

TCI to set up warehouses

RITWIK MUKHERJEE &
PRIYANKA DASGUPTA BRAHMA

Kolkata

FOLLOWING the proposed de-merger of its real estate and warehousing division, Transport Corporation of India (TCI) will unlock values of its 15 properties by developing warehouses, logistic parks and so on. These properties together have a book value of Rs 55 crore.

"We have got the approvals from the shareholders, creditors and stock exchanges. We are just awaiting the green signal from the Andhra Pradesh High Court. We expect this final go ahead from the court and eventually the de-merger to come through any day now. We will then form a new company called TCI Developers," TCI executive director Vineet Agarwal told Financial Chronicle.

He said once the de-merger takes place, the new entity will take up various logistic properties both within the city and in the outskirts. TCI's 15 properties are spread across Delhi, Mumbai, Bangalore and Ahmedabad.

"We will look at the best option available for us in each of these cases. We can either develop the property all by ourselves, or through joint development or we will sell out the land itself to some developer," said Agarwal.

The company is also looking at expanding into new geographies—mostly in South Asia (in countries like China, Singapore, Hong Kong, Thailand, Indonesia). "We are mostly looking at India's large trading partners and countries with high traffic density. The scale of operations in these new countries would depend on the potential volume of business," he said. The company, which last year notched up a revenue of Rs 1,525 crore has set a target of 15-20 per cent revenue growth and 20-30 per cent EPS growth in the current fiscal.

TCI has a capex of Rs 150 crore for this year, which would be to buy trucks (Rs 60 crore), ships (Rs 50 crore), warehouses (Rs 25 crore) and developing and upgrading IT infrastructure (Rs 15 crore).

ritwikmukherjee@mydigitalfc.com