

TCNS CLOTHING CO. LIMITED

TRANSCRIPT OF THE PROCEEDINGS OF THE 25th ANNUAL GENERAL MEETING OF TCNS CLOTHING CO. LIMITED HELD THROUGH VIDEO CONFERENCING ON TUESDAY, THE 20th DAY OF SEPTEMBER, 2022 AT 10:30 AM (Meeting Conclusion Time : 11:22 AM).

Moderator: Sir, you can start.

Piyush Asija: Good morning dear shareholders!! On behalf of the Board and management of TCNS Clothing Co. Ltd. I Piyush Asija, company secretary and compliance officer would like to extend a warm welcome to all of you joining this 25th annual general Meeting, in view of safety of all the members. We are conducting this meeting through video conferencing mode. The meeting is in compliance with the relevant circulars issued by the Ministry of corporate affairs and Securities & Exchange Board of India, allowing general meetings to be conducted through VC mode till 31st of December as a precautionary measure against COVID 19 pandemic. The company has taken requisite steps to ensure that the members are able to participate seamlessly in this meeting by availing itself of the services of Kfin Technologies Limited. This has helped us to conduct the meeting through video conferencing, thereby enabling active participation of members at the AGM for remote E-voting and E-voting during the meeting. The requirement of appointment of proxies is not applicable and accordingly the facility for appointment of proxy has not been made available for this meeting. All the requisite statutory registers including the register of directors, register of directors shareholding and other documents referred to in the notice of AGM are available for inspection in the electronic mode. The annual report with the notice with instructions for E- voting was sent to the shareholders through e-mail and is made available on the website of the company and the stock exchanges and Kfin Technologies Limited. The hard copies of 25th annual general notice and annual report for FY 21-22 were also provided to the members who had requested for the same. In terms of applicable MCA circulars. The company had provided the facility to members to register themselves as speakers and to share their views at the 25th annual general meeting of the company. We request you to please take note of the following order to ensure smooth proceedings of this meeting. The facility of attending this AGM through video conferencing facility is being made available on first come first serve basis to a maximum number of 2000 members. All members who have joined the meeting have been placed on mute by default. The company has received request from a few shareholders to register themselves as speakers at this AGM. Accordingly, the facility will be open for the members to ask questions or express their views. We will facilitate this session once the managing director opens the floor for questions and answers. It may be noted that the company reserves the right to limit the number of members asking the questions depending on the availability of time at this AGM. Once the question-and-answer session starts, the moderator shall announce the name of the specific speaker shareholders. The moderator will invite the speakers one by one and allow them to share their views and queries. Members are requested to keep the questions brief and specific to avoid specific repetition the answers to all questions will be provided towards the end. We seek your understanding that due to paucity of time there is a possibility that some of the queries might be unaddressed during the event. We would try to address the queries are answered the maximum questions received and we shall respond to the unaddressed queries suitably post the AGM conclusion. Speakers are requested to limit their respective conversation to two minutes. Members may also note that this AGM is being recorded. Please do not disclose any sensitive

personal information or personally identifiable information belonging to you. Members who have not yet cast their vote electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through Instapoll. Members can click on the vote tab on the video conference screen to make use of this facility. The facility to vote on Instapoll shall be activated upon confirmation from the chairman sir. Members may please note that no voting by show of hands is allowed. In case members face any technical issues during the AGM they may reach out on the helpline numbers already shared. The company had fixed September 13, 2022, as the cut-off date for determination of shareholders eligible to vote and participate in the meeting.

The remote E-voting facility was made available from 9:00 AM on September 17, 2022 to 5:00 PM on September 19, 2022. Mr. Devesh Kumar Vasisht on behalf of Sanjay Grover and Associates practicing company secretaries has been appointed as the scrutinizer to scrutinize the votes cast before and during the meeting through the voting process, as this AGM is being held through video conferencing and the resolutions mentioned in the notice convening this AGM have been put to vote through remotely E-voting there will be no proposing and seconding of the resolutions. We have the requisite quorum as confirmed by the RTA for conducting this meeting through video conferencing, participation of members through video conferences is being reckoned for the purpose of quorum as per the circulars issued by MCA under Section 103 of the Companies Act. I now request our chairman, Mr. Onkar Singh Pasricha to call the meeting to order and to take up the proceedings of the meeting.

