

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**  
**(formerly known as TVS LOGISTICS SERVICES LIMITED)**  
**(Registered Office: 10, Jawahar Road, Chokkikulam Madurai - 625002)**  
**CIN: U63011TN2004PLC054655**

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**NOTICE**

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held on Thursday, **the 10<sup>th</sup> day of August, 2023 at 11.00 a.m.** at the Registered Office of the Company at 10, Jawahar Road, Chokkikulam, Madurai – 625 002 to transact the following business:

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the audited standalone Financial Statements and Consolidated Financial Statements of the Company for the year ended March 31, 2023 together with the Report of the Directors & Auditors thereon.
- 2) To appoint a director in place of Sri. S Ravichandran (DIN:01485845), who retires by rotation and being eligible offers herself for re-appointment.
- 3) To appoint a director in place of Sri. Anand Kumar (DIN:00818724), who retires by rotation and being eligible offers himself for re-appointment.
- 4) To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**

Re-appointment of M/s. S.R. Batliboi & Associates LLP as Statutory Auditors of the Company

**“RESOLVED THAT** pursuant to the provisions of the Section 139(1) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, M/s. S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004, be and are hereby re-appointed as Statutory Auditors of the Company for a consecutive term of five years till the conclusion of 24<sup>th</sup> Annual General Meeting at a remuneration as may be determined by the Board of Directors of the Company from time to time.

**RESOLVED FURTHER THAT** any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable in this regard and to give effect to the resolutions, including but not limited to issuing a certified true copy of the resolutions and sharing the same with all those concerned and to do all other necessary acts in this regard to give effect to the resolutions.”

By order of the Board

Place: Chennai  
Date: July 10, 2023

P D Krishna Prasad  
Company Secretary

**NOTES:**

1. ***A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself at the meeting and a Proxy need not be a member of the Company.***
2. ***Proxy form, in order to be effective, must be received at the registered office of the company at least 48 hours before the commencement of the meeting. A proxy form is enclosed for this purpose.***
3. ***A person can act as a proxy on behalf of members not exceeds fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.***
4. ***The Register(s) maintained under Section 170 and Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.***
5. ***In terms of applicable Secretarial Standards on General Meeting, necessary route map of venue of General Meeting is provided overleaf for your ease and reference.***
6. ***Members are requested to notify change in address, if any.***
7. ***All the documents/ statutory registers, as required under the Act read with rules framed thereunder shall be placed at the meeting for inspection by members (including their authorized representatives) and shall also be also available for inspection at the registered office of the Company during business hours.***

**The Explanatory statement annexed to the Notice of the Nineteenth Annual General Meeting of the Company as required under Section 102 of the Companies Act, 2013.**

**Item No.4**

M/s S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004) was appointed as Statutory Auditors of the Company at its fourteenth Annual General Meeting held on September 29, 2018 for period of 5 years.

Based on recommendation of the Audit Committee, Board of Directors of the Company at their meeting held on June 12, 2023, have re-appointed M/s S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004), Chartered accountants, as the Statutory Auditors of the Company, for a consecutive term of 5 years, commencing from the conclusion of 19<sup>th</sup> annual general meeting until conclusion of 24<sup>th</sup> Annual General Meeting. M/s. R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004) have confirmed their eligibility for reappointment as Statutory Auditors under Section 139 read with Section 141 of the Companies Act, 2013 and rules thereunder.

The Board recommends the resolution set forth in item No. 4 of the Notice for approval of the members.

None of the Directors / Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested financially or otherwise in this resolution.

By order of the Board

Place: Chennai  
Date: July 10, 2023

P D Krishna Prasad  
Company Secretary

**Form No. MGT-11**

**Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**CIN: U63011TN2004PLC054655**

Name of the company: **TVS Supply Chain Solutions Limited** (formerly known as TVS Logistics Services Limited)

Registered office: **10, Jawahar Road, Chokkikulam, Madurai - 625002**

Name of the member (s): Registered address: E-mail Id: Folio No/ Client Id: DP ID:
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I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name:  
Address:  
E-mail Id:  
Signature: ....., or failing him
2. Name: .....  
Address:  
E-mail Id:  
Signature: ....., or failing him
3. Name: .....  
Address:  
E-mail Id:  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Thursday, the 10<sup>th</sup> August, 2023 at 11.00 a.m. at 10, Jawahar Road, Chokkikulam, Madurai – 625 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No(s).**

1. To receive, consider and adopt the audited standalone Financial Statements and Consolidated Financial Statements of the Company for the year ended March 31, 2023 together with the Report of the Directors & Auditors thereon.
2. To appoint a director in place of Sri. S Ravichandran (DIN:01485845), who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a director in place of Sri. Anand Kumar (DIN:00818724), who retires by rotation and being eligible offers himself for re-appointment.
4. Re-appointment of M/s. S.R. Batliboi & Associates LLP as Statutory Auditors of the Company

Signed this..... day of July, 2023

Signature of shareholder

Signature of Proxy holder(s)



*Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*



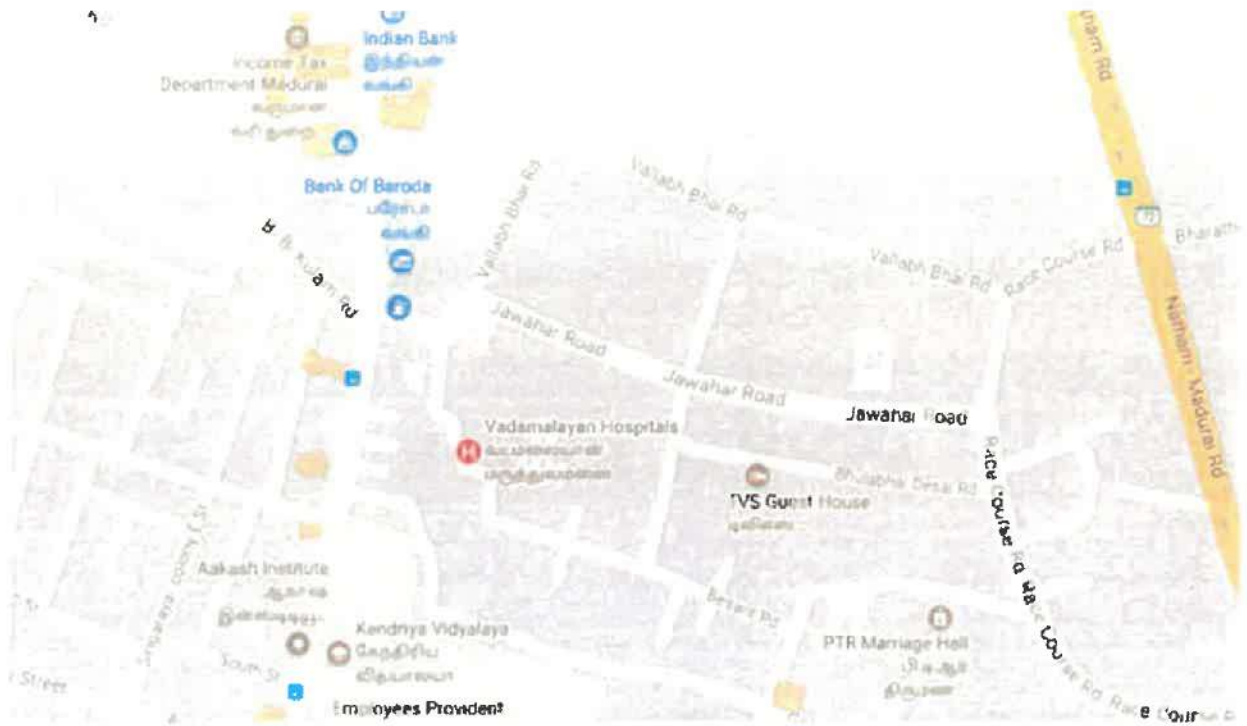
## Route map for EGM Venue

**M/s. TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Venue:**

**Registered office : 10, Jawahar Road, Chokkikulam , Madurai : 625002**

**Website: [www.tvsscs.com](http://www.tvsscs.com)**





## **ANNUAL REPORT 2022-23**

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**STANDALONE FINANCIAL STATEMENTS**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Sri. S Mahalingam – Chairman  
Sri. R Dinesh- Executive Vice Chairman  
Sri. Ravi Viswanathan– Managing Director  
Ms. Shobhana Ramachandhran  
Sri. S Ravichandran  
Sri. S Sriram  
Ms. Gauri Kumar  
Sri. Anand Kumar  
Sri. Ashish Kaushik  
Sri. Tarun Khanna

### **CFO**

Sri Ravi Prakash Bhagavathula

### **SECRETARY**

Sri. P D Krishna Prasad

### **AUDITORS**

M/s. S R Batliboi & Associates LLP  
Chartered Accountants

### **BANKERS**

State Bank of India,  
HDFC Bank, India  
DBS India Bank, India  
Standard Chartered Bank, India  
Yes Bank Limited  
Axis Bank Limited, India  
IDFC First Bank Limited

### **REGISTERED OFFICE**

10, Jawahar Road  
Chokkikulam  
Madurai – 625 002

## **SUBSIDIARY / JOINT VENTURE/ ASSOCIATE COMPANIES**

### **DOMESTIC**

TVS SCS Global Freight Solutions Limited  
Fit 3pl Warehousing Private Limited  
White Data Systems India Private Limited  
FLEXOL Packaging (India) Limited  
TVS Toyota Tsusho Supply Chain Solutions Limited  
SPC International India Private Limited  
TVS Industrial and Logistics Parks Pvt. Ltd.  
TVS Packaging Solutions Private Limited  
Pan Asia Freight Forwarding & Logistics  
India Private Limited

### **FOREIGN**

TVS Logistics Investment UK Limited, UK  
TVS Supply Chain Solutions Limited, UK  
MSys Software Solutions Limited, UK  
Multipart Limited, UK  
TVS Autoserv GmbH, Germany  
TVS Supply chain solutions GMBH  
TVS Logistics Iberia S.L., Spain  
Linfox TVS Solutions Pty Ltd  
Peter Thomas & Co (Refurbishing) Limited, UK  
Rico Logistics Limited, UK *including subsidiaries*  
Ricochet Spain S.L., Spain *including its subsidiary*  
Eltec IT Services S.L.U  
Tri-Tec Computer Support Limited, Northern Ireland  
Tri-Tec Support Limited, Ireland  
Rico Logistique, France  
TVS SCS Rico Italia SRL  
Triage Holdings Limited *including its subsidiaries*  
Triage Services Limited  
Order Logic Limited  
Rico Logistics Pty Limited, Australia  
Circle Express Limited, UK  
SPC International UK Limited *and its subsidiaries*  
TVS Logistics Investments USA Inc., USA  
TVS America Inc., USA  
TVS Supply Chain Solutions North America Inc.  
TVS Transport Solutions, USA  
TVS Supply Chain Solutions De Mexico S.A de C.V., Mexico  
TVS Packaging Solutions Inc. US  
TVS Logistics Siam Limited, Thailand  
TVS Supply Chain Solutions Pte. Ltd., Singapore  
TVS SCS International Freight (Thailand) Limited  
TVS SCS Logistics (Thailand) Limited  
TVS Supply Chain Solutions (Thailand) Limited  
TVS Supply Chain Solutions Holdings Limited, Thailand  
TVS SCS Logistics Management Co., Ltd., Thailand  
TVS Supply Chain Solutions Australia Holdings Pty. Ltd. & its  
TVS SCS Singapore Pte. Ltd. (formerly known as Pan Asia  
Logistics Singapore Pte. Ltd) & *its subsidiaries*  
TVS SCS International Freight (Spain), S.L.U.  
TVS SCS International Freight (Singapore) Pte. Ltd.  
T.I.F. Holdings Pty Ltd  
TVS SCS (Aust) Pty. Ltd.  
KANH Nominees Pty Ltd  
TVS SCS New Zealand Limited  
SPC International (Engineering) Limited  
Pitcomp 171 Limited  
SPC EBT Trustees Limited  
SPC Int Limited  
SPC International Inc.  
SPC International s.r.o.  
Transtar International Freight (Shanghai) Limited  
Transtar International Freight Sdn. Bhd.  
TVS SCS International Pte. Ltd.  
TVS SCS Korea Ltd.  
TVS SCS Hong Kong Limited  
Pan Asia Container Line Pte Limited  
TVS SCS Deutschland GmbH  
TVS SCS Vietnam Company Limited  
PT Pan Asia Logistics Indonesia  
TVS SCS Taiwan Limited  
TVS SCS International Freight Hong Kong Limited  
TVS SCS Malaysia Sdn. Bhd



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## DIRECTORS' REPORT

Dear members,

Your Directors have pleasure in submitting the Nineteenth Annual Report of TVS Supply Chain Solutions Limited ("Company") together with the Audited Statements of Accounts for the year ended March 31, 2023.

### FINANCIAL RESULTS

(₹ in crores)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenues from operations (including other income)	1978.44	1561.03	10311.01	9299.94
Profit/(Loss) before tax from continuing operations	(10.82)	(30.91)	40.05	11.14
Profit/ (Loss) after tax from continuing operations	(29.26)	(21.22)	41.76	(46.48)
Profit/ (Loss) before tax from discontinued operations	-	-	-	(0.92)
Profit/ (Loss) after tax from discontinued operations	-	-	-	(0.92)
Profit/(Loss) for the year	(29.26)	(21.22)	41.76	(47.40)
Other comprehensive income, net of tax	(1.83)	(0.98)	(50.64)	(21.47)
Total comprehensive income	(31.09)	(22.20)	(8.88)	(68.87)



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## **SECTION 1: ECONOMIC OUTLOOK**

### **1.1 GLOBAL ECONOMIC OUTLOOK**

The global economy saw a strong rebound post the Covid-19 pandemic. Macroeconomic factors such as high inflation, energy price increase and the conflict in Ukraine resulted in tempering the trajectory of economic growth. However, several sectors of the global economy have shown resilience. Specifically, sectors delinked to direct consumer demand are continuing to grow. As a result, impact of the macroeconomic slowdown has been lower than anticipated.

As per an OECD report, the global economy is now on the road to recovery. Headline inflation is projected to decline from 9.4% in 2022 to 6.6% in 2023 and 4.3% in 2024. The decline in inflation is due to tighter monetary policy taking effect, lower energy and food prices and reduced supply bottlenecks. These factors are easing the strain on household budgets and business and consumer sentiments are recovering. The declining headline inflation and improving sentiments will bolster a pick-up in GDP in all major regions of the world. Another major contributor is trade stabilization, with China rescinding its covid-ban and opening trade. As per OECD, Global GDP growth rates are expected to increase from 2.7% in 2023 to 2.9% in 2024.

### **1.2 INDIAN ECONOMIC OUTLOOK**

With a gross domestic product (“GDP”) of approximately US\$3.5 trillion in 2022, India is the fifth largest economy in the world, according to the World Economic Outlook (“WEO”) database. India witnessed an annualized GDP growth of more than 7% between 2015 and 2019 and has consistently been one of the fastest growing large economies.

The period of sustained economic growth was interrupted by the COVID-19 pandemic. However, India recovered strongly in 2021 and 2022 and grew by approximately 15.3% between Fiscal 2020 to Fiscal 2022 due to a resurgence in the services sector, a complete recovery in manufacturing, and continued expansion in the agriculture sector. The Indian economy has since been on a sustained recovery path. India’s real GDP growth rate is projected at approximately 9.4% per annum during 2022-2027, which is the highest growth rate among the larger economies – resulting in India becoming a US\$5.5 trillion economy by 2027. As per ‘Centre for Economics and Business Research’, India is projected to become the third largest economy in the world by 2030.



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### **1.3 GLOBAL LOGISTICS OUTLOOK**

In 2021, global 3PL revenues surged 31.5% to US\$1.4 trillion globally as generally the more developed countries with high COVID-19 vaccination rates further opened and consumer spending increased further. Third-party Logistics was a key beneficiary of supply chain management price inflation. This rapid growth trend continued through the first half of 2022. There was a decline in the later half of 2022 due to capacity increase as many Carriers have invested in new ships. Additionally, capacity previously blocked by port congestion is also easing due to easing of bottlenecks in the market. There is also an uptick in the ocean schedule reliability wherein Global schedule reliability improved by 1.7 percentage points to 64.2% in April 2023 which is 29.9 percentage points higher than previous year.

Additionally, China's reversal of its "Zero-COVID" policy and opening up of trade has created increased demand in Asia going into 2023 and provided a tailwind to the overall global 3PL industry. These factors will lead to global 3PL growth from 2023 through 2026 resulting in an 8.2% CAGR from 2020-2026 (estimated). By 2026, the global 3PL market should reach US\$1.7 trillion.

The global supply chain industry is evolving, with customers requiring faster speed-to-market, end-to-end visibility across multi-modal supply chains, flexibility, and dynamic optimization. There is an increasing trend towards end-to-end outsourcing and organizations are looking forward to engaging supply chain companies to not only manage their supply chain and logistics requirements but also offer additional specialized services. This is expected to drive greater outsourcing of supply chain requirements to specialist 3PL players. Additionally, changes in geopolitical alignments have also had an impact on supply chains across the world. Large global economies are focusing on shifting supply chains to geopolitically friendly countries. This will further increase the 3PL opportunity size in geographies such as India, Europe, Southeast Asia.

These changes have made the industry to focus on reliability, resilience, and transparency as key parameters for smooth functioning supply chain systems. The reliance on technology has now come to the forefront as a primary requirement to fulfil these needs successfully.

### **1.4 INDIAN LOGISTICS INDUSTRY SCENARIO**

Indian logistics sector is one of the largest in the world and presents a large addressable opportunity. The sector is critical for the economic growth of the country as it connects various elements of the economy and consists of transportation, warehousing and other supply-chain solutions ranging from the suppliers to the end-customers. The market witnessed a strong post-COVID recovery in Fiscal 2022. The market grew by 14% and was valued at US\$435 billion in Fiscal 2022 and is projected to grow to US\$591 billion by Fiscal 2027.





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The Honourable Prime Minister Shri. Narendra Modi released the National Logistics Policy in September 2022, which lays out a roadmap for modernisation and growth of logistics sector. This policy will give impetus to tech-enabled logistics sector as is intended, to improve the logistics sector's coordination and efficiency. Reinforcing the position of your Company as the leading player in 3PL in the country, our Executive Vice Chairman Sri. R Dinesh was asked to address the gathering during the launch. In his address, Sri. R Dinesh highlighted how the Policy lays out a path of unification for all logistics services and drives greater outsourcing of logistics.

The Indian logistics industry is bound to see an increase in outsourcing of logistics services across sectors as we progress towards reducing overall logistics costs from 13-14% to single digit. Better utilization of infrastructure and logistics assets will be possible only through increase in outsourcing. This will be combined with higher use of technology and implementation of tech enabled solutions to solve supply chain complexity.

## **SECTION 2: PERFORMANCE REVIEW**

### **2.1 Operations:**

Your Company continues to take various initiatives to improve its growth, operating margin, and profitability in the coming year, with focus on transformational initiatives and technological developments.

TVS Supply Chain Solutions recorded its highest revenue ever in FY23 which exceeded INR 10,000 Crores, a significant milestone. In FY23, we also grew our EBITDA to INR 693 Crores, our highest ever till date.

The business in our home market of India grew an impressive 24.5% over versus FY22. Despite challenging macroeconomic conditions and in spite of the price reduction in the Global Freight business and slowdown of growth in most developed markets, revenue from rest of the world grew 5.9% versus FY22.

Your Company continued to strengthen its offerings in the end-to-end supply chain services. The Company has two segments consisting of Integrated Supply Chain Solutions (ISCS) and Network Solutions (consisting of Global Freight Forwarding Solutions (GFS) and Time Critical Last Mile Solutions [ILM]).

Both segments of ISCS and Network Solutions contributed to growth where ISCS has grown by +22.7% over FY22 and the Network Solutions segment has grown by +2.7% over FY22.





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## **2.2 Recognition:**

During the year under review, your Company was awarded with:

- “Overall Excellence in Logistics and Supply Chain” at the CII SCALE Awards 2021.
- “Best Practice in Digital Transformation 2021” in the ‘Innovative Category’ at the CII Digital Transformation Awards 2021.
- “DnA (Digital and Analytics) Excellence Award” at the CII SCALE Awards 2021.
- “Overall Excellence in Logistics and Supply Chain” at the CII SCALE Awards 2022.
- “Scale of Scale” at the CII SCALE Awards 2022.

## **2.3 Business development and Encirclement:**

Ocean and air freight rates fell sharply in the second half of FY23, and this had an impact on growth in the Network Solutions Segment. However, robust business development through new customer wins across various sectors such as Utilities, Automotive, and Consumer Products, Automotive Components, Engineering etc. and encirclement in existing contracts helped offset impact of decline in freight rates.

## **SECTION 3: TECHNOLOGY:**

Structural shifts in the industry have been making supply chains increasingly complex for customers, which has necessitated an increase in demand for technology-backed supply chain services to ensure high service levels.

Customer engagements show a trend towards technology led transformational engagements. In the recent past, nearly 20% of our customer proposals have a need for tech transformation of supply chains.

Your company provides specialized solutions to reduce complexity in our customers’ supply chains by using technology, data analytics and execution experience to offer key solutions such as accurate demand forecasting, inventory planning and production, procurement management, network optimization, visibility and supply chain agility to handle evolving needs. Our supply chain technologies and processes are the core of our solutions. With the help of our technology and software systems framework, we build tailor-made solutions for various supply chain activities. Our digital platforms are largely cloud based, powered by a micro service-based architecture and are highly scalable and reliable.



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### **Software Suite and Technology Ecosystem**

Your company has developed in-house software development capabilities, in addition to partnering with leading third-party software providers, which allows us to utilise our deep knowledge and experience of catering to customers' needs to construct customized robust and flexible technology solutions. We continue to develop our in-house technology platform and at the same time, search for innovative third-party new generation tech solutions to integrate with our core technology platform. Our technology architecture has enabled us to integrate the technology we have acquired over the years.

During the year FY23, we continued to deploy and build enhancements to our core in-house technology platforms:

- **Trace:** Spare parts logistics and warehouse management solution
- **MSys:** Product data management, demand forecasting, warehouse mgmt. & analytics
- **Visibility:** Inventory management solution
- **Courier Alliance:** Marketplace to match courier partner with customer demand ensuring speedy completion of last mile delivery.

### **Cutting Edge Tech Engagements: Augmented Reality, Automation**

Your company has recently been successful in deploying an augmented reality (AR) driven solution. This feat was achieved in a farm equipment customer location in the United States. Your company also embarked on a first-of-its-kind warehouse automation process with an Automated Storage and Retrieval System (ASRS) in a spares distribution facility for a large Indian two-wheeler OEM. The warehouse management system was integrated with SAP systems and a sorting conveyor was installed which has reduced manual effort. Such cutting-edge tech engagements are scalable solutions ripe for future deployments in other customer locations.

### **Improving Customer Experience with Real Time Visibility:**

Your Company is committed to technological advancements to establish itself as tech-led supply chain provider. E-connect, a real-time visibility tool was rolled out in GFS to create 24/7 visibility of the shipment on the order item level as well as improve customer experience. The tool allows seamless integration between cloud-based data warehouse and real time data for shipment mapping and status updation.

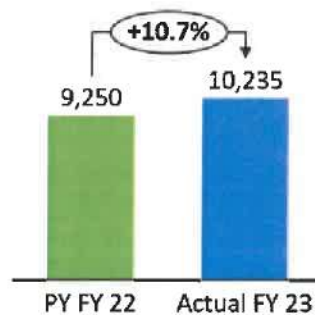
**Technology to Improve Operational Processes:**

Your company has a strong focus on streamlining operational processes to build efficiencies. To address this growth pillar using technology, T-Jarvis, an in-house contract management tool was developed, which allows automated approval from global corporate thus enabling an Audit trail. It also acts as an alerting system for the business for timely and proactive alerts creating business accountability.

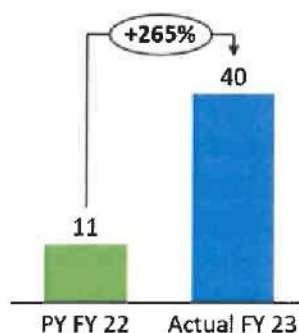
**SECTION 4: FINANCE:**

**4.1 Financial Performance**

Your Company produced a strong revenue performance in FY23. Despite macro challenges in several economies, revenue performance was consistent across the five operating regions of the Company. Total revenue from operations grew 10.7% in FY22.



PBT for the year FY23 was ₹ 40 Cr which is a growth of 265% over the previous year.



Your company posted its first year of full profit (profit after tax) since FY18. The profit after tax for FY23 was ₹ 42 Crores. Even though the company was profitable from inception, it had been PAT negative since FY18 and this year it has become PAT positive after four years again.



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#### **4.2 Financing Initiatives:**

##### **Debt capital financing:**

Your company has raised a capital of Rs.292.29 Crores through CCPS during the Calendar Year. This has been earmarked for long term borrowings repayments and the Company is also considering pre-paying the same in case that is more cost-effective to the company.

In Indian operations, your Company continues to encourage 'SME/ MSME category' of vendors to be paid through A-TREDS line of credit (an RBI driven initiative) which eases liquidity issues for this category of vendors and improves sales margin for the Company.

##### **Other updates:**

Your Company has implemented cyber security insurance programme across India, Rest of Asia, US, and European operations with adequate cover and at competitive terms from leading global insurance companies.

#### **SECTION 5: HUMAN RESOURCE**

As on March 2023, your Company has a total of 18,068 employees on its rolls across the globe. A unified Human Resource Management System (HRMS) has been rolled out globally with one operation in our UK business and NA to be completed in the coming year. Continuous Learning for our employees is one of the core focus areas in the company and has been launched in Asia and NA with Europe scheduled to be covered in the coming year.

Your Company works with various educational institutions to support the entry-level talent and it has hired 65 Graduate Engineer Trainees ("GET") in the last Financial Year. This programme will continue to be in focus in the ongoing years. .

#### **SECTION 6: CORPORATE GOVERNANCE**

Your company has always laid emphasis on the highest levels of corporate governance and compliance across the organization : right from the Board of Directors to the operating level. During FY23, the Board was expanded with the appointment of another Independent Director in May, Sri. Tarun Khanna, a distinguished academician, author and economic strategist and the Jorge Paulo Lemann Professor at the Harvard Business School (HBS).



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As a part of Corporate Governance measures, your company has a Code of Conduct that sets out the business practices and the principles of behaviour and the expectations for all employees' working relationships with other employees, customers, business partners, suppliers, competitors, governments, public officials, and the wider community. The Code is aimed at maintaining and fostering a culture of high standards of business ethics, personal integrity, honesty, accountability and compliance globally across all TVS Supply Chain Solutions legal entities, subsidiaries, affiliates, joint-ventures and other business associates.

## **SECTION 7: ESG AND CSR**

TVS Supply Chain Solutions has been an early adopter of Corporate Social Responsibility ("CSR") initiatives and recognized that integrating social, environmental and ethical responsibilities into the governance of businesses would ensure their long-term success, competitiveness and sustainability. Connecting with Community and giving back to society is a way of life for us at TVS. Our first initiative was started way back in 1947, inspired by Mahatma Gandhi. TVS has continued this legacy with various initiatives and Institutions, which carry forward the same, even today.

Your Company, during the year under review, has defined its Environment Social and Governance ("ESG") purpose globally as ***"Leveraging the Power of Us for a Sustainable Planet"***. The Company will be releasing an ESG framework basis the outcome of materiality assessment and road map to achieve ESG sustainable practices. Your Company aspires to become carbon neutral through reduction measures and responsible off-setting. The commitment to ESG will be through better working practices focusing on emission and energy management to reduce our carbon footprint.

- SCS UK has taken steps to move in the direction of carbon neutrality through various initiatives like replacement of Company vehicles with *Hybrid or Plug-in Hybrid models*, installation of *Solar Photo Voltaic systems* and zero waste in landfills through partnership with Suez Waste in 2020 to manage waste collections from all UK sites.
- SCS GFS Spain, Singapore and Australia have been carrying out various initiatives to minimise their carbon footprints by upgrading to hybrid fleet of cars for the sales team, electric warehouse vehicles, transparent panels on the roofs of warehouses to reduce electricity consumption and sensor taps.
- SCS India designed integrated separators with foldable crates which replaced existing usage of cartons and corrugated individual separators. This model resulted in 40% cost reduction to customer and savings of 15 tons per month corrugated waste reduction.





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**Integrated Separators**



**Solar Photo Voltaic systems**

The "WIGYAAN" initiative of TVS SCS India, is a unique skill training initiative between Symbiosis Skills & Professional University and Fiat India Automobiles Private Limited launched in 2019. It offers a Diploma in Manufacturing Excellence to girls from underprivileged sections of the society through a two-year residential program conducted at the university campus and industry premises.



**Initiative "WIGYAAN"**

TVS SCS GFS India has been actively participating in CSR initiatives. They have carried out multiple initiatives such as trees plantation, pond de-silting, Swacch Bharath - Clean India Programs. Health care, medical and eyecare campaigns were also organised.



**Swacch Bharath - Clean India Programs**



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TVS SCS UK also conducted an in-house charity initiative, sponsored by colleagues and offering support to a variety of charitable causes; including charities which raise suicide awareness and prevention techniques, support veterans, mental health and wellbeing of Youth, providing a safe and engaging space for young people aged 8 -19 years.

#### **DIVIDEND**

In order to conserve the resources of the Company, and to build up reserves and considering the business plans of the Company, no Dividend was declared for the current financial year.

#### **TRANSFER TO RESERVES**

The Company has not transferred any amount to the Reserves during the financial year.

#### **PROSPECTS**

Your Company had taken various steps to strengthen the business development team. These measures are expected to enable the Company continue its focus on winning new business with new customers or encircling existing customers with new services to achieve higher turnover and profits in the years to come.

#### **MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between April 1, 2023 and the date of this report other than those disclosed in the financial statements.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rules, the audited Consolidated Financial Statements of the Company and of all subsidiary and joint venture companies are enclosed.

#### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

A separate statement containing the salient features of the audited financial statements of all the subsidiary and joint venture companies is attached to this Report.

The Company will make available the Annual Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Financial Statements of the subsidiary companies will also be kept open for inspection



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at the Registered Office of the Company and that of subsidiary companies concerned. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

The details of investments made in various subsidiaries are provided as part of the Financial Statements for the year.

### **SHARE CAPITAL**

During the year, the following changes have occurred in the issued, called, subscribed and paid-up equity share capital of the Company:

- A. The Authorised Capital of the Company was increased from ₹ 60 Crores to ₹ 94 Crores.
- B. The Authorised Capital Structure was reclassified as ₹ 94 Crores divided into (i) equity share capital of ₹ 58.26 Crores of ₹ 1 each, and (ii) preference capital of (A) ₹ 1.2 Crores of ₹ 10 each, and (B) ₹ 31.54 Crores preference shares of ₹ 100 each (C) ₹ 3 crores preference shares of ₹ 1 each.
- C. allotted 31,53,220 Compulsorily Convertible Preference Shares of face value of Rs.100/- each, at a price of Rs. 372/- each (premium of 272/- per share) to certain identified investor(s) on private placement /preferential basis
- D. allotted 97,22,222 Compulsorily Convertible Preference Shares of face value of Rs.1/- each, at a price of Rs. 180/- each (premium of 179/- per share) to certain identified investor(s) on private placement /preferential basis

### **INITIAL PUBLIC OFFER**

- Considering the market conditions, the Board of your Company have decided not to proceed with the proposed Initial Public offering ("IPO") for overall shares aggregating upto 9,91,95,358 shares Accordingly, the Draft Red Herring Prospectus ("DRFP") dated February 11, 2022, filed with Security and Exchange Board of India ("SEBI") was withdrawn.
- Earlier DRHP up to 9,91,95,358 shares
- Company has filed DRHP with SEBI on April 27, 2023, for an overall shares aggregating upto 3,94,81,747 which includes a fresh issue of equity shared up to ₹ 750 Crores.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Sri. Bobby Pauly (DIN 06629688) has resigned from the Board of the Company with effect from January 13, 2023, due to withdrawal of nomination by the investor- Tata Opportunities Funds.





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Constitution of the Board of Directors of your company currently is as below:



**Sri Mahalingam  
Seturaman**

Chairman &  
Independent Director



**Sri Balasubramanyam  
Sriram**

Independent Director



**Ms. Gauri Kumar**

Independent Director



**Sri Tarun Khanna**

Independent Director



**Sri Ramachandhran  
Dinesh**  
Executive Vice  
Chairman



**Sri Ravi Viswanathan**  
Managing Director



**Sri Sargunraj  
Ravichandran**  
Non-Executive Director



**Ms Shobhana  
Ramachandhran**  
Non-Executive Director



**Sri Anand Kumar**  
Nominee Director



**Sri Ashish Kaushik**  
Nominee Director

Sri. S Ravichandran (DIN:01485845), and Sri. Anand Kumar (DIN:00818724), Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Your Directors recommend the re-appointment of above Directors.



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## **STATUTORY AUDITORS**

The Members at their 14<sup>th</sup> Annual General Meeting appointed M/s. S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004), as the Statutory Auditors of the Company for a term of 5 (five) years from the conclusion of the 14<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 19<sup>th</sup> Annual General Meeting. It is proposed to reappoint M/s. S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004) as Statutory Auditors for a consecutive term of 5 years from the conclusion of this meeting to 24<sup>th</sup> Annual General Meeting. M/s. S.R. Batliboi & Associates LLP (Firm Registration No. 101049W/E300004) have confirmed their eligibility for re-appointment under Section 139 read with Section 141 of the Companies Act, 2013, and rules made thereunder.

## **INTERNAL AUDITORS**

During the year, M/s. KPMG (Registered), was appointed as Internal Auditors of the Company to conduct the Internal Audit of the Company and its subsidiaries.

## **BOARD MEETINGS**

During the year, the Board of Directors of your Company met seven times.

## **ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is annexed to this Report.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Sri. K Venugopalan, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year ended March 31, 2023. The Secretarial Audit Report is attached to this Report.

## **AUDIT COMMITTEE**

The Audit Committee consists of Sri. S Mahalingam, Chairman, Sri. Balasubramanyam Sriram and Sri. Ravi Viswanathan as members. During the year under review, the Board has accepted all the recommendations of the Committee.



**BELIEVE IN THE POWER OF US**

#### **VIGIL MECHANISM /WHISTLE BLOWER POLICY**

In accordance with Section 177(9) of the Companies Act, 2013, the Company has established a Vigil Mechanism and has a Whistle Blower Policy for the employees to report genuine concerns in such manner as prescribed.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Board has re-constituted Nomination and Remuneration Committee consists of Sri. Tarun Khanna, Chairman, Sri. Mahalingam and Sri. S. Ravichandran, as Members. The Company has framed a policy on the director's appointment and remuneration including criteria for determining qualifications, Independence of a director and other matters provided under Section 178 (3) of the Companies Act, 2013.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee consists of Ms. Gauri Kumar, Chairperson, Ms. Shobhana Ramachandran and Sri. S. Ravichandran, Members. The Company has adopted a Corporate Social Responsibility (CSR) policy pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rule, 2014 and the Report on CSR Activities as required thereunder is attached to this Report.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Board has constituted a Stakeholders Relationship Committee consists of Ms. Gauri Kumar, Chairperson, Sri. Ravi Viswanathan and Sri. S Ravichandran, Members. The Committee was formed to consider and resolve the grievances/complaints of security holders of the Company.

#### **DEPOSITS**

During the year, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies Acceptance of Rules, 2014. No amount on deposits was outstanding as on the Balance Sheet date.

#### **LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, investments and guarantees covered under Section 186 of the Companies Act, 2013 are given in the Notes to the accompanying financial statements.



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## **RELATED PARTY TRANSACTIONS**

All related party transactions entered by the Company during the financial year were during the ordinary course of business and at arm's length basis. The details of the transactions with related parties are provided in the accompanying financial statements.

## **INDEPENDENT DIRECTORS**

Sri. S Mahalingam (DIN: 00121727) was re-appointed as an Independent Directors on the Board of your Company, for a period of five years, with effect from August 30,2018.

Ms. Gauri Kumar (DIN: 01585999) and Sri. Balasubramanyam Sriram (DIN: 02993708) were appointed as Independent Directors on the Board of your Company, for a period of five years, with effect from February 7, 2022.

Sri. Tarun Khanna (DIN: 01760700) was appointed as an Independent Director for a period of 5 years on the Board of your Company with effect from May 16, 2022.

The Company has received the declarations of Independence from them pursuant to Section 149(6) of the Companies Act, 2013.

## **EVALUATION OF BOARD /BOARD COMMITTEES**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out performance evaluation of its own performance, the directors individually as well as evaluation of the working of the Committees of the Board.

## **PARTICULARS OF EMPLOYEES**

A statement containing the information as required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this Report.

## **INTERNAL FINANCIAL CONTROLS**

Your Company has well-defined and adequate internal financial controls and procedures commensurate with its size & nature of its operations. This is further strengthened by the internal audit done concurrently and periodical reporting to the Audit Committee.





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## **RISK MANAGEMENT**

Periodic risk assessment of business risk environment is carried to identify significant risks to the achievement of business objectives of the Company. Key risks are reported and evaluated at appropriate forums and levels within the Company.

The Board has constituted a Risk Management Committee consists of Sri. Balasubramanyam Sriram, Chairman, Sri R Dinesh and Sri Ravi Viswanathan as Members to frame, implement and monitor the risk management plan for the Company.

## **ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS**

There has been no order passed by any Regulators or Court or Tribunal impacting the going concern status and future operations of the Company.

## **MAINTENANCE OF COST RECORDS**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the maintenance of cost records is not applicable to the Company.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.

(b) appropriate accounting policies have been selected and applied consistently and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit of the Company for the year ended on that date;

(c) 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.



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(d) the annual accounts have been prepared on a going concern basis;

(e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and

(f) proper internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and are operating effectively.

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

The Company has no activity relating to conservation of energy or technology absorption.

The details of the foreign exchange earnings and outgo are:

(₹ in crores)

Foreign exchange earnings - 78.16

Foreign exchange outgo - 13.72

#### **MANAGEMENT INCENTIVE PLAN**

During the year under review, the Company has not granted stock options to the employees under the Management Incentive Plan. The disclosures in compliance with Rule 12(9) of the Companies (Share Capital and Debentures) Rules 2014 are set out in Annexure and forms part of this Report.

#### **THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an anti-sexual harassment policy in line with the requirements of the captioned Act and Rules made thereunder. An Internal Complaints Committee has been set up to redress complaints regarding sexual harassment. The Company has not received any complaint during the year under review.

#### **OTHER DISCLOSURES**

During the year under review, the Company has neither made any application nor has any proceedings pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of one-time settlement with any Bank or financial institutions.



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## **ACKNOWLEDGEMENT**

The Company acknowledges with appreciation the co-operation and assistance received from the various governing authorities and business partners that have contributed to success during the year. The company also thanks and expresses appreciation for the employees, customers and suppliers at all levels for the consistent support received during the year.

**For and on behalf of the Board**

**Place: Chennai**

**Date:**

**S Mahalingam  
(DIN: 00121727)  
Chairman**





FORM AOC-I

Our Company does not hold any shares in the following companies, but however they are subsidiaries under section 87(1b) of the Companies Act, 2013

Sl.No	Name of the Company	Country	Reporting Currency	Closing	Average	Reporting period	Capital	Reserves	Total Assets	Total Liabilities	Benefits of Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Dividend declared	% share holding	Exchange rate
1	TVS Supply Chain Solutions Limited	UK	GBP	101.87	96.83	FY 2022-23	204	5,37,71,69,960	12,29,09,93,756	6,91,38,13,967		15,30,73,53,094	48,31,52,990	(4,26,19,189)	52,55,02,179		100.00%	
2	TVS Supply chain solutions GMBH	UK	GBP	101.87	96.83	FY 2022-23	21,91,001	4,18,00,749	6,66,93,788	2,27,02,638		3,21,56,053	(57,62,092)	(13,76,572)	(2,85,520)		100.00%	
3	Pear Thomas & Co (Reichshing) Limited, UK	UK	GBP	101.87	96.83	FY 2022-23	10,187	41,52,122	24,50,56,978	24,08,96,591		40,8578,229	3,68,00,540	1,07,92,106	4,60,08,457		100.00%	
4	TVS Logistics Iberia S.L.	Spain	GBP	101.87	96.83	FY 2022-23	1,72,25,867	26,89,95,749	1,36,30,78,620	1,27,63,55,969		1,99,23,87,871	5,47,95,683	1,24,45,891	4,23,40,796		100.00%	
5	TVS Advisory GmbH	Germany	GBP	101.87	96.83	FY 2022-23	1,72,25,867	21,99,54,206	68,15,67,663	44,38,87,300		1,60,06,86,796	6,16,83,827	1,90,09,143	4,26,75,684		51.06%	
6	Rico Logistics Limited and its subsidiaries	UK	GBP	101.87	96.83	FY 2022-23	54,86,310	1,31,04,05,416	10,01,87,16,191	8,92,38,12,865		19,10,71,54,838	(66,48,91,385)	2,57,22,125	(67,06,13,686)		100.00%	
7	TVS Supply Chain Solutions North America Inc and its subsidiaries (formerly known as Manawright Logistics Inc.)	USA	USD	82.22	80.93	FY 2022-23	2,14,93,26,179	(69,99,27,338)	6,63,24,61,115	5,18,50,62,177		7,56,19,20,114	7,74,27,950	7,99,717	7,66,28,213		100.00%	

The following table gives the subsidiaries where our Company owns the entire share capital along with another subsidiary

Sl.No	Name of the Company	Country	Reporting Currency	Closing	Average	Reporting period	Capital	Reserves	Total Assets	Total Liabilities	Benefits of Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Dividend declared	% share holding	Exchange rate

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

FORM AOC-1 [Pursuant to first proviso to sub section 3 of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]		
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / JOINT VENTURE/ASSOCIATES (All amounts are in Indian rupees (₹) except share data and otherwise stated)		
PART B - JOINT VENTURE/ASSOCIATES		
Sl.no	Name of the Joint venture/Associates	TVS Industrial and Logistics Private limited
1	Latest audited / unaudited Balance Sheet Date	31 March 2023
2	Share of Joint venture/associates held by the Company on the year end date No. Amount of Investment in Joint Venture/Associates Extent of Holding	13,75,00,000 29.7%
3	Description of how there is significant influence	No significant influence
4	Reason why the joint venture/Associates is not consolidated	Not applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	3,42,49,32,000
6	Profit for the year	15,36,82,000
i	Considered in consolidation	4,56,43,554
ii	Not considered in consolidation	-
1.	Names of subsidiaries which are yet to commence operations	
2	Names of subsidiaries which have been liquidated or sold during the year.	
For and on behalf of the Board of Directors		
<b>Mahalingam Sethuraman</b> Chairman DIN: 00121727		<b>R Dinesh</b> Executive Vice Chairman DIN: 00363300
		<b>Ravi Vishwanathan</b> Managing Director DIN: 08713910
		<b>Ravi Prakash Bhagavathula</b> Group Chief Financial Officer
		<b>P D Krishna Prasad</b> Company Secretary
Place: Chennai		
Date: July 10, 2023		

FINANCIAL INFORMATION OF SUBSIDIARIES / JOINT VENTURES (CONSIDERED FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS)

Slno	Name of the Company	Country	Reporting Currency	Closing	Average	Reporting Period	Capital	Reserve	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Dividend declared	% share holding	Exchange rate	INR
																		1	1
<b>SUBSIDIARIES</b>																			
1	TYS SCS Global Freight Services Ltd. (Formerly known as PLEXOL Packaging (India) Limited)	India	INR	1	1	FY 2022-23	1,20,00,000	1,40,53,09,037	1,91,56,23,454	49,83,14,277		10,04,85,45,018	64,99,37,275	16,56,63,120	48,42,74,155	2,10,00,000			
2	PLEXOL Packaging (India) Limited	India	INR	1	1	FY 2022-23	77,04,160	2,15,09,347	4,77,88,129	1,85,74,622		7,17,23,071	28,94,137	(1,92,070)	30,86,227				
3	TYS SCS (Siam) Limited (Formerly known as TVS L)	Thailand	THB	2.41	2.28	FY 2022-23	2,41,19,800	(7,86,87,024)	2,44,75,448	7,90,43,572		-	(1,19,56,183)	-	(1,19,56,183)				
4	TYS Logistics Investment UK Limited	UK	GBP	101.87	96.83	FY 2022-23	63,11,72,103	(1,08,18,02,522)	18,27,44,21,692	18,72,50,51,067		-	(41,72,64,317)	(20,01,55,062)	(22,71,09,254)				
5	TYS Logistics Investments USA Inc.	USA	USD	82.22	80.3914	FY 2022-23	50,57,16,152	(1,01,58,09,442)	3,16,39,52,791	3,67,40,45,963		-	(8,92,56,590)	-	(8,92,56,590)				
6	TYS America Inc.	USA	USD	82.22	80.3914	FY 2022-23	2,30,84,82,464	(4,94,70,32,201)	11,88,42,71,697	14,32,28,21,563		28,16,16,16,442	7,89,91,649	28,84,18,190	(20,94,26,541)				
7	TYS Supply Chain Solutions Pte. Ltd., Singapore and Singapore	Singapore	SGD	61.81	58.48	FY 2022-23	9,04,33,590	(16,38,56,144)	-	7,94,17,554		-	(6,26,732)	-	16,26,732				
8	TYS Toyoto Tachio Supply Chain Solutions Limited	India	INR	1.00	1.00	FY 2022-23	2,00,00,000	21,43,06,553	8,60,68,811	33,17,62,259		50,21,25,064	9,01,65,271	2,25,86,769	6,75,78,502				
9	White Data Systems Private Limited	India	INR	1.00	1.00	FY 2022-23	4,13,20,610	23,80,54,194	32,94,21,188	5,00,37,044		4,66,59,074	(4,43,63,039)	97,77,517	65,140,556				
10	SPC International (India) Private Limited	India	INR	1.00	1.00	FY 2022-23	51,00,000	12,49,98,970	17,55,22,684	4,54,23,714		22,08,33,365	3,26,80,103	71,35,796	2,55,53,307				
11	TYS Packaging Solutions Private Limited	India	INR	1.00	1.00	FY 2022-23	1,00,000	(3,70,800)	1,00,270	3,71,070		-	(11,800)	-	(11,800)				
12	EU 3PL Warehousing Private Limited	India	INR	1.00	1.00	FY 2022-23	2,00,00,000	23,87,09,859	1,15,52,55,185	43,65,45,286		1,60,38,25,756	5,09,92,923	1,82,72,684	3,27,26,139				
13																			
<b>STEP DOWN SUBSIDIARIES</b>																			
12	TYS Supply Chain Solutions Limited	UK	GBP	101.87	96.83	FY 2022-23	12,29,09,93,736	6,91,38,23,667	-	15,30,73,53,094		15,30,75,55,084	48,31,52,990	(4,23,49,199)	52,55,02,179				
13	TYS Supply chain solutions GMBH	* UK	GBP	101.87	96.83	FY 2022-23	6,66,93,788	2,27,02,038	-	2,21,58,053		2,21,58,053	(37,62,093)	(13,76,572)	(23,85,570)				
14	Peter Thomas & Co (Renfrewship) Limited, UK	UK	GBP	101.87	96.83	FY 2022-23	24,50,56,978	21,08,94,651	-	40,85,78,229		40,85,78,229	5,68,00,340	1,07,92,103	4,60,08,437				
15	TYS Logistics Iberia S.L.	Spain	EUR	101.87	96.83	FY 2022-23	1,56,30,78,620	1,27,63,45,939	-	1,99,22,87,871		1,99,22,87,871	5,47,93,687	1,24,45,891	4,23,49,796				
16	TYS Autocore GmbH	Germany	EUR	101.87	96.83	FY 2022-23	68,15,67,653	44,38,87,516	-	1,09,96,94,705		1,00,96,94,705	6,16,85,827	1,96,09,143	4,26,76,684				
17	Rico Logistics Limited and its subsidiaries	UK	GBP	101.87	96.83	FY 2022-23	10,01,87,16,191	8,69,38,12,265	-	19,00,70,54,838		19,00,70,54,838	(60,48,91,385)	2,57,22,295	(63,06,15,680)				
18	TYS Supply Chain Solutions North America Inc. and its subsidiaries (Formerly known as Wainwright Industries Inc.)	USA	USD	82.22	80.3914	FY 2022-23	6,63,24,61,115	5,18,50,62,477	-	7,06,19,29,114		7,06,19,29,114	7,74,27,930	7,95,717	7,66,28,213				
<b>JOINT VENTURES/ASSOCIATES</b>																			
17	TYS Industrial and Logistics Private limited	INDIA	INR	1	1	FY 2022-23	17,11,77,000	5,77,58,81,000	17,30,60,48,000	11,35,89,90,000		1,43,93,49,000	18,62,73,000	4,25,91,000	15,36,82,000				

