Date: August 7, 2026

To,

Listing Department
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

Scrip Code: 532349

Listing Department
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E) Mumbai – 400051

Scrip Symbol: TCI

Sub: Transcript of Analysts/Investors Conference call

Dear Sir/Madam,

In compliance with Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith transcript of the Analysts/Investors Conference call held on Monday, August 3, 2026, in connection with the unaudited financial results of the Company for the 1st quarter ended June 30, 2026. The same is available on the website of the Company under the link:

https://tcil.com/investor-analyst-corner/

You are requested to take the above information on your records.

For Transport Corporation of India Limited

HANSA SHARMA
Digitally signed by HANSA SHARMA
Date: 2026.08.07 17:07:37 +05'30'

(Hansa Sharma)
Company Secretary & Compliance Officer
(A42616)

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Transport Corporation of India Limited

Q1 FY2027 Investor Conference Call

August 03, 2026

MANAGEMENT:	**MR. VINEET AGARWAL**	**:**	**MANAGING DIRECTOR**
	MR. ASHISH TIWARI	**:**	**GROUP CHIEF FINANCIAL OFFICER**
MODERATOR:	**MS. SIMRAN SHARMA**	**:**	**INVESTOR RELATIONS**

Ms. Simran Sharma

Good evening, ladies and gentlemen. We will begin with the session in a while.

Ms. Simran Sharma

Good evening, ladies and gentlemen.

I am Simran, and I would like to extend a warm welcome to everyone joining us for the Transport Corporation of India Limited Q1 FY27 Earnings Conference Call. On behalf of the management, we have with us Mr. Vineet Agarwal, Managing Director, and Mr. Ashish Tiwari, Group CFO. All participants are in listen-only mode.

Please note that this call is being recorded. With that, I now invite Mr. Ashish Tiwari to share his opening remarks. Thank you, and over to you, Sir.

Mr. Ashish Tiwari

Thank you, Simran, and good evening to all of you. Thank you for joining the call. My apologies for rescheduling the call because of some unavoidable situations with us.

Before we begin the call, I just wanted to put a disclaimer that some of the statements made during this call may contain forward-looking statements. So, we would start with the opening remarks of Mr. Agrawal and presentation, and then we would have a question-and-answer session. So, thank you and over to you, sir.

Mr. Vineet Agarwal

Thank you, Ashish. Thank you, Simran. So, let me start by giving a broad outlook.

I think in the last quarter gone by, of course, top of mind has been the impact of the West Asia crisis. That has had an impact; of course, you are aware of the increase in diesel price. Of course, things had come down when there was a cessation of hostilities, and then it again accelerated. So, this has also had an impact on the bunker pricing.

So, hence, we have seen that the impact, the bunker prices came down and then they started climbing up in the last, in this month, actually, not in the month of July, and not so much in the first quarter, April, May, June. So, but there was in the initial part of April, May, we did see the bunker prices being higher.

Of course, the impact of diesel price hikes have just started to be shown. Some of our growth has also captured some of the value increase and some volume increase, of course. There is a large backlog of containers in both JNPT as well as Mundra, is what we are hearing, almost 10,000-12,000 containers at JNPT.

Rail movements are also very slow across the country. It's also the monsoon season. So, container repo, that is repositioning, has also been a challenge. Of course, international container prices have also gone up substantially, as you are aware, and that is also putting pressure on exports. What we saw as an inventory buildup last year, in quarter two, also, we are seeing some of that possibly happening in quarter two as well.

Some of the companies were affected, and that is in line with the festival season and just general restocking. The companies that were affected by the gas shortage have restarted in June, though we are fearing that some of them might shut shop in the next few months, in the next few weeks, in case the prices remain high.

We've seen some places’ export production getting affected, specifically, some engine manufacturers, a sector that was sending products to West Asia; I think that has been slightly affected. Barring all of that, we have seen robust growth in the auto sector and some other areas. We're seeing a little bit of a revival, or rather not revival, but I would say some impact on the MSME side, on the positive side.

So, that is good; that's positive. Apart from that, consumer trends are the same, similar. Quick commerce is accelerating, and we are seeing that a lot of supply chains are getting rejigged because of that also. So, that's broadly some opening comments. Let me take you to the presentation. I'm sure all of you are mostly aware of it but let me go through some of the basics.

I think all of you are aware of these integrated strengths. Again, we continue to remain a strong player in the multimodal segment; in fact, the only player with an integrated approach. And these are some of our services.We continue to add something or the other on the basic services side. Let me share a quick case study. This is a case study for an apparel brand, where we run their entire warehouse.

