

# We expect FY14 to be a better year:

Vineet Agarwal, joint MD, TCI

In an exclusive interview with Shweta Dhoka of **Myiris.com**, **Vineet Agarwal, joint MD, TCI** says, "We expect FY'14 to be a better year in terms of revenue growth. We are hopeful that recent policy reforms undertaken by the government and commitment to implement large infrastructure projects on a priority basis will create new opportunities."

**> The companies PAT witnessed a fall of 16% in Q3 FY13. Could you give explanation on this? How do you see your performance for the next year?**

TCI registered 16% decline in PAT for the Q3 of FY'13 as there was no income from other sources unlike in the Q3 of FY' 12 when company made a profit of Rs 26.3 million on the sale of a ship. We also saw decline in PAT on account of dry dock expenses.\

**> Going forward how do you see company's revenue growth?**

We expect FY'14 to be a better year in terms of revenue growth. We are hopeful that recent policy reforms undertaken by the government and commitment to implement large infrastructure projects on a priority basis will create new opportunities for the sector. Growth in consumption and key sectors should also improve the outlook for the year.

**> Your revenues are mostly driven by Freight, XPS, Supply Chain Solutions, whereas TCI Seaways and Global are contributing less. Segment wise, which segments you think will drive performance of the company going forward?**

We expect XPS division & SCS division to drive the growth of the TCI in coming future. Though TCI Seaways and TCI Global are contributing less to the total revenue currently; we expect it to grow in the coming years.

The overall growth of each of TCI's division has been promising and the business volumes and profitability have been in sync with the expectations of the company. We expect to grow at the rate of 15% compounded annual growth rate for the next four to five years.

**> What is strategy towards business segments where you are enjoying high margins like in case of Seaways?**

We currently own 4 vessels and are looking forward to acquire 1 more vessel to expand this segment. We have already earmarked Rs 200-250 million towards the acquisition of a vessel.

**> How do you see overall impact of recent hike in rail freight on your business? Are you in position to pass on entire increase to your clients?**

Rail Freight does affect our business as it increases overall transportation cost. Such hikes are always passed on to the customer through market mechanism though there may be a delay of few days / weeks in some cases.

**> There is tremendous scope for Supply Chain management in India especially in the light of opening of FDI in retail that may give a major boost. How well TCI positioned to grab on these opportunities? How do you see overall industry growth over next fiscal?**

FDI in multi- brand retail has opened up exciting opportunities for this sector. With companies increasingly asking for end-to-end solutions from logistics providers, end-to-end supply chain management solutions assumes significance. Logistics providers will have to ramp up their capabilities in all areas of operations to meet or exceed customer requirements to stay competitive in the business. With international companies likely to get their existing logistics partners to India, domestic logistics companies will have to work hard to upgrade their existing infrastructure and also invest in skills up-gradation of their employees.

TCI SCS is fully geared to make most of this opportunity. We are already providing transportation, warehousing and distribution solutions to various retailers and expect to become logistics partner of choice of MNC retailers. We also see tremendous opportunity in the cold chain industry.

**> Shares of the company are down around 16% since last February 2012. What steps are you taking to increase shareholders' wealth? Any specific message that you would like to convey to investors?**

TCI stock performance is in line with its peer group that is witnessing decline due to sluggish stock market and weaker demand. TCI has a strong brand name and a track record of paying dividend consecutively for the past 15 years. Our commitment to corporate governance best practice and focus on high growth sectors should ensure strong performance of the company thus creating shareholder wealth.

Transport Corporation Of India Limited [\(Q,N,C,F\)](#)\*

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