



Everything **Logistics**

Transport Corporation of India Limited
Annual Report 2020-21

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Investor information

CIN:	L70109TG1995PLC019116
ISIN:	INE688A01022
BSE Code:	532349
NSE Code:	TCI
Bloomberg Code:	TRPC:IN
Dividend Recommended:	65%
AGM Date:	3 rd August, 2021
AGM Venue:	Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Disclaimer: This document contains statements about expected future events and financials of Transport Corporation of India Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

TCl: Everything Logistics

Leadership. Dependability. End-to-end integrated supply chains solutions. Trusted delivery and fulfillment. Multimodal delivery capabilities.

The very first words which come to mind when we say TCl. Naturally. Since we have traversed the remotest corners of India and the Indian subcontinent (quite literally!) with you over six decades and grown to be synonymous with everything logistics.

But.

What if we tell you that despite being front-runners, we are also highly agile? What if we tell you that we are as rooted in technology as we are in legacy? What if we tell you that almost all our processes are digitised and yet our strongest asset is our team? What if we tell you that despite the presence of strong constants that we pride ourselves on, our solutions to your problem are highly differentiated and customised?

A big company yesterday, a bigger company today.

Come take this journey with us and unlock your business potential with TCl - **“Everything Logistics”!**

Everything About Us

In our endeavour to provide end-to-end integrated multimodal logistics services, we make lives simpler for our customers. Our understanding of the customers' time and assets has made us valuable in the industry and synonymous to reliability.

Transport Corporation of India Limited (TCI) is India's leading provider of integrated multimodal logistics and supply chain solutions with over 60 years of experience and expertise.

From one man – the Pioneer of the Freight Transport Industry – we are now a team of 4,000+ people, from one truck – we now have 9,000+ trucks in operation, from one office to 900+ offices. Today, we are serving more and more industries moving seamlessly across India and the neighboring countries.

The work done over the years has led us to be a distinguished logistics player with a significant regional presence.

We provide a range of end-to-end logistics and supply chain solutions in India and the SAARC region through multiple modes, including road, rail, and sea. Our vast expertise, robust network, infrastructure, and talented team underpin our operations.

Moving ahead, we will focus on delivering customized and technology-enabled logistics solutions that offer scalability and flexibility, thus meeting customer requirements.





6+

Decades of experience



180,000

TEUs in operation



900

IT-enabled own branch offices



8,000+

GP containers



Moving nearly
2.5%

of India's GDP by value



9,000+

Trucks in operation



06

Coastal cargo ships



Operations

Across all ICDs



600+

ISO containers



3 AFTO

Automobile trains



12 Million
sqft

Warehousing space



09

Major ports served



 **Vision**

The TCI Group aims to 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 the society, customers, vendors, employees, shareholders and the transport industry.

 **Values**

We believe that a brand is a living entity and that should get reflected in its behavior. Our behavior is governed by a set of values communicated by the acronym CORE.

CORE

Customer focus

We put customers at the center of what we do

Ownership

We work with the passion of an entrepreneur, we are self-motivated and take pride in belonging with the Company

Responsive

We respond adequately and timely to the ever-changing business and technological requirements

Empathy

We incorporate emotional intelligence into our day-to-day operations and create an enabling work environment ruled by respect for one & all

Key Strengths

Our strengths are the stepping stones to our success. We are consistently optimizing our capabilities and competencies at every vertical, ensuring a firm footing for sustainable value creation.

Technology and automation-driven operations	Strong multimodal network, wide range of services	Unique positioning of 3PL/4PL supply chain management business
Complex supply chain design capability	CRISIL AA/Stable (Reaffirmed) Bank Credit Facilities	Large-scale modern warehousing
ICRA A+ Rating for TCI's commercial paper	Integrated multimodal capabilities	Capability to offer both LTL & FTL at national level

Chairman and Managing Director's Message



TCI remained active in delivering essentials such as food grains and pharmaceuticals, among others, through its diversified multimodal operations using the road, rail and coastal networks



Dear Stakeholders,

India is just coming out of the grip of the second wave of the pandemic, much intense than the first wave faced last year. My heart goes out to all those who have endured the loss of a loved one. I am confident we will eventually overcome the situation. In the meantime, I urge you to stay safe, strictly follow Covid rules, get vaccinated if you are eligible, and keep your spirits up.