It's about a 37,000- 38,000 square feet facility, which has about more than 30,000 bins, and the throughput is almost about 80,000 SKUs. The problem has always been that there used to be volume surges during the month end, as well as there used to be delays in the return management, as well as the picking system used to be quite outdated. So, we came in with a proper facility where we've integrated the multi-channel that they are supplying to not just their own stores, but the other different channels, as well as the e-commerce platform that they have set up.

So, this way the replenishment is very quick, and also the reverse management has improved substantially for them, and they are able to reduce the wastage that is in the system.

So, this is an operation that is quite scalable for many companies, and we continue to provide these kinds of solutions to them. From a technology perspective, things are quite strong. We have various layers where we are able to provide a holistic approach, not just to our operations, but also to our customers. In terms of the last quarter's movement, we did about 624 rakes, which is almost the same as last year. We, as you're aware, own three rakes of our own.

The tonnage handled, the TU's handled last year versus last year is almost the same as this year in terms of the numbers also, and of course, the yards that we manage about 67 odd yards across the country. We are present in all major sectors, and especially in the high-growth sectors, we have a strong presence. For example, we built in very deep capabilities on the renewable side, where we manage for companies which are manufacturing solar products, we move in bulk from the factory by road as well as by rail.

There are also some companies that are doing warehousing specifically where they want a solution where they are able to kit various solar products that go into a home. With the Pradhan Mantri Yojana of providing solar power to homes, we are providing a kitting facility and then delivery to homes, also in some cases out of that warehouse for some clients. On the quarter gone by, it's a consecutive quarter, 24th consecutive quarter of growth, grew at about 9% on the top line console level.

We have close to 160 crores in cash. Of course, some of that has been used because of the continuous investments that we are doing. The investment in the first quarter was about 167 crores. As you are aware, last year we did about 370 crores. Our care rating has also been enhanced to AA+. On the freight business side, the margin has been slight, there has been slight improvement, but top line has also grown by about 10-11%.

As I said, some of it has come because of volume growth and some of it has come because of slight value growth. The percentage of FTL to LTL remains the same, but we are seeing good traction and good pipeline in our LTL business as well. So, the guidance for this year, as we have indicated, about 10-12% on the top line should also apply to this business, and our profitability should improve from the last year.

On the supply chain side, growth has been a little moderate. We are coming off from a higher base from the previous year, but we have seen that margins are also slightly improved on the EBITDA level because of the investments that we have made. However, the EBIT level is almost the same. The investments that we are doing in this business are quite continuous, from new warehouses as well as the equipment that goes inside the warehouses.

So, there is a little bit of lag always with the kind of returns that we start getting immediately. It takes a few months for the business to stabilize. We also have a decent amount of bench strength that we have created, as well as some warehousing space that we are going to utilize in this business. As you have seen that the capital employed has gone up quite a lot. It is also because of the number of trucks that we are adding here based on the new contracts we are getting. So, again, I think this business should grow in the higher teens, 12-15% for the top line.

On the Seaways side, as I mentioned about bunker pricing, bunker pricing, as you can see by the graph, really shot up in the end of February-March because of the Middle east crisis. It came down a little bit in the first few months, but now again it is ramped up to about, I think, till last week, about Rs. 86,000 per ton. So, this continues to have an impact on the cost. We did increase our rates with our customers, but the number of voyages that we had were almost similar to last year because of the dry dock that we had on one of the ships.

The increase in top line is because of the similar voyages, but maybe some increase in the revenue side with the pricing increase that we have had. Margins have been flat. On the JV side, Concor joint venture has grown about 88%. Cold Chain has grown quite well at about 48%. On the Concor side, the business remains stable. We are seeing continuous enquiries.

Of course, our expectation was that if diesel prices increase on the road side and hence freight rates increase on the road side, we should see some shift towards rail. We didn't see much of that happen. I think also because quarter one is a little bit of a lean season on the logistics side.So, not much shift happened to the rail side.

Also, railway congestion has been pretty high, especially in the east, etc., is the feedback that we've got. A lot of standing has also been there of rakes as well as engines. On the Cold Chain side, we've acquired some decent contracts in Q3-Q4 of last year, which has started to play out in this year. Our trans system has grown at about 11.5% also on the top line, about the same kind of percentage growth.

We are expecting this growth to be similar as with the growth of some of our Japanese clients here. On the console side, it's about a 9% growth. On the standalone, about 7%. EBITDA is about 1.6%. EBITDA is about 1.6% flat on the standalone as well as about 5-ish% on the console level. PAT is slightly negative in quarter one for the standalone. Our dividend that we received from the JVs also was slightly lower in the first quarter. So, that has had a little bit of an impact on profitability.

