

INDEPENDENT AUDITOR'S REPORT

To the Members of TVS Supply Chain Solutions Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS 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") its associate and joint venture comprising of the consolidated Balance sheet as at March 31, 2021, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS 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, associate and joint venture, the aforesaid consolidated Ind AS 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, its associate and joint venture as at March 31, 2021, their consolidated loss 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 Ind AS 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 Ind AS Financial Statements' section of our report. We are independent of the Group 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 Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 2A of the Consolidated Financial Statements which describes the continuing impact of Covid-19 pandemic, and its possible consequential implications, on the Group's operations and financial metrics. Our opinion is not modified in respect of the matter.

Other Information

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

Our opinion on the consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other



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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 Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS 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 associate and 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 associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint venture 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 Ind AS 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 Ind AS financial statements by the 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 associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture 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 associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 system in place and



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the operating effectiveness of such controls.

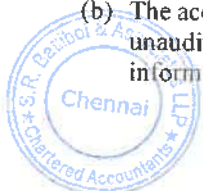
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and 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 Ind AS 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 associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 its associate and joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS 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 Ind AS 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 six subsidiaries (which included the financial statements of step-down subsidiaries), whose Ind AS financial statements include total assets of Rs 368,518.71 lakhs as at March 31, 2021, and total revenues of Rs 523,986.30 lakhs and net cash outflows of Rs 37,015.20 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, 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, is based solely on the reports of such other auditors. Certain of these subsidiaries are 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 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 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 Company and audited by us.
- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of a subsidiary, whose financial statements and other financial information reflect total assets of Rs 572.37 lakhs as at March 31, 2021, and total revenues of Rs 984.60 lakhs



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and net cash outflows of Rs 57.54 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 6.66 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this 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 joint venture, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS 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

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, associate 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 Ind AS 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 Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS 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, 2021 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, associate and joint venture, none of the directors of the Group's companies, its associate and joint venture incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate and joint venture incorporated in India, 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, associate and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries, associate 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



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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, associate and joint venture, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture in its consolidated Ind AS financial statements – Refer Note 37 to the consolidated Ind AS financial statements;
- ii. Provision has been made in the consolidated Ind AS 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 Note 21 and 32 to the consolidated Ind AS financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint venture incorporated in India during the year ended March 31, 2021.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Bharath N S
Partner

Membership Number: 210934

UDIN: 21210934AAAADJ6999

Place of Signature: Chennai

Date: June 15, 2021



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, 2021, 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

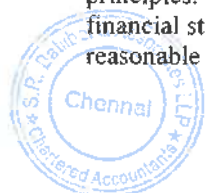
Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial 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)



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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, 2021, 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 four 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: 21210934AAAADJ6999

