



25th

Annual General Meeting

Day & Date : Wednesday, 12th August, 2020

Time : 03:00 P.M. to 03: 28 P.M.

Venue : Through Audio Visual Means

PENALIST:

Mr. D. P. Agarwal-Chairman of the Meeting

Mr. Vineet Agarwal- Managing Director

Mr. S N Agarwal- Non Executive Director

Mr. Ashish Bharat Ram- Independent Director

Mr. Vijay Sankar- Independent Director

Mr. S Madhavan- Independent Director

Ms. Gita Nayyar- Independent Director

Mr. Ravi Uppal- Independent Director

Mrs. Urmila Agarwal- Non Executive Director

Mr. Chander Agarwal- Non Executive Director

Mr. Ashish Tiwari-Group CFO

Ms. Archana Pandey-Company Secretary and Compliance Officer

Archana Pandey, Company Secretary & Compliance officer

I, Archana Pandey, Company Secretary & Compliance officer of the Company, welcome you all at this 25th Annual General Meeting of **Transport Corporation of India Limited**, being held through Video Conferencing/ other Audio Visual Means as permitted by SEBI & MCA.

Before we officially start the proceedings, I would like to apprise that:

- In view of the continuing Covid-19 pandemic, the MCA has permitted the holding of the AGM through Video Conferencing / Other Audio Visual Means. As this meeting is being conducted through video conferencing, all efforts feasible under the circumstances have been made by the Company to enable members to participate and vote on the items being considered in the meeting.
- Shareholders have been provided with a facility to attend and vote at the AGM by Video Conferencing/ other Audio Visual Means through CDSL e-voting system. In case Shareholders have any queries or issues regarding AGM participation or e-voting, he/she may write an e-mail to helpdesk.evoting@cdslindia.com or call at **18-00-225-533**.
- The joining of the meeting to the shareholders has been opened 30 minutes prior to the commencement of the meeting and will remain open for 15 minutes after the conclusion of the meeting.
- The Shareholders/Participants joining from Mobile Devices or Tablets or through Laptop and connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of glitches.
- As per the circulars issued, the entry to the AGM is allowed for the shareholders on first come first basis for first 1000 shareholders. However, the large shareholders i.e. shareholders holding 2% or more shareholding, promoters, institutional investors, directors, Key Managerial Personnel, the Chairpersons of the Audit & Risk Management Committee, Compensation/Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend this AGM without any restriction on account of first-come first served principle.
- The queries received on e-mail from members, within the stipulated time, as provided in the AGM Notice, will be replied to by the management appropriately.
- Further, as per the MCA circulars, the facility for appointment of the proxies is not available.
- Also, as per the stated MCA Circulars read with the SEBI Circular dated May 12, 2020, electronic copies of the Notice of AGM and Annual Report for the financial year 2019-20 have been sent to those members whose email IDs are registered with the Company and Depository participant(s) as the case may be, as on cut-off date i.e. July 17, 2020. The same is also available on the Company's website under investor Relations' section.

Now, I request the Chairman of the Meeting, Mr. D.P Agarwal, to kindly address the meeting.

Thank you.

Mr. D. P. Agarwal, Chairman

Dear Members, Good Afternoon.

On behalf of the Board of Directors of TCI, I welcome you all at this 25th AGM of the Company.

As you may kindly be aware that, In view of the current global pandemic-Covid 19, the AGM of the Company is being conducted through VC/ Other Audio Visual Means in compliance of guidelines & circulars issued by the MCA and SEBI.

In compliance with the said guidelines/circulars, physical presence of Shareholders has been dispensed for this AGM and facility of participation and voting through electronic mode has been initiated. The Company has taken all requisite steps to enable Members to participate and vote on the items being considered in the AGM. I thank all the Shareholders attending AGM in this difficult time and hoping that all are staying safe at the home and taking all precautionary measures.

Now, As the mandatory Quorum is complete, I call this meeting in order.

Now, I would like to introduce all the Directors attending the AGM through VC/ Other Audio Visual Means:

- 1) Mr. S N Agarwal- Non Executive Director

Mr. S N Agarwal- Non Executive Director

I am S N Agarwal, a Non-Executive Director from my office in Bangalore and I have received the AGM papers and nobody around me.

Mr. Ashish Bharat Ram- Independent Director

Good afternoon, this is Ashish Bharat Ram here. I am an Independent Director of the Company. I am also the Chairman of the Nomination & Remuneration Committee as well as Corporate Social Responsibility Committee.

Thank you.