Onkar Singh Pasricha: Good morning!! Dear shareholders, I Onkar Singh Pasricha, executive director and chairman of the company. On behalf of my fellow board members extend to you a warm welcome to the 25th annual general meeting of your company. We very much appreciate your generous support. On behalf of TCNS Board of Directors I thank you for taking out the time from your busy schedules to join us. The quorum being present, I hereby declare the meeting to order. Before we start the main proceedings, I request my colleagues on the video conference to introduce themselves.

Anant Kumar Daga: Namaste, I am Anant Kumar Daga, managing director of the company, I am member of Stakeholder Relations Committee and risk management committee. I'm joining this meeting from the Registered Office of the company.

Neeru Abrol: Namaste, I am Neeru Abrol, non-executive independent director and chairperson of the audit committee of the company, member of nomination and remuneration committee, Stakeholder Relations Committee, CSR and risk management committee. I'm joining the meeting from my residence at New Delhi. Thank you.

Moderator: Ma'am, you're on mute madam.

Sangeeta Talwar: Namaste ji, Good morning. I am Sangeeta Talwar, non-executive independent director on the TCNS board. I'm also chairperson of the stakeholder relationship committee, a member of the audit committee, Corporate Social Responsibility committee and Risk Committee. I am attending this meeting from my home in New Delhi.

Chairman: Mr. Jayaraman

Suresh Jayaraman: Good morning, I'm Suresh Jayaraman, non-executive independent director of the company. I am a member of the nomination and remuneration committee of the company. I am attending the AGM from my residence in Bangalore. Thank you.

Arvinder Singh Pasricha: Good morning, I am Arvinder Singh Pasricha, non-executive director of the company. I am attending the AGM from the Registered Office of the company. Thank you.

Onkar Singh Pasricha: Mr. Naveen Wadhera and Mr. Bhaskar Pramanik are unable to attend the AGM due to personal preoccupation. So, leave of absence is granted to them. With this, Mr. Amit Chand, Chief financial Officer of the company, Amit Chand.

Moderator: sir you're on mute.

Amit Chand: Good morning, everyone and welcome y'all.

Onkar Singh Pasricha: Apart from the directors and KMPs, we have with us our statutory auditors and secretarial auditors.

In the journey of over two decades, we have witnessed considerable volatility in the business and business landscape. As an organization we have always demonstrated a spirit of resilience and an ability to adapt to a dynamic environment and the last two years are a perfect example of the same, notwithstanding the challenges unleashed during pandemic, our business approach, and corporate philosophy over the last two years has not been very different, We have been consistent in identifying opportunities and fulfilling aspirations of customers with speed and procedure. Over the years, we have evolved an agile business model, which is both responsive and responsible, while ensuring sustainable value creation for our customers, along with our stakeholders during the financial year 21-22 we primarily focused on business continuity by optimizing costs, and strengthening our balance sheet, engaging more with our customers and brand patterns and at the same time supporting our employees. We have invested in growth levers and have been building capabilities across the organization to capitalize on the growth potential of the segment beyond the pandemic. Our cash reserves and our ability to step up our investments and brands gives us the ability to step up our investment in brand distribution supply chain and people. We have adopted a fashion forward approach. Over the years we have built a powerful portfolio of segment defining brands struggling across fashion sensibilities and value chain. With the waning impact of the pandemic, we have seen a steady recovery in the economy and our industry. Why which is expected to strengthen further in the coming years. We are confident that the prominence of our brands backed by omni channel footprint will continue to drive demand. We are particularly encouraged to see the ethnic segment gradually gaining attraction. Strategically we have adopted a multi pronged approach for our group. We are embarking on an aggressive retail expansion strategy. Aided with opening a flagship store under Project rise and expansion into tier three, tier four under Project Bharat. We continue to grow our online business with both brand websites and third party marketplaces, a new product for ages 11, footwear and cosmetics are at different stages of evolution in and

