

DIRECTORS' REPORT

Your Directors take immense pleasure in presenting their 10th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended March 31, 2018.

FINANCIAL HIGHLIGHTS AND PERFORMANCE

Ministry of Corporate Affairs has, vide notification dated February 16, 2015 introduced Indian Accounting Standards (Ind-AS) thereby repealing the earlier Accounting Standards. Ind-AS has become applicable to your Company w.e.f April 1, 2017. Accordingly, the Company has adopted and implemented the same for the preparation of Financial Statement for the financial year ended March 31, 2018. Kindly refer the Annual Financial Statement for further details of the transition to Ind-AS.

The summarized financial highlights of the Company for the year under review along with previous year figures are given below:

Particulars	₹ in Lakhs	
	2017-18	2016-17
Total Income	88,716.05	75,163.43
Profit/(Loss) before Interest, Depreciation, Taxation & Exceptional Item	9,273.08	6,326.45
Less: Interest (Net)	375.74	244.30
Less: Depreciation (Net)	520.86	431.39
Profit/(Loss) before Tax & Exceptional Item	8,376.48	5,650.76
Less: Exceptional Item	-	-
Profit/ (Loss) before Tax (PBT)	8,376.48	5,650.76
Less: Provision for Tax	2,536.88	1,902.06
Profit/(Loss) after Tax (PAT)	5,839.60	3,748.70

During the financial year ended March 31, 2018, your Company earned total income of ₹ 88,716.05 Lakhs as compared to ₹ 75,163.43 Lakhs in previous financial year and made a profit before tax of ₹ 8,376.48 Lakhs as compared to ₹ 5,650.76 Lakhs in previous financial year, and profit after tax of ₹ 5,839.60 Lakhs as compared to ₹ 3,748.70 Lakhs in previous financial year.

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company.

DIVIDEND

Based on the Company's performance, your Board of Directors declared Interim Dividends as under:

Date of Declaration	Dividend Type	%age of Dividend Declared	Dividend Per Equity Share
November 1, 2017	1st Interim Dividend	50%	₹1.00
January 31, 2018	2nd Interim Dividend	50%	₹1.00

Further, the Board of Directors in its meeting held on May 25, 2018, has recommended a Final Dividend of 25% (₹ 0.50 per equity share of ₹2/- each) for the financial year ended on March 31, 2018. The proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting.

The Final Dividend, if approved shall be paid to the members whose names appear on Company's Register of Members and whose name appear in the list of Beneficial Owner to be furnished by NSDL and CDSL as on the date of Book Closure.

TRANSFER TO GENERAL RESERVE

For Financial year ended March 31, 2018, the Company has transferred ₹ 4,000.00 Lakhs from its retained earnings to General Reserve.

SHARE CAPITAL AND LISTING OF EQUITY SHARES

During the year under review, there was no change in Share Capital of the Company. The Authorized, Issued, Subscribed and Paid up Capital of Company is as under:

Particulars	No. of Equity Shares of ₹2/- each	Amount (₹ in Lakhs)
Authorised Share Capital	5,00,00,000	1,000.00
Issued, Subscribed and Paid Up Share Capital	3,82,88,725	765.77

The Company's Equity Shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE), having nationwide trading terminals.

EMPLOYEE STOCK OPTION

The shareholders of the Company in the 8th Annual General Meeting held on November 4, 2016, approved the Employee Stock Option Plan-2016.

During the year under review, the Nomination and Remuneration Committee of the Board of Directors granted Stock Option to the eligible employees. The vesting under the grant will start from the financial year 2018-19 and conclude in the year 2020-21.

