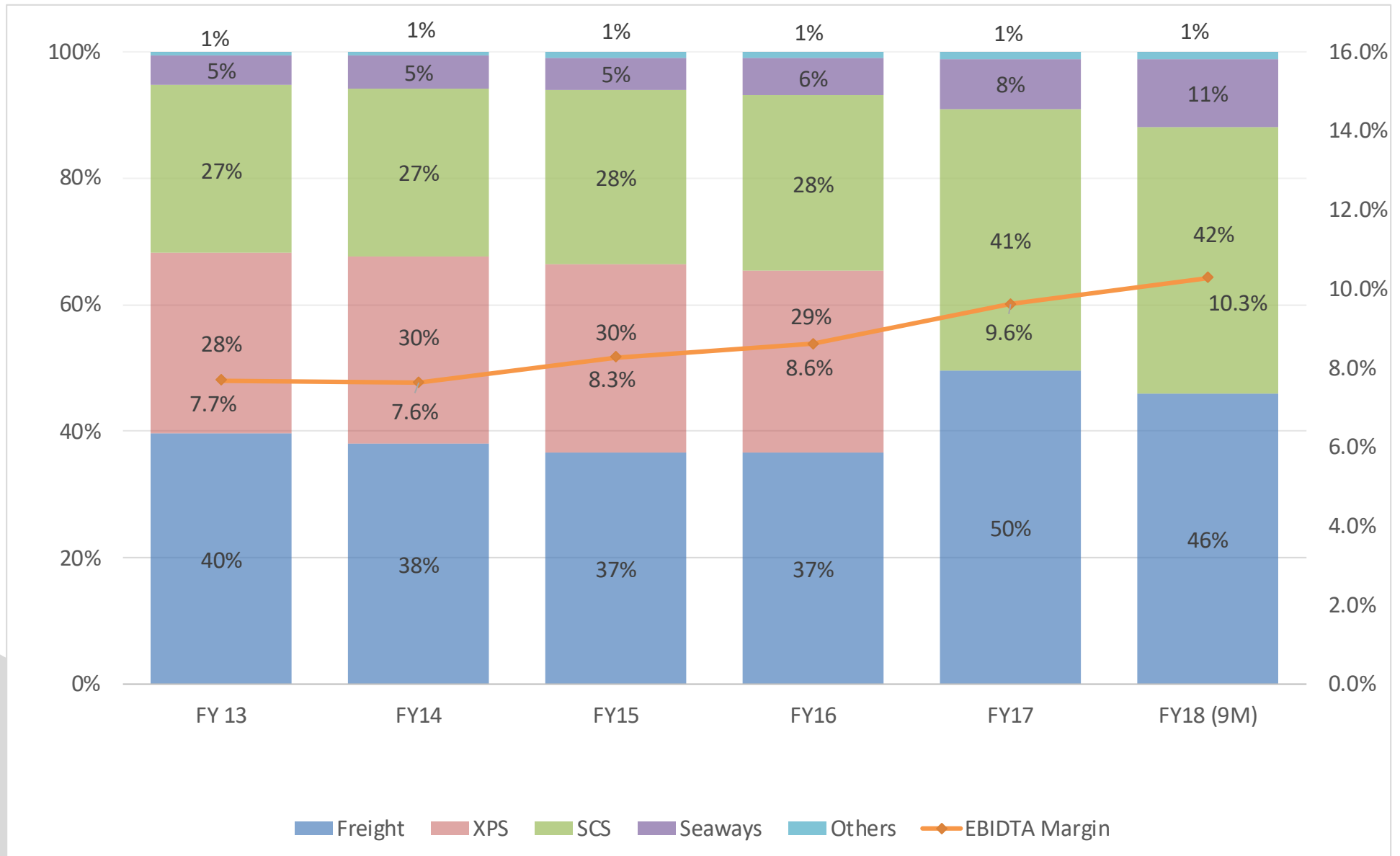
Performance : Stand-alone

Figures are in Crs

	 TCI Freight	 TCI Supply Chain Solutions	 TCI Seaways	 TCI LEADERS IN LOGISTICS # Corp.& Others	Total (2017-18)(9M)	Total (2016-17)(9M)	Total (2016-17)
Revenue	730.8	667.5	169.8	19.6	1587.8	1333.9	1821.9
% Growth	10.7%	20.7%	60.5%	33.0%	19.0%	12.8%	12.8%
EBIDTA	27.3	68.6	51.7	15.6	163.1	128.2	174.0
% of Revenue	3.7%	10.3%	30.4%	79.4%	10.3%	9.6%	9.6%
EBIT	20.3	41.5	36.2	14.0	112.0	85.3	116.2
% Growth over LY	24.8%	24.9%	39.9%	41.3%	31.3%	30.2%	19.0%
Capital Employed	205.2	277.8	247.1	324.6	1054.7	941.4	1035.4
ROCE %	13.0%	20.0%	20.4%	N.A	14.4%	12.6%	12.1%

Corp. & Others consist of unallocated assets , investments and energy division.