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2023**  
**(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company**  
**(Management & Administration) Rules, 2014)**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U63011TN2004PLC054655
2.	Registration Date	16.11.2004
3.	Name of the Company	TVS SUPPLY CHAIN SOLUTIONS LIMITED
4.	Category/Sub-category of the Company	Public Company
5.	Address of the Registered office & contact details	10, Jawahar Road, Chokkikulam, Madurai-625002, Ph no. 044- 66857777
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Vikhroli (West), Mumbai.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated):**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Supply Chain Management	492	99.26

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	TVS SCS Global Freight Solutions Limited	U63010TN2007PLC064282	Subsidiary	100	2(87)
2.	FLEXOL Packaging (India) Limited, India.	U74990TN2010PLC076131	Subsidiary	100	2(87)
3.	TVS Toyota Tsusho Supply Chain Solutions Ltd, India.	U74999TN2014PLC098233	Subsidiary	60	2(87)
4.	Fit 3PL Warehousing Private Limited	U72900TN2000PLC104165	Subsidiary	100	2(87)
5.	SPC International (India) Private Limited, India.	U72501KA2008PTC048570	Subsidiary	100	2(87)
6.	TVS Packaging Solutions Private Limited, India.	U74999TN2017PTC116321	Subsidiary	100	2(87)
7.	TVS Industrial & Logistics Parks Private Limited (formerly known as TVS Infrastructure Private Limited), India	U45200MH2005PTC154628	Associate (Joint Venture)	47.62	2(6)
8.	White Data Systems India Private Limited, India	U72200TN2015PTC129978	Subsidiary	100	2(87)

9.	TVS Logistics Investment UK Ltd	NA	Subsidiary	100.00	2(87)
10.	TVS SCS (Siam) Limited	NA	Subsidiary	100.00	2(87)
11.	TVS Supply Chain Solutions Pte. Ltd.	NA	Subsidiary	100.00	2(87)
12.	TVS Logistics Investments USA Inc.	NA	Subsidiary	100.00	2(87)
13.	TVS Supply Chain Solutions North America, Inc.	NA	Subsidiary	100.00	2(87)
14.	TVS Supply Chain Solutions Limited, UK	NA	Subsidiary	100.00	2(87)
15.	TVS Autoserv GmbH	NA	Subsidiary	51.00	2(87)
16.	Rico Logistics Limited	NA	Subsidiary	100.00	2(87)
17.	TVS Logistics Iberia, S.L.U	NA	Subsidiary	100.00	2(87)
18.	TVS Supply Chain Solutions GmbH	NA	Subsidiary	100.00	2(87)
19.	TVS Supply Chain Solutions Australia Holdings Pty. Ltd.	NA	Subsidiary	100.00	2(87)
20.	TVS Supply Chain Solutions de Mexico S.A. de C.V.	NA	Subsidiary	100.00	2(87)
21.	TVS Transport Solutions, LLC	NA	Subsidiary	100.00	2(87)
22.	T.I.F. Holdings Pty Ltd	NA	Subsidiary	100.00	2(87)
23.	Ricochet Spain S.L.	NA	Subsidiary	100.00	2(87)
24.	RICO Logistique France, Société a responsabilité limitée á associé unique	NA	Subsidiary	100.00	2(87)
25.	SPC International Limited, UK	NA	Subsidiary	100.00	2(87)
26.	Rico Logistics Pty Ltd	NA	Subsidiary	100.00	2(87)
27.	Circle Express Limited	NA	Subsidiary	95.00	2(87)
28.	Tri-Tec Computer Support Limited	NA	Subsidiary	100.00	2(87)
29.	Tri-Tec Support Limited	NA	Subsidiary	100.00	2(87)
30.	TVS SCS (Aust) Pty. Ltd.	NA	Subsidiary	100.00	2(87)
31.	KANH Nominees Pty Ltd	NA	Subsidiary	100.00	2(87)
32.	TVS SCS New Zealand Limited	NA	Subsidiary	100.00	2(87)
33.	SPC International (Engineering) Limited	NA	Subsidiary	100.00	2(87)
34.	Pitcomp 171 Limited	NA	Subsidiary	100.00	2(87)
35.	SPC EBT Trustees Limited	NA	Subsidiary	100.00	2(87)
36.	SPC Int Limited	NA	Subsidiary	100.00	2(87)

37.	SPC International Inc.	NA	Subsidiary	100.00	2(87)
38.	SPC International s.r.o.	NA	Subsidiary	100.00	2(87)
39.	TVS SCS International Freight (Singapore) Pte. Ltd.	NA	Subsidiary	100.00	2(87)
40.	TVS SCS International Freight (Thailand) Limited	NA	Subsidiary	100.00	2(87)
41.	Transtar International Freight (Shanghai) Limited	NA	Subsidiary	100.00	2(87)
42.	Transtar International Freight Sdn. Bhd.	NA	Subsidiary	100.00	2(87)
43.	Peter Thomas & Co (Refurbishing) Limited	NA	Subsidiary	100.00	2(87)
44.	TVS SCS International Freight (Spain), S.L.U.	NA	Subsidiary	100.00	2(87)
45.	TVS SCS International Pte. Ltd.	NA	Subsidiary	100.00	2(87)
46.	TVS SCS Singapore Pte. Ltd.	NA	Subsidiary	100.00	2(87)
47.	TVS SCS Logistics Ltd.	NA	Subsidiary	100.00	2(87)
48.	TVS SCS Korea Ltd.	NA	Subsidiary	100.00	2(87)
49.	TVS SCS Logistics (Thailand) Limited	NA	Subsidiary	100.00	2(87)
50.	TVS SCS Hong Kong Limited	NA	Subsidiary	100.00	2(87)
51.	Pan Asia Container Line Pte Limited	NA	Subsidiary	100.00	2(87)
52.	TVS SCS Deutschland GmbH	NA	Subsidiary	100.00	2(87)
53.	TVS SCS Vietnam Company Limited	NA	Subsidiary	95.00	2(87)
54.	PT Pan Asia Logistics Indonesia	NA	Subsidiary	90.00	2(87)
55.	TVS SCS Taiwan Limited	NA	Subsidiary	100.00	2(87)
56.	TVS America INC	NA	Subsidiary	100.00	2(87)
57.	TVS Packaging Solutions, Inc.	NA	Subsidiary	100.00	2(87)
58.	TVS SCS Rico Italia, S.r.l. a socio único	NA	Subsidiary	100.00	2(87)
59.	Eltec IT Services, S.L.U	NA	Subsidiary	100.00	2(87)
60.	Triage Holdings Limited		Subsidiary	100.00	2(87)
61.	Triage Services Limited	NA	Subsidiary	100.00	2(87)
62.	OrderLogic Limited	NA	Subsidiary	100.00	2(87)
63.	TVS SCS Logistics Management Co., Ltd.	NA	Subsidiary	100.00	2(87)
64.	TVS Supply Chain Solutions (Thailand) Limited	NA	Subsidiary	100.00	2(87)
65.	TVS Supply Chain Solutions Holdings Limited	NA	Subsidiary	100.00	2(87)
66.	TVS SCS International Freight Hong Kong Limited	NA	Subsidiary	100.00	2(87)
67.	TVS SCS Malaysia Sdn. Bhd.	NA	Subsidiary	100.00	2(87)



c) Central Govt	-		-	-	-	-	-	-	
d) State Govt(s)	-		-	-	-	-	-	-	
e) Venture Capital Funds	-		-	-	-	-	-	-	
f) Insurance Companies	-		-	-	-	-	-	-	
g) FIs	-		-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-		-	-	-	-	-	-	
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	6,90,09,980	-	6,90,09,980	19.03	6,89,83,280	-	6,89,83,280	19	-3
ii) Overseas	7,90,65,490		7,90,65,490	21.80	7,90,65,490	-	7,90,65,490	22	.2
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	13,91,430	3,16,890	17,08,320	0.47	18,94,810	59,380	19,54,190	1	.53
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,55,09,160	2023700	1,75,32,860	4.83	1,80,02,920		1,80,02,920	5	.17
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	15,20,020	-	15,20,020	0.42	13,32,480		13,32,480 13,32,480	0.52	1
Overseas Corporate bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	14,33,820	18,90,000	33,23,820	0.92	41,23,820		41,23,820	1	.08



Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	50,62,190	0	50,62,190	1.40	50,62,190		50,62,190	1	0.40
Foreign Bodies Corporate's ,	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>17,29,92,090</b>	<b>42,30,590</b>	<b>17,72,22,680</b>	<b>48.87</b>	<b>17,84,64,996</b>	<b>59,380</b>	<b>17,85,24,370</b>	<b>49.05</b>	<b>0.18</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>17,29,92,090</b>	<b>42,30,590</b>	<b>17,72,22,680</b>	<b>48.87</b>	<b>17,84,64,996</b>	<b>59,380</b>	<b>17,85,24,370</b>	<b>49.05</b>	<b>0.18</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>35,84,06,640</b>	<b>42,30,590</b>	<b>36,26,37,230</b>	<b>100</b>	<b>36,38,79,540</b>	<b>59,380</b>	<b>36,39,38,920</b>	<b>100</b>	

**ii) Shareholding of Promoter:**

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
2.	TVS Mobility Private Limited	107,273,430	29.58	28.80	107,273,430	29.47	18.16	(.10)
3.	T.S. Rajam Rubbers Private Limited	65,613,570	18.09	100.00	65,613,570	18.02	97.82	(.06)
4.	R Dinesh	7,212,620	1.99	36.67	7,212,620	1.98	Nil	(.008)
5.	Dhinrama Mobility Solution Private Limited	5,314,930	1.47	100.00	5,314,930	1.46	28.22	(.009)

**iii) Change in Promoters' Shareholding (please specify, if there is no change):**

SN	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	18,54,14,550	51.13	18,54,14,550	51.13

Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil		Nil	
At the end of the year	18,54,14,550	50.95	18,54,14,550	50.95

**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	15,20,93,550	41.94	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g., allotment / transfer / bonus/ sweat equity etc.):	3,99,980 (allotment of shares on June 6,2022)		399980	
	At the end of the year	15,24,93,530	41.90		41.90

**v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,09,99,750	3.03	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	7,50,060 (change in directorship May 16, 2022)		750060	-
	At the end of the year	1,17,49,810	3.22	1,17,49,810	3.22

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rupees in lakhs):**

	<u>Secured Loans excluding deposits</u>	<u>Unsecured Loans</u>	<u>Deposits</u>	<u>Total Indebtedness</u>
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
<b>i) Principal Amount</b>	<u>3,900.96</u>	<u>36,365.01</u>	-	<u>40,265.97</u>
<b>ii) Interest due but not paid</b>	-	-	-	-
<b>iii) Interest accrued but not due</b>	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
<b>* Addition</b>	<u>43,308.55</u>	<u>1,41,884.47</u>	-	<u>1,85,193.02</u>
<b>* Reduction</b>	<u>33,383.99</u>	<u>1,14,979.90</u>	-	<u>1,48,363.89</u>
-	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
<b>i) Principal Amount</b>	<u>13,825.52</u>	<u>63,269.58</u>	-	<u>77,095.10</u>
<b>ii) Interest due but not paid</b>	-	-	-	-
<b>iii) Interest accrued but not due</b>	-	<u>180.29</u>	-	<u>180.29</u>
<b>Total (i+ii+iii)</b>	<u>13,825.52</u>	<u>63,449.87</u>	-	<u>77,275.39</u>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. \*Remuneration to Managing Director, Whole-Time Directors/ Manager:(Rs. in crores)**

S N.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sri. Ravi Viswanathan, Managing Director	Sri Dinesh Vice Chairman	
1	Gross salary	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.25	4.4	8.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.75	0.66	1.41
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify			

5	Others, please specify -Contribution to Provident fund - Others	0.10 0.12	0.28	0.38
	<b>Total (A)</b>	<b>5.22</b>	<b>5.34</b>	<b>10.44</b>
	Ceiling as per the Act	-	-	-

\*Minimum remuneration.

**B. Remuneration to Other Directors: (Rs. In lakhs)**

S. No	Particulars of Remuneration	Name of Directors				Total Amount
		Sri. S Mahalingam	Sri. B Sriram	Ms. Gauri Kumar	Sri. Tarun Khanna	
1	Independent Directors					
	Fee for attending board/ committee meetings	11.8	10.3	8.8	4.8	
	Commission	12	12	10	10	-
	Others, please specify	-	-	-	-	
	<b>Total (1)</b>	<b>23.8</b>	<b>22.3</b>	<b>18.8</b>	<b>14.8</b>	<b>79.7</b>
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	7.8	9.3			
	Commission	10	10	-	-	-
	Others, please specify (Salary, allowance, perquisites and contribution to PF)	-	-	-	-	-
	<b>Total (2)</b>	<b>17.8</b>	<b>19.3</b>			<b>37.1</b>
	Total (B)=(1+2)					<b>116.8</b>
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: (Rs. in crores)**

SN	Particulars of Remuneration	Key Managerial Personnel	
		Chief Financial Officer	Company Secretary
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.62	0.41
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.50	0.14
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	-	-

	- others, specify		
5	Others, please specify		
	-Contribution to Provident Fund	0.08	0.02
	-Others		
	<b>Total</b>	<b>3.20</b>	<b>0.57</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

**Form – MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,**

**The Members,**

**M/s TVS Supply Chain Solutions Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TVS Supply Chain Solutions Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under so far as they are made applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under; (not applicable to the Company during audit period since the Company is unlisted)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of the equity shares held in dematerialized form;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(not applicable to the Company during audit period since the Company is unlisted)
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;(not applicable to the Company during audit period since the Company is unlisted)
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;(not applicable to the Company during audit period since the Company is unlisted)
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (not applicable to the Company during audit period since the Company is unlisted)
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the Company during audit period since the Company is unlisted)
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable to the Company during audit period since the Company is unlisted)
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during audit period since the Company is unlisted); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable to the Company during audit period since the Company is unlisted);
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations") (not applicable to the Company during audit period since the Company is unlisted);

(vi) As identified, there are no laws which are specifically applicable to Logistics Industry viz. a viz. to the Company

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as prescribed under Section 118 (10) of the Act have been complied with.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) (not applicable to the Company during audit period since the Company is unlisted);

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors before schedule of the Board/ Committee Meeting(s), agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items for meaningful participation at the meeting(s).

Based on the verification of the records and minutes, the decisions were carried out unanimously at the meeting of the Board of Directors / Committee Members and there were no dissenting members view recorded in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and nature of operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the related party transactions done by the company during the financial year are within the ordinary course of business.

I/we further report that during the audit period, the Company has :

- A. increased the authorised share capital from INR 60 crores to INR 94 crores and reclassified the authorised share capital structure.
- B. allotted 31,53,220 Compulsorily Convertible Preference Shares of face value of Rs.100/- each, at a price of Rs. 372/- each (premium of 272/- per share) to certain identified investor(s) on private placement /preferential basis
- C. allotted 97,22,222 Compulsorily Convertible Preference Shares of face value of Rs.1/- each, at a price of Rs. 180/- each (premium of 179/- per share) to certain identified investor(s) on private placement /preferential basis
- D. passed special resolution pursuant to Section 180 of Companies Act 2013

Place : Chennai

Date : 08.06.2023

**K. Venugopalan**  
**Company Secretary in Practice**  
**CP No. 6015/FCS No. 2526**  
**UDIN NO. F002526E000469949**



**Annual Report on CSR for FY 2022-23**

**(Annexure to Board's Report)**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. Brief outline on CSR Policy of the Company.

To carry out CSR projects/ activities focused on employment enhancing vocational skills, promoting preventive and general health care, education, gender equality, women empowerment, ensuing environmental sustainability, conservation & maintenance of natural resources and rural development.

2. The Composition of the CSR Committee.

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Gauri Kumar	Chairman of the Committee (Independent Director)	1	1
2	Shobhana Ramachandran	Non-executive Director	1	1
3	Sargunaraj Ravichandran	Non-executive Director	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.tvsscs.com/wp-content/uploads/securepdfs/2023/05/csr-policy-tvs-scs.pdf>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.		Not applicable	

6. Average net profit of the company as per Section 135(5): INR (3,880.54) lakhs

7. (a) Two percent of average net profit of the company as per Section 135(5): NIL

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: Not applicable

(d) Total CSR obligation for the financial year (7a+7b-7c): Nil

8. (a) CSR amount spent or unspent for the financial year:

	<b>Amount Unspent (in Rs.)</b>				
<b>Total Amount Spent for the Financial Year. (in Rs.)</b>	<b>Total Amount transferred to Unspent CSR Account as per section 135(6).</b>		<b>Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</b>		
	<b>Amount.</b>	<b>Date of transfer.</b>	<b>Name of the Fund</b>	<b>Amount.</b>	<b>Date of transfer.</b>
Not applicable					

(b) Details of CSR amount spent against ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S.No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project (state/district)	Project duration.	Amount allocated for the project (in Rs.).	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs.).	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through Implementing Agency
Not applicable										

(c) Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S.No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project (state/district)	Project duration.	Amount allocated for the project (in Rs.).	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs.).	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through Implementing Agency
Not applicable										

(d) Amount spent in Administrative overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any – not applicable

Sl. No.	Particular	Amount (INR in lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	0.00
(ii)	Total amount spent for the Financial Year	Not applicable
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S.No.	Preceding Financial Year.	Amount transferred to Unspent Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
Not applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed /Ongoing.
Not applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s) : Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset : NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Nil

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5)

For and on behalf of the Board

Ravi Viswanathan  
Managing Director  
(DIN: 08713910)

Gauri Kumar  
Chairperson - CSR Committee  
(DIN: 01585999)

Place: Chennai

Date: June 9, 2023

**Disclosure pursuant to Employee Stock Option Scheme:**

**Details for the FY 2022-23**

(a) options granted: 0

(b) options vested: 16,68,050

(c) options exercised: 99,250

(d) the total number of shares arising as a result of exercise of options: 1,25,250

(e) options lapsed: 3,41,030

(f) the exercise price : Rs. 95 per option

(g) variation of terms of options : The tenure of vesting got extended in Scheme I and II to March 31 , 2023 and to September 30, 2023 respectively. Further, the vesting conditions under the Schemes got altered.

(h) money realized by exercise of options: Rs. 94,28,350

(i) total number of options in force: 1,66,10,550

(j) employee wise details of options granted to :-

(i) Key Managerial Personnel :

R Dinesh, Managing Director (Nil), Ravi Viswanathan (1750000), S Ravichandran, Whole Time Director (3160000), Ravi Prakash Bhagavathula, CFO (830190) and P D Krishna Prasad, Company Secretary (300000)

(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year: Nil

(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant : Nil

**Statement pursuant to Section 197 of the Companies Act 2013 and forming part of the Director's Report for the year ended 31 3 2023**

	Name	Designation	Remuneration received (Rs. In crores)	Qualification	Experience (In years)	Date of Employment	Age	Previous Employment
	<b>Employed for full Year</b>							
1	R Dinesh	Executive Vice- Chairman	5.56	B.Com: ACA; AICWA	36	01.09.2008	59	Joint Managing Director, T V Sundram Iyengar & Sons Limited
2	Ravi Viswanathan	Managing Director	5.09	B.E	35	14.02.2020	61	Chief Marketing Officer, Tata Consultancy Services Limited
3	Ravi Prakash Bhagavathula	Global Chief Financial Officer	3.20	B.E., MBA	30	17.05.2018	53	CFO, Pfizer India
4	Balaji E	Global Chief Human Resources Officer	1.97	B.Sc. MBA	25	04.04.2014	51	Management Consultant, Randstad (India) -
5	Baminee Viswanat	Global General Counsel	2.21	B.L., M.A., C.S	33	02.01.2019	56	Director - Legal, Lenovo India
6	K. Sukumar	Chief Executive Officer	2.37	B.Tech, MBA	31	01.07.2019	53	MD (Operations), FedEx Express
7	R. Shankar	Executive Director (Special Projects)	1.74	B.Tech	36	31.12.2012	60	Managing Director, Foton Motor Marketing and Sales India Private Ltd
8	Suresh Ramani	Country Head & COO	1.19	B.Tech	26	01.12.2014	56	Principal Consultant, Tata Consultancy Services Limited
9	Dinesh Narayan	Global Chief Information Officer	1.09	B.E (Elec), MS (CS)	23	02.12.2015	54	Sr. Industry Principal, Infosys
10	Girija Shanker	Chief Sales & Solutions Officer	2.15	B.E., M.B.A	20	19.04.2019	45	IBM
	<b>Employment for part of the Year</b>							
				NIL				

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of TVS Supply Chain Solutions Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of TVS Supply Chain Solutions Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of



the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Those Charged with Governance are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Those Charged with Governance.
- Conclude on the appropriateness of management and Those Charged with Governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or

conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management and Those Charged with Governance have represented that, to the best of its knowledge and belief, other than as disclosed in the note 44 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The management and Those Charged with Governance have represented that, to the best of its knowledge and belief, other than as disclosed in the note 44 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Bharath N S**  
Partner  
Membership Number: 210934  
UDIN: 23210934BGYJNA7566  
Place of Signature: Chennai  
Date: July 10, 2023

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF TVS SUPPLY CHAIN SOLUTIONS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of TVS Supply Chain Solutions Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

## **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Bharath N S**

Partner

Membership No.: 210934

UDIN: 23210934BGYJNA7566

Place of signature: Chennai

Date: July 10, 2023

**Annexure 1 referred to in our report of even date**

**Re: TVS Supply Chain Solutions Limited (“the Company”)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that,

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- (ii) (b) As disclosed in note 25 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns / statements filed by the Company with such banks are in agreement with the books of accounts of the Company. The Company no working capital facilities with financial institutions during the year.
- (iii) (a) During the year, the Company has provided loans and guarantees to its subsidiaries as follows:

Particulars	Loans given (Rs)	Guarantee given (Rs)
Aggregate amount provided during the year to wholly owned subsidiaries	31,626.79 lakhs	84,160.99 lakhs
Balance outstanding as at balance sheet date in respect of the above cases	32,811.02 lakhs	84,032.05 lakhs

The Company has not provided any advances in the nature of loans during the year.

- (b) During the year, the investments made and the terms and conditions of the grant of all loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest. The Company has not given security or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (c) During the year, the Company has granted loans to wholly owned subsidiaries, where the schedule of repayment of principal and payment of interest has been stipulated / repayable on demand and these were not due / not demanded in the current year.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

- (e) The Company renewed loans given to its subsidiaries to settle the dues which had fallen due during the year. The aggregate amount of such dues renewed and the percentage of the aggregate to the total loans granted during the year are as follows:

Name of Parties	Aggregate amount of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans granted during the year
TVS Logistics SIAM limited	488.82 lakhs	488.82 lakhs	100.00%
TVS Logistics Investment UK Limited	38,979.69 lakhs	19,101.20 lakhs	49.00%

- (f) As disclosed in note 15 to the financial statements, during the year, the Company has granted loans which are repayable on demand to wholly owned subsidiaries of the Company as tabulated below. The Company has not provided any advances in the nature of loans to any parties during the year.

Particulars	Amount in INR
Aggregate amount of loans repayable on demand	31,626.79 lakhs
Percentage of loans to the total loans	100%

- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of tax deducted at source. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs in lakhs)	Amount * (Rs in lakhs)	Period to which the amount relates	Forum where the dispute is pending
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Finance Act, 1994	Service tax	80.12	72.84	April 2014 to September 2015	Additional commissioner, CGST & Central Excise
Central Sales Tax Act, 1956	Value Added Tax	5.57	5.57	April 2015 to October 2015	Assistant Commissioner, Commercial Tax, Madurai
TNVAT Act, 2006	Value Added Tax	94.83	94.83	April 2015 to October 2015	Assistant Commissioner, Commercial Tax, Madurai
The Employees Provident Fund Act, 1952	Provident Fund	1,249.01	1,249.01	April 2011 to October 2013	Employees' Provident Funds Appellate Tribunal
The Employees Provident Fund Act, 1952	Provident Fund	901.58	540.95	November 2013 to February 2015	Regional Provident Fund Commissioner- I, EPFO Chennai
Income tax Act 1961	Income Tax	1,396.22	1,396.22	Financial Year 2019-20	National Faceless Assessment Centre (NaFAC), New Delhi

\*Net of amounts paid under protest.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any loans or borrowing dues to government or debenture holders during the year.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a midhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company. For the purpose of reporting under this clause, we have reported only those Core Investment Companies which are registered with the Reserve Bank of India.
- (xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

- (xix) On the basis of the financial ratios disclosed in note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Corporate Social Responsibility as mentioned under section 135 of the Act are not applicable to the Company for the year. Therefore, the requirements to report on clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

**per Bharath N S**

Partner

Membership Number: 210934

UDIN: 23210934BGYJNA7566

Place of signature: Chennai

Date: July 10, 2023

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

**Standalone Balance sheet as at 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12A	16,092.20	14,353.60
Capital work-in-progress	12B	739.79	293.83
Goodwill	13A	5,287.90	5,287.90
Other intangible assets	13B	1,173.87	491.83
Intangible asset under development	12B	103.06	-
Right-of-use assets	13C	36,873.05	26,314.00
Financial assets			
Investments	14	64,563.09	63,844.34
Trade receivables	20	604.15	604.15
Deposits and other receivables	16	8,135.47	7,326.67
Deferred tax assets (net)	11	6,187.56	7,421.21
Non-current tax assets (net)		7,610.69	5,375.29
Other non-current assets	18	376.61	298.71
<b>Total non-current assets</b>		<b>1,47,747.44</b>	<b>1,31,611.53</b>
<b>Current assets</b>			
Inventories	19	307.44	263.04
Financial assets			
Trade receivables	20	26,077.03	24,514.34
Cash and cash equivalents	21	28,803.79	28,964.60
Other bank balances	22	3,525.38	280.56
Loans	15	52,400.98	19,116.78
Deposits and other receivables	16	27,576.99	20,728.59
Other financial assets	17	132.26	53.76
Other current assets	23	25,446.25	21,636.63
<b>Total current assets</b>		<b>1,64,270.12</b>	<b>1,15,558.30</b>
<b>Total assets</b>		<b>3,12,017.56</b>	<b>2,47,169.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	24A	3,642.59	3,629.57
Other equity	24B	1,16,385.37	1,17,290.52
<b>Total equity</b>		<b>1,20,027.96</b>	<b>1,20,920.09</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	25	3,668.59	1,094.38
Lease liability	13C	24,870.38	18,432.24
Other financial liabilities	27	2,245.49	2,645.57
Provisions	28	1,278.35	557.45
<b>Total non-current liabilities</b>		<b>32,062.81</b>	<b>22,729.64</b>

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

Standalone Balance sheet as at 31 March 2023

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	As at 31 March 2023	As at 31 March 2022
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	25	73,426.51	39,171.59
Lease liability	13C	14,959.37	10,681.04
Trade payables	26		
Dues to micro, small and medium enterprises		9,938.71	2,362.05
Dues to creditors other than micro, small and medium enterprises		32,366.09	34,189.21
Other financial liabilities	27	22,414.05	10,567.13
Provisions	28	786.12	1,269.46
Other current liabilities	29	6,035.94	5,279.62
<b>Total current liabilities</b>		<b>1,59,926.79</b>	<b>1,03,520.10</b>
<b>Total liabilities</b>		<b>1,91,989.60</b>	<b>1,26,249.74</b>
<b>Total equity and liabilities</b>		<b>3,12,017.56</b>	<b>2,47,169.83</b>

The notes from 1 to 48 form an integral part of the standalone financial statements.

As per our report of even date attached

**for S.R. Batliboi & Associates LLP**

Firm Registration Number : 101049W / E300004

Chartered Accountants

*for* and on behalf of the board of directors of**TVS Supply Chain Solutions Limited****Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : July 10, 2023

**S Mahalingam**

Chairman

DIN: 00121727

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

**Ravi Viswanathan**

Managing Director

DIN: 08713910

**Ravi Prakash Bhagavathula**

Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Membership No. 9911

Place : Chennai

Date : July 10, 2023

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

**Standalone statement of profit and loss for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	5	1,81,855.77	1,47,180.40
Other income	6	15,988.44	8,922.30
<b>Total income</b>		<b>1,97,844.21</b>	<b>1,56,102.70</b>
<b>Expenses</b>			
Purchase of stock-in-trade		20.78	8.56
Employee benefits expense	7	49,813.93	44,290.61
Finance costs	8	6,838.34	5,068.18
Depreciation and amortisation expense	9	18,635.61	13,644.98
Other expenses	10	1,22,618.19	95,356.21
<b>Total expenses</b>		<b>1,97,926.85</b>	<b>1,58,368.54</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(82.64)</b>	<b>(2,265.84)</b>
Exceptional items	43	(1,000.00)	(824.66)
<b>Profit/(Loss) before tax</b>		<b>(1,082.64)</b>	<b>(3,090.50)</b>
<b>Income tax expense</b>	11		
Current tax		511.47	-
Deferred tax (expense/ (credit))		1,331.96	(968.56)
<b>Income tax expense</b>		<b>1,843.43</b>	<b>(968.56)</b>
<b>Profit/(Loss) for the year</b>		<b>(2,926.07)</b>	<b>(2,121.94)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement gains/ (losses) on defined benefit plans		(281.34)	(150.73)
Income tax relating to these items		98.31	52.67
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(183.03)</b>	<b>(98.06)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(183.03)</b>	<b>(98.06)</b>
<b>Total comprehensive income for the year</b>		<b>(3,109.10)</b>	<b>(2,220.00)</b>
<b>Earnings per share (INR)</b>	24E		
Basic		(0.76)	(0.62)
Diluted		(0.76)	(0.62)

The notes from 1 to 48 form an integral part of the standalone financial statements.

As per our report of even date attached

for **S.R. Batliboi & Associates LLP**

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited****Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : July 10, 2023

**S Mahalingam**

Chairman

DIN: 00121727

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

**Ravi Viswanathan**

Managing Director

DIN: 08713910

**Ravi Prakash Bhagavathula**

Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Membership No. 9911

Place : Chennai

Date : July 10, 2023

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**CIN: U63011TN2004PLC054655**

**Standalone statement of cash flows for the year ended 31 March 2023**

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Cash flows from operating activities</b>		
<b>Loss before tax</b>	<b>(1,082.64)</b>	<b>(3,090.50)</b>
<b>Adjustments for:</b>		
Interest income under the effective interest method on:		
Cash and cash equivalents	(204.27)	(454.38)
Security deposits carried at amortised cost	(512.83)	(377.31)
Loan to subsidiaries	(2,313.18)	(273.74)
Amortisation of financial guarantee liability	(1,608.08)	(1,518.33)
Dividend income from subsidiaries	(240.00)	(216.00)
Income from finance lease	(172.80)	(209.46)
Exceptional item (gain)/loss	1,000.00	38.94
Share based payments	899.31	747.53
Finance costs	6,838.34	5,068.18
Depreciation and amortisation expense	18,635.61	13,644.98
Gain on termination of lease contract	(299.75)	(387.06)
Interest income under income tax refund	-	(210.53)
Unrealised foreign exchange differences	(2,623.09)	303.22
Bad debts written off	-	23.86
Impairment losses on financial instrument	3,593.29	2,988.71
(Gain)/Loss on sale of property, plant and equipment, net	46.28	304.81
<b>Operating profit before changes in operating assets and liabilities</b>	<b>21,956.19</b>	<b>16,382.92</b>
<b>Change in operating assets and liabilities</b>		
(Increase) / decrease in inventories	(44.40)	(87.01)
(Increase) / decrease in trade receivables	(5,155.97)	1,320.73
(Increase) / decrease in other current and non-current, financial and non-financial assets	(4,874.19)	(2,179.22)
Increase / (decrease) in trade payables	4,853.75	(1,668.90)
Increase / (decrease) in other current and non-current, financial and non-financial liabilities	12,478.10	(210.17)
Increase / (decrease) in provisions	237.57	347.27
<b>Cash flows generated from operations</b>	<b>29,451.05</b>	<b>13,905.62</b>
Income taxes paid, net of refunds	(2,845.18)	584.68
<b>Net cash flows from/ (used in) operating activities</b>	<b>26,605.87</b>	<b>14,490.30</b>
<b>Cash flows used in investing activities</b>		
Redemption of / (Investment in) bank deposits having an original maturity of more than three months	(3,244.82)	(10.55)
Purchase of property, plant and equipment and other intangible assets	(7,459.46)	(3,423.15)
Proceeds from sale of property, plant and equipment	128.02	284.91
Investments in subsidiaries	-	(21,547.95)
Sale of Investments/(Investments) in body corporate	-	1,455.63
Loans (given)/ received to/ from subsidiaries	(32,811.00)	(15,501.00)
Interest received	377.07	874.37
Dividend income from subsidiaries	240.00	216.00
Acquisition of non-controlling interests	(718.75)	-
<b>Net cash flows used in investing activities</b>	<b>(43,488.94)</b>	<b>(37,651.74)</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

**Standalone statement of cash flows for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from issue of equity share capital	96.59	45,686.64
Proceeds from/(repayment) of short-term borrowings, net	4,172.31	7,396.16
Proceeds from long-term borrowings	5,000.00	2,578.20
Repayment of long-term borrowings	(1,557.71)	(0.90)
Interest paid	(3,514.49)	(2,385.59)
Payment of lease liabilities	(16,704.42)	(11,680.42)
Proceeds from issue of compulsorily convertible preference shares, (net)	29,229.98	-
<b>Net cash flows from/ (used in) financing activities</b>	<b>16,722.26</b>	<b>41,594.09</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(160.81)</b>	<b>18,432.65</b>
Cash and cash equivalents at the beginning of the financial year	28,964.60	10,531.95
<b>Cash and cash equivalents at the end of the financial year (refer note 21)</b>	<b>28,803.79</b>	<b>28,964.60</b>

Note - Additions to Right-of-assets is a non-cash investing activity. Refer Note 13C for details of additions.

The notes from 1 to 48 form an integral part of the standalone financial statements.

As per our report of even date attached

for **S.R. Batliboi & Associates LLP**

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited****Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : July 10, 2023

**S Mahalingam**

Chairman

DIN: 00121727

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

**Ravi Viswanathan**

Managing Director

DIN: 08713910

**Ravi Prakash Bhagavathula**

Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Membership No. 9911

Place : Chennai

Date : July 10, 2023

TVS SUPPLY CHAIN SOLUTIONS LIMITED

CIN: U63011TN2004PLC054655

Standalone statement of changes in equity for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

24A Equity Share Capital

Note

Amount

Balance as at 1 April 2021

24A

3,176.21

Shares issued during the year

453.36

Balance as at 31 March 2022

**3,629.57**

Balance as at 1 April 2022

3,629.57

Shares issued during the year

13.02

Balance as at 31 March 2023

**3,642.59**

24B Other equity

	Reserves and surplus					Items of OCI	Total
	Securities premium	Capital reserve	Capital redemption reserve	Share options	Compulsorily convertible preference shares*		
Balance as at 1 April 2021	86,640.33	0.82	0.46	3,046.06	1,042.35	(17,607.80)	73,216.76
Profit/(Loss) for the year	-	-	-	-	-	(2,121.94)	(2,121.94)
Other comprehensive income (net of tax)	-	-	-	-	-	(98.06)	(98.06)
<b>Total comprehensive income</b>	-	-	-	-	-	<b>(2,121.94)</b>	<b>(2,220.00)</b>
<b>Transactions with owners recorded directly in equity</b>							
Issue of equity shares pursuant to exercise of share warrants	26.53	-	-	(2.09)	-	-	24.44
Conversion of Convertible preference shares into equity	902.46	-	-	-	(1,030.35)	-	(127.89)
Issue of equity shares	45,336.73	-	-	-	-	-	45,336.73
Transfer of reserves	-	-	-	(701.36)	-	701.36	-
Share based payments	-	-	-	1,060.48	-	-	1,060.48
<b>Total contributions by and distributions to owners</b>	<b>46,265.72</b>	<b>-</b>	<b>-</b>	<b>357.03</b>	<b>(1,030.35)</b>	<b>701.36</b>	<b>46,293.76</b>
<b>Balance as at 31 March 2022</b>	<b>1,32,906.05</b>	<b>0.82</b>	<b>0.46</b>	<b>3,403.09</b>	<b>12.00</b>	<b>(19,028.38)</b>	<b>1,17,290.52</b>

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

**Standalone statement of changes in equity for the year ended 31 March 2023**

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

**24B Other equity**

	Reserves and surplus					Items of OCI	Total
	Securities premium	Capital reserve	Capital redemption reserve	Share options	Compulsorily convertible preference shares*		
<b>Balance as at 1 April 2022</b>	<b>1,32,906.05</b>	<b>0.82</b>	<b>0.46</b>	<b>3,403.09</b>	<b>12.00</b>	<b>(19,028.38)</b>	<b>1,17,290.52</b>
Profit/(Loss) for the year	-	-	-	-	-	(2,926.07)	(2,926.07)
Other comprehensive income (net of tax)	-	-	-	-	-	(183.03)	(183.03)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,926.07)</b>	<b>(3,109.10)</b>
<b>Transactions with owners recorded directly in equity</b>							
Issue of equity shares pursuant to exercise of share options	108.02	-	-	(12.46)	-	-	95.56
Expenses relating to issue of shares	(75.11)	-	-	-	-	-	(75.11)
Conversion of Convertible preference shares into equity	-	-	-	-	(12.00)	-	(12.00)
Share based payments	-	-	-	2,195.50	-	-	2,195.50
Transfer of reserves	-	-	-	(101.88)	-	101.88	-
<b>Total contributions by and distributions to owners</b>	<b>32.91</b>	<b>-</b>	<b>-</b>	<b>2,081.16</b>	<b>(12.00)</b>	<b>101.88</b>	<b>2,203.95</b>
<b>Balance as at 31 March 2023</b>	<b>1,32,938.96</b>	<b>0.82</b>	<b>0.46</b>	<b>5,484.25</b>	<b>-</b>	<b>(21,852.57)</b>	<b>1,16,385.37</b>

\* Represents instruments entirely equity in nature.

The notes from 1 to 48 form an integral part of the standalone financial statements.

As per our report of even date attached

for **S.R. Batliboi & Associates LLP**

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited**

**Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : July 10, 2023

**S Mahalingam**

Chairman

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**R Dinesh**

Executive Vice Chairman

DIN: 00363300

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Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Membership No. 9911

Place : Chennai

Date : July 10, 2023

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

Notes to the standalone financial statements for the year ended 31 March 2023

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***1 Reporting entity**

TVS Supply Chain Solutions Limited (formerly known as TVS Logistics Services Limited) ('the Company') was incorporated on 16 November 2004 and is in the business of providing supply chain solution services. The Company has been providing the entire basket of supply chain management services including aftermarket warehouse, in-plant warehouse, global supply chain management services, domestic supply chain management services, material handling services and services relating to installation and commissioning of telecom towers including managed services for telecom networks and associated supply chain management of the logistics activities for telecom service providers and OEMs. On April 26, 2023, the Company filed Draft Red Herring Prospectus in connection with Initial Public Offer with the Securities and Exchange Board of India.

**2 Basis of preparation****A Statement of compliance and going concern assessment**

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under Section 133 of Companies Act, 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The standalone financial statements were authorised for issue by the Company's Board of Directors on July 10, 2023.

Details of the Company's accounting policies are included in Note 3

**B Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated

**C Basis of measurement**

The standalone financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement basis</b>
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

**D Use of estimates and judgements**

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Current and non-current classification are in line with the requirements of Schedule III to the Companies Act, 2013.

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

**Property, plant and equipment and intangible assets – useful lives**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at the end of each reporting period. The lives are based on historical experience with similar assets.

**Provision for expected credit losses of trade receivables and contract assets:**

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customers that have similar loss patterns (i.e., by geography, customer type, rating etc.).

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered external credit information for its customers to estimate the probability of default in future, where ever necessary.

## **2 Basis of preparation (continued)**

### **D Use of estimates and judgements (continued)**

#### **Assets and obligations relating to employee benefits**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The estimated cash flows are developed based on internal forecasts and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to Goodwill and Other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed in Note 16A.

#### **Lease classification, termination and renewal option of leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that the Company will continue the lease beyond non-cancellable period and whether any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the terminating the lease and the importance of the underlying asset to Company's operations taking in to account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no material changes are required to lease period relating to the existing lease contracts.

#### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes:

- Note 3 (N) (ii) & 11 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 30 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 37 – Financial instruments - Fair values and risk management

## 2 Basis of preparation (continued)

### E Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 37 – Financial instruments – Fair values and risk management

### F Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## 3 Significant accounting policies

### A Foreign currency

#### Foreign currency transactions

Transactions in foreign currencies are initially recorded at the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

### B Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### i. Initial recognition and measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**3 Significant accounting policies (continued)****B Financial instruments (continued)****i. Initial recognition and measurement (continued)**

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (K) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

**ii. Classification and subsequent measurement****Financial assets**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

***Financial assets: Subsequent measurement and gains and losses***

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compulsorily Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds are allocated to the conversion option that is recognised and included in equity if the conversion option meets Ind AS 32 criteria for fixed to fixed classification and as liability if the conversion option does not meet Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option are remeasured on every reporting period and the difference is recognised in the statement of profit and loss.

If the day 1 profit or loss is not evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) nor based on a valuation technique that uses only data from observable markets, then the entity does not recognise a gain or loss on initial recognition.

**iii. Derecognition****Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

Notes to the standalone financial statements for the year ended 31 March 2023

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***3 Significant accounting policies (continued)****B Financial instruments (continued)****iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**C Business combinations****i. Business combinations (other than common control business combinations)**

In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

**D Property, plant and equipment****i. Recognition and measurement**

On transition to Ind AS (i.e. 1 April 2016), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

For subsequent acquisition, items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties, if any and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

**iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

The Company reviews the estimated residual values and expected useful lives of assets at least annually.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life (in years)
Buildings	30-60
Plant and equipment	03-10
Furniture and fixtures	01-10
Vehicles	08-10
Office equipment	5
Computer equipment	03-06
Leasehold improvements	*

\* Leasehold improvements are amortised on a straight line basis over the useful life of the asset or the lease term whichever is lower.

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets and are different from those prescribed in Schedule II of the Act.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

**3 Significant accounting policies (continued)****E Goodwill and other intangibles****i. Goodwill**

Goodwill is recognised and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Company's previously held equity shares in the acquiree, over the net of the consideration date amounts of the identifiable assets acquired and the liabilities assumed.

**ii. Other intangible assets**

On transition to Ind AS (i.e. 1 April 2016), the Company has elected to continue with the carrying value of all Intangible Assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible Assets.

For subsequent measurement, intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

**iii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

**iv. Amortisation**

Goodwill is not amortised and is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives of items of intangible assets for the current and comparative periods are as follows:

Asset	Management estimate of useful life (in years)
Brand	05
Customer relationship	07
Computer software	03-10

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**F Inventories**

Inventories consist of stores and spare parts and are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis.

**G Impairment****i. Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances using simplified approach, at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

### 3 Significant accounting policies (continued)

#### G Impairment (continued)

##### i. Impairment of financial instruments (continued)

###### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

###### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

###### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

##### ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### H Employee benefits & Share based payment arrangements

##### i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

##### ii. Share-based payment transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an employee benefit expense, with a corresponding increase in equity under share based payment reserve, over the period that the employees unconditionally become entitled to the awards. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

##### iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme, Employees State Insurance Scheme and an superannuation fund to Life Insurance Corporation (LIC). Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### 3 Significant accounting policies (continued)

#### H Employee benefits & Share based payment arrangements (continued)

##### iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Company recognises related restructuring costs

The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

##### v. Other long-term employee benefits

The Company's net obligation in respect of compensated absences is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

#### I Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

##### i. Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

#### J Contingent liabilities and contingent assets

Contingent liability is disclosed for all:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (or)
- present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

#### K Revenue

##### i. Rendering of services

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Such revenue is recognised upon the Company's performance of its contractual obligations and on satisfying all the following conditions:

- (1) Parties to the contract have approved the contract and undertaken to perform their respective obligations;
- (2) Such contract has specified the respective rights and obligations of the parties in connection with the transfer of goods or rendering of services (hereinafter the "Transfer");
- (3) Such contract contains specific payment terms in relation to the Transfer;
- (4) Such contract has a commercial nature, namely, it will change the risk, time distribution or amount of the Company's future cash flow;
- (5) The Company is likely to recover the consideration it is entitled to for the Transfer to customers.

Revenue is recognised when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of all indirect taxes and net of returns and discounts.

**3 Significant accounting policies (continued)****K Revenue (continued)****Performance Obligations:****a) Supply chain management**

The Company's supply chain management segment generates revenue from services to its customers such as providing freight and other transportation services, warehousing, packaging, kitting, reverse logistics and inventory management contracts ranging from a few months to a few years. Certain accessorial services may be provided to customers under their transportation contracts, such as unloading and other incidental services. The Company's performance obligations are satisfied over time as customers simultaneously receive and consume the benefits of the Company's services. The contracts contain a single performance obligation, as the distinct services provided remain substantially the same over time and possess the same pattern of transfer. The transaction price is based on the consideration specified in the contract with the customer and contains fixed and variable consideration. In general, the fixed component of a contract represents amounts for facility and equipment costs incurred to satisfy the performance obligation and is recognized over the term of the contract.

In the case of transportation services, performance obligation is created when a customer under a transportation contract submits a shipment note for the transport of goods from origin to destination. These performance obligations are satisfied over the period as the shipments move from origin to destination and revenue is recognized proportionally as a shipment moves and the related costs are recognized as incurred. Performance obligations are short-term, with transit days less than one week. Generally, customers are billed either upon shipment of the freight or on a monthly basis, and remit payment according to approved payment terms. The Company recognizes revenue on a net basis when the Company does not control the specific services.

**b) Telecommunication:**

Telecommunication contract revenue arises from construction/ erection of towers for some of the Company's customers in the Telecommunications segment. These towers are constructed based on specifically negotiated contracts with customers by outsourcing the activities to sub-contractors. Transaction price includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. If the outcome of a contract can be estimated reliably, contract revenue is recognised in profit or loss over the period in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed (output method). Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

Unbilled revenue represents value of services under performance in accordance with the contract terms but not billed. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

**c) Sale of goods**

Revenue from sale of traded goods including telecommunication goods is recognised when the control of the same is transferred to the customer, generally on delivery of the goods and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

**Variable consideration:**

Generally, the Company's contracts contain provisions for adjustments to pricing based on achieving agreed-upon performance metrics, changes in volumes, services and market conditions. Revenue relating to these pricing adjustments is estimated and included in the consideration if it is probable that a significant revenue reversal will not occur in the future. The estimate of variable consideration is determined either by the expected value or most likely amount method and factors in current, past and forecasted experience with the customer. Customers are billed based on terms specified in the revenue contract and remit payment according to approved payment terms.

**Contract balances:****a) Contract assets:**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**b) Contract liabilities:**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**L Leases****Company as a Lessor:**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**3 Significant accounting policies (continued)****L Leases (continued)****Company as lessee**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are subject to impairment.

**(ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(iv) Date of commencement of leases acquired under business combinations**

The Company measures the lease liability at the present value of the remaining lease payments as at the acquisition date as if the acquired lease were a new lease as at that date. The Right-of-use asset is measured at the same amount as the lease liability plus or minus any asset or liability previously recognised in the original business combination accounting for the favourable or unfavourable lease terms.

**(v) Key matters involving significant judgement****(a) Determining the lease term of contracts with termination options – Company as lessee**

As per Ind AS 116, termination options are to be considered in determining the non-cancellable period. The period covered by the termination option is included if the lessee is not reasonably certain to exercise the option. Lease term is the non-cancellable period of a lease, together with any optional periods that the lessee is reasonably certain to use. The non-cancellable period of a lease is any period during which the lessee cannot terminate the contract. Consequently, any non-cancellable period in effect sets a minimum lease term. This is usually referred as “lock-in” period in the lease contract. Generally, the lease contracts are cancellable once the “lock-in” period is over, and, in most cases, the termination option is mutually available with minimum notice period requirements under the contract.

The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that the Company will continue the lease beyond non-cancellable period and whether any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the terminating the lease and the importance of the underlying asset to Company's operations taking in to account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no material changes are required to lease period relating to the existing lease contracts.

**(b) Determining the lease term of contracts with renewal options – Company as lessee**

As per Ind AS 116, the period covered by extension option is included if the lessee is reasonably certain to exercise the option.

As reasonable certainty is a high threshold, the Company believes in most leases where the lease term is greater than 3 years assuming reasonable certainty on lease commencement date may not be appropriate and must be evaluated on a case to case basis, considering factors such as investment in the property, renewal lease rates, specific modifications to property to meet customer requirements, importance of the location and impact on overall business disruption etc.

### 3 Significant accounting policies (continued)

#### M Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset, or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### N Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

##### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

##### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### O Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### P Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with an original maturity period of more than three months are classified as other bank balances.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 3 Significant accounting policies (continued)

#### Q Cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

#### R Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

#### S Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Key managerial personnel comprising the Managing Director and Deputy Managing Director assess the financial performance and position of the Company, and make strategic decisions and have been together identified as being the chief operating decision maker ('CODM').