will drive growth in the medium term. I thank you all for growing responsibility with us. We are committed to the holistic well being of our employees and our people first approach and can continue to invest in not just in skilling but overall development of the individual. In addition, we have consistently strive towards giving back to the society through multiple initiatives, fostering social and economic development by providing women in rural India avenues for learning and livelihood, enabling education and vocational skilling of the underprivileged communities to assist them in leading a life of economic independence and dignity our success campaign attributed to the diligence and commitment of our employees even during challenging times and the unwavering support and inspiration of our stakeholders. I take this opportunity to express my heartfelt appreciation to all our customers, employees, local communities, suppliers, investors and other business associates for their steadfast trust and support in our organization. Over the years we've built, powerful portfolio of segment leading brands straddling fashion sensibilities and value chain. With the waning impact of the pandemic, we see a steady recovery trajectory in the economy and our industry, which is expected to strengthen further in the coming year. We are confident of creating value for all our stakeholders as we collectively accomplish new milestones of sustainable and responsible with my best wishes to all the stakeholders thanking you. Further I request Mr. Anant Kumar Daga, managing director to brief you about the business operations of the company, during the previous financial year and answer a query question posted by the members.

Anant Kumar Daga: Thank you, sir, dear shareholders, Good morning and welcome once again to the TCNS AGM, under such a long disrupted COVID period, it is really heartening to see things getting back to normalcy at a rapid pace. We all have been through really challenging times and the sharp rebound in the economy and the growing positivity around us shows human grit and tenacity over a sweeping adversity. Yes, we are not completely out of COVID situation but hopefully have left the worst behind us. It is now time to look ahead and on the future. Before I talk about a strategy for the coming years, let me quickly share key business update for last year. FY-22 continued to be an impacted here, though we saw strong periods of resurgence, our revenue stood at 896 crores up about 41% over FY 21. We open 48 stores in FY 22, ending the year with 599 stores. This has been our highest ever store count. We added 175 large format stores in the same period. As you will recall our overlength focus during COVID was to retain our ability to scale up while preserving the strength of the balance sheet and are happy to share that we ended the year with a strong cash balance of 156 crores. This was achieved without any external fundraise. Our working capital stood at 363 Crores despite the challenging times, the razor-sharp focus on inventory management was the key. We also continued to optimize costs, which helped us navigate a tough year. I would like to take this opportunity to thank all our employees and business partners who supported us in these difficult times. Their understanding and cooperation reinforce the strength of the relationship we have built over the years. While we continue to be cautious in our approach towards driving in growth during COVID. We have spent the time strengthening our existing businesses, platforms and building new growth engines. The focus has been to work on the basics and setting up existing initiatives for scale. We have identified three strategic pillars of growth, one expanding brand and product portfolios, two offline expansions through Project rise and project Bharat and three driving online business through Omni and b2c platforms.

On the brand and product portfolio side, we are happy to share that product market fit for various initiatives are now tested. A new bottom wear brand Elleven is ready for wider rollout. While we continue to sharpen the ABO model for the same we'll be able to simultaneously launch successful shop and shop and distribution

model for the same. We ended the year with 17 EPOs and 44 Shop and shop for 'Elleven' which is now being rapidly scaled up. Folksong our Indian crafts led initiative is the latest addition to that portfolio. The strength of this initiative is in designs that innovate on traditional crafts of India in pursuit of defining a new aesthetic vocabulary. The collections are timeless and not divide by seasons. Folksong has got an excellent acceptance and with the supply chain now stabilize post COVID we are all set for the aggressive roll out. It's a key step in our journey to build a more sustainable fashion business. Coming to new categories. Our foot apparel range has already been rolled out in more than 180 stores and online channels. The response has been encouraging and the business is scaling up strongly. The unique proposition of branding and apparel like aesthetics without compromising on comfort has resonated extremely well with the consumers. This year we also piloted a cosmetics range in W which again is well appreciated by our consumers. We have added more lines in the range and now are looking at wider rollout in this initiative as well. The focus will be to build a strong online EBO business of cosmetics. Our second key pillar is offline expansion. Offline retail is back with a bang and store rollout is high on the agenda, which will be driven by both vertical and horizontal expansion. After rationalizing the store count during last two years we are targeting to add 100 Plus stores every year to our existing count of 599 stores. A key driver here will be project Bharat franchisee led expansion model in tier three and beyond markets. Regular expansion and bigger markets will be driven by both company owned and franchisee run models.