Place of Signature: Chennai

Date: June 15, 2021





TVS SUPPLY CHAIN SOLUTIONS LIMITED
Consolidated Financial Statements
FY 2020-21

TVS SUPPLY CHAIN SOLUTIONS LIMITED
Consolidated Balance Sheet as at 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | Note | As at 31 March 2021 | As at 31 March 2020 |
|---|------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 34,504.82 | 36,485.44 |
| Capital work-in-progress | | 1,573.94 | 820.64 |
| Goodwill | 16 | 45,904.45 | 45,442.40 |
| Other intangible assets | 16 | 22,882.65 | 23,881.62 |
| Right-of-use assets | 16B | 95,427.50 | 97,589.11 |
| Equity accounted investees | 17 | 10,050.32 | 3,715.96 |
| Financial assets | | | |
| Investments | 19 | 20.00 | 261.51 |
| Trade receivable | 24 | 632.46 | - |
| Deposits and other receivables | 20 | 4,743.88 | 4,361.96 |
| Other financial assets | 21 | 1,224.27 | 748.46 |
| Deferred tax assets (net) | 14 | 12,412.70 | 7,316.19 |
| Non-current tax assets (net) | | 7,416.76 | 8,270.46 |
| Other non-current assets | 22 | 250.28 | 719.92 |
| Total non-current assets | | 2,37,044.03 | 2,29,613.67 |
| Current Assets | | | |
| Inventories | 23 | 22,765.53 | 16,982.18 |
| Financial assets | | | |
| Investments | 19 | 1,355.62 | 1,061.29 |
| Trade receivables | 24 | 1,12,798.68 | 1,30,727.96 |
| Cash and cash equivalents | 25 | 53,696.24 | 88,461.28 |
| Other bank balances | 26 | 3,715.97 | 26,216.52 |
| Loans | 27 | - | - |
| Deposits and other receivables | 20 | 6,673.36 | 5,334.80 |
| Other financial assets | 21 | 29,968.25 | 24,856.04 |
| Current tax assets (net) | | 4,187.13 | 1,118.23 |
| Other current assets | 28 | 17,634.75 | 14,292.01 |
| Assets classified as held for disposal | 45 | 5,871.96 | 6,348.89 |
| Total current assets | | 2,58,667.49 | 3,15,399.20 |
| Total assets | | 4,95,711.52 | 5,45,012.87 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 29A | 3,176.21 | 3,176.21 |
| Other equity | 29B | 46,052.80 | 47,903.46 |
| Equity attributable to owners of the Company | | 49,229.01 | 51,079.67 |
| Non-controlling interests | 18 | 3,996.89 | 7,982.42 |
| Total equity | | 53,225.90 | 59,062.09 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Consolidated Balance Sheet as at 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | Note | As at 31 March 2021 | As at 31 March 2020 |
|---|------|------------------------|------------------------|
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 30 | 95,102.81 | 95,923.94 |
| Lease liability | 16B | 87,436.16 | 91,757.66 |
| Other financial liabilities | 32 | 2,577.31 | 3,629.92 |
| Provisions | 33 | 3,599.02 | 1,836.74 |
| Deferred tax liabilities (net) | 14 | 12,254.28 | 9,151.01 |
| Other non current liabilities | 34 | - | 155.16 |
| Total non-current liabilities | | 2,00,969.58 | 2,02,454.43 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 30 | 55,547.51 | 1,16,265.21 |
| Lease liability | 16B | 29,102.70 | 26,485.98 |
| Trade payables | 31 | 1,12,167.19 | 1,01,258.21 |
| Other financial liabilities | 32 | 20,433.29 | 20,973.09 |
| Provisions | 33 | 3,251.05 | 2,464.92 |
| Current tax liabilities (net) | | 207.63 | 146.58 |
| Other current liabilities | 35 | 15,775.74 | 10,997.75 |
| Liabilities directly associated with assets classified as held for sale | 45 | 5,030.93 | 4,904.61 |
| Total current liabilities | | 2,41,516.04 | 2,83,496.35 |
| Total liabilities | | 4,42,485.62 | 4,85,950.78 |
| Total equity and liabilities | | 4,95,711.52 | 5,45,012.87 |