Your Company navigated the disruptions caused due to the pandemic while promptly adapting to the 'New Normal'. TCI has always prioritized its employees' health and safety. And so, last year, when the Covid-19 pandemic hit the nation, your Company emphasised on its teams' well-being all the more. Your Company continued enabling its employees to support your Company's customers in their mission-critical operations. TCI consistently maintained its focus on effective capital and asset allocation, investment in the workforce, and cost optimization, which helps it maintain a steady growth path. TCI remained active in delivering essentials like food grains and pharmaceuticals, among others, through its diversified multimodal operations using the road, rail, and coastal networks. After the initial impact from lockdown-related disruptions in the first quarter, your Company swiftly returned to steady growth in profitability over the next nine months, exiting the year on a strong note.

Your Company's Performance

Your Company faced turbulent waters during the past year. It was affected by the pandemic and the slowdown which

was being carried forward from FY 2019-20. Despite this, your Company delivered a stable performance. TCI's revenue stood at ₹ 282,786 Lakhs in FY 2020-21 as against ₹ 273,796 Lakhs in the previous year.

Your Company leveraged its experience over decades combined with technology and unwavering focus to deliver end-to-end integrated multimodal logistics solutions to customers.

The year 2020 was the centenary year of your Company's Founder, Chairman Shri. PD Agarwal (Shri PDji). It was a proud moment for TCI as your Company commemorated Shri PDji through the official release of a 'Customized My Stamp and Special Cover'. The stamp was released by the Department of Posts, Government of India, in the august presence of the Honorable Minister of Skill Development and Entrepreneurship (MSDE), Shri. Dr. Mahendra Nath Pandey, at New Delhi in December 2020. TCI has always shared a strong connection of over decades with the Andaman and Nicobar Islands. In the wake of the second wave of Covid-19, the TCI Group, extended support to the people of Andaman & Nicobar in their efforts towards fighting the pandemic. TCI, through its division TCI Seaways and its CSR arm TCI Foundation arranged and contributed 150 oxygen concentrators of 10 Litres capacity for the service of the people.

Unlocking the Potential of Technology

The pandemic has exponentially accelerated change in the digital landscape and the adoption rate of technology. Integrating technology in the value chain of logistics and supply chain is one of the cornerstones of growth for the sector in the future. Technology provides visibility, cost efficiency, and ease of doing business. TCI is focused on delivering customer expectations with the support of technology and tools, going ahead.

Outlook

Moving forward, strategic investments and Government initiatives to support the sector are expected to be crucial for the logistics industry in India. The requirement for contactless logistics services and the need to maintain physical distance remains the need of the hour. In the future, the demand will be fuelled by e-commerce, healthcare & pharma, consumption, and automobile sectors. With a strong network and dedicated team, the Company will continue to serve its customers and other stakeholders with renewed focus and commitment.

Conclusion

As your Company continues to navigate the uncertainties posed by COVID-19, I would like to express my gratitude to all of TCI's employees, especially those in frontline roles who have shown remarkable resilience and worked tirelessly while ensuring seamless services to all customers. I would also like to thank all of TCI's stakeholders for their continued support and faith in your Company.

Regards,

D. P. Agarwal

Chairman and Managing Director

Managing Director's Message



“
Today, TCI is a leading integrated multimodal logistics player providing end-to-end services. From road logistics to rail and coastal, from warehousing to delivering to the SAARC nations, TCI encompasses everything. We are Everything Logistics
 ”

Dear Stakeholders,

It has been a challenging year for everyone. There was already a slowdown continuing from FY 2019-20, and the Covid-19 pandemic only made the environment even more difficult. Despite the situation, TCI delivered a steady performance. Your Company has always been guided by a set of strong values right from the time it was founded. I feel proud and privileged to be a part of an organization whose ethos emanates from its core values. At TCI, the priority is always towards putting the customer above all. Your Company believes in investing in people, and empowering them to make their own decisions, take ownership, be responsive, and constantly try new things.

