MIRAE ASSET Sharekhan

Transport Corporation of India Ltd

Multimodal expansion to drive growth

Reco/View: **BUY**	CMP: **Rs. 912**	Price Target: **Rs. 1,160**

STOCK UPDATE

Result Update - Q1FY2027

SECTOR

Logistics

COMPANY DETAILS

Market cap:	Rs. 6,980 cr
52-week high/low:	Rs. 1245/869
NSE volume: (No of shares)	0.5 lakh
BSE code:	532349
NSE code:	TCI
Free float: (No of shares)	2.4 cr

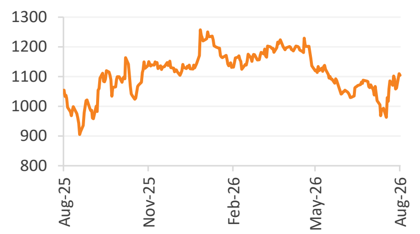
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	68.7
FII	3.0
DII	12.7
Others	15.6

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-2.2	-4.0	-15.9	-21.6
Relative to Sensex	-2.4	-5.8	-13.1	-18.4

Source: Mirae Asset Sharekhan Research, Bloomberg

RESEARCH ANALYST

Akshay Raghunath Shetty

Quick Snapshot

- Revenue rose 9.6% y-o-y to Rs. 1,248.5 crore, operating profit up 11.7% y-o-y to Rs. 135.2 crore.
- Freight business is guided to grow at 10-12%, and supply chain business at 12-15%. Near-term earnings stay exposed to fuel price volatility, capex-led depreciation.
- Gradual shift toward higher-margin LTL freight and better warehouse utilisation would hold the key levers to margin expansion going ahead.
- We maintain our Buy rating with a revised PT of Rs. 1,160, owing to a steady earnings-growth trajectory in next 2-3 years as new ships and contracts ramp up.

Result overview

- The West-Asia crisis had a limited direct impact on TCI's domestic volumes but raised uncertainty around fuel costs and operations. Diesel hikes lifted road-transport costs, while volatile bunker prices pressured Seaways business' margins. Port congestion, slow rail movement and higher international container rates also disrupted container repositioning and hit select export-oriented customers.
- **Freight:** Revenue grew 8.9% y-o-y to Rs. 587 crore, led largely by volumes, while EBIT margin shrunk 21.2 bps y-o-y to 2.2%. Management maintained FY27 revenue-growth guidance of 10-12% and expects profitability to improve through network expansion, higher volumes and a gradual shift toward LTL.
- LTL remains the key margin lever, with gross margin of ~20%, nearly double that of FTL's ~10%. Management expects LTL mix to move gradually toward 40%, though margin expansion will be incremental.
- **Supply chain business:** revenue rose 10% y-o-y to Rs. 552 crore, while EBIT margin fell 15.1 bps y-o-y to 5.5%. Management retained FY27 growth guidance of 12-15%, backed by a healthy contract pipeline, quick-commerce demand and higher utilisation of recently added capacity. Near-term margins stay affected by gestation period of new warehouses and higher manpower costs; management expects a gradual improvement as contracts scale up, utilisation rises and automation lifts productivity.
- **Seaways:** Revenue rose 6.2% y-o-y to Rs. 167 crore, while EBIT margin fell 220 bps y-o-y to 34.7%. Growth was driven mainly by freight-rate hikes, as voyage count stayed stable and one vessel was dry docked. Higher rates largely offset bunker inflation, though the reported margin still slipped. Sharp bunker-price volatility remains the key near-term risk; management guided to a normalised EBITDA margins of ~30-40%, depending on fuel.
- **TCI Concor:** Revenue grew 8.4% y-o-y to Rs. 125 crore. Despite higher road-fuel costs, the expected modal shift toward rail stayed limited on seasonal weakness and rail congestion.
- **Cold chain:** Revenue rose 48.6% y-o-y to Rs. 38.7 crore as H2FY26 contracts began contributing. Growth was strong, but the small base means limited impact on consolidated earnings.
- **Transystem:** Revenue grew 11.5% y-o-y to Rs. 327.8 crore, though margins declined on capacity investments, pricing pressure and production cuts at select customers. Management expects margins to recover gradually toward ~10%, but not back to 11-12% in the near term.

Our Call

TCI's integrated multi-modal model and exposure across nearly all major end-user industries keep it well-placed versus peers. The stock trades at 14.8x/13.0x FY27E/FY28E earnings. We retain our Buy rating with a price target of Rs. 1,160.

