



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	■	↔	■

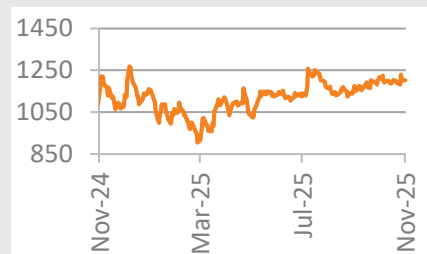
Company details

Market cap:	Rs. 9,199 cr
52-week high/low:	Rs. 1,302/875
NSE volume: (No of shares)	21.6 lakh
BSE code:	532349
NSE code:	TCI
Free float: (No of shares)	2.4 cr

Shareholding (%)

Promoters	68.7
FII	3.2
DII	12.7
Others	15.4

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-1.1	3.1	17.4	1.9
Relative to Sensex	-4.6	-1.1	13.5	-4.7

Source: Mirae Asset Sharekhan Research, Bloomberg

Transport Corporation of India Ltd

Long-term outlook intact

Logistics	Sharekhan code: TCI	
Reco/View: Buy	↔	CMP: Rs. 1,202 (as on Nov 03, 2025)
		Price Target: Rs. 1,350 ↔

Summary

- Consolidated revenue rose 7.5% y-o-y to Rs. 1,205 crore, while operating profit grew 8.2% y-o-y to Rs. 127 crore, led by healthy demand from multiple sectors.
- FY26 guidance of 10-12% topline and 10-15% bottomline growth at the consolidated level was reiterated, on strong demand outlook and improving operating efficiencies.
- FY26 capex plan is at Rs. 400-450 crore (Rs. 170 crore spent in H1), primarily towards expanding ships, trucks, and warehousing infrastructure to strengthen multi-modal capabilities.
- We retain a Buy with a PT of Rs. 1,350, considering its healthy earnings growth trajectory over the next 2-3 years.

Consolidated revenues stood at Rs. 1,205 crore, up 7.5% y-o-y, with operating profit rising 8.2% y-o-y, on healthy demand from OEMs, finished goods, and FMCG segments. Rail rake movements surged to over 1,400 rakes in H1 FY26 (vs. 1,168 in H1 FY25), while car-handling volumes (CBUs) rose to 1.9 lakh units in H1FY26 from 1.72 lakh units H1FY25. Freight division revenue rose 4.7% y-o-y to Rs. 570 crore, though EBIT margin fell 36 bps y-o-y to 2.3%. Margins are yet to improve as certain cost structures are still under process and also a few contracts were transferred to TCI Chemlog. Management expects next year's onward freight EBITDA margin to rise ~100 bps. LTL (less-than-truckload) share in total freight revenue improved by 2% to 38%. Supply chain division put up a strong show, with revenues rising 31.5% y-o-y to Rs. 581 crore and EBIT rising 26.6% y-o-y to Rs. 32.8 crore, supported by GST rationalisation-led demand and restructuring by quick commerce, FMCG, and retail customers. Seaways division's revenues fell 12.9% y-o-y decline to Rs. 142 crore due to fewer voyages (dry-dock activity), though EBIT increased 4.7% y-o-y to Rs. 53.3 crore, aided by lower fuel prices. Management eyes the segment's margins at 35-40%. The company's bids for second-hand ships were unsuccessful amid elevated prices; instead, new ships are expected to arrive next year. Among JVs, Concor, Cold Chain, and Transystem reported growth of 24%, 16%, and 11% y-o-y, respectively, with revenues of Rs. 130 crore, Rs. 27 crore, and Rs. 345 crore for Q2 FY26. H1FY26 capex stood at Rs. 170 crore, funded largely through internal accruals of Rs. 140 crore. The company reiterated its FY26 capex guidance of Rs. 400-450 crore, focused on expanding multi-modal infrastructure across ships, trucks, and warehouses. The company ordered two newly rakes are scheduled for delivery by FY27.

Management Commentary

- Competition in the container transportation segment has intensified, with major private players such as Adani and DP World expanding their presence and capacity, increasing pricing pressure in certain routes.
- Challenges have been noted in acquiring second-hand ships, as prices remain volatile due to rising demand and geopolitical uncertainties. Consequently, TCI plans to rely more on new ship orders, with deliveries expected next year.
- Management stated that after the GST announcement in early September, there was a sharp surge in inventory movement, particularly across the automotive, finished goods, and FMCG sectors. This led to an exceptional spike in freight and supply-chain activity during the latter part of the quarter.

Revision in earnings estimates - We have introduced FY28E financials in our note.

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. Stock is currently trading at a P/E of 19.2x/16.7x/14.2 its FY2026E/FY2027E/FY28E earnings. We retain our Buy rating on the stock with a price target of Rs. 1,350.

