

**TCIEXPRESS**

LEADER IN EXPRESS

## ANNUAL REPORT 2019-20



Serving need  
for speed

Faster growth via  
smarter tech

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## Introduction

# Faster growth via smarter technology

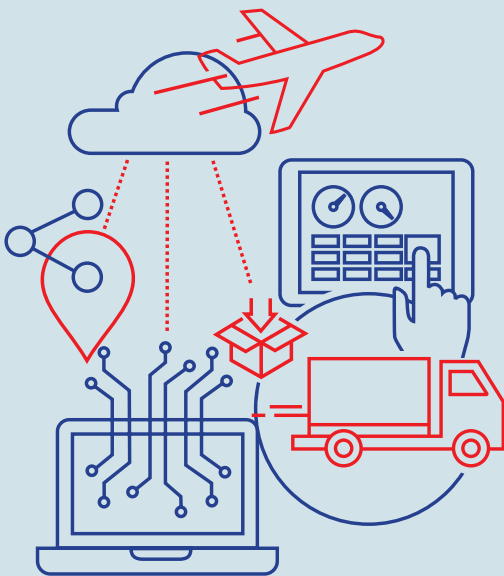
In Express Ecosystem, pace of change is accelerating globally – emerging technologies and smart innovation are changing the way business is being conducted. We are sitting at the cusp of a business revolution primarily due to technological breakthroughs and the digital boom.

Express Companies need to challenge the status quo and implement sustainable, growth-oriented strategies. To invest in the right opportunity and pave the way towards a better tomorrow. Need to go beyond just client acquisition; the companies must ensure that the deliveries are available within the convenient reach of consumers and on time every time.

Timely and safe deliveries were never more important than what it is today. Speed is the essence of success. TCI Express is one such company.

Focusing on our core idea of providing integrated logistic solutions to our customers, we focused on building a technology platform and a well-spread network that would help us stay ahead of the curve and show how innovation drives success.

We began with the vision to broaden our horizons and attempted certain things for the first time. We sustained because we are driven by technology that enabled us to deliver with speed.



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Pace of change is accelerating globally – emerging technologies and smart innovation are changing the way business is being conducted.



# About TCI Express

## TCI Express is ...

More than just another Express company

**A symbol of trust and one of India's most admired Express company**

More than just a company with a pan India footprint

**A company with expertise in door-to-door express distribution services**

More than just an express service company

**India's fastest growing multi-specialty express service company who expertise in delivering complex and customized end-to-end supply chain solutions**

TCI Express came into existence in 2016 with the demerger of TCI XPS from Transport Corporation of India Limited. Pioneering the concept of customer-oriented multi-technology and multi-specialist transport system, TCI XPS started its journey as the cargo division of Transport Corporation of India Limited in 1997.

Headquartered at Gurugram (NCR), the Company today has a pan-India presence with a network covering 708 districts. With more than 800 branches and 28 strategically located sorting centers, TCI Express today possess the capacity of servicing 40000+ pickup and delivery points through its 5000+ containerized vehicles.

Over the years, TCI Express has been successful in aggregating a wide range of services under one roof which enabled the Company to spread its wing across the globe. Today the Company has marked its presence in more than 200 countries through its large IATA-approved agent network.



## Vision

TCI Express should be a customer-oriented, multi-technology, multi-specialist transport system in the Indian and International markets, with a proven commitment to excellence in every facet of activity and pursuit of value-based policies to satisfy aspirations of society, customers, vendors, employees, shareholders, and the transport industry.

## Mission

- L** Loved by customers in Indian and International Markets
- E** Express multimodal fastest company
- A** Always ahead of the rest in speed and professionalism
- D** Delight our customers every time
- E** Excellence in service using the latest in technology
- R** Reliable to all our customers and respected by all our stakeholders

# Our infrastructural capabilities

Backed by an extensive network of company-owned branches, the Company has built an effective Hub & Spoke distribution model through its well-spread feeder and service route network.

Further, the Company has set up a dedicated Customer Service department to ensure a quick and timely response to different customer queries and effective online tracking of cargo movement.



Branches / Networks



Feeder / Fleet

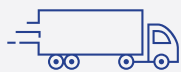


Hub & Spoke model



Customer Care Center

# Our service offerings



Domestic  
Surface Express



Domestic  
Air Express



International  
Air Express



Reverse  
Express



E-commerce  
Express

Backed by a rich industry experience, TCI Express today provides a wide range of logistics solutions across different sectors. Known for its time-bound and express distribution services, the Company today provides domestic surface express, domestic air express, international air express, reverse express, and e-commerce express services across different sectors like automotive, pharmaceutical, textiles, information technology, retail, and e-commerce, among others.



# Building on Technology

Technology has always been the backbone of the Company's customer solutions. It is essential we operate on the edge of new technology, and in this spirit, TCI Express associated with different technology partners to explore new technologies within the logistics sector. Our technology-led approach made it easier for us to provide innovative solutions to our customers while being transparent. It also enabled us to have the flexibility to adapt quickly and the freedom to innovate.



## **Barcoding & RFID**

Barcoded labeling and scanning of packets for effective tracking



## **Hand-Held Terminals(HHT)**

For quick onsite booking and delivery in/out scan updating, dynamic routing and misroute alert system



## **App-based service offerings**

Riding the digital wave, the Company came out with app-based services for greater ease of doing business.