#### T Earnings per share

Basic earning per equity share are computed by dividing the net profit or loss attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### U Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

#### V Exceptional items

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner.

#### W New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2022.

##### (i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

These amendments are not expected to have a material impact on the Company.

##### (ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

These amendments are not expected to have a material impact on the Company.

##### (iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments are not expected to have a material impact on the Company.

##### (iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments are not expected to have a material impact on the Company.

#### X Standards notified but not yet effective

There are no such Standards which are notified but not yet effective



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**CIN: U63011TN2004PLC054655**

**Notes to the standalone financial statements for the year ended 31 March 2023**

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

**4 Operating segment**

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of TVS Supply Chain Solutions Limited and therefore no separate disclosure on segment information is given in these standalone financial statements.

**5 Revenue from operations**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Sale of products</b>	-	9.36
<b>Sale of services</b>		
Income from supply chain management services	1,64,489.70	1,33,295.03
Income from telecom services	15,365.31	13,815.72
	<b>1,79,855.01</b>	<b>1,47,110.75</b>
<b>Other operating revenue</b>		
Scrap sales	226.51	60.29
Others	1,774.25	-
	<b>2,000.76</b>	<b>60.29</b>
	<b>1,81,855.77</b>	<b>1,47,180.40</b>

**6 Other income**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Interest income under the effective interest method on:		
Cash and cash equivalents	204.27	454.38
Security deposits	512.83	377.31
Loans to subsidiaries	2,313.18	273.74
Amortisation of financial guarantee liability	1,608.08	1,518.33
Income from finance lease	172.80	209.46
Interest income on income tax refund	-	210.53
Dividend income from subsidiaries	240.00	216.00
Exchange difference gain net	2,623.09	-
Gain on termination of lease	299.75	387.06
Business development and management services	4,999.79	3,423.57
Other non operating income	3,014.65	1,851.92
	<b>15,988.44</b>	<b>8,922.30</b>

**7 Employee benefits expense**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Salaries, wages and bonus	40,836.69	36,635.30
Contribution to provident and other funds (refer note 30)	3,458.77	3,082.86
Share based payments (refer note 30)	899.31	747.53
Expenses related to post-employment defined benefit plans (refer note 30)	291.21	315.23
Expenses related to compensated absences	517.38	435.77
Staff welfare expenses	3,810.57	3,073.92
	<b>49,813.93</b>	<b>44,290.61</b>

**8 Finance costs**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Interest expenses	3,374.66	2,275.93
Interest on lease liabilities	3,323.87	2,682.59
Other borrowing costs	139.81	109.66
	<b>6,838.34</b>	<b>5,068.18</b>

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**Notes to the standalone financial statements for the year ended 31 March 2023**

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

**9 Depreciation and amortisation expense**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Depreciation of property, plant and equipment	3,604.59	3,264.75
Amortisation of right-of-use assets	14,733.98	10,139.18
Amortisation of intangible assets	297.04	241.05
	<b>18,635.61</b>	<b>13,644.98</b>

**10 Other expenses**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Freight charges	52,472.19	44,273.17
Sub-contracting costs*	14,141.34	9,184.95
Staff transportation charges	1,633.17	1,826.86
Material handling charges	2,201.36	1,525.92
Casual labour charges	29,002.38	20,135.69
Consumption of stores and spares	1,934.17	1,047.91
Power and fuel	1,303.72	895.55
Rent	2,575.39	1,756.47
Rates and taxes	863.60	479.35
Insurance	578.78	381.85
Repairs and maintenance		
Plant and machinery	49.50	111.13
Buildings	772.44	506.11
Others	2,826.94	1,638.76
Advertisement and business promotion	294.81	151.21
Travelling and conveyance	1,165.14	613.10
Communication costs	491.31	422.01
Printing and stationery	1,147.54	976.43
Factoring charges	1,057.88	223.66
Bank charges	45.43	46.20
Legal and professional fees	1,134.52	2,312.18
Security expenses	2,904.01	2,670.81
Payment to auditors (refer note below)	133.10	143.90
Exchange differences, net	-	303.22
Bad debts and advance written off (net of adjustment against provision for doubtful debts ₹ 1,562.92 lakhs (31 March 2022: ₹ 145.64 lakhs))	-	23.86
Impairment losses on financial instrument	3,593.29	2,988.71
Loss on sale of property plant and equipment, net	46.28	304.81
Miscellaneous expenses	249.90	412.39
	<b>1,22,618.19</b>	<b>95,356.21</b>

\* Includes cost of sub-contracting in respect of services relating to installation and commissioning of telecom towers.

**Note:**

**Details of payment to auditors**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Audit of standalone financial statements	79.29	51.00
Audit of consolidated financial statements	77.86	66.40
Audit of subsidiaries for consolidation purposes	276.99	184.54
Tax audit	2.00	2.00
Certification fees	11.00	7.50
Services in connection with proposed initial public offer	169.07	248.00
Re-imbursement of expenses	16.23	-
	<b>632.44</b>	<b>559.44</b>
Reclassified to prepaid expenses (refer note below)	499.34	415.54
<b>Net total</b>	<b>133.10</b>	<b>143.90</b>

Note: Excludes remuneration for services in connection with proposed initial public offer of equity shares of the Company, which is included in other current assets under the head prepaid expenses.

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Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

11 Income tax expense

A. Amounts recognised in profit or loss

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Current tax (a)</b>		
Tax relating to earlier years	511.47	-
	<b>511.47</b>	<b>-</b>
<b>Deferred tax (b)</b>		
Attributable to origination and reversal of temporary differences	1,331.96	(968.56)
	<b>1,331.96</b>	<b>(968.56)</b>
<b>Tax expense (a+b)</b>	<b>1,843.43</b>	<b>(968.56)</b>

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2023			Year ended 31 March 2022		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability / (asset)	(281.34)	98.31	(183.03)	(150.73)	52.67	(98.06)
	<b>(281.34)</b>	<b>98.31</b>	<b>(183.03)</b>	<b>(150.73)</b>	<b>52.67</b>	<b>(98.06)</b>

C. Reconciliation of effective tax rate

	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	(1,082.64)	(3,090.50)
Tax using the Company's domestic tax rate	25.17% (272.48)	34.94% (1,079.96)
<i>Effects of:</i>		
Permanent disallowances	-2% 19.81	-3% 106.51
Change on account of adoption of lower tax regime	-201% 2,180.90	0% -
Current year loss on which DTA was not recognised	0% -	-2% 48.55
Others	8% (84.80)	1% (43.66)
<b>Effective tax rate</b>	<b>-170% 1,843.43</b>	<b>31% (968.56)</b>

For the year ending 31 March 2023, the management has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred tax asset basis the rate prescribed in the said section. Accordingly, deferred tax asset has reduced by ₹2,180.90 Lakhs.

D. Recognised deferred tax assets and liabilities

a. Deferred tax assets and liabilities are attributable to the following :

Deferred tax assets (net)	31 March 2023	31 March 2022
<b>Deferred tax asset</b>		
Employee benefits	911.92	1,514.11
Provision against financial assets	2,740.09	3,096.14
Carried forward tax losses	-	95.55
Depreciation and amortisation	1,427.13	1,538.39
Right of use asset and lease liability	1,108.42	1,177.02
<b>Net Deferred tax asset</b>	<b>6,187.56</b>	<b>7,421.21</b>

E. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom:

Particulars	31 March 2023		31 March 2022	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses (including capital loss)	16,010.72	4,029.58	13,906.99	4,859.66
Unabsorbed depreciation	-	-	842.67	294.46

F. Tax losses carried forward

Particulars	31 March 2023		31 March 2022	
	Gross amount	Expiry date *	Gross amount	Expiry date *
Expiry within 5 years	410.18	2027-2028	410.18	2027-2028
Expiry within 5-10 years	15,600.54	2029-2030	4,176.92	2029-2030
Expiry within 5-10 years	-	2030-2031	9,319.89	2030-2031
Never expire	-		842.67	
	<b>16,010.72</b>		<b>14,749.66</b>	

\* Expiry date mentioned is based on assessment year.

TVS SUPPLY CHAIN SOLUTIONS LIMITED

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Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

11 Income tax expense (continued)

D. Recognised deferred tax assets and liabilities (continued)

b. Movement in deferred tax assets

	Balance as at 1 April 2021	Recognised in Profit & Loss	Recognised in OCI	Balance as at 31 March 2022	Recognised in Profit & Loss	Recognised in OCI	Balance as at 31 March 2023
Employee benefits	2,109.23	(647.79)	52.67	1,514.11	(700.50)	98.31	911.92
Provision against financial assets	2,106.86	989.28	-	3,096.14	(356.05)	-	2,740.09
Tax incentives	1.02	(1.02)	-	-	-	-	-
Carried forward tax losses	95.55	-	-	95.55	(95.55)	-	-
Depreciation and amortisation	1,002.87	535.51	-	1,538.39	(111.26)	-	1,427.13
Right of use asset and lease liability	1,084.44	92.58	-	1,177.02	(68.60)	-	1,108.42
<b>Net Deferred tax asset</b>	<b>6,399.97</b>	<b>968.56</b>	<b>52.67</b>	<b>7,421.21</b>	<b>(1,331.96)</b>	<b>98.31</b>	<b>6,187.56</b>

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(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**12A Property, plant and equipment**

**a Reconciliation of carrying amount**

	Land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
<b>Gross carrying amount</b>								
Balance as at 1 April 2021	2,096.22	2,803.71	6,236.21	8,987.36	391.86	1,661.19	1,987.59	24,164.15
Additions*	-	-	249.17	2,015.55	305.57	518.37	558.60	3,647.26
Disposals**	-	-	(277.02)	(592.42)	(35.87)	(238.33)	(331.21)	(1,474.85)
<b>Balance as at 31 March 2022</b>	<b>2,096.22</b>	<b>2,803.71</b>	<b>6,208.36</b>	<b>10,410.49</b>	<b>661.57</b>	<b>1,941.23</b>	<b>2,214.98</b>	<b>26,336.56</b>
Balance as at 1 April 2022	2,096.22	2,803.71	6,208.36	10,410.49	661.57	1,941.23	2,214.98	26,336.56
Additions*	-	-	360.58	2,831.06	255.92	821.95	1,247.78	5,517.29
Disposals**	-	-	(232.50)	(50.62)	(240.50)	(30.32)	(33.58)	(587.52)
<b>Balance as at 31 March 2023</b>	<b>2,096.22</b>	<b>2,803.71</b>	<b>6,336.44</b>	<b>13,190.93</b>	<b>676.99</b>	<b>2,732.86</b>	<b>3,429.18</b>	<b>31,266.33</b>
<b>Accumulated depreciation and Impairment losses</b>								
Balance as at 1 April 2021	-	261.55	3,731.91	3,406.83	121.53	752.43	1,329.20	9,603.45
Depreciation for the year	-	54.14	856.14	1,637.10	78.68	310.16	328.52	3,264.74
Disposals**	-	-	(194.74)	(248.24)	(15.74)	(166.96)	(259.55)	(885.23)
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>315.69</b>	<b>4,393.31</b>	<b>4,795.69</b>	<b>184.47</b>	<b>895.63</b>	<b>1,398.17</b>	<b>11,982.96</b>
Balance as at 1 April 2022	-	315.69	4,393.31	4,795.69	184.47	895.63	1,398.17	11,982.96
Depreciation for the year	-	54.14	676.39	1,824.62	83.90	420.62	544.92	3,604.59
Disposals**	-	-	(201.85)	(31.77)	(124.57)	(22.13)	(33.10)	(413.42)
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>369.83</b>	<b>4,867.85</b>	<b>6,588.54</b>	<b>143.80</b>	<b>1,294.12</b>	<b>1,909.99</b>	<b>15,174.13</b>
<b>Carrying amounts (net)</b>								
<b>As at 31 March 2022</b>	<b>2,096.22</b>	<b>2,488.02</b>	<b>1,815.05</b>	<b>5,614.80</b>	<b>477.10</b>	<b>1,045.60</b>	<b>816.81</b>	<b>14,353.60</b>
<b>As at 31 March 2023</b>	<b>2,096.22</b>	<b>2,433.88</b>	<b>1,468.59</b>	<b>6,602.39</b>	<b>533.19</b>	<b>1,438.74</b>	<b>1,519.19</b>	<b>16,092.20</b>

\* Includes assets given on finance lease with written down value of ₹ 168.36 lakhs (31 March 2022: Nil) acquired back from the customer.

\*\* Includes certain assets procured exclusively for customers (net carrying amount of Nil (31 March 2022 : ₹ 235.49 lakhs)), which have been assessed to be finance lease in which the Company is a lessor and accordingly reclassified.

**b Security**

For details of property, plant and equipment pledged provided as security against borrowings, refer note 25.

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**12B Capital work-in-progress & Intangible assets under development**

**a Ageing of capital work-in-progress & intangible assets under development**

As at 31 March 2022	< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
Projects in progress					
Capital work-in-progress	293.83	-	-	-	293.83
Intangible assets under development	-	-	-	-	-
	<b>293.83</b>	-	-	-	<b>293.83</b>
As at 31 March 2023	< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
Projects in progress					-
Capital work-in-progress	739.79	-	-	-	739.79
Intangible assets under development	103.06	-	-	-	103.06
	<b>842.85</b>	-	-	-	<b>842.85</b>

**b Movement of capital work-in-progress & intangible assets under development**

Reconciliation of carrying amount	Capital work-in-progress	Intangible asset under development
Balance as at 1 April 2021	407.27	-
Additions	4,067.31	-
Transferred to Property, plant and equipment / Other intangible assets	(4,180.75)	-
<b>Balance as at 31 March 2022</b>	<b>293.83</b>	-
Balance as at 1 April 2022	293.83	-
Additions	5,794.91	331.63
Transferred to Property, plant and equipment / Other intangible assets	(5,348.95)	(228.57)
<b>Balance as at 31 March 2023</b>	<b>739.79</b>	<b>103.06</b>

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13A Goodwill

Reconciliation of carrying amount

	Goodwill	Total
<b>Gross carrying amount</b>		
Balance as at 1 April 2021	5,287.90	5,287.90
Disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>5,287.90</b>	<b>5,287.90</b>
Balance as at 1 April 2022	5,287.90	5,287.90
Disposals	-	-
<b>Balance as at 31 March 2023</b>	<b>5,287.90</b>	<b>5,287.90</b>
<b>Accumulated impairment loss</b>		
Balance as at 1 April 2021	-	-
Impairment for the year	-	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>-</b>
Balance as at 1 April 2022	-	-
Impairment for the year	-	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>-</b>
<b>Carrying amounts (net)</b>		
<b>As at 31 March 2022</b>	<b>5,287.90</b>	<b>5,287.90</b>
<b>As at 31 March 2023</b>	<b>5,287.90</b>	<b>5,287.90</b>

Key assumptions used for calculating the value in use:

Cash generating unit	31 March 2023	31 March 2022
Carrying amount of goodwill	5,287.90	5,287.90
Pre-tax discount rate	14.00%	9.70%
Projection period	5 Years	5 Years
Terminal growth rate	3.00%	3.00%

13B Other intangible assets

Reconciliation of carrying amount

	Customer relationship	Brand	Computer software	Total
<b>Gross carrying amount</b>				
Balance as at 1 April 2021	609.35	676.63	1,879.10	3,165.08
Additions	-	-	198.33	198.33
Disposals/retirement	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>609.35</b>	<b>676.63</b>	<b>2,077.43</b>	<b>3,363.41</b>
Balance as at 1 April 2022	609.35	676.63	2,077.43	3,363.41
Additions	-	-	979.12	979.12
Disposals/retirement	-	-	(0.57)	(0.57)
<b>Balance as at 31 March 2023</b>	<b>609.35</b>	<b>676.63</b>	<b>3,055.98</b>	<b>4,341.96</b>
<b>Accumulated amortisation and impairment loss</b>				
Balance as at 1 April 2021	329.12	676.63	1,624.78	2,630.53
Amortisation for the year	87.05	-	154.00	241.05
Disposals/retirement	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>416.17</b>	<b>676.63</b>	<b>1,778.78</b>	<b>2,871.58</b>
Balance as at 1 April 2022	416.17	676.63	1,778.78	2,871.58
Amortisation for the year	87.05	-	209.99	297.04
Disposals/retirement	-	-	(0.53)	(0.53)
<b>Balance as at 31 March 2023</b>	<b>503.22</b>	<b>676.63</b>	<b>1,988.24</b>	<b>3,168.09</b>
<b>Carrying amounts (net)</b>				
<b>As at 31 March 2022</b>	<b>193.18</b>	<b>-</b>	<b>298.65</b>	<b>491.83</b>
<b>As at 31 March 2023</b>	<b>106.13</b>	<b>-</b>	<b>1,067.74</b>	<b>1,173.87</b>

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**13C Right of use assets**

a The lease of buildings primarily consists of warehouses and office premises taken on lease for more than 12 months.

b Set out below are the carrying amounts of right of use assets recognised and the movements during the year

	<b>Building</b>	<b>Total</b>
<b>Net carrying amount</b>		
<b>Balance as at 1 April 2021</b>	23,650.77	23,650.77
Additions	16,068.67	16,068.67
Reversals ( <i>less</i> )	(3,266.26)	(3,266.26)
Depreciation ( <i>less</i> )	(10,139.18)	(10,139.18)
<b>Balance as at 31 March 2022</b>	<b>26,314.00</b>	<b>26,314.00</b>
<b>Balance as at 1 April 2022</b>	26,314.00	26,314.00
Additions	26,495.52	26,495.52
Reversals ( <i>less</i> )	(1,202.49)	(1,202.49)
Depreciation ( <i>less</i> )	(14,733.98)	(14,733.98)
<b>Balance as at 31 March 2023</b>	<b>36,873.05</b>	<b>36,873.05</b>

c Set out below are the carrying amounts of lease liabilities and the movement during the year

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Balance at the beginning of the year</b>	29,113.28	25,782.89
Additions	25,617.06	15,981.55
Accretion of interest	3,323.87	2,682.59
Payments	(16,704.42)	(11,680.42)
Reversals	(1,520.04)	(3,653.33)
<b>Balance at the end of the year</b>	<b>39,829.75</b>	<b>29,113.28</b>
Current	14,959.37	10,681.04
Non - Current	24,870.38	18,432.24
Cash outflows for leases	16,704.42	11,680.42

d The following are recognised in the statement of profit and loss

	<b>31 March 2023</b>	<b>31 March 2022</b>
Depreciation expenses of right of use assets	14,733.98	10,139.18
Interest expenses on lease liabilities	3,323.87	2,682.59
Gain on termination of lease	(299.75)	(387.06)
Expenses relating to short term leases and leases of low value assets	2,575.39	1,756.47
<b>Total amount recognised in profit or loss</b>	<b>20,333.49</b>	<b>14,191.18</b>



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**14 Investments**
**A Non-current investments**
**Unquoted investments in equity instruments**
**Investments in subsidiaries**

	<b>31 March 2023</b>	<b>31 March 2022</b>
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) 1,200,000 (31 March 2022 : 1,142,499) equity shares of ₹ 10 each fully paid up	8,764.14	8,045.39
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand 100,000 (31 March 2022 : 100,000) ordinary shares of 100 Baht each fully paid up	188.45	188.45
TVS America Inc. 490 (31 March 2022 : 490) shares of no par value	90.04	90.04
TVS Logistics Investment UK Limited 6,195,698 (31 March 2022 : 6,195,698) ordinary shares of 1 GBP each fully paid up	5,066.44	5,066.44
TVS Logistics Investments USA Inc. 61,510 (31 March 2022 : 61,510) shares of no par value	3,666.60	3,666.60
FLEXOL Packaging (India) Limited 770,416 (31 March 2022 : 770,416) equity shares of ₹ 10 each fully paid up	1,909.77	1,909.77
SPC International (India) Private Limited 51,000 (31 March 2022 : 51,000) equity shares of ₹ 100 each fully paid up	561.49	561.49
TVS Packaging Solutions Private Limited 10,000 (31 March 2022 : 10,000) equity shares of ₹ 10 each fully paid up	1.00	1.00
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore 34,849,324 (31 March 2022 : 34,849,324) equity shares of SGD 1 each fully paid up	18,260.36	18,260.36
TVS Toyota Tsusho Supply Chain Solutions Limited 1,200,000 (31 March 2022 : 1,200,000) equity shares of ₹ 10 each fully paid up	120.00	120.00
White Data Systems India Pvt Ltd (refer note 46(iii)) 2,107,810 (31 March 2022 : 2,107,810) equity shares of ₹ 10 each fully paid up	4,219.84	4,219.84
Fit 3PL Warehousing Pvt Ltd 200,000 (31 March 2022 : 200,000) equity shares of ₹ 100 each fully paid up	20,410.00	20,410.00
	<b>63,258.13</b>	<b>62,539.38</b>

**Investments in joint ventures**

TVS Industrial & Logistics Parks Private Limited * 5,500,000 (31 March 2022 : 5,500,000) equity shares of ₹ 10 each fully paid up	1,375.00	1,375.00
	<b>1,375.00</b>	<b>1,375.00</b>

**Unquoted investment in preference shares carried at amortised cost**

Cargowings Logistics Limited 25,000,000 (31 March 2022 : 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up	2,500.00	2,500.00
	<b>2,500.00</b>	<b>2,500.00</b>

**Unquoted investment in body corporate at fair value**

Tamil nadu Apex Skill Development Centre for Logistics 2,00,000 (31 March 2022 : 2,00,000 ) equity shares of ₹ 10 each fully paid up	20.00	20.00
	<b>20.00</b>	<b>20.00</b>

**Provision for decline in fair value of investments**
**Unquoted investments in equity instruments/ preference shares**

TVS America Inc.	(90.04)	(90.04)
Cargowings Logistics Limited	(2,500.00)	(2,500.00)
	<b>(2,590.04)</b>	<b>(2,590.04)</b>

**Total non-current investments**

Aggregate amount of unquoted investments	67,153.13	66,434.38
Aggregate amount of impairment in the value of investments	2,590.04	2,590.04

**15 Loans**
**Loans to related parties**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Unsecured, considered good (refer note 34)	52,400.98	19,116.78
	<b>52,400.98</b>	<b>19,116.78</b>

**Loans to others**

Unsecured, considered doubtful	1,004.63	1,004.63
Provision for doubtful loans to others	(1,004.63)	(1,004.63)
	<b>52,400.98</b>	<b>19,116.78</b>

**15 Loans (continued)**

Details of loan given to promoter, director, key managerial person or related parties that are repayable on demand :

Name of the borrower (Wholly Owned Subsidiaries)*	31 March 2023		31 March 2022	
	Outstanding loan	%	Outstanding loan	%
TVS Logistics Investment UK Limited, UK	40,137.88	76.60%	18,666.07	97.64%
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand	488.82	0.93%	450.71	2.36%
TVS Logistics Investment USA Inc	11,774.28	22.47%	-	0.00%
	<b>52,400.98</b>	<b>100.00%</b>	<b>19,116.78</b>	<b>100.00%</b>

\* The above mentioned loan was provided to Wholly Owned Subsidiaries for the purpose of working capital.

**16 Deposits and other receivables**

	Non-current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Security deposits</b>				
Unsecured, considered good	4,488.08	2,902.07	1,499.65	1,233.94
Unsecured, considered doubtful	-	-	113.02	113.02
Provision for doubtful security deposits	-	-	(113.02)	(113.02)
	<b>4,488.08</b>	<b>2,902.07</b>	<b>1,499.65</b>	<b>1,233.94</b>
<b>Security deposit with related parties</b>				
Unsecured, considered good	656.04	521.57	-	-
	<b>656.04</b>	<b>521.57</b>	<b>-</b>	<b>-</b>
<b>Other receivables</b>				
Advances to employees	-	-	624.84	810.31
Finance lease receivables (refer note 12A & 31)	745.86	1,257.46	408.85	569.28
Receivable from subsidiaries (refer note 34)	2,245.49	2,645.57	25,043.65	18,115.06
Receivable from others				
Considered doubtful	-	-	780.74	180.74
Provision for doubtful receivables	-	-	(780.74)	(180.74)
	<b>2,991.35</b>	<b>3,903.03</b>	<b>26,077.34</b>	<b>19,494.65</b>
	<b>8,135.47</b>	<b>7,326.67</b>	<b>27,576.99</b>	<b>20,728.59</b>

**17 Other financial assets**

	Current	
	31 March 2023	31 March 2022
<b>Advances recoverable in cash or kind</b>		
Unsecured, considered good		32.94
Interest accrued on fixed deposits		97.80
Others		1.52
		<b>132.26</b>
		<b>53.76</b>

For other financial assets secured against borrowings, see note 25.

**18 Other non-current assets**

	31 March 2023	31 March 2022
<b>Capital advances</b>		
Unsecured considered good	373.32	137.15
Unsecured considered doubtful	0.14	0.14
Provision for unsecured doubtful	(0.14)	(0.14)
	<b>373.32</b>	<b>137.15</b>
<b>Advance for supply of goods and services</b>		
Unsecured considered good	-	155.00
	<b>-</b>	<b>155.00</b>
<b>Others</b>		
Prepaid expenses	3.29	6.56
	<b>3.29</b>	<b>6.56</b>
	<b>376.61</b>	<b>298.71</b>

**19 Inventories**

	31 March 2023	31 March 2022
Stores and spares	307.44	263.04
	<b>307.44</b>	<b>263.04</b>
<b>Of the above, goods in transit</b>		
	-	32.21

For inventories secured against borrowings, see note 25.

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20 Trade receivables	31 March 2023	31 March 2022
<b>Gross Trade Receivables</b>		
Unsecured, considered good	26,681.18	25,118.49
Credit impaired	9,320.36	7,893.53
<b>Loss Allowance</b>		
Credit impaired	(9,320.36)	(7,893.53)
<b>Net Trade Receivables</b>	<b>26,681.18</b>	<b>25,118.49</b>
Non-current	604.15	604.15
Current	26,077.03	24,514.34

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 37.

**Ageing of trade receivable from the due date of payment:**

Non-Current							
31 March 2023	Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Unsecured, considered good							
Undisputed	604.15	-	-	-	-	-	604.15
	<b>604.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>604.15</b>
<b>31 March 2022</b>	<b>Not due</b>	<b>&lt; 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 2 years</b>	<b>2 to 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Unsecured, considered good							
Undisputed	604.15	-	-	-	-	-	604.15
	<b>604.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>604.15</b>
Current							
31 March 2023	Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Unsecured, considered good							
Undisputed	16,647.27	8,232.87	375.58	-	-	821.31	26,077.03
Disputed	-	-	-	-	-	-	-
	16,647.27	8,232.87	375.58	-	-	821.31	26,077.03
Trade Receivables - credit impaired							
Undisputed	296.77	577.43	197.65	4,450.80	1,797.99	1,186.74	8,507.38
Disputed	-	-	-	-	-	812.98	812.98
	296.77	577.43	197.65	4,450.80	1,797.99	1,999.72	9,320.36
	<b>16,944.04</b>	<b>8,810.30</b>	<b>573.23</b>	<b>4,450.80</b>	<b>1,797.99</b>	<b>2,821.03</b>	<b>35,397.39</b>
<b>31 March 2022</b>	<b>Not due</b>	<b>&lt; 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 2 years</b>	<b>2 to 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Unsecured, considered good							
Undisputed	11,087.21	10,878.62	1,733.58	-	-	814.93	24,514.34
Disputed	-	-	-	-	-	-	-
	11,087.21	10,878.62	1,733.58	-	-	814.93	24,514.34
Trade Receivables - credit impaired							
Undisputed	401.54	1,290.17	1,158.64	2,055.86	2,417.05	-	7,323.26
Disputed	-	-	-	-	-	570.27	570.27
	401.54	1,290.17	1,158.64	2,055.86	2,417.05	570.27	7,893.53
	<b>11,488.75</b>	<b>12,168.79</b>	<b>2,892.22</b>	<b>2,055.86</b>	<b>2,417.05</b>	<b>1,385.20</b>	<b>32,407.87</b>

Note - No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables including receivables from related parties are non-interest bearing. Refer Note 34 for disclosure on related parties.

**20A Transferred financial assets that are derecognised in their entirety and with continuing involvement**

The Company has transferred certain receivables under non-recourse arrangements where substantial risk and rewards related to these receivables are transferred to the buyer and the same is de-recognised from the balance sheet. The amounts collected on behalf of the factor has been disclosed under other financial liabilities.

Particulars	31 March 2023	31 March 2022
Carrying amount of transferred receivables	20,194.11	11,331.70
Carrying amount of exposures retained by the Company	-	-

**20B Transferred financial assets that are not derecognised in their entirety**

During the FY 2021-22, the Company has entered into a recourse factoring and the Company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety as at March 31, 2022. However, no such factoring is entered into during the year ending March 31, 2023.

Particulars	31 March 2023	31 March 2022
Carrying amount of transferred assets measured at amortised cost	-	2,999.98
Carrying amount of associated liabilities (Part of borrowings)	-	2,999.98
Fair value of assets	-	2,999.98
Fair value of associated liabilities	-	2,999.98

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(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

	31 March 2023	31 March 2022
<b>21 Cash and cash equivalents</b>		
Cash on hand	20.50	20.29
Balance with banks		
On current accounts	28,276.32	16,812.80
Deposits with original maturity of less than three months	506.97	12,131.51
	<b>28,803.79</b>	<b>28,964.60</b>
<b>22 Other bank balances</b>		
Deposits with original maturity of more than 3 months	3,525.38	280.56
	<b>3,525.38</b>	<b>280.56</b>
<b>23 Other current assets</b>		
<b>Advance related to supply of goods and services to parties other than related parties</b>		
Unsecured considered good	2,860.11	3,432.23
Unsecured considered doubtful	1,577.77	1,577.77
Provision for doubtful advances	(1,577.77)	(1,577.77)
	<b>2,860.11</b>	<b>3,432.23</b>
<b>Advance for supply of goods and services to related parties</b>		
Unsecured, considered good	457.58	531.84
	<b>457.58</b>	<b>531.84</b>
Unbilled revenue	13,461.10	12,557.26
<b>Other current assets</b>		
Prepaid expenses*	5,396.08	2,568.61
Balances with government authorities	3,266.50	2,541.81
Others	4.88	4.88
	<b>8,667.46</b>	<b>5,115.30</b>
	<b>25,446.25</b>	<b>21,636.63</b>

\* includes eligible expenses incurred in connection with proposed initial public offer of equity shares of the Company amounting to ₹ 4,153.07 lakhs for the year ended March 31, 2023 (March 31, 2022: ₹ 2,844.77 lakhs), recoverable from selling shareholders or adjustable against share premium portion of the proposed IPO proceeds. The Company has reviewed the costs incurred in connection with the original draft red herring prospectus and has expensed off ₹ 1,000 lakhs as exceptional item to the profit & loss account (refer note 43).

For other current assets secured against borrowings, see note 25.

**24A Share capital**

	31 March 2023	31 March 2022
<b>Authorised share capital</b>		
582,600,000 equity shares of ₹ 1 each (31 March 2022: 588,000,000 equity shares of ₹ 1 each)	5,826.00	5,880.00
1,200,000 (31 March 2022: 1,200,000) preference shares of ₹ 10 each #	120.00	120.00
3,154,000 (31 March 2022: 1,100,000) preference shares of ₹ 100 each	3,154.00	-
3,00,00,000 (31 March 2022: Nil) preference shares of ₹ 1 each	300.00	-
<b>Issued</b>		
<b>Equity shares</b>		
138,104,010 (31 March 2022: 138,104,010) equity shares of ₹ 1 each at par	1,381.04	1,381.04
50,668,000 (31 March 2022: 50,668,000) equity shares of ₹ 1 each at a premium of ₹ 18.57	506.68	506.68
32,231,940 (31 March 2022: 32,231,940) equity shares of ₹ 1 each at a premium of ₹ 18.50	322.32	322.32
2,758,000 (31 March 2022: 2,758,000) equity shares of ₹ 1 each at a premium of ₹ 6.50	27.58	27.58
44,568,160 (31 March 2022: 44,568,160) equity shares of ₹ 1 each at a premium of ₹ 42.49	445.68	445.68
17,986,070 (31 March 2022: 17,986,070) equity shares of ₹ 1 each at a premium of ₹ 68.50	179.86	179.86
31,635,150 (31 March 2022: 31,635,150) equity shares of ₹ 1 each at a premium of ₹ 94.00	316.35	316.35
950,000 (31 March 2022: 950,000) equity shares of ₹ 1 each at a premium of ₹ 94.00	9.50	9.50
12,089,310 (31 March 2022: 12,089,310) equity shares of ₹ 1 each at a premium of ₹ 143.75	120.89	120.89
699,980 (31 March 2022: 699,980) equity shares of ₹ 1 each (Refer note 24B)	7.00	7.00
31,086,790 (31 March 2022: 31,086,790) equity shares of ₹ 1 each at a premium of ₹ 143.75 per share *	310.87	310.87
14,33,820 (31 March 2022: 14,33,820) equity shares of ₹ 1 each at a premium of ₹ 127.00 per share	14.34	14.34
26,000 (31 March 2022: 26,000) equity shares of ₹ 1 each at a premium of ₹ 94.00 per share	0.26	0.26
40,950 (31 March 2022: Nil) equity shares of ₹ 1 each at a premium of ₹ 94.00 per share	0.41	-
12,00,020 (31 March 2022: Nil) equity shares of ₹ 1 each (refer note 24B below)	12.00	-
60,720 (31 March 2022: Nil) equity shares of ₹ 1 each at a premium of ₹ 94.00 per share	0.61	-
<b>Total issued capital</b>	<b>3,655.39</b>	<b>3,642.37</b>

**24A Share capital (continued)****Called, Subscribed and Paid up***Equity shares*

362,637,230 equity shares of ₹ 1 each (31 March 2022: 362,637,230 equity shares of ₹ 1 each)	3,639.39	3,626.37
Add: Amount paid up on 1,600,000 equity shares of ₹ 1 each forfeited at ₹ 0.2 each (31 March 2022: 1,600,000 equity shares of ₹ 1 each forfeited at ₹ 0.2 each)	3.20	3.20
	<b>3,642.59</b>	<b>3,629.57</b>

# 15,351 (31 March 2022: 15,351) 0.0001% cumulative, redeemable, non-convertible, participating preference shares have been classified as a financial liability (see note 25).

Note - The Board of Directors of the Company in its meeting held on December 15, 2021 and shareholders in the Extraordinary General Meeting held on January 31, 2022 approved the sub-division of shares from ₹ 10 per share to ₹ 1 per share. Shares information presented in the financial statements is adjusted for the share split. The number of shares used for the calculation of earnings per share, and the earnings per share in Note 24E (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

**a. Reconciliation of shares outstanding at the beginning and at end of the reporting year**

	31 March 2023		31 March 2022	
	Nos	₹ in lakhs	Nos	₹ in lakhs
<b>Equity shares</b>				
At the beginning of the year	36,26,37,230	3,626.37	3,17,30,133	3,173.01
Additional shares pursuant to share split during the year	-	-	28,55,71,197	-
Shares issued during the year (refer note below)	13,01,690	13.02	4,53,35,900	453.36
<b>Outstanding at the end of the year</b>	<b>36,39,38,920</b>	<b>3,639.39</b>	<b>36,26,37,230</b>	<b>3,626.37</b>

**b. Terms/rights attached to equity shares**

The Company has one class of equity shares having face value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**c. Terms/rights attached to preference shares**

The preference shares shall be cumulative, redeemable, non-convertible, participating preference shares ('preference shares'). The preference shares shall carry a preferential right to dividends over the Equity Shares. The preference shares shall carry a fixed rate of preferential dividend at the rate of 0.0001% per annum. In addition to the fixed rate of dividend, the preference shareholders shall, at their discretion, be entitled to additional preferential dividend and carry a preferential right to dividends over the equity shares. The preference shares shall be redeemed, from time to time as may be required by the preference shareholders at face value plus the redemption premium payable thereon no later than 20 years from the date of allotment or longer period as may be prescribed by law.

The holder of preference shares have a right to vote only on resolutions placed before the company which directly affect the rights attached to preference shares and, any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital and voting right on a poll shall be in proportion to the share in the paid-up preference share capital of the company. On winding up or repayment of capital, the preference shareholders shall carry a preferential right of repayment.

**d. Details of shareholders holding more than 5% shares of a class of shares in the company**

	31 March 2023		31 March 2022	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of ₹ 1 each (March 2022: ₹ 1 each), fully paid up</b>				
TVS Mobility Private Limited *	10,72,73,430	29.48%	10,72,73,430	29.58%
T S Rajam Rubbers Private Limited	6,56,13,570	18.03%	6,56,13,570	18.09%
Exor Special Opportunities Master Fund	4,25,69,160	11.70%	4,25,69,160	11.74%
Mahogany Logistics Services Private Limited (Formerly known as 'DRSR Logistics Services Private Limited')	3,75,02,140	10.30%	3,75,02,140	10.34%
Mahogany Singapore Company Pte. Ltd	1,88,39,310	5.18%	1,88,39,310	5.20%

\* The members of the TVS Family had entered into a Memorandum of Family Arrangement ("MFA") dated 10 December 2020 in order to align and synchronize the ownership/control over various companies/ businesses with the management of the respective companies, as was being done by the respective branches/ sub-branches of the TVS Family. In the context of the above, a Composite Scheme of Amalgamation and Arrangement ("Scheme") under sections 230 to 232 of the Companies Act, 2013 was filed with Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") and an order was pronounced on 6th December 2021 sanctioning the Scheme by the NCLT.

Consequent to the same, and with effect from 4 February 2022, the TSR Mobility and Supply Chain Solutions Business Undertaking of T V Sundram Iyengar and Sons Private Limited ("TVSS") including 10,72,73,430 equity shares representing 29.70% equity shares of TVS Supply Chain Solutions Limited was, as a result of the demerger from TVSS, transferred to and vested upon TVS Mobility Private Limited (formerly known as T.S.Rajam Distribution Services Private Limited). Consequent to the above, TVS Mobility along with its wholly owned subsidiaries, T. S. Rajam Rubbers and Dhinrama Mobility acquired control of our Company from T. V. Sundram Iyengar & Sons Private Limited. Ramachandran Dinesh was an original Promoter of our Company.

**0.0001% Cumulative, redeemable, non-convertible, participating preference shares of ₹ 10 each, fully paid up**

Tata International Limited	7,677	50.01%	7,677	50.01%
Tata Industries Limited	7,674	49.99%	7,674	49.99%

**0.0001% Non-Cumulative, Non-Participating, Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid up**

David Robbins	-	0.00%	39,998	33.33%
Sanjive Sharma	-	0.00%	40,002	33.33%
Andrew Jones	-	0.00%	40,002	33.33%

**24A Share capital (continued)****e. Details of shareholding of promoters**

	31 March 2023			31 March 2022		
	Number of shares	% holding	% Change During the year	Number of shares	% holding	% Change During the year
TVS Mobility Private Limited *	10,72,73,430	29.48%	0.00%	10,72,73,430	29.58%	100.00%
T S Rajam Rubbers Private Limited	6,56,13,570	18.03%	0.00%	6,56,13,570	18.09%	100.00%
Ramachandran Dinesh	72,12,620	1.98%	0.00%	72,12,620	1.99%	6.76%
Dhinrama Mobility Solution Private Limited	53,14,930	1.46%	0.00%	53,14,930	1.47%	100.00%

**24B Other Equity****Securities premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions for the Companies Act, 2013.

**Capital reserve**

During prior years, the Company had reissued the shares forfeited. The profit on reissue of such forfeited shares has been transferred to capital reserve.

**Capital redemption reserve**

During the year ended 31 March 2018, the Company had redeemed preference shares issued to Tata International Limited and Tata Industries Limited, out of profits of the Company. A sum equivalent to the nominal amount of the shares redeemed had been transferred to capital redemption reserve in accordance with the provisions of the Companies Act, 2013.

**Share options**

The Company has Management Incentive Plan (MIP) scheme under which share options are granted to employees which has been approved by the shareholders of the company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the Company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the company on exercise at the exercise price as per the scheme. The option carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

**Compulsorily convertible preference shares**

On June 8, 2018 and August 22, 2018, the Company has allotted 13,340 and 25,660 Non-Cumulative, Non-Participating, Compulsorily Convertible Preference Shares ("CCPS") of ₹ 10 each respectively, at a premium of ₹ 940 each to identified persons on a preferential basis for a consideration of ₹ 126.73 lakhs and ₹ 243.77 lakhs respectively. CCPS carry a dividend of 0.001% per annum and the dividend rights are non-cumulative. On November 20, 2018, the Company has issued bonus shares of 151,000 to the shareholders of CCPS in the ratio of 1:3.87 and the securities premium account was utilised to the extent of ₹ 15.10 lakhs for the issue of said bonus shares. The preference shares to be converted into equal number of equity shares ranking pari-passu with the existing equity shares, after the end of four years from the date of issue or earlier at the option of the Board. In the event of liquidation of the Company before conversion of preference shares, the holders of preference shares will have priority over equity shares in the repayment of capital. During the previous year ended 31st March, 2022 the Company has converted 69,998 preference shares into equity shares of 69,998 ranking pari-passu with the existing equity shares. These shares have been sub-divided into ₹ 1 each in the extraordinary general meeting held on January 31, 2022. During the year ended March 31, 2023, the Company has converted 1,20,002 preference shares into equity shares of 12,20,020 of face value ₹ 1 each ranking pari-passu with the existing equity shares.

On February 7, 2020, the Company has allotted 10,23,350 Series A Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100 each, at a premium of ₹ 1610.07 each to Mahogany Singapore Company Pte. Ltd ("CCPS Holder") on a preferential basis, for a consideration of approx. ₹ 17,500 lakhs. Each CCPS carries a minimum preferential dividend rate of 0.0001% and in addition to and after payment of such preferential dividend, the CCPS Holder would be entitled to participate pari-passu in any dividends paid to the holders of shares of any other class (including equity shares) or series on a pro rata, as-if-converted basis. Each CCPS would be converted into fully paid-up equity shares ranking pari-passu with the existing equity shares, in the ratio of 1:1 (subject to such adjustments as contemplated in the subscription agreement dated January 22, 2020 executed by and amongst inter alia the Company and the CCPS Holder ("SSA")), on the earlier of (i) expiry of a period of 18 (eighteen) months from the closing date (as defined under the SSA) (February 7, 2020); and (ii) the date when a prospective shareholder (as defined under the SSA) (including such prospective shareholder's affiliates) acquires equity shares or equity securities convertible into equity shares representing, in the aggregate, at least 7% (Seven percent) of the then share capital of the Company (on a fully diluted basis) (in one or more transactions). During the year ended 31st March 2022, the Company has converted the entire 10,23,350 CCPS into 12,08,931 equity shares of ₹ 10 each at a premium of ₹ 1,437.56 per share. These shares have been sub-divided into ₹ 1 each in the extraordinary general meeting held on January 31, 2022.

On December 16, 2022 and December 27, 2022, the Company has allotted 30,45,694 and 1,07,526 Series A Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100 each, at a premium of ₹ 272 each respectively to identified persons on a preferential basis, for a consideration of approx. ₹ 11,720.00 lakhs. Each CCPS carries a cumulative preferential dividend rate of 0.0001% per annum on the subscription price of the CCPS and shall be non-participating preference shares. CCPS convertible compulsorily and automatically into such number of equity shares as per a pre-determined formula at the conversion date, which is linked to the likelihood of IPO happening before a particular date as specified in the share purchase agreements and various possible valuation outcomes from the IPO of the equity shares of the Company. CCPS is convertible into variable number of equity shares of the Company and hence has been classified as a liability at fair value through profit and loss.

On March 29, 2023 and March 31, 2023, the Company has allotted 2,777,778 and 6,944,444 Series E Compulsorily Convertible Preference Shares ("CCPS") of ₹ 1 each, at a premium of ₹ 179 each respectively to identified persons on a preferential basis, for a consideration of approx. ₹ 17,500.00 lakhs. Each CCPS carries a cumulative preferential dividend rate of 0.0001% per annum on the subscription price of the CCPS and shall be non-participating preference shares. CCPS convertible compulsorily and automatically into such number of equity shares as per a pre-determined formula at the conversion date, which is linked to the likelihood of IPO happening before a particular date as specified in the share purchase agreements. CCPS is convertible into variable number of equity shares of the Company and hence has been classified as a liability at fair value through profit and loss.

**24C Other items of OCI****Re-measurements of defined benefit liability (asset)**

	31 March 2023	31 March 2022
Opening balance	(3.53)	94.53
Re-measurement gains/ (losses) on defined benefit plans (net of taxes)	(183.03)	(98.06)
Closing balance	<b>(186.56)</b>	<b>(3.53)</b>

**Re-measurement gains/ (losses) on defined benefit plans**

Re-measurement gains/ (losses) on defined benefit plans comprises actuarial gains and losses and return on plan assets (excluding interest income).

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**24D Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'debt' to 'equity'. For this purpose, debt is defined as total debt, comprising interest-bearing loans and borrowings and obligations under finance leases. Equity comprises all components of equity. There were no changes to the measure of monitoring capital in the periods presented.

The Company's debt to equity ratio is as follows:

	<b>31 March 2023</b>	<b>31 March 2022</b>
Non-current borrowings	3,668.59	1,094.38
Current borrowings and current maturities of non-current borrowings	44,196.53	39,171.59
<b>Debt</b>	<b>47,865.12</b>	<b>40,265.97</b>
Total equity	1,49,257.94	1,20,920.09
<b>Debt to equity ratio</b>	<b>0.32</b>	<b>0.33</b>

**24E Earnings per share**

**Basic and diluted earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>(i) Profit (loss) attributable to equity shareholders</b>		
Profit (loss) for the year, attributable to the equity holders	(2,926.07)	(2,121.94)
<b>(ii) Weighted average number of equity shares</b>		
Weighted average number of equity shares	36,38,76,252	33,94,29,140
Add - Number of shares relating to compulsorily convertible preference shares	1,91,04,562	12,00,020
Weighted average number of equity shares used in the calculation of basic earnings per share	38,29,80,814	34,06,29,160
Adjustments for dilutive effect		
- Number of shares relating to Management Incentive Plan	76,57,931	28,06,508
Weighted average number of equity shares used in the calculation of diluted earnings per share	39,06,38,745	34,34,35,668

**25 Borrowings**

**(a) Non-current borrowings**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Secured term loans from banks	3,668.59	1,094.38
<b>Total non-current borrowings</b>	<b>3,668.59</b>	<b>1,094.38</b>

**(b) Current borrowings**

<b>Loans repayable on demand</b>		
Secured	7,500.00	1,000.00
Unsecured	33,148.00	30,380.00
<b>Bills discounting</b>		
Unsecured	-	5,095.69
<b>Redeemable preference shares (unsecured)</b>	<b>891.60</b>	<b>891.60</b>
<b>Compulsorily convertible preference shares (unsecured)</b>	<b>29,229.98</b>	<b>-</b>
	<b>70,769.58</b>	<b>37,367.29</b>
<b>Current portion of non-current borrowings</b>		
Secured term loans from banks	2,656.93	1,804.30
Current portion of finance lease obligations (secured)	-	-
	<b>2,656.93</b>	<b>1,804.30</b>
<b>Total current borrowings</b>	<b>73,426.51</b>	<b>39,171.59</b>

Information about Company's exposure to interest rate and liquidity risks is included in note 37.

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**25 Borrowings (continued)**

**A Terms and repayment schedule**

Terms and conditions of outstanding borrowings are as follows:

In lakhs of INR

	Currency	Nominal Interest rate	Year of maturity	Carrying amount as at	
				31 March 2023	31 March 2022
<b>Secured Term loan from banks</b>					
IDFC First Bank Limited	GBP	3.40%	2023	844.72	2,476.43
IDFC First Bank Limited	INR	6 Month MCLR + 5 bps	2025	5,000.00	-
HDFC Bank Limited	INR	7.60 - 9.0%	2023	480.80	422.25
				<b>6,325.52</b>	<b>2,898.68</b>
<b>Bill discounting / Factoring - Unsecured *</b>					
IDFC First Bank Limited	INR	6.50%	-	-	2,999.98
DBS Bank Limited (paying agent)	INR	5.62%	-	-	773.46
TREDS-Invoicemart	INR	6.50%	-	-	1,322.25
				-	<b>5,095.69</b>
<b>Secured loans repayable on demand *</b>					
DBS Bank Limited	INR	6.40%	-	-	1,000.00
State Bank of India Limited	INR	6.45% - 7.50%	-	7,500.00	-
				<b>7,500.00</b>	<b>1,000.00</b>
<b>Unsecured loans repayable on demand *</b>					
Related party - White Data Systems India Pvt Ltd	INR	7.10% to 8.40%	-	190.00	1,180.00
Related party - TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	INR	7.10% to 8.90%	-	-	1,000.00
Standard Chartered Bank Limited	INR	6.10% to 8.50%	-	6,000.00	-
IDFC First Bank Limited	INR	6.50%-8.75%	-	2,000.00	1,550.00
HDFC Bank Limited	INR	6.45% - 8.61%	-	11,440.00	16,990.00
DBS Bank Limited	INR	8.60% - 8.40%	-	4,020.00	4,600.00
Axis Bank Limited	INR	6.25%-7.00%	-	9,498.00	5,060.00
				<b>33,148.00</b>	<b>30,380.00</b>
<b>Redeemable preference shares (unsecured)</b>					
Unsecured	INR	0.0001%	-	891.60	891.60
				<b>891.60</b>	<b>891.60</b>
<b>Non-Participating, Compulsorily Convertible Preference Shares</b>					
Unsecured (refer note 24B)	INR	0.0001%	-	29,229.98	-
				<b>29,229.98</b>	<b>-</b>
				<b>77,095.10</b>	<b>40,265.97</b>

\* These are repayable on demand or payable within a period of 12 months.