Key Risks

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

Valuation (Consolidated)

Particulars	Rs cr			
	FY25	FY26E	FY27E	FY278
Revenue	4,491.80	4,985.82	5,669.43	6,456.25
OPM (%)	10.3	10.7	10.9	11.1
Adjusted PAT	412.5	484.1	557.1	652.7
y-o-y growth (%)	17%	17%	15%	17%
Adjusted EPS (Rs.)	53.4	62.6	72.1	84.4
P/E (x)	22.5	19.2	16.7	14.2
P/B (x)	4.3	3.5	2.9	2.5
EV/EBITDA (x)	18.9	16.4	14.1	12.2
RoNW (%)	19.8	20.3	19.3	18.9
RoCE (%)	13.7	13.0	12.6	12.4

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated)

Particulars	Q2FY2026	Q2FY2025	y-o-y (%)	Q1FY2026	Rs cr
					q-o-q (%)
Net sales	1204.9	1120.8	7.5	1139.3	5.8
Other income	12.5	10.6	17.9	11.3	10.6
Total income	1217.4	1131.4	7.6	1150.6	5.8
Total expenses	1078.2	1003.7	7.4	1018.3	5.9
Operating profit	126.7	117.1	8.2	121	4.7
Depreciation	30.5	29.1	4.8	28.8	5.9
Interest	5.9	4.6	28.3	5.4	9.3
Exceptional items	0	0	NA	0	NA
Profit Before Tax	102.8	94	9.4	98.1	4.8
Taxes	12.5	10.9	14.7	10.6	17.9
PAT	90.3	83.1	8.7	87.5	3.2
Minority Interest/(JV income)	-22.3	-23.3	NA	-19	NA
Adjusted PAT	112.6	106.4	5.8	106.5	5.7
EPS (Rs.)	14.6	13.8	5.8	13.8	5.7
Margins					
OPM (%)	10.5	10.4	7 bps	10.6	-11 bps
NPM (%)	9.3	9.5	-15 bps	9.3	0 bps
Tax rate (%)	12.2	11.6	56 bps	10.8	135 bps

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Growth outlook strong on changing consumer preferences and better macros

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 3PL industry has seen a faster improvement in operations, led by segments such as e-Commerce, pharma, and FMCG sectors.

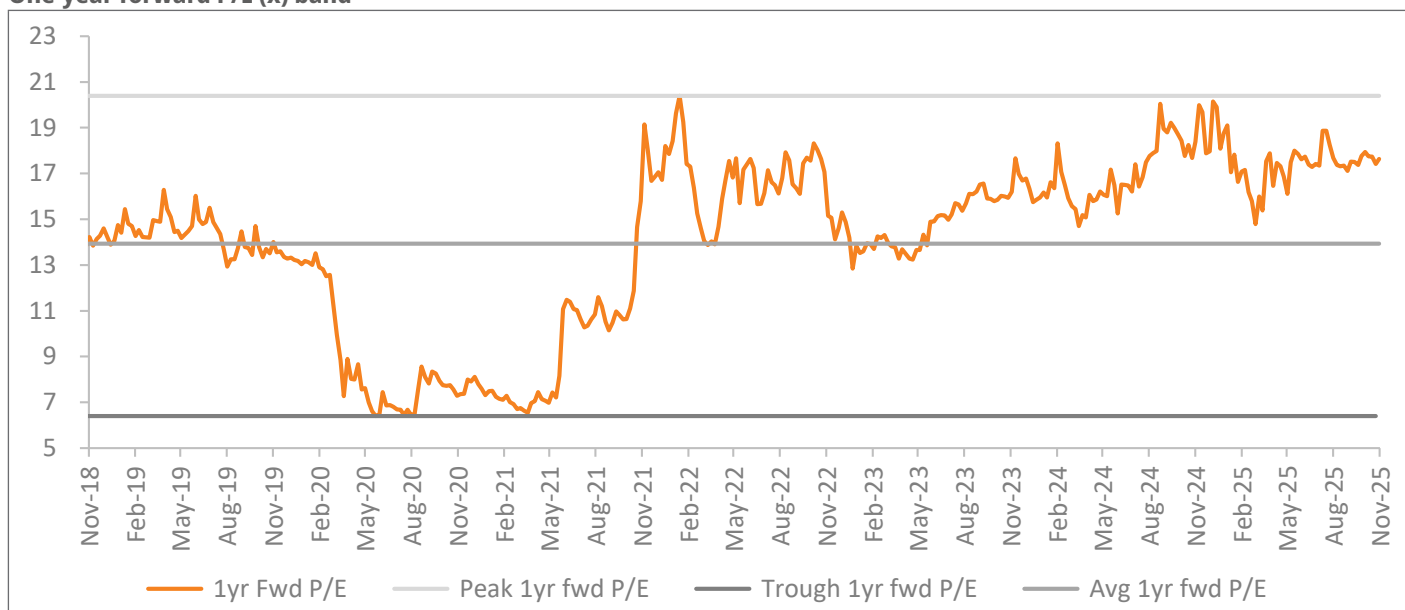
■ Company Outlook – Multi-modal capabilities a distinctive advantage

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 realignments. 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. Stock is currently trading at a P/E of 19.2x/16.7x/14.2 its FY2026E/FY2027E/FY28E 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	8.72
2	INVESTOR EDUCATION & PROTECTN FD	1.48
3	Tata Asset Management Pvt Ltd	1.46
4	Bang Nirmal Mishrilal	1.13
5	Dimensional Fund Advisors LP	0.85
6	LIC Mutual Fund Asset Management C	0.63
7	Mirae Asset Financial Group	0.27
8	Blackrock Inc	0.22
9	IDFC Mutual Fund/India	0.19
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 deteriorating 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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