But at the console level, it's almost the same. All the other numbers are more or less the same, with ROCE at about 23% and RONW at about 20%. No change on the performance side. Again, on the outlook, we are at about 550-600 crore budget, out of which we've done about 167 crores. The new ship is expected in September end of this year, the next two months. And the next ship should be, well, actually probably September-October and again October-November for the second ship.

So, somewhat in that line that we're looking at. Q3 is when we see that they both get inducted in. And that's what the payment for the ship will be. In case we order another new ship, which we're exploring right now, some advance payment will go for that as well. The other expenditure on the other rakes and on the trucks, etc. are ongoing.

The expectation is that we are cautiously optimistic. There is some uncertainty because of the Middle East, but with the possibility of increased sales during the festival season, we are seeing that restocking starting, and we do expect that to continue in the next few months. We're happy to answer any questions.

Thank you.

Ms. Simran Sharma:

Thank you, sir, for sharing your valuable insights. Ladies and gentlemen, we will now begin the question-and-answer session. If you have any questions, please use the raise hand feature.When called on, kindly start by stating your name and organization before asking your question. Our first question is from Mr. Krupa Shankar. So, please go ahead.

Mr. Krupa Shankar:

Thank you for the opportunity. I hope I'm audible.

Mr. Vineet Agarwal:

Yes.

Mr. Krupa Shankar:

Hi, Vineet. Three questions from my side. First is on the supply chain business. Given the pace of growth has slowed down a bit, I just wanted to get a sense around looking at the outlook on the second half with respect to the automotive sector having a high pace and potential slowdown with respect to ROI growth. Your guidance on 12-15% puts a lot of ask on the second half.

So, just to get a sense around where exactly are you expecting the growth to come in the supply chain business? And is there any element of the new rake addition which comes into play? First on that part, please.

Mr. Vineet Agarwal:

Right. Well, there is a lot of pipeline contracts that we are working on in the supply chain business. So, we do expect the growth to pick up in the latter half of the year. We are also seeing that already in quarter 2 going forward. So, some of that will start playing out for us. The investment that we are doing to new trucks etc. is also going to help us in terms of acquiring. We have acquired some new contracts and those will start coming into play as well.

Also, the trends towards, of course, you will also get a little bit of a value increase because of diesel price increase. That also will start kicking in because we have submitted supplementary bills, etc. to our clients and those will come in this quarter and subsequent quarters also. So, yes, I think we are quite confident from the pipeline perspective that we should be able to get to that 12% growth for the quarter, for the year.

Mr. Krupa Shankar:

Good. So, would you be able to quantify what would have been the diesel price-led growth in the first quarter in the supply chain business coming from these price hikes?

Mr. Vineet Agarwal:

Not much from the first quarter because typically the price hikes I think came in mid-May or so, and after that, subsequently we saw the submission of bills, etc. So, some of that realisation, once it happens, we will know. But most of this has been volume increase.

Mr. Krupa Shankar:

Okay. The second one is on the Seaways business. Just wanted to get a sense around the bunker prices at this point and how much impact it can further have on your profitability, or do you see that profitability will improve with further price hikes in the second quarter onwards?

Mr. Vineet Agarwal:

Well, you know, we were on track to get better profitability because we had increased the prices and the cost had started to come down. But again, in this quarter it's going to be a mixed bag. If the hostilities stop in the Middle East, then the prices tend to come down quite rapidly also. So, let's see how it happens. It's a lot of uncertainty, as you can imagine, and that has a direct impact because the fuel prices are dynamic in this case. It's not like the diesel pump prices, and every day is a different price.

So, even the discounts that the fuel companies were giving in the past has also come down, or in fact it's not there anymore. So, that way we are keeping a very close watch. So, it's very difficult to give you a prediction that what's going to happen because it can go either way. We still have almost two months left in the quarter. So, let's see how things progress. But as we are speaking, the bunker prices are again up, and so yes, margin does get compressed then.

Mr. Krupa Shankar:

Any change to the docking of ships, the schedule? Any specific change in comparison to what you had mentioned earlier?

Mr. Vineet Agarwal:

No, no specific change. I think we have plans for two ships, right, Ashish?

Mr. Ashish Tiwari:

Yeah, two dry docks. One already happened, and one would be the end of this fiscal year in March.

Mr. Krupa Shankar:

Understood, understood. Last question from my side on the freight business. Just wanted to get a sense. You mentioned that EBITDA margins will see some improvement in the coming year, FY27. Any direction in which you can say that this can be the expectation in this, and what are the key drivers for this margin improvement? Is it just a mix or anything else further?

Mr. Vineet Agarwal:

Well, certainly the volume increase is helping to some extent. That's one. Secondly, the mix is also, as we've committed, that will also keep changing. As I mentioned in the last call, we have a leadership change as well. So, some of these things are starting to play out. It's a slow process. It's a big ship to turn around, and it's taking its time. We've opened 30 new branches also. Sorry, 30 new planned. We opened 10 already this quarter. So, that network expansion, as well as the mix change and some volume growth, are all essentially going to help us.