Key Risks

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

Valuation **Rs cr**

Particulars	FY25	FY26	FY27E	FY28E
Revenue	4,491.80	4,916.80	5,413.48	6,172.86
OPM (%)	10.3%	10.5%	10.7%	10.9%
Adjusted PAT	412.5	456.3	476.0	540.5
YoY growth (%)	17%	11%	4%	14%
Adjusted EPS (Rs.)	53.4	59.0	61.6	69.9
P/E (x)	17.1	15.4	14.8	13.0
P/B (x)	3.2	2.7	2.3	2.0
EV/EBITDA (x)	14.1	12.6	11.2	9.7
RoNW (%)	19.8	19.3	17.1	16.5
RoCE (%)	13.7	14.0	11.7	11.6

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Aug 04, 2026

Concall Highlights

- Demand was a mixed bag in Q1; auto activity stayed healthy and MSME movement improved. Festive-season restocking should support volumes from Q2, while rapid growth in quick commerce is opening up warehousing, fulfilment, inventory-management and last-mile opportunities.
- Management stayed cautiously optimistic on FY27, backed by festive restocking, automotive replenishment, new supply-chain contracts, branch expansion and two ship inductions, while flagging fuel volatility and capex-led depreciation as the main near-term risks.
- TCI continued to strengthen its integrated multimodal network across road, rail, coastal shipping and warehousing. Rail activity stayed broadly stable, and its ability to combine first-, mid- and last-mile services remains a key edge in complex B2B logistics.
- Company is scaling value-added warehousing through integrated fulfilment and reverse-logistics solutions. A large apparel contract spanning stores, other channels and e-commerce has improved replenishment, order picking and returns management while cutting inventory wastage.
- Renewable-energy logistics is emerging as a niche growth area, with TCI offering transport, warehousing, kitting and last-mile delivery for solar equipment. Its ability to assemble complete household solar kits positions it well for rising residential-solar demand.
- The balance sheet stayed strong, with healthy cash, an upgraded AA+ credit rating and industry-leading return ratios. Profit growth was moderate as higher investments, fuel costs and lower JV dividend income offset operating gains.
- Strong automobile production did not fully show up in Q1 growth, as more activity involved shorter last-mile moves from regional yards while higher-value plant-to-yard movement had happened in Q4. Long-distance automotive replenishment should pick up as yard inventories normalise.
- Two new ships will be inducted in Q3FY27 and should reach full utilisation within a few months, supporting revenue and EBITDA. Higher depreciation may temporarily weigh on profitability for a couple of quarters. The management is also evaluating an additional new or second-hand vessel.
- One planned dry dock was completed in Q1 and the next is due around end-FY27, so most of the year's dry-dock impact was absorbed early.
- The TCI-Concor JV grew steadily. Despite higher road-fuel costs, the road-to-rail modal shift stayed limited on seasonal weakness and rail congestion. The integrated model — TCI handling first/last-mile and Concor the rail leg remains strategically useful, though execution is gradual.
- FY27 capex will go mainly toward the two new ships, followed by warehouses, trucks, rakes, equipment and technology. The cycle will raise depreciation and moderate near-term free cash flow but strengthens capacity across Seaways, supply chain and multimodal.
- Working capital days held broadly steady. Some pressure is likely from higher invoice values and delays in recovering contractual fuel revisions, but strong credit controls kept receivables manageable, with no material collection issues in Q1.

Results Rs cr

Particulars	Q1FY27	Q1FY26	Y-o-Y %	Q4FY26	Q-o-Q %
Net sales	**1248.5**	**1139.3**	**9.6**	**1323.8**	**-5.7**
other income	6.3	11.3	-44.2	12.3	-48.8
Total income	1254.8	1150.6	9.1	1336.1	-6.1
Total expenses	1113.3	1018.3	9.3	1181.4	-5.8
Operating profit	**135.2**	**121.0**	**11.7**	**142.4**	**-5.1**
Depreciation	36.1	28.8	25.3	35.8	0.8
Interest	7.0	5.4	29.6	5.8	20.7
Exceptional items	0.0	0.0	NA	0.0	NA
Profit Before Tax	**98.4**	**98.1**	**0.3**	**113.1**	**-13.0**
Taxes	10.2	10.6	-3.8	7.9	29.1
PAT	88.2	87.5	0.8	105.2	-16.2
Minority Interest/JV Income	0.0	-19.0	NA	0.0	NA
Adjusted PAT	**105.7**	**106.5**	**-0.8**	**123.6**	**-14.5**
EPS	13.7	13.8	-0.8	16.0	-14.5
OPM(%)	10.8	10.6	21 bps	10.8	7 bps
NPM(%)	8.5	9.3	-88 bps	9.3	-87 bps

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Bhoruka Supply Chain Solutions Hol	44.08
2	Agarwal Dharmpal P	10.01
3	HDFC Asset Management Co Ltd	8.82
4	Agarwal Vineet	3.88
5	Agarwal Urmila	2.36
6	Agarwal Chander	2.34
7	Agarwal Priyanka	2.16
8	INVESTOR EDUCATION & PROTECTN FD	1.52
9	Tata Asset Management Pvt Ltd	1.45
10	Agarwal Vihaan	1.29

Source: Bloomberg

Key management personnel

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

Source: Company Website

SOMIL RAMESH MEHTA

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MIRAE ASSET Sharekhan

DISCLAIMER

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For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200 / 022-61151111.