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

As per our report of even date attached

for **S.R. Battiboi & 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

Bharath N S

Partner

Membership No. 210934

Place : Chennai

Date : 15 June 2021



S Mahalingam

S Mahalingam

Chairman

DIN: 00121727

R. Dinesh

R Dinesh

Managing Director

DIN: 00363300

Ravi Viswanathan

Ravi Viswanathan

Joint Managing Director

DIN: 08713910

S Ravichandran

S Ravichandran

Whole-time Director

DIN: 01485845

Ravi Prakash Bhagavathula

Ravi Prakash Bhagavathula

Group Chief Financial Officer

Place : Singapore

P D Krishna Prasad

P D Krishna Prasad

Company Secretary



Place : Chennai

Date : 15 June 2021

TVS SUPPLY CHAIN SOLUTIONS LIMITED
Consolidated statement of profit and loss for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | Note | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|------|-----------------------------|-----------------------------|
| Continuing operations | | | |
| Revenue from operations | 5 | 6,93,359.69 | 6,60,454.94 |
| Other income | 6 | 6,609.39 | 18,821.40 |
| Total income | | 6,99,969.08 | 6,79,276.34 |
| Expenses | | | |
| Cost of materials consumed | 7 | 2,459.37 | 2,872.09 |
| Purchase of stock-in-trade | 8 | 95,828.75 | 87,956.60 |
| Changes in inventory of stock-in-trade | 9 | (4,363.54) | 160.90 |
| Employee benefits expense | 10 | 1,79,900.43 | 1,80,416.05 |
| Finance costs | 11 | 17,559.81 | 23,118.91 |
| Depreciation and amortisation expense | 12 | 44,328.21 | 44,450.15 |
| Other expenses | 13 | 3,80,865.64 | 3,64,700.80 |
| Total expenses | | 7,16,578.67 | 7,03,675.50 |
| Profit / (loss) before exceptional items, share of profit / (loss) of equity accounted investees and income tax from continuing operations | | (16,609.59) | (24,399.16) |
| Exceptional items (refer note 16 and 17) | | 5,214.48 | - |
| Share of profit/(loss) of equity accounted investees (net of income tax) | 17 | (6.66) | 218.98 |
| Profit / (loss) before tax from continuing operations | | (11,401.77) | (24,180.18) |
| Tax expenses | | | |
| Current tax | | (1,687.62) | 2,635.75 |
| Deferred tax | | (2,484.28) | (2,013.10) |
| Total tax expenses | 14 | (4,171.90) | 622.65 |
| Profit / (loss) for the year from continuing operations | | (7,229.87) | (24,802.83) |
| Discontinued operations | | | |
| Profit / (loss) from discontinued operations before tax expenses | | (243.97) | 4.35 |
| Tax expense of discontinued operations | | | |
| Current tax | | - | 1.62 |
| Profit / (loss) after tax from discontinued operations | | (243.97) | 2.73 |
| Profit / (loss) for the year | | (7,473.84) | (24,800.10) |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Re-measurement gain / (loss) on defined benefit plans | | 149.37 | 146.41 |
| Income tax relating to above | | (43.94) | (61.40) |
| Net other comprehensive income not to be reclassified | | 105.43 | 85.01 |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | |
| Exchange gain / (loss) in translating financial statements of foreign operations | | 872.47 | (1,327.89) |
| Income tax relating to above | | - | - |
| | | 872.47 | (1,327.89) |
| Effective portion of cash flow hedge | | (776.34) | - |
| Income tax relating to above | | - | - |
| | | (776.34) | - |
| <i>Items reclassified subsequently to profit or loss</i> | | | |
| Effective portion of cash flow hedge | | - | 537.32 |
| Income tax relating to above | | - | (96.90) |
| | | - | 440.42 |
| Net other comprehensive income to be reclassified | | 96.13 | (887.47) |
| Other comprehensive income for the year, net of tax | | 201.56 | (802.46) |
| Total comprehensive income for the year | | (7,272.28) | (25,602.56) |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Consolidated statement of profit and loss for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | Note | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|------|-----------------------------|-----------------------------|
| Profit / (loss) attributable to: | | | |
| Owners of the Company | | (7,273.58) | (19,233.67) |
| Non-controlling interests | 18 | (200.26) | (5,566.43) |
| Profit/(loss) for the year | | (7,473.84) | (24,800.10) |
| Other comprehensive income attributable to : | | | |
| Owners of the Company | | (70.23) | (634.34) |
| Non-controlling interests | 18 | 271.80 | (168.12) |
| Other comprehensive income for the year | | 201.56 | (802.46) |
| Total comprehensive income attributable to : | | | |
| Owners of the Company | | (7,343.81) | (19,868.01) |
| Non-controlling interests | 18 | 71.53 | (5,734.56) |
| Total comprehensive income for the year | | (7,272.28) | (25,602.57) |
| Earnings / (loss) per share (₹) for continuing operations | | | |
| Basic | 29E | (21.34) | (60.14) |
| Diluted | | (21.34) | (60.14) |
| Earnings / (loss) per share (₹) for discontinued operations | | | |
| Basic | 29E | (0.74) | 0.01 |
| Diluted | | (0.74) | 0.01 |
| Earnings / (loss) per share (₹) for continuing and discontinued operations | | | |
| Basic | 29E | (22.08) | (60.13) |
| Diluted | | (22.08) | (60.13) |