Mr. Krupa Shankar:

Thank you for answering my questions. I'll get back in the queue.

Mr. Vineet Agarwal:

Thank you.

Mr. Ashish Tiwari:

Thank you.

Ms. Simran Sharma:

Thank you, sir. The next question is from Mr. Raghunath. Sir, please go ahead.

Mr. Raghunath:

Yeah. Good afternoon, sir. Sir, my question is related to the growth of the company. If we see the new age logistics companies, they are growing at a much faster rate than TCI. Few of the new logistics companies are growing at around about 25%.

Mr. Vineet Agarwal:

For example?

Mr. Raghunath:

For example, Delhivery is growing at 24% CAGR from last five years. But our guidance is always 10 to 12%. Is there any market share loss that we are seeing?

Mr. Vineet Agarwal:

We don't compete with the Delhivery in most areas. So, it's not a direct comparison. So, there's no market share loss in that case.

Mr. Raghunath:

Okay. Okay, sure, sir. Thanks.

Mr. Vineet Agarwal:

Thank you.

Ms. Simran Sharma:

Thank you, sir. The next question is from Mr. Divyansh Gupta. Sir, please go ahead.

Mr. Divyansh Gupta:

Hey, Vineet. Hopefully, I'm audible.

Mr. Vineet Agarwal:

Yes.

Mr. Divyansh Gupta:

The first question is, if I just read all the commentary of auto players across four-wheeler, two-wheeler, CV, everyone has mentioned that let's say, the Q1 has been great. Q4 is a higher base always, but even Q1 is higher. But somehow, for us in the auto sector, I'm not saying only PV, but combined as a decent share of our business.

But it's not showing up in our P&L. Is there any particular reason or maybe auto is there, but the others didn't fire up to that expectation? So, how should we understand that part?

Mr. Vineet Agarwal:

Yeah. So, for us, as I said, auto sector is all kinds of auto. We do four-wheeler, three-wheeler, two-wheeler, as well as earthmoving equipment, tractors. So, we play in all spaces and all types of services, which is first mile, inbound, outbound, outbound, yard management, spare parts management, etc. So, we see that some customers have fired in the last quarter, some customers have not.

Also, in some places, we've seen that a lot of inventory that was there in the pipeline- for example, we were holding a lot of inventory in the yards. So, those got delivered. So, some of that was captured in the previous quarter because the primary movement happened from there to the yards. For example, if there's a plant company, there is a plant based in Chennai.

So, a lot of that primary movement happened in Q4, and it is in the yard in, let's say, NCR. So, the last-mile delivery is probably what happened in Q1, increasingly. Now, we are seeing again more movement on the long legs because inventory replenishment has started to happen again. So, in the last 6-9 months, post the GST cuts, we've seen that there is a lot of inventory that was there.

I was a little afraid before the GST cuts happened that there's way too much inventory because our customers were saying that, why don't you give us more yards? We need more space. We need more space. So, that has diminished quite a lot. So, one is that, I think, on the supply chain side, a lot of the inventory at the far end has been used up.

Now, more replenishment is happening. Hence, the longer distance revenues that we are going to get will come in subsequent quarters. That's one. Secondly, with some of the customers that have grown, we don't work with also all the time. For example, Mahindra's, we don't work with because they work with Mahindra Logistics, and have you seen that the growth of Mahindra Logistics has been good because more than 60% of their business is just one customer, which is Mahindra.

So, that has some growth, but the other customers that we work with have shown decent growth, and we continue to grow there as well.

Mr. Divyansh Gupta:

Understood. The second question was on the fuel pass-through. So, if you can take across all the three business verticals. So, freight can be MSME, which might not be long contract. So, there we would have passed. In some, we would have some longer-term contracts where, let's say, the pass-through is yet to happen.

So, if let's say the volumes, how much of let's say fuel price hike, either you can say lost this quarter or benefit that assuming the pass-throughs get approved. So, what was either the lag or the hit?

Mr. Vineet Agarwal:

You know, it's very difficult to give you percentages because those numbers come out much later, and the impact is not really extremely large also. I mean, some of it, some impact happens on the spot higher basis as it is because if diesel prices go up, spot rates go up and we pass it on right away to our customers. In some cases, the contract customers, there's a little bit of a lag.

But the impact, see, I think diesel price hike has been totally about 6% to 7% odd. The impact should be about 2%, 1% to 2%, 3% max. So, I think that's where we are waiting to see how things are going to play out. But maybe 1-2% is the kind of increase we'll see.

