



# TCI EXPRESS

LEADER IN EXPRESS

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF TCI EXPRESS LIMITED AT THEIR 14<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON WEDNESDAY, 03<sup>RD</sup> AUGUST, 2022, THROUGH VIDEO CONFERENCING (VC)/OTHER AUDIO VISUAL MEANS (OAVM) MEANS, DULY COMMENCED AT 10:30 AM AND CONCLUDED AT 11:08 AM

## ITEM NO 7: TO APPROVE BUYBACK OF EQUITY SHARES OF THE COMPANY

"RESOLVED THAT in accordance with Article 4 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (hereinafter called the "Act"), the Companies (Share Capital and Debentures) Rules, 2014, as amended ("Share Capital Rules"), Companies (Management and Administration) Rules, 2014, as amended ("Management Rules") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification(s) or re-enactment(s) thereof for the time being in force, to the extent applicable and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended from time to time (hereinafter called the "SEBI Buyback Regulations"), which expression shall include any modification or re-enactment thereof, and subject to such other approvals, permissions and sanctions as may be necessary, and subject to any modifications and conditions, if any, as may be prescribed by the appropriate authorities and as may be agreed by the Board of Directors of the Company (the "Board"), which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution, consent of the Members of the Company ("Shareholders" or "Members") be and is hereby granted to buyback fully paid up Equity shares of the Company having a face value of ₹ 2.00 each ("Equity shares") from the existing Shareholders (except Promoters, Promoter Group and Persons in Control of the Company) at a price not exceeding ₹ 2,050/- (Rupees Two Thousand and Fifty only) per Equity share ("Maximum Buyback Price") and such aggregate amount, not exceeding 75 Crores (Rupees Seventy Five Crores only) ("Maximum Buyback Size"), representing 13.97% of the aggregate of the total paid-up share capital and free reserves as at 31st March, 2022 (the "Buyback"). The Maximum Buyback Size does not include transaction costs, namely brokerage, filing fees, advisory fees, intermediaries' fees, public announcement publication expenses, printing and dispatch expenses, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty etc. and other incidental and related expenses ("Transaction Costs"). The Buyback period shall commence from the date of the passing of the Special resolution, until the last date on which the payment of consideration for the Equity shares bought back by the Company is made ("Buyback Period"), in accordance with, and consonance with the provisions contained in the SEBI Buyback Regulations, the Act, Share Capital Rules, the Management Rules and the Listing Regulations.

RESOLVED FURTHER THAT subject to the market price of the Equity shares being equal to or less than the Maximum Buyback Price, the indicative maximum number of Equity shares bought back would be 3,65,853 Equity shares ("Proposed Buyback Shares"), comprising approximately 0.95% of the total paid-up Equity share capital of the Company as of 31st March, 2022. If the Equity shares are bought back at a price below the Maximum Buyback Price, the number of Equity shares bought back could exceed the Proposed Buyback Shares, but, will always be subject to the Maximum Buyback Size and will be in compliance with applicable law. The Company shall utilise at least 50% of the amount earmarked as the Maximum Buyback Size for the Buyback, i.e. ₹ 37.50 Crores (Rupees Thirty -Seven Crores and Fifty Lakhs only) ("Minimum Buyback Size") representing 6.99% of the aggregate of the total paid up share capital and free reserves of the Company as of 31st March, 2022. Based on the Minimum Buyback Size and Maximum Buyback Price, the Company would purchase a minimum of 1,82, 927 Equity shares.

RESOLVED FURTHER THAT the Company shall implement the Buyback out of its free reserves and/or such other source as may be permitted under the SEBI Buyback Regulations or the Act, and the Buyback shall be undertaken through the Open Market operations route, through the Stock Exchange where the Equity shares of the Company are listed, as prescribed under the SEBI Buyback Regulations and on such terms and conditions as the Board may deem fit.



TCI Express Limited

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Registered Office: Flat Nos: 306 & 307, 1-B-273, Third Floor, Ashoka Bhoopal Chambers,

S.P. Road, Secunderabad - 500003 Tel.: +91 40 27840104

**RESOLVED FURTHER THAT** the existing voting rights of the Promoters, Promoter Group and Persons in Control of the Company would stand increased proportionately, however since the Promoter and Promoter Group are already in control over the Company and thus such further increase in voting rights of the Promoter and Promoter Group, would not result in change in control or management of the Company.