## **GPS enabled vehicles**

for real-time tracking



# Chairman's Message

## Dear Shareholders,

Fiscal Year 2019-20 was a difficult year for the Indian economy. Amidst weak business environment, dwindling consumer demand, slowing private investment and global slowdown, the growth of Indian economy decelerated. Despite multiple efforts made by the government to arrest the slowdown, the year registered the lowest growth rate in over six years.

External risks have also risen significantly and pose a further downside risk to growth and may have a negative impact on India's trade balance. India's GDP is estimated at US\$ 3 trillion in 2020, representing about 4% of the global GDP. India is currently the fifth largest economy in the world and aspiring to be the third largest by 2025.

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**I am also pleased to report another year with stellar performance achieving revenue of ₹ 1031.96 Crores which represents 0.80% growth and Profit After Tax of ₹ 89.08 Crores, up 22.30% y-o-y.**



In the current scenario, logistics sector in India plays a crucial role in terms of support to the national economy. Strong growth in the sector is supported by government reforms, transportation sector development plans, growing retail sales and eCommerce. The development of logistics infrastructure, such as dedicated freight corridors, logistics parks, trade warehousing zones, port modernization and container freight stations will also go a long way in improving efficiencies. It is worth highlighting the role and importance of government support for the sector. With implementation of Goods and Services Tax (GST), India has now become one big single market which was otherwise divided by different state level regulations. This has helped companies reduce logistics cost through redesigning of supply chain, increase scale of operations, achieve greater economies of scale and higher adoption of the hub and-spoke model across segments such as warehousing, cold chain, container freight stations and inland container depots.

Indian government has also presented a draft of the National Logistics Policy with the objective of creating a national logistics e-marketplace for exporters and importers, thereby reducing the cost of logistics and increasing employment opportunities in the sector. A Multimodal Logistics Park Policy is also being formulated to promote movement of goods for domestic as well as global trade.

Logistics has now become an integral part of the value chain operations. With digital innovations and better offerings, the sector's growth can be further augmented by initiatives from the government such as rationalization of taxes for warehousing, push for digitization and focus on creating a skilled workforce for logistics and supply chain. Furthermore, the reduction in corporate taxes will also support the businesses during the overall economic slowdown.

We, at TCI Express, continue to cater to the evolving Logistics needs through our customer oriented and agile business model that offers integrated, value-added services and leverage technology for efficiency gains.

Our large clientele, comprising of both corporates and SMEs, diversified presence across industries along with a superior offering provides us a discernible competitive advantage and accelerated growth opportunities. Our operations continue to expand and currently cover the length and breadth of the country through 800+ company branches and 28 sorting centers. The growth is a testimony of our customer-first approach.

We have been making technological upgrades in the operations systems that not only bring benefits to customers but also help us in offering the best services going forward. In line with this objective, we continue to invest in sorting centres for complete automation and implementation of business intelligence as that will result in shorter turnaround time and enhanced operational efficiencies in the long run. Our investment in building paperless operations and centralized vendor management system is resulting in improved efficiencies in the supply chain and has been appreciated by both customers and vendors.

I am pleased to report that all our initiatives have resulted in a strong growth for the company over successive years and in FY2020 we reported Revenue from Operations of ₹ 1,032 Crores, Net income of ₹ 89 Crores, and Cash flow from operations of ₹ 81 Crores. During this year also, company has remained debt free resulting in an optimum capital structure and higher returns for shareholders. The resilient financial performance even in a subdued economic environment is a reflection of the trust and faith we enjoy from our customers and vendors; and our superior business model.

In FY2021, we expect to see substantial changes and progress across key growth drivers of the logistics in India. We believe that technology adoption is likely to accelerate and create new opportunities in the transportation, warehousing and freight forwarding segments.

In the current crisis times, logistics can emerge as the backbone of the economy thus strengthening other sectors of the economy. The importance of logistics sector in the economic development of India has never been more compelling. A strong logistics sector can go a long way in economic revival and boosting India's quest for being a manufacturing leader.

Looking at the big picture, logistics industry has come a long way and is expected to keep a significant upturn in the performance. TCI Express is confident about its growth strategy, staying firmly focused on our unique value proposition, consolidating partnership arrangement with vendors and growing our SME client base to deliver robust growth and create long-term value for all stakeholders.

**D. P. Agarwal**  
Chairman

# Managing Director's Message



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Our revenues for the year stood at ₹ 1,031.96 Crores with a strong PBT of ₹ 116.98 Crores up by 4.57% from the previous year.

Dear Shareholders,

The fiscal year 2019-20 started on a mixed note, both global and domestic economy were facing headwinds due to ongoing trade wars and geopolitical uncertainties with its impact visible in trade flows and overall business sentiments. These trade tensions spurred a push to create a more self-reliant domestic economy and government unveiled their vision of a \$5 trillion economy by 2024.

Finance Minister of India stressed the importance of transport and logistics sector in ensuring robust physical connectivity and driving domestic growth

in achieving this vision of government. Various government measures such as Pradhan Mantri Gram Sadak Yojana, Industrial and Freight corridors, Bharatmala and Sagarmala projects and UDAN Schemes are important initiatives and enablers to support and enhance the sector.

Logistics sector is currently on the cusp of disruption due to economic growth, sector development plans, digital & technology improvements and changing customer preferences. These themes will shape the future of \$ 210 billion logistics sector and are expected fuel a growth of over 10 percent CAGR in the next five years, creating new opportunities for logistics players.