

Transport Corp to invest Rs 150 cr on expanding services

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Logistics firm TCI is investing Rs 150 crore on expanding services and infrastructure to meet the demand from multi-brand retail that is expected to grow rapidly following the government move to allow foreign direct investment in the sector. The company will invest about Rs 60-70 crore on setting up new warehouses across the country and about Rs 40 crore on buying new trucks, Transport Corporation of India's Joint Managing Director Vineet Agarwal told PTI.

"Our capex for the current fiscal is Rs 150 crore. Of this, Rs 60-70 crore will be invested on creating new hub centres all over India. This will be mainly new warehouses.

Then we will be spending Rs 40 crore on buying new trucks and Rs 25 crore on buying a new ship," he said.

Although the impact of FDI in multi-brand retail will be visible only after 5-6 years, Agarwal said, "creating supply chain networks is a time consuming exercise and companies, including TCI need to gear up to meet the future demand."

He said TCI is looking to achieve 15-20 per cent growth in the next 3 years as the business climate is improving and the supply chain division will contribute about one-third of the revenues for the company.

At present, TCI's 40-45 per cent revenues come from freight, while supply chain, express cargo and seaways divisions account for the rest.

Moreover, the company is also expecting 10 per cent growth in its profits level for the current year.

In 2011-12, TCI had reported a net profit of Rs 51.84 crore and revenue of Rs 1,828.98 crore. For the quarter ended September 30, 2012, the company had reported a net profit of Rs 13.14 crore and revenue of Rs 470.37 crore.

The company operates a fleet of 7,000 trucks a day, of which it owns 1,500 vehicles. It also has 3 ships and is planning to buy fourth ship, which will be deployed for cargo shipments between Chennai and Port Blair.

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