**RESOLVED FURTHER THAT** the Buyback would be subject to the requirement of maintaining the minimum public shareholding, as specified in Regulation 38 of the Listing Regulations.

**RESOLVED FURTHER THAT** the Company shall make available adequate sources of funds for the purpose of the Buyback.

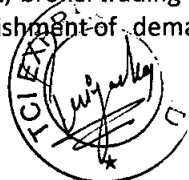
**RESOLVED FURTHER THAT** the Company may create a bank guarantee in favour of the Manager to the Buyback in accordance with the SEBI Buyback Regulations, which together with the cash deposited in the escrow account shall make up the requisite escrow amount under the SEBI Buyback Regulations.

**RESOLVED FURTHER THAT** the Buyback from the Members who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign institutional investors/ foreign portfolio investors, non-resident Indians, Members of foreign nationality, shall be subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder and also subject to such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.

**RESOLVED FURTHER THAT** the Buyback shall, in any case, close within six (6) months from the date of opening of the Buyback or such other period as may be permitted under the Act or SEBI Buyback Regulations. The Board, in its absolute discretion, may decide to close the Buyback at any time, provided that at least 50% (Fifty percent) of the Maximum Buyback Size is utilized for buying back the Equity shares, by giving appropriate notice of such earlier date of closure of the Buyback and completing all formalities in this regard as per relevant laws and regulations.

**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on any Shareholder to offer and/ or any obligation on the Company or the Board or its Authorised Official/Committee to buyback any shares and/ or impair any power of the Company or the Board or authorised officials/the Committee to terminate any process in relation to such Buyback, if so permissible by law.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Director(s)/Officer(s)/ Authorised Representative(s)/Committee of the Company ("**Buyback Committee**") in order to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback, timeframe for completion of Buyback, and the appointment of merchant bankers, brokers, lawyers, solicitors, representatives, depository participants, escrow agents, advertising agencies and other advisors/ consultants/intermediaries/agencies, as may be required, for the implementation of the Buyback; and to make all necessary applications to the appropriate authorities for their approvals, including but not limited to approvals as may be required from the Securities and Exchange Board of India, U.S. Securities Exchange Commission, Reserve Bank of India ('RBI') under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder; and to initiate all necessary actions for preparation, signing, issuing and filing of the public announcement and all other offer documents with respect to the Buyback with the Registrar of Companies, RBI, Securities and Exchange Board of India, the Stock Exchanges (where the Equity shares of the Company are listed) and other appropriate authorities, if required; and to obtain all necessary certificates and reports from the statutory auditors and other third parties as required under applicable law; and to enter into escrow arrangements and appoint escrow agents as required or desirable in terms of the SEBI Buyback Regulations; and to open, operate and close all necessary accounts including escrow account, special payment account, demat escrow account, broker trading account as required or desirable in terms of the SEBI Buyback Regulations; and for the extinguishment of dematerialized shares and physical destruction of



share certificates in respect of the Equity shares bought back by the Company; and to provide, finalise, execute and file such other undertakings, agreements, documents and correspondence, in connection with the Buyback with the Securities and Exchange Board of India, U.S. Securities Exchange Commission, RBI, Stock Exchanges, Registrar of Companies, Depositories or other authorities or third persons as may be required, desirable or considered expedient for the implementation of the Buyback from time to time.

**RESOLVED FURTHER THAT** Ms. Priyanka, Company Secretary, be and is hereby appointed as Compliance Officer under the SEBI Buyback Regulations for the implementation of the Buyback.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and the Buyback Committee be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback and to comply with applicable laws, without seeking any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**Certified True Copy of Resolution**