Apart from this, we are targeting to massively upgrade our presence in key markets across the country. Most of our key stores are typically 800 to 1200 square feet in size, which cannot support the complete brand range anymore. W has already come a long way from being just a Kurta brand but a store size have not had commensurate growth. With addition of categories and new products, we feel severely constrained by the space in the stores. We ran a pilot last year project rise where in there doubled or more our store sizes in few markets and I've seen phenomenal response to our sales and customer experience. We are now fully committed to this initiative, and we'll be opening 25-30 such flagship store every year. With a new retail identity this will unveil a whole new Avtar of the W has never seen before. The third key pillar is omni channel and b2c online play, A platform which has brands have been a dominant player both in online and offline channel, which sets up well to execute our omni channel play potential. We are reorienting our focus towards b2c Play and are formally set to drive online business growth across both third-party marketplaces and brand websites. We are focused on setting the single view inventory and best in class operations in place and are now aligned with all marketplaces across all appropriate partnership models. Going forward, we will continue to drive the growth of third-party marketplaces channel through leveraging strategic marketing building the omni channel fulfilment model, launching online specific and online first products we are targeting to double the share of omni channel fulfilment this year. For the brand website, we will also go deeper into personalization and sharply relevant communication for each consumer. Our brand websites have grown well ahead of the third-party market places last year, contributed to almost 30% of total online sales. We intend to focus on our brand websites and build them aggressively here on. While we keep pushing the growth agenda, we are also conscious of our duties as a responsible business. There's a firm commitment to give back to society and the government and take steps towards more sustainable tomorrow. One of our key initiatives is folksong which promotes sustainability and artisans empowerment. Overall, a significant number of our employees are women promoting gender diversity. We have undertaken initiatives for rural development for creating manufacturing clusters at remote areas in association with our supply chain partners. These have helped with creating skilled workforce while delivering social and economic

empowerment to the notes. given the rigor put in over the last two years in creating a more robust platform, incubating new concepts and ideas, and retaining financial and operational strength. We are all set to get back on building the next growth phase. It has been a difficult phase that we are coming out from and are now getting back to what we do best, creating new brands and products expanding distribution reach and deliver seamless consumer experiences. The future looks really exciting. Finally, I would like to thank all the shareholders for the trust reposed in us and take this opportunity to express my gratitude to all our employees, customers and partners for their commitment and support. Thank you all once again, I would now request the moderator to conduct a Q&A session.

Moderator: Thank you sir the speaker is Mrs. Gayatri Bist. Mrs. Gayatri Bist

Gayatri Bist: Good morning everyone, I am Gayatri Bist, I am attending this AGM from Noida, Uttar Pradesh, I have couple of questions from the management of the company. The company has recently launched a brand folksong as mentioned in the annual report, can you please give the shareholders some information about the newly launched brand folksong? and what is the USP of the brand? How is it different from the existing portfolio of the brand and the future plans of the same? Also I read in the annual report about the incubation sell could you please elaborate a how is this different from the design team of the company? What is the purpose of creation of the special unit within the company.

Moderator: The next speaker is Mr. Ajay Kumar Jain.