Mr. Divyansh Gupta:

Understood. The next question was regard to the opening committee that you mentioned that let's a lot of containers are stuck at JNPT and other terminals. Replenishment, I understand that containers are stuck, so you can't replenish. But you mentioned something on the export side. So, the two-part question is, is our shipping more towards, my understanding was more domestic shipping, right? So, how does the export part affect us?

Mr. Vineet Agarwal:

It doesn't really. Export on the shipping side is not affecting us. But I was just giving a general commentary. Sometimes, you know, because if there's a deep congestion, then our ships might not berth on time. But we've not had that issue yet.

Mr. Divyansh Gupta:

Understood. And two more questions. You mentioned new ships. So, is it a new-new ship or it's a new-old ship?

Mr. Vineet Agarwal:

New-new ship is two brands.

Mr. Divyansh Gupta:

Those two, I understand. But you mentioned that you're looking also at a new ship. If it happens then some.

Mr. Vineet Agarwal:

Yes. So, that's a new ship also. And of course, we're keeping an eye on second-hand ships.

Mr. Divyansh Gupta:

Got it. And just the last question. Because of all this Middle East crisis and, let's say, any demand that might have spilled, or we were not able to deliver. Was there any loss of business that we could have done? But just because of all this, let's say, ad hoc-ishness of the war and economic uncertainties that revenue didn't happen?

Mr. Vineet Agarwal:

No, not really. We did not lose. Because domestically, it doesn't affect, it's not a direct impact because we don't do any exports, right? So, we did not lose any kind of business because of that.

Mr. Divyansh Gupta:

No, but it can be that our clients, let's say, example-wise, Maruti, will manufacture, send from Gujarat to the port, and then it will go for exports. While you are handling the export leg, but ultimately Maruti might not send because their exports are not happening because of the shippage reasons. So, that's why I was...

Mr. Vineet Agarwal:

Yeah, I mean, basically the domestic leg of the export business. So, we have in some cases, there is an impact, but it's very minuscule. It's not so much.

Mr. Divyansh Gupta:

Understood. Got it. Thank you. That's all.

Ms. Simran Sharma:

Thank you, sir. I would request all participants to kindly start by your organization name before your question. So, the next question is from Mr. Pinaki Banerjee. Sir, please go ahead.

Mr. Pinaki Banerjee:

Hello, sir. Am I audible?

Mr. Vineet Agarwal:

Yes.

Mr. Ashish Tiwari:

You are not audible. Pinaki?

Mr. Vineet Agarwal:

Now, you've gone on mute.

Mr. Pinaki Banerjee:

Yeah. Hello, sir. Am I audible now?

Mr. Vineet Agarwal:

Yes, yes.

Mr. Pinaki Banerjee:

Yeah. So, normally your receivable days are 55 to 60 days. So, looking at this current situation, do you think it is going to be some pressure on your receivable days in the coming times?

Mr. Vineet Agarwal:

Ashish?

Mr. Ashish Tiwari:

Yeah. So, our receivable days are working capital days, rather 55 to 56 days. And we do feel that there might be some pressure on the working capital because of the rate hikes and things like that. But we have our own credit policies that are fully implemented, and we would try to kind of put more effort to control that.

But as such, we are not seeing it as a real challenge so far. Simran, there is some noise on some numbers. Can you just see it?

Mr. Pinaki Banerjee:

Sir, can I ask the second question, please?

Mr. Ashish Tiwari:

Yeah, please.

Mr. Pinaki Banerjee:

Sir, you have outlined a capex of around 1,000 to 1,200 crores for the coming three years. So, could you please outline it? In which, if FY27, how much will it be sanctioned in the following financial years? And on which segment is you laying the thrust on more?

Mr. Vineet Agarwal:

So, what we are doing as you… Ashish, just move that slide, please. Capex slide. So, you know, most of… in this budget for this FY27, expenditure of our 237 crores is essentially on ships. So, we are looking to buy the two ships that we have ordered.

We are going to pay the final amounts for those ships. And maybe, in case if there is a third ship that we decide to buy, maybe some advance payment for that. And then about 100 odd crores in warehouses, about 120ish crores on trucks and new rakes that we are adding, and about 100 odd crores in warehousing, equipment and IT services, etc.So, that's about the extent of the budget for this year, 600-odd crores. But I am estimating depending upon how things go between 500 and 600 crores for this year.

Mr. Pinaki Banerjee:

Okay, sir. That's all from my end. Thanks, and all the best for the future.

Mr. Vineet Agarwal:

Thank you.

Ms. Simran Sharma:

Thank you, sir. The next question is from Ms. Vanshika Jain. Ma'am, please go ahead.