The notes from 1 to 48 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

Bharath N S

Partner

Membership No. 210934

Place : Chennai

Date : 15 June 2021



S Mahalingam

S Mahalingam

Chairman

DIN: 00121727

R. Dinesh

R Dinesh

Managing Director

DIN: 00363300

Ravi Viswanathan

Ravi Viswanathan

Joint Managing Director

DIN: 08713910

S Ravichandran

S Ravichandran

Whole-time Director

DIN: 01485845

Ravi Prakash Bhagavathula

Ravi Prakash Bhagavathula

Group Chief Financial Officer

Place : Singapore

P D Krishna Prasad

P D Krishna Prasad

Company Secretary



Place : Chennai

Date : 15 June 2021

TVS SUPPLY CHAIN SOLUTIONS LIMITED

Consolidated Statement Of Changes In Equity For The Year Ended 31 March 2021

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

| A Equity Share Capital | | Note | Amount | | | | | | | | | | | | |
|---|-----------------|----------------------------|-----------------|-------------------|--|----------------|--|---------------|---|--------------|--------------------------------------|--------------------|---|--------------------------|-----------|
| Balance as at 31 March 2019 | | | 3,166.71 | | | | | | | | | | | | |
| Changes in equity share capital during the year 2019-20 | | 29A | 9.50 | | | | | | | | | | | | |
| Balance as at 31 March 2020 | | | 3,176.21 | | | | | | | | | | | | |
| Changes in equity share capital during the year 2020-21 | | 29A | - | | | | | | | | | | | | |
| Balance as at 31 March 2021 | | | 3,176.21 | | | | | | | | | | | | |
| B Other equity | | | | | | | | | | | | | | | |
| Attributable to owners of the Company | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | |
| Reserves and surplus | | | | | | | | | | | | | | | |
| Securities premium | Capital reserve | Capital redemption reserve | General reserve | Retained earnings | Reserves of a disposal group held for sale | Share warrants | Compulsorily convertible preference shares | Share options | Exchange differences on translation of foreign operations | Items of OCI | Effective portion of cash flow hedge | Other items of OCI | Total attributable to owners of the Company | Non-controlling interest | Total |
| 69,627.38 | 0.82 | 0.46 | 259.09 | (12,942.40) | 2,146.60 | 225.63 | 19.00 | 276.41 | (272.10) | (440.42) | (113.03) | 58,787.44 | 4,039.38 | 62,826.82 | |
| - | - | - | - | (19,236.40) | - | - | - | - | - | - | - | (19,236.40) | (5,566.43) | (24,802.83) | |
| - | - | - | - | - | 2.73 | - | - | - | - | - | - | 2.73 | - | 2.73 | |
| - | - | - | - | - | - | - | - | - | (1,159.77) | 440.42 | 113.26 | (606.09) | (168.12) | (774.21) | |
| - | - | - | - | (19,236.40) | 2.73 | - | - | - | (1,159.77) | 440.42 | 113.26 | (19,839.76) | (5,734.55) | (25,574.31) | |
| Distribution of dividends to non-controlling interest | | | | | | | | | | | | | | (18.00) | (18.00) |
| Dividend distribution tax | | | | | | | | | | | | | | (20.97) | (20.97) |
| Share based payments | | | | | | | | | | | | | | - | - |
| Exercise of share warrants during the year | | | | | | | | | | | | | | 805.34 | 805.34 |
| Issue of compulsorily convertible preference shares during the year (net off share issue expense) | | | | | | | | | | | | | | (225.63) | - |
| Acquisition of non-controlling interests | | | | | | | | | | | | | | 666.65 | 667.38 |
| Balance at 31 March 2020 | | | | | | | | | | | | | | - | 17,143.30 |
| Balance at 31 March 2020 | | | | | | | | | | | | | | (9,699.29) | 9,699.29 |
| Balance at 31 March 2020 | | | | | | | | | | | | | | 0.23 | 7,982.43 |
| Balance at 31 March 2020 | | | | | | | | | | | | | | 47,903.46 | 55,885.88 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Consolidated Statement Of Changes In Equity For The Year Ended 31 March 2021