Ajay Kumar Jain: नमस्कार अध्यक्ष महोदय मैं दिल्ली से अजय कुमार जैन कंपनी का शेयर होल्डर बोल रहा हूँ, हमें जो वार्षिक रिपोर्ट ईमेल के माध्यम से मिली है उसको पढ़ने के बाद कंपनी के passion और working के बारे में जानकारी मिली और काफी अच्छी और स्पष्ट बैलेंस शीट आपने बनाई है इसके लिए आप के नेतृत्व को और अन्य डिपार्टमेंट को मेरी तरफ से शुभकामनाएं जहां पर इतना आर्थिक मंदी का दौर चल रहा है उसके बावजूद भी आप के नेतृत्व की कार्यकुशलता और गुरुग्रहिता हमेशा कंपनी को मजबूती प्रदान करते हैं हमारी मैनेजमेंट, हमारी देखिभाली company मैनेजमेंट है जो हमेशा कंपनी के विकास के बारे में सोचती है कि कंपनी किस तरह ऊंचाइयों पर जाए आज चाहे इस आर्थिक मंदी के दौर के बाद जब समय अनुकूल आएगा तो हम को यह लगेगा कि हमारी कंपनी, वर्तमान समय में भी बहुत अच्छी कर रही है और आने वाले समय हमारा कंपनी का है और उसका लाभ शेयर होल्डर को मिलेगा और आपके नेतृत्व को एक बार फिर द्वारा शुभकामनाएं और इसी मंगल कामना के साथ भविष्य हमारी कंपनी का और शेयर होल्डर का रहेगा नमस्कार जय हिंद।

Moderator: The next speaker is Mr. Shaurya Mitra Tomar

Shaurya Mitra Tomar: Good morning all, respected chairman and the Managing Director, other distinguished directors and the members of TCNS family. My name is Shaurya Mitra Tomar, one of the shareholders of the company, presently holding 500 shares and a folio number 52111381 and I'm attending this AGM from the capital of the country that is Delhi. Thank you for giving me an opportunity to express my view during this AGM and allowing me to ask certain questions as well. So being a shareholder of the company, obviously, my primary questions would be somewhere around the revenue, profits, and future plans of the company. So I have gone through the annual reports, circulated by the company and understand the company has launched new categories like foot, apparel, and cosmetics. So I want to know, what are the

brands for these new categories? And are you planning to open exclusive stores for them? And secondly, I want to understand more about Project rise. How many flagship stores under Project rise are being planned by the company in future? And are these stores profitable as on date? Or is it just an experiment for creating brand visibility? How would it improve the overall sales of the company? So, this is it from my side. Thank you once again and best of luck.

Moderator: The next speaker is Mrs. Neha Gupta.

Mrs. Neha Gupta: Good morning everyone, thanks for this opportunity, I have few queries at the operational level. First, I want to understand like how many stores of the company have been opened and closed during the year? And what are the expansion plans of the company. Then, during this COVID induced business disruption, how the company has recovered?

Moderator So these are questions by the speakers kindly answer the same, over to you sir.

Anant Kumar Daga: Thank you for the queries and some really encouraging comments. I'll start with the first question about folksong. So folksong is an Indian craft led initiative that the company has taken. The whole idea is to present the heritage traditional crafts in a very-very modern and new avatar and that's what the USP of the brand folksong is, how this is different from our other initiatives, then others are slightly more fast fashion but these are folksong is a timeless classic collection, which is season agnostic. So in a sense, it's a slightly slower fashion. It also has a huge social impact. Artisan empowerment is a big thing second most of the fabrics techniques are all very natural, which means it's much more sustainable and conscious fashion as well, as of now we have launched folksong and about 50 to 60, stores of the W and with supply chain stabilize, we are looking at upping it up online few LFS and additional stores of W. Talking about incubation sell, well, you know, it's a department it's a core team of you know, really innovative designers within that design function with the sole purpose of creating newness, see as a as a brand W has always been about being ahead of the fashion curve and this is one initiative which will take us further there, So, while you know the regular design team, they will have all the commercial aspect that goes to the design to solve the role of incubation sell is just to bring something new that the consumers have never seen the markets have never seen. So that's the attempt there, coming to the second question which was about new categories. So when we speak to our customers, they want a head to toe look. So while W in the apparel segment has been giving, you know different pieces of apparel but the idea is to go one step beyond and create a lifestyle brand out of the same and when we launch footwear or cosmetics or for that matter jewelry, it is to complement with the W apparel so that the consumers can get the whole look shop the entire look from one place. The response has been very- very positive. As of now we are housing it within our existing brand stores and online channel. Depending upon you know how this initiative goes from here in future we can think about exclusivity as well. Coming to project rise, as I mentioned in my opening remarks, also, this started as a pilot last year but we have opened a few stores and they are tremendous successful. So if you look at these stores, we have now more than 20 such stores and most of them are profitable and more than this profit it is creating a huge impact on the consumer experience that people get from our stores. So this is a full fledged initiative, we are looking at opening at least 20- 25 stores in every year from here on, coming to the third question about you know, store count so at a store level last year, we opened about 84 stores. On a net level, if you look at it, we shut about 36 stores, So the net cost was about 48. Here on we're looking at adding at least 100 new stores