Ms. Vanshika Jain:

Hi, Vinit. I had a few questions. First was, out of the Anand, Vijay, and Express, out of the three dry dock ships, which ships would go to dry dock this year, if you could?

Mr. Vineet Agarwal:

Ashish?

Mr. Ashish Tiwari:

This year, we have two ships in the dry dock. One is already completed and these are not the ships. There are different ships. Shipping which we have completed, dry dock completed last year, they would again schedule for dry dock in FY28 and later. So, the dry dock actually is after 26 months.

Ms. Vanshika Jain:

Okay. So, no dry docks as of now?

Mr. Ashish Tiwari:

Yeah. So, this year, no dry dock. One ship, as I told you, would be scheduled at the end of March, maybe the last week of March also.

Ms. Vanshika Jain:

Okay. And what is generally the schedule for this dry docking, if you could shed some light on that?

Mr. Ashish Tiwari:

Schedule is, so, you are talking about the duration, right?

Ms. Vanshika Jain:

Yeah, duration.

Mr. Ashish Tiwari:

Yeah. So, duration is roughly kind of, depending on the size of the ship, probably 25 to 30 days. Even it can also extend to 35 days types.

Ms. Vanshika Jain:

Okay. My next question was, what are the throughput or volumes that we are seeing in the seaways business and the margins that we are estimating for the seaways business?

Mr. Vineet Agarwal:

Well, throughput is more or less, you know, capacity is not increasing, right? So, it's basically, if you are able to either increase the voyages or, secondly, increase the selling price of our containers. So, only then can we increase the value of those revenues. So, some of that keeps is a regular process on how we can increase that. Typically, during the monsoon season, the ships slow down a little bit because of the weather. So, typically, you have lesser voyages at this period. But with the fuel prices, bunker prices going up, we've increased the rates also in some cases. So, some impact will come from that side. But we have limited room to increase the revenues.

Ms. Vanshika Jain:

And there is no room to increase the margins.

Mr. Vineet Agarwal:

The margins at a decent level, I think 40-ish plus percent EBITDA. So, I think if the prices remain as is in terms of the fuel, it will probably come down a little bit. It has come down if you see from the quarter-on-quarter basis. So, we will possibly, you know, 30-40% type of EBITDA is a little bit more reasonable.

Ms. Vanshika Jain:

Okay. So, my next question was that we, you forecasted that the LTL business, the mix would go from about 35-37% currently to about 40%. So, can I get a ballpark idea of how much every 1% increase in LTL would impact the margins?

Mr. Vineet Agarwal:

It's a slower process. I think, you know, the LTL business has a higher double the gross margin at about 20% to 10% for the FTL business. So, certainly, there is some change that happens in the margin structure, but it's more gradual rather than straightforward. So, there will be some few basis point improvement with every 1% increase in share of the LTL business.

Ms. Vanshika Jain:

Okay, got it. Another question was, what is the PV and CV mix? If you could shed some light on that and the expectation going forward.

Mr. Vineet Agarwal:

The PV and CV mix in what?

Ms. Vanshika Jain:

In the supply chain business.

Mr. Vineet Agarwal:

As in the ownership of trucks?

Ms. Vanshika Jain:

No, the customers.

Mr. Vineet Agarwal:

No, we don't share that specific number in terms of PV, CV, etc. It's broad, it's about 75-80% of the business comes from auto sector.

Ms. Vanshika Jain:

Okay. And as I could see that the run rate in our JVR associate business is usually 20-22 CR. And this quarter, it fell to about 18 CR. So, was it because of the Toyota JV or the Concor JV?

Mr. Vineet Agarwal:

Run rate in terms of what? In terms of the margins?

Ms. Vanshika Jain:

Revenue.

Mr. Vineet Agarwal:

Yeah, some of it is dividend income, right? Sorry, revenues. Revenues on the, it's about a little bit moderated on the Concor side compared to last quarter. But the cold chain business grew much faster. However, it is, but the cold chain business, as you know, is a much smaller quantum business right now. So, that has been a little bit of an impact. So, yes, it's a little bit lower, but not substantially.

Ms. Vanshika Jain:

Okay, that's all the questions from my side. Thank you.

Mr. Vineet Agarwal:

Thank you.

Ms. Simran Sharma:

Thank you, ma'am. The next question is from Mr. Piyush Chandra. So, please go ahead.

Mr. Piyush Chandra:

Thank you. Hi, this is Piyush from Newmark Capital. Vinit, in the trans system business, we see margins have come down from around 14-15% circa to around 12% and then now around 9%.

This has also resulted in profits from that business coming from, let's say 40-42 crores to around 30-odd crores run rate. What's happening over there? Could you just shed some light on that?

