Stock Update

Result Update

MIRAE ASSET Sharekhan

Transport Corporation of India Ltd

long-term outlook intact

Logistics	Sharekhan code: TCI
Reco/View: Buy ⇔	CMP: Rs. 1,196 (as on Jul 30, 2025) / Price Target: Rs. 1,350 ⇔

3R MATRIX	+	=	-
Right Sector (RS)	✓		
Right Quality (RQ)	✓		
Right Valuation (RV)		✓	

+ Positive = Neutral – Negative

What has changed in 3R MATRIX

	Old		New
RS		⇔	
RQ		⇔	
RV		⇔	

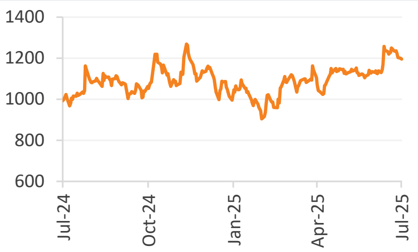
Company details

Market cap:	Rs. 9,153 cr
52-week high/low:	Rs. 1302/842
NSE volume: (No of shares)	32,467
BSE code:	532349
NSE code:	TCI
Free float: (No of shares)	2.4 cr

Shareholding (%)

Promoters	68.7
FII	3.2
DII	12.4
Others	15.7

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	5.0	14.8	15.6	19.2
Relative to Sensex	7.8	13.5	9.3	19.2

Source: Mirae Asset Sharekhan Research, Bloomberg

Summary

- Consolidated revenue stood at Rs.1,139.3 crore, while operating profit stood at Rs. 121 crore, rising 9% y-o-y and 16.6% y-o-y, respectively, driven by steady growth across multimodal, warehousing, 3PL and cold chain verticals.
- Management maintains guidance of a 10-12% growth in topline and bottomline for FY26. SCM business to grow 10-15%, while a 0.5-5% growth is eyed in seaways division.
- Company would be incurring Rs.400-450 crore capex in FY26 expanding infrastructure, including ships, trucks, and warehouses.
- We retain a Buy rating with a PT of Rs. 1,350, considering its healthy earnings growth trajectory over the next 2-3 years.

Consolidated revenues stood at Rs. 1,139.3 crore (rising 9.0% y-o-y), with operating profit growing 16.6% y-o-y to Rs. 121 crore. Freight revenues rose 4.9% y-o-y to Rs. 539 crore, and EBIT declined by 17.9% YoY to Rs. 12.8 crore due to weak industrial sector growth. Meanwhile, supply chain division's revenues rose 22.5% y-o-y to Rs. 502 crore, and EBIT of Rs. 28.3 crore up 15.5% y-o-y despite a slight slowdown in the automobiles sector (automobiles logistics contributes 75-80% of business). Seaways division's revenues rose 11.3% y-o-y to Rs. 158 crore, while EBIT rose 43.8% to Rs. 58.1 crore benefiting from favorable freight rates and low fuel costs. For Q1FY26, the Concor, Coldchain, and Transystem JVs grew 33%, 19%, and 11% respectively, clocking revenues of Rs. 115 crore, Rs. 26 crore, and Rs. 294 crore. For the seaways division, with two new ships coming in by mid-FY27, business will pick up, yet depreciation will lead to short-term EBIT pressure. This year, two ships will also be in the dry dock, impacting volume growth, though value growth is likely to stay steady. TCI's FY26 growth guidance at 0.5-5%. Freight division has seen the share of LTL business rise again, slightly from 36%. The company will focus on LTL, given it is a high-margin segment that helps reduce fixed costs through increased throughput. Management expects this division to remain subdued for another 1-2 quarters. The supply chain division is expected to grow by 10-15%, potentially reaching the higher teens if large contracts are secured. The company is also observing growth in the EV and ancillary automotive sectors.

Key positives

- TCI Concor JV grew strongly by 33%, driven by new contracts and more customers shifting to multimodal logistics.

Key negatives

- Freight revenue rose 4.9% y-o-y in Q1 FY26; EBIT fell 18% due to weakness in industrial and capital goods, with a subdued outlook ahead.

Management Commentary

- Company mentioned that containers movement increased from 33,000 TEUs in Q1FY25 to 38,000 TEUs in Q1FY26.
- The planned capex of Rs. 400-450 crore remains on track for FY26, with Rs. 60 crore spent in Q1. The majority of this will be funded through internal accruals, complemented by some debt for truck acquisitions.
- Transystem JV sees growth linked to Toyota and other Japanese OEMs. It anticipates flat topline and bottomline performance; Company expects New Toyota plant could bring business in about two years.
- In the supply chain division, margin expansion was limited due to recent capacity additions that will take time to fully utilise.

Our Call

Valuation – Retain Buy with a PT of Rs. 1,350: TCI is expected to experience strong demand from its SCM division and is likely to see improvement in its freight business. Additionally, its JV operations are expected to remain robust. The seaways business is expected to remain flat due to ship dry docking and global uncertainties. TCI's multi-modal capabilities and exposure to nearly all major end-user industries place it in a stronger position as compared to its peers. Management expects topline and a bottomline growth of 10-12% in FY26. Stock is currently trading at a P/E of 19.1x/16.8x its FY2026E/FY2027E earnings. We retain our Buy rating on the stock with a price target (PT) of Rs. 1,350.