Divisional Revenue Mix



Capital Expenditure Plan

Rs. In Crores	Total Actual (FY 2006-07 to 2015-16)	2016-17 Actual	2017-18 Proposed	2017-18 (9M) Actual
Hub Centers & Small warehouses	339.4	17.9	50.0	22.0
Wind power	9.0	0.0	0.0	0.0
Ships & Containers	155.8	65.1	17.0	9.1
Trucks & Cars	304.2	27.6	35.3	13.8
Others (W/H Equip., IT etc.)	81.7	14.5	27.7	3.3
Total	890.1	125.1	130.0	48.2

Funding Pattern:

Estimates of sources of finance for the Capex in FY 2017-18

Rs. In Crores	Debt	Equity	Free Cash Flows	Total
FY 2017-18	67	0	63	130

Financial Results

Figures in Crs Income Statement

Particulars (Rs in Cr.)	2016-17	2016-17 (9M)	2017-18 (9M)
Freight	1629.50	1193.94	1423.16
Other Sales & Services	174.76	130.62	148.70
Other Income	17.71	9.36	15.91
Total Income	1821.98	1333.92	1587.77
Revenue growth %	12.88%	12.80%	19.03%
Operating expenses	1454.09	1063.78	1265.64
Other expenses	193.91	141.91	159.00
Total Expenses	1648.00	1205.69	1424.64
EBITDA	173.98	128.23	163.13
EBITDA Margin %	9.55%	9.61%	10.27%
Interest Expense	27.41	21.06	23.12
Depreciation	57.81	42.98	51.15
PBT	88.75	64.19	88.86
PBT Margin %	4.87%	4.81%	5.60%
Taxes	18.49	12.45	17.77
PAT	70.26	51.74	71.08
PAT Margin %	3.86%	3.88%	4.48%

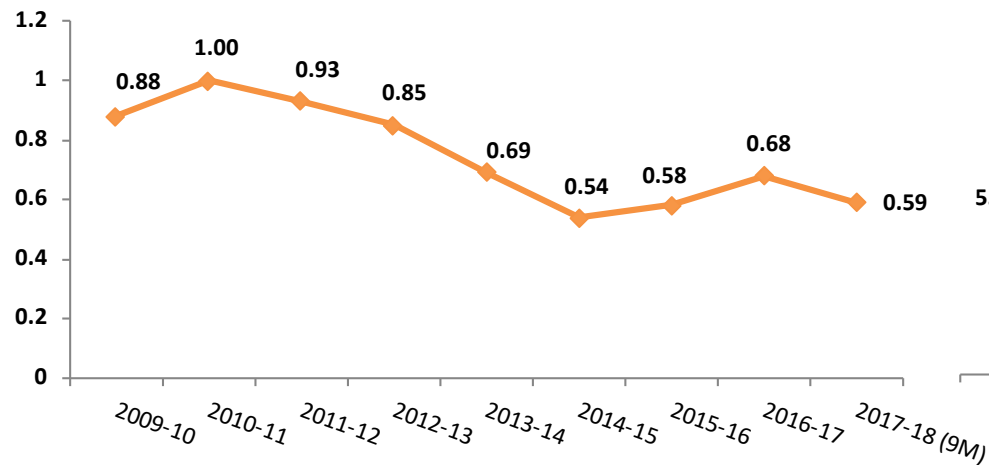
Balance Sheet

Particulars (Rs in Cr.)	2016-17	2016-17 (9M)	2017-18 (9M)
1. Non current Assets			
Property, plant and equipment	531.84	527.43	616.76
Capital work-in-progress	56.81	18.27	7.87
Intangible assets	0.68	0.86	0.70
Investments	29.78	24.00	34.04
Long term loans and advances	11.43	14.88	9.42
Other non current assets	56.83	30.52	39.67
2. Current Assets			
Inventories	2.51	3.28	2.98
Trade Receivables	331.65	329.00	362.93
Cash & cash equivalents	18.41	16.67	16.87
Loans and advances	10.72	9.33	5.82
Other current assets	81.12	95.25	143.96
TOTAL	1131.77	1069.48	1241.02
1. Shareholders Funds			
Share Capital	15.32	15.32	15.32
Reserves & Surplus	565.59	560.12	632.91
2. Non Current Liabilities			
Long term Borrowings	140.39	83.48	123.63
Deferred tax Liabilities (net)	39.17	31.98	37.17
Other long term liabilities	2.03	2.09	1.85
3. Current Liabilities			
Short term borrowings	225.58	215.59	215.20
Trade payables	73.33	86.07	108.15
Other current liabilities	65.12	70.40	99.87
Short term provisions	5.23	4.44	6.93
TOTAL	1131.77	1069.48	1241.02