Mr. Vineet Agarwal:

Well, in that business itself, we are, of course, a lot of that business is Japanese clients and specifically Toyota, etc. So, there is a lot of investment that is now going in the business also because of the expansion that these companies are doing. There is also some pricing pressure as has always been with the fragmentation element of logistics per se.

So, there are a little bit of production cuts that we've seen in some areas. We have seen some amount of business that we actually did not renew also because the price was quite low. But I think growth is there and we should start catching up with some of the margins. I do not think we'll get back to that 11-12% type of range because that seems to be always a little bit on the higher side. Probably, I think about 10% is more reasonable.

Mr. Piyush Chandra

I would have assumed that given this is a JV, we would have benefited from slightly better pricing, right? Given Toyota also owns half the business.

Mr. Vineet Agarwal:

No, Toyota doesn't own the business at all. It's Mitsui and company is a JV part.

Mr. Piyush Chandra:

Sorry, yeah, Mitsui.

Mr. Vineet Agarwal:

So, there is no correlation between Toyota pricing. And in fact, if Toyota was there, then it would become a cost center like for some of our competitors.

Mr. Piyush Chandra:

Okay, got it. So, this is from me. Thank you.

Mr. Vineet Agarwal:

Thanks.

Ms. Simran Sharma:

Thank you, sir. The next question is from Mr. Deepak. Sir, please go ahead.

Mr. Deepak:

Hello, I'm audible.

Mr. Vineet Agarwal:

Yeah.

Mr. Deepak:

Hi Vineet. I just wanted to touch upon the supply chain operation growth this quarter. If you can elaborate a bit because you're doing quite well before this at about 20% growth. So, if I, you know, then the standalone growth has been on the lower side while the consolidated supply chain has been on the higher side. So, the standalone piece, if you can just elaborate as to what's the reason for this low growth and your outlook sounds a bit encouraging.

So, any thoughts on the outlook if you can elaborate on what's the strategy on the growth side of supply chain?

Mr. Vineet Agarwal:

So, on the standalone side, of course, it's just the supply chain business. On the consolidated side, we also add a chemical logistics business. So, that also is in the…

Mr. Deepak:

And also, the cold chain as well.

Mr. Vineet Agarwal:

And cold chain. So, there you're seeing slightly better growth. But yes, you know, the demand outlook is good. We are doing work for quick commerce people.There's demand from that side, some large warehouses that we acquired in Q2, Q3 of last year. Some of that has started to play out in terms of volumes as well as increased revenues. So, we will start seeing some of these benefits in the next few quarters in terms of growth as well.

So, I think the margin structure should also keep improving with the investments that we are making over here. It is a challenging business today in some areas because there is also a demand for manpower, especially when you're running large warehouses. And manpower is a little bit of a challenge in the system because, as you know, post the Middle East crisis, a lot of labour moved out of cities and towns, etc., because there's no LPG for cooking.

So, there itself, you have to hire at whatever cost so that is replenished, so that you are able to replenish. And some of that pressure comes, but we are pretty sure that some of that will start easing out as the LPG crisis is better. And as well as more and more automation starts coming in. So, we are also playing on the tech side where we are looking at a lot of automation for really improving manpower productivity as well as greater visibility to both ourselves as well as to our clients.

And that should, over time, not happening right away, but over time should give us margins, better improved margins also.

Mr. Deepak:

So, it seems to be concerned about any client loss or business loss with an existing client. And so, this slow growth should be considered a one-off, and the company seems to be confident of doing a double-digit, say, 14-15% in the next quarter itself, right?

Mr. Vineet Agarwal:

Full year is 12-15% is what we are maintaining. I think some of that we'll start seeing in the next few months.

Mr. Deepak:

Sure. And I think my next question was on the seaways business. So, if you can tell us as to what kind of growth and margin profile we should expect in Q2, because growth will be a function of our utilization and also the prices. So, if you can touch upon the near term in the seaways. And for the new ships, if you can spell out the inflow of orders and the pipeline that you have for the new ship utilization as to how many quarters will it take for you to get to break even there.

And what kind of pipeline that you have for the new ships to get utilized quickly. So, that's on the seaways side.

Mr. Vineet Agarwal:

So, firstly, on the Q2 side, as I said, it's very unpredictable based on the bunker prices. It has been oscillating quite a lot. Only last week was what, as I said, 82, 83,000, 85,000, something like that. And it touched 1,05,000 rupees also. And then it came down to about 72,000. So, it's been moving in very rapid ranges, large ranges and rapidly also.

So, it is very unpredictable and very difficult to give you a basic margin, basic changes. But the margin profile of the business is such that you will should achieve a 25-30% kind of EBITDA, irrespective of, you know, some, you absorb some of the costs also and some revenue increases might happen also. So, that's on Q2.