Key Risks

A sustained weak macroeconomic and auto industry environment can lead to a downward revision in net earnings.

Valuation (Consolidated) Rs cr

Particulars	FY24	FY25	FY26E	FY27E
Revenue	4,024.20	4,491.80	4,985.82	5,669.43
OPM (%)	10%	10%	11%	11%
Adjusted PAT	353.2	412.5	484.1	549.3
y-o-y growth (%)	10%	17%	17%	13%
Adjusted EPS (Rs.)	45.7	53.4	62.6	71.1
P/E (x)	26.2	22.4	19.1	16.8
P/B (x)	4.6	4.3	3.5	2.9
EV/EBITDA (x)	21.1	18.8	16.3	14.2
RoNW (%)	19.1	19.8	20.3	19.1
RoCE (%)	12.5	13.7	13.0	12.4

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated) Rs cr

Particulars	Q1FY2026	Q1FY2025	Y-o-Y (%)	Q4FY2025	Q-o-Q (%)
Net sales	**1139.3**	**1045.1**	**9.0**	**1178.8**	**-3.4**
Other income	11.3	10.9	3.7	18.4	-38.6
Total income	1150.6	1056.0	9.0	1197.2	-3.9
Total expenses	1018.3	941.3	8.2	1057.1	-3.7
Operating profit	**121.0**	**103.8**	**16.6**	**121.7**	**-0.6**
Depreciation	28.8	29.0	-0.7	29.2	-1.4
Interest	5.4	4.2	28.6	5.5	-1.8
Exceptional items	0.0	0.0	NA	0.0	NA
Profit Before Tax	**98.1**	**81.5**	**20.4**	**105.4**	**-6.9**
Taxes	10.6	11.0	-3.6	12.1	-12.4
PAT	87.5	70.5	24.1	93.3	-6.2
Minority Interest/(JV income)	-19.0	-20.5	NA	-20.9	NA
Adjusted PAT	106.5	91.0	17.0	114.2	-6.7
EPS (Rs.)	13.8	11.8	17.0	14.8	-6.7
Margins					
OPM (%)	10.6	9.9	69 bps	10.3	30 bps
NPM (%)	9.3	8.7	64 bps	9.7	-34 bps
Tax rate (%)	10.8	13.5	-269 bps	11.5	-67 bps

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Strong growth outlook led by changing consumer preferences and macro pick-up

India's logistics industry is in the midst of a transformation—poised to grow from $317 billion in 2024 to over $480 billion by 2029, at a projected CAGR of 8–10% (India Infrastructure Research, 2024). This growth is being fueled by the rapid expansion of manufacturing, rising consumption patterns and accelerating digital commerce. Government policy reforms, infrastructure development and emerging technologies are reshaping the sector into a strategic pillar of the Indian economy. Moreover, under its Vision 2047 for Viksit Bharat, the Government of India aims to revamp the logistics sector in India by augmenting the transport network across all the vital modes of transport. Further, the third-party logistics (3PL) industry has seen a faster improvement in operations, led by segments such as e-Commerce, pharma, and FMCG sectors

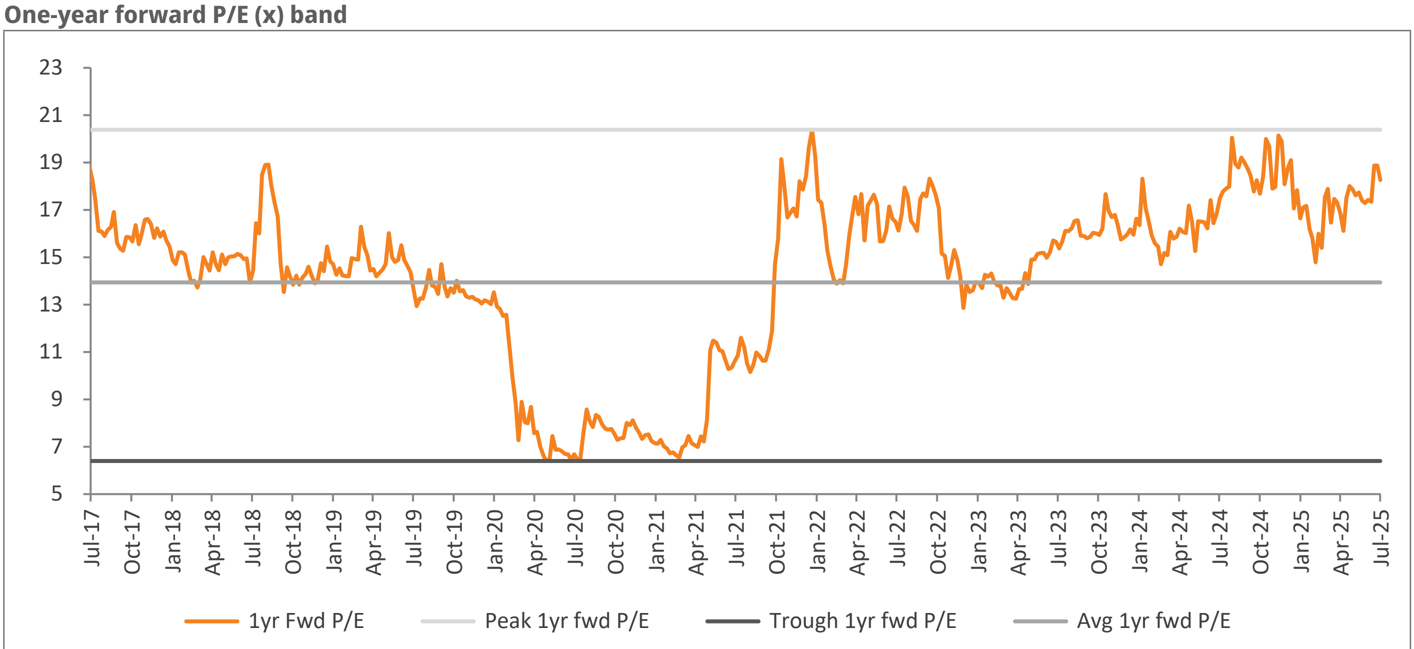
■ Company Outlook – Multi-modal capabilities a distinctive advantage