Mr. Vijay Sankar- Independent Director

This is Vijay Sankar. I am Independent Director of the Company. I am also the Chairman of the Audit & Risk Management Committee of the Company.

Thank you.

Mr. S Madhavan- Independent Director

Good afternoon, my name is S Madhavan. I am Independent Director of the Company and joining the AGM from Delhi.

Thank you

Mr. Ravi Uppal- Independent Director

Yes, This is Ravi Uppal, I am Independent Director, I am attending this AGM, I got the notice and I am alone in my office in Raipur and there is no one around.

Ms. Gita Nayyar- Independent Director

Good afternoon everybody, this is Gita Nayyar. I am Independent Director of the Company and I am also the member of stakeholder relationship committee.

Mr. Chander Agarwal- Non Executive Director

Good afternoon, I am Chander Agarwal, Director and I am currently at the TCI corporate office at Gurgaon

Mr. Vineet Agarwal- Managing Director

Good afternoon, I am Vineet Agarwal. I am Managing Director of the Company.

Mr. D. P. Agarwal, Chairman

Ms. Urmila, I think she is not able to connect and she is present, ok we can go ahead.

Also present in the meeting through VC/OAVM means are:

- 1) Ms. Archana Pandey, Company Secretary
- 2) Mr. Ashish Tiwari, Group CFO
- 3) Mr. Lokesh Vasudevan, representing Statutory Auditors M/s Brahmayya & Co
- 4) Ms. Nitu Poddar, representing Secretarial Auditors, Vinod Kothari & Co.
- 5) Mr. Vasant Bajaj, Scrutinizer

Ladies & Gentlemen,

The Notice of AGM along with the Annual Report for the financial year 2019-20 has been sent through electronic mode to the Shareholders whose email addresses were registered with the Company/ Depositories. The same is also available on the Company's website and with your consent, I take it as read.

The statutory registers and all the documents referred to in the Notice of AGM are available for inspection at the website of the Company at www.tcil.com under investor tab, during the AGM.

I would like to inform that the Company has engaged the services of Central Depository Services (India) Limited ('CDSL') for providing facility for voting through remote e-voting, and e-voting during the AGM. The Members who have not casted vote through remote e-voting may cast vote electronically, while going through the proceeding of the AGM. The procedure for e-voting, to the Members attending AGM through VC / OAVM means, has already provided to in the Notice of 25th AGM of the Company.

It is hereby further informed that the compliance of MCA and SEBI circulars, facility of 'Show of Hands' and 'Poll' stands redundant and Members may cast their vote against each agenda item through e-voting facility as explained above.

It is also informed that the Company has appointed Mr. Vasanth Bajaj, Practicing Company Secretaries as Scrutinizer to scrutinize the e-voting process.

Now, I would like to deliver my speech,

Ladies and Gentlemen,

I warmly welcome you all at this 25th Annual General Meeting of your Company and thank you on behalf of the Board of Directors of TCI for joining us today. Your presence is indeed a true testimony to your involvement with and support for the Company.

Year 2019 was undeniably challenging even before the contagion began spreading in the first quarter of year 2020, and led to the nationwide lockdown. The Indian economy faced a slowdown in year 2019 due to multiple complex factors, such as liquidity constraints, muted private consumption and investment leading to sluggish demand. There was a major impact on the Automobile industry. We faced supply chain disruptions in March, 2020 because of the social distancing and then the lockdown. However, we continued to sustain the business due to our focus on strong fundamentals and value creation for our customers.

Your Company witnessed challenging times during the year. Sluggish economic growth, slowdown in several end-user industries and supply chain disruptions in March, 2020 due to COVID-19 outbreak impacted performance. *Our revenues stood at Rs. 2738 Cr in FY 2019-20 as against Rs. 2773 Crs in the previous year.* Nonetheless, strategic steps taken over the years reinforced our competitiveness. Our sustained focus on maximizing operational efficiency, optimizing costs, effective capital and asset allocation management, and continual investments in our people and work culture, enable us to weather the external challenges and persevere ahead with confidence.

You would be glad to know that we have undertaken some notable initiatives during FY'20. We acquired and launched TCI Anand, a new ship to bolster our presence in the western & southern coasts of India.

Another commendable highlight was the inauguration of TCI Safe Safar programme in September 2019. TCI Safe Safar is our health and safety initiative aimed at creating awareness on road safety for the logistics and transportation industry. During the event, Shri Nitin Gadkari held extensive discussions with our management to identify ways for promotion of such initiatives that would lead to fewer road accidents and injuries.