On the new ships, typically utilization happens in the first few months- maybe four to six months- we should see full utilization. So, once they start coming in from the first quarter three, beginning of quarter three, we should see improvement. We should see that impact.

It will take some time, of course. But then, you know, for the full year, you will see that the seaways EBITDA might go up because you'll have higher depreciation. But, and revenues will also go up slightly, but profitability might subdue a little bit because of the new ships for one or two quarters.

Mr. Deepak:

My last question is on the JV profits that we get from the Toyota JV. So, that's been, you know, in that range of about 18 to 19 crores. So, although we're seeing revenue growth, and in the last fall, we spoke about growth on the Toyota business, but it's not, you know, percolating down to the earnings.

So, what kind of earnings growth that one should expect for the JV that we have? I reckon that you are investing in cost. So, if you can elaborate on the cost side, what all costs will be incurred in the JV and until when are we going to incur those costs?

Mr. Vineet Agarwal:

So, there is a Capex plan also in the JV. We are investing in new facilities as well as new trucks, etc. There's also, as you're aware, that Toyota is coming with a new plant in Aurangabad.

So, at some point in time, not this fiscal, but next fiscal, there will be investment into that facility as well. So, going forward, you know, there is a Capex plan in the next 4-5 years, and based on the free cash flows is what we are looking at in terms of dividend income. So, I think the guidance for that business is a similar kind of profitability as last year and perhaps a similar kind of dividend payout also as last year.

I think it will not increase in the next year or two because of the Capex, as I'm saying. But let's see how the cash flow remains with the business, and then we can take a call. It's a debt-free company. So, if there's a need to take any debt because of the Capex, we can always do that. And the dividend payout is 100% of the profits. So, we will see towards the end of the year.

Mr. Deepak:

I was actually talking about the JV line item where the actual earnings of the company shows up. I don't know if that's related to the dividend.

Mr. Vineet Agarwal:

It is because the dividend payout is coming from that company.

Mr. Deepak:

Okay. So, okay. I'll probably connect with Ashish to get more clarity on this. Thank you. Thank you. All the best.

Mr. Vineet Agarwal:

Okay. Thank you so much.

Ms. Simran Sharma:

Thank you so much. The next question is from Mr. Krupa Shankar. He's back with us.

Mr. Krupa Shankar:

Yeah. Hi. Just one follow-up question. Look, Concor has provided inspiration with respect to its domestic business. And this year also, they're talking about a lot of their existing operations having a very integrated solution. The first mile and last mile solutions also with their mid-mile rail haul.

Just wanted to get a sense around what sort of benefits are expected? What sort of a flow-through can come to Transport Corp? Either with this partnership or outside of it, do you see benefits flowing through?

Mr. Vineet Agarwal:

Yeah, I think what happens with Concor is that we, there is a lot of discussion that happens, but we have to see a lot of action first on the ground.

So, it takes a little longer for that action to happen being a PSU. But we are closely aligned with them. We work with them on several projects on a regular basis. And for example, first mile, last mile is one of the areas or in areas they want to. First mile, last mile is basically an integrated solution where, you know, we are responsible for the first mile, last mile and they are responsible for the middle leg.

But the customer interface remains at one place, which is with us. So, yes, I think it's always great to be working with Concor when we are able to, when there is a certain solution that we are able to sell to our clients. But it's not always that we'll see those solutions emerging right away. Also, you know, there's a leadership change right now at Concor. So, it might take a few months for things to settle down.

Mr. Krupa Shankar:

Got it. And one question on the financials. You know, the other income has come up quite materially on a consolidated basis. So, just wanted to get a sense around the specific reason why it has happened.

Mr. Ashish Tiwari:

That is because of the lesser amount of dividend. We just talked about it.

Mr. Krupa Shankar:

No sir, but… Yeah. Okay. Go ahead, please.

Mr. Ashish Tiwari:

Yeah. So, this quarter we had a less amount of dividend. So, the other income got reduced.

Mr. Krupa Shankar:

On a consolidated basis, I'm referring to that also has, but that would net off the extent of dividend income received by the standalone entity, right?

Mr. Ashish Tiwari:

Yeah. So, then if you talk about the console figure, then the profit numbers are also less than the last part.

Mr. Krupa Shankar:

I'll probably take this off. Thanks a lot.

Ms. Simran Sharma:

Thank you, sir. There are no further questions now. I'm handing over the floor to Mr. Ashish Tiwari for his closing comments.

Mr. Ashish Tiwari:

Yeah. Thank you very much for joining this call. I think you would have got all the answers. If it is not, then you can write me back as well. So, we will meet in the quarter 2 call in the middle of the festival season. So, our best wishes for the upcoming festive season. Thank you very much. Take care.

Mr. Vineet Agarwal: Thank you.