The Highs and the Lows

The fiscal started on a low note, with Covid-19 bringing the economy to a near standstill. The entire supply chain was disrupted, barring a few essential industries. TCI remained active delivering essentials like food grains, farm equipment, pharmaceuticals, polymers for PPEs, sanitizers, and chemicals, among others, through its diversified multimodal

operations using the road, rail, and coastal shipping networks. The Indian economy recovered some ground due to pent-up demand and the shift seen in consumer preferences in the new normal. With retailers going hyper-local and consumers starting to prefer online purchases increasingly, there is a growing need for being present across omnichannel platforms. A dynamic supply chain is essential to respond to rapidly changing customer needs. Hence, there is a rising need for agile supply chains with robust back-end infrastructure. Today, every aspect of the logistics process is gradually getting repurposed, reconsidered, and digitized and FY 2020-21 will be known as the year of digital with increasing adoption of digital technologies in the sector. There will be a growing need to focus on productivity, efficiency, and digital technology deployment in the times to come.

FY 2020-21

During the year, TCI managed to maintain the momentum of profitability. There was increased demand from e-commerce, automotive, certain capital goods, and other sectors from the H2 of FY 2020-21.

The Net Profit After Tax (PAT) was recorded at ₹ 15,042 Lakhs during the year, a growth of 5.05% YoY. The Company generated an EBITDA of ₹ 30,682 Lakhs, which was 7.35% higher than the previous year. Operating EBITDA margin for the year stood at 10.85%, against 10.44% in FY 2019-20, while PAT margin grew to 5.32% and 5.23%.

The Q4 of FY 2020-21 was a record quarter in your Company's history. All of TCI's divisions, i.e., Supply Chain, Seaways and Freight Business, grew by 40%, 23%, and 20%, respectively. At the same time, TCI's joint venture Company engaged in rail transport, TCI-CONCOR, grew by around 70%. Your Company's multimodal strategy, including integrated logistics and multimodal, has helped immensely. All the segments of your Company have performed well due to a continuous focus on building strong customer relationships, a superior multimodal network, and diversified portfolio of value-added services from design to execution. The emerging business units have also shown good traction. In addition, your Company's emphasis on improving operating efficiencies has led to cost optimization and profitability growth. Many customers prefer sending their transport via multiple modes to bring their costs down and move towards sustainable and green transportation.

During the year, TCI's investment in multimodal logistics was enhanced by adding three Automobile Trains under the Indian Railways AFTO scheme to carry completely built automobiles seamlessly. TCI Bangladesh, a 100% subsidiary of TCI, became the first Company to handle two trains carrying value-added goods and automobiles in Bangladesh

at Benapole, a major land port. The pandemic increased opportunities for Cold Supply Chain services resulting in enhanced demand for transportation in reefer vehicles, temperature-controlled warehousing, and many other areas. TCI, through its subsidiary TCI Cold Chain Solutions Limited, has entered into a joint venture with Mitsui & Co. Limited (Mitsui). Mitsui enjoys global expertise in logistics and supply chain management. It is believed that the synergies created by bringing together the respective resources and capabilities of the two companies will further help create more value for the customers.

As the country experienced the second wave of the pandemic on a never-seen-before scale, TCI stepped in to deliver mission-critical logistics. Since March 2021, TCI has handled over 10,000 Tonnes of liquid medical oxygen (LMO) from source to destination with total visibility following all safety guidelines. Your Company is also delivering vaccines, medicines, essentials and food grains, and oxygen concentrators, amongst other items, to the most needed locations around the country.

Throughout the year, the TCI workforce has been on ground supporting the drivers, who remain a critical link in the entire supply chain. TCI is grateful to the transport community. They

have kept the wheels rolling in a collective effort and helped strengthen logistics to deliver essential critical care supplies where it was needed, on time.

Outlook

Moving forward, your Company will continue to offer customized, technology-driven supply chain and integrated multimodal logistics solutions. Thus, unlocking the business potential of the Company's customers. Last year, TCI had a Capex of around Rs. 110 Crores, and this year, it is a bit more aggressive, and your Company has taken a target of around Rs. 225 Crores. TCI has a proposal of buying an additional ship and containers, depending on the market situation. As always, your Company is ready to adapt and innovate to deliver sustainable results for all its stakeholders.

Thank you for your trust, and TCI looks forward to your continued support on the journey ahead.