**B Secured loans**

**Secured term loan from banks**

Term loans from HDFC Bank Limited are secured by hypothecation of vehicles acquired out of the loan.

Foreign currency term loan from IDFC First Bank Limited are secured by hypothecation of movable fixed assets.

Term loan from IDFC First Bank Limited are secured against non-current portion of security deposit.

**Secured loans repayable on demand from banks**

Working capital loan from DBS Bank was secured upto Rs.10 crore against the debtors of the company.

**C Redeemable Preference Shares**

The Company has cumulative, redeemable, non-convertible, participating preference shares. These preference shares have been classified as a liability. For rights, preferences and restrictions attached to preference shares attached to these preference shares refer note 24

**D Changes in liabilities arising from financing activities**

Certain items of plant and machinery have been obtained on finance lease basis. The legal title to these items vests with their lessor. The total future minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of these minimum lease payments are as follows:

	31 March 2023	31 March 2022
Opening borrowing	40,265.97	30,292.48
Cash flows	36,844.57	9,997.06
Changes in fair values	(15.44)	(23.57)
<b>Closing borrowing</b>	<b>77,095.10</b>	<b>40,265.97</b>

Note: For changes in liabilities arising from lease liabilities, refer note 13C(c)

**F Wilful Defaulter**

The Company is not declared as wilful defaulter by any bank of financial institution or other lender.

**G Utilisation of borrowings**

a) The Company has used the borrowings from banks for the specific purpose for which it was taken at the balance sheet date.

b) The quarterly returns/statements of current assets filed by the Company with banks in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.

**H Compulsorily Convertible Preference Shares**

The carrying amount approximates the fair value of the instrument and the value of CCPS is ₹29,229.98 lakhs.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

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Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

26 Trade payables	31 March 2023	31 March 2022
Trade payables to related parties (refer note 34)	571.05	369.37
Dues to micro, small and medium enterprises (refer note 33)	9,938.71	2,362.05
Other trade payables	31,795.04	33,819.84
	<b>42,304.80</b>	<b>36,551.26</b>

**Ageing of trade payables from the due date of payment:**

31 March 2023	Ageing					Total
	Not due	< 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed dues - MSME	6,690.40	3,080.47	93.74	33.04	41.06	9,938.71
Undisputed dues - Others	29,615.79	2,391.52	60.32	68.48	229.98	32,366.09
	<b>36,306.19</b>	<b>5,471.99</b>	<b>154.06</b>	<b>101.52</b>	<b>271.04</b>	<b>42,304.80</b>
31 March 2022	Ageing					Total
	Not due	< 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed dues - MSME	712.40	1,551.28	31.27	60.21	6.89	2,362.05
Undisputed dues - Others	14,206.90	18,520.55	873.73	321.25	266.79	34,189.22
	<b>14,919.30</b>	<b>20,071.83</b>	<b>905.00</b>	<b>381.46</b>	<b>273.68</b>	<b>36,551.27</b>

**27 Other financial liabilities**

	Non-current portion		Current portion	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Interest accrued but not due on borrowings	-	-	180.29	92.76
Payable to factor (refer note 20A)	-	-	9,760.93	282.83
Capital creditors	-	-	330.38	507.98
Amount due to employees	-	-	7,190.51	7,162.06
Financial guarantee liability	2,245.49	2,645.57	1,941.68	1,317.00
Dues to subsidiaries	-	-	3,010.26	1,204.50
	<b>2,245.49</b>	<b>2,645.57</b>	<b>22,414.05</b>	<b>10,567.13</b>

**28 Provisions**

	Non-current portion		Current portion	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Provisions for employee benefits</b>				
Liability for gratuity	577.59	319.28	450.00	435.35
Liability for compensated absences	700.76	238.17	336.12	834.11
	<b>1,278.35</b>	<b>557.45</b>	<b>786.12</b>	<b>1,269.46</b>

**29 Other current liabilities**

	31 March 2023	31 March 2022
Statutory dues others	4,649.76	3,516.87
Advance from customers	1,377.22	1,754.42
Other current liabilities	8.96	8.33
	<b>6,035.94</b>	<b>5,279.62</b>

**30 Employee benefits****Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund (PF) and employees' state insurance (ESI) scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and ESI for the year aggregated to ₹ 3,458.77 lakhs (31 March 2022: ₹ 3,082.86 lakhs).

**Defined benefit plans**

	Non-current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Provision for gratuity	577.59	319.28	450.00	435.35

For details about the related employee benefit expenses, see note 7

The Company has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

**A. Funding**

The gratuity plan of the Company is a partially funded plan with the Company making periodic contributions to a fund managed by Life Insurance Corporation (LIC).

**B. Reconciliation of the net defined benefit (asset)/ liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

**Reconciliation of present value of defined benefit obligation**

	31 March 2023	31 March 2022
Balance at the beginning of the year	2,724.11	2,384.88
Benefits paid	(345.08)	(179.73)
Current service cost	306.15	320.78
Interest cost	97.83	71.37
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	(43.07)	-
- changes in financial assumptions	(75.29)	(30.18)
- experience adjustments	461.24	156.99
<b>Balance at the end of the year</b>	<b>3,125.89</b>	<b>2,724.11</b>

**Reconciliation of the fair value of plan assets**

	31 March 2023	31 March 2022
Balance at the beginning of the year	1,969.48	1,848.66
Contributions paid into the plan	299.59	247.55
Benefits paid	(345.08)	(179.73)
Interest income	112.77	76.92
Actuarial gains / (losses) recognised in other comprehensive income	61.54	(23.92)
<b>Balance at the end of the year</b>	<b>2,098.30</b>	<b>1,969.48</b>
<b>Net defined benefit (asset) / liability</b>	<b>1,027.59</b>	<b>754.63</b>

**C. Expense recognised in profit or loss**

	31 March 2023	31 March 2022
Current service cost	306.15	320.78
Interest cost	97.83	71.37
Interest income	(112.77)	(76.92)
	<b>291.21</b>	<b>315.23</b>

**D. Remeasurements recognised in other comprehensive income**

	31 March 2023	31 March 2022
Actuarial gain/ (loss) on defined benefit obligation	(342.88)	(126.81)
Actuarial gain/ (loss) on plan assets	61.54	(23.92)
	<b>(281.34)</b>	<b>(150.73)</b>

**E. Plan assets**

Plan assets comprise of the following:

	31 March 2023	31 March 2022
Insurer managed funds	2,098.30	1,969.48
	<b>2,098.30</b>	<b>1,969.48</b>

**F. Defined benefit obligation****i. Actuarial assumptions**

	31 March 2023	31 March 2022
<i>Principal actuarial assumptions at the reporting date were:</i>		
Discount rate	7.20%	5.00%
Future salary growth	8.00%	8.00%
Attrition rate	63.00%	58.00%
Expected return on plan assets	7.20%	5.00%

**30 Employee benefits (continued)****Defined benefit plans (continued)****ii. Sensitivity analysis**

The sensitivity analyses have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(32.69)	33.63	(34.44)	35.60
Future salary growth (1% movement)	47.07	(46.67)	33.90	(33.45)
Attrition rate (1% movement)	(5.83)	6.00	(8.30)	8.58

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**G. Maturity Profile of Defined Benefit Obligation**

	31 March 2023	31 March 2022
Within the next 12 months (next annual reporting period)	1,976.52	1,561.95
Between 2 and 5 years	1,375.69	1,327.62
Between 6 and 10 years	39.45	63.33
Beyond 10 years	0.35	1.06
<b>Total expected payments</b>	<b>3,392.01</b>	<b>2,953.96</b>

The average duration of the defined benefit plan obligation at the end of the reporting year is 1.58 years (31 March 2022: 1.72 years).

**Share based payments**

The company has Management Incentive Plan (MIP) scheme under which share options are granted to employees which has been approved by the shareholders of the company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the company on exercise at the exercise price as per the scheme. The option carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

**Fair value of share options granted during the year**

During the year ended 31 March 2023 the Company has not granted any stock options. The weighted average fair value of the stock options granted during the year ended 31 March 2022 ₹ 51.10 (MIP I) & ₹ 43.80 (MIP II)\*. Options were priced using a Black Scholes option valuation model & Monte Carlo simulation model for MIP I and II respectively. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price volatility of guideline companies in developed and developing countries.

\* Fair value option of equity shares issued under this grant is post share split with a face value of ₹ 1/- each

**Inputs in to the model:**

	MIP I	MIP I	MIP I	MIP I	MIP II - Pool A & Pool B	MIP II - Pool A & Pool B	MIP II - Pool A & Pool B
Grant date share price * #	96.40	153.15	141.89	141.89	96.40	119.38	119.38
Grant date	20-Nov-18	14-Feb-20	20-Nov-20	09-Feb-21	20-Nov-18	16-May-19	01-Jul-19
Exercise price #	95.00	95.00	95.00	95.00	95.00	95.00	95.00
Expected volatility	32.00%	35.90%	52.30%	52.30%	33.10%	36.23%	36.23%
Option life	2.36 years	1.13 years	1 year	1 year	3.61 years	3.13 years	3 years
Dividend yield	0.15%	0.00%	0.00%	0.00%	0.15%	0.00%	0.00%
Risk free interest rate	7.28%	5.10%	3.80%	3.80%	7.50%	6.44%	6.44%

	MIP I	MIP II
Grant date share price * #	127.70	127.70
Grant date	08-Feb-22	08-Feb-22
Exercise price #	95.00	95.00
Expected volatility	53.40%	53.25%
Option life	1 year	1.39 years
Dividend yield	0.00%	0.00%
Risk free interest rate	4.40%	4.35%

\* Before adjustment of lack of marketability

# After giving effect of share split

**30 Employee benefits (continued)****Share based payments (continued)****Movements in share options during the year**

MIP I	Year ended	Weighted average	Year ended	Weighted average
	31 March 2023		31 March 2022	
	Number of	exercise price	Number of	exercise price
	Options		Options	
Opening at the beginning of the year	1,25,93,450	95.00	14,11,923	950.00
Additions in number of options on account of share split	-	-	1,27,07,307	95.00
Granted during the year	-	-	17,07,600	95.00
Exercised during the year *	1,01,670	95.00	26,000	95.00
Forfeited and expired during the year	1,38,560	95.00	32,07,380	95.00
<b>Balance at the end of the year</b>	<b>1,23,53,220</b>	<b>95.00</b>	<b>1,25,93,450</b>	<b>95.00</b>

\* The weighted average market price of equity shares for options exercised during the year is ₹ 180.00 (Previous year: ₹ 127.70)

**Share options vested but not exercised** 1,23,53,220 1,08,85,850

MIP II	Year ended	Weighted average	Year ended	Weighted average
	31 March 2023		31 March 2022	
	Number of	exercise price	Number of	exercise price
	Options		Options	
Opening at the beginning of the year	45,22,890	95.00	9,25,129	950.00
Additions in number of options on account of share split	-	-	83,26,161	95.00
Granted during the year *	-	-	46,73,070	95.00
Options lapsed *	-	-	92,51,290	-
Forfeited and expired during the year	2,65,560	95.00	1,50,180	-
<b>Balance at the end of the year</b>	<b>42,57,330</b>	<b>95.00</b>	<b>45,22,890</b>	<b>95.00</b>

**Share options vested but not exercised** - -

\* Under MIP II - Pool A & Pool B, shares vest on varying dates with an option life of 5 years after vesting. During the year ended March 31, 2022 the Company has issued a modified MIP II scheme with modified vesting conditions and replaced with MIP II - Pool A & Pool B. The Group has adopted modification accounting under Ind AS 102.

**Share options outstanding at the end of the year - MIP I - 12,353,220 MIP II - 4,257,330 (31 March 2022: MIP I - 12,593,450 MIP II - 4,522,890)**

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 95.00 (31 March 2022: ₹ 95.00) and a weighted average remaining contractual 0.25 years (31 March 2022: 0.42 years)

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**Notes to the standalone financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***31 Leases****A Finance leases as lessor**

The Company's leasing arrangement represents the certain forklifts and other assets given to customers which have been classified under Ind AS 116 on Leases as Finance lease. The lease term covers the substantial period of the assets and all the risks and rewards of ownership are transferred to the lessee. The Company records disposal of the property concerned and recognizes the finance income as part of Other income.

The reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period are as follows:

	<b>31 March 2023</b>	<b>31 March 2022</b>
Gross investment	1,365.08	2,226.59
Unearned finance income	(210.37)	(399.86)
Net investment	<b>1,154.71</b>	<b>1,826.73</b>

Finance leases are receivable as follows:

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Gross investment</b>		
Receivable within one year	520.23	746.23
Receivable between one and five years	840.79	1,480.36
Receivable after five years	4.06	-
<b>Total</b>	<b>1,365.08</b>	<b>2,226.59</b>
<b>Present value of minimum lease payments</b>		
Receivable within one year	408.85	569.28
Receivable between one and five years	742.59	1,257.46
Receivable after five years	3.27	-
<b>Total</b>	<b>1,154.71</b>	<b>1,826.74</b>

**32 Capital commitments and contingent liabilities**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	1,346.19	1,537.26

**Contingent liabilities:**

Employee related matters*	2,183.59	2,183.59
Corporate guarantee	1,62,924.33	1,56,382.87
Income tax related matters	1,364.47	-
Bank guarantees issued	75.69	70.43
Service tax related matters	607.15	1,194.31
Sales tax related matters	158.00	110.18
GST related matters	613.92	459.60
Claims not acknowledged as debt	482.44	421.60

From time to time, the Company is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

\* The Company has challenged the demand orders from PF authorities amounting to ₹ 2,183.59 Lakhs for the periods April 2011 to February 2015 on the grounds that provident fund on certain allowances need not be included for calculation of the Provident Fund contribution, as the same is not universally paid to all the employees of the Company.

The Hon'ble Supreme Court of India by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion for the purposes of computation of the Provident Fund contribution. Consequently, the Company has filed a review petition to Regional Provident Fund Commissioner to review the demand order in the light of the Supreme Court decision. The Company has also obtained an interim injunction from Honourable High Court of Madras pending disposal of the Company's petition. Based on legal advice obtained, the Company is of the view that no provision is required for the dispute in the financials as at March 31, 2023. During the year ended March 31, 2023 the Company has paid a deposit of ₹ 360 lakhs against this case.

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**Notes to the standalone financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***33 Due to micro, small and medium enterprises**

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 has been made in these standalone financial statements based on information received and available with the Company, to the extent identified by the management.

	<u>31 March 2023</u>	<u>31 March 2022</u>
The amounts remaining unpaid to micro and small suppliers as at end of the accounting year		
Principal	9,938.71	2,362.05
Interest due thereon	119.75	37.43
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amount of payments made to the micro and small suppliers beyond the appointed day during each accounting year	20,256.24	9,062.13
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	47.32
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	114.61
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	90.18

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**34 Related party disclosures (refer note 24A)**

**A. Enterprise having significant influence**

TVS Mobility Private Limited (From 4th February 2022)  
T V Sundram Iyengar & Sons Private Limited (Till 3rd February 2022)

**B. Subsidiaries**

TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)  
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand  
TVS Logistics Investment UK Limited  
TVS Logistics Investments USA Inc., USA  
FLEXOL Packaging (India) Limited  
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited), Singapore  
TVS Packaging Solutions Private Limited  
SPC International India Private Limited, India  
White Data Systems India Private Limited, India  
TVS Toyota Tsusho Supply Chain Solutions Limited  
Fit 3PL Warehousing Private Limited (Subsidiary from 13th October 2021)

**C. Step down subsidiaries**

TVS Supply Chain Solutions Limited, UK  
*Subsidiaries of TVS Supply Chain Solutions Limited, UK*  
MSys Software Solutions Limited, UK (till 20th December 2022)  
Multipart Limited, UK (till 20th December 2022)  
Peter Thomas & Co (Refurbishing) Limited, UK  
TVS Logistics Iberia S.L., Spain  
TVS Autoserv GmbH, Germany  
TVS Supply Chain Solutions GmbH, Germany  
Rico Logistics Limited, UK  
*Subsidiaries of Rico Logistics Limited, UK*  
Ricochet Spain, Spain  
*Subsidiaries of Ricochet Spain S.L, Spain*  
Eltec IT Services S.L.U  
Rico Logistique, France  
Rico Logistics Limited, Australia  
Circle Express Limited, UK  
Tri - Tec Computer Support Limited, Northern Ireland  
*Subsidiaries of Tri - Tec Computer Support Limited, Northern Ireland*  
Tri - Tec Support Limited, Ireland  
TVS SCS Rico Italia SRL  
Triage Holdings Limited  
*Subsidiaries of Triage Holdings Limited*  
Triage Service Limited  
OrderLogic Limited  
SPC International Limited, UK  
*Subsidiaries of SPC International Limited, UK*  
SPCINT Limited, UK  
SPC International (Engineering) Limited, UK  
Fitcomp I71 Limited, UK  
SPC EBT Trustees Limited, UK  
SPC International Inc., USA  
SPC International s.r.o., Slovakia  
TVS America Inc., USA  
TVS Supply Chain Solutions North America Inc., USA (formerly known as Wainwright Industries Inc. USA)  
*Subsidiaries of TVS Supply Chain Solutions North America Inc., USA*  
TVS Transportation Solutions LLC, USA  
TVS Supply Chain Solutions De Mexico S.A de C.V., Mexico  
TVS Packaging Solutions Inc., USA  
TVS SCS International Freight (Spain) SLU (Formerly known as Nadal Forwarding S.L), Spain  
TVS SCS International Pte. Ltd (Formerly known as Pan Asia Logistics International Pte. Ltd)  
TVS SCS Singapore Pte. Ltd (Formerly known as Pan Asia Logistics Singapore Pte. Ltd)  
TVS Supply Chain Solutions (Thailand) Limited (Formerly known as TVS Asianics, Thailand)  
*Subsidiaries of TVS Supply Chain Solutions (Thailand) Limited*  
TVS SCS Logistics Management Co. Ltd (Formerly known as TLM Logistics Management Co., Ltd)

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Notes to the standalone financial statements for the year ended 31 March 2023

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**34 Related party disclosures (continued)**

**C. Step down subsidiaries (continued)**

*Subsidiaries of TVS SCS Singapore Pte. Ltd (Formerly known as Pan Asia Logistics Singapore Pte. Ltd)*

TVS SCS Logistics Ltd

TVS SCS (Korea) Ltd (Formerly known as Pan Asia Logistics International (Korea) Ltd)

TVS SCS Logistics (Thailand) Limited (Formerly known as Pan Asia Logistics (Thailand) Ltd)

TVS SCS Hong Kong Limited (Formerly known as Pan Asia Freight-Forwarding & Logistics Hong Kong Ltd)

Pan Asia Container Line Pte Ltd, Hong Kong

TVS SCS Deutschland GmbH (Formerly known as Pan Asia Logistics Deutschland GmbH)

TVS SCS Malaysia Sdn Bhd

TVS SCS Vietnam Company Limited (Formerly known as Pan Asia Logistics Vietnam Company Ltd)

PT Pan Asia Logistics Indonesia

TVS SCS Taiwan Limited (Formerly known as Pan Asia Logistics Taiwan Ltd)

Pan Asia Freight-Forwarding & Logistics India Pvt Ltd

TVS Supply Chain Solutions Australia Holdings Pty Ltd (Formerly known as TVS-Asianics Australia Holdings Pty Ltd)

*Subsidiaries of TVS Supply Chain Solutions Australia Holdings Pty Ltd*

T.I.F Holdings Pty. Ltd, Australia

*Subsidiaries of T.I.F Holdings Pty. Ltd, Australia*

TVS SCS (Aust) Pty. Ltd (Formerly known as Transtar International Freight (Aust) Pty Ltd, Australia)

TVS SCS New Zealand Limited (Formerly known as Transtar International Freight Limited, New Zealand)

Kahn Nominees Pty Ltd, Australia

*Subsidiaries of Kahn Nominees Pty Ltd, Australia*

TVS SCS International Freight (Singapore) Pte. Ltd (Formerly known as Transtar International Freight (Singapore) Pte. Limited, Singapore)

TVS SCS International Freight Limited, Hong Kong

*Subsidiaries of TVS SCS International Freight Limited, Hong Kong*

Transtar International Freight (Shanghai) Limited

Transtar International Freight (Malaysia) Sdn Bhd

TVS SCS International Freight (Thailand) Limited (Formerly known as Transtar International Freight Limited, Thailand)

TVS Supply Chain Solutions Holdings Limited (Thailand)

(formerly known as Transtar International Freight Holdings Limited)

**D. Subsidiaries of TVS Mobility Private Limited (From 4th February 2022)**

Sundaram Industries Private Limited

TVS Sirius Controls Private Limited

**E. Subsidiaries of T V Sundram Iyengar & Sons Private Limited (Till 3rd February 2022)**

TVS Motor Company Limited

Sundaram Clayton Limited

Lucas-TVS Limited

Sundaram Industries Private Limited

Lucas Indian Service Limited

TVS Automobile Solutions Private Limited

TVS Training and Services Limited

TVS Electronics Limited

Sundram Fasteners Limited

**F. Joint Ventures**

TVS Industrial & Logistics Parks Private Limited

Linfox TVS Solutions Pty Limited, Australia (till 2nd February 2023)



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**34 Related party disclosures (continued)****G. Key management personnel (KMP)**

Mr. R. Dinesh, Executive Vice Chairman  
 Mr. Ravi Viswanathan, Managing Director  
 Mr. S. Ravichandran, Non-Executive Director  
 Mr. C. K. Ranganathan, Independent director (till May 16, 2022)  
 Mr. S Mahalingam, Independent director  
 Sri. Gopal Srinivasan, Non-Executive director (till 4th February, 2022)  
 Sri. S.Ram, Non-Executive director (till September 13, 2021)  
 Ms. Shobhana Ramachandran, Non-Executive director  
 Mr. Ravi Prakash Baghavathula, Chief Financial Officer  
 Mr. P D Krishna Prasad, Company Secretary  
 Mr. Ashish Kaushik, Nominee director (w.e.f 8th October, 2021)  
 Ms. Gauri Kumar, Additional Independent Director (w.e.f. February 07, 2022)  
 Mr. B. Sriram, Additional Independent Director (w.e.f. February 07, 2022)  
 Mr. Tarun Khanna, Independent Director (w.e.f May 16, 2022)  
 Mr. Anand Kumar, Nominee director  
 Mr. Bobby Pauly, Nominee director (till 13th January, 2023)

**H. Private Companies under common directorship/ Entities controlled by KMP or relatives of KMP of the Company**

TVS Automobile Solutions Private Limited  
 TVS Srichakra Limited  
 Ki Mobility Solutions Pvt Ltd  
 Sundaram Industries Private Limited  
 Cavin Kare Pvt Ltd (till May 16, 2022)  
 Sundharams Private Limited

**Transactions during the year**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Income from logistics services</b>		
Lucas-TVS Limited	-	1,032.54
Sundaram Industries Private Limited	113.63	103.25
TVS Motor Company Limited	-	7,226.61
Sundaram Clayton Limited	-	105.15
T V Sundram Iyengar & Sons Private Limited	-	167.26
TVS Toyota Tsusho Supply Chain Solutions Limited	-	5.60
FLEXOL Packaging (India) Limited	-	1.98
Drive India Enterprise Solutions Limited	-	12.60
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	2.24	2.02
Sundram Fasteners Limited	-	133.33
TVS Srichakra Limited	6,843.57	6,178.79
TVS Automobile Solutions Private Limited	-	2,249.92
Ki Mobility Solutions Pvt Ltd	4,436.45	89.46
TVS Mobility Private Limited	0.18	-
FIT 3PL Warehousing Private Limited	197.74	28.98
SPC International (India) Private Limited	2.99	-
<b>Sale of Goods</b>		
TVS Toyota Tsusho Supply Chain Solutions Limited	242.68	443.66
Sundaram Clayton Limited	-	8.61
FLEXOL Packaging (India) Limited	-	7.50
<b>Other income</b>		
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	804.41	62.82
TVS Toyota Tsusho Supply Chain Solutions Limited	197.07	148.01
TVS Supply Chain Solutions North America Inc.,USA	449.88	370.58
TVS Logistics Investment UK Limited	992.45	934.04
Rico Logistics Limited, UK	2,354.39	2,352.83
TVS Supply Chain Solutions Limited, UK	1,498.88	1,701.13
TVS Logistics Iberia S.L., Spain	15.31	-
Lucas TVS Limited	-	5.84
FLEXOL Packaging (India) Ltd	-	10.46
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore)	2,929.29	1,066.93
White Data Systems India Private Limited	90.49	23.99
FIT 3PL Warehousing Private Limited	482.70	1.35
<b>Share Based Payments</b>		
Rico Logistics Limited, UK	425.12	-
TVS Supply Chain Solutions Limited, UK	471.62	-
TVS Supply Chain Solutions North America Inc.,USA	191.99	-
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore)	471.26	75.21
FLEXOL Packaging (India) Ltd	1.91	-
TVS Toyota Tsusho Supply Chain Solutions Limited	1.91	-

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

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Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**34 Related party disclosures (continued)****Transactions during the year (continued)**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Dividend income</b>		
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	240.00	216.00
<b>Interest income</b>		
TVS Logistics Investments USA Inc., USA	83.53	
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand	33.97	33.83
TVS Logistics Investment UK Limited	2,195.69	239.91
<b>Expenses incurred on behalf of</b>		
TVS Supply Chain Solutions Limited, UK	309.41	103.48
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore)	241.38	203.58
TVS Supply Chain Solutions North America Inc., USA	198.07	103.97
TVS Logistics Investment UK Limited	-	95.11
Rico Logistics Limited, UK	454.21	151.24
White Data Systems India Private Limited	-	155.51
TVS SCS Global Freight Solutions Limited	32.68	-
<b>Interest expense</b>		
Drive India Enterprise Solutions Limited	-	54.22
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	215.00	87.04
White Data Systems India Private Limited	54.76	102.58
<b>Purchase of spares, fuel, others</b>		
T V Sundram Iyengar & Sons Private Limited	-	17.84
Sundaram Industries Private Limited	71.81	60.66
Lucas Indian Service Limited	-	5.61
FLEXOL Packaging (India) Limited	-	53.85
Sundram Fasteners Limited	-	9.85
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	3.71	10.15
TVS Mobility Private Limited	47.59	-
TVS Sirius Controls Private Limited	3.31	-
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	-	2.22
<b>Freight, packing and forwarding expenses</b>		
FLEXOL Packaging (India) Limited	49.84	90.03
T V Sundram Iyengar & Sons Private Limited	174.65	167.40
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	331.85	166.31
White Data Systems India Private Limited	-	16.07
FIT 3PL Warehousing Private Limited	8.99	-
Sundharams Private Limited	0.48	-
Sundaram Industries Private Limited	0.10	-
TVS Sirius Controls Private Limited	1.04	-
TVS Srichakra Limited	45.38	-
<b>Rent</b>		
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	1,861.83	934.10
T V Sundram Iyengar & Sons Private Limited	-	133.77
Lucas-TVS Limited	-	1.80
TVS Mobility Private Limited	271.50	50.59
FIT 3PL Warehousing Private Limited	188.48	20.56
TVS Automobile Solutions Private Limited	216.13	-
<b>Repairs and maintenance</b>		
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	6.67	-
TVS Automobile Solutions Private Limited	42.19	-
<b>IT Support Costs</b>		
FLEXOL Packaging India Limited	29.79	-
White Data Systems India Private Limited	171.65	-
<b>Expenses incurred by and reimbursed to</b>		
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore)	1,588.09	1,020.25
T V Sundram Iyengar & Sons Private Limited	-	2.99
TVS Mobility Private Limited	9.03	0.70
TVS Logistics Investment UK Limited	30.13	-
White Data Systems India Private Limited	0.44	-
TVS Supply Chain Solutions North America Inc., USA	80.15	-

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**34 Related party disclosures (continued)****Transactions during the year (continued)**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Other expenses</b>		
T V Sundram Iyengar & Sons Private Limited	-	108.00
FLEXOL Packaging (India) Limited	29.48	-
Sundaram Industries Private Limited	-	0.04
TVS Sirius Controls Private Limited	1.49	-
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	1,712.80	17.18
White Data Systems India Private Limited	96.53	98.16
Sundharams Private Limited	4.90	-
TVS Mobility Private Limited	5.24	-
<b>Sale of Fixed Asset</b>		
TVS Toyota Tsusho Supply Chain Solutions Limited	-	13.93
<b>Purchase of fixed assets</b>		
T V Sundram Iyengar & Sons Private Limited	98.85	11.47
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	67.40	-
White Data Systems India Private Limited	-	0.33
TVS Mobility Private Limited	82.70	-
<b>Investment in equity shares</b>		
FLEXOL Packaging (India) Limited	-	356.69
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	718.75	781.25
ETI 3PL Warehousing Private Limited	-	20,410.00
<b>Loans and advances</b>		
<i>Given during the year</i>		
TVS Logistics Investments USA Inc., USA	11,748.29	-
TVS Logistics Investment UK Limited	19,878.49	15,501.00
<i>Repayments made during the year</i>		
White Data Systems India Private Limited	990.00	920.00
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	5,700.00	950.00
<i>Taken during the year</i>		
White Data Systems India Private Limited	-	950.00
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	4,700.00	400.00
<b>Remuneration to Key Managerial Personnel</b>		
Mr. S. Ravichandran, Non-Executive Director	-	406.35
Mr. Ravi Viswanathan, Managing Director	559.06	542.70
Mr. R. Dinesh, Executive Vice Chairman	734.80	640.00
Mr. Ravi Prakash Baghavathula, Chief Financial Officer	270.22	314.14
Mr. P D Krishna Prasad, Company Secretary	56.33	53.29
<b>Sitting fees to Independent &amp; Non-Executive Directors</b>		
Mr. C. K.Ranganathan	1.75	2.50
Mr. S. Ravichandran	9.25	-
Mr. S Mahalingam	11.75	4.25
Sri. Gopal Srinivasan	-	1.00
Sri. S.Ram	-	0.50
Ms. Shobhana Ramachandran	7.75	2.50
Ms. Gauri Kumar	8.75	1.00
Mr. B. Sriram	10.25	1.00
Mr. Tarun Khanna	4.75	-
<b>Commission to Independent &amp; Non-Executive Directors</b>		
Mr. S. Ravichandran	10.00	-
Mr. S Mahalingam	12.00	-
Ms. Shobhana Ramachandran	10.00	-
Ms. Gauri Kumar	10.00	-
Mr. B. Sriram	12.00	-
Mr. Tarun Khanna	10.00	-

1. As the future liabilities of gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the KMP is not ascertainable separately and therefore not included above.

2. Total employee stock compensation expense for the year ended March 31, 2023 and March 31, 2022 includes a charge of Nil and ₹ 327.10 lakhs, towards KMP respectively.

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**34 Related party disclosures (continued)****Year end balances:**

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Loans to related parties</b>		
TVS Logistics Investment UK Limited, UK	40,137.88	18,666.08
TVS Logistics Investments USA Inc., USA	11,774.28	-
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand	488.82	450.71
<b>Receivables</b>		
Sundaram Industries Private Limited	25.96	8.08
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	242.28	46.41
TVS Logistics Investment UK Limited	9,988.43	6,497.41
TVS Logistics Investments USA Inc., USA	149.28	63.01
TVS Supply Chain Solutions North America, Inc., USA	2,231.07	1,755.41
FLEXOL Packaging (India) Limited	6.82	39.97
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore	3,564.09	2,407.22
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand	234.71	188.14
TVS Toyota Tsusho Supply Chain Solutions Limited	21.82	107.21
TVS Supply Chain Solutions Limited, UK	(58.22)	908.06
Rico Logistics Limited, UK	5,706.83	3,562.14
T V Sundram Iyengar & Sons Private Limited	-	7.87
TVS Logistics Iberia S.L., Spain	14.27	-
TVS Srichakra Limited	1,648.79	571.23
White Data Systems India Private Limited	59.76	6.74
TVS Packaging Solutions Private Limited	4.16	3.47
TVS Automobile Solutions Private Limited	(0.44)	503.22
Ki Mobility Solutions Pvt Ltd	1,127.37	10.76
CavinKare Private Limited	-	127.63
FIT 3PL Warehousing Private Limited	137.55	19.58
<b>Security deposits</b>		
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	930.83	789.66
<b>Other receivables - Advance for Supply of Goods &amp; Services</b>		
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	441.99	411.78
T V Sundaram Iyengar & Sons Private Limited	15.59	120.06
<b>Unsecured borrowing repayment on demand from related party</b>		
White Data Systems India Private Limited	190.00	1,180.00
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	-	1,000.00
<b>Payables</b>		
T V Sundram Iyengar & Sons Private Limited	15.41	15.41
Sundaram Industries Private Limited	22.05	16.50
FLEXOL Packaging (India) Limited	101.73	44.70
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	30.22	140.23
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	0.00	106.39
TVS Supply Chain Solutions North America, Inc., USA	80.15	-
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore	2,796.50	1,090.81
TVS Automobile Solutions Private Limited	102.45	-
TVS Toyota Tsusho Supply Chain Solutions Limited	3.24	-
TVS Packaging Solutions Private Limited	1.00	1.00
White Data Systems India Private Limited	68.05	25.96
TVS Supply Chain Solutions Limited, UK	0.73	-
TVS Logistics Iberia S.L., Spain	-	2.07
TVS Logistics Investment UK Limited	125.14	91.12
TVS Mobility Private Limited	59.82	34.63
FIT 3PL Warehousing Private Limited	154.82	22.26
Sundharams Private Limited	0.14	-

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**Notes to the standalone financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***34 Related party disclosures (continued)**

<b>Year end balances (continued):</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Guarantees</b>		
TVS Logistics Investment UK Limited	1,16,031.82	94,685.19
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore	46,892.51	61,697.68
<b>Payable to Key Managerial Personnel</b>		
Remuneration to Mr.S. Ravichandran, Non-Executive Director	-	209.04
Remuneration to Mr. Ravi Viswanathan, Managing Director	250.00	200.00
Remuneration to Mr. R. Dinesh, Executive Vice Chairman	400.00	200.00
Remuneration to Mr. Ravi Prakash Baghavathula, Chief Financial Officer	123.32	173.59
Commission to Independent & Non-Executive Directors	64.00	-
Remuneration to Mr. P D Krishna Prasad, Company Secretary	2.42	3.75

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**Notes to the standalone financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***35 Transfer pricing**

The Company has international transactions with related parties. The management confirms that all such transactions are in compliance with the provisions of Income-tax Act, 1961. The management also confirms that it maintains documents as prescribed by the Income Tax Act to prove that the international and domestic transactions are at arm's length and the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

**36 Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":****A. Disaggregated revenue information**

Segment	31 March 2023			31 March 2022		
	India	Outside India	Total	India	Outside India	Total
<b>Type of goods or service</b>						
Revenue from operations	1,81,855.77	-	1,81,855.77	1,47,180.40	-	1,47,180.40
<b>Total revenue from contracts with customers</b>	<b>1,81,855.77</b>	<b>-</b>	<b>1,81,855.77</b>	<b>1,47,180.40</b>	<b>-</b>	<b>1,47,180.40</b>

**B. Timing of revenue recognition**

Particulars	31 March 2023	31 March 2022
Goods transferred at a point in time	2,000.76	440.75
Services transferred over time	1,79,855.01	1,46,739.65
<b>Total revenue from contracts with customers</b>	<b>1,81,855.77</b>	<b>1,47,180.40</b>

**C. Summary of contract balances**

Particulars	31 March 2023	31 March 2022
Trade Receivables (Gross)	36,001.54	33,012.02
Contract assets (Unbilled revenue) (Refer note below)	13,461.10	12,557.26
Contract liability (Advance from Customers)	1,377.22	1,754.42

Note:

Contract assets are initially recognised for revenue earned from supply chain management services as receipt of consideration is conditional on successful completion. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

**D. Reconciliation of Revenue from sale of products/services with the contracted price**

Particulars	31 March 2023	31 March 2022
Revenue as per contracted price	1,82,439.49	1,48,344.31
Less: Trade discounts, volume rebates etc.	583.72	1,163.92
Revenue as per statement of profit and loss	1,81,855.77	1,47,180.40

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

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Notes to the standalone financial statements for the year ended 31 March 2023

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**37 Financial instruments - Fair values and risk management**

**A. Accounting classification and fair values and fair value hierarchy**

This section explains the carrying amounts and fair values of financial assets and liabilities, including judgements and estimates made in determining the fair values of the standalone financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels as described in note 3.

	Note	Carrying amount						Fair value			
		31 March 2023			31 March 2022			Level 1	Level 2	Level 3	Total
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost				
<i>Financial assets measured at fair value</i>											
Investments	14	20.00	-	-	20.00	-	-	-	-	20.00	20.00
<i>Financial assets not measured at fair value</i>											
Investments	14	-	-	-	-	-	-	-	-	-	-
Loans	15	-	-	52,400.98	-	-	19,116.78	-	-	-	-
Deposits and other receivables	16	-	-	35,712.46	-	-	28,055.26	-	-	-	-
Trade receivables	20	-	-	26,681.18	-	-	25,118.49	-	-	-	-
Cash and cash equivalents	21	-	-	28,803.79	-	-	28,964.60	-	-	-	-
Other bank balances	22	-	-	3,525.38	-	-	280.56	-	-	-	-
Other financial assets	17	-	-	132.26	-	-	53.76	-	-	-	-
<b>Total</b>		<b>20.00</b>	<b>-</b>	<b>1,47,256.05</b>	<b>20.00</b>	<b>-</b>	<b>1,01,589.45</b>	<b>-</b>	<b>-</b>	<b>20.00</b>	<b>20.00</b>
<i>Financial liabilities not measured at fair value</i>											
Borrowings	25	-	-	77,095.10	-	-	40,265.97	-	-	-	-
Trade payables	26	-	-	42,304.80	-	-	36,551.26	-	-	-	-
Other financial liabilities	27	-	-	24,659.54	-	-	13,212.70	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>1,44,059.44</b>	<b>-</b>	<b>-</b>	<b>90,029.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:** The Company has not disclosed fair values of financial instruments such as loans, deposits and other receivables, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, lease liability, trade payables, other financial liabilities because their carrying amounts are reasonable approximations of their fair values. The Company has also not disclosed fair values of investments carried at cost.

**37 Financial instruments - Fair values and risk management (continued)****B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the senior management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount	
	31 March 2023	31 March 2022
Trade receivables	26,681.18	25,118.49
Investments	20.00	20.00
Cash and cash equivalents	28,803.79	28,964.60
Other bank balances	3,525.38	280.56
Loans	52,400.98	19,116.78
Deposits and other receivables	35,712.46	28,055.26
Other financial assets	132.26	53.76
<b>Total</b>	<b>1,47,276.05</b>	<b>1,01,609.45</b>

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. The impairment loss at the reporting dates relates to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available information about customers from internal/external sources. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

The ageing of trade receivables that were not impaired as at the reporting date was:

**As at 31 March 2023**

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not due & Past due 1-90 days	24,916.46	1.6%	(391.26)
Past due 91-180 days	1,442.03	33.5%	(482.94)
Past due 181-365 days	573.23	34.5%	(197.65)
Past due for more than 365 days	9,069.82	90.9%	(8,248.51)
<b>Total</b>	<b>36,001.54</b>		<b>(9,320.36)</b>



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**37 Financial instruments - Fair values and risk management (continued)****B. Financial risk management (continued)***ii. Credit risk (contd.)*

As at 31 March 2022

	Gross carrying amount	Weighted- average loss rate	Loss allowance
Not due & Past due 1-90 days	17,059.60	4.1%	(697.62)
Past due 91-180 days	3,793.94	22.8%	(864.77)
Past due 181-365 days	5,568.69	27.3%	(1,522.40)
Past due for more than 365 days	6,589.78	73.0%	(4,808.74)
<b>Total</b>	<b>33,012.01</b>		<b>(7,893.53)</b>

*Movements in the allowance for impairment in respect of trade receivables*

The movement in the allowance for impairment in respect of trade receivables is as follows:

	31 March 2023	31 March 2022
Balance at the beginning of the year	7,893.53	4,904.82
Add : Provision for the year	2,905.63	2,988.71
Less: Provision withdrawn against bad debts written off	(1,478.80)	-
<b>Balance at end of the year</b>	<b>9,320.36</b>	<b>7,893.53</b>

*Cash and cash equivalents and other bank balances*

The Company holds cash and bank balances of ₹32,329.17 lakhs as at 31 March 2023 (31 March 2022: ₹29,245.16 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

*Deposits and other receivables*

The Company has Deposits and other receivables of ₹35,712.46 lakhs as at 31 March 2023 (31 March 2022: ₹28,055.26 lakhs). It consists of deposit given in relation to leasehold premises occupied by the Company for carrying out its operations and receivable from subsidiaries. The Company does not expect any losses from non-performance by these counter-parties.

*Loans, Investments and Other financial assets*

The Company has loans, investments and other financial assets of ₹79,234.42 lakhs as at 31 March 2023 (31 March 2022: ₹44,309.03 lakhs). The credit worthiness of such parties are evaluated by the management on an ongoing basis and are provided wherever necessary and the remaining balances are considered to be good.

*iii. Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

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Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**37 Financial instruments - Fair values and risk management (continued)**

**B. Financial risk management (continued)**

*Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Contractual cash flows				
	Carrying amount	Total	1 year or less	1-5 years	More than 5 years
<b>31 March 2023</b>					
<b>Non derivative financial liabilities</b>					
<i>Current and non-current borrowings</i>					
Secured term loan from banks	6,325.52	6,325.52	2,656.93	3,668.59	-
Unsecured loans repayable on demand	33,148.00	33,148.00	33,148.00	-	-
Secured loans repayable on demand	7,500.00	7,500.00	7,500.00	-	-
Commercial Paper	-	-	-	-	-
Unsecured Bills discounting	-	-	-	-	-
Redeemable preference shares	891.60	891.60	891.60	-	-
Compulsorily convertible preference shares	29,229.98	29,229.98	29,229.98	-	-
<i>Others</i>					
Trade payables	42,304.80	42,304.80	42,304.80	-	-
Other financial liabilities	24,659.54	24,659.54	24,659.54	-	-
	<b>1,44,059.44</b>	<b>1,44,059.44</b>	<b>1,40,390.85</b>	<b>3,668.59</b>	-

	Contractual cash flows				
	Carrying amount	Total	1 year or less	1-5 years	More than 5 years
<b>31 March 2022</b>					
<b>Non derivative financial liabilities</b>					
<i>Current and non-current borrowings</i>					
Secured term loan from banks	2,898.68	2,898.68	1,804.30	1,094.38	-
Unsecured term loans from banks	30,380.00	30,380.00	30,380.00	-	-
Secured term loans from financial institutions	1,000.00	1,000.00	1,000.00	-	-
Unsecured loans repayable on demand	-	-	-	-	-
Unsecured Bills discounting	5,095.69	5,095.69	5,095.69	-	-
Redeemable preference shares	891.60	891.60	891.60	-	-
<i>Others</i>					
Trade payables	36,551.26	36,551.26	36,551.26	-	-
Other financial liabilities	13,212.70	13,212.70	10,567.13	2,645.57	-
	<b>90,029.93</b>	<b>90,029.93</b>	<b>86,289.97</b>	<b>3,739.96</b>	-

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**CIN: U63011TN2004PLC054655**

**Notes to the standalone financial statements for the year ended 31 March 2023**

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

**37 Financial instruments - Fair values and risk management (continued)**

*iv. Market risk*

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

*Currency risk*

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenues, loans given to related parties and other payables and receivables are denominated in a currency other than the INR. The company does not hedge its foreign currency risk in general except in case of certain payables and receivables denominated in foreign currency which are hedged through the use of forward exchange contracts. The Company does not apply hedge accounting in respect of such forward exchange contracts.

The following table analyzes foreign currency risk from financial instruments. The amounts disclosed in the table below are in equivalent ₹ for the various currencies to which the Company is exposed to currency risk.

	As at 31 March 2023						As at 31 March 2022					
	USD	Euro	GBP	SGD	AED	THB	USD	Euro	GBP	SGD	AED	THB
<b>Financial assets:</b>												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Loans	12,263.10	-	40,137.88	-	-	-	450.71	-	18,666.08	-	-	-
Deposits and other receivables	3,027.81	16.39	19,174.63	3,504.66	-	234.71	2,654.19	-	14,092.34	2,332.01	-	188.14
Trade receivables	-	-	-	-	-	-	107.89	-	-	-	-	-
Cash and cash equivalents	-	-	13.52	-	-	-	-	-	-	-	-	-
Other bank balances	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-
	<b>15,290.91</b>	<b>16.39</b>	<b>59,326.03</b>	<b>3,504.66</b>	<b>-</b>	<b>234.71</b>	<b>3,212.79</b>	<b>-</b>	<b>32,758.42</b>	<b>2,332.01</b>	<b>-</b>	<b>188.14</b>
<b>Financial liabilities:</b>												
Borrowings	-	-	844.72	-	-	-	-	-	2,476.43	-	-	-
Lease liability	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables	1.10	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	727.61	-	3,665.58	2,796.50	-	-	835.77	-	3,217.92	1,090.81	-	-
	<b>728.71</b>	<b>-</b>	<b>4,510.30</b>	<b>2,796.50</b>	<b>-</b>	<b>-</b>	<b>835.77</b>	<b>-</b>	<b>5,694.35</b>	<b>1,090.81</b>	<b>-</b>	<b>-</b>
<b>Net assets / (liabilities)</b>	<b>14,562.20</b>	<b>16.39</b>	<b>54,815.73</b>	<b>708.16</b>	<b>-</b>	<b>234.71</b>	<b>2,377.02</b>	<b>-</b>	<b>27,064.06</b>	<b>1,241.20</b>	<b>-</b>	<b>188.14</b>

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

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Notes to the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**37 Financial instruments - Fair values and risk management (continued)**

*iv. Market risk (continued)*

*Currency risk (continued)*

*Sensitivity analysis*

A reasonably possible strengthening (weakening) of the ₹ against the respective currencies noted below at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or (loss)		Equity, net of tax	
	Weakening	Strengthening	Weakening	Strengthening
<b>31 March 2023</b>				
United States Dollar (1% movement)	145.62	(145.62)	-	-
Euro (1% movement)	0.16	(0.16)	-	-
Great Britain Pound (1% movement)	548.16	(548.16)	-	-
Singapore Dollar (1% movement)	7.08	(7.08)	-	-
Thailand Bhat (1% movement)	2.35	(2.35)	-	-
<b>31 March 2022</b>				
United States Dollar (1% movement)	23.77	(23.77)	-	-
Great Britain Pound (1% movement)	270.64	(270.64)	-	-
Singapore Dollar (1% movement)	12.41	(12.41)	-	-
Thailand Bhat (1% movement)	1.88	(1.88)	-	-

*Interest rate risk*

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	31 March 2023	31 March 2022
<b>Variable instruments</b>		
<i>Financial Liabilities</i>		
- Term loans from banks	5,000.00	-
- Loans repayable on demand	32,958.00	28,200.00
<b>Fixed rate instruments</b>		
<i>Financial assets</i>		
- Loans	52,400.98	19,116.78
- Deposits with banks	4,032.35	12,412.07
<i>Financial Liabilities</i>		
- Term loans from banks	1,325.52	2,898.68
- Loans repayable on demand	7,690.00	3,180.00
- Vendor bill discounting	-	5,095.69
- Redeemable preference shares	891.60	891.60
- Compulsorily convertible preference shares	29,229.98	-

*Fair value sensitivity analysis for fixed-rate instruments*

A reasonably possible change of 100 basis points in interest rates at the reporting date would not have any impact on the reported profit or loss or equity as these fixed rate instruments (loans given, investments made and borrowings) are carried at amortised cost, any changes in interest rates are not considered for subsequent measurement.

*Cash flow sensitivity analysis for variable rate instruments*

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

**Notes to the standalone financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***38 Registration of charges or satisfaction with Registrar of Companies**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**39 Corporate social responsibility (applicable for Companies registered in India)****31 March 2023****31 March 2022**

a Amount required to be spent during the year	-	-
b Amount approved by the board to be spent during the year	-	-
c Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than i) above	-	-
d Amount of expenditure incurred	-	-
e Shortfall at the end of the year	-	-
f Total of previous years shortfall	-	-
g		
h Nature of CSR activities	-	-

**40 Undisclosed income**

The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

**41 Benami property**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**42 Crypto currency**

The Company has not traded or invested Crypto currency during the current year or the preceding year.