**For TCI Express Limited**


Priyanka

Company Secretary \*

Membership no-36870

Place: Gurugram

Date of issue: 08th August, 2022

## EXPLANATORY STATEMENT

### Item No.7

The Board of Directors of the Company, at its meeting held on 27th May, 2022 ("Board Meeting") has, subject to the approval of the Members of the Company by way of Special resolution and subject to such approvals from regulatory and/or statutory authorities, as may be required under applicable laws, approved Buyback of fully paid-up Equity shares of face value of ₹ 2.00 (Rupees Two) each ("Equity shares"), by way of 'Open Market' purchases in accordance with the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, ("SEBI Buyback Regulations"), as amended from time to time, at a price not exceeding 2,050/- (Rupees Two Thousand and Fifty only) per Equity share ("Maximum Buyback Price"), for an aggregate amount of not exceeding ₹ 75 Crores (Rupees Seventy Five Crores only) ("Maximum Buyback Size" and such buyback is defined hereafter as "Buyback"). The Maximum Buyback Size does not include transaction costs, namely brokerage, filing fees, advisory fees, intermediaries' fees, public announcement publication expenses, printing and dispatch expenses, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty etc., and other incidental and related expenses ("Transaction Costs"). Subject to the market price of the Equity shares, being equal to or less than the Maximum Buyback Price, the indicative maximum number of Equity shares bought back would be 3,65,853 Equity shares ("Proposed Buyback Shares"), comprising approximately 0.95% of the total paid-up Equity share capital of the Company as of 31st March, 2022. The Buyback period shall commence from the date of the passing of the Special resolution, until the last date on which the payment of consideration for the Equity shares bought back by the Company is made ("Buyback Period").

The Maximum Buyback size constitutes 13.97% of the aggregate of fully paid-up share capital and free reserves as on 31st March, 2022, which is within the prescribed limit of 15% of the aggregate paid-up share capital and free reserves of the Company, as per Regulation 4 of the SEBI Buyback Regulations and represents 0.95% of the total issued and paid-up Equity share capital of the Company.

Since the Buyback is more than 10% of the total paid-up Equity share capital and free reserves of the Company, in terms of Section 68(2)(b) of the Act and Regulation 5 of the SEBI Buyback Regulations, it is necessary to obtain the approval of the Members of the Company, for the Buyback, by way of a Special resolution. Accordingly, approval of the Shareholders is sought by way of a Special resolution at item no. 7 of this Notice. Certain figures contained in this Notice have been subject to rounding-off adjustments.

Requisite details relating to the Buyback are given below:

- 1) **Date of the Board Meeting at which, the proposal for buyback was approved by the Board of Directors of the Company**  
The proposal for buyback was approved at the Board Meeting held on 27th May, 2022.
- 2) **The objective of buyback is:**
  - a) The Buyback will help the Company to return surplus cash to its Members;
  - b) The Buyback is generally expected to improve return on Equity through distribution of cash and improve earnings per share, by reduction in the Equity base, thereby leading to long term increase in Members' value;
  - c) The Buyback gives an option to the Shareholders, holding Equity shares of the Company to, either (i) participate or receive cash payments in lieu of Equity shares to be accepted under the Buyback, or (ii) not participate and enjoy a resultant increase in their percentage shareholding in the Company, after the Buyback, without any additional investment.



**3 Maximum amount required under the Buyback and its percentage of the total paid-up capital and free reserves**

The maximum amount of funds required for the Buyback will not exceed ₹ 75 Crores (Rupees Seventy Five Crores only), being 13.97 % of the aggregate of the total paid-up share capital and free reserves of the Company, which is less than 15% of the aggregate of the total paid-up share capital and free reserves as at 31st March, 2022 (The Maximum Buyback Size does not include any expenses or transaction costs incurred or to be incurred for the Buyback, such as brokerage, filing fees, advisory fees, intermediaries' fees, public announcement publication expenses, printing and dispatch expenses, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty etc. and other incidental and related expenses ("Transaction Costs"). Borrowed funds from banks and financial Institutions, if any, will not be used for the Buyback.

**4 Class of shares, number of shares intended to be purchased, maximum price per share, source of funds and basis of determining the price**

Subject to the market price of the Equity shares, being equal to the Maximum Buyback Price, the indicative maximum number of Equity shares bought back would be 3,65,853 Equity shares of face value ₹ 2.00 each, comprising approximately 0.95% of the paid-up capital of the Company, as of 27th May, 2022. If the Equity shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity shares bought back could exceed the Proposed Buyback shares, but will always be subject to the Maximum Buyback Size. The Company shall utilize at least 50% of the amount earmarked as the Maximum Buyback Size for the Buyback, i.e. ₹ 37.50 Crores (Rupees Thirty Seven Crores and Fifty Lakhs only) i.e. Minimum Buyback Size. Based on the Minimum Buyback Size and Maximum Buyback Price, the Company would purchase a minimum of 1,82,927 Equity shares. In the event of non-fulfilment of the obligations under the SEBI Buyback Regulations by the Company, the monies deposited in the escrow account, to the extent of 2.5% (two and a half percent) of the Maximum Buyback Size, may be forfeited as per the terms of Regulation 20 of the SEBI Buyback Regulations, as applicable, and the amount forfeited shall be deposited in the Investor Protection and Education Fund of SEBI.