The prospects of the transportation and logistics industry remain dynamic, given the Government's sharp focus on infrastructure development and improving logistics efficiency. Transformational reforms such as GST and shift towards the organised market will be the growth drivers for the overall industry. Further, the sector is seeing massive technological disruptions, thereby creating new opportunities to redefine business models, enhance efficiency and improve customer experience.

While the novel coronavirus outbreak and the containment measures everywhere hit the global economy very badly, prompting most economists to significantly downgrade growth forecasts for the world, including India, this has been somewhat offset by the stimulus packages announced. Governments are keen to revive the cycle of supply and consumption, mainly through monetary easing and liquidity infusion, and this raises hopes of a recovery in the second half of FY'20.

Moving ahead, we are prepping up to embrace the New Normal in logistics space in a post-COVID world. we have the right pivots to grow. We continue to make strategic investments in technology, infrastructure, processes, and human resources development. We have significant headroom to expand our foothold in India by delivering value-added services to our customers. As we move forward, customer-centricity, profitability and purpose-led growth will become our key focus areas.

Through our robust integrated multimodal network and end-to-end supply chain solutions, we will continue to ensure seamless delivery and maximum customer satisfaction.

I would like to take this opportunity to thank the Board for their guiding principles and our stakeholders, business partners and customers for their constant trust and support. And finally, I would like to express my gratitude to all the employees "TCI YODHAS - The Supply Warriors" and our most important assets for their loyalty and contribution.

Now I will ask Ms. Archana Pandey, Company Secretary & Compliance Officer to read the Auditors' Report.

Archana Pandey, Company Secretary & Compliance officer

Thank you Sir,

Please note that, the Statutory Audit Report to the consolidated financial Statements for FY'20 contains a qualification (pls refer page 130 of the Annual Report). I would read out the relevant para of the Audit Report for your kind reference:

Basis for Qualified Opinion

Attention is invited to Note 39 to the Consolidated Financial Statements, which include financial statements of Transystem Logistics International Private Limited, a jointly controlled entity whose accounts reflect Group's share of net profit of ` 2,548.31 Lakhs and total comprehensive income of Rs. 2,542.48 Lakhs for the year ended 31st March 2020.

The financial statements and other financial information of the Jointly Controlled entity has been prepared by the management which have not been audited and our opinion is based solely on the management accounts. We are unable to comment on adjustment that may have been required in the Consolidated Financial Statements, had such financial statements been audited.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards on Auditing are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and jointly controlled entity in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India ("ICAI"), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act and rules made thereunder. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

I would also like to read out the response of the Board of Directors as given in the Boards' Report for your kind reference:

Reference is invite to the report of Statutory Auditors on the consolidated financial statements. One of the Joint Ventures namely Transystem Logistics International Pvt. Ltd. could not conclude its statutory audit and approve its annual financial statements for the financial year ended on 31st March 2020 by 2nd June, 2020, the date of approval of Financial Statements of the Company by the Audit and Risk Management Committee and the Board of Directors, due to COVID-19 driven lockdown situations Therefore, the company has consolidated unaudited financial information with respect to the above Joint Venture. The management of Joint Venture has confirmed that audit work has been concluded and audited financials and other financial information would be available once their Board Meeting is convened to approve the annual accounts. The statutory auditors have issued a qualified opinion on the consolidated financial statements w.r.t to above matter. Thank you.

Mr. D. P. Agarwal, Chairman

Dear Members, we wish to inform you that, since, this AGM has been called through Video Conferencing, all the resolutions as stated in the Notice of this AGM has been already put to vote through remote e-voting and which has not voted earlier through remote e-voting, will be put to e-voting during the AGM, therefore there will be no proposing and seconding of Resolutions.

We now take up the resolutions as set forth in the Notice.

- 1. Item No. 1 of the Notice** – Adoption of The Financial Statements of the Company including the consolidated financial statements for the financial year ended 31st March, 2020 including the reports of Board of Directors and Auditors have already been provided to the members.

2. **Item No. 2 of the Notice** – to appoint a Director in place of Ms. Urmila Agarwal, who retires by rotation and, being eligible, offers herself for re-appointment.
3. **Item No. 3 of the Notice** – to appoint a Director in place of Mr. Chander Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. **Item No. 4 of the Notice** – Appointment of Mr. Ravi Uppal as an Independent Director
5. **Item No. 5 of the Notice** – Continuation of appointment of Mr. D P Agarwal as Chairman & Managing Director post attaining the age of 70 years
6. **Item No. 6 of the Notice** – Authorize borrowing by way of issuance of Non-Convertible Debentures/Bonds/Other Instruments upto Rs. 200 Cr.

The text of the resolutions along with explanatory statement is provided in the Notice circulated to the members.