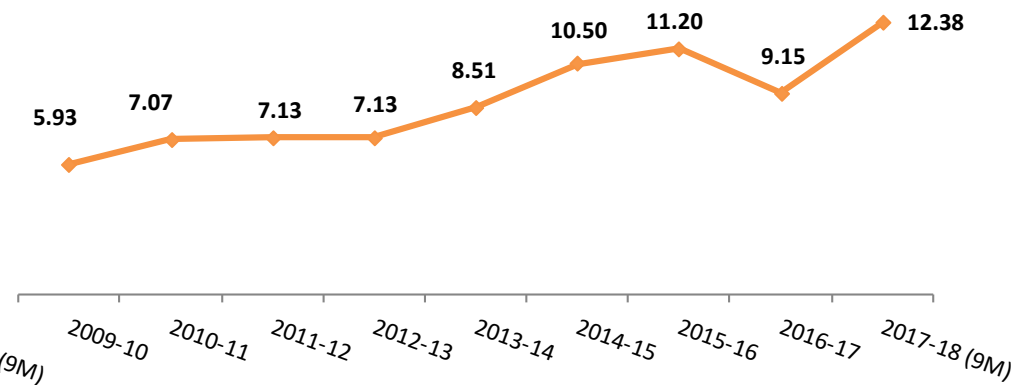
Financial Performance

Top ratings AA- (CRISIL –Bankline Credit) , A1+ (ICRA-Commercial Paper), good financial discipline and high creditworthiness, TCI’s average interest cost is below 9%

Debt – Equity Ratio



Earnings per Share (in Rs)



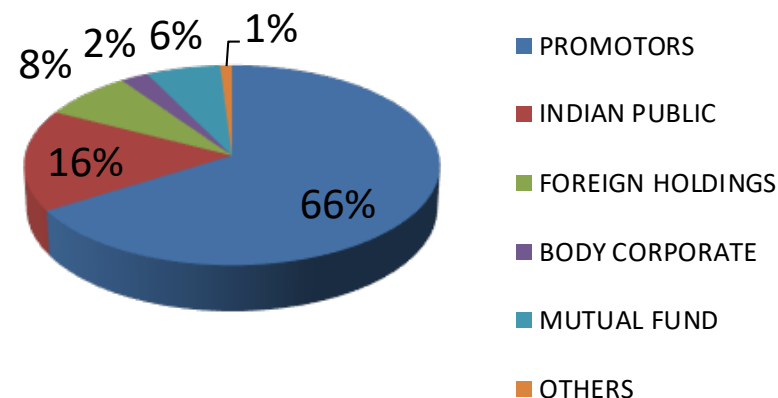
	UOM	# 2015-16	2016-17	2017-18 (9M)
Debt Service Coverage Ratio	Times	2.21	2.34	2.91
Return on Capital Employed	%	11.5	12.1	14.3

Re-stated after Excluding XPS undertaking

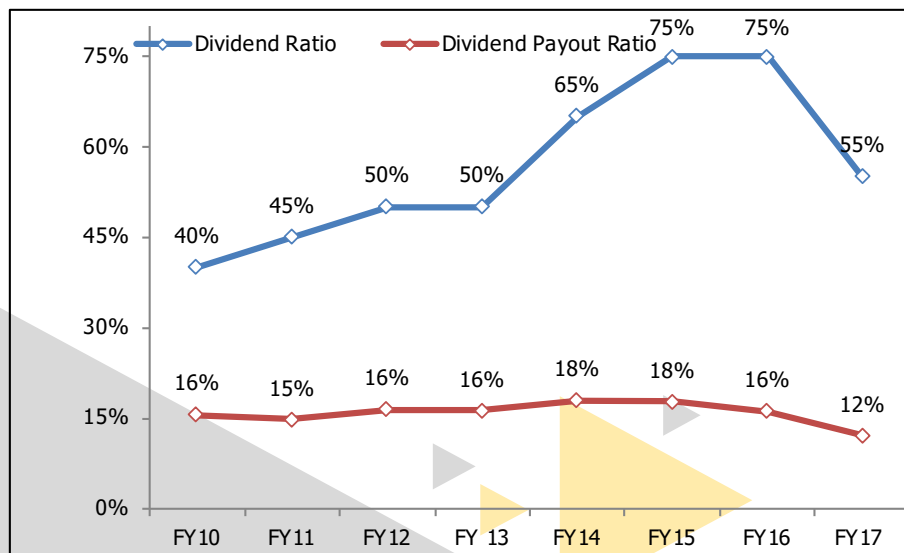
Market Summary

Shareholding Pattern as on 31st December 2017

Market Cap as on 31 st Dec`17	Rs Crs	2257.0
Debt	Rs Crs	381.7
Enterprise Value	Rs Crs	2621.9
P/E	Nos	23.8
EV/EBITDA	Nos	16.1
52 Week High	Rs/share	349.0
52 Week Low	Rs/share	181.4



Consistent Dividend track trend



Stock Performance

2001	Initial Investment	18000/- invested in 1000 Equity shares
2006	Share Split	Share Split 5 share of 2/- each for 1 share of 10/-
2011	Demerger of Real Estate Div	Swap ratio one share in TCI developers for 20 shares in TCI
2016	Demerger of XPS Div	Swap Ratio one share in TCI Express for 2 shares in TCI

Dividend Rs 80,325 Market Value of Investment Rs. 30,63,625
Investment given **38% CAGR return by Dec'2017**

Future Outlook

Growth Drivers

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

Cost Drivers

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

Macro Drivers

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

THANK YOU