**Basis of determining the price of the Buyback:**

The Equity shares of the Company are proposed to be bought back at a price not exceeding ₹ 2,050/- (Rupees Two Thousand and Fifty only) per share. The Offer Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices of the Equity shares on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), where the Equity shares are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per share.

**The Offer Price represents:**

- (i) Premium of 17.50% and 14.37% over the closing price of the Equity shares on BSE and on NSE, respectively, during the three months preceding 24th May, 2022, being the date on which Company intimated the Stock Exchanges, its intention to consider the proposal for buyback of shares at the Board Meeting held on 27th May, 2022;
- (ii) Premium of 32.41% and 29.51% over the closing price of the Equity shares on BSE and on NSE, respectively, during the two week preceding the intimation date;
- (iii) Premium of 26.84% and 26.39% over the closing price of the Equity shares on BSE and on NSE, respectively, as on 24th May, 2022, being the date on which Company intimated the Stock Exchanges, its intention to consider the proposal for buyback of shares at the Board Meeting held on 27th May, 2022.

The Company confirms that consequent to the Buyback, the ratio of the aggregate of secured and unsecured debts owed by the Company will not be more than twice of the paid-up share capital and free reserves, after the Buyback.



The Members are advised that the Buyback of the Equity shares will be carried out through the Indian Stock Exchanges, where the Equity shares of the Company are listed, by the Company, in its sole discretion, based on, among other things, the prevailing market prices of the Equity shares, which may be below the Maximum Buyback Price of 2,050/- (Rupees Two Thousand and Fifty only), per Equity share.

The quantum of daily purchases by the Company, during the Buyback Period may vary from day to day. As permitted by the SEBI Buyback Regulations, the Buyback will be carried out over a maximum period of six (6) months, and the prevailing market price during the voting period for the Members' resolution for the Buyback may not have a bearing on the outcome of the Buyback.

**Source of funds:**

The funds for the implementation of the proposed Buyback will be sourced out of free reserves or such other source as may be permitted by the SEBI Buyback Regulations or the Act. Borrowed funds from banks and financial Institutions, if any, will not be used for the Buyback.

**5 Method adopted for Buyback**

In terms of Regulation 40(1) of the Listing Regulations, requests for effecting transfer, transmission and transposition of securities shall not be processed, unless the securities are held in dematerialized form with a Depository. Accordingly, the Buyback is open to beneficial owners holding Equity shares in dematerialized form ("demat Shares").

The Buyback will be implemented by the Company by way of open market purchases, through the Stock Exchanges, by the order matching mechanism, except "all or none" order matching system, as provided under the SEBI Buyback Regulations. The Promoters, Promoter Group, and the Persons in Control of the Company shall not participate in the Buyback. Further, as required under the SEBI Buyback Regulations, the Company will not buy back Equity shares which are locked-in or non-transferable, until the pendency of such lock-in or until the time such Equity shares become transferable, as applicable. In relation to the Buyback of demat Shares, the execution of the order, issuance of contract note and delivery of the stock to the Member and receipt of payment would be carried out by the broker, appointed by the Company, in accordance with the requirements of the Stock Exchanges and SEBI.

Detailed instructions for participation in the Buyback along with the relevant timetable will be included in the public announcement, which will be published in the newspapers in accordance with the SEBI Buyback Regulations.

**6 Time limit for completion of Buyback**

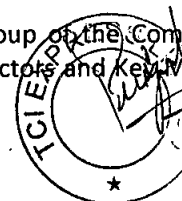
The Buyback, subject to regulatory consents and approvals, if any, is proposed to be completed within a period of one (1) year, from the date of the Special resolution approving the Buyback.

**7 Compliance with Section 68(2)(c) of the Act and Regulation 4 of the SEBI Buyback Regulations**

In terms of the provisions of the SEBI Buyback Regulations, the offer for Buyback under open market route cannot be made for 15% or more of the total paid-up Equity capital and free reserves of the Company, based on standalone financial statements of the Company. The maximum amount of funds required for the Buyback will not exceed ₹ 75 Crores (Rupees Seventy Crores only), being 13.97% of the aggregate of the total paid-up share capital and free reserves, as on 31st March, 2022, which is less than 15% of the aggregate of the total paid-up share capital and free reserves, as at 31st March, 2022 and accordingly, the Company will comply with Section 68(2)(c) of the Act and Regulation 4 of the SEBI Buyback Regulations.