**43 Exceptional Items****31 March 2023****31 March 2022**

Arbitration cost		-	(785.72)
Loss on sale of investments	refer note (i) below	-	(138.94)
Consideration from disposal of assets held for sale	refer note (ii) below	-	100.00
IPO Costs charged off	23	(1,000.00)	-
		<b>(1,000.00)</b>	<b>(824.66)</b>

Note -

(i) During the prior year ended 31 March 2022, the Company has sold the entire debenture instruments to Drive India Enterprise Solutions Limited for a consideration of ₹ 1,822.10 lakhs and derecognised the investment in debentures along with the interest accrued. The Company incurred a net loss of ₹ 138.94 lakhs for the year ended 31 March 2022.

(ii) Upto the year ended 31 March 2021, the Company classified its investment in Drive India Enterprise Solutions Limited as assets held for sale and measured the same in accordance with Ind AS 105 "Non Current Assets held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. During the year ended March 31, 2022, the Company entered in to Share Purchase Agreement dated September 29, 2021 ("New SPA") with the Buyer for disposal of investments in DIESL for a consideration of ₹ 100 lakhs.

**44 Disclosure on funding transactions**

During the year, the Company has given loans amounting to Rs.19,878.49 lakhs and Rs.11,748.29 lakhs and to its wholly owned subsidiaries, TVS Logistics Investments UK Limited and TVS Logistics Investments USA Inc., respectively in its ordinary course of business, which are in compliance with the provisions of Companies Act, 2013 and Foreign Exchange Management Act 1999 and Prevention of Money-Laundering Act, 2002. The loans given to TVS Logistics Investments USA Inc has been used for repayment of loans and providing additional loan to TVS Logistics Investments UK Limited. Further, of the loans given to TVS Logistics Investments UK Limited, Rs. 6,764.31 lakhs has been loaned to step down subsidiaries. Other than the above, there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There are no funds that have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**CIN: U63011TN2004PLC054655**
**Notes to the standalone financial statements for the year ended 31 March 2023**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**45 Ratios Analysis**

Ratios	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for change more than 25%
Current ratio	Current Assets	Current Liabilities	102.72%	111.63%	-7.98%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	32.07%	33.30%	-3.69%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+ Interest	Debt service = Interest & Lease Payments + Principal Repayments	109.12%	127.77%	-14.60%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-2.17%	-2.15%	0.93%	
Inventory Turnover ratio	Sale of Products	Average Inventory	0.00%	4.26%	-100.00%	The ratio has decreased due to nil sale of product.
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	702.15%	539.42%	30.17%	The ratio has improved in the current year on account of higher collections and factoring initiatives.
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.05%	0.02%	150.00%	The ratio has improved in the current year on account of increase in credit period from creditors.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	4187.01%	1222.61%	242.46%	The ratio has improved in the current year on account of higher collections and factoring initiatives.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-1.61%	-1.44%	11.81%	
Return on Capital Employed	Earnings before interest and taxes (excluding Interest on lease liabilities)	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	1.80%	0.08%	2150.00%	The ratio has improved in the current year on account of higher earnings.

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

**Notes to the standalone financial statements for the year ended 31 March 2023**

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

**46 Subsequent events**

There are no significant subsequent events that have occurred after the reporting period till the date of these consolidated financial statements other than the below.

(i) On March 30, 2023, the Company entered into share subscription agreement ("SSA") with Hero Enterprise Partner Ventures. Pursuant to the SSA and first amendment to such share purchase agreement dated April 13, 2023, on April 17, 2023, the Company issued 6,944,444 number of Compulsorily Convertible Preference Shares (CCPS) with a face value of ₹ 1 aggregating ₹ 12,500 lakhs and carrying a preferential dividend rate of 0.0001% per annum. These CCPS shall have an initial conversion ratio of 1:1 and shall be converted into equity shares of the Company based on a pre-determined formulae specified in the Share purchase agreements.

(ii) On March 25, 2023, the Company entered into share subscription agreements ("SSA") with investors. Pursuant to the SSA and first amendment dated April 19, 2023 to such SSA, the Company issued 3,333,333 number of Compulsorily Convertible Preference Shares (CCPS) with a face value of ₹ 1 aggregating ₹ 6,000 lakhs and carrying a preferential dividend rate of 0.0001% per annum. These CCPS shall have an initial conversion ratio of 1:1 and shall be converted into equity shares of the Company based on a pre-determined formulae specified in the Share purchase agreements.

(iii) On March 25, 2023, the Company entered into share subscription agreements ("SSA") with investors. Pursuant to the SSA, first amendment dated April 19, 2023 and second amendment dated June 26, 2023 to such SSA, the Company issued 833,333 number of Compulsorily Convertible Preference Shares (CCPS) with a face value of ₹ 1 aggregating ₹ 1,500 lakhs and carrying a preferential dividend rate of 0.0001% per annum. These CCPS shall have an initial conversion ratio of 1:1 and shall be converted into equity shares of the Company based on a pre-determined formulae specified in the Share purchase agreements.

(iv) On March 28, 2023, the Company entered in to share purchase agreement ("SPA") with the minority shareholders at White Data Systems India Private Limited ("WDS") to acquire their 49% equity stake in that Company. Pursuant to the SPA and first amendment to such share purchase agreement dated April 11, 2023, our Company acquired 49% of the equity stake of WDS, from the minority shareholders. As a consideration for such acquisition, through a share swap, our Company has allotted 3,547,840 Series E CCPS ("Purchase Shares") to the minority shareholders, pursuant to a preferential allotment for consideration other than cash, at a price of ₹ 180 per Purchase Share.

**47 Struck off companies**

The Company does not have any material transactions with companies struck off.

**48 Prior year comparatives**

To conform to this period's classification, certain previous year figures have been reclassified/regrouped wherever necessary.

As per our report of even date attached

for S.R. Batliboi & Associates LLP

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited**

**Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : July 10, 2023

**S Mahalingam**

Chairman

DIN: 00121727

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

**Ravi Viswanathan**

Managing Director

DIN: 08713910

**Ravi Prakash Bhagavathula**

Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Membership No. 9911

Place : Chennai

Date : July 10, 2023



## **ANNUAL REPORT 2022-23**

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of TVS Supply Chain Solutions Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of TVS Supply Chain Solutions Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint venture comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us [and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its joint venture are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of their respective companies.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

- (a) We did not audit the financial statements and other financial information, in respect of 5 subsidiaries, whose financial statements include total assets of Rs 1,37,998.93 lakhs as at March 31, 2023, and total revenues of Rs. 3,84,309.96 lakhs and net cash inflows of Rs 9,982.69 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of Rs.477.63 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of such other auditors.

Certain of these subsidiaries located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management

has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint venture incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 3(xxix) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint venture, none of the directors of the Group's companies and joint venture incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint venture in its consolidated financial statements – Refer Note 37 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 32 to the consolidated financial statements in respect of such items as it relates to the Group and (b) the Group's share of net profit in respect of its joint venture;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture incorporated in India during the year ended March 31, 2023.
  - iv. The respective managements of the Holding Company, its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, and joint ventures respectively that, to the best of its knowledge and belief, other than as disclosed in the note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company, its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, and joint venture respectively that, to the best of its knowledge and belief, other than as disclosed in the note 51 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and joint venture companies incorporated in India, except in respect of interim dividend declared and paid during the year by one subsidiary, until the date of the respective audit reports of such Holding Company, its subsidiaries and joint venture companies which is in accordance with section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and joint venture incorporated in India, hence reporting under this clause is not applicable.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**Bharath N S**  
Partner  
Membership Number: 210934  
UDIN: 23210934BGYJNB8267  
Place of Signature: Chennai  
Date: July 10, 2023

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF TVS SUPPLY CHAIN SOLUTIONS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of TVS Supply Chain Solutions Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of TVS Supply Chain Solutions Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint venture, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these three subsidiary companies and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint venture incorporated in India.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Bharath N S**  
Partner  
Membership Number: 210934  
UDIN: 23210934BGYJNB8267  
Place of Signature: Chennai  
Date: July 10, 2023



**Annexure 1 referred to in our report of even date**

**Re: TVS Supply Chain Solutions Limited (“the Company”)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries and joint venture incorporated in India, we state that,

(xxi) Adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements are:

S no	Name	CIN	Relation	Clause number of the CARO report which is adverse
1	White Data Systems India Private Limited	U72200TN2015PTC129978	Subsidiary	3(xvii)

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

**per Bharath N S**

Partner

Membership Number: 210934

UDIN: 23210934BGYJNB8267

Place of signature: Chennai

Date: July 10, 2023

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**CIN: U63011TN2004PLC054655**

**Consolidated Balance Sheet as at 31 March 2023**

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15A	32,562.03	32,705.06
Capital work-in-progress	15B	1,378.31	335.38
Goodwill	16A	60,842.15	58,699.81
Other intangible assets	16A	24,811.70	26,485.39
Intangible asset under development	15B	2,166.19	831.09
Right-of-use assets	16B	1,11,363.07	96,248.98
Investments accounted for using the equity method	17	10,480.05	10,002.42
<b>Financial assets</b>			
Investments	19	20.00	20.00
Trade receivable	24	604.15	604.15
Other bank balances	26	794.28	5.20
Deposits and other receivables	20	7,871.37	6,223.19
Deferred tax assets (net)	14	12,427.32	13,559.51
Non-current tax assets (net)		9,763.68	8,326.91
Other non-current assets	22	591.30	311.75
<b>Total non-current assets</b>		<b>2,75,675.602</b>	<b>2,54,358.84</b>
<b>Current Assets</b>			
Inventories	23	34,505.90	29,167.96
<b>Financial assets</b>			
Trade receivables	24	1,22,821.24	1,30,732.32
Cash and cash equivalents	25	1,08,578.57	99,382.64
Other bank balances	26	8,631.22	1,102.08
Loans	27	-	-
Deposits and other receivables	20	9,230.88	8,571.16
Other financial assets	21	380.13	398.44
Current tax assets (net)		4,361.47	1,710.18
Other current assets	28	56,907.02	53,549.27
<b>Total current assets</b>		<b>3,45,416.43</b>	<b>3,24,614.05</b>
<b>Total assets</b>		<b>6,21,092.03</b>	<b>5,78,972.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	29A	3,642.59	3,629.57
Other equity	29B	68,712.57	67,770.40
Reserves of a disposal classified as for sale	29B	-	-
<b>Equity attributable to owners of the Company</b>		<b>72,355.16</b>	<b>71,399.97</b>
Non-controlling interests	18	3,645.98	3,991.49
<b>Total equity</b>		<b>76,001.14</b>	<b>75,391.46</b>

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

**Consolidated Balance Sheet as at 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	As at 31 March 2023	As at 31 March 2022
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	30	49,859.49	73,547.93
Lease liability	16B	92,432.86	84,648.44
Other financial liabilities	32	7,985.54	10,143.45
Provisions	33	5,287.03	4,293.01
Deferred tax liabilities (net)	14	9,353.42	15,794.28
Other non current liabilities	34	105.40	24.47
<b>Total non-current liabilities</b>		<b>1,65,023.74</b>	<b>1,88,451.58</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	30	1,49,102.10	1,02,830.32
Lease liability	16B	41,004.25	34,379.20
Trade payables	31		
-Total outstanding dues of micro enterprises and small enterprises		11,041.44	2,670.26
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,31,691.09	1,42,643.79
Other financial liabilities	32	26,207.62	10,392.89
Provisions	33	3,026.66	3,425.72
Current tax liabilities (net)		2,828.75	1,219.14
Other current liabilities	35	15,165.24	17,568.53
<b>Total current liabilities</b>		<b>3,80,067.15</b>	<b>3,15,129.85</b>
<b>Total liabilities</b>		<b>5,45,090.89</b>	<b>5,03,581.43</b>
<b>Total equity and liabilities</b>		<b>6,21,092.03</b>	<b>5,78,972.89</b>

The notes from 1 to 54 form an integral part of the consolidated financial statements.

As per our report of even date attached

for **S.R. Batliboi & Associates LLP**

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of  
**TVS Supply Chain Solutions Limited****Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : July 10, 2023

**S Mahalingam**

Chairman

DIN: 00121727

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

**Ravi Viswanathan**

Managing Director

DIN: 08713910

**Ravi Prakash Bhagavathula**

Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Membership No. 9911

Place : Chennai

Date : July 10, 2023

TVS SUPPLY CHAIN SOLUTIONS LIMITED

CIN: U63011TN2004PLC054655

Consolidated statement of profit and loss for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
<b>Continuing operations</b>			
Revenue from operations	5	10,23,537.98	9,24,978.59
Other income	6	7,563.04	5,015.04
<b>Total income</b>		<b>10,31,101.02</b>	<b>9,29,993.63</b>
<b>Expenses</b>			
Cost of materials consumed	7	1,142.61	1,175.44
Purchase of stock-in-trade	8	1,41,232.32	1,22,364.71
Changes in inventory of stock-in-trade	9	(4,033.92)	(6,448.04)
Employee benefits expense	10	2,09,300.41	1,88,913.19
Finance costs	11	19,034.22	15,494.93
Depreciation and amortisation expense	12	52,365.51	46,104.89
Other expenses	13	6,07,531.57	5,57,716.93
<b>Total expenses</b>		<b>10,26,572.72</b>	<b>9,25,322.05</b>
<b>Profit / (loss) before exceptional items, share of profit / (loss) of equity accounted investees and income tax from continuing operations</b>		<b>4,528.30</b>	<b>4,671.58</b>
Exceptional items	48	(1,000.00)	(3,509.63)
Share of profit/(loss) of equity accounted investees (net of income tax)	17	477.63	(47.90)
<b>Profit / (loss) before tax from continuing operations</b>		<b>4,005.93</b>	<b>1,114.05</b>
<b>Tax expenses</b>			
Current tax		4,988.01	5,072.70
Deferred tax (expense/ (credit))		(5,158.13)	689.38
<b>Total tax expenses</b>	14	<b>(170.12)</b>	<b>5,762.08</b>
<b>Profit / (loss) for the year from continuing operations</b>		<b>4,176.05</b>	<b>(4,648.03)</b>
<b>Discontinued operations</b>			
Profit / (loss) from discontinued operations before tax expenses		-	(92.10)
<b>Tax expense of discontinued operations</b>			
Current tax		-	-
<b>Profit / (loss) after tax from discontinued operations</b>		<b>-</b>	<b>(92.10)</b>
<b>Profit / (loss) for the year</b>		<b>4,176.05</b>	<b>(4,740.13)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement gain / (loss) on defined benefit plans		(280.16)	(123.45)
Income tax relating to above		109.83	26.23
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(170.33)</b>	<b>(97.22)</b>
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange gain / (loss) in translating financial statements of foreign operations		(5,450.55)	(1,842.58)
Income tax relating to above		-	-
		<b>(5,450.55)</b>	<b>(1,842.58)</b>
Net movement of effective portion of cash flow hedge		556.29	(207.92)
Income tax relating to above		-	-
		<b>556.29</b>	<b>(207.92)</b>
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>(4,894.26)</b>	<b>(2,050.50)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(5,064.59)</b>	<b>(2,147.72)</b>
<b>Total comprehensive income for the year</b>		<b>(888.54)</b>	<b>(6,887.85)</b>

TVS SUPPLY CHAIN SOLUTIONS LIMITED

CIN: U63011TN2004PLC054655

Consolidated statement of profit and loss for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
<b>Profit / (loss) attributable to:</b>			
Owners of the Company		3,980.67	(5,070.27)
Non-controlling interests	18	195.38	330.14
<b>Profit/(loss) for the year</b>		<b>4,176.05</b>	<b>(4,740.13)</b>
<b>Other comprehensive income attributable to :</b>			
Owners of the Company		(5,100.53)	(2,103.73)
Non-controlling interests	18	35.94	(43.99)
<b>Other comprehensive income for the year</b>		<b>(5,064.59)</b>	<b>(2,147.72)</b>
<b>Total comprehensive income attributable to :</b>			
Owners of the Company		(1,119.86)	(7,174.00)
Non-controlling interests	18	231.32	286.15
<b>Total comprehensive income for the year</b>		<b>(888.54)</b>	<b>(6,887.85)</b>
<b>Earnings / (loss) per share (₹) for continuing operations</b>			
Basic	29E	1.04	(1.46)
Diluted		1.02	(1.46)
<b>Earnings / (loss) per share (₹) for discontinued operations</b>			
Basic	29E	-	(0.03)
Diluted		-	(0.03)
<b>Earnings / (loss) per share (₹) for continuing and discontinued operations</b>			
Basic	29E	1.04	(1.49)
Diluted		1.02	(1.49)

The notes from 1 to 54 form an integral part of the consolidated financial statements.

As per our report of even date attached  
for S.R. Batliboi & Associates LLP  
Firm Registration Number : 101049W / E300004  
Chartered Accountants

for and on behalf of the board of directors of  
TVS Supply Chain Solutions Limited

**Bharath N S**  
Partner  
Membership No. 210934  
Place : Chennai  
Date : July 10, 2023

**S Mahalingam**  
Chairman  
DIN: 00121727

**R Dinesh**  
Executive Vice Chairman  
DIN: 00363300

**Ravi Viswanathan**  
Managing Director  
DIN: 08713910

**Ravi Prakash Bhagavathula**  
Chief Financial Officer

**P D Krishna Prasad**  
Company Secretary  
Membership No. 9911  
Place : Chennai  
Date : July 10, 2023

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**CIN: U63011TN2004PLC054655**
**Consolidated statement of cashflows for the year ended 31 March 2023**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Cash flow from / (used in) operating activities</b>		
<b>Profit / (loss) before tax from continuing operations</b>	<b>4,005.93</b>	<b>1,114.05</b>
<b>Profit / (loss) before tax from discontinued operations</b>	<b>-</b>	<b>(92.10)</b>
<b>Profit / (loss) before tax</b>	<b>4,005.93</b>	<b>1,021.95</b>
<b>Adjustments for:</b>		
Interest income	(1,305.11)	(1,490.86)
Provision no longer required written back	-	(709.66)
Exceptional items	1,000.00	2,210.74
Finance costs	19,034.22	15,495.08
Depreciation and amortisation expense	52,365.51	46,106.97
Gain on termination of lease contracts	(366.92)	(573.39)
Foreign exchange differences (gain)/loss	(5,189.69)	1,803.60
Bad debts written off	497.56	497.88
Impairment losses on financial instruments	3,695.49	3,692.48
Share of (profit)/loss of equity accounted investees	(477.63)	47.90
Share based payment expenses	2,195.50	2,795.18
(Profit)/loss on sale of property plant and equipment, net	262.41	(144.74)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>75,717.27</b>	<b>70,753.13</b>
<b>Change in working capital adjustment</b>		
(Increase) / decrease in inventories	(4,137.77)	(6,573.99)
(Increase) / decrease in trade receivables	9,276.85	(19,914.59)
(Increase) / decrease in other current and non-current, financial and non-financial assets	(952.61)	(10,257.23)
Increase / (decrease) in trade payables	(10,617.44)	30,368.30
Increase / (decrease) in provisions	169.41	247.89
Increase / (decrease) in other current and non-current financial and non-financial liabilities	9,035.90	(2,923.72)
<b>Cash flows generated from operations</b>	<b>78,491.61</b>	<b>61,699.79</b>
Income taxes paid, net of refunds	(7,278.27)	(1,571.23)
<b>Net cash flows from operating activities</b>	<b>71,213.34</b>	<b>60,128.56</b>
<b>Cash flows from / (used in) investing activities</b>		
Redemption of / (Investment in) bank deposits having an original maturity of more than three months	(8,317.56)	2,696.81
Payments for property, plant and equipment and other intangible assets	(16,654.68)	(11,649.38)
Proceeds from sale of property, plant and equipment and other intangible assets	548.97	1,594.85
Proceeds from sale of investments	-	100.00
Acquisition of subsidiary, net of cash and cash equivalents	-	(13,820.10)
Payment of consideration payable and deferred consideration	(968.27)	(816.44)
Acquisition of non-controlling interests	(718.75)	(17,200.76)
Interest income received	651.71	1,040.56
<b>Net cash flows used in investing activities</b>	<b>(25,458.58)</b>	<b>(38,054.46)</b>
<b>Cash flows from / (used in) financing activities</b>		
Payment of principal and interest payments of lease liability	(45,263.09)	(39,477.56)
Proceeds from issue of equity shares pursuant to exercise of share options	96.59	-
Proceeds from issue of equity shares	-	45,686.64
Proceeds from issue of compulsorily convertible preference shares	29,229.98	-
Dividends paid to non-controlling interests by subsidiaries	-	(24.00)
(Repayment of) / proceeds from short term borrowings, net	7,814.53	24,111.25
Proceeds from long term borrowings	5,000.00	2,578.20
Repayment of long term borrowings	(24,503.06)	(5,056.23)
Interest paid	(10,050.01)	(4,109.65)
<b>Net cash flows from used in financing activities</b>	<b>(37,675.06)</b>	<b>23,708.65</b>

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

**Consolidated statement of cashflows for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,079.70</b>	<b>45,782.75</b>
Net foreign exchange difference	1,116.23	(240.93)
Cash and cash equivalents at the beginning of the period	99,382.64	53,840.82
<b>Cash and cash equivalents at the end of the period (refer note 25)</b>	<b>1,08,578.57</b>	<b>99,382.64</b>
Less: Cash and cash equivalents of discontinued operations	-	-
<b>Cash and cash equivalents at the end of the period from continuing operations</b>	<b>1,08,578.57</b>	<b>99,382.64</b>

# For details of restricted cash, refer note 25.

Note - Additions to Right-of-assets is a non-cash investing activity. Refer Note 16B for details of additions.

The notes from 1 to 54 form an integral part of the consolidated financial statements.

As per our report of even date attached

for **S.R. Batliboi & Associates LLP**

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited****Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : July 10, 2023

**S Mahalingam**

Chairman

DIN: 00121727

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

**Ravi Viswanathan**

Managing Director

DIN: 08713910

**Ravi Prakash Bhagavathula**

Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Membership No. 9911

Place : Chennai

Date : July 10, 2023

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**CIN: U63011TN2004PLC054655**
**Consolidated statement of changes in equity for the year ended 31 March 2023**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

29A Equity Share Capital	Note	Amount
Balance as at 1 April 2021		3,176.21
Shares issued during the year	29A	453.36
<b>Balance as at 31 March 2022</b>		<b>3,629.57</b>
Shares issued during the year	29A	13.02
<b>Balance as at 31 March 2023</b>		<b>3,642.59</b>

29B Other equity	Attributable to owners of the Company											Attributable to Non-controlling interest	Total	
	Reserves and surplus					Items of OCI			Total attributable to owners of the Company					
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Reserves of a disposal classified as for sale	Compulsorily convertible preference shares *	Share based payment reserve		Exchange differences on translation of foreign operations	Effective portion of cash flow hedge			Remeasurement gains/ losses
<b>Balance as at 1 April 2021</b>	86,640.33	0.82	0.46	259.09	(45,339.83)	1,905.36	1,042.35	3,046.06	(802.96)	(776.34)	77.43	46,052.77	3,996.89	50,049.66
<b>Total comprehensive income for the year ended 31 March 2022</b>														
Profit / (loss) for the year from continuing operations	-	-	-	-	(4,978.17)	-	-	-	-	-	-	(4,978.17)	330.14	(4,648.03)
Profit / (loss) for the year from discontinued operations	-	-	-	-	-	(92.10)	-	-	-	-	-	(92.10)	-	(92.10)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(1,798.59)	(207.92)	(97.22)	(2,103.73)	(43.99)	(2,147.72)
<b>Total comprehensive income</b>	-	-	-	-	(4,978.17)	(92.10)	-	-	(1,798.59)	(207.92)	(97.22)	(7,174.00)	286.15	(6,887.85)
Distribution of dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(24.00)	(24.00)
Issue of equity shares pursuant to exercise of share options	26.53	-	-	-	-	-	-	(2.09)	-	-	-	24.44	-	24.44
Issue of equity shares for cash	45,336.73	-	-	-	-	-	-	-	-	-	-	45,336.73	-	45,336.73
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	4,936.00	4,936.00
Conversion of convertible preference shares into equity	902.46	-	-	-	-	-	(1,030.35)	-	-	-	-	(127.89)	-	(127.89)
Share based payments	-	-	-	-	-	-	1,060.48	-	-	-	-	1,060.48	-	1,060.48
Transfer of reserves	-	528.09	-	-	2,514.62	(1,813.26)	-	(701.36)	-	-	-	528.09	-	528.09
Acquisition of non-controlling interests	-	-	-	-	(17,930.22)	-	-	-	-	-	-	(17,930.22)	(5,203.55)	(23,133.77)
<b>Balance as at 31 March 2022</b>	<b>1,32,906.05</b>	<b>528.91</b>	<b>0.46</b>	<b>259.09</b>	<b>(65,733.60)</b>	<b>-</b>	<b>12.00</b>	<b>3,403.09</b>	<b>(2,601.55)</b>	<b>(984.26)</b>	<b>(19.79)</b>	<b>67,770.40</b>	<b>3,991.49</b>	<b>71,761.89</b>



TVS SUPPLY CHAIN SOLUTIONS LIMITED

CIN: U63011TN2004PLC054655

Consolidated statement of changes in equity for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

29B Other equity	Attributable to owners of the Company											Attributable to Non-controlling interest	Total	
	Reserves and surplus					Items of OCI					Total attributable to owners of the Company			
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Reserves of a disposal classified as for sale	Compulsorily convertible preference shares *	Share based payment reserve	Exchange differences on translation of foreign operations	Effective portion of cash flow hedge				Remeasurement gains / losses
Balance as at 1 April 2022	1,32,906.05	528.91	0.46	259.09	(65,733.60)	-	12.00	3,403.09	(2,601.55)	(984.26)	(19.79)	67,770.40	3,991.49	71,761.89
<b>Total comprehensive income for the year ended 31 March 2023</b>														
Profit / (loss) for the year from continuing operations	-	-	-	-	3,980.67	-	-	-	-	-	-	3,980.67	195.38	4,176.05
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(5,486.49)	556.29	(170.33)	(5,100.53)	35.94	(5,064.59)
<b>Total comprehensive income</b>	-	-	-	-	<b>3,980.67</b>	-	-	-	<b>(5,486.49)</b>	<b>556.29</b>	<b>(170.33)</b>	<b>(1,119.86)</b>	<b>231.32</b>	<b>(888.54)</b>
<b>Transactions with owners recorded directly in equity</b>														
Issue of equity shares pursuant to exercise of share options	108.02	-	-	-	-	-	-	(12.46)	-	-	-	95.56	-	95.56
Expense relating to issue of shares	(75.11)	-	-	-	-	-	-	-	-	-	-	(75.11)	-	(75.11)
Acquisition of non-controlling interests	-	-	-	-	(141.92)	-	-	-	-	-	-	(141.92)	(576.83)	(718.75)
Transfer of reserves	-	-	-	-	101.88	-	-	(101.88)	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	2,195.50	-	-	-	-	2,195.50	-	2,195.50
Conversion of Convertible preference shares into equity	-	-	-	-	-	-	(12.00)	-	-	-	-	(12.00)	-	(12.00)
<b>Balance as at 31 March 2023</b>	<b>1,32,938.96</b>	<b>528.91</b>	<b>0.46</b>	<b>259.09</b>	<b>(61,792.97)</b>	<b>-</b>	<b>-</b>	<b>5,484.25</b>	<b>(8,088.04)</b>	<b>(427.97)</b>	<b>(190.12)</b>	<b>68,712.57</b>	<b>3,645.98</b>	<b>72,358.55</b>

\* Represents instruments entirely equity in nature.

The notes from 1 to 54 form an integral part of the consolidated financial statements.

As per our report of even date attached

for **S.R. Batliboi & Associates LLP**

Firm Registration Number : 101049W / E300004

Chartered Accountants

**Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : July 10, 2023

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited**

**S Mahalingam**

Chairman

DIN: 00121727

**Ravi Viswanathan**

Managing Director

DIN: 08713910

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

**Ravi Prakash Bhagavathula**

Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Membership No. 9911

Place : Chennai

Date : July 10, 2023

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

CIN: U63011TN2004PLC054655

**Notes to the consolidated financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***1 Reporting entity**

TVS Supply Chain Solutions Limited ("the Company" or "the Parent") is incorporated on 16 November 2004 and domiciled in India under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 10 Jawahar Road, Chokkikulam, Madurai – 625 002, Tamil Nadu, India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as "the Group") and the Group's interest in associates and joint ventures. Refer note 46 for the list of subsidiaries and note 17 for the list of associates and joint ventures. The Group is primarily involved in providing the entire basket of supply chain management services including integrated supply chain solutions and network solutions. On April 26, 2023, the Company filed Draft Red Herring Prospectus in connection with Initial Public Offer with the Securities and Exchange Board of India.

**2 Basis of preparation****A Statement of compliance and going concern assessment**

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under Section 133 of Companies Act, 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on July 10, 2023.

Details of the Group's accounting policies are included in Note 3.

**B Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency is the currency of the primary economic environment in which the entities forming part of Group operates and is normally the currency in which the entities forming part of Group primarily generates and expends cash. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated

**C Basis of measurement**

These consolidated financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement basis</b>
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit asset	Fair value of plan assets less present value of defined benefit obligations

**D Use of estimates and judgements**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

**Property, plant and equipment and intangible assets – useful lives**

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at the end of each reporting period. The lives are based on historical experience with similar assets.

**Provision for expected credit losses of trade receivables and contract assets:**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customers that have similar loss patterns (i.e., by geography, customer type, rating etc.)

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered external credit information for its customers to estimate the probability of default in future, where ever necessary.

**2 Basis of preparation (continued)**

**D Use of estimates and judgements (continued)**

**Assets and obligations relating to employee benefits**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The estimated cash flows are developed based on internal forecasts and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to Goodwill and Other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed in Note 16A

**Lease classification, termination and renewal option of leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that the Group will continue the lease beyond non-cancellable period and whether any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the terminating the lease and the importance of the underlying asset to Group's operations taking in to account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no material changes are required to lease period relating to the existing lease contracts.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the years ended 31 March 2023 and 31 March 2022 is included in the following notes:

- Note 14 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 16A - Impairment testing for goodwill;
- Note 36A – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 43 – Financial instruments - Fair values and risk management

## TVS SUPPLY CHAIN SOLUTIONS LIMITED

CIN: U63011TN2004PLC054655

Notes to the consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

### 2 Basis of preparation (continued)

#### E Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The Group has an established control framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 39A - Business combination during the years ended ended 31 March 2023 & 31 March 2022
- Note 43 – Financial instruments - Fair values and risk management.

#### F Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

## TVS SUPPLY CHAIN SOLUTIONS LIMITED

CIN: U63011TN2004PLC054655

Notes to the consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

### 3 Significant accounting policies

#### A Basis of consolidation

##### *i. Business combinations*

###### *Business combinations (other than common control business combinations)*

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

###### *Common control business combinations*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts.

##### *ii. Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### *iii. Non-controlling interests (NCI)*

An entity has a choice on a combination-by-combination basis to measure any NCI that represents present ownership interest in the acquiree at either fair value or the proportionate share of the acquiree's net identifiable assets.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### *iv. Loss of control*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

## TVS SUPPLY CHAIN SOLUTIONS LIMITED

CIN: U63011TN2004PLC054655

Notes to the consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

### 3 Significant accounting policies (continued)

#### A Basis of consolidation (continued)

##### v. *Equity accounted investees*

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint ventures. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable.

An investment in joint venture or associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in divestment or dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture and associate, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures and associates are eliminated by reducing the carrying amount of investment. The carrying amount of investment in joint ventures and associates is reduced to recognise impairment, if any, when there is evidence of impairment.

When the Group's share of losses of a joint venture or an associate exceeds the Group's interest in that joint venture or associate (which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture or associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

##### vi. *Obtaining control over existing investment*

The difference between the fair value of the initial interest as the date of obtaining control and its book value has been recognised in the statement of profit and loss.

##### vii. *Consolidation procedure*

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

##### viii. *Uniform accounting policies*

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

#### B Foreign currency

##### i. *Foreign currency transactions*

Transactions in foreign currencies are initially recorded at the respective functional currencies of the Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

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### 3 Significant accounting policies (continued)

#### B Foreign currency (continued)

##### ii. Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### C Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### i. Initial recognition and measurement

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (K) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

##### ii. Classification and subsequent measurement

###### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost,
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

###### Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### 3 Significant accounting policies (continued)

#### C Financial instruments (continued)

##### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Convertible preference shares are separated into liability and equity components based on the terms of the contract. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compulsorily Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds are allocated to the conversion option that is recognised and included in equity if the conversion option meets Ind AS 32 criteria for fixed to fixed classification and as liability if the conversion option does not meet Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option are remeasured on every reporting period and the difference is recognised in the statement of profit and loss.

If the day 1 profit or loss is not evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) nor based on a valuation technique that uses only data from observable markets, then the entity does not recognise a gain or loss on initial recognition

##### iii. Derecognition

###### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

###### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

##### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

##### v. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, interest rate/cross currency swaps etc to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability (refer note 30A(ii) & 43(D)(v))

For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment



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### 3 Significant accounting policies (continued)

#### C Financial instruments (continued)

##### v. Derivative financial instruments and hedge accounting (continued)

###### (iii) Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

###### (i) Fair value hedge

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

###### (ii) Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group also may separate forward element and the spot element of a forward contract and designate as the hedging instrument only the change in the value of the spot element of a forward contract.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

When an entity separates the forward element and the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract, such amount is recognised in OCI and accumulated as a separate component of equity under cost of hedging reserve. These amounts are reclassified to the statement of profit or loss account as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss or when the hedged item is a non-financial asset or non-financial liability, the amounts recognised in cost of hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

###### (iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

#### D Property, plant and equipment

##### i. Recognition and measurement

On transition to Ind AS (i.e. 1 April 2016), the group has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

For subsequent acquisition, items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any

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Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

**iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss. Freehold land is not depreciated.

The Group reviews the estimated residual values and expected useful lives of assets at least annually.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows.

Asset	Management estimate of useful life (in years)
Buildings	30 to 60
Plant and Machinery	02 to 30
Furniture and fixtures	01 to 10
Vehicles	03 to 10
Office equipment	03 to 10
Computer equipment	03 to 10
Leasehold improvements	*

\* Leasehold improvements are amortised on a straight line basis over the useful life of the asset or the lease term whichever is lower.

Based on technical evaluation and consequent advice, the management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used and are different from those prescribed in Schedule II of the Act.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

**E Goodwill and other intangibles****i. Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. Subsequent measurement is at cost less any accumulated impairment losses.

**ii. Other intangible assets**

On transition to Ind AS (i.e. 1 April 2016), the Group has elected to continue with the carrying value of all Intangible Assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible Assets.

For subsequent measurement, intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

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Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

**iv. Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

**v. Amortisation**

Goodwill is not amortised and is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives of items of intangible assets for the current and comparative periods are as follows:

Asset	Management estimate of useful life (in years)
Patents and trademarks	03 to 10
Customer relationship and others	03 to 10
Brands	05 to 10
Computer software	03 to 10

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

**F Inventories**

Inventories consist of packing materials, stores, stock in trade and spare parts and are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis.

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**3 Significant accounting policies (continued)**

**G Impairment**

**i. Impairment of financial instruments**

The Group recognises loss allowances for expected credit losses on

- financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances based on simplified approach, at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward - looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

*Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

*Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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### 3 Significant accounting policies (continued)

#### G Impairment (continued)

##### ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The estimated cash flows are developed based on internal forecasts and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to Goodwill and Other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed in Note 16A.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### H Employee benefits

##### (i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**3 Significant accounting policies (continued)**

**H Employee benefits (continued)**

**(ii) Share-based payment transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an employee benefit expense, with a corresponding increase in equity under share based payment reserve, over the period that the employees unconditionally become entitled to the awards. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**(iii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company and its subsidiaries in various geographies make contributions, generally determined as a specified percentage of employee salaries, in respect of qualifying employees in accordance with the local laws and regulations in the respective countries which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

**(iv) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Group recognises related restructuring costs

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

**(v) Other long-term employee benefits**

The Group's net obligation in respect of compensated absences is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

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### 3 Significant accounting policies (continued)

#### I Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

##### i. Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

#### J Contingent liabilities and contingent assets

Contingent liability is disclosed for all:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (or)
- present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

#### K Revenue

##### i. Rendering of services

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Such revenue is recognised upon the Group's performance of its contractual obligations and on satisfying all the following conditions:

- (1) Parties to the contract have approved the contract and undertaken to perform their respective obligations;
- (2) Such contract has specified the respective rights and obligations of the parties in connection with the transfer of goods or rendering of services (hereinafter the "Transfer");
- (3) Such contract contains specific payment terms in relation to the Transfer;
- (4) Such contract has a commercial nature, namely, it will change the risk, time distribution or amount of the Group's future cash flow;
- (5) The Group is likely to recover the consideration it is entitled to for the Transfer to customers.

Revenue is recognised when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of all indirect taxes and net of returns and discounts.

##### Performance Obligations:

###### a) Supply chain management

The Group's supply chain management segment generates revenue from services to its customers such as providing freight and other transportation services, warehousing, packaging, kitting, reverse logistics and inventory management contracts ranging from a few months to a few years. Certain accessorial services may be provided to customers under their transportation contracts, such as unloading and other incidental services. The Group's performance obligations are satisfied over time as customers simultaneously receive and consume the benefits of the Group's services. The contracts contain a single performance obligation, as the distinct services provided remain substantially the same over time and possess the same pattern of transfer. The transaction price is based on the consideration specified in the contract with the customer and contains fixed and variable consideration. In general, the fixed component of a contract represents amounts for facility and equipment costs incurred to satisfy the performance obligation and is recognized over the term of the contract.

In the case of transportation services, performance obligation is created when a customer under a transportation contract submits a shipment note for the transport of goods from origin to destination. These performance obligations are satisfied over the period as the shipments move from origin to destination and revenue is recognized proportionally as a shipment moves and the related costs are recognized as incurred. Performance obligations are short-term, with transit days less than one week. Generally, customers are billed either upon shipment of the freight or on a monthly basis, and remit payment according to approved payment terms. The Group recognizes revenue on a net basis when the Group does not control the specific services.

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### 3 Significant accounting policies (continued)

#### K Revenue (continued)

##### b) Telecommunication:

Telecommunication contract revenue arises from construction/ erection of towers for some of the Group's customers in the Telecommunications segment. These towers are constructed based on specifically negotiated contracts with customers by outsourcing the activities to sub-contractors. Transaction price includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. If the outcome of a contract can be estimated reliably, contract revenue is recognised in profit or loss over the period in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed (output method). Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

Unbilled revenue represents value of services under performance in accordance with the contract terms but not billed. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

##### c) Integrated logistics:

Integrated logistics services comprise of transportation, warehousing and other value-added supply chain solutions. In respect of contracts where the Group provides a significant service of integrating two or more goods or services into a combined output (that is the specified good or service for which the customer contracted) and the inputs to the combined output is controlled by the Group, the Group controls that specified good or service before it is transferred to the customer. Revenues from such contracts are recognized upon substantial fulfilment of obligations under the contract.

##### d) Sale of goods

Revenue from sale of traded goods including telecommunication goods is recognised when the control of the same is transferred to the customer, generally on delivery of the goods and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods.

##### e) Commission:

When the Group acts in the capacity of an agent rather than as the principal in a transaction in relation to the above, the revenue recognised is the net amount of revenue earned by the Group.

##### Variable consideration:

Some of the Group's contracts contain provisions for adjustments to pricing based on achieving agreed-upon performance metrics, changes in volumes, services and market conditions. Revenue relating to these pricing adjustments is estimated and included in the consideration if it is probable that a significant revenue reversal will not occur in the future. The estimate of variable consideration is determined either by the expected value or most likely amount method and factors in current, past and forecasted experience with the customer. Customers are billed based on terms specified in the revenue contract and remit payment according to approved payment terms.

##### Contract balances:

###### a) Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

###### b) Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### L Leases

##### Group as a Lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



**3 Significant accounting policies (continued)****L Leases (continued)****Group as lessee**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(i) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are subject to impairment (refer note 3 (G) (ii)).

**(ii) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(iv) Date of commencement of leases acquired under business combinations**

The Group measures the lease liability at the present value of the remaining lease payments as at the acquisition date as if the acquired lease were a new lease as at that date. The Right-of-use asset is measured at the same amount as the lease liability plus or minus any asset or liability previously recognised in the original business combination accounting for the favourable or unfavourable lease terms.

**(v) Key matters involving significant judgement****(a) Determining the lease term of contracts with termination options – Group as lessee**

As per Ind AS 116, termination options are to be considered in determining the non-cancellable period. The period covered by the termination option is included if the lessee is not reasonably certain to exercise the option. Lease term is the non-cancellable period of a lease, together with any optional periods that the lessee is reasonably certain to use. The non-cancellable period of a lease is any period during which the lessee cannot terminate the contract. Consequently, any non-cancellable period in effect sets a minimum lease term. This is usually referred as “lock-in” period in the lease contract. Generally, the lease contracts are cancellable once the “lock-in” period is over, and, in most cases, the termination option is mutually available with minimum notice period requirements under the contract.

The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that the Group will continue the lease beyond non-cancellable period and whether any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the terminating the lease and the importance of the underlying asset to Group's operations taking in to account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no material changes are required to lease period relating to the existing lease contracts.

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### 3 Significant accounting policies (continued)

#### L Leases (continued)

##### (v) Key matters involving significant judgement (continued)

##### (b) Determining the lease term of contracts with renewal options – Group as lessee

As per Ind AS 116, the period covered by extension option is included if the lessee is reasonably certain to exercise the option.

As reasonable certainty is a high threshold, the group believes in most leases where the lease term is greater than 3 years assuming reasonable certainty on lease commencement date may not be appropriate and must be evaluated on a case to case basis, considering factors such as investment in the property, renewal lease rates, specific modifications to property to meet customer requirements, importance of the location and impact on overall business disruption etc.

#### M Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### N Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

##### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

##### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction,
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

**3 Significant accounting policies (continued)**

**N Income tax (continued)**

*ii. Deferred tax (continued)*

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**O Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**P Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with an original maturity period of more than three months are classified as other bank balances.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**Q Cash flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated.

**R Government grant**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

**S Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Key managerial personnel comprising the Managing Director and Deputy Managing Director assess the financial performance and position of the Group, and make strategic decisions and have been together identified as being the chief operating decision maker ('CODM').

**T Non-current assets held for sale and discontinued operations**

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

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### 3 Significant accounting policies (continued)

#### U Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### V Exceptional items

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner.

#### W New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2022.

##### (i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022.

These amendments are not expected to have a material impact on the Group.

##### (ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI’s “Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards” with the reference to the “Conceptual Framework for Financial Reporting under Indian Accounting Standard” without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

These amendments are not expected to have a material impact on the Group.

##### (iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments are not expected to have a material impact on the Group.

##### (iv) Ind AS 109 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

These amendments are not expected to have a material impact on the Group.

#### X Standards notified but not yet effective

There are no such Standards which are notified but not yet effective.

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**4 Segment information**

**A. Basis for segmentation**

The Group is primarily involved in providing the entire basket of supply chain management services. The information relating to this operating segment is reviewed regularly by the Group's Key managerial personnel ('KMP') (Chief Operating Decision Maker) to make decisions about resources to be allocated and to assess its performance. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in the segment, and are as set out in the significant accounting policies.

Our solutions spanning the entire value chain from sourcing to consumption can be divided into two segments: (i) integrated supply chain solutions ("ISCS"); and (ii) network solutions ("NS").

**Integrated supply chain solutions:** Our capabilities under the ISCS segment include sourcing and procurement, integrated transportation, logistics operation centers, in-plant logistics operations, finished goods, aftermarket fulfillment and supply chain consulting

**Network Solutions:** Our capabilities under the NS segment include global forwarding solutions ("GFS"), which involves managing end-to-end freight forwarding and distribution across ocean, air and land, warehousing and at port storage and value added services, and time critical final mile solutions ("TCFMS") which involves closed loop logistics and support including spares logistics, break-fix, refurbishment and engineering support, and courier and consignment management.

**B. Information about reportable segments**

Information regarding the results of each reportable segment is included below. Revenue and results directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated expenses.

Year ended 31 March 2023

	Reportable segments				Eliminations	Total
	ISCS	NS	Unallocated	Total reportable segments		
<b>Segment revenue</b>						
- External revenue	4,58,062.63	5,65,475.35	-	10,23,537.98	-	10,23,537.98
- Inter-segment revenue	351.90	2,157.86	-	2,509.76	(2,509.76)	-
<b>Total segment revenue</b>	<b>4,58,414.53</b>	<b>5,67,633.21</b>	<b>-</b>	<b>10,26,047.74</b>	<b>(2,509.76)</b>	<b>10,23,537.98</b>
<b>Segment result from continuing operations</b>	<b>40,809.87</b>	<b>32,253.60</b>	<b>(12,908.75)</b>	<b>60,154.72</b>	<b>10,505.20</b>	<b>70,659.92</b>
<b>Add</b>						
Other income						7,563.04
Share of profit from investments accounted for using the equity method						477.63
Exceptional items						(1,000.00)
<b>Less</b>						
Depreciation and amortisation expense						52,365.51
Finance costs						19,034.22
Share based payments						2,195.50
Loss on foreign currency transactions and translations						99.43
<b>Profit/(loss) before tax from continuing operations</b>						<b>4,005.93</b>
<b>Segment assets</b>	<b>3,65,739.96</b>	<b>2,38,691.34</b>	<b>4,08,099.03</b>	<b>10,12,530.33</b>	<b>(3,91,438.30)</b>	<b>6,21,092.03</b>
<b>Other disclosures</b>						
Investments accounted for using equity method	-	-	10,480.05	10,480.05	-	10,480.05
Capital expenditure during the year	9,070.81	2,874.52	-	11,945.33	-	11,945.33
<b>Segment liabilities</b>	<b>2,88,630.42</b>	<b>2,35,603.72</b>	<b>2,82,053.72</b>	<b>8,06,287.86</b>	<b>(2,61,196.97)</b>	<b>5,45,090.89</b>

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4 Segment information (continued)

Year ended 31 March 2022	Reportable segments				Eliminations	Total
	ISCS	NS	Unallocated	Total reportable segments		
<b>Segment revenue</b>						
- External revenue	3,74,071.15	5,50,907.44	-	9,24,978.59	-	9,24,978.59
- Inter-segment revenue	385.87	2,606.06	-	2,991.93	(2,991.93)	-
<b>Total segment revenue</b>	<b>3,74,457.02</b>	<b>5,53,513.50</b>	<b>-</b>	<b>9,27,970.52</b>	<b>(2,991.93)</b>	<b>9,24,978.59</b>
<b>Segment result from continuing operations</b>	<b>29,300.27</b>	<b>36,780.83</b>	<b>(6,078.78)</b>	<b>60,002.32</b>	<b>6,706.90</b>	<b>66,709.22</b>
<b>Add</b>						
Other income						5,015.04
Share of profit from investments accounted for using the equity method						(47.90)
Exceptional items						(3,509.63)
<b>Less</b>						
Depreciation and amortisation expense						46,104.89
Finance costs						15,494.93
Share based payments						2,795.18
Loss on foreign currency transactions and translations						2,657.68
<b>Profit/(loss) before tax from continuing operations</b>						<b>1,114.05</b>
<b>Profit/(loss) before tax from discontinued operations</b>						<b>(92.10)</b>
<b>Segment assets</b>	<b>3,11,259.84</b>	<b>2,58,656.85</b>	<b>3,18,246.54</b>	<b>8,88,163.23</b>	<b>(3,09,190.34)</b>	<b>5,78,972.89</b>
<i>Other disclosures</i>						
Investments accounted for using equity method	-	-	10,002.42	10,002.42	-	10,002.42
Capital expenditure during the year	8,455.76	2,747.63	-	11,203.39	-	11,203.39
<b>Segment liabilities</b>	<b>2,41,199.66</b>	<b>2,46,893.88</b>	<b>1,93,372.49</b>	<b>6,81,466.03</b>	<b>(1,77,884.60)</b>	<b>5,03,581.43</b>
<b>Reconciliation of profits</b>					<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Segment results					60,002.32	60,002.32
Other income					23,451.33	15,237.90
Finance Cost					(12,946.13)	(8,531.00)
Others					-	-
<b>Segment results before taxation from continuing operations</b>					<b>70,659.92</b>	<b>66,709.22</b>
<b>Reconciliation of assets</b>					<b>31 March 2023</b>	<b>31 March 2022</b>
Segment operating assets					10,12,530.33	8,88,163.23
Goodwill & other intangibles assets					25,336.43	26,046.91
Investments					(1,46,993.19)	(1,43,072.58)
Loans					(1,97,804.87)	(1,39,984.28)
Deposits and other receivables					(49,346.63)	(38,367.64)
Trade receivables					(20,288.11)	(13,791.95)
Deferred tax assets (net)					(2,403.43)	-
Other current assets					61.50	(20.80)
<b>Total assets</b>					<b>6,21,092.03</b>	<b>5,78,972.89</b>
<b>Reconciliation of liabilities</b>					<b>31 March 2023</b>	<b>31 March 2022</b>
Segment operating liabilities					8,06,287.86	6,81,466.03
Borrowings					(2,19,490.15)	(1,60,190.26)
Other financial liabilities					(22,666.22)	(15,998.34)
Trade payables					(25,130.29)	(13,379.60)
Deferred tax liabilities (net)					6,505.24	12,024.61
Other current liabilities					(105.86)	(38.37)
Current tax liabilities					(309.69)	(302.64)
<b>Total liabilities</b>					<b>5,45,090.89</b>	<b>5,03,581.43</b>

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**Notes to the consolidated financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***4 Segment information (continued)****C. Geographical information**

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets have been based on the geographical location of the assets.