Warm Regards,

Vineet Agarwal

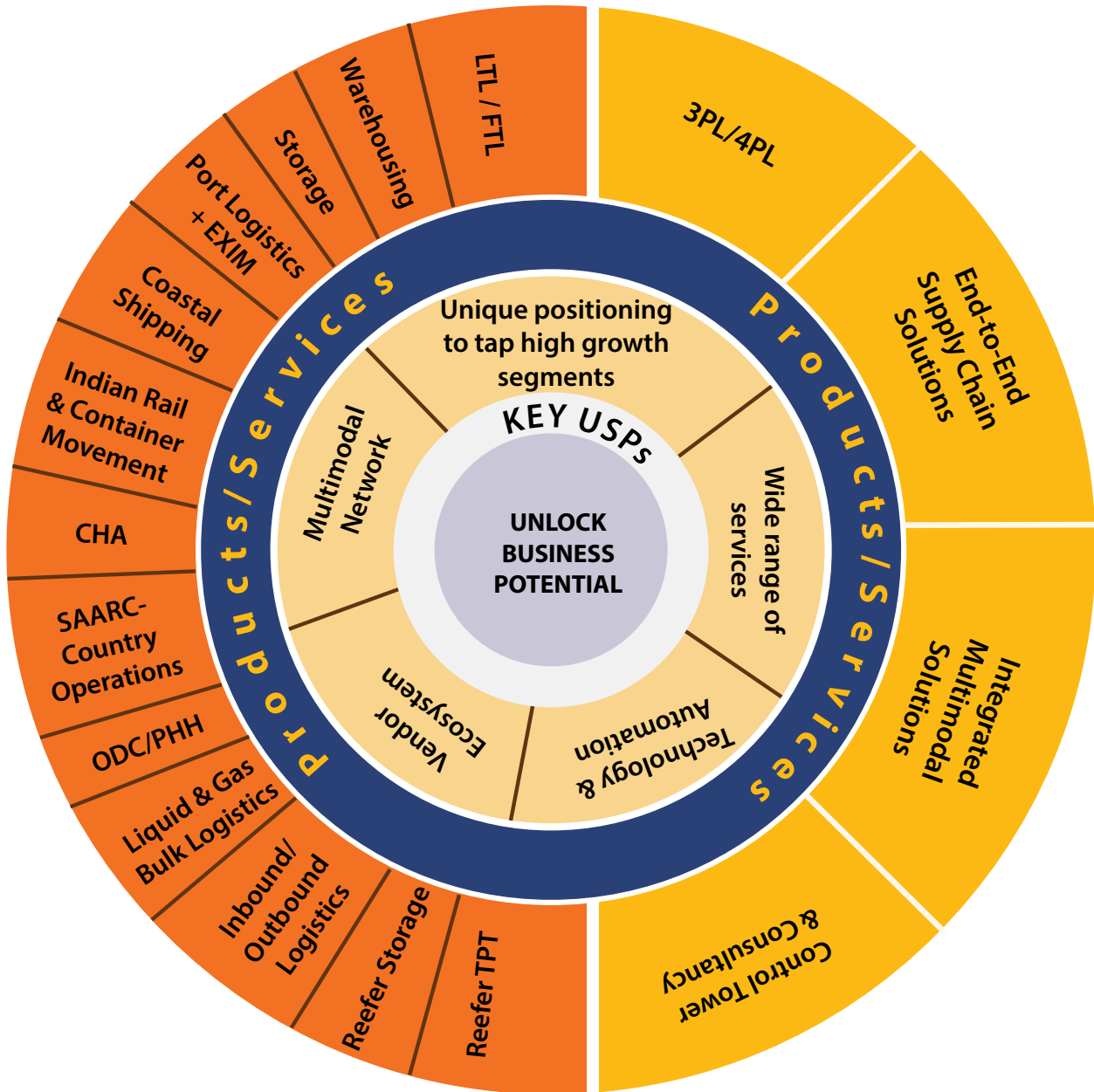
Managing Director



We Create Value

Wide Range of Customized Services

TCI creates value for its customers through its extensive range of customized end-to-end solutions. Serving almost every industry from pharma, FMCG to E-Commerce, the Company is uniquely positioned to focus on high growth segments maximizing value for its customers, helping them unlock their business potential.



VERTICALS SERVED

- | | |
|----------------|--------------------------|
| Automobiles | Retail and CP |
| Hi-tech (ICE) | Healthcare and Lifestyle |
| Cold Chain | Aviation & Defense |
| E-commerce | Chemicals |
| Iron and Steel | Food Grains |

BENEFITS FOR CUSTOMERS

- Single Window Solution
- Operational Cost Efficiencies
- Trusted Delivery & Fulfillment
- Economies of scale