**8 Details of shareholding**

- (a) The aggregate shareholding of the Promoter and the Promoter Group of the Company, the Directors of Companies, which are part of the Promoter and Promoter Group, Directors and Key Managerial Personnel of



the Company, as on the date of the Board Meeting and the date of this AGM Notice, i.e. 27th May, 2022, are as under:

- i. The aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the Board Meeting Date and the date of this AGM Notice, i.e., 27th May, 2022, are as follows:

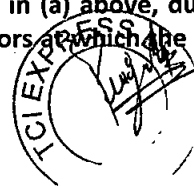
S.no	Name of the Shareholder	Category	Nos. of Equity shares held	% of Shareholding
1.	Dharmpal Agarwal-HUF	Promoter Group	10,19,878	2.65
2.	Vineet And Sons-HUF	Promoter Group	10,382	0.03
3.	Mr. Vineet Agarwal	Promoter	9,93,497	2.58
4.	Mr. Dharmpal Agarwal	Promoter	4,19,314	1.09
5.	Mr. Chander Agarwal	Promoter	9,17,131	2.38
6.	Mrs. Priyanka Agarwal	Promoter Group	9,72,604	2.53
7.	Mrs. Urmila Agarwal	Promoter Group	9,25,295	2.40
8.	Mrs. Chandrima Agarwal	Promoter Group	3,70,528	0.96
9.	Mr. Vihaan Agarwal	Promoter Group	1,72,166	0.45
10.	Mr. Nav Agarwal	Promoter Group	1,69,083	0.44
11.	Chander And Sons-HUF	Promoter Group	0.00	0.00
12.	TCI Exim Private Limited	Promoter Group	1,56,572	0.41
13.	Bhoruka Express Consolidated Limited	Promoter Group	1,70,58,233	44.31
14.	Dharmpal Agarwal - TCI Trading	Promoter Group	24,87,497	6.46
<b>Total</b>			<b>2,56,72,180</b>	<b>66.69</b>

- ii. Shareholding of Directors and Key Managerial Personnel:

S.no	Name of the Shareholder	Designation	Nos. of Equity shares held	% of Shareholding
1.	Mr. Dharmpal Agarwal	Chairman and Non-Executive Director	4,19,314	1.09
2.	Mr. Vineet Agarwal	Non-Executive Director	9,93,497	2.58
3.	Mr. Chander Agarwal	Managing Director	9,17,131	2.38
4.	Mr. Phool Chand Sharma	Non-Executive Director	56,402	0.15
5.	Mr. Ashok Kumar Ladha	Independent Director	-	-
6.	Mrs. Taruna Singhi	Independent Director	-	-
7.	Mr. Murali Krishna Chevuturi	Independent Director	-	-
8.	Mr. Prashant Jain	Independent Director	-	-
9.	Mr. Mukti Lal	Chief Financial Officer	14,000	0.04
10.	Mr. Pabitra Mohan Panda	Chief Operating Officer	5,026	0.01
11.	Ms. Priyanka	Company Secretary & Compliance Officer	-	-
<b>Total</b>			<b>24,05,370</b>	<b>6.25</b>

Note: Except as stated above, none of the Directors or Key Managerial Personnel, holds any Equity shares in the Company.

- (b) The aggregate number of Equity shares purchased or sold by person mentioned in (a) above, during the period of six (6) months preceding the date of the meeting of the Board of Directors, which are Buyback



was approved and till the date of this AGM Notice i.e. 27th May, 2022:

No Equity Shares of the Company have been purchased or sold by any Promoter / Promoter Group, Directors and Key Managerial Personnel of the Company, during the six (6) months preceding the date of the Board Meeting at which the Buyback was proposed and from the date of the Board Meeting till the date of this AGM, except for the following transactions:

S. no	Name and category of the Shareholder	Number of Equity shares	Nature of Transaction	Date of Transaction	*Price per Equity shares
1.	Mr. Phool Chand Sharma (Non-Executive Director)	461	Market Sell	04.03.2022	1719.00
2.	Mr. Mukti Lal (Chief Financial Officer)	700	Market Sell	01.12.2021	2298.57
		300	Market Sell	02.12.2021	2350.00
		200	Market Sell	23.12.2021	2555.00
		1,500	Acquisition-ESOP	11.03.2022	511.00
3.	Mr. Pabitra Mohan Panda (Chief Operating Officer)	300	Market Sell	09.12.2021	2293.97
		300	Market Sell	04.03.2022	1700.86
		750	Acquisition-ESOP	11.03.2022	511.00

\*The price per equity share is the market price on which the equity shares were sold and with regard to ESOP acquisitions, exercise price of ESOP, alone has been considered.