In terms of the provisions of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014, the detail of Employee Stock Option Plan-2016 is as under:

S. No	Particulars	Disclosure
1	Date of Shareholder's approval	November 4, 2016
2	Total number of options approved under Employees Stock Option Plan 2016	9,57,218
3	Vesting requirements	Vesting period shall commence after 1 (One) year from the date of grant of Options and may extend upto 5 (Five) years from the date of grant in the manner prescribed by the Nomination & Remuneration Committee.
4	Exercise price or pricing formula	Under the Employee Stock Option Plan, the Exercise price of the Shares, will be the Market Price of the Shares one day before the date of the meeting of the Nomination & Remuneration Committee wherein the grants of options of that particular year will be approved. The Committee has a power to provide suitable discount or charge premium on such price as arrived above.
5	Maximum term of Options granted	The vesting of options granted under Employee Stock Option Plan, will take place maximum period of five years from the date of grant
6	Sources of shares (Primary, Secondary or Combination)	Primary
7	Variation in terms of Option	Not Applicable
8	Method used for accounting of ESOS (Intrinsic or fair value)	Fair value method

Options Movement - Financial Year 2017-18

S. No	Particulars	ESOP-2016									
1	Number of options outstanding at the beginning of the period i.e. April 1, 2017	Nil									
2	Number of options granted during Financial Year 2017-18	73,000									
3	Number of options forfeited/ lapsed during Financial Year 2017-18	-									
4	Number of options vested during Financial Year 2017-18	-									
5	Number of options exercised during Financial Year 2017-18	-									
6	Number of shares arising as a result of exercise of options	-									
7	Money realized by exercise of options if scheme is implemented directly by the Company (In ₹)	-									
8	Loan repaid by the Trust during the year from exercise price received	Not Applicable									
9	Number of options outstanding at the end of the year i.e. March 31, 2018	73,000									
10	Number of options exercisable at the end of the year i.e. March 31, 2018	73,000 (The options will be exercisable after One year from the date of grant of Option)									
11	Employee's details who were granted options during the year:										
	(a) Key Managerial Personnel/ Senior Managerial Personnel	<table border="1"> <thead> <tr> <th>S. No</th> <th>Name of the KMP</th> <th>No. of Option Granted</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr. Phool Chand Sharma</td> <td>40,000</td> </tr> <tr> <td>2</td> <td>Mr. Mukti Lal</td> <td>5,000</td> </tr> </tbody> </table>	S. No	Name of the KMP	No. of Option Granted	1	Mr. Phool Chand Sharma	40,000	2	Mr. Mukti Lal	5,000
S. No	Name of the KMP	No. of Option Granted									
1	Mr. Phool Chand Sharma	40,000									
2	Mr. Mukti Lal	5,000									
	(b) Any other employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	-									
	(c) Identified Employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-									
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options (In ₹)	15.24									
13	Where the Company has calculated employees compensation cost using the intrinsic value of stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if they had used fair value of the options. The impact of this difference on EPS of the Company	Not Applicable									

S. No	Particulars	ESOP-2016		
14	Weighted average exercise price of options whose Exercise price is less than market price (In ₹)	225.00		
15	Weighted average fair value of options whose Exercise price is less than market price (In ₹)	245.72		
16	Method and Assumptions used to estimate the fair value of options granted during the year:			
Fair value has been calculated using the Black-Scholes Option Pricing model. The assumptions used in the model are as follows:				
	Date of grant	May 23, 2017		
	Vesting Particulars	Vest-1	Vest-2	Vest-3
	Vesting %age	30%	30%	40%
	Risk Free Interest Rate	6.476%	6.556%	6.675%
	Expected Life	1.08 yrs.	2.08 yrs.	3.08 yrs.
	Expected Volatility	32.08%	32.08%	32.08%
	Dividend Yield	0.26%	0.26%	0.26%
	Price of the underlying share in market at the time of the option grant (In ₹)	440.85		

During the year under review, the Board of Directors has not issued Equity Shares to the employees in terms of Employee Stock Option Plan-2016. The abovementioned details may be accessed on the Company's website at the following link: <http://www.tciexpress.in/annual-reports.asp>

SUBSIDIARY, HOLDING, JOINT VENTURE AND ASSOCIATE COMPANIES

As on March 31, 2018, the Company did not have any subsidiary or holding or joint venture or associate company as defined under Companies Act, 2013.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

In terms of Article of Association and provisions of the Companies Act, 2013, Mr. Phool Chand Sharma, Director, is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The Board of Directors recommend his re-appointment for the consideration of the members of the Company at the ensuing AGM.