TCI has strong long-term growth potential as it operates in a fragmented and highly unorganised logistics industry. The company's presence in multi-modal logistics and supply-chain businesses, with over six decades of experience, gives it a distinctive advantage to capture the high-growth potential in the logistics sector. Growing demand for providers who can offer both Full Truck Load (FTL) and Less than Truck Load (LTL) services seamlessly. TCI Freight's capability to provide comprehensive solutions for both FTL and LTL shipments under one roof positions it as a preferred choice for businesses looking to streamline their transportation needs. TCI is expected to benefit from the government's thrust on AtmaNirbhar Bharat, and global supply chain re-alignments. We expect TCI to be on a long-term growth trajectory, driven by positive sectoral fundamentals and its inherent strengths and capabilities.

■ Valuation – Retain Buy with a PT of Rs. 1,350

TCI is expected to experience strong demand from its SCM division and is likely to see improvement in its freight business. Additionally, its JV operations are expected to remain robust. The seaways business is expected to remain flat due to ship dry docking and global uncertainties. TCI's multi-modal capabilities and exposure to nearly all major end-user industries place it in a stronger position as compared to its peers. Management expects topline and a bottomline growth of 10-12% in FY26. Stock is currently trading at a P/E of 19.1x/16.8x its FY2026E/FY2027E earnings. We retain our Buy rating on the stock with a price target (PT) of Rs. 1,350.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

TCI is India's leading integrated supply chain and logistics solutions provider with over six decades of experience. The company has an extensive pan-India network present across major districts. TCI has 16+ mn. sq. ft. of warehousing space. The company has three broad business verticals. TCI Freight transports cargo on FTL/ LTL/small packages and consignments/over-dimensional cargo. TCI Supply Chain Solutions: The core service offerings are supply chain consultancy, inbound logistics, warehousing/distribution centre management, and outbound logistics. TCI Seaways: TCI Seaways owns six ships and caters to coastal cargo requirements for transporting containers and bulk cargo.

Investment theme

TCI has strong long-term growth potential as it operates in a fragmented and highly unorganised logistics industry. The company's presence in multi-modal logistics and the supply chain business with over six decades of experience gives it a distinctive advantage to capture the high-growth potential in the logistics sector. The growing demand for providers who can offer both Full Truck Load (FTL) and Less than Truck Load (LTL) services seamlessly. TCI Freight's capability to provide comprehensive solutions for both FTL and LTL shipments under one roof positions it as a preferred choice for businesses looking to streamline their transportation needs. We expect TCI to be on a long-term growth trajectory, driven by positive sectoral fundamentals and its inherent strengths and capabilities.

Key Risks

- Slowdown in the macro economy, leading to a weak logistics industry outlook.
- High concentration on the automotive industry.
- Highly competitive industry.

Additional Data

Key management personnel

Name	Designation
D. P. Agarwal	Chairman and Managing Director
Vineet Agarwal	Managing Director
Ashish Tiwari	Chief Financial Officer

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	HDFC Asset Management Co Ltd	8.58
2	INVESTOR EDUCATION & PROTECTN FD	1.49
3	Tata Asset Management Pvt Ltd	1.46
4	Bang Nirmal Mishrilal	1.13
5	Dimensional Fund Advisors LP	0.86
6	LIC Mutual Fund Asset Management C	0.60
7	Blackrock Inc	0.22
8	IDFC Mutual Fund/India	0.19
9	Mirae Asset Financial Group	0.16
10	Sethi Jasjit Singh	0.15

Source: Bloomberg

Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and detoriating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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