<b>Revenue from operations</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
India	3,02,671.39	2,43,683.72
Rest of the world	7,20,866.59	6,81,294.87
	<b>10,23,537.98</b>	<b>9,24,978.59</b>

Revenue from operations from Rest of the world primarily comprises of revenues generated from Europe, Asia-Pacific, North America amounting to ₹ 4,28,710.05 lakhs as at March 31, 2023 (March 31, 2022 : ₹ 4,25,279.80 lakhs) ₹ 2,21,537.25 lakhs (March 31, 2022 : ₹ 2,18,396.86 lakhs) and ₹ 70,619.29 lakhs (March 31, 2022 : ₹ 37,618.20 lakhs) respectively.

<b>Non-current assets</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
India	70,142.00	59,486.50
Rest of the world	1,47,630.02	1,39,263.97
Eliminations/unallocated	15,942.73	16,866.99
	<b>2,33,714.75</b>	<b>2,15,617.46</b>

Non-current assets from Rest of the world primarily comprises of non-current assets from Europe, Asia-Pacific, North America amounting to ₹ 80,732.91 lakhs as at March 31, 2023 (March 31, 2022 : ₹ 81,082.27 lakhs) ₹ 46,653.93 lakhs (March 31, 2022 : ₹ 47,427.75 lakhs) and ₹ 20,243.18 lakhs (March 31, 2022 : ₹ 10,753.94 lakhs) respectively.

Non-current assets exclude financial instruments, deferred tax assets, tax assets and post-employment benefit assets.

**D. Information about services rendered by the Group**

Revenues from external customers in respect of each category of services rendered by the Group are as follows:

<b>Revenue</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
ISCS	4,58,062.63	3,74,071.15
NS	5,65,475.35	5,50,907.44
	<b>10,23,537.98</b>	<b>9,24,978.59</b>

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**Notes to the consolidated financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

<b>5 Revenue from operations (refer note 40)</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Sale of products</b>	<b>1,64,303.41</b>	<b>1,39,287.15</b>
<b>Sale of services</b>		
Income from supply chain management services	8,41,732.06	7,72,610.84
Income from telecom services	15,365.31	12,890.27
	<b>8,57,097.37</b>	<b>7,85,501.11</b>
<b>Other operating revenue</b>		
Scrap sales	236.53	64.13
Others	1,900.67	126.20
	<b>2,137.20</b>	<b>190.33</b>
	<b>10,23,537.98</b>	<b>9,24,978.59</b>
<b>6 Other income</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Interest income under the effective interest method on items carried at amortised cost:		
Deposits with banks	429.50	543.26
Security deposits	653.39	441.27
Other items in finance income	31.73	1.75
Income from finance lease	172.80	209.46
Interest income on income tax refund	17.69	222.24
Gain on sale of property, plant and equipments, net	-	144.74
Gain on termination of lease contracts	366.92	573.39
Net gain on sale of investments	17.15	-
Provision no longer required written back	-	705.66
Exchange difference gain net	5,289.12	854.08
Government grant	19.75	330.51
Other non operating income	564.99	988.68
	<b>7,563.04</b>	<b>5,015.04</b>
<b>7 Cost of materials consumed</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Inventory of packing materials at the beginning of the period	270.68	183.01
Add : Purchases	1,230.69	1,263.11
Less : Inventory of packing materials at the end of the period	(358.76)	(270.68)
	<b>1,142.61</b>	<b>1,175.44</b>
<b>8 Purchase of stock-in-trade</b>	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Purchase of stock-in-trade	1,41,232.32	1,22,364.71
	<b>1,41,232.32</b>	<b>1,22,364.71</b>



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**Notes to the consolidated financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***9 Changes in inventory of stock-in-trade**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Inventories at the beginning of the year</b>		
Stock-in-trade	28,607.24	22,368.72
<b>Inventories at the end of the year</b>		
Stock-in-trade	(33,839.70)	(28,607.24)
Exchange differences on translation of foreign operations	1,198.54	(209.52)
	<b>(4,033.92)</b>	<b>(6,448.04)</b>

**10 Employee benefits expense**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Salaries, wages and bonus	1,73,675.41	1,56,220.11
Contribution to provident and other funds (refer note 36A)	20,527.15	18,908.28
Expenses related to post-employment defined benefit plans (refer note 36A)	496.19	438.42
Expenses related to compensated absences	577.01	487.22
Share based payments (refer note 36B)	2,195.50	2,795.18
Staff welfare expenses	11,829.15	10,063.98
	<b>2,09,300.41</b>	<b>1,88,913.19</b>

**11 Finance costs**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Interest on debt and borrowings	9,190.77	5,615.26
Interest on lease liabilities	8,380.31	8,039.78
Amortisation of transaction cost on borrowing	603.90	1,373.14
Other borrowing costs	859.24	466.75
	<b>19,034.22</b>	<b>15,494.93</b>

**12 Depreciation and amortisation expense**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Depreciation of property, plant and equipment	9,699.93	9,387.17
Depreciation of right of use asset	37,958.15	31,916.77
Amortisation of intangible assets	4,707.43	4,800.95
	<b>52,365.51</b>	<b>46,104.89</b>

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**Notes to the consolidated financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***13 Other expenses**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
Freight, clearing, forwarding and handling charges	3,73,287.09	3,47,942.70
Sub-contracting costs <sup>^</sup>	1,07,051.04	1,06,364.65
Material handling charges	3,115.76	2,293.02
Casual labour charges	41,749.39	30,174.01
Consumption of stores and spares	6,557.29	5,332.04
Staff transportation charges	1,711.53	1,888.95
Power and fuel	9,439.53	7,535.94
Rent, leasing and hiring charges (refer note 16B)	10,524.55	9,575.64
Rates and taxes	4,016.73	3,831.48
Insurance	3,676.01	2,736.02
Repairs and maintenance	14,607.51	9,356.71
Advertisement and business promotion	985.60	1,044.32
Travelling and conveyance	3,681.68	2,312.20
Communication costs	4,374.14	3,513.81
Printing & stationery	1,931.81	1,795.13
Bank charges	753.79	479.55
Factoring charges	2,572.12	889.93
Payment to auditors #	161.17	170.57
Legal and professional fees	6,761.44	7,499.37
Security expenses	4,689.17	3,731.39
Premium on derivative instruments designated for hedge	-	383.91
Loss on foreign currency transactions and translations	99.43	2,657.68
Bad debts written off	497.56	497.88
Impairment losses on financial instrument	3,695.49	3,692.48
Loss on sale of property, plant and equipments, net	262.41	-
Miscellaneous expenses	1,329.33	2,017.55
	<b>6,07,531.57</b>	<b>5,57,716.93</b>

<sup>^</sup> Includes cost of sub-contracting in respect of services relating to installation and commissioning of telecom towers.

# Details of payment to auditors

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<i>As auditor</i>		
Audit of standalone & subsidiaries' financial statements	105.43	51.00
Audit of consolidated financial statements	77.86	66.40
Audit of subsidiaries for consolidation purposes	260.51	184.54
Audit of subsidiaries for financial statement purposes	16.48	25.25
Tax audit of the company and other subsidiaries	3.93	3.41
Certification fees	11.00	7.50
Services in connection with proposed initial public offer	169.07	248.00
Re-imbursment of expenses	16.23	-
	<b>660.51</b>	<b>586.10</b>
Reclassified to prepaid expenses (refer note below)	<b>499.34</b>	<b>415.53</b>
Net total	<b>161.17</b>	<b>170.57</b>

Note: Remuneration for services in connection with proposed initial public offer of equity shares of the Company, which is included in other current assets under the head prepaid expenses.

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**14 Income tax expense**

**A. Amounts recognised in profit or loss**

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Current tax (a)</b>		
Current tax on profits for the period from continuing operations	4,988.01	5,072.70
	<b>4,988.01</b>	<b>5,072.70</b>
<b>Deferred tax (b)</b>		
Attributable to origination and reversal of temporary differences	(5,158.13)	689.38
	<b>(5,158.13)</b>	<b>689.38</b>
<b>Tax expense (a+b)</b>	<b>(170.12)</b>	<b>5,762.08</b>

Note:

Current tax on profits from discontinued operations

**B. Income tax recognised in other comprehensive income**

	Year ended 31 March 2023			Year ended 31 March 2022		
	Before tax	Tax expense / (benefit)	Net of tax	Before tax	Tax expense / (benefit)	Net of tax
Remeasurement of defined benefit liability / (asset)	(280.16)	109.83	(170.33)	(123.45)	26.23	(97.22)
	<b>(280.16)</b>	<b>109.83</b>	<b>(170.33)</b>	<b>(123.45)</b>	<b>26.23</b>	<b>(97.22)</b>

**C. Reconciliation of effective tax rate**

	Year ended 31 March 2023	Year ended 31 March 2022
Income tax expense at tax rates applicable to individual entities	2,007.72	1,264.28
<i>Effect of:</i>		
Change on account of adoption of lower tax regime	2,180.90	-
Permanent disallowances	35.01	120.68
Income not subject to tax/ taxable at different rates	1,872.56	767.57
Change in previously unrecognised tax losses / temporary differences	(2,762.08)	(432.18)
Items / current year losses for which no deferred tax asset was recognised	1,116.34	940.06
Expenses not deductible for tax purposes/ reversal of deferred tax liability created on assets identified during business combinations	1,572.35	887.81
Tax incentive	(12.06)	-
Deferred tax on undistributed reserves	(5,235.95)	1,709.94
Profit recognised on deemed disposal of investment in joint venture	-	(80.38)
Others	(944.91)	584.30
<b>Income tax expense as per statement of profit and loss</b>	<b>(170.12)</b>	<b>5,762.08</b>

For the year ended March 31, 2023, the management has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for TVS Supply Chain Solutions Limited. Accordingly, the Company has re-measured its Deferred tax asset basis the rate prescribed in the said section and deferred tax asset of the Company has reduced by ₹2,180.90 Lakhs.

During the year ended March 31, 2023, the Company reduced its estimate, of dividend distribution from a wholly owned subsidiary, TVS Logistics Investment UK Limited to the Company, from 90% to 50% of its accumulated profits and wrote back ₹ 2,403.42 Lakhs of deferred tax liability created on the accumulated profits.

On September 29, 2022, the Company entered into a binding agreement to buy the remaining stake of 4.79% in TVS SCS Global Freight Solutions Limited for a consideration of ₹718.75 Lakhs. These shares have been acquired on October 12, 2022. Consequent to the management plans of merging TVS SCS Global Freight Solutions Limited into the Company in the near future, deferred tax liability created on undistributed reserves in the earlier years amounting to ₹ 2885.00 Lakhs has been reversed to P&L account

**D. Recognised deferred tax assets and liabilities**

**a. Deferred tax assets and liabilities are attributable to the following :**

<b>Deferred tax liabilities (net)</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Provision for employee benefits	32.66	135.69
Provision for doubtful trade receivables / advances	(34.80)	62.25
Provision - others	546.88	546.88
Deferred revenue	5.55	5.55
Deferred rent	84.38	80.78
Other timing differences	291.02	149.14
<b>Deferred tax assets</b>	<b>925.69</b>	<b>980.29</b>
Property, plant and equipment	1,888.39	502.06
Prepaid expenses	(0.84)	(0.91)
Other Intangible assets	2,993.26	5,654.43
Undistributed profits of subsidiaries and joint ventures	4,128.93	9,349.62
Deemed disposal of investment in joint venture	1,269.37	1,269.37
<b>Deferred tax liabilities</b>	<b>10,279.11</b>	<b>16,774.57</b>
<b>Net Deferred tax liabilities</b>	<b>9,353.42</b>	<b>15,794.28</b>

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**14 Income tax expense (continued)**

	31 March 2023	31 March 2022
<b>Deferred tax assets (net)</b>		
Property, plant and equipment	1,512.00	1,860.55
Provision for employee benefits	1,322.84	1,952.28
Provision against financial assets	3,205.71	3,473.63
Carried forward tax losses	2,108.48	826.99
Tax incentives	72.36	20.48
Deferred revenue	220.00	220.00
Right of use asset and liability	3,164.27	4,451.70
Others	1,287.29	1,527.97
<b>Deferred tax assets</b>	<b>12,892.95</b>	<b>14,333.60</b>
Property, plant and equipment	403.39	785.41
Prepaid expenses	62.24	(11.32)
<b>Deferred tax liabilities</b>	<b>465.63</b>	<b>774.09</b>
<b>Net Deferred tax assets</b>	<b>12,427.32</b>	<b>13,559.51</b>

**E. Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

Particulars	31 March 2023		31 March 2022	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	2,829.44	480.73	3,057.47	519.47
Tax losses (including capital loss)	56,137.31	11,074.68	57,030.89	12,433.72
Unabsorbed depreciation	-	-	842.67	294.46
	<b>58,966.75</b>	<b>11,555.41</b>	<b>60,931.03</b>	<b>13,247.65</b>

**F. Tax losses carried forward**

Tax losses for which no deferred tax asset was recognised expire as follows:

	31 March 2023	31 March 2022
Expiry within 5 years	3,548.24	4,576.34
Expiry within 5-10 years	17,286.94	14,236.97
Never expire	35,302.13	39,060.25
	<b>56,137.31</b>	<b>57,873.56</b>

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**14 Income tax expense (continued)**
**D. Recognised deferred tax assets and liabilities (continued)**
**b. Movement in deferred tax assets and liabilities**

	Balance as at 1 April 2021	Acquired in business combination	Recognised in Profit & Loss	Recognised in Other comprehensive income	Currency translation adjustment	Total OCI	Balance as at 31 March 2022	Recognised in Profit & Loss	Recognised in Other comprehensive income	Currency translation adjustment	Total OCI	Balance as at 31 March 2023
<b>Deferred tax liabilities (net)</b>												
Provision for employee benefits	129.59	-	2.91	-	3.19	3.19	135.69	(113.45)	4.82	5.60	10.42	32.66
Provision for doubtful trade receivables / advances	52.03	-	8.72	-	1.50	1.50	62.25	(71.94)	-	(25.11)	(25.11)	(34.80)
Provision others	546.88	-	-	-	-	-	546.88	-	-	-	-	546.88
Deferred revenue	5.55	-	-	-	-	-	5.55	-	-	-	-	5.55
Deferred rent	84.39	-	(4.54)	-	0.93	0.93	80.78	2.90	-	0.70	0.70	84.38
Other timing differences	321.96	-	(165.29)	-	(7.53)	(7.53)	149.14	162.07	-	(20.19)	(20.19)	291.02
<i>Deferred tax assets</i>	<u>1,140.40</u>		<u>(158.20)</u>		<u>(1.91)</u>	<u>(1.91)</u>	<u>980.29</u>	<u>(20.42)</u>	<u>4.82</u>	<u>(39.00)</u>	<u>(34.18)</u>	<u>925.69</u>
Property, plant and equipment	366.03	-	121.68	-	14.35	14.35	502.06	1,261.00	-	125.33	125.33	1,888.39
Prepaid expenses	(0.93)	-	-	-	0.02	0.02	(0.91)	-	-	0.07	0.07	(0.84)
Other Intangible assets	3,623.35	2,029.90	(48.41)	-	49.59	49.59	5,654.43	(2,775.12)	-	113.95	113.95	2,993.26
Undistributed profits of subsidiaries and joint ventures	8,056.31	-	1,386.77	-	(93.46)	(93.46)	9,349.62	(5,235.95)	-	15.26	15.26	4,128.93
Deemed disposal of investment in joint venture	1,349.92	-	(80.55)	-	-	-	1,269.37	-	-	-	-	1,269.37
<i>Deferred tax liabilities</i>	<u>13,394.68</u>	<u>2,029.90</u>	<u>1,379.49</u>		<u>(29.50)</u>	<u>(29.50)</u>	<u>16,774.57</u>	<u>(6,750.07)</u>		<u>254.61</u>	<u>254.61</u>	<u>10,279.11</u>
<b>Net Deferred tax liabilities</b>	<b>12,254.28</b>	<b>2,029.90</b>	<b>1,537.69</b>	<b>-</b>	<b>(27.59)</b>	<b>(27.59)</b>	<b>15,794.28</b>	<b>(6,729.65)</b>	<b>(4.82)</b>	<b>293.61</b>	<b>288.79</b>	<b>9,353.42</b>
<b>Deferred tax assets (net)</b>												
Property, plant and equipment	1,156.37	40.63	657.79	-	5.76	5.76	1,860.55	(372.61)	-	24.06	24.06	1,512.00
Provision for employee benefits	2,449.49	70.37	(597.81)	24.60	5.63	30.23	1,952.28	(733.27)	105.01	(1.18)	103.83	1,322.84
Provision against financial assets	2,435.56	-	1,036.46	-	1.61	1.61	3,473.63	(261.76)	-	(6.16)	(6.16)	3,205.71
Carried forward tax losses*	1,754.78	-	(949.89)	-	22.10	22.10	826.99	1,084.32	-	197.17	197.17	2,108.48
Tax incentives	26.03	-	(6.24)	-	0.69	0.69	20.48	49.04	-	2.84	2.84	72.36
Deferred revenue	218.27	-	-	-	1.73	1.73	220.00	-	-	-	-	220.00
Right of use asset and liability	3,477.43	91.23	896.20	-	(13.16)	(13.16)	4,451.70	(1,440.54)	-	153.11	153.11	3,164.27
Others	1,697.13	51.53	(235.89)	1.63	13.57	15.20	1,527.97	(258.47)	-	17.79	17.79	1,287.29
<i>Deferred tax assets</i>	<u>13,215.06</u>	<u>253.76</u>	<u>800.62</u>	<u>26.23</u>	<u>37.93</u>	<u>64.16</u>	<u>14,333.60</u>	<u>(1,933.29)</u>	<u>105.01</u>	<u>387.63</u>	<u>492.64</u>	<u>12,892.95</u>
Property, plant and equipment	802.36	-	(35.77)	-	18.82	18.82	785.41	(432.51)	-	50.49	50.49	403.39
Prepaid expenses	-	-	(11.92)	-	0.60	0.60	(11.32)	70.74	-	2.82	2.82	62.24
<i>Deferred tax liabilities</i>	<u>802.36</u>		<u>(47.69)</u>		<u>19.42</u>	<u>19.42</u>	<u>774.09</u>	<u>(361.77)</u>		<u>53.31</u>	<u>53.31</u>	<u>465.63</u>
<b>Net Deferred tax assets</b>	<b>12,412.70</b>	<b>253.76</b>	<b>848.31</b>	<b>26.23</b>	<b>18.51</b>	<b>44.74</b>	<b>13,559.51</b>	<b>(1,571.52)</b>	<b>105.01</b>	<b>334.32</b>	<b>439.33</b>	<b>12,427.32</b>
<b>Net amount recognised in statement of profit and loss / other comprehensive income</b>			<b>689.38</b>	<b>(26.23)</b>		<b>(72.33)</b>		<b>(5,158.13)</b>	<b>(109.83)</b>		<b>(150.54)</b>	

\*The Group carries deferred taxes aggregating to ₹ 2,108.48 lakhs (31 March 2022: ₹ 826.99 lakhs) (from various jurisdictions) on the carry forward or unused losses and deductible temporary differences based on the future projections

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**15A Property, plant and equipment**
**a Reconciliation of carrying amount**

	Land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Leasehold improvements	Total
<b>Gross carrying amount</b>									
<b>Balance at 1 April 2021</b>	2,087.10	3,403.76	24,275.09	15,355.88	3,625.36	1,831.85	17,288.83	7,430.76	75,298.63
Additions on acquisitions (refer note 39)	-	-	-	209.55	-	167.76	53.70	-	431.01
Other additions*	-	3.66	1,758.67	3,334.99	426.60	561.37	2,140.89	480.15	8,706.33
Disposals**	-	(5.95)	(3,157.92)	(1,213.11)	(855.34)	(167.65)	(2,079.98)	(463.91)	(7,943.86)
Exchange differences on translation of foreign operations	-	(9.35)	654.32	67.01	(15.60)	(69.77)	(99.91)	67.37	594.07
<b>Balance at 31 March 2022</b>	<b>2,087.10</b>	<b>3,392.12</b>	<b>23,530.16</b>	<b>17,754.32</b>	<b>3,181.02</b>	<b>2,323.56</b>	<b>17,303.53</b>	<b>7,514.37</b>	<b>77,086.18</b>
<b>Balance at 1 April 2022</b>	2,087.10	3,392.12	23,530.16	17,754.32	3,181.02	2,323.56	17,303.53	7,514.37	77,086.18
Other additions*	-	32.06	1,029.33	4,089.45	633.16	868.75	2,461.63	586.57	9,700.95
Disposals**	-	-	(4,145.34)	(665.05)	(2,062.48)	(30.55)	(459.56)	(656.98)	(8,019.96)
Exchange differences on translation of foreign operations	-	15.16	1,314.83	361.63	34.53	14.85	574.99	411.72	2,727.71
<b>Balance at 31 March 2023</b>	<b>2,087.10</b>	<b>3,439.34</b>	<b>21,728.98</b>	<b>21,540.35</b>	<b>1,786.23</b>	<b>3,176.61</b>	<b>19,880.59</b>	<b>7,855.68</b>	<b>81,494.88</b>
<b>Reconciliation of carrying amount</b>									
	Land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Leasehold improvements	Total
<b>Accumulated depreciation</b>									
<b>Balance at 1 April 2021</b>	-	548.56	15,276.95	3,475.77	2,301.69	923.98	14,322.17	3,944.66	40,793.78
Depreciation for the year	-	79.78	3,571.99	2,698.16	799.46	379.89	1,315.14	542.75	9,387.17
Disposals	-	(5.95)	(2,540.03)	(798.59)	(757.60)	(131.82)	(1,844.34)	(416.89)	(6,495.22)
Exchange differences on translation of foreign operations	-	(6.00)	560.81	180.11	(100.74)	(124.06)	(30.17)	215.44	695.39
<b>Balance at 31 March 2022</b>	-	<b>616.39</b>	<b>16,869.72</b>	<b>5,555.45</b>	<b>2,242.81</b>	<b>1,047.99</b>	<b>13,762.80</b>	<b>4,285.96</b>	<b>44,381.12</b>
<b>Balance at 1 April 2022</b>	-	616.39	16,869.72	5,555.45	2,242.81	1,047.99	13,762.80	4,285.96	44,381.12
Depreciation for the year	-	78.80	3,463.69	2,820.70	474.18	485.73	1,715.64	661.19	9,699.93
Disposals	-	-	(4,063.69)	(631.75)	(1,557.65)	(22.35)	(391.96)	(541.18)	(7,208.58)
Exchange differences on translation of foreign operations	-	8.38	1,057.41	159.13	22.47	7.90	496.08	309.01	2,060.38
<b>Balance at 31 March 2023</b>	-	<b>703.57</b>	<b>17,327.13</b>	<b>7,903.53</b>	<b>1,181.81</b>	<b>1,519.27</b>	<b>15,582.56</b>	<b>4,714.98</b>	<b>48,932.85</b>
<b>Carrying amounts (net)</b>									
<b>As at 31 March 2022</b>	<b>2,087.10</b>	<b>2,775.73</b>	<b>6,660.44</b>	<b>12,198.87</b>	<b>938.21</b>	<b>1,275.57</b>	<b>3,540.73</b>	<b>3,228.41</b>	<b>32,705.06</b>
<b>As at 31 March 2023</b>	<b>2,087.10</b>	<b>2,735.77</b>	<b>4,401.85</b>	<b>13,636.82</b>	<b>604.42</b>	<b>1,657.34</b>	<b>4,298.03</b>	<b>3,140.70</b>	<b>32,562.03</b>

\* Includes assets given on finance lease with written down value of Rs. 168.36 lakhs (31 March 2022: Nil) acquired back from the customer

\*\* Includes certain assets procured exclusively for customers net carrying amount of ₹ Nil lakhs (Previous year : ₹ 235.49 lakhs), which have been assessed to be finance lease in which the company is a lessor and accordingly reclassified.

**b Security**

For details of property, plant and equipment pledged as security against borrowings, refer note 30.

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**15B Capital work-in-progress & Intangible assets under development**

**a Ageing of capital work-in-progress & intangible assets under development**

<b>As at 31 March 2023</b>	<b>&lt; 1 year</b>	<b>1 to 2 years</b>	<b>2 to 3 years</b>	<b>&gt; 3 years</b>	<b>Total</b>
Projects in progress					
Capital work-in-progress	1,378.31	-	-	-	1,378.31
Intangible assets under development*	2,166.19	-	-	-	2,166.19
<b>As at 31 March 2022</b>	<b>&lt; 1 year</b>	<b>1 to 2 years</b>	<b>2 to 3 years</b>	<b>&gt; 3 years</b>	<b>Total</b>
Projects in progress					
Capital work-in-progress	335.38	-	-	-	335.38
Intangible assets under development*	459.05	372.04	-	-	831.09

\* Intangible assets under development represents expenditure incurred towards development of software that will be used as part of the groups operations

**b Expected completion schedule for capital-work-in progress & intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan**

There are no overdue/temporarily suspended contracts projects as at March 31, 2023 and March 31, 2022

**c Movement of capital work-in-progress & intangible assets under development**

<b>Reconciliation of carrying amount</b>	<b>Capital work-in-progress</b>	<b>Other intangible assets</b>
<b>Balance at 1 April 2021</b>	<b>718.14</b>	<b>855.77</b>
Additions	4,990.72	1,029.09
Transferred to Property, plant and equipment / Other intangible assets	(5,378.33)	(1,056.09)
Exchange differences on translation of foreign operations	4.85	2.32
<b>Balance at 31 March 2022</b>	<b>335.38</b>	<b>831.09</b>
Balance at 1 April 2022	335.38	831.09
Additions	6,999.64	2,885.45
Transferred to Property, plant and equipment / Other intangible assets	(5,980.38)	(1,648.17)
Exchange differences on translation of foreign operations	23.67	97.82
<b>Balance at 31 March 2023</b>	<b>1,378.31</b>	<b>2,166.19</b>

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16A Intangible assets

a Reconciliation of carrying amount

	Goodwill #	Patents and trademarks	Customer relationship & Others	Brand	Computer software	Total (excluding goodwill)
<b>Gross carrying amount</b>						
Balance at 1 April 2021	47,168.00	6.10	25,315.42	4,829.74	10,857.09	41,008.35
Other additions	-	-	-	-	2,497.06	2,497.06
Additions on acquisitions (refer note 39)	12,447.61	-	5,809.00	-	15.77	5,824.77
Disposals	-	-	68.19	53.94	(2,099.49)	(1,977.36)
Exchange differences on translation of foreign operations	347.75	(0.08)	(58.72)	269.77	79.36	290.33
<b>Balance at 31 March 2022</b>	<b>59,963.36</b>	<b>6.02</b>	<b>31,133.89</b>	<b>5,153.45</b>	<b>11,349.79</b>	<b>47,643.15</b>
Balance at 1 April 2022	59,963.36	6.02	31,133.89	5,153.45	11,349.79	47,643.15
Other additions	-	-	-	-	2,244.38	2,244.38
Disposals	-	-	-	-	(30.37)	(30.37)
Exchange differences on translation of foreign operations	2,142.34	(0.22)	1,742.03	96.69	409.32	2,247.82
<b>Balance at 31 March 2023</b>	<b>62,105.70</b>	<b>5.80</b>	<b>32,875.92</b>	<b>5,250.14</b>	<b>13,973.12</b>	<b>52,104.98</b>
<b>Accumulated amortisation &amp; impairment</b>						
Balance at 1 April 2021	1,263.55	-	10,687.06	1,084.11	6,354.53	18,125.70
Amortisation for the year	-	-	2,680.13	124.83	1,995.99	4,800.95
Disposals	-	-	-	-	(1,977.44)	(1,977.44)
Exchange differences on translation of foreign operations	-	-	156.25	(8.39)	60.69	208.55
<b>Balance at 31 March 2022</b>	<b>1,263.55</b>	<b>-</b>	<b>13,523.44</b>	<b>1,200.55</b>	<b>6,433.77</b>	<b>21,157.76</b>
Balance at 1 April 2022	1,263.55	-	13,523.44	1,200.55	6,433.77	21,157.76
Impairment for the year *	-	-	-	-	-	-
Amortisation for the year	-	-	3,056.59	119.34	1,531.50	4,707.43
Disposals	-	-	-	-	(30.37)	(30.37)
Exchange differences on translation of foreign operations	-	-	1,116.69	17.83	323.94	1,458.46
<b>Balance at 31 March 2023</b>	<b>1,263.55</b>	<b>-</b>	<b>17,696.72</b>	<b>1,337.72</b>	<b>8,258.84</b>	<b>27,293.28</b>
<b>Carrying amounts (net)</b>						
Balance at 31 March 2022	58,699.81	6.02	17,610.45	3,952.90	4,916.02	26,485.39
<b>Balance at 31 March 2023</b>	<b>60,842.15</b>	<b>5.80</b>	<b>15,179.20</b>	<b>3,912.42</b>	<b>5,714.28</b>	<b>24,811.70</b>

# The Group has performed impairment tests of goodwill at the end of the period March 2023 and March 2022. For the purpose of impairment testing, goodwill is allocated to the cash generating units which are expected to benefit from the synergies of the corresponding business combinations. The goodwill impairment test is performed at the level of cash generating unit or a group of cash generating units represented by a common business segment. Cash flows beyond the five year period are extrapolated by using the estimated long term growth rates. The growth rates do not exceed the long term average growth rate for the logistics/supply chain industry in which the cash generating unit operates. Future cash flows are discounted based on the weighted average cost of capital (WACC), taking into account the risks that are specific to the cash generating units.

Key assumptions used for calculating the value in use:

Cash generating unit	TVS GFS	RICO Group	SCS UK Group	SCS North America	SCS India Group
Carrying amount of goodwill as at 31 March 2023	22,393.59	10,176.29	1,205.79	5,929.09	21,137.39
Carrying amount of goodwill as at 31 March 2022	20,944.34	9,972.54	1,178.33	5,467.21	21,137.39
Basis of recoverable amount	Value in use	Value in use	Value in use	Value in use	Value in use
Pre-tax discount rate 31 March 2023	10.00%	12.00%	12.00%	6.90%	14.00%
Pre-tax discount rate 31 March 2022	7.50%	6.00%	6.00%	3.80%	9.70%
Projection period	5 Years	5 Years	5 Years	5 Years	5 Years
Terminal growth rate 31 March 2023	3.40%	1.50%	1.50%	1.00%	3.00%
Terminal growth rate 31 March 2022	3.40%	0.50%	0.50%	1.00%	3.00%

Key assumptions have not changed significantly compared to the previous year with the exception of discount rates used. For March 2023 and March 2022, the recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised for the periods March 2023 and March 2022.

Management believes that it is not likely for the assumptions used to change so significantly, as to eliminate the excess of recoverable amounts.



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**16B Right of use assets**

a The leases primarily consists leasing of warehouses, office premises & material handling equipments with the lease term of more than 12 months.

b Set out below are the carrying amounts of right of use assets recognised and the movements during the year

	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
<b>Net carrying amount</b>						
<b>Balance at 1 April 2021</b>	<b>88,955.99</b>	<b>5,602.40</b>	<b>10.28</b>	<b>193.27</b>	<b>665.56</b>	<b>95,427.50</b>
Additions *	37,344.50	773.73	11.80	-	381.65	38,511.68
Reversals (less)	(5,337.84)	(344.03)	-	65.31	31.12	(5,585.44)
Depreciation (less)	(29,644.59)	(1,684.06)	(5.38)	(131.05)	(451.69)	(31,916.77)
Exchange differences on translation of foreign operations	(149.90)	(49.44)	-	1.53	9.82	(187.99)
<b>Balance at 31 March 2022</b>	<b>91,168.16</b>	<b>4,298.60</b>	<b>16.70</b>	<b>129.06</b>	<b>636.46</b>	<b>96,248.98</b>
<b>Balance at 1 April 2022</b>	<b>91,168.16</b>	<b>4,298.60</b>	<b>16.70</b>	<b>129.06</b>	<b>636.46</b>	<b>96,248.98</b>
Additions	52,058.82	368.58	-	-	524.47	52,951.87
Reversals (less)	(2,312.23)	-	-	(2.95)	(1.61)	(2,316.79)
Depreciation (less)	(35,749.92)	(1,629.97)	(3.97)	(82.77)	(491.52)	(37,958.15)
Exchange differences on translation of foreign operations	2,305.28	77.55	-	6.04	48.29	2,437.16
<b>Balance at 31 March 2023</b>	<b>1,07,470.11</b>	<b>3,114.76</b>	<b>12.73</b>	<b>49.38</b>	<b>716.09</b>	<b>1,11,363.07</b>

\* Includes assets relating to leases acquired through business combination

c Set out below are the carrying amounts of lease liabilities and the movement during the year

	31 March 2023	31 March 2022
<b>Balance at the beginning of the year</b>	<b>1,19,027.64</b>	<b>1,18,619.06</b>
Additions *	52,016.11	38,373.18
Accretion of interest	8,380.31	8,039.78
Payments	(45,263.09)	(39,475.46)
Reversals	(2,683.71)	(6,158.83)
Exchange differences on translation of foreign operations	1,959.85	(370.09)
<b>Balance at the end of the year</b>	<b>1,33,437.11</b>	<b>1,19,027.64</b>
Current	41,004.25	34,379.20
Non-current	92,432.86	84,648.44
Cash outflows for leases	45,263.09	39,475.46

\* Includes liabilities relating to leases acquired through business combination

The maturity analysis of lease liabilities are disclosed in Note 43.

d The following are recognised in the statement of profit and loss

	31 March 2023	31 March 2022
Depreciation expenses of right of use assets	37,958.15	31,916.77
Interest expenses on lease liabilities	8,380.31	8,039.78
Gain on termination of lease contracts	(366.92)	(573.39)
Expenses relating to short term leases and leases of low value assets	10,524.55	9,575.64
<b>Total amount recognised in profit or loss</b>	<b>56,496.09</b>	<b>48,958.80</b>

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**17 Investments accounted for using the equity method**

The Group's interest in equity accounted investees comprises of the following	Note	<b>31 March 2023</b>	<b>31 March 2022</b>
Interest in joint ventures (refer note i below)	A	10,480.05	10,002.42
		<b>10,480.05</b>	<b>10,002.42</b>
The Group's share of profit / (loss) in equity accounted investees are as follows	Note	<b>Year ended</b>	<b>Year ended</b>
		<b>31 March 2023</b>	<b>31 March 2022</b>
Share of profit / (loss) in joint ventures	A	477.63	(47.90)
		<b>477.63</b>	<b>(47.90)</b>

**Note:**

Since the investment in Linfox TVS Solutions Pty Limited, Australia is not material, the disclosures with respect to summarised financial information has not been disclosed in the financial statements in March 2022 and the entity is de-registered w.e.f 2nd February 2023

**A. Joint ventures**

The financial information of the joint ventures and the carrying amount of the Group's interest in joint ventures is as follows :

<b>31 March 2023</b>	<b>TVS Industrial &amp; Logistics Park Pvt. Limited</b>
	<b>29.7% *</b>
Non-current assets	1,16,730.03
Current assets	31,109.19
Non-current liabilities	(98,482.02)
Current liabilities	(15,107.88)
Net assets	34,249.32
<b>Group's share of net assets</b>	<b>10,177.00</b>
Add : Goodwill	84.90
<b>Carrying amount of interest in joint ventures as at 31 March 2023 (refer note below)</b>	<b>10,261.90</b>
<b>For the year ended 31 March 2023</b>	
Revenue	15,000.76
Interest income	353.05
Interest expense	5,882.55
Depreciation and amortisation expense	3,268.74
Tax expense	426.81
Profit	1,604.72
Other comprehensive income	2.68
<b>Total comprehensive income</b>	<b>1,607.40</b>
Group's share of Profit	476.83
Group's share of OCI	0.80
<b>Group's share of total comprehensive income</b>	<b>477.63</b>

\* Share of net assets/profit computed based on diluted basis

Note - Certain adjustments in the reserves of the joint venture have not been considered in the consolidated financial statements of the Group in line with Ind AS 28

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

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Notes to the consolidated financial statements for the year ended 31 March 2023

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***17 Investments accounted for using the equity method (continued)**

<b>31 March 2022</b>	<b>TVS Industrial &amp; Logistics Park Pvt. Limited</b>
	<b>29.7% *</b>
Non-current assets	1,00,879.71
Current assets	20,297.99
Non-current liabilities	(79,627.77)
Current liabilities	(8,908.01)
Net assets	32,641.92
<b>Group's share of net assets</b>	<b>9,699.37</b>
Add : Goodwill	84.90
<b>Carrying amount of interest in joint venture as at 31 March 2022</b>	<b>9,784.27</b>
<b>For the year ended 31 March 2022</b>	
Revenue	10,555.55
Interest income	92.51
Interest expense	4,755.43
Depreciation and amortisation expense	2,385.36
Tax expense	793.89
Profit	649.81
Other comprehensive income	-
<b>Total comprehensive income</b>	<b>649.81</b>
Group's share of Profit	(47.90)
Group's share of OCI	-
<b>Group's share of total comprehensive income</b>	<b>(47.90)</b>

\* Share of net assets/profit computed based on diluted basis

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**Notes to the consolidated financial statements for the year ended 31 March 2023**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**18 A. Non-controlling interests**

	31 March 2023	31 March 2022
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	-	459.37
White Data Systems India Pvt. Ltd.	1,683.92	1,979.99
TVS Toyota Tsusho Supply Chain Solutions Ltd.	1,415.35	1,154.52
Other NCI in subsidiaries of TVS Logistics Investment UK Limited	546.71	397.61
	<b>3,645.98</b>	<b>3,991.49</b>

**B. Profit attributable to non-controlling interests**

	Year ended 31 March 2023	Year ended 31 March 2022
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	122.79	408.33
White Data Systems India Pvt. Ltd.	(295.84)	(42.28)
TVS Toyota Tsusho Supply Chain Solutions Ltd.	259.02	167.81
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)	-	(144.55)
Rico Logistics Limited	-	(17.02)
Fit 3PL Warehousing Pvt.Ltd	-	44.77
Other subsidiaries of TVS Logistics Investment UK Limited	109.41	(86.92)
	<b>195.38</b>	<b>330.14</b>

**C. Other comprehensive income attributable to non-controlling interests**

TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	(0.65)	0.50
White Data Systems India Pvt. Ltd.	(0.23)	(2.34)
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)	-	(26.24)
Rico Logistics Limited	-	0.50
TVS Toyota Tsusho Supply Chain Solutions Ltd.	1.82	4.79
Fit 3PL Warehousing Pvt.Ltd	-	(0.54)
Other subsidiaries of TVS Logistics Investment UK Limited	35.00	(20.66)
	<b>35.94</b>	<b>(43.99)</b>

Note - For country of incorporation, refer note no. 46.

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations:

31 March 2023	White Data Systems India Pvt. Ltd.	TVS Toyota Tsusho Supply Chain Solutions
NCI %	49.00%	40.00%
Non-current assets	3,414.71	3,685.33
Current assets	697.97	3,233.58
Non-current liabilities	(343.65)	(1,752.46)
Current liabilities	(332.45)	(1,628.07)
Net assets	<b>3,436.58</b>	<b>3,538.38</b>
<b>Net assets attributable to NCI</b>	<b>1,683.92</b>	<b>1,415.35</b>
Revenue	466.60	5,021.25
Profit	(603.76)	647.54
Other comprehensive income	(0.46)	4.56
<b>Total comprehensive income</b>	<b>(604.22)</b>	<b>652.10</b>
Profit allocated to NCI	(295.84)	259.02
OCI allocated to NCI	(0.23)	1.82
Exchange differences on translation of foreign operations	-	-
<b>Total comprehensive income allocated to NCI</b>	<b>(296.07)</b>	<b>260.84</b>
<b>Summarised cash flow information</b>		
Net cash flows from operating activities	(134.04)	1,564.83
Net cash flows from investing activities	430.85	(861.45)
Net cash flows from financing activities	(316.34)	(682.99)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(19.53)</b>	<b>20.39</b>

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(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

18 A. Non-controlling interests (continued)

31 March 2022	TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	White Data Systems India Pvt. Ltd.	TVS Toyota Tsusho Supply Chain Solutions Ltd.
NCI %	4.79%	49.00%	40.00%
Non-current assets	941.41	3,080.25	4,098.35
Current assets	14,520.36	1,951.92	3,217.00
Non-current liabilities	(639.61)	(41.88)	(2,628.94)
Current liabilities	(5,231.90)	(949.49)	(1,800.12)
<b>Net assets</b>	<b>9,590.26</b>	<b>4,040.80</b>	<b>2,886.29</b>
<b>Net assets attributable to NCI</b>	<b>459.37</b>	<b>1,979.99</b>	<b>1,154.52</b>
Revenue	85,241.77	461.93	5,726.52
Profit	4,268.66	(86.28)	419.52
Other comprehensive income	5.25	(4.77)	11.98
<b>Total comprehensive income</b>	<b>4,273.91</b>	<b>(91.05)</b>	<b>431.50</b>
Profit allocated to NCI	408.33	(42.28)	167.81
OCI allocated to NCI	0.50	(2.34)	4.79
Exchange differences on translation of foreign operations	-	-	-
<b>Total comprehensive income allocated to NCI</b>	<b>408.83</b>	<b>(44.62)</b>	<b>172.60</b>
<b>Summarised cash flow information</b>			
Net cash flows from operating activities	2,053.39	858.95	997.84
Net cash flows from investing activities	40.38	(884.10)	(602.14)
Net cash flows from financing activities	(374.61)	(60.98)	(638.69)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,719.16</b>	<b>(86.13)</b>	<b>(242.99)</b>

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(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**19 Investments**

**A. Non-current investments**

**Unquoted investment in body corporate at fair value through Profit & Loss**

TN Apex Skill Development Centre For Logistics

200,000 (31 March 2022 : 200,000) equity shares of ₹ 10 each

**31 March 2023**

**31 March 2022**

20.00

20.00

Montara Verpacken mit System GmbH

21,004 (31 March 2022 : 21,004) equity shares of euro 1 each

161.18

161.18

**Provision for impairment in value of Investments**

Montara Verpacken mit System GmbH

(161.18)

(161.18)

**20.00**

**20.00**

**Unquoted investment in preference shares carried at amortised cost**

Cargowings Logistics Limited

25,000,000 (31 March 2022 : 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up

2,500.00

2,500.00

**2,500.00**

**2,500.00**

**Provision for impairment in value of Investments**

**Unquoted investments in preference shares**

Cargowings Logistics Limited

(2,500.00)

(2,500.00)

**(2,500.00)**

**(2,500.00)**

**Total non-current investments**

**20.00**

**20.00**

Aggregate amount of unquoted investments

2,520.00

2,520.00

Aggregate amount of impairment in the value of investments

2,500.00

2,500.00

**B. Current investments**

Unquoted investment in debentures carried at amortised cost (refer note below)

-

-

Provision for impairment on unquoted investment

-

-

**Total current investments**

-

-

Note :

During the prior year ended 31 March 2022, the Group has sold the entire debenture instruments to Drive India Enterprise Solutions Limited for a consideration of ₹ 1,822.10 lakhs and derecognised the investment in debentures along with the interest accrued (refer note 21). The Group incurred a net loss of ₹ 138.94 lakhs for the year ended 31 March 2022.

**20 Deposits and other receivables**

	Non-current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Security deposits</b>				
Unsecured, considered good	6,469.47	4,444.16	7,557.55	6,279.81
Unsecured, credit impaired	-	-	113.02	113.02
Provision for credit impaired security deposits	-	-	(113.02)	(113.02)
	<b>6,469.47</b>	<b>4,444.16</b>	<b>7,557.55</b>	<b>6,279.81</b>
<b>Security deposit to related parties</b>				
Unsecured, considered good	656.04	521.57	-	-
	<b>656.04</b>	<b>521.57</b>	-	-
<b>Other receivables</b>				
Loans and advances to employees	-	-	655.55	853.10
Finance lease receivables (refer note 15A and 38)	745.86	1,257.46	408.85	569.28
Receivable from others				
Unsecured, considered good	-	-	608.93	868.97
Unsecured, credit impaired	-	-	780.74	180.74
Provision for credit impaired receivables	-	-	(780.74)	(180.74)
	<b>745.86</b>	<b>1,257.46</b>	<b>1,673.33</b>	<b>2,291.35</b>
	<b>7,871.37</b>	<b>6,223.19</b>	<b>9,230.88</b>	<b>8,571.16</b>

**21 Other financial assets**

	Current	
	31 March 2023	31 March 2022
<b>Advances recoverable in cash or kind</b>		
Unsecured considered good	162.61	257.55
	<b>162.61</b>	<b>257.55</b>
Others	217.52	140.89
	<b>380.13</b>	<b>398.44</b>



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Current							
31 March 2023	Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Unsecured, considered good							
Undisputed	81,056.12	36,315.94	4,118.92	355.14	28.58	946.54	1,22,821.24
Disputed	-	-	-	-	-	-	-
	<u>81,056.12</u>	<u>36,315.94</u>	<u>4,118.92</u>	<u>355.14</u>	<u>28.58</u>	<u>946.54</u>	<u>1,22,821.24</u>
Trade Receivables - credit impaired							
Undisputed	167.59	1,042.88	1,429.27	7,009.15	2,101.42	1,997.65	13,747.96
Disputed	-	-	75.29	29.14	1.95	882.95	989.33
	<u>167.59</u>	<u>1,042.88</u>	<u>1,504.56</u>	<u>7,038.29</u>	<u>2,103.37</u>	<u>2,880.60</u>	<u>14,737.29</u>
	<u><b>81,223.71</b></u>	<u><b>37,358.82</b></u>	<u><b>5,623.48</b></u>	<u><b>7,393.43</b></u>	<u><b>2,131.95</b></u>	<u><b>3,827.14</b></u>	<u><b>1,37,558.53</b></u>
31 March 2022	Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Unsecured, considered good							
Undisputed	79,336.82	42,996.90	3,909.96	781.03	731.36	2,976.25	1,30,732.32
Disputed	-	-	-	-	-	-	-
	<u>79,336.82</u>	<u>42,996.90</u>	<u>3,909.96</u>	<u>781.03</u>	<u>731.36</u>	<u>2,976.25</u>	<u>1,30,732.32</u>
Trade Receivables - credit impaired							
Undisputed	600.35	2,310.05	1,880.84	4,139.50	2,973.99	140.04	12,044.77
Disputed	119.20	16.57	31.45	20.07	14.71	605.73	807.73
	<u>719.55</u>	<u>2,326.62</u>	<u>1,912.29</u>	<u>4,159.57</u>	<u>2,988.70</u>	<u>745.77</u>	<u>12,852.50</u>
	<u><b>80,056.37</b></u>	<u><b>45,323.52</b></u>	<u><b>5,822.25</b></u>	<u><b>4,940.60</b></u>	<u><b>3,720.06</b></u>	<u><b>3,722.02</b></u>	<u><b>1,43,584.82</b></u>

Note - No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Trade receivables including receivables from related parties are non-interest bearing. Refer Note 42 for disclosure on related parties.

24A Transferred financial assets that are derecognised in their entirety and with continuing involvement

The Group has transferred certain receivables under non-recourse arrangements where substantial risk and rewards related to these receivables are transferred to the buyer and the same is de-recognised as at the Group's balance sheet.

Particulars

	31 March 2023	31 March 2022
Carrying amount of transferred receivables	52,705.82	46,616.74
Carrying amount of exposures retained by the Company	-	-

The amounts collected on behalf of the factor has been disclosed under other financial liabilities.

24B Transferred financial assets that are not derecognised in their entirety

During the previous year, the Group entered into a recourse factoring for certain trade receivables and since the risks and rewards were not transferred substantially, these assets were not de-recognised as at March 31, 2022. As at March 31, 2023, there are no outstanding dues under the arrangement.