- (c) The maximum and minimum price at which purchases and sales referred to in (b) above were made along with the relevant dates: Please refer to the table set out in 8(b) above.

**9 Intention of the Promoters, Promoter Group and Persons in Control of the Company to tender their Equity shares in the Buyback**

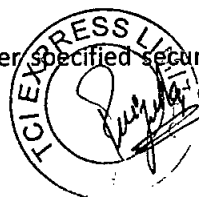
In terms of Regulation 16(ii) of the Buyback Regulations, the Buyback is not extended to the Promoters, Promoter Group and Persons in Control of the Company.

**10 Defaults**

The Company confirms that there are no defaults subsisting in repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any Shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking Company.

**11 Confirmations from the Company**

- All the Equity shares for Buyback are fully paid-up;
- The Company, as per provisions of Section 68(8) of the Act, shall not make further issue of the same kind of Equity shares, within a period of six (6) months, after the completion of the Buyback, except by way of bonus shares or Equity shares issued to discharge subsisting obligations, such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- The Company shall not raise further capital for a period of one (1) year, from the expiry of the Buyback Period, except in discharge of subsisting obligations;
- The Special resolution approving the Buyback will be valid for a maximum period of one (1) year, from the date of passing of the said Special resolution (or such extended period as may be permitted under the Act or the Buyback Regulations or by the appropriate authorities). The exact timetable for the Buyback shall be decided by the Board (or its duly constituted Committee), in accordance with applicable laws within the above time limits;
- The Equity shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance;
- The Company shall not issue and allot any Equity shares or other specified securities, including by way of





bonus, till the date of expiry of buyback period;

- (g) The Company shall not buy back locked-in Equity shares and non-transferable Equity shares till the pendency of the lock-in or till the Equity shares become transferable;
- (h) The Company shall not buy back its Equity shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- (i) That the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- (j) That funds borrowed from banks and financial institutions will not be used for the Buyback;
- (k) The aggregate amount of the Buyback i.e. ₹ 75 Crores (Rupees Seventy Five Crores only) does not exceed 15% of the total paid-up capital and free reserves of the Company, as on 31st March, 2022, on a standalone basis;
- (l) The indicative maximum number of Equity shares at the Maximum Buyback Price and the Maximum Buyback Size bought back would be 3,65,853 Equity shares, comprising approximately 0.95% of the total paid-up Equity share capital of the Company as of 31st March, 2022. If the Equity shares are bought back at a price below the Maximum Buyback Price, the number of Equity shares bought back could exceed the proposed Buyback shares, but, will always be subject to the Maximum Buyback Size;
- (m) The maximum number of Equity shares proposed to be purchased under the Buyback, does not exceed 25% of the total number of Equity shares in the paid-up Equity share capital, as per the latest audited standalone balance sheet as on 31st March, 2022;
- n) The Company shall not make any offer of buyback within a period of one (1) year, reckoned from the date of expiry of the Buyback Period and the Company has not undertaken a buyback of any of its securities during the period of one (1) year, immediately preceding the date of the Board Meeting approving the Buyback;
- o) There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act, as on date;
- p) The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up share capital and free reserves after the Buyback;
- q) The Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act, interest payment thereon, redemption of debentures or preference shares or payment of dividend to any Shareholder, or repayment of any term loan or interest payable thereon, to any financial institution or banking Company;
- r) The Buyback shall be completed within a period of one (1) year, from the date of passing of Special resolution;
- s) the Company shall not withdraw the Buyback offer after the public announcement of the Buyback is made, except where any event or restriction may render Company unable to effect Buyback;
- t) The Company is not undertaking the Buyback to delist its Equity shares or any other specified Securities from the Stock Exchanges:
- u) The consideration of Equity shares bought back by the Company will be paid only by way of cash;
- v) The Company will not directly or indirectly, purchase its own Equity shares or other specified securities;
  - a. Through any Subsidiary Company including its own Subsidiary Companies; or
  - b. Through any Investment Company or Group of Investment Companies;
- w) The Company will submit the information regarding the Equity shares bought back by the Company to BSE and NSE, where the Equity shares of the Company are listed on a daily basis, in accordance with the Buyback Regulations and in such form as may be prescribed by SEBI, so as to enable them to upload the same on their website immediately. The Company will also upload the information, regarding the Equity shares bought back on its website on a daily basis; and
- x) The Buyback shall be implemented by the Company by way of open market purchases through BSE and NSE, through order matching mechanism, except "all or none" order matching system, in accordance with the Buyback Regulations.



