Transport Corporation of India Ltd

Price-led quarter; vessel additions to drive growth

Reco/View: **BUY**	CMP: **Rs. 873**	Price Target: **Rs. 1,110**

Quick Snapshot

- Revenue rose 15.2% y-o-y to Rs. 1,388 crore, operating profit up 13.9% y-o-y to Rs. 144.3 crore with margins falling 12 bps y-o-y to 10.4%.
- Growth was largely price-led, as higher diesel and bunker costs were passed on to clients. Seaways business' margins fell ~490 bps y-o-y on partial bunker pass-through, while freight and supply chain margins held broadly steady.
- FY27 revenue and profit growth guidance of 10-12% retained; management indicated 12-15% growth in FY28.
- We maintain our Buy rating with a revised PT of Rs. 1,110, as the ongoing capex cycle should support stronger earnings growth from FY28.

Result overview

- Fuel costs stayed high, with bunker prices up ~20% to Rs. 95,000-98,000/tonne and diesel hikes passed on to clients. Auto retail softened as buyers waited for festive discounts and pre-festive stocking was weaker, while quick commerce stayed strong. New RFQs point to pricing pressure.
- **Freight:** Revenue grew 11.9% y-o-y to Rs. 638 crore, while EBIT margin rose 8 bps y-o-y to 2.4%. About two-thirds of growth came from pricing and one-third from volumes. LTL share stayed at ~37% and 11 of 30 planned branches were opened. Management calls FY27 a margin-rebuilding year under the new divisional leadership.
- **Supply chain business:** Revenue rose 10.9% y-o-y to Rs. 644 crore, while EBIT margin improved 8 bps y-o-y to 5.7%. Growth was held back by a high base after last year's post-GST-cut auto surge. Management guided 12-15% growth for FY27 and higher growth in FY28, backed by a strong contract pipeline in auto and warehousing. Capital employed rose ~24% y-o-y on investment in trucks and warehouse equipment.
- **Seaways:** Revenue rose 29.0% y-o-y to Rs. 184 crore, while EBIT margin fell 489 bps y-o-y to 32.6%. Growth was price-led with static volumes, as freight rates rose only 10-15% against a ~20% rise in bunker prices. The first new 500-TEU vessel, TCI Setu, starts operations in late November and the second arrives in January 2027, adding ~15,000 DWT to the 78,000 DWT fleet. Leases of three vessels were extended to FY30. Management guides for EBITDA margin of 30-40% and revenue growth of 15-20% in FY27 and over 20% in FY28; the second dry dock of the year is scheduled for mid-March 2027.
- **TCI Concor:** Revenue grew 10.5% y-o-y to Rs. 271 crore in H1FY27, with stable profitability. Management guided for a 10-15% growth.
- **Cold chain:** Revenue rose 50.2% y-o-y to Rs. 79 crore in H1FY27 on new quick-commerce contracts, with a sharp rise in profit. Management guides ~40% growth.
- **Transystem:** Revenue grew 7.3% y-o-y to Rs. 685 crore in H1FY27, but profitability stayed muted. This cut dividend income, and consolidated JV's share of profit fell 6.5% y-o-y to Rs. 21.7 crore in Q2.
- **Balance sheet:** The Rs. 150 crore buyback was oversubscribed ~2x and lifted promoter holding to ~70%. Net debt of ~Rs. 90-100 crore is expected to rise to Rs. 150-200 crore by FY27-end, as FY27 capex of Rs. 500-600 crore is partly debt-funded. Depreciation is likely to rise 10-15% in FY27.

Our Call

Q2 was a price-led quarter, with profit lagging revenue. However, vessel additions, new supply chain contracts and a fast-growing cold chain business should drive stronger growth in FY28. The stock trades at 14.2x/12.5x FY27E/FY28E earnings. We retain our Buy rating with a revised price target of Rs. 1,110.

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
y-o-y growth (%)	17%	11%	4%	14%
Adjusted EPS (Rs.)	53.4	59.0	61.6	69.9
P/E (x)	16.4	14.8	14.2	12.5
P/B (x)	3.1	2.6	2.2	1.9
EV/EBITDA (x)	13.5	12.0	10.7	9.2
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 Oct 30, 2026

STOCK UPDATE

Result Update - Q2FY2027

SECTOR

Logistics

COMPANY DETAILS

Market cap:	Rs. 6,681 cr
52-week high/low:	Rs. 1245/799
NSE volume: (No of shares)	0.9 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	13.1
Others	15.2

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	0.0	-4.3	-7.6	-27.6
Relative to Sensex	-2.7	1.0	-3.9	-15.8

Source: Mirae Asset Sharekhan Research, Bloomberg

RESEARCH ANALYST

Akshay Raghunath Shetty

Results **Rs cr**

Particulars	Q2FY27	Q2FY26	Y-o-Y %	Q1FY27	Q-o-Q %
Net sales	**1388.0**	**1204.9**	**15.2**	**1248.5**	**11.2**
other income	9.9	12.5	-20.8	6.3	57.1
Total income	1397.9	1217.4	14.8	1254.8	11.4
Total expenses	1243.7	1078.2	15.3	1113.3	11.7
Operating profit	**144.3**	**126.7**	**13.9**	**135.2**	**6.7**
Depreciation	38.7	30.5	26.9	36.1	7.2
Interest	7.3	5.9	23.7	7.0	4.3
Exceptional items	0.0	0.0		0.0	
Profit Before Tax	**108.2**	**102.8**	**5.3**	**98.4**	**10.0**
Taxes	13.0	12.5	4.0	10.2	27.5
PAT	95.2	90.3	5.4	88.2	7.9
Minority Interest/JV Income	0.0	-22.3	NA	0.0	NA
Adjusted PAT	**115.8**	**112.6**	**2.8**	**105.7**	**9.6**
EPS	15.0	14.6	2.8	13.7	9.6
OPM(%)	10.4	10.5	-12 bps	10.8	-43 bps
NPM(%)	8.3	9.3	-100 bps	8.5	-12 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

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