across all our brands. So that's the plan for future. I think I have been able to answer your queries. Obviously we'll be happy to take more queries but because of time constraint probably they will get back if there are more queries post the AGM. Thank you. I would now request Piyush to please take over the Administration.

Piyush Asija: Oh, thank you, sir. The statutory auditors, Deloitte, a skill and sales chartered accountants and the secretarial auditors, Sanjay Grover & Associates, company secretaries in practice, have expressed an unqualified opinion in their respective audit reports for the financial year 21-22, there were no qualifications, no observations and no adverse comments on the financial statements and any of the matters which have any material impact on functioning of the company. Therefore, in view of the same as per provisions of Section 145 of the Companies Act and secretarial standard to the auditors report are not required to be read at the AGM. As the notice is already circulated among all the members, I take the notice, convening the meeting as read.

These business items are ordinary business:

Item no. 1: To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors

Item no. 2: To re-appoint a Director in place of Mr. Anant Kumar Daga (DIN 07604184) who retires by rotation and being eligible, offers himself for re-appointment.

Item no. 3: To re-appoint M/s. Deloitte Haskins and Sells LLP as Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

We have following special business:

Item no. 4: Re-appointment of Mr. Bhaskar Pramanik, as an Independent Director of the Company.

Item no. 5: Re-appointment of Ms. Neeru Abrol, as an Independent Director of the Company.

I Item no. 6: Re-appointment of Ms. Sangeeta Talwar, as an Independent Director of the Company

Item no. 7: Re-Appointment of Mr. Onkar Singh Pasricha, as the Executive Director of the Company and to fix the terms of his appointment.

Item no. 8: Approval for fixation of remuneration of Mr. Onkar Singh Pasricha, Chairman and Executive Director of the Company.

Item no. 9: Approval for Remuneration of Mr. Anant Kumar Daga, Managing Director of the Company.

With the permission of the chair, the Instapoll shall remain open for 15 minutes in order to enable the members who have not yet casted their vote on the resolutions. Now, I will hand over the proceedings of the meeting to the chairman sir.

Onkar Singh Pasricha: I wish to express sincere thanks to our management and board of directors for their continued leadership and unwavering support to the company. On behalf of our board, I hereby express my gratitude to the statutory authorities, intermediaries, bankers, auditors, business partners, customers, employees and all other stakeholders who have stood by us. We are confident of creating value for all our stakeholders, as we collectively accomplish new milestones of sustainable and responsible growth. Thank you, everyone for your valuable time and attention.

Piyush Asija: Thank you, sir. The facility for E-voting for the members who have not yet voted through remote E-voting is now open and I request all the members to cast their vote. The E-voting will close after 15 minutes. The voting results will be announced within two days of conclusion of the meeting. The same will also be updated on the website of the company, stock exchanges and Kfin and all the items of business as per AGM have been taken up, and the proceedings of the AGM have been concluded. I thank you all for joining us today at the AGM Thank you very much.