## 12) Confirmation from the Board

The Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and the Board has formed an opinion that:

- (a) Immediately following the date of the Board Meeting i.e. 27th May, 2022 and the date of passing of the resolution of the Members of the Company, approving Buyback, there will be no grounds on which the Company could be found unable to pay its debts;
- (b) As regards the Company's prospects for the year, immediately following date of the Board Meeting i.e. 27th May, 2022 as well as the year, immediately following the date of passing of the Members' resolution approving the Buyback, and having regard to Board's intentions with respect to the management of the Company's business, during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one (1) year from the date of the Board Meeting approving the Buyback as also from the date of the Members' resolution; and
- (c) In forming its opinion for the above purposes, the Board has taken into account the liabilities (including prospective and contingent liabilities), as if the Company was being wound up under the provisions of the Act or Insolvency and Bankruptcy Code, 2016 (IBC).

## 13) Independent Auditor's Report addressed to the Board of Directors by the Company's Auditors, on permissible capital payment and opinion formed by Directors regarding insolvency

The text of the Independent Auditor's Report dated 27th May, 2022, received from M/s. R. S. Agarwala & Co, the statutory auditors of the Company, addressed to the Board of Directors is reproduced below:

To,  
The Board of Directors  
**TCI Express Limited**  
Flat Nos 306 & 307 1-8-273,  
Ashoka Bhoopal Chambers,  
Third Floor, S.P Road,  
Secunderabad, Telangana, 500003

1. This Independent Auditor's Report is issued in accordance with the terms of our service scope engagement letter/agreement dated May 20, 2022 and master engagement agreement July 24, 2020 with TCI Express Limited (hereinafter the "Company").
2. The proposal of the Company to buy back its equity shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 ("the Act") and Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("the SEBI Buyback Regulations") has been approved by the Board of Directors of the Company, in their meeting held on May 27, 2022. The proposal for buyback is subject to the approval of the shareholders of the Company. The Company has prepared the attached "Statement of determination of the permissible capital payment for proposed buyback of equity shares" (the "Statement") which we have initialed for identification purposes only.



### **Board of Directors Responsibility**

3. The preparation of Statement is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control, relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date. The Board of Directors are also responsible for ensuring that the Company complies with the requirements of the Act and SEBI Buyback Regulations.

### **Auditor's Responsibility**

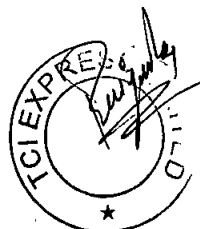
5. Pursuant to the requirements of the Act and SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance:
  - (i) Whether we have inquired into the state of affairs of the Company, in relation to its audited standalone financial statements for year ended March 31, 2022;
  - (ii) Whether the amount of permissible capital payment for the proposed buyback of the equity shares, as included in the Statement has been properly determined, in accordance with the provisions of Section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations;
  - (iii) Whether the Board of Directors have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.
6. The audited standalone financial statements, referred to in paragraph 5(i) above, have been audited by us, on which we have issued an unmodified audit opinion, vide our reports dated May 27, 2022. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements, issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about, whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement, in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)- 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion, on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Our procedures included the following in relation to the Statement:
- i) We have inquired into the state of affairs of the Company, in relation to its audited standalone financial statements for the year ended March 31, 2022. We have obtained and read the audited standalone financial statements for the year ended March 31, 2022 including the unmodified audit opinions dated May 27, 2022;
  - ii) Read the Articles of Association of the Company and noted the permissibility of buyback;
  - iii) Traced the amounts of net worth, including the paid up capital, free reserve, securities premium, retained earnings etc., as mentioned in Statement from the audited standalone financial statements for the year ended March 31, 2022;
  - iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such buy-back;
  - v) Obtained from Company Secretary, a certified copy of the minutes of the meeting of the Board of Directors, in which the proposed buy-back was approved and compared the buy-back amount with the permissible limit computed, in accordance with section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations, as detailed in the Statement;
  - vi) Obtained from Company Secretary, a certified copy of the minutes of the meeting of the Board of Directors, in which the proposed buy-back was approved and read that the Board had formed the opinion as specified in the SEBI Buyback Regulations on reasonable grounds that the Company will not, having regard to the state of affairs, be rendered insolvent within a period of one year from that date of meeting ;
  - vii) Obtained necessary representations from the management of the Company.