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

B Other equity

| | Attributable to owners of the Company | | | | | | | | | | | | Attributable to Non-controlling interest | Total | |
|---|---------------------------------------|----------------------------|-----------------|-------------------|-----------------------------------|----------------|--|---------------|---|--------------------------------------|--------------------|---|--|------------|------------|
| | Reserves and surplus | | | | | Items of OCI | | | | | | | | | |
| | Securities premium reserve | Capital redemption reserve | General reserve | Retained earnings | Reserves of a group held for sale | Share warrants | Compulsorily convertible preference shares | Share options | Exchange differences on translation of foreign operations | Effective portion of cash flow hedge | Other items of OCI | Total attributable to owners of the Company | | | |
| Balance at 01 April 2020 | 86,997.04 | 0.82 | 0.46 | 259.09 | (41,899.06) | 2,149.33 | - | 685.65 | 1,141.75 | (1,431.87) | - | 0.23 | 47,903.46 | 7,982.43 | 55,885.88 |
| Total comprehensive income for the year ended | - | - | - | - | (7,029.61) | - | - | - | - | - | - | - | (7,029.61) | (200.26) | (7,229.87) |
| Profit / (loss) for the year from continuing operations | - | - | - | - | - | (243.97) | - | - | - | - | - | - | (243.97) | - | (243.97) |
| Profit / (loss) for the year from discontinued operations | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income (net of tax) | - | - | - | - | - | - | - | - | - | 600.68 | (776.34) | 105.43 | (70.23) | 271.80 | 201.57 |
| Total comprehensive income | - | - | - | - | (7,029.61) | (243.97) | - | - | - | 600.68 | (776.34) | 105.43 | (7,343.81) | 71.54 | (7,272.27) |
| Distribution of dividends to non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | - | - | (12.00) | (12.00) |
| Share based payments | - | - | - | - | - | - | - | - | 1,904.31 | - | - | - | 1,904.31 | - | 1,904.31 |
| Issue of shares to non-controlling interests | - | - | - | - | 1,435.11 | - | - | - | - | - | - | - | 1,435.11 | (399.78) | 1,035.33 |
| Acquisition of non-controlling interests | - | - | - | - | 2,153.73 | - | - | - | - | - | - | - | 2,153.73 | (3,645.30) | (1,491.57) |
| Balance at 31 March 2021 | 86,997.04 | 0.82 | 0.46 | 259.09 | (45,339.83) | 1,905.36 | - | 685.65 | 3,046.06 | (831.19) | (776.34) | 105.66 | 46,052.80 | 3,996.89 | 50,049.69 |

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

As per our report of even date attached

for S.R. Bartiloi & Associates LLP

Firm Registration Number : 101049W / E300004

Chartered Accountants

Bharath N S

Bharath N S

Partner

Membership No. 216934

Place : Chennai

Date : 15 June 2021



for and on behalf of the board of directors of
TVS Supply Chain Solutions Limited