Particulars

	31 March 2023	31 March 2022
Carrying amount of transferred assets measured at amortised cost	-	2,999.98
Carrying amount of associated liabilities (Part of borrowings)	-	2,999.98
Fair value of assets	-	2,999.98
Fair value of associated liabilities	-	2,999.98

25 Cash and cash equivalents (refer note below)

	31 March 2023	31 March 2022
Cash on hand	46.49	54.35
Cheques on hand	-	517.45
	<u>46.49</u>	<u>571.80</u>
Balance with banks		
On current accounts	1,07,484.17	83,134.20
Deposits with original maturity of less than three months	1,047.91	15,676.64
	<u>1,08,532.08</u>	<u>98,810.84</u>
	<u><b>1,08,578.57</b></u>	<u><b>99,382.64</b></u>

Note:

As per the facility agreement under the refinancing arrangement (refer note 30A(i)), the Group is required to maintain minimum cash and cash equivalents balance of USD 20 million.

26 Other bank balances

	31 March 2023	31 March 2022
Deposits with original maturity of more than 3 months	9,425.50	1,107.28
	<u>9,425.50</u>	<u>1,107.28</u>
Current	8,631.22	1,102.08
Non-Current	794.28	5.20

27 Loans

	Current	
	31 March 2023	31 March 2022
Unsecured, considered doubtful	1,004.63	1,004.63
Provision for doubtful loans	(1,004.63)	(1,004.63)
	<u>-</u>	<u>-</u>

Note. There are no loans or advances in the nature of loans granted to Promoters, Directors, Key managerial person or other related parties.



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	31 March 2023	31 March 2022
<b>28 Other current assets</b>		
<b>Advance related to supply of goods and services to parties other than related parties</b>		
Unsecured, considered good	3,071.49	3,728.63
Unsecured, considered doubtful	1,577.77	1,577.77
Provision for doubtful receivables	(1,577.77)	(1,577.77)
	<u>3,071.49</u>	<u>3,728.63</u>
<b>Advance related to supply of goods and services to related parties</b>		
Unsecured, considered good	457.58	531.84
	<u>457.58</u>	<u>531.84</u>
<b>Balances with statutory authorities</b>		
Unsecured, considered good	5,480.71	3,521.64
	<u>5,480.71</u>	<u>3,521.64</u>
Unbilled revenue	37,565.52	34,976.37
<b>Other current assets</b>		
Prepaid expenses*	10,326.84	10,784.42
Others	4.88	6.37
	<u>56,907.02</u>	<u>53,549.27</u>

\* includes eligible expenses incurred in connection with proposed initial public offer of equity shares of the Company amounting to ₹ 4,153.07 lakhs for the year ended March 31, 2023 (March 31, 2022: ₹ 2,844.77 lakhs), recoverable from selling shareholders or adjustable against share premium portion of the proposed IPO proceeds. The Company has reviewed the costs incurred in connection with the original draft red herring prospectus and has expensed off ₹ 1,000 lakhs as exceptional item to the profit & loss account (refer note 48).

	31 March 2023	31 March 2022
<b>29A Share capital</b>		
<b>Authorised share capital</b>		
5,826,00,000 (31 March 2022: 588,000,000) equity shares of ₹ 1 each	5,826.00	5,880.00
1,200,000 (31 March 2022: 1,200,000) preference shares of ₹ 10 each #	120.00	120.00
3,154,000 (31 March 2022: Nil) preference shares of ₹ 100 each	3,154.00	-
30,000,000 (31 March 2022: Nil) preference shares of ₹ 1 each	300.00	-
	<u>9,400.00</u>	<u>6,000.00</u>

**Issued**

*Equity shares*

138,104,010 (31 March 2022: 138,104,010) equity shares of ₹ 1 each at par	1,381.04	1,381.04
50,668,000 (31 March 2022: 50,668,000) equity shares of ₹ 1 each at a premium of ₹ 18.57	506.68	506.68
32,231,940 (31 March 2022: 32,231,940) equity shares of ₹ 1 each at a premium of ₹ 18.50	322.32	322.32
2,758,000 (31 March 2022: 2,758,000) equity shares of ₹ 1 each at a premium of ₹ 6.50	27.58	27.58
44,568,160 (31 March 2022: 44,568,160) equity shares of ₹ 1 each at a premium of ₹ 42.49	445.68	445.68
17,986,070 (31 March 2022: 17,986,070) equity shares of ₹ 1 each at a premium of ₹ 68.50	179.86	179.86
31,635,150 (31 March 2022: 31,635,150) equity shares of ₹ 1 each at a premium of ₹ 94.00	316.35	316.35
950,000 (31 March 2022 : 950,000) equity shares of ₹ 1 each at a premium of ₹ 94.00	9.50	9.50
12,089,310 (31 March 2022: 12,089,310) equity shares of ₹ 1 each at a premium of ₹ 143.75	120.89	120.89
699,980 (31 March 2022: 699,980) equity shares of ₹ 1 each (Refer note 29B)	7.00	7.00
3,10,86,790 (31 March 2022: 3,10,86,790) equity shares of ₹ 1 each at a premium of ₹ 143.75 per share	310.87	310.87
14,33,820 (31 March 2022: 14,33,820) equity shares of ₹ 1 each at a premium of ₹ 127.00 per share	14.34	14.34
26,000 (31 March 2022: 26,000) equity shares of ₹ 1 each at a premium of ₹ 94.00 per share	0.26	0.26
40,950 (31 March 2022 : Nil) equity shares of ₹ 1 each at a premium of ₹ 94.00 per share	0.41	-
60,720 (31 March 2022 : Nil) equity shares of ₹ 1 each at a premium of ₹ 94.00 per share	0.61	-
1,200,020 (31 March 2022 : Nil) equity shares of ₹ 1 each (Refer note 29B)	12.00	-

**Total issued capital**

3,655.39      3,642.37

**Called, Subscribed and Paid up**

*Equity shares*

363,938,920 (31 March 2022: 362,637,230) equity shares of ₹ 1	3,639.39	3,626.37
Add. Amount paid up on 1,600,000 (31 March 2022: 1,600,000) equity shares of ₹ 1 each forfeited at ₹ 0.2 each	3.20	3.20
	<u>3,642.59</u>	<u>3,629.57</u>

# 15,351 (31 March 2022: 15,351) 0.0001% cumulative, redeemable, non-convertible, participating preference shares have been classified as a financial liability (see note 30).

Note - The Board of Directors of the Company in its meeting held on December 15, 2021 and shareholders in the Extraordinary General Meeting held on January 31, 2022 approved the sub-division of shares from ₹ 10 per share to ₹ 1 per share. Shares information presented in the financial statements is adjusted for the share split. The number of shares used for the calculation of earnings per share, and the earnings per share in Note 29E (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", presented under Section 133 of the Companies Act, 2013

**a. Reconciliation of shares outstanding at the beginning and at end of the reporting year**

	31 March 2023		31 March 2022	
	Nos	₹ in lakhs	Nos	₹ in lakhs
<b>Equity shares</b>				
At the beginning of the year	36,26,37,230	3,626.37	3,17,30,133	3,173.01
Additional shares pursuant to share split during the year	-	-	28,55,71,197	-
Shares issued during the year (refer note below)	13,01,690	13.02	4,53,35,900	453.36
<b>Outstanding at the end of the year</b>	<u>36,39,38,920</u>	<u>3,639.39</u>	<u>36,26,37,230</u>	<u>3,626.37</u>

**b. Terms/rights attached to equity shares**

The Company has one class of equity shares having face value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting ("AGM").

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**c. Terms/rights attached to preference shares**

The preference shares shall be cumulative, redeemable, non-convertible, participating preference shares (preference shares). The preference shares shall carry a preferential right to dividends over the equity shares. The preference shares shall carry a fixed rate of preferential dividend at the rate of 0.0001% per annum. In addition to the fixed rate of dividend, the preference shareholders shall, at their discretion, be entitled to additional preferential dividend and carry a preferential right to dividends over the equity shares. The preference shares shall be redeemed, from time to time as may be required by the preference shareholders at face value plus the redemption premium payable thereon no later than 20 years from the date of allotment or longer period as may be prescribed by law.

The holder of preference shares have a right to vote only on resolutions placed before the company which directly affect the rights attached to preference shares and, any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital and voting right on a poll shall be in proportion to the share in the paid-up preference share capital of the company. On winding up or repayment of capital, the preference shareholders shall carry a preferential right of repayment.

**Share capital (continued)**

**d. Details of shareholders holding more than 5% shares of a class of shares**

	31 March 2023		31 March 2022	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of ₹ 1 each (March 2022: ₹ 1 each), fully paid up</b>				
TVS Mobility Private Limited *	10,72,73,430	29.48%	10,72,73,430	29.58%
T S Rajam Rubbers Private Limited	6,56,13,570	18.03%	6,56,13,570	18.09%
Exor Special Opportunities Master Fund	4,25,69,160	11.70%	4,25,69,160	11.74%
Mahogany Logistics Services Private Limited (Formerly known as 'DRSR Logistics Services Private Limited')	3,75,02,140	10.30%	3,75,02,140	10.34%
Mahogany Singapore Company Pte. Ltd	1,88,39,310	5.18%	1,88,39,310	5.20%

\* The members of the TVS Family had entered into a Memorandum of Family Arrangement ("MFA") dated 10 December 2020 in order to align and synchronize the ownership/ control over various companies/ businesses with the management of the respective companies, as was being done by the respective branches/ sub-branches of the TVS Family. In the context of the above, a Composite Scheme of Amalgamation and Arrangement ("Scheme") under sections 230 to 232 of the Companies Act, 2013 was filed with Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") and an order was pronounced on 6th December 2021 sanctioning the Scheme by the NCLT.

Consequent to the same, and with effect from 4 February 2022, the TSR Mobility and Supply Chain Solutions Business Undertaking of T V Sundram Iyengar and Sons Private Limited ("TVSS") including 10,72,73,430 equity shares representing 29.70% equity shares of TVS Supply Chain Solutions Limited was, as a result of the demerger from TVSS, transferred to and vested upon TVS Mobility Private Limited (formerly known as T.S.Rajam Distribution Services Private Limited). Consequent to the above, TVS Mobility along with its wholly owned subsidiaries, T. S. Rajam Rubbers and Dhinrama Mobility acquired control of our Company from T. V. Sundram Iyengar & Sons Private Limited. Ramachandhran Dinesh was an original Promoter of our Company.

**0.0001% Cumulative, redeemable, non-convertible, participating preference shares of ₹ 10 each, fully paid up**

Tata International Limited	7,677	50.01%	7,677	50.01%
Tata Industries Limited	7,674	49.99%	7,674	49.99%

**0.0001% Non-cumulative, participating, compulsorily convertible preference shares of ₹ 100 each, fully paid up (Series A)**

Mahogany Singapore Company Pte. Ltd	-	0.00%	-	0.00%
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**0.0001% Non-Cumulative, Non-Participating, Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid up**

David Robbins	-	0.00%	39,998	33.33%
Sanjive Sharma	-	0.00%	40,002	33.33%
Andrew Jones	-	0.00%	40,002	33.33%

**e. Details of shareholding of promoters**

	31 March 2023			31 March 2022		
	Number of shares	% holding	% Change During the period	Number of shares	% holding	% Change During the year
TVS Mobility Private Limited	10,72,73,430	29.48%	0.00%	10,72,73,430	29.58%	100.00%
T S Rajam Rubbers Private Limited	6,56,13,570	18.03%	0.00%	6,56,13,570	18.09%	100.00%
Ramachandhran Dinesh	72,12,620	1.98%	0.00%	72,12,620	1.99%	6.76%
Dhinrama Mobility Solution Private Limited	53,14,930	1.46%	0.00%	53,14,930	1.47%	100.00%

**29B Other equity**

**Nature and purpose of reserves:**

**Securities premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with Section 52 of the Companies Act, 2013.

**Capital reserve**

During earlier years, the Company had reissued the shares forfeited. The profit on reissue of such forfeited shares has been transferred to capital reserve.

**Capital redemption reserve**

The Company has redeemed preference shares issued to Tata International Limited and Tata Industries Limited, out of profits of the Company. A sum equivalent to the nominal amount of the shares redeemed has been transferred to capital redemption reserve in accordance with the provisions of the Companies Act, 2013.

**Share based payment reserve**

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**Exchange differences on translating the financial statements of a foreign operation**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

**Effective portion of cash flow hedges**

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss (e.g. interest payments).

**29B Other equity (continued)****Compulsorily convertible preference shares**

On June 8, 2018 and August 22, 2018, the Company has allotted 13,340 and 25,660 Non-Cumulative, Non-Participating, Compulsorily Convertible Preference Shares ("CCPS") of ₹ 10 each respectively, at a premium of ₹ 940 each to identified persons on a preferential basis for a consideration of ₹ 126.73 lakhs and ₹ 243.77 lakhs respectively. CCPS carry a dividend of 0.001% per annum and the dividend rights are non-cumulative. On November 20, 2018, the Company has issued bonus shares of 151,000 to the shareholders of CCPS in the ratio of 1:3.87 and the securities premium account was utilised to the extent of ₹ 15.10 lakhs for the issue of said bonus shares. The preference shares to be converted into equal number of equity shares ranking pari-passu with the existing equity shares, after the end of four years from the date of issue or earlier at the option of the Board. In the event of liquidation of the Company before conversion of preference shares, the holders of preference shares will have priority over equity shares in the repayment of capital. During the previous year ended 31st March, 2022 the Company has converted 69,998 preference shares into equity shares of 69,998 ranking pari-passu with the existing equity shares. These shares have been sub-divided into ₹ 1 each in the extraordinary general meeting held on January 31, 2022. During the year ended 31st March 2023, the Company has converted 1,20,002 preference shares into equity shares of 12,20,020 of face value ₹ 1 each ranking pari-passu with the existing equity shares.

On February 7, 2020, the Company has allotted 10,23,350 Series A Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100 each, at a premium of ₹ 1610.07 each to Mahogany Singapore Company Pte. Ltd ("CCPS Holder") on a preferential basis, for a consideration of approx. ₹ 17,500 lakhs. Each CCPS carries a minimum preferential dividend rate of 0.0001% and in addition to and after payment of such preferential dividend, the CCPS Holder would be entitled to participate pari-passu in any dividends paid to the holders of shares of any other class (including equity shares) or series on a pro rata, as-if-converted basis. Each CCPS would be converted into fully paid-up equity shares ranking pari-passu with the existing equity shares, in the ratio of 1:1 (subject to such adjustments as contemplated in the subscription agreement dated January 22, 2020 executed by and amongst inter alia the Company and the CCPS Holder ("SSA")), on the earlier of (i) expiry of a period of 18 (eighteen) months from the closing date (as defined under the SSA) (February 7, 2020); and (ii) the date when a prospective shareholder (as defined under the SSA) (including such prospective shareholder's affiliates) acquires equity shares or equity securities convertible into equity shares representing, in the aggregate, at least 7% (Seven percent) of the then share capital of the Company (on a fully diluted basis) (in one or more transactions). During the year ended 31st March 2022, the Company has converted the entire 10,23,350 CCPS into 12,08,931 equity shares of ₹ 10 each at a premium of ₹ 1,437.56 per share. These shares have been sub-divided into ₹ 1 each in the extraordinary general meeting held on January 31, 2022.

On December 16, 2022 and December 27, 2022, the Company has allotted 30,45,694 and 1,07,526 Series D Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100 each, at a premium of ₹ 272 each respectively to identified persons on a preferential basis, for a consideration of approx. ₹ 11,720.00 lakhs. Each CCPS carries a cumulative preferential dividend rate of 0.0001% per annum on the subscription price of the CCPS and shall be non-participating preference shares. CCPS convertible compulsorily and automatically into such number of equity shares as per a pre-determined formula at the conversion date, which is linked to the likelihood of IPO happening before a particular date as specified in the share purchase agreements and various possible valuation outcomes from the IPO of the equity shares of the Company. CCPS is convertible into variable number of equity shares of the Company and hence has been classified as a liability at fair value through profit and loss.

On March 29, 2023 and March 31, 2023, the Company has allotted 2,777,778 and 6,944,444 Series E Compulsorily Convertible Preference Shares ("CCPS") of ₹ 1 each, at a premium of ₹ 179 each respectively to identified persons on a preferential basis, for a consideration of approx. ₹ 17,500.00 lakhs. Each CCPS carries a cumulative preferential dividend rate of 0.0001% per annum on the subscription price of the CCPS and shall be non-participating preference shares. CCPS convertible compulsorily and automatically into such number of equity shares as per a pre-determined formula at the conversion date, which is linked to the likelihood of IPO happening before a particular date as specified in the share purchase agreements. CCPS is convertible into variable number of equity shares of the Company and hence has been classified as a liability at fair value through profit and loss.

**29C Other items of OCI****Remeasurements of defined benefit liability/(asset)**

	31 March 2023	31 March 2022
Opening balance	(19.79)	77.43
Re-measurement gains/ (losses) on defined benefit plans (net of taxes)	(170.33)	(97.22)
Closing balance	(190.12)	(19.79)

**Re-measurement gains/ (losses) on defined benefit plans**

Re-measurement gains/ (losses) on defined benefit plans comprises actuarial gains and losses on present value of defined benefit obligation and return on plan assets (excluding interest income)

**29D Capital management**

The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

The Group monitors capital using a ratio of 'debt' to 'equity'. For this purpose, debt is defined as total debt, comprising interest-bearing loans and borrowings and obligations under Lease liability. Equity comprises all components of equity. There were no changes to the measure of monitoring capital in the periods presented.

The Group's debt to equity ratio is as follows.

	31 March 2023	31 March 2022
Total current and non-current borrowings	1,69,731.61	1,76,378.25
Debt	1,69,731.61	1,76,378.25
Total equity	1,05,231.12	75,391.46
Debt to equity ratio	1.61	2.34

**29E Earnings/ (loss) per share****Basic and diluted earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows.

**(i) Profit/ (loss) attributable to equity shareholders**

	31 March 2023	31 March 2022
Profit (loss) for the period, attributable to the equity holders from continuing operations	3,980.67	(4,978.17)
Profit (loss) for the period, attributable to the equity holders from discontinued operations	-	(92.10)

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**(ii) Weighted average number of equity shares**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Weighted average number of equity shares outstanding during the period	36,38,76,252	33,94,29,140
Add - Number of shares relating to compulsorily convertible preference shares	1,91,04,562	12,00,020
Weighted average number of equity shares used in the calculation of basic earnings per share	<u>38,29,80,814</u>	<u>34,06,29,160</u>
Adjustments for dilutive effect		
- Number of shares relating to Management Incentive Plan	76,57,931	28,06,508
Weighted average number of equity shares used in the calculation of diluted earnings per share	<u>39,06,38,745</u>	<u>34,34,35,668</u>
<b>Weighted average number of equity shares for the year</b>	<b><u>1,16,42,58,305</u></b>	<b><u>1,02,75,00,495</u></b>

**(iii) Earnings / (loss) per share (₹) for continuing operations**

Basic	1.04	(1.46)
Diluted	1.02	(1.46)

**(iv) Earnings / (loss) per share (₹) for discontinued operations**

Basic	-	(0.03)
Diluted	-	(0.03)

**(v) Earnings / (loss) per share (₹) for continuing and discontinued operations**

Basic	1.04	(1.49)
Diluted	1.02	(1.49)

**30 Borrowings**

**(a) Non-current borrowings**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Secured term loans from banks	49,859.49	73,547.93
<b>Total non-current borrowings</b>	<b><u>49,859.49</u></b>	<b><u>73,547.93</u></b>

**(b) Current borrowings**

<b>Cash credit from banks</b>		
Secured	0.86	1.75
<b>Bills discounting</b>		
Unsecured	-	5,095.69
<b>Revolving credit facility</b>		
Secured	46,618.01	43,308.16
<b>Loans repayable on demand</b>		
Secured	7,500.00	1,000.00
Unsecured	32,958.00	28,200.00
<b>Redeemable preference shares (unsecured)</b>	891.60	891.60
<b>Compulsorily convertible preference shares (unsecured) (refer note 29B)</b>	29,229.98	-
<b>Other short term loans</b>		
Secured	14.20	68.03
Unsecured	-	300.00
<b>Current portion of long term borrowings</b>	<b><u>1,17,212.65</u></b>	<b><u>78,865.23</u></b>
<b>Secured term loans from banks</b>	<b><u>31,889.45</u></b>	<b><u>23,965.09</u></b>
<b>Total current borrowings</b>	<b><u>1,49,102.10</u></b>	<b><u>1,02,830.32</u></b>

Information about Group's exposure to interest rate and liquidity risks is included in note 43.

**30 Borrowings (continued)****A. Terms and repayment schedule**

Terms and conditions of outstanding borrowings are as follows:

In lakhs of INR	Currency	Nominal Interest rate	Year of maturity	Carrying amount as at	
				31 March 2023	31 March 2022
<b>Secured term loan from banks</b>					
DBS Bank Limited, Axis Bank Limited & Standard Chartered Bank Limited (refer note (i) & (ii) below)	USD / GBP	2.10% + 1 month LIBOR/ 2.10% + CAS 0.0326% + 1 Month SONIA	2022 - 2025	75,423.42	94,614.34
HDFC Bank Limited	INR	7.60 - 9.0%	2023	480.80	422.25
IDFC First Bank Limited	INR	6 Month MCLR + 5 bps	2025	5,000.00	-
IDFC First Bank Limited	GBP	3.40%	2023	844.72	2,476.43
				<b>81,748.94</b>	<b>97,513.02</b>
<b>Secured cash credit facilities from banks*</b>					
HDFC Bank Limited	INR	8.75%	-	-	1.75
				-	1.75
<b>Unsecured bill discounting/ Factoring *</b>					
IDFC First Bank Limited	INR	8.55%	-	-	2,999.98
TREDS - Invoicemart	INR	5.62%	-	-	1,322.25
DBS Limited (Paying Agent)	INR	6.50%	-	-	773.46
				-	5,095.69
<b>Secured revolving credit facility</b>					
DBS Bank Limited, Axis Bank Limited & Standard Chartered Bank Limited (refer note (i) below)	GBP	2.05% + CAS 0.0326%+1 Month SONIA	-	46,618.01	43,308.16
				<b>46,618.01</b>	<b>43,308.16</b>
<b>Secured loans repayable on demand*</b>					
DBS Bank Limited	INR	6.40%	-	-	1,000.00
State Bank of India Limited	INR	6.45% - 7.50%	-	7,500.00	-
				<b>7,500.00</b>	<b>1,000.00</b>
<b>Unsecured loans repayable on demand*</b>					
Standard Chartered Bank Ltd	INR	6.10% to 8.50%	-	6,000.00	-
Axis Bank Limited	INR	6.25%-7.00%	-	9,498.00	5,060.00
HDFC Bank Limited	INR	6.45 % - 8.61 %	-	11,440.86	16,990.00
DBS Bank Limited	INR	8.40% - 8.60%	-	4,020.00	4,600.00
IDFC First Bank Limited	INR	6.50%-8.75%	-	2,000.00	1,550.00
				<b>32,958.86</b>	<b>28,200.00</b>

**30 Borrowings (continued)****A. Terms and repayment schedule (continued)**

In lakhs of INR	Currency	Nominal Interest rate	Year of maturity	Carrying amount as at	
				31 March 2023	31 March 2022
<b>Redeemable preference shares</b>					
Unsecured	INR	0.0001%	-	891.60	891.60
				<b>891.60</b>	<b>891.60</b>
<b>Compulsorily Convertible Preference Shares (refer note 29B)</b>					
Unsecured	INR	0.0001%	-	29,229.98	-
				<b>29,229.98</b>	-
<b>Other short term loans*</b>					
Banc Sabadell - Secured	EUR	2.75%	-	14.20	68.03
Cholamandalam Investment and Finance Company Limited (Unsecured)	INR	7.00%	-	-	300.00
				<b>14.20</b>	<b>368.03</b>
				<b>1,98,961.59</b>	<b>1,76,378.25</b>

\* These are repayable on demand or payable within a period of 12 months.

**Note:**

i) On March 26, 2020, the Group has refinanced the existing bank term loan of USD 1,001.61 lakhs & GBP 204.60 lakhs (from a Consortium of Banks/financial institutions) with a fresh term loan of USD 300 lakhs and GBP 783.92 lakhs and revolving credit facility of GBP 495.11 lakhs, from DBS, SCB & Axis Bank. The term loan is repayable between March 2022 and March 2025. The group has also received a fresh sanction of USD 186.90 lakhs under the existing facilities agreement for its long-term working capital requirements in its overseas subsidiaries. Revolving credit facility was originally repayable by March 2022 and can be renewed for a further period. During the year, this facility has been renewed and the same is repayable by March 2024. In respect of the above borrowing arrangements the Group has not defaulted on any of the financial and non-financial covenants as at March 31, 2023

ii) During the year ended March 31, 2021 and March 31, 2022 the Group entered into hedging contracts to hedge the foreign currency risk on the principal loan amount of the term loan that was refinanced on March 26, 2020. The Group has adopted hedge accounting for these hedging contracts (refer note 43(v)).

**30 Borrowings (continued)****B. Secured loans****Secured term loan from banks**

USD / GBP term loan from DBS Bank, Axis Bank Limited & Standard Chartered Bank availed by TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited) and its subsidiaries is secured by guarantee provided by TVS Supply Chain Solutions Limited.

USD / GBP term loan from DBS Bank, Axis Bank Limited & Standard Chartered Bank availed by TVS Logistics Investments UK Limited and its subsidiaries is secured by a charge on its shares, its other assets and is also secured by guarantee provided by TVS Supply Chain Solutions Limited.

USD / GBP term loan from the consortium loan arrangement availed by TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited) and its subsidiaries is secured by a charge on its other assets and is also secured by guarantee provided by TVS Supply Chain Solutions Limited. In addition to that TLM Logistics share is also secured by way

USD / GBP term loan from the consortium loan arrangement availed by TVS-Asianics Supply Chain Solutions Pte. Limited and its subsidiaries is secured by guarantee provided by TVS Supply Chain Term loans from HDFC Bank Limited are secured by hypothecation of vehicles acquired out of the loan.

Foreign currency term loan from IDFC First Bank Limited are secured by hypothecation of movable fixed assets.

Term loan from IDFC First Bank Limited are secured against non-current portion of security deposit.

**Revolving credit facility**

GBP revolving credit facility from DBS Bank, Axis Bank Limited & Standard Chartered Bank availed by TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited) and its subsidiaries is secured by guarantee provided by TVS Supply Chain Solutions Limited.

GBP revolving credit facility from the consortium loan arrangement availed by TVS Logistics Investments UK Limited and its subsidiaries is secured by a charge on its other assets and is also secured by guarantee provided by TVS Supply Chain Solutions Limited.

**Loans repayable on demand from banks**

Loan repayable on demand from SBI Bank Limited is secured against the current assets of the Company including book debts and other current assets.

Loan from Banc Sabadell were availed against the security of current assets of TVS Logistics Iberia S.L

**C. Redeemable Preference Shares**

The Company has cumulative, redeemable, non-convertible, participating preference shares. These preference shares have been classified as a liability. For rights, preferences and restrictions attached to preference shares attached to these preference shares refer note 29A.

**D. Compulsorily Convertible Preference Shares**

The carrying amount approximates the fair value of the instrument and the value of CCPS is ₹29,229.98 lakhs.

**E. Changes in liabilities arising from financing activities**

	31 March 2023	31 March 2022
<b>Opening borrowing</b>	1,76,378.25	1,54,792.16
Cash flows	17,541.45	21,633.22
Unamortised transaction cost	603.90	1,373.07
Changes in fair values	(2,084.11)	(1,307.98)
Currency translation adjustment	6,522.10	(112.22)
<b>Closing borrowing</b>	<b>1,98,961.59</b>	<b>1,76,378.25</b>

Note: For changes in liabilities arising from lease liabilities, refer note 16B(c)

**F. Willful Defaulter**

The Group is not declared as willful defaulter by any bank of financial institution or other lender.

**G. Utilisation of borrowings**

a) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

b) The quarterly returns/statements of current assets filed by the Group with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.

**31 Trade payables**

	31 March 2023	31 March 2022
Trade payables to related parties	219.59	167.61
Other trade payables *	1,42,512.94	1,45,146.44
	<b>1,42,732.53</b>	<b>1,45,314.05</b>

\* Includes dues for payment to Micro and Small enterprises ₹ 11,041.44 lakhs (31 March 2022: ₹ 2,670.26 lakhs)

**Ageing of trade payables from the due date of payment:**

	Not due	< 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>31 March 2023</b>						
Undisputed dues - MSME	7,525.13	3,332.02	99.15	36.02	49.12	11,041.44
Undisputed dues - Others	95,616.40	33,088.51	2,299.64	197.45	489.09	1,31,691.09
	<b>1,03,141.53</b>	<b>36,420.53</b>	<b>2,398.79</b>	<b>233.47</b>	<b>538.21</b>	<b>1,42,732.53</b>
<b>31 March 2022</b>						
Undisputed dues - MSME	847.17	1,692.04	42.56	81.50	6.99	2,670.26
Undisputed dues - Others	83,159.98	55,766.98	1,441.33	705.88	1,569.62	1,42,643.79
	<b>84,007.15</b>	<b>57,459.02</b>	<b>1,483.89</b>	<b>787.38</b>	<b>1,576.61</b>	<b>1,45,314.05</b>

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32 Other financial liabilities

	Non-current portion		Current portion	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Derivative liability (refer note 43(v))	6,955.36	3,238.09	-	-
Amount due to employees	-	-	10,141.46	8,988.88
Interest accrued but not due on borrowings	-	-	180.29	92.76
Payable to factor (refer note 24A)	-	-	9,760.93	282.83
Security deposits	1,030.18	932.22	40.07	40.13
Deferred consideration*	-	5,973.14	5,431.25	347.54
Capital creditors	-	-	653.62	640.75
	<b>7,985.54</b>	<b>10,143.45</b>	<b>26,207.62</b>	<b>10,392.89</b>

\* Deferred consideration includes payable towards acquisition of shares in RICO Logistics Limited, UK amounting to ₹5,093.64 Lakhs (31 March 2022: 5,973.14 Lakhs) and in TVS Supply Chain Solutions Australia Holdings Pty. Ltd Holdings Pty. Ltd., Australia amounting to ₹ 337.61 Lakhs (31 March 2022: ₹ 347.54 Lakhs).

33 Provisions (refer note 37)

	Non-current portion		Current portion	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Provisions for employee benefits</b>				
Liability for retirement benefit obligations (refer note 36A)	1,198.82	969.52	504.24	503.44
Liability for compensated absences	899.89	470.27	2,423.08	2,802.57
<b>Other provisions</b>				
Provision for dilapidation	3,188.32	2,853.22	32.73	58.67
Provision for warranties	-	-	9.65	9.94
Provision for litigations	-	-	56.96	51.10
	<b>5,287.03</b>	<b>4,293.01</b>	<b>3,026.66</b>	<b>3,425.72</b>

Movement in other provisions	Dilapidation	Warranties	Litigations	Total
Balance as at 1 April 2021	2,601.56	19.94	69.04	2,690.54
Provisions made during the year	295.46	-	14.26	309.72
Provisions utilised during the year	-	(10.00)	(32.20)	(42.20)
Unwinding of discount	-	-	-	-
Foreign exchange adjustments	14.87	-	-	14.87
Balance as at 31 March 2022	2,911.89	9.94	51.10	2,972.93
Provisions made during the year	120.45	9.65	20.74	150.84
Provisions utilised during the year	-	(9.94)	(14.88)	(24.82)
Unwinding of discount	-	-	-	-
Foreign exchange adjustments	188.71	-	-	188.71
Balance as at 31 March 2023	3,221.05	9.65	56.96	3,287.66

**Dilapidation**

This represents the present obligation of the cost likely to be incurred to restore the leased assets at the time of handing over to the lessors.

**Onerous contracts**

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

34 Other non-current liabilities

	31 March 2023	31 March 2022
Deferred rent	21.57	24.47
Deferred revenue	83.83	-
	<b>105.40</b>	<b>24.47</b>

35 Other current liabilities

	31 March 2023	31 March 2022
Deferred revenue	477.55	2,272.92
Statutory dues	11,206.46	9,526.22
Advances from customers	1,634.54	2,095.18
Others	1,846.69	3,674.21
	<b>15,165.24</b>	<b>17,568.53</b>

**36A Employee benefits****Defined contribution plans**

The Company and its subsidiaries in various geographies make contributions, generally determined as a specified percentage of employee salaries, in respect of qualifying employees in accordance with the local laws and regulations in the respective country which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards such defined contribution plans for the year aggregated to ₹ 20,527.15 lakhs (31 March 2022: ₹ 18,908.28 lakhs).

Defined benefit plans	Non-current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Provisions for retirement benefit obligations	1,198.82	969.52	504.24	503.44

For details about the related employee benefit expenses, see note 10.

**Details of retirement benefit obligations**

The Company and its subsidiaries in India have a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles employees, who have rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

**A. Funding**

The gratuity plans of the Company and certain subsidiaries in India is a funded plan with the Group making periodic contributions to a fund managed by certain insurance companies. The retirement benefit plans of the overseas subsidiaries noted above are unfunded.

**B. Reconciliation of the net defined benefit (asset)/ liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components.

Reconciliation of present value of defined benefit obligation	31 March 2023	31 March 2022
Balance at the beginning of the year	3,564.54	3,294.29
Acquired in business combination	-	207.53
Benefits paid	(595.46)	(497.39)
Current service cost	528.88	432.24
Interest cost	141.65	97.89
Past service cost	(56.40)	-
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	(6.21)	(15.36)
- changes in financial assumptions	(125.14)	(36.63)
- experience adjustments	467.21	151.98
Exchange differences	45.98	(70.01)
<b>Balance at the end of the year</b>	<b>3,965.05</b>	<b>3,564.54</b>
Reconciliation of the fair value of plan assets	31 March 2023	31 March 2022
Balance at the beginning of the year	2,091.58	1,901.56
Acquired in business combination	-	12.14
Contributions paid	401.67	319.91
Benefits paid	(404.90)	(210.28)
Interest income	117.94	91.71
Actuarial gains / (losses) recognised in other comprehensive income	55.70	(23.46)
<b>Balance at the end of the year</b>	<b>2,261.99</b>	<b>2,091.58</b>
<b>Net defined benefit (asset) / liability</b>	<b>1,703.06</b>	<b>1,472.96</b>
C. Expense recognised in profit or loss	31 March 2023	31 March 2022
Current service cost	528.88	432.24
Interest cost	141.65	97.89
Past service cost	(56.40)	-
Interest income	(117.94)	(91.71)
	<b>496.19</b>	<b>438.42</b>



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**36A Employee benefits (continued)**

**Defined benefit plans (continued)**

**D. Remeasurements recognised in other comprehensive income**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Actuarial gain / (loss) on defined benefit obligation	(335.86)	(99.99)
Actuarial gain / (loss) on plan assets	55.70	(23.46)
	<b>(280.16)</b>	<b>(123.45)</b>

**E. Plan assets**

Plan assets comprise of the following:

Insurer managed funds

**F. Defined benefit obligation**

**i. Actuarial assumptions**

*Principal actuarial assumptions at the reporting date were.*

	<b>31 March 2023</b>	<b>31 March 2022</b>
Discount rate	7%-7.47%	5%-7.55%
Future salary growth	8% - 10%	0% - 10%
Attrition rate	3%-63%	0%-58%
Expected return on plan assets	7.2%-7.30%	5%-7.5%

**ii. Sensitivity analysis**

The sensitivity analyses have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	<b>31 March 2023</b>		<b>31 March 2022</b>	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(378.71)	415.07	(73.29)	76.96
Future salary growth (1% movement)	437.12	(347.86)	75.65	(72.22)
Attrition rate (1% movement)	(38.58)	48.44	(12.85)	18.82

Although the analysis does not take account of the full distribution of cashflows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**G. Maturity Profile of Defined Benefit Obligation**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Within the next 12 months (next annual reporting period)	2,135.64	1,672.38
Between 2 and 5 years	1,695.62	1,390.75
Between 6 and 10 years	517.55	222.01
Beyond 10 years	894.33	49.65
The weighted average duration of the defined benefit obligation	8.06	7.13

**36B Share based payments**

The Company has Management Incentive Plan (MIP) scheme under which share options are granted to employees which has been approved by the shareholders of the Company. In accordance with the terms of the plan, eligible employees may be granted options to purchase equity shares of the company if they are in service on exercise of the grant. Each employee share option converts into one equity share of the Company on exercise at the exercise price as per the scheme. The option carry neither rights to dividend nor voting rights. Options can be exercised at any time from the date of vesting to the date of their expiry.

**Fair value of share options granted during the year**

During the year ended 31 March 2023, the Company has not issued any stock options. The weighted average fair value of the stock options granted during the year ended 31 March 2022 ₹ 51.10 (MIP I) & ₹ 43.80 (MIP II)\*. Options were priced using a Black Scholes option valuation model & Monte Carlo simulation model for MIP I and II respectively. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price volatility of guideline companies in developed and developing countries.

\* Fair value option of equity shares issued under this grant is post share split with a face value of ₹ 1/- each.

**Inputs in to the model:**

	MIP I	MIP I	MIP I	MIP I	MIP I
Grant date share price * #	96.40	153.15	141.89	141.89	127.70
Grant date	20-Nov-18	14-Feb-20	20-Nov-20	09-Feb-21	08-Feb-22
Exercise price #	95.00	95.00	95.00	95.00	95.00
Expected volatility	32.00%	35.90%	52.30%	52.30%	53.40%
Option life	2.36 years	1.13 years	1 year	1 year	1 year
Dividend yield	0.15%	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	7.28%	5.10%	3.80%	3.80%	4.40%

\* Before adjustment for lack of marketability

# After giving effect of share split

	MIP II - Pool A & Pool B	MIP II - Pool A & Pool B	MIP II - Pool A & Pool B	MIP II
Grant date share price * #	96.40	119.38	119.38	127.70
Grant date	20-Nov-18	16-May-19	01-Jul-19	08-Feb-22
Exercise price #	95.00	95.00	95.00	95.00
Expected volatility	33.10%	36.23%	36.23%	53.25%
Option life	3.61 years	3.13 years	3 years	1.39 years
Dividend yield	0.15%	0.00%	0.00%	0.00%
Risk free interest rate	7.50%	6.44%	6.44%	4.35%

\* Before adjustment for lack of marketability

# After giving effect of share split

**Movement in share options during the year**

MIP I	Year ended 31 March 2023 Number of Options	Weighted average exercise price	Year ended 31 March 2022 Number of Options	Weighted average exercise price
Opening at the beginning of the year	1,25,93,450	95.00	14,11,923	950.00
Additions in number of options on account of share split	-	-	1,27,07,307	95.00
Granted during the year	-	-	17,07,600	95.00
Exercised during the year*	1,01,670	95.00	26,000	95.00
Forfeited and expired during the year	1,38,560	95.00	32,07,380	95.00
<b>Balance at the end of the year</b>	<b>1,23,53,220</b>	<b>95.00</b>	<b>1,25,93,450</b>	<b>95.00</b>

\* The weighted average market price of equity shares for options exercised during the year is ₹ 180.00 (Previous year: ₹ 127.70)

**Share options vested but not exercised** **1,23,53,220** **1,08,85,850**

MIP II	Year ended 31 March 2023 Number of Options	Weighted average exercise price	Year ended 31 March 2022 Number of Options	Weighted average exercise price
Opening at the beginning of the year	45,22,890	95.00	9,25,129	950.00
Additions in number of options on account of share split	-	-	83,26,161	95.00
Granted during the year*	-	-	46,73,070	95.00
Options lapsed *	-	-	92,51,290	95.00
Forfeited and expired during the year	2,65,560	95.00	1,50,180	95.00
<b>Balance at the end of the year</b>	<b>42,57,330</b>	<b>95.00</b>	<b>45,22,890</b>	<b>95.00</b>
<b>Share options vested but not exercised</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Under MIP II - Pool A & Pool B, shares vest on varying dates with an option life of 5 years after vesting. During the year ended March 31, 2022 the Company has issued a modified MIP II scheme with modified vesting conditions and replaced with MIP II - Pool A & Pool B. The Group has adopted modification accounting under Ind AS 102.

**Share options outstanding at the end of the year - MIP I - 12,353,220 MIP II - 4,257,330 (31 March 2022: MIP I - 12,593,450 MIP II - 4,522,890)**

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 95 and a weighted average remaining contractual life of 0.25 years (31 March 2022: 0.42 years).

## 37 Capital commitments, contingent liabilities and other matters

	31 March 2023		31 March 2022	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	1,355.26	-	1,537.26	-
<b>Contingent liabilities:</b>				
Employee related matters #	2,183.59	-	2,183.59	-
Income tax related matters	1,370.02	-	-	-
Bank guarantees issued	150.85	-	70.43	-
Service tax related matters	622.84	-	1,210.00	-
Sales tax related matters	158.00	-	110.18	-
GST related matters	668.95	-	496.63	-
Claims not acknowledged as debt *	482.44	-	421.60	-

## Note:

From time to time, the Group is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Group.

# The Company has challenged the demand orders from Provident Fund authorities amounting to ₹ 2,183.59 Lakhs for the periods April 2011 to February 2015 on the grounds that provident fund on certain allowances need not be included for calculation of the Provident Fund contribution, as the same is not universally paid to all the employees of the Company.

The Hon'ble Supreme Court of India by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion for the purposes of computation of the Provident Fund contribution. Consequently, the Company has filed a review petition to Regional Provident Fund Commissioner to review the demand order in the light of the Supreme Court decision. The Company has also obtained an interim injunction dated September 13, 2019 from Honourable High Court of Madras pending disposal of the Company's petition. Based on legal advice obtained, the Company is of the view that no provision is required for the dispute in the financials as at March 31, 2023 and March 31, 2022. During the current period the Company has paid a deposit of ₹ 360 lakhs against this case.

## \* Claims against TVS Industrial &amp; Logistics Park Pvt. Limited not acknowledged as debts (refer note 17):

(i) Maharashtra Industrial Development Corporation ("MIDC") has served a notice of claim dated November 6, 2006 as development charges of ₹ 94.08 lakhs ("Claim") against 6 hectares and 12 acres of land belonging to the entity ("Land"). The entity has contested the Claim as the Land does not fall within the purview of MIDC and the entity has filed a Suit viz. Regular Civil Suit No.26/2007 before the Civil Judge, Junior Division, Khed, at Khed, in Pune against MIDC. The Hon'ble Court by an Order dated October 17, 2007 has granted a stay against the Claim. Thereafter in the year 2010, the entity has received a letter dated July 6, 2010 from MIDC increasing the Claim amount to ₹ 117.44 lakhs. The entity has filed appropriate reply to the said letter.

(ii) The assessment proceedings for AY 2014-15 was completed by the Assessing Officer ('AO') under section 143(3) of the Income-tax Act, 1961 and through such assessment order the final demand of ₹368.50 lakhs was raised by AO. The entity challenged the said assessment order before CIT(A), Mumbai. CIT(A) dismissed the appeal of the entity with slight relief and after giving effect of CIT(A) order dated February 28, 2018, demand was reduced to ₹327.24 lakhs by AO vide order giving effect dated October 24, 2018. The said demand was further reduced to ₹ 264.71 lakhs by AO after considering the rectification application of the entity. Thereafter, the amount of ₹ 21.05 lakhs as interest on the outstanding tax demand was adjusted from the refund due to the entity. Also, the Company paid ₹101 lakhs under protest after which demand reduced to ₹163.14 lakhs. The balance outstanding demand thereafter was adjusted under section 245 by AO against refund of AY 2017-18, AY 2018-19 & 2019-20 of ₹13.31 lakhs, ₹72.49 lakhs and 77.34 lakhs respectively. Currently, as on date no tax demand is outstanding. Further, against the order of CIT(A), the Company had preferred an appeal before the Income-tax Tribunal ('ITAT'), Mumbai which was dismissed by ITAT. However, while dismissing the appeal ITAT did not adjudicated one of the grounds of the appeal raised by the entity. Therefore, the entity again filed the miscellaneous application with ITAT for adjudication of the said ground. Parallely, the entity had also filed an appeal before the Bombay High Court against the said ITAT order and the proceedings is still pending before the Court. Also, in response to the entity's miscellaneous application filed before ITAT, the matter was heard by ITAT and the final order is passed wherein the matter is remanded back to AO.

## Other Matters

(i) The Company's erstwhile wholly owned subsidiary, Drive India Enterprise Solutions Limited (DIESL) (Discontinued operations) had VAT and Service tax matters outstanding with authorities at various levels in the respective years (31 March 2021: ₹ 12,761.90 lakhs). Majority of these amounts were covered under the specific and general indemnity under the Share Purchase Agreement dated May 22, 2015 with the erstwhile shareholders ("Original SPA"). During the year ended March 31, 2022, the Company entered in to Share Purchase Agreement dated September 29, 2021 ("New SPA") with the Buyer for disposal of investments in DIESL for a consideration of ₹ 100 lakhs. The Company entered in to an Novation agreement with the erstwhile shareholders and the Buyer for the transfer of indemnities provided in Original SPA. As per the New SPA, the Company's maximum indemnity to the Buyer is restricted to ₹3,500 lakhs including any losses suffered by the Buyer under the "Original SPA" should the erstwhile shareholders fail to indemnify

## (ii) Disputes with minority shareholders

(a) TVS Supply Chain Solutions Australia Holdings Pty. Ltd

TVS GPS Group is part of an ongoing litigation with the erstwhile shareholders of the Transtar group with respect to amounts payable for the acquisition of the balance minority shareholding (45%) computed as per the terms of the share purchase agreement (second completion amounts). The Group believes that the amounts paid together with the liability accrued in the books fairly represents the amounts payable to the erstwhile shareholders under the terms of the shareholders' agreement and no further material adjustments to these amounts would be required. The dispute is pending with the Supreme Court of Victoria.

## (iii) TVS Supply Chain Solutions North America Inc

TVS Supply Chain North America Inc, is part of an ongoing litigation with few employees of the Group. The Group believes that the liability accrued in the books fairly represents the amounts payable, if any, to these employees and believes no further adjustments are considered necessary to these financial statements.

## 38 Leases

**Finance leases as lessor**

The leases primarily consists leasing of plant & machinery and material handling equipments. There are no material risks to the Group on these leasing transactions and accordingly no specific disclosure is provided on the risks.

The reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period are as follows: (also refer note 15A)

	<b>31 March 2023</b>	<b>31 March 2022</b>
Gross investment in the lease	1,365.08	2,226.59
Unearned finance income	(210.37)	(399.85)
Net investment in the lease	<b>1,154.71</b>	<b>1,826.74</b>

The gross investment in the lease and the present value of the minimum lease payments receivables under non-cancellable finance leases are as follows:

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Gross investment in the lease</b>		
Receivable within one year	520.23	746.23
Receivable between one and five years	840.79	1,480.36
Receivable after five years	4.06	-
<b>Total</b>	<b>1,365.08</b>	<b>2,226.59</b>
<b>Present value of minimum lease payments receivable</b>		
Receivable within one year	408.85	569.28
Receivable between one and five years	742.59	1,257.46
Receivable after five years	3.27	-
<b>Total</b>	<b>1,154.71</b>	<b>1,826.74</b>

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**39 Business combinations***A. There were no business combinations during the year ended 31 March 2023**B. Business combination during the year ended 31 March 2022**i. Acquisition of FIT 3PL Warehousing Pvt. Ltd*

The Company acquired 69.15% stake in FIT 3PL Warehousing Private Limited (FIT 3PL) for a consideration of ₹ 13,830.00 lakhs through Share Purchase Agreement (SPA) dated 13 September 2021. The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the fair value of FIT 3PL being allocated to identifiable assets and liabilities at fair value. FIT 3PL is a full-fledged 3PL company providing end to end logistics services such as warehousing, distribution, in-plant logistics, fulfilment, first mile, long haul, express, last mile, packaging, and other value-added services. The Company acquired this entity to utilise various capabilities in retail industry sectors in India and in turn has added more than 1.5 million square feet of warehouse space in strategically located warehouses in Tier I and Tier II cities in India. The date of acquisition is 13 October 2021 based on the effective date of transfer of control ("Valuation date").

Subsequently on 27 December 2021, the company acquired the remaining shareholding of 30.85% held by minority shareholders for a consideration of ₹ 6,580.00 lakhs.

From the date of acquisition, FIT 3PL Warehousing Private Limited has contributed ₹ 7,153.90 lakhs of revenue from operations and ₹ 540.00 lakhs to the profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from operations would have been ₹ 13,672.80 lakhs and the profit before tax from continuing operations for the Group would have been ₹ 926.30 lakhs.

