

TCI EXPRESS

LEADER IN EXPRESS

July 08, 2020

To, Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Scrip Code: 540212	Listing Department The National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400051 Scrip Symbol: TCIEXP
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Sub: Disclosure of material impact of Covid-19 pandemic on the business of Company
Ref: SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we would like to disclose the material impact of Covid-19 pandemic on the operations of the Company, as enclosed below.

You are requested to take note of same on record.

Thanking You,

For TCI Express Limited

Priyanka

Compliance Officer & Compliance Officer
Encl: As above



TCI Express Limited

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Note on Disclosure of Impact of Covid-19 pandemic on the business

1. Covid-19 and its impact on the business:

On March 11, 2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organization. In India, as in most of the countries in the world, Covid -19 has taken its toll on not just human life, but business and financial markets too. Respective Government(s) has introduced variety of measures to curb the spread of the virus including 'nation-wide lockdown'. In this nation-wide lock-down period, all the services across the nation except the specified essential services were suspended.

In response to the Covid- 19 Crisis, **TCI Express Limited** ('the Company') has adopted various measures to curb the spread of infection, to protect the health of its employees and to ensure the business continuity with minimal disruption. The Company has been operational since April 20, 2020 but in lower capacity. The Company is closely and cautiously monitoring the developments resulting from the spread of Covid- 19.

2. Ability to maintain operations including the factories/ units/ office spaces functioning and close down:

The Company's offices/branches continue to remain operational, however, there were/are certain restrictions imposed on the functioning of offices situated specially in the red zone. The offices/ branches situated in red zones including those in Mumbai, Pune, Delhi, Chennai, remain functioned in compliance with the directives issued by the State Governments/local authority. Even the offices/branches which earlier operated throughout the day are operating only for the permitted part of the day in compliance with the restrictions levied by the State Governments/local authority, time to time.

Needless to mention that, the Company has incurred expenses for ensuring proper sanitation and hygiene across all its business premises and operations. It ensured that all employees and stakeholders were provided with decent and hygienic accommodation/food and other essentials at the respective work locations where they were present during and after the commencement of lockdown. The employees have been extended Work from Home (WFH) facility, wherever feasible.

We have also setup sufficient facilities for sanitizing all our workplaces and vehicles at regular intervals. Apart from the above, significant resource were mobilized for educating our employees and creating awareness and taking necessary precautions at each and every operational location to curb the entry of this pandemic. The Company has taken variety of safety steps, such as thermal screening of all employees and visitors, maintenance of social distancing at all work places, enforcing wearing of masks & regular cleaning of hands, regular update of the health of all the employees, mandatory installation of Aarogya Setu App etc.

3. Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations:

As explained above in point No. 2, all the offices and branches have already restarted operations since April 20, 2020.

4. Estimation of the future impact of Covid-19 on its operations:

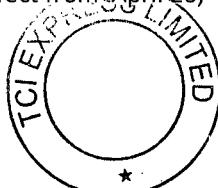
The Management of the Company is of the opinion that the Company will be able to continue its business operations in future and there will be no material impact on the business and operations of the Company.

5. Details of impact of Covid -19 on Company's:

i) capital and resources, ii) profitability, iii) liquidity position iv)ability to service debt and other financing arrangements:

The Company has nearly 800 branches for cargo transportation related activities. As majority of these remained closed in the initial period of April, 2020 and resumed mainly with effect from April 20, 2020 and subsequent months.

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A handwritten signature in black ink, appearing to read "S. J. J.", positioned over the circular stamp.

In consequent of the above and to lower down fixed expenditure, we have approached the lessors of premises to consider waiver of the rent for the said month and some of them have supported us by consenting to such waiver. Many of the lessors have agreed for partial waivers of rent for the first quarter of financial year 2020-21.

However, in spite of making continuous efforts, the profitability of the Company is affected due to lower revenue reported during the quarter 1. At this moment, we anticipate that Covid-19 could have an impact on the Company's performance at least in first quarter of financial year 2020-21.

There was hardly any business for the month of April 2020. Even for the month of May 2020, the business volume was very low. Though, the Company's liquidity position was strong. The Company reported surplus fund of Rs 41 Crores alongwith unutilized cash credit limit of Rs 45 Crores as on March 31, 2020.

The Company does not have any outstanding loans and hence do not envisage any default in debt repayment. We are in well position to manage our cash flow and to meet financial commitments timely.

Further, the Managing Director has voluntarily opted to forego his salary for the period of 3 Months to mitigate the financial impact from the disruption caused by the ongoing Covid-19 pandemic, however, the Company ensured that the employees emoluments have been paid in full alongwith related statutory payments such as PF, ESI etc. in a timely manner.

v) **Assets:** There is no impact on Trade receivables and carrying value of various assets.

vi) **Internal financial reporting and control:** All the internal financial reporting and controls are normal and adequate. The Company's operations and financial systems are technology driven and were running on ERP systems with robust in-built control systems in place. Internal Audit department is also reviewing implementation of various health and safety measures.

vii) **Operation and supply chain:**

The Ministry of Home Affairs (MHA), provided leverage for transportation of essential goods. The Company is running business on the basis of outsourcing model of vendors, ensuring timely availability of vehicles and drivers. The Company has received support in full capacity under this model, consequently, operations of the company were not affected.

viii) **demand for its products/services:**

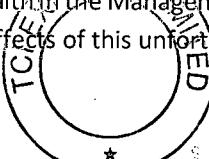
There is minimum disruption in the supply chain as 50% to 60% business is coming through MSME and SME customer, who have additionally being supported by the Government in the form of relief package. They have re-started their business at the early stage of un-lockdown-1. During the month of June 2020, the Company's business picked up significantly without any hassle.

6. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business:

All contracts would continue to be executed in the same manner as it was supposed to be executed before crises of Covid- 19. The Company is well positioned to fulfill its obligations and also does not foresee any significant impact on the business due to non-fulfillment of the obligations by any party.

7. Other relevant material updates about the listed entity's business:

We would keep all our stakeholders updated on any developments going ahead too. We seek the support of all our stakeholders during these difficult times and request the continuation of faith in the Management of the Company which is trying its best to come out with ways and means to mitigate the after effects of this unfortunate pandemic.



B M J