The Company has received certain queries via mail. I would request Mr. Vineet Agarwal, Managing Director of the Company, to kindly answer those queries.

Mr. Vineet Agarwal, Managing Director

Ms. Archana will read the questions, please.

Archana Pandey, Company Secretary & Compliance officer

Sure, I will read out the question that we have received.

The first question is- in the supply chain segment, what are our plans to increase the share of business from warehousing, given that it's more resilient it's been a twelve million square foot since a while?

Should I read out all the questions?

Mr. Vineet Agarwal, Managing Director

Yeah.

Archana Pandey, Company Secretary & Compliance officer

The second question is, do we have plans to become more asset light given that other companies are able to function and grow such as Mahindra Logistics using this model?

Third question, How can ROCE grow to 20+ ?

Forth- What are the opportunities that will come in Post Covid era? Does the company have a numbers oriented target for the same?

Question five- Given that the share price is languishing and is deep value, why aren't the promoters buying from open market?

Last question is, Can we appoint internal IR team to help market the company and create better awareness by participating in various Investor forums, etc?

We have also received one question through our chat box, the question is, whether company plans to demerge any further division surfaced business verticals?

Mr. Vineet Agarwal, Managing Director

Thank you Archana, I'll pick up one question at a time.

- The first one, in the supply chain business, the warehousing business has helped us in these COVID times clearly, because they have been a definitely a much more stable business with a continuous revenues, even during COVID times, also the work that we do in the e-commerce has helped us to gather more business as well as keep operations active even at this time. Though, our warehousing space has been at 12 Mn sq ft but we have been growing this business on a continuous basis. Because it's not necessarily that we are going on a in a horizontal manner but also we're going in a vertical manner. We are using more of the space inside the warehouse from a cubic perspective.

So, yes, the business has been growing and definitely we continue to focus on this segment.

- In terms of becoming an asset light company, we've seen that we are on a medium to light asset mode. So, during this time, even during COVID, we saw several companies, in question the name that you have mentioned, have suffered because it did not have any assets on their books. Whereas companies, which have had lots of trucks, and lots of assets on their books have also suffered, because they've not found drivers, etc. So, the right balance we had during this period, has also clearly helped us in these circumstances.

So we think our model of this light to medium asset is a more long term and sustainable model, going forward.

- Third question is, How can ROCE grow to 20+?

What we have seen is that, as we are diversifying our business portfolio adding in a higher margin, higher EBIDTA businesses, and also ensuring that we're able to squeeze are working capital as well, we'll see that these numbers should start improving. Unfortunately because, of course, we did not have that necessary growth in the last financial year as well as the constraints in the economy but we're very confident that post this financial year, we should be able to hit our targets of 20%+ ROCE.

- In terms of opportunities for this particular moment after on a post covered scenario, we definitely see a lot of opportunities. The company has been very active in reaching out to customers, we have made more than fifty five thousand calls in the first quarter itself directly to customers, and ask them "What business we can do for them?" and we've seen a very good response, especially in areas like agriculture as well as in FMCG and other segments, which have been more constant in terms of growth. So we see that this will continue for the next few quarters for sure.

- Next question is, why aren't the promoters buying from the open market?

I think, as promoters, we do have limitation in terms of, when we can buy and whenever we see those opportunities, we'll certainly look and consider them as needed.

- Another question was can we appoint an external I R team to help market the company better and build better awareness for investor forums, etcetera.

Certainly, that is something that we will consider, and we will think about it.

- The other question that we received on the chat box related to- if we will demerge any other divisions?

No, we do not have any plans to demerge any entities out of the business groups that we have. Thank you.

Archana Pandey, Company Secretary & Compliance officer

Now, I may please tell you about the voting procedures and how you can cast your vote, As stated earlier, the shareholders who have not casted their vote through remote e-voting can cast their vote now on CDSL e-voting platform. In case you have not casted your vote earlier you do have some time to cast your vote. E-voting window shall remain open for another 15 minutes after conclusion of this meeting. The proceedings of the meeting will be closed thereafter.

We further inform the Shareholders that the voting results will be declared within 48 hours of the conclusion of AGM and the said Results along with scrutinizer's report will be placed at the website of the Company and also at the websites of CDSL and the same shall also be submitted to the Stock Exchanges in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

May I now ask the chairman to please conclude the meeting by giving a vote of thanks.

Mr. D. P. Agarwal, Chairman

Dear Members thank,

I thank the Board members, shareholders, Auditors and employees of the Company for their contribution and support and with the consent of the Shareholders declare the meeting as concluded.

Thank You.