**A. Consideration transferred**

The following table summarises the acquisition date fair value of each class of consideration transferred:

<i>In lakhs of INR</i>	<b>Amount</b>
Cash	13,830.00
Deferred Consideration	-
<b>Total consideration for business combination</b>	<b>13,830.00</b>

**B. Identifiable assets acquired and liabilities assumed**

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

<i>In lakhs of INR</i>	<b>Amount</b>
Property, plant & equipment	431.01
Intangible assets - Software	15.77
Intangible assets - Customer relationship	5,809.00
Right of use assets	3,724.91
Trade receivables	1,843.11
Deferred tax assets (net)	255.68
Other current & non-current assets	2,314.03
Cash and cash equivalents	9.90
Borrowings	(260.47)
Lease liabilities	(3,724.91)
Trade payables	(1,563.77)
Deferred tax liabilities (net)	(2,029.90)
Other current & non-current liabilities	(505.97)
Less: Non-controlling interests measured at fair value	(4,936.00)
<b>Total net identifiable assets acquired</b>	<b>1,382.39</b>

\* Gross carrying amount of ₹ 2,047.80 lakhs net of impairment loss allowances of ₹ 204.70 lakhs

**C. Goodwill**

<i>In lakhs of INR</i>	<b>Amount</b>
Consideration transferred	13,830.00
Fair value of net identifiable assets	(1,382.39)
<b>Goodwill</b>	<b>12,447.61</b>

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**40 Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":**

**A. Disaggregated revenue information**

Segment	31 March 2023			31 March 2022		
	India	Rest of the world	Total	India	Rest of the world	Total
Type of goods or service						
Revenue from operations	3,02,671.39	7,20,866.59	10,23,537.98	2,43,683.72	6,81,294.87	9,24,978.59
<b>Total revenue from contracts with customers</b>	<b>3,02,671.39</b>	<b>7,20,866.59</b>	<b>10,23,537.98</b>	<b>2,43,683.72</b>	<b>6,81,294.87</b>	<b>9,24,978.59</b>

Revenues from external customers in respect of each category of services rendered by the Group are as follows.

Revenue	31 March 2023	31 March 2022
ISCS	4,58,062.63	3,74,071.15
NS	5,65,475.35	5,50,907.44
	<b>10,23,537.98</b>	<b>9,24,978.59</b>

**B. Timing of revenue recognition**

Particulars	31 March 2023	31 March 2022
Goods transferred at a point in time	1,66,440.61	1,39,477.48
Services transferred over time	8,57,097.37	7,85,501.11
<b>Total revenue from contracts with customers</b>	<b>10,23,537.98</b>	<b>9,24,978.59</b>

**C. Summary of contract balances**

Particulars	31 March 2023	31 March 2022
Trade Receivables	1,38,162.68	1,44,188.97
Contract assets (Unbilled revenue) (Refer note (a) below)	37,565.52	34,976.37
Contract liability (Advance from Customers)	1,634.54	2,095.18

Note:

a. Contract assets are initially recognised for revenue earned from supply chain management services as receipt of consideration is conditional on successful completion. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

b. There are no significant changes in the Contract assets and Contract liabilities during the periods reported.

**D. Reconciliation of Revenue from sale of products/services with the contracted price**

Particulars	31 March 2023	31 March 2022
Revenue as per contracted price	10,24,121.70	9,26,142.51
Less: Trade discounts, volume rebates etc.	(583.72)	(1,163.92)
Revenue as per statement of profit and loss	10,23,537.98	9,24,978.59

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**Notes to the consolidated financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***41 Transfer pricing**

The Company and its subsidiaries each have international and domestic transactions with related parties. The management confirms that it maintains documents as prescribed by the respective laws and regulations of the various jurisdictions in which the Group operates to prove that the international and domestic transactions are at arm's length and the aforesaid laws and regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation upto and for the year ended 31 March 2023.

**42 Related party disclosures (refer note 29A)**

<b>A. Enterprise having significant influence</b>	TVS Mobility Private Limited (w.e.f 4th February 2022) T V Sundram Iyengar & Sons Private Limited (Till 3rd February 2022)
<b>B. Subsidiaries of TVS Mobility Private Limited (w.e.f 4th February 2022)</b>	Sundaram Industries Private Limited SI Airsprings Private Limited TVS Interconnect Systems Private Limited
<b>C. Subsidiaries of T V Sundram Iyengar &amp; Sons Private Limited (Till 3rd February 2022)</b>	TVS Motor Company Limited Sundaram Clayton Limited Lucas-TVS Limited Sundaram Industries Private Limited Lucas Indian Service Limited Sundram Fasteners Limited TVS Electronics Limited TVS Training and Services Limited TVS Automobile Solutions Private Limited TVS Europe Distribution Limited Universal Components UK Limited
<b>D. Joint Ventures</b>	TVS Industrial & Logistics Park Pvt. Limited Linfox TVS Solutions Pty Limited, Australia (Till 2nd February 2023)

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**42 Related party disclosures (continued)**

**E. Key management personnel (KMP)**

Mr. R. Dinesh, Executive Vice Chairman  
 Mr. Ravi Viswanathan, Managing Director  
 Mr. S. Ravichandran, Non-Executive Director  
 Mr. C. K. Ranganathan, Independent director (till May 16, 2022)  
 Mr. S. Mahalingam, Independent director  
 Sri. Gopal Srinivasan, Non-Executive director (till 4th February, 2022)  
 Sri. S.Ram, Non-Executive director (till September 13, 2021)  
 Ms. Shobhana Ramachandran, Non-Executive director  
 Mr. Ravi Prakash Baghavathula, Chief Financial Officer  
 Mr. P.D Krishna Prasad, Company Secretary  
 Mr. Ashish Kaushik, Nominee director (w.e.f 8th October, 2021)  
 Ms. Gauri Kumar, Additional Independent Director (w.e.f. 7th February 2022)  
 Mr. B. Sriram, Additional Independent Director (w.e.f. 7th February 2022)  
 Mr. Tarun Khanna, Independent director (w.e.f May 16, 2022)  
 Mr. Anand Kumar, Nominee director  
 Mr. Bobby Pauly, Nominee director (till 13th January, 2023)

**F. Companies under common directorship/Private Companies in which our director is a member/ Entities controlled by KMP or relatives of KMP of the Company**

TVS Srichakra Limited  
 TVS Automobile Solutions Private Limited  
 Ki Mobility Solutions Pvt Ltd  
 Sundaram Industries Private Limited  
 Cavin Kare Pvt Ltd (till May 16, 2022)  
 TVS Sirius Controls Private Limited  
 T V Sundram Iyengar & Sons Private Limited (From 4th February 2022)  
 Sundharams Private Limited  
 Avalon Technologies Limited (Formerly known as 'Avalon Technologies Private Limited')  
 Avalon Technology And Services Pvt Ltd  
 TVS Europe Distribution Limited (from 4th February 2022)

**Transactions during the year**

	Year ended	Year ended
	31 March 2023	31 March 2022
<b>Income from logistics services</b>		
Lucas-TVS Limited	-	2,707.11
Sundaram Clayton Limited	-	2,251.46
Sundaram Industries Private Limited	374.24	400.70
Sundram Fasteners Limited	-	1,310.13
T V Sundram Iyengar & Sons Private Limited	-	175.00
TVS Motor Company Limited	-	24,659.77
TVS Srichakra Limited	9,356.73	9,903.50
SI Airsprings Private Limited (formerly known as Firestone TVS Private Limited)	12.28	33.21
TVS Mobility Private Limited	10.22	0.50
TVS Automobile Solutions Private Limited	-	2,249.92
Ki Mobility Solutions Pvt Ltd	4,436.45	89.46
Cavin Kare Pvt Ltd.	-	224.40
Avalon Technologies Pvt Ltd	7.23	-
Avalon Technology And Services Pvt Ltd	70.72	-
TVS Interconnect Systems Private Limited	10.87	-
<b>Sale of Goods</b>		
Sundaram Clayton Limited	-	8.61
<b>Other income</b>		
Lucas TVS Limited	-	5.84
<b>Reimbursement of expenses from</b>		
T V Sundram Iyengar & Sons Private Limited	-	3.03
TVS Mobility Private Limited	2.78	0.14
TVS Europe Distribution Limited	601.31	594.81
<b>Professional fees</b>		
T V Sundram Iyengar & Sons Private Limited	-	73.60
<b>Purchase of spares, fuel, others</b>		
T V Sundram Iyengar & Sons Private Limited	-	17.84
Sundaram Industries Private Limited	71.81	60.66
Sundram Fasteners Limited	-	9.85
Lucas Indian Service Limited	-	5.61
TVS Industrial & Logistics Park Private Limited	-	2.22
TVS Mobility Private Limited	47.59	-
TVS Sirius Controls Private Limited	3.31	-



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

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Notes to the consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**42 Related party disclosures (continued)****Transactions during the year (continued)**

	<b>Year ended 31 March 2023</b>	<b>Year ended 31 March 2022</b>
<b>Freight, packing and forwarding expenses</b>		
Sundaram Industries Private Limited	0.10	-
Sundharams Private Limited	0.48	-
T V Sundram Iyengar & Sons Private Limited	174.65	169.40
TVS Sirius Controls Private Limited	1.04	-
TVS Srichakra Limited	45.38	-
<b>Rent</b>		
TVS Industrial & Logistics Park Private Limited	1,861.83	934.10
T V Sundram Iyengar & Sons Private Limited	-	139.77
TVS Mobility Private Limited	275.50	50.59
Lucas-TVS Limited	-	1.80
TVS Automobile Solutions Private Limited	216.13	-
<b>Repairs and maintenance</b>		
TVS Industrial & Logistics Park Private Limited	6.67	-
TVS Automobile Solutions Private Limited	42.19	-
<b>Expenses incurred by and reimbursed to</b>		
T V Sundram Iyengar & Sons Private Limited	-	2.99
TVS Mobility Private Limited	9.03	0.70
<b>Other expenses</b>		
T V Sundram Iyengar & Sons Private Limited	-	108.00
TVS Industrial & Logistics Park Private Limited	1,712.80	17.18
Sundharams Private Limited	4.90	3.07
TVS Mobility Private Limited	5.24	-
TVS Sirius Controls Private Limited	1.49	-
Sundaram Industries Private Limited	-	0.04
<b>Purchase of Property, plant and equipment</b>		
T V Sundram Iyengar & Sons Private Limited	98.85	11.47
TVS Industrial & Logistics Park Private Limited	67.40	-
TVS Mobility Private Limited	82.70	-
<b>Remuneration to Key Managerial Personnel (refer note 1 and 2)</b>		
Mr. S. Ravichandran, Non-Executive Director	-	406.35
Mr. Ravi Viswanathan, Managing Director	559.06	542.70
Mr. R. Dinesh, Executive Vice Chairman	734.80	640.00
Mr. Ravi Prakash Baghavathula, Chief Financial Officer	410.57	438.40
Mr. P D Krishna Prasad, Company Secretary	56.33	53.29
<b>Sitting fees to Independent &amp; Non-Executive Directors</b>		
Mr. C. K.Ranganathan	1.75	2.50
Mr. S Mahalingam	11.75	4.25
Mr. S. Ravichandran	9.25	-
Sri. Gopal Srinivasan	-	1.00
Sri. S.Ram	-	0.50
Ms. Shobhana Ramachandran	7.75	2.50
Ms. Gauri Kumar	8.75	1.00
Mr. B. Sriram	10.25	1.00
Mr. Tarun Khanna	4.75	-
<b>Commission to Independent &amp; Non-Executive Directors</b>		
Mr. S Mahalingam	12.00	-
Mr. S. Ravichandran	10.00	-
Ms. Shobhana Ramachandran	10.00	-
Ms. Gauri Kumar	10.00	-
Mr. B. Sriram	12.00	-
Mr. Tarun Khanna	10.00	-

**Note**

1. As the future liabilities of gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the KMP is not ascertainable separately and therefore not included above.

2. Total employee stock compensation expense for the year ended March 31, 2023 and March 31, 2022 includes a charge of ₹ Nil lakhs and ₹ 327.10 lakhs, towards KMP respectively.

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*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***42 Related party disclosures (continued)****Year end balances:****Receivables**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Sundaram Industries Private Limited	44.44	37.29
T V Sundram Iyengar & Sons Private Limited	4.10	7.87
TVS Srichakra Limited	1,752.58	1,801.71
TVS Automobile Solutions Private Limited	(0.44)	503.22
Ki Mobility Solutions Pvt Ltd	1,127.37	10.76
CavinKare Pvt Ltd	-	127.63
TVS Europe Distribution Ltd	775.78	718.05
Avalon Technologies Pvt Ltd	0.66	-
Avalon Technology And Services Pvt Ltd	11.27	-

**Security deposits (based on transaction value, not discounted)**

TVS Industrial & Logistics Park Private Limited	930.83	789.66
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**Advance paid for Supply of Goods & Services**

TVS Industrial & Logistics Park Private Limited	441.99	411.78
T V Sundaram Iyengar & Sons Private Limited	15.59	120.06

**Payables**

Sundaram Industries Private Limited	22.05	16.50
T V Sundram Iyengar & Sons Private Limited	15.41	15.41
TVS Industrial & Logistics Park Private Limited	-	106.39
TVS Mobility Private Limited	59.82	34.63
Sundharans Private Limited	0.14	-
TVS Automobile Solutions Private Limited	102.45	-

**Payable to Key Managerial Personnel**

Remuneration to Mr.S. Ravichandran, Non-Executive Director	-	209.04
Remuneration to Mr. R. Dinesh, Executive Vice Chairman	400.00	200.00
Remuneration to Mr. Ravi Viswanathan, Managing Director	250.00	200.00
Remuneration to Mr. Ravi Prakash Baghavathula, Chief Financial Officer	123.32	173.59
Commission to Independent & Non-Executive Directors	64.00	-
Remuneration to Mr. P D Krishna Prasad, Company Secretary	2.42	3.75

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
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**Notes to the consolidated financial statements for the year ended 31 March 2023**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**43 Financial instruments - Fair values and risk management**
**A. Accounting classification and fair values**

The carrying value and fair value of financial instruments by categories were as follows:

	Note	Carrying amount					
		31 March 2023			31 March 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets measured at fair value</b>							
Investments	19	20.00	-	-	20.00	-	-
Other financial assets - Derivative asset	21	-	-	-	-	-	-
<b>Total</b>		<b>20.00</b>	<b>-</b>	<b>-</b>	<b>20.00</b>	<b>-</b>	<b>-</b>
<b>Financial assets carried at amortised cost</b>							
Investments	19	-	-	-	-	-	-
Deposits and other receivables	20	-	-	17,102.25	-	-	14,794.35
Trade receivables	24	-	-	1,23,425.39	-	-	1,31,336.47
Cash and cash equivalents	25	-	-	1,08,578.57	-	-	99,382.64
Other bank balances	26	-	-	9,425.50	-	-	1,107.28
Other financial assets	21	-	-	380.13	-	-	398.44
<b>Total</b>		<b>-</b>	<b>-</b>	<b>2,58,911.84</b>	<b>-</b>	<b>-</b>	<b>2,47,019.18</b>
<b>Financial liabilities measured at fair value</b>							
Derivatives - Forward contract payables	32	6,955.36	-	-	3,238.09	-	-
<b>Total</b>		<b>6,955.36</b>	<b>-</b>	<b>-</b>	<b>3,238.09</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities carried at amortised cost</b>							
Borrowings	30	-	-	1,98,961.59	-	-	1,76,378.25
Trade payables	31	-	-	1,42,732.53	-	-	1,45,314.05
Other financial liabilities	32	-	-	27,237.80	-	-	17,298.25
<b>Total</b>		<b>-</b>	<b>-</b>	<b>3,68,931.92</b>	<b>-</b>	<b>-</b>	<b>3,38,990.55</b>

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

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Notes to the consolidated financial statements for the year ended 31 March 2023

*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***43 Financial instruments - Fair values and risk management (continued)****B. Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels as described in note 2E.

The following table presents fair value hierarchy of assets and liabilities measured at fair value:

**Financial assets and liabilities valued at fair value**

Particulars	31 March 2023			31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets:</b>						
Investments	-	-	20.00	-	-	20.00
<b>Liabilities:</b>						
Derivative liability	-	6,955.36	-	-	3,238.09	-
Compulsorily convertible preference shares	-	29,229.98	-	-	-	-

The Group has not disclosed fair values of other financial instruments such as investments, deposits and other receivables, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, other financial liabilities because their carrying amounts are reasonable approximations of their fair values.

There have been no transfers between Level 2 and Level 3 during the periods.

**C. Measurement of fair values****i. Valuation techniques and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used

**Financial instruments measured at fair value**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative asset/liability	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies	Not applicable	Not applicable

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**43 Financial instruments - Fair values and risk management (continued)****D. Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

**i. Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Group's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for financial assets are as follows:

	Carrying amount	
	31 March 2023	31 March 2022
Trade receivables	1,23,425.39	1,31,336.47
Investments	20.00	20.00
Cash and cash equivalents	1,08,578.57	99,382.64
Other bank balances	9,425.50	1,107.28
Deposits and other receivables	17,102.25	14,794.35
Other financial assets	380.13	398.44
<b>Total</b>	<b>2,58,931.84</b>	<b>2,47,039.18</b>

**Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. The impairment loss at the reporting dates relates to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Group determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available information about customers from internal/external sources. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**Movements in the allowance for impairment in respect of trade receivables**

The movement in the allowance for impairment in respect of trade receivables is as follows:

	31 March 2023	31 March 2022
Balance at the beginning of the year	12,852.54	9,865.41
Add: Addition on account of acquisitions	-	204.74
Add: Provision for the year	3,501.79	3,730.00
Less: Provision withdrawn against bad debts written off	(1,840.23)	(987.17)
Add / Less : Exchange differences on translation of foreign operations	223.19	39.56
<b>Balance at end of the year</b>	<b>14,737.29</b>	<b>12,852.54</b>

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**43 Financial instruments - Fair values and risk management (continued)**

**D. Financial risk management (continued)**

**ii. Credit risk (contd.)**

*Cash and cash equivalents and other bank balances*

The Group holds cash and bank balances of ₹ 1,18,004.07 lakhs as at 31 March 2023 (31 March 2022: ₹ 1,00,489.92 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

*Deposits and other receivables, Investments and other financial assets*

The Group holds deposits and other receivables, investments and other financial assets of ₹ 17,502.38 lakhs as at 31 March 2023 (31 March 2022: ₹ 15,212.79 lakhs). The credit worthiness of such parties are evaluated by the management on an ongoing basis and is considered to be good.

**iii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

*Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	<b>Contractual cash flows</b>				
	<b>Carrying amount</b>	<b>Total</b>	<b>1 year or less</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>31 March 2023</b>					
<b>Non derivative financial liabilities</b>					
<i>Current and non-current borrowings</i>					
Secured term loans from banks	81,748.94	81,748.94	31,889.45	49,859.49	-
Secured revolving credit facility	46,618.01	46,618.01	46,618.01	-	-
Secured loans repayable on demand	7,500.00	7,500.00	7,500.00	-	-
Unsecured loans repayable on demand	32,958.86	32,958.86	32,958.86	-	-
Redeemable preference shares	891.60	891.60	891.60	-	-
Compulsorily convertible preference shares	29,229.98	29,229.98	29,229.98	-	-
Unsecured other short term loans	14.20	14.20	14.20	-	-
<i>Others</i>					
Trade payables	1,42,732.53	1,42,732.53	1,42,732.53	-	-
Lease liability	1,33,437.11	1,51,861.83	45,361.73	79,029.11	27,470.99
Other financial liabilities	27,237.80	27,237.80	27,237.80	-	-
	<b>5,02,369.03</b>	<b>5,20,793.75</b>	<b>3,64,434.16</b>	<b>1,28,888.60</b>	<b>27,470.99</b>
<b>31 March 2022</b>					
<b>Non derivative financial liabilities</b>					
<i>Current and non-current borrowings</i>					
Secured term loans from banks	97,513.02	97,513.02	23,965.09	73,547.93	-
Secured cash credit from banks	1.75	1.75	1.75	-	-
Secured revolving credit facility	43,308.16	43,308.16	43,308.16	-	-
Secured loans repayable on demand	1,000.00	1,000.00	1,000.00	-	-
Unsecured bills discounting	5,095.69	5,095.69	5,095.69	-	-
Unsecured loans repayable on demand	28,200.00	28,200.00	28,200.00	-	-
Redeemable preference shares	891.60	891.60	891.60	-	-
Unsecured other short term loans	368.03	368.03	368.03	-	-
<i>Others</i>					
Trade payables	1,45,314.05	1,45,314.05	1,45,314.05	-	-
Lease liability	1,19,027.64	1,42,117.86	40,566.65	68,118.36	33,432.85
Other financial liabilities	17,298.25	17,298.25	17,298.25	-	-
	<b>4,58,018.19</b>	<b>4,81,108.41</b>	<b>3,06,009.27</b>	<b>1,41,666.29</b>	<b>33,432.85</b>



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**43 Financial instruments - Fair values and risk management (continued)**

*iv. Market risk (continued)*

*Sensitivity analysis*

A reasonably possible strengthening (weakening) of the INR against the respective currencies noted below at reporting periods would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Effect on profit or (loss) before tax		Effect on pre-tax equity	
	Weakening	Strengthening	Weakening	Strengthening
<b>31 March 2023</b>				
United States Dollar (1% movement)	318.50	(318.50)	-	-
Euro (1% movement)	282.47	(282.47)	-	-
Great Britain Pounds (1% movement)	(97.46)	97.46	-	-
Australian Dollar (1% movement)	18.77	(18.77)	-	-
Singapore Dollar (1% movement)	41.96	(41.96)	-	-
Thailand Bhat (1% movement)	12.89	(12.89)	-	-
Others (1% movement)*	92.01	(92.01)	-	-
<b>31 March 2022</b>				
United States Dollar (1% movement)	118.11	(118.11)	-	-
Euro (1% movement)	(75.05)	75.05	-	-
Great Britain Pounds (1% movement)	(323.90)	323.90	-	-
Australian Dollar (1% movement)	84.23	(84.23)	-	-
Singapore Dollar (1% movement)	44.73	(44.73)	-	-
Thailand Bhat (1% movement)	(1.50)	1.50	-	-
Others (1% movement)*	37.55	(37.55)	-	-

The above table also includes sensitivity analysis on inter group receivables/ payables which are denominated in a foreign currency. Such inter-group receivables and payables, though eliminated on consolidation give rise to currency risk and hence, the same has been disclosed.

\*Others mainly include currencies such as Malaysian Ringgit, Hong Kong Dollar, Indonesian Rupiah, South Korean Won, New Taiwan Dollar, Canadian Dollar and New Zealand Dollar.

The Group has only two types of variable rate instrument i.e. cash credit facility being used for cash management purposes and certain working capital demand loans.

*Exposure to interest rate risk*

	31 March 2023	31 March 2022
<b>Variable rate instruments</b>		
<i>Financial liabilities</i>		
- Term loans from banks	80,423.42	94,614.34
- Cash credit from banks	-	1.75
- Revolving credit facility	46,618.01	43,308.16
- Loans repayable on demand	32,958.86	27,650.00
<b>Fixed rate instruments</b>		
<i>Financial assets</i>		
- Deposits with banks	10,473.41	16,783.92
<i>Financial liabilities</i>		
- Term loans from banks	1,325.52	2,898.68
- Loans repayable on demand	7,500.00	1,550.00
- Bills discounting	-	5,095.69
- Redeemable preference shares	891.60	891.60
- Compulsorily convertible preference shares	29,229.98	-
- Other short term loans	14.20	368.03



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**43 Financial instruments - Fair values and risk management (continued)**

*iv. Market risk (continued)*

*Interest rate risk (continued)*

*Fair value sensitivity analysis for fixed rate instruments*

A reasonably possible change of 100 basis points in interest rates at the reporting date would not have any impact on the reported profit or loss or equity as these fixed rate instruments (deposits with banks) are carried at amortised cost, any changes in interest rates are not considered for subsequent measurement.

*Cash flow sensitivity analysis for variable rate instruments*

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	<b>(Profit) or loss</b>		<b>Equity</b>	
	<b>100 bp decrease</b>	<b>100 bp increase</b>	<b>100 bp decrease</b>	<b>100 bp increase</b>
<b>31 March 2023</b>				
<i>Financial liabilities</i>				
- Term loans from banks	(804.23)	804.23	-	-
- Cash credit from banks	-	-	-	-
- Revolving credit facility	(466.18)	466.18	-	-
- Loans repayable on demand	(329.59)	329.59	-	-
- Bills discounting	-	-	-	-
<b>Cash flow sensitivity (net)</b>	<b>(1,600.00)</b>	<b>1,600.00</b>	<b>-</b>	<b>-</b>
<b>31 March 2022</b>				
<i>Financial liabilities</i>				
- Term loans from banks	(946.14)	946.14	-	-
- Cash credit from banks	(0.02)	0.02	-	-
- Revolving credit facility	(433.08)	433.08	-	-
- Loans repayable on demand	(276.50)	276.50	-	-
- Bills discounting	-	-	-	-
<b>Cash flow sensitivity (net)</b>	<b>(1,655.74)</b>	<b>1,655.74</b>	<b>-</b>	<b>-</b>

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**43 Financial instruments - Fair values and risk management (continued)**

*v. Hedging activities and derivatives*

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

**Derivatives designated as hedging instruments**

***Cash flow hedges***

The Group is exposed to cash flow volatility risks due to the difference between the functional currency of the Group and the borrowing/receivable currency.

Foreign currency risk : Relating to borrowing

Variability in principal liability on the loan attributable to movements in foreign currency exchange rate. To hedge changes in the foreign currency exchange rate while making principal repayments, the Group had entered into Principle only Swap (PoS) during the year ended 31 March 2023 and 31 March 2022. The hedge results in fixed cash flows.

Foreign currency risk : Relating to receivable

During the year ended 31 March 2022, the Group had entered into principle only swap contracts for the loans given by the step down subsidiaries to other Group entities, to hedge changes in the foreign currency exchange rates. Foreign currency risk relates to the variability in the transaction currency of the receivable attributable to movements in foreign currency exchange rate. The hedge results in fixed cash flows.

There is an economic relationship between the hedged items and the hedging instruments as the critical terms of the hedged item are closely aligned with the hedging instrument from the inception of the hedge till termination (i.e., notional amount, maturity, payment and reset dates). The Group has assessed hedge effectiveness and established an economic relationship at the inception of the hedge and across the tenor of the hedging relationship

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the derivative instruments are identical to the hedged risk components.

The hedge ineffectiveness can arise from:

- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

**The Group held the following hedging instruments as at 31 March 2023**

	1 to 6 Months	6 to 12 Months	More than 12 Months	Total
<b>Relating to borrowing - Principle only Swap</b>				
Notional principal amount (In INR Lakhs)	10,602.84	10,602.84	34,080.55	55,286.23
Average Forward Rate (SGD/GBP)	1.76	1.76	1.76	1.76
Average Forward Rate (SGD/USD)	1.37	1.37	1.37	1.37
Average Forward Rate (USD/GBP)	1.26	1.26	1.26	1.26
<b>Relating to intercompany receivable - Principle only Swap</b>				
Notional principal amount (In INR Lakhs)	18,225.49	-	-	18,225.49
Average Forward Rate (USD/GBP)	1.35	-	-	1.35
Average Forward Rate (SGD/AUD)	-	-	-	-

**The impact of hedging instruments on the balance sheet as at 31 March 2023 was as follows**

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
Principle only swap - Relating to borrowing	55,286.23	(5,212.49)	Other financial liabilities	(5,212.49)
Principle only swap - Relating to intercompany receivable	18,225.49	(1,742.86)	Other financial liabilities	(1,742.86)

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**43 Financial instruments - Fair values and risk management (continued)**

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income was, as follows:

	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
<b>Year ended 31 March 2023</b>					
Principle only swap	(3,484.83)	-	556.29	(3,484.83)	Other income/expenses

The impact of hedged item on equity:

	Cash flow hedge reserve
<b>As at 1 April 2022</b>	-
Effective portion of changes in fair value arising from swap arrangements	(3,484.83)
Amount re-classified to profit or loss	3,484.83
<b>As at 31 March 2023</b>	-

The Group held the following hedging instruments as at 31 March 2022

	1 to 6 Months	6 to 12 Months	More than 12 Months	Total
<b>Relating to borrowing - Principle only Swap</b>				
Notional principal amount (In INR Lakhs)	7,991.32	7,991.32	53,033.32	69,015.96
Average Forward Rate (SGD/GBP)	1.76	1.76	1.76	1.76
Average Forward Rate (SGD/USD)	1.37	1.37	1.37	1.37
Average Forward Rate (USD/GBP)	1.26	1.26	1.26	1.26
<b>Relating to intercompany receivable - Principle only Swap</b>				
Notional principal amount (In INR Lakhs)	-	-	22,960.66	22,960.66
Average Forward Rate (USD/GBP)	-	-	1.35	1.35
Average Forward Rate (SGD/AUD)	-	-	0.98	0.98

The impact of hedging instruments on the balance sheet as at 31 March 2022 was as follows

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the year
Principle only swap - Relating to borrowing	69,015.96	(2,636.18)	Other financial liabilities	(2,636.18)
Principle only swap - Relating to intercompany receivable	22,960.66	(601.92)	Other financial liabilities	(601.92)

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income was, as follows:

	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
<b>Year ended 31 March 2022</b>					
Principle only swap	(2,011.50)	-	(207.92)	(2,011.50)	Other income/expenses

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**Notes to the consolidated financial statements for the year ended 31 March 2023***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***43 Financial instruments - Fair values and risk management (continued)****The impact of hedged item on equity:**

	<b>Cash flow hedge reserve</b>
<b>As at 1 April 2021</b>	-
Effective portion of changes in fair value arising from swap arrangements	(2,011.50)
Amount re-classified to profit or loss	2,011.50
<b>As at 31 March 2022</b>	-

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(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

44 Additional information as required under Schedule III to the Companies Act 2013, of entities consolidated as subsidiaries/ associates/ joint ventures

31 March 2023	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
<b>Parent</b>								
TVS Supply Chain Solutions Limited	157.92%	1,20,025.47	-70.07%	(2,926.05)	-3.61%	(183.03)	-349.91%	(3,109.08)
<b>Domestic Subsidiaries - (parent's share)</b>								
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	18.65%	14,173.09	115.96%	4,842.74	-0.39%	(19.91)	542.79%	4,822.83
FLEXOL Packaging (India) Limited	0.38%	292.14	0.74%	30.86	0.03%	1.52	3.64%	32.38
TVS Aviation Logistics Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
SPC International (India) Private Limited	1.71%	1,300.99	6.12%	255.53	0.00%	-	28.76%	255.53
TVS Toyota Tsusho Supply Chain Solutions Ltd.	3.35%	2,343.07	16.18%	675.79	0.09%	4.56	76.57%	680.35
White Data Systems India Pvt. Ltd.	3.68%	2,793.84	-12.96%	(541.41)	-0.01%	(0.46)	-60.98%	(541.87)
Fit 3PL Warehousing Pvt Limited	4.19%	3,187.10	7.84%	327.20	-0.16%	(7.94)	35.93%	319.26
<b>Foreign Subsidiaries - (parent's share)</b>								
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited)	-0.72%	(545.68)	-2.86%	(119.56)	-0.84%	(42.40)	-18.23%	(161.96)
TVS Logistics Investment USA Inc., USA and its subsidiaries	-19.15%	(14,556.39)	-6.50%	(271.24)	-30.31%	(1,534.98)	-203.28%	(1,806.22)
TVS Logistics Investment UK Limited and its subsidiaries	35.17%	26,728.53	-50.49%	(2,108.40)	-1.24%	(62.99)	-244.38%	(2,171.39)
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore and its subsidiaries	-34.72%	(26,385.50)	-50.15%	(2,094.27)	-111.97%	(5,670.74)	-873.91%	(7,765.01)
<b>Non-controlling interests in all subsidiaries</b>	4.80%	3,645.98	4.68%	195.38	0.71%	35.94	26.03%	231.32
<b>Joint venture</b>								
TVS Industrial & Logistics Park Pvt. Limited	13.79%	10,480.05	11.42%	476.83	0.02%	0.80	53.75%	477.63
Limfox TVS Solutions Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Eliminations</b>	-89.05%	(67,681.55)	130.09%	5,432.65	47.68%	2,415.04	883.22%	7,847.69
<b>As at 31 March 2023</b>	<b>100.00%</b>	<b>76,001.14</b>	<b>100.00%</b>	<b>4,176.05</b>	<b>-100.00%</b>	<b>(5,064.59)</b>	<b>-100.00%</b>	<b>(888.54)</b>

31 March 2022	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
<b>Parent</b>								
TVS Supply Chain Solutions Limited	160.39%	1,20,919.50	-44.77%	(2,121.98)	-4.57%	(98.06)	-32.23%	(2,220.04)
<b>Domestic Subsidiaries - (parent's share)</b>								
Drive India Enterprise Solutions Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TVS SCS Global Freight Solutions Ltd (Formerly known as TVS Dynamic Global Freight Services Limited)	12.72%	9,590.26	90.05%	4,268.66	0.24%	5.25	62.05%	4,273.91
FLEXOL Packaging (India) Limited	0.34%	259.75	-0.16%	(7.73)	0.43%	9.15	0.02%	1.42
TVS Aviation Logistics Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
SPC International (India) Private Limited	1.39%	1,045.46	3.31%	156.77	0.00%	-	2.28%	156.77
TVS Toyota Tsusho Supply Chain Solutions Ltd.	2.47%	1,862.72	9.50%	450.16	0.56%	11.98	6.71%	462.14
White Data Systems India Pvt. Ltd.	4.42%	3,335.70	-0.50%	(23.92)	-0.22%	(4.77)	-0.42%	(28.69)
Fit 3PL Warehousing Pvt Limited	3.80%	2,867.84	6.85%	324.65	0.18%	3.90	4.77%	328.55
<b>Foreign Subsidiaries - (parent's share)</b>								
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited)	-0.53%	(396.68)	-2.13%	(100.81)	1.44%	30.98	-1.01%	(69.83)
TVS Logistics Investment USA Inc., USA and its subsidiaries	-17.44%	(13,144.89)	-87.03%	(4,125.12)	-24.23%	(520.44)	-67.45%	(4,645.56)
TVS Logistics Investment UK Limited and its subsidiaries	38.09%	28,715.40	-19.31%	(915.45)	-35.02%	(752.09)	-24.21%	(1,667.54)
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore and its subsidiaries	-27.62%	(20,821.52)	42.56%	2,017.27	-72.81%	(1,563.76)	6.58%	453.51
<b>Non-controlling interests in all subsidiaries</b>	5.29%	3,991.49	6.96%	330.14	-2.05%	(43.99)	4.15%	286.15
<b>Associates</b>								
Montara Verpacken mit System GmbH	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Joint venture</b>								
TVS Industrial & Logistics Park Pvt. Limited	13.27%	10,002.42	-1.01%	(47.90)	0.00%	-	-0.70%	(47.90)
Limfox TVS Solutions Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Eliminations</b>	-96.61%	(72,835.99)	-104.32%	(4,944.87)	36.04%	774.13	-60.55%	(4,170.74)
<b>As at 31 March 2022</b>	<b>100.00%</b>	<b>75,391.46</b>	<b>-100.00%</b>	<b>(4,740.13)</b>	<b>-100.00%</b>	<b>(2,147.72)</b>	<b>-100.00%</b>	<b>(6,887.85)</b>

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*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***45 Disclosure pursuant to Ind AS 105 "Non-current assets held for sale and discontinued operations":****A. The group has following disposal group recognised as held for sale****Disposal group**

Drive India Enterprise Solutions Limited

B. During the year ended March 31, 2022, the Company entered in to Share Purchase Agreement dated September 29, 2021 ("New SPA") with the Buyer for disposal of investments in DIESL for a consideration of ₹ 100 lakhs. The group recorded a loss of ₹1,545.50 lakhs on disposal of DIESL which is disclosed as exceptional item. Refer note 37 (i) & 48 for further details.

**C. Financial performance and cash flow information**

The results of Drive India Enterprise Solutions Limited are presented below:

	<u>29 September 2021</u>
Total Revenues (includes other income)	102.18
Expense	168.38
<b>Profit/(loss) before tax from a discontinued operation</b>	<u>(66.20)</u>
Tax (expenses)/income:	
Tax relating to earlier periods	-
<b>Profit/(loss) for the period from a discontinued operation</b>	<u>(66.20)</u>
<b>Earnings per share:</b>	
Basic	(0.03)
Diluted	(0.03)

The net cash flows incurred by Drive India Enterprise Solutions Limited are, as follows:

Net cash inflow/(outflow) from operating activities	(523.67)
Net cash inflow/(outflow) from investing activities	508.34
Net cash inflow/(outflow) from financing activities	(2.10)
<b>Net increase/(decrease) in cash generated from discontinued operation</b>	<u>(17.43)</u>

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**46 List of subsidiaries**

Name of direct subsidiaries of the Company	Country of incorporation	Ownership interest	
		31 March 2023	31 March 2022
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	India	100.00%	95.21%
FLEXOL Packaging (India) Limited	India	100.00%	100.00%
TVS Packaging Solutions Private Limited	India	100.00%	100.00%
SPC International India Private Limited	India	100.00%	100.00%
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited)	Thailand	100.00%	100.00%
TVS Logistics Investment UK Limited	United Kingdom	100.00%	100.00%
TVS Logistics Investments USA Inc.	USA	100.00%	100.00%
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited), Singapore	Singapore	100.00%	100.00%
TVS Toyota Tsusho Supply Chain Solutions Limited	India	60.00%	60.00%
White Data Systems India Pvt. Ltd (refer note 52 (iii))	India	51.00%	51.00%
Fit 3PL Warehousing Private Limited	India	100.00%	100.00%
<b>Name of step-down subsidiaries</b>			
<b>Subsidiaries of TVS Logistics Investment UK Limited</b>			
TVS Supply Chain Solutions Limited, UK	United Kingdom	100.00%	100.00%
<i>Subsidiaries of TVS Supply Chain Solutions Limited, UK</i>			
MSys Software Solutions Limited, UK	United Kingdom	0.00%	100.00%
Multipart Limited, UK	United Kingdom	0.00%	100.00%
Peter Thomas & Co (Refurbishing) Limited, UK	United Kingdom	100.00%	100.00%
TVS Logistics Iberia S.L., Spain	Spain	100.00%	100.00%
TVS Autoserv GmbH, Germany	Germany	51.00%	51.00%
TVS Supply Chain Solutions GmbH, Germany	Germany	100.00%	100.00%
Rico Logistics Limited, UK	United Kingdom	100.00%	100.00%
<i>Subsidiaries of Rico Logistics Limited, UK</i>			
Ricochet Spain S.L, Spain	Spain	100.00%	100.00%
<i>Subsidiaries of Ricochet Spain S.L, Spain</i>			
Eltec IT Services S.L.U	Spain	100.00%	100.00%
Rico Logistique, France	France	100.00%	100.00%
Rico Logistics Pty Ltd, Australia	Australia	100.00%	100.00%
Circle Express Limited, UK	United Kingdom	95.00%	95.00%
Tri - Tec Computer Support Limited, Northern Ireland	Northern Ireland	100.00%	100.00%
<i>Subsidiaries of Tri - Tec Computer Support Limited, Northern Ireland</i>			
Tri - Tec Support Limited, Ireland	Ireland	100.00%	100.00%
TVS SCS Rico Italia SRL	Italy	100.00%	100.00%
Triage Holdings Limited	United Kingdom	100.00%	100.00%
<i>Subsidiaries of Triage Holdings Limited</i>			
Triage Service Limited	United Kingdom	100.00%	100.00%
OrderLogic Limited	United Kingdom	100.00%	100.00%
SPC International Limited, UK	United Kingdom	100.00%	100.00%
<i>Subsidiaries of SPC International Limited, UK</i>			
SPCINT Limited, UK	United Kingdom	100.00%	100.00%
SPC International (Engineering) Limited, UK	United Kingdom	100.00%	100.00%
Pitcomp 171 Limited, UK	United Kingdom	100.00%	100.00%
SPC EBT Trustees Limited, UK	United Kingdom	100.00%	100.00%
SPC International Inc., USA	USA	100.00%	100.00%
SPC International s.r.o., Slovakia	Slovakia	100.00%	100.00%
<b>Subsidiaries of TVS Logistics Investments USA Inc.</b>			
TVS America Inc., USA	USA	100.00%	100.00%
TVS Supply Chain Solutions North America Inc , USA	USA	100.00%	100.00%
<i>Subsidiaries of TVS Supply Chain Solutions North America Inc., USA</i>			
TVS Transportation Solutions LLC, USA	USA	100.00%	100.00%
TVS Supply Chain Solutions De Mexico S.A de C.V., Mexico	Mexico	100.00%	100.00%
TVS Packaging Solutions Inc. US	USA	100.00%	100.00%

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**46 List of subsidiaries (continued)**

	Country of incorporation	Ownership interest	
		31 March 2023	31 March 2022
<b>Subsidiaries of TVS Supply Chain Solutions Pte. Ltd.</b>			
TVS SCS International Freight (Spain) SLU (Formerly known as Nadal Forwarding S.L), Spain	Spain	100.00%	100.00%
<i>Subsidiaries of TVS SCS International Freight (Spain) SLU, Spain</i>			
TVS SCS International Pte. Ltd (Formerly known as Pan Asia Logistics International Pte. Ltd)	Singapore	100.00%	100.00%
TVS SCS Singapore Pte. Ltd (Formerly known as Pan Asia Logistics Singapore Pte. Ltd)	Singapore	100.00%	100.00%
<i>Subsidiaries of TVS SCS Singapore Pte. Ltd</i>			
TVS SCS Logistics Ltd	China	100.00%	100.00%
TVS SCS (Korea) Ltd (Formerly known as Pan Asia Logistics International (Korea) Ltd)	Korea	100.00%	100.00%
TVS SCS Logistics (Thailand) Limited (Formerly known as Pan Asia Logistics (Thailand) Ltd)	Thailand	100.00%	100.00%
TVS SCS Hong Kong Limited (Formerly known as Pan Asia Freight-Forwarding & Logistics Hong Kong Ltd)	Hong Kong	100.00%	100.00%
Pan Asia Container Line Pte Ltd, Hong Kong	Hong Kong	100.00%	100.00%
TVS SCS Deutschland GmbH (Formerly known as Pan Asia Logistics Deutschland GmbH)	Germany	100.00%	100.00%
TVS SCS Malaysia Sdn Bhd	Malaysia	100.00%	100.00%
TVS SCS Vietnam Company Limited (Formerly known as Pan Asia Logistics Vietnam Company Ltd)	Vietnam	95.00%	95.00%
PT Pan Asia Logistics Indonesia	Indonesia	90.00%	90.00%
TVS SCS Taiwan Limited (Formerly known as Pan Asia Logistics Taiwan Ltd)	Taiwan	100.00%	100.00%
Pan Asia Freight-Forwarding & Logistics India Pvt Ltd	India	99.99%	99.99%
TVS Supply Chain Solutions (Thailand) Limited (Formerly known as TVS Asianics), Thailand	Thailand	100.00%	100.00%
<i>Subsidiaries of TVS Supply Chain Solutions (Thailand) Limited</i>			
TVS SCS Logistics Management Co. Ltd (Formerly known as TLM Logistics Management Co., Ltd)	Thailand	100.00%	100.00%
TVS Supply Chain Solutions Australia Holdings Pty Ltd (Formerly known as TVS-Asianics Australia Holdings Pty Ltd)	Australia	100.00%	100.00%
<i>Subsidiaries of TVS Supply Chain Solutions Australia Holdings Pty Ltd</i>			
T.I.F Holdings Pty Ltd, Australia	Australia	100.00%	100.00%
<i>Subsidiaries of T.I.F. Holdings Pty Ltd, Australia</i>			
TVS SCS (Aust) Pty. Ltd. (Formerly known as Transtar International Freight (Aust) Pty Ltd), Australia	Australia	100.00%	100.00%
TVS SCS New Zealand Limited (Formerly known as Transtar International Freight Limited), New Zealand	New Zealand	100.00%	100.00%
KAHN Nominees Pty Ltd, Australia	Australia	100.00%	100.00%
TVS SCS International Freight Hong Kong Limited (Formerly known as Transtar International Freight Limited, Hong Kong)	Hong Kong	100.00%	100.00%
TVS SCS International Freight (Singapore) Pte. Ltd (Formerly known as Transtar International Freight (Singapore) Pte. Limited), Singapore	Singapore	100.00%	100.00%
Transtar International Freight (Shanghai) Limited, China	China	100.00%	100.00%
TVS Supply Chain Solutions Holdings Limited (Thailand) (formerly known as Transtar International Freight Holdings Limited)	Thailand	100.00%	100.00%
TVS SCS International Freight (Thailand) Limited (Formerly known as Transtar International Freight (Thailand) Limited), Thailand	Thailand	100.00%	100.00%
Transtar International Freight (Malaysia) SD Bhd, Malaysia	Malaysia	100.00%	100.00%



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**47 Undisclosed income**

The Group has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

**48 Exceptional items - gain/(loss)**

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Loss on sale of investments	19B(i)	-	(138.94)
Disposal of discontinued operations	37 (i) & 45	-	(1,545.46)
Settlement of arbitration with erstwhile Chief Executive officer and minority shareholder of TVS Supply Chain Solutions Pte. Ltd.	37 (ii) (a)	-	(1,825.23)
IPO Costs charged off	28	(1,000.00)	-
		<b>(1,000.00)</b>	<b>(3,509.63)</b>

**49 Benami property**

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

**50 Crypto currency**

The Group has not traded or invested Crypto currency during the current year or the preceding year.

**51 Disclosure on funding transactions**

During the year, the Company has given loans amounting to Rs.19,878.49 lakhs and Rs.11,748.29 lakhs and to its wholly owned subsidiaries, TVS Logistics Investments UK Limited and TVS Logistics Investments USA Inc., respectively in its ordinary course of business, which are in compliance with the provisions of Companies Act, 2013 and Foreign Exchange Management Act 1999 and Prevention of Money-Laundering Act, 2002. The loans given to TVS Logistics Investments USA Inc has been used for repayment of loans and providing additional loan to TVS Logistics Investments UK Limited. Further, of the loans given to TVS Logistics Investments UK Limited, Rs. 6,764.31 lakhs has been loaned to step down subsidiaries. Other than the above, there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There are no funds that have been received by the Group from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**52 Subsequent events**

There are no significant subsequent events that have occurred after the reporting period till the date of these consolidated financial statements other than the below.

(i) On March 30, 2023, the Company entered into share subscription agreement ("SSA") with Hero Enterprise Partner Ventures. Pursuant to the SSA and first amendment to such share purchase agreement dated April 13, 2023, on April 17, 2023, the Company issued 6,944,444 number of Compulsorily Convertible Preference Shares (CCPS) with a face value of ₹ 1 aggregating ₹ 12,500 lakhs and carrying a preferential dividend rate of 0.0001% per annum. These CCPS shall have an initial conversion ratio of 1:1 and shall be converted into equity shares of the Company based on a pre-determined formulae specified in the Share purchase agreements.

(ii) On March 25, 2023, the Company entered into share subscription agreements ("SSA") with investors. Pursuant to the SSA and first amendment dated April 19, 2023 to such SSA, the Company issued 3,333,333 number of Compulsorily Convertible Preference Shares (CCPS) with a face value of ₹ 1 aggregating ₹ 6,000 lakhs and carrying a preferential dividend rate of 0.0001% per annum. These CCPS shall have an initial conversion ratio of 1:1 and shall be converted into equity shares of the Company based on a pre-determined formulae specified in the Share purchase agreements.

(iii) On March 25, 2023, the Company entered into share subscription agreements ("SSA") with investors. Pursuant to the SSA, first amendment dated April 19, 2023 and second amendment dated June 26, 2023 to such SSA, the Company issued 833,333 number of Compulsorily Convertible Preference Shares (CCPS) with a face value of ₹ 1 aggregating ₹ 1,500 lakhs and carrying a preferential dividend rate of 0.0001% per annum. These CCPS shall have an initial conversion ratio of 1:1 and shall be converted into equity shares of the Company based on a pre-determined formulae specified in the Share purchase agreements.

(iv) On March 28, 2023, the Company entered in to share purchase agreement ("SPA") with the minority shareholders at White Data Systems India Private Limited ("WDS") to acquire their 49% equity stake in that Company. Pursuant to the SPA and first amendment to such share purchase agreement dated April 11, 2023, our Company acquired 49% of the equity stake of WDS, from the minority shareholders. As a consideration for such acquisition, through a share swap, our Company has allotted 3,547,840 Series E CCPS ("Purchase Shares") to the minority shareholders, pursuant to a preferential allotment for consideration other than cash, at a price of ₹ 180 per Purchase Share.

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**CIN: U63011TN2004PLC054655**

**Notes to the consolidated financial statements for the year ended 31 March 2023**

(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**53 Struck off companies**

The Group does not have any material transactions with companies struck off.

**54 Prior year comparatives**

To conform to this period's classification, certain previous period figures have been reclassified/regrouped wherever necessary.

As per our report of even date attached

*for* **S.R. Batliboi & Associates LLP**

Firm Registration Number : 101049W / E300004

Chartered Accountants

*for* and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited**

**Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : July 10, 2023

**S Mahalingam**

Chairman

DIN: 00121727

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

**Ravi Viswanathan**

Managing Director

DIN: 08713910

**Ravi Prakash Bhagavathula**

Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Membership No. 9911

Place : Chennai

Date : July 10, 2023