#### Opinion

11. Based on our examination as above, and the information and explanations given to us, we report that:
- (i) We have inquired into the state of affairs of the Company, in relation to its audited standalone financial statements for year ended March 31, 2022;



- (ii) The amount of permissible capital payment for proposed buyback of the equity shares as included in the Statement has been properly determined, in accordance with the provisions of Section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations;
- (iii) the Board of Directors of the Company in their meeting held on May 27, 2022, have formed their opinion, as specified in clause (x) of Schedule I of the SEBI Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, will not be rendered insolvent within a period of one year from that date.

#### Restriction on Use

12. The Report is addressed to and provided to the Board of Directors of the Company, pursuant to the requirements of Section 68 and Section 70 of the Act read with Clause (xi) of Schedule I of SEBI Buyback Regulations, solely to enable them to include it (a) in the explanatory statement to be included in the AGM notice to be circulated to the shareholders, (b) in the public announcement to be made to the Shareholders of the Company, (c) in the requisite letter /application to be filed with the SEBI, the Stock Exchanges, the Registrar of Companies, the NSDL and the CDSL, (iv) can be shared with the merchant banker involved in connection with the proposed buyback of equity shares of the Company, for onward submission to SEBI, Stock Exchanges and / or any other regulatory authority, as required under the law in India. This report should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For R S Agarwala & Co.  
Chartered Accountants

Sd/-

R.S. Agarwala  
Partner

Place: Kolkata  
Date: 27th May, 2022

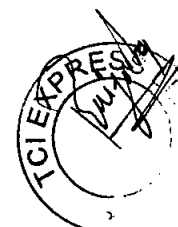
Membership Number: 005534  
UDIN:22005534AJSTPB7460

#### ANNEXURE-A OF AUDITOR'S REPORT ON BUY BACK

The statement of determination of the permissible capital payment towards buy back of Equity shares ("the Statement") in accordance with Section 68 of the Act

(Amount in ₹)

Particulars	Standalone Basis	
a) Paid-up Equity share capital as at 31st March, 2022	[A]	76,990,250.00
b) Free reserves as at 31st March, 2022		
Retained earnings	[B]	51,70,974,881.63
Securities premium as at 31st March, 2022	[C]	1,20,281,116.00
<b>Total of Equity paid-up capital, free reserves and securities premium as at 31st March, 2022</b>	<b>[D] = [A]+[B]+[C]</b>	<b>53,68,246,247.63</b>



Maximum amount permissible for buyback under Section 68 of the Act, i.e., 15% of the total paid-up capital and free reserves of financial statements	$[E] = [D] * 15\%$	8,05,236,937.14
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**Notes:**

- The buyback is authorised by its Articles of Association and the Board of Directors via Board resolution dated 27th May, 2022;
- The above calculations of the paid-up Equity capital and free reserves as at 31st March, 2022, for Buyback of Equity shares is based on the amounts appearing in the standalone audited financial statements of the Company for the year ended 31st March, 2022. These financial statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind AS), as prescribed under Section 133 of the Act;
- As per Section 68, free reserves include securities premium for the purposes of the aforesaid computation.

Since the Buyback is more than 10% of the total paid up Equity share capital and free reserves of the Company, in terms of Sections 68(2)(b) of the Act, it is necessary to obtain the consent of Members of the Company, for the Buyback, by way of a Special resolution. Accordingly, the Company is seeking your consent for the buyback of Equity shares as per the details contained in the resolution.

None of Directors/Key Managerial Personnel and/or their relatives are concerned or interested in the resolution set out at item no. 7 of the Notice, except to the extent of their shareholding, excluding Directors who are part of Promoter Group.

In the opinion of the Board, the proposal for the Buyback is in the interest of the Company and its Members holding Equity shares of the Company. The Board of Directors of the Company recommends the Special resolutions, as set out at item no. 7 of the accompanying AGM Notice, for your approval.

**Certified True Copy of Resolution**



For TCI Express Limited



**Priyanka**

Company Secretary

Membershipno-36870

Place: Gurugram

Date of passing resolution-03rd August, 2022

Date of issue: 08th August, 2022