Brief resume of the Director being re-appointed, nature of his expertise in specific functional areas, details of Directorship in other Companies, Membership / Chairmanship of Committees of the Board and other details, as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are forming part of the Annual Report.

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Company's Directors are disqualified from being appointed as a Director as specified in section 164 of the Companies Act, 2013.

The terms and conditions of appointment of the Independent Directors are placed on the Company's website <http://www.tciexpress.in/appointmentletters.asp>

The Company has also placed the Director's familiarisation program on its website and the same can be accessed at http://www.tciexpress.in/pdf/FAMILARIZATION_PROGRAM.pdf

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act,

2013, the Key Managerial Personnel of the Company are Mr. Chander Agarwal-Managing Director, Mr. Phool Chand Sharma-Whole Time Director, Mr. Mukti Lal-Chief Financial Officer and Mr. Vinay Gujral-Company Secretary.

INDEPENDENT DIRECTORS' MEETING

The details pertaining to separate meeting of Independent Directors, held during the year are provided in the Corporate Governance Report forming part of the Annual Report.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

The performance of the Board was evaluated after seeking inputs from the Directors on the basis of the criteria such as the structure of Board, Meeting and Functions of the Board, evaluation of the performance of the Management, Committees of the Board etc. The criteria for performance evaluation of the individual Directors includes aspects such as qualification, experience, knowledge, contribution to the Board and Committee meetings etc.

MEETING OF BOARD OF DIRECTORS

During the year under review, Four (4) Board Meetings were convened and held. The details of the composition of the Board and of the Meetings held, attendance of the Directors at such meetings and other relevant details are provided in the Corporate Governance Report forming part of Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

- That in the preparation of the Annual Financial Statements for the year ended March 31, 2018 all the applicable Accounting

Standards have been followed and there were no material departures therefrom:

- II. That such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- III. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. That the Annual Financial Statements have been prepared under the going concern assumption;
- V. That proper internal financial controls are in place and that the financial controls are adequate and are operating effectively;
- VI. That proper systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

COMPOSITION OF AUDIT, NOMINATION & REMUNERATION, STAKEHOLDERS' RELATIONSHIP AND CSR COMMITTEE

The composition of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and CSR Committee of the Board of Directors and the details of meetings held, attendance of members at such meetings and other relevant information is provided in the Corporate Governance Report forming part of Annual Report.

RELATED PARTY TRANSACTIONS

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered into by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered material. Accordingly, there are no transactions that are required to be reported in form AOC-2. Details of the Related Party transactions is disclosed, pursuant to Ind AS 24 "Related Party Disclosures" in Note no. 37 of the Financial Statements forming part of the Annual Report.

The policy on Related Party Transactions may be accessed on the Company's website at the following link: http://www.tciexpress.in/pdf/Policy_on_Related_Party_Transactions.pdf

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted Whistle Blower Policy for reporting of instance of wrongful conduct including instances of unethical behavior, fraud or violation of Company's Code of Conduct.

The Whistle Blower Policy is available on the website of the Company www.tciexpress.in

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place a proper and adequate system

of Internal Financial Controls which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. In house Internal Audit department independently evaluates the adequacy of such controls. Independence of the audit and compliance is ensured by direct reporting of Internal Auditor to the Audit Committee of the Board. During the year, such controls were tested and no reportable material weakness in their design or operation was observed.

RISK MANAGEMENT

The Company has implemented a mechanism for Risk Management which is aimed at creating and protecting shareholders value by minimizing threats and losses and identifying and maximizing opportunities. The Audit Committee of the Board of Directors periodically reviews the Risk Management framework, identified risks with criticality and mitigation plans.

FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits in terms of the provisions of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under the Companies Act, 2013, as amended from time to time, is attached herewith as **Annexure A**.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on March 31, 2018 in the prescribed form pursuant to the Companies Act, 2013 is attached herewith as **Annexure B**.

AUDITORS

Statutory Auditors

The Shareholders of the Company in the 7th Annual General Meeting had appointed M/s. R.S. Agarwala & Co., Chartered Accountants, (Firm Registration No. 304045E) as Statutory Auditors of the Company for a period of five years to hold office till the conclusion of Annual General Meeting to be held in calendar year 2020.

The Company has obtained consent from the Auditors to such continued appointment and that they are eligible for such continuation of their appointment.

The report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. There are no qualifications or observations in Auditors Report for the financial year 2017-18 which call for any explanation from the Board of Directors.

During the year under review, the Auditors have not reported any matter under Section 143(12) of the Act and therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had re-appointed M/s. Vinod Kothari & Company, Practicing Company

Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report submitted by Secretarial Auditor in the prescribed form is attached herewith as **Annexure C**.

There are no qualifications or observations or other remarks of the Secretarial Auditors in their Report for the financial year 2017-18 which call for any explanation from the Board of Directors.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no material/significant orders passed against the company by the regulators as on March 31, 2018. Details of litigation on tax matters are disclosed in the financial statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, the Board of Directors of your Company have constituted a CSR Committee.

During the year under review, the initiatives taken by your Company, towards CSR have been detailed in the Annual Report on CSR Activities which is set out in **Annexure-D** to this Report.

The Company has in place a CSR policy in conformity with the provisions of Companies Act, 2013 which can be accessed at http://www.tciexpress.in/pdf/CSR_Policy.pdf

REMUNERATION POLICY AND DISCLOSURE

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report forming part of Annual Report.

The information as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is attached herewith as **Annexure E**.

CORPORATE GOVERNANCE REPORT

Corporate Governance refers to a set of systems, procedures and practices which ensures that the Company is managed in the best interest of all Corporate Stakeholders i.e. Shareholders, Employees, Suppliers, Customers and Society in general. Fundamentals of Corporate Governance includes transparency, accountability and independence.

A separate Corporate Governance compliance report as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 alongwith the required Certificate from the Statutory Auditor regarding compliance with the conditions of Corporate Governance forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed Management Discussion and Analysis Report as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section forming part of Annual Report.

CHANGE IN NATURE OF BUSINESS

During the year, there was no change in nature of business of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year, the Company has complied with all the applicable Secretarial Standards as issued by ICSI and MCA from time to time.

SEXUAL HARASSMENT POLICY

TCIEXPRESS is committed to promoting a work environment that ensures all employees are treated with dignity and there is no discrimination between individuals on the basis of their race, colour, gender, religion, political opinion, social origin, sexual orientation or age.

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for protection against sexual harassment, your Company has formed a Complaint Committee to which employees can submit their complaints. There were no such complaints received during the year or pending as on March 31, 2018 for redressal.

HUMAN RESOURCES

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of its business. The company has well defined employee policies for all the stages of Employee Life Cycle (ELC), from hire-to-retain. The Company has structured talent management interventions from training programs to upgrade skills of employees to initiatives towards nurturing and retaining talent through Superior Learning & Organizational Development. This is a part of corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

CAUTIONARY STATEMENT

Statements made in the Annual Report, including those stated under the caption "Management Discussion and Analysis" describing the Company's plans, executions, achievements, projections and expectations may include approximations and may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the assistance and co-operation received from Government of India and various State Governments, Financial Institutions, Banks, Shareholders, Business Associates of the Company etc.

The relationship with the employees remained cordial during the year. Your Directors wish to place on record their appreciation for the impressive growth achieved through the competence, hard work, solidarity, cooperation and support of the company's employees at all levels.

For & on behalf of the Board

Place: Gurugram

Date: 25.05.2018

D.P Agarwal

Chairman