S Mahalingam

S Mahalingam

Chairman

DIN: 00121727

R. Dinesh

R Dinesh

Managing Director

DIN: 00363300

Ravi Viswanathan

Ravi Viswanathan

Joint Managing Director

DIN: 08713910

S Ravichandran

S Ravichandran

Whole-time Director

DIN: 01485845



P D Krishna Prasad

P D Krishna Prasad

Group Chief Financial Officer

Place : Singapore

P D Krishna Prasad

P D Krishna Prasad

Company Secretary

Place : Chennai

Date : 15 June 2021

TVS SUPPLY CHAIN SOLUTIONS LIMITED
Consolidated Statement of cashflows for the year ended 31st March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| Cash flow from / (used in) operating activities | | |
| Profit / (loss) before tax from continuing operations | (11,401.77) | (24,180.18) |
| Profit / (loss) before tax from discontinued operations | (243.97) | 4.35 |
| Adjustments for: | | |
| Interest income | (1,162.59) | (1,156.57) |
| Provision no longer required written back | (1,042.43) | (4,643.46) |
| Finance costs | 17,560.10 | 23,120.03 |
| Depreciation and amortisation | 44,333.63 | 44,465.99 |
| Write off of intangibles | 1,275.52 | - |
| Gain on termination of lease contract | (540.11) | (1,010.13) |
| Loss on changes in fair value of financial assets measured at FVTPL | - | 1,209.76 |
| Foreign exchange differences (gain)/loss | 786.04 | 461.53 |
| Bad debts written off | 951.25 | 1,763.59 |
| Provision for doubtful financial assets and litigations | 2,698.47 | 4,163.85 |
| Provision for impairment on investments | 161.78 | - |
| Share of (profit)/loss of equity accounted investees | 6.66 | (218.98) |
| Gain on deemed disposal of investment in joint venture | (6,490.00) | - |
| Share based payment expenses | 1,902.98 | 860.61 |
| (Profit)/loss on sale of property plant and equipment, net | 56.32 | 621.87 |
| Gain on sale and lease back | - | (6,717.55) |
| Operating profit / (loss) before changes in operating assets | 48,851.88 | 38,744.71 |
| Change in operating assets and liabilities | | |
| (Increase) / decrease in inventories | (4,366.15) | 146.74 |
| (Increase) / decrease in trade receivables | 18,283.84 | (9,818.12) |
| (Increase) / decrease in other current and non-current, financial and non-financial assets | (9,155.14) | (1,682.21) |
| Increase / (decrease) in trade payables | 8,821.94 | 736.36 |
| Increase / (decrease) in provisions | 323.87 | (432.53) |
| Increase / (decrease) in other current and non-current financial and non-financial liabilities | 8,729.99 | (3,073.39) |
| Cash generated from operations | 71,490.23 | 24,621.56 |
| Income taxes paid, net of refunds | (277.45) | (5,591.30) |
| Net cash from/(used in) operating activities | 71,212.78 | 19,030.26 |
| Cash flows from / (used in) investing activities | | |
| Investment in bank deposits having an original maturity of more than three months | 23,135.17 | (22,978.92) |
| Payments for property, plant and equipment and other intangible assets | (11,651.95) | (12,439.81) |
| Proceeds from sale of property, plant and equipment | 540.81 | 464.25 |
| Redemption/(Investment) in mutual funds | - | 1,170.32 |
| Investment in body corporate | (20.00) | - |
| Payment of consideration payable and deferred consideration | (5,009.39) | (3,282.24) |
| Acquisition of non-controlling interests | (1,475.86) | - |
| Interest income received | 818.90 | 753.68 |
| Net cash from / (used in) investing activities | 6,337.69 | (36,312.72) |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Consolidated Statement of cashflows for the year ended 31st March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Cash flows from / (used in) financing activities | | |
| Finance lease payments | (37,089.97) | (37,203.98) |
| Proceeds from sale and lease back transaction (refer note 16B(e)) | - | 28,075.81 |
| Proceeds from compulsorily convertible preference shares, (net) | - | 17,143.30 |
| Proceeds from issue/exercise of share warrants | - | 676.88 |
| Dividends paid to non-controlling interests by subsidiaries including Dividend Distribution Tax | (12.00) | (42.67) |
| (Repayment of) / proceeds from short term borrowings, net | (64,382.11) | 63,478.83 |
| Proceeds from long term borrowings | 43.29 | 95,173.29 |
| Payment of transaction costs related to borrowings | (653.11) | (2,893.53) |
| Repayment of long term borrowings | (5,593.84) | (96,110.68) |
| Interest paid | (9,037.65) | (12,644.35) |
| Net cash from / (used in) financing activities | (1,16,725.39) | 55,652.90 |
| Net increase / (decrease) in cash and cash equivalents | (39,174.92) | 38,370.44 |
| Cash and cash equivalents at the beginning of the financial year | 88,968.30 | 47,936.80 |
| Effects of exchange rate changes on cash and cash equivalents | 4,047.61 | 2,661.06 |
| Cash and cash equivalents at the end of the financial year | 53,840.99 | 88,968.30 |
| Less: Cash and cash equivalents of discontinued operations | 144.75 | 507.02 |
| Cash and cash equivalents at the end of the financial year from continuing operations# | 53,696.24 | 88,461.28 |

For details of restricted cash, refer note 25.

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

As per our report of even date attached

for **S.R. Battiboi & 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

Bharath N S

Partner

Membership No. 210934

Place : Chennai

Date : 15 June 2021



S Mahalingam

S Mahalingam

Chairman

DIN: 00121727

R. Dinesh

R Dinesh

Managing Director

DIN: 00363300

Ravi Viswanathan

Ravi Viswanathan

Joint Managing Director

DIN: 08713910

S Ravichandran

S Ravichandran

Whole-time Director

DIN: 01485845

Ravi Prakash Bhagavathula

Ravi Prakash Bhagavathula

Group Chief Financial Officer

Place : Singapore

P D Krishna Prasad

P D Krishna Prasad

Company Secretary



Place : Chennai

Date : 15 June 2021

TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

1 Reporting entity

TVS Supply Chain Solutions Limited ("the Company") is a Company domiciled in India and was incorporated on 16 November 2004. 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 outsourced supply chain management services, lastmile fulfilment delivery services, intercontinental movement and other related services.

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.

In view of the matters as mentioned in Note 2.F, the Group has assessed the continuing impact of the Novel Coronavirus (COVID-19) pandemic on availability of liquidity in its businesses and its ability to repay its obligations both in respect of borrowings and other liabilities as and when they are due.

Across the world, lockdown rules have been substantially reduced while in India, there are temporary restrictions in movement of people and resources affecting the business operations. The management is confident that business will resume with robust growth in the near future. The Group also believes the pandemic is not expected to have any material medium to long term impact to its business prospects.

The Group has made a detailed assessment of its liquidity position and has considered the possible impact of Covid 19 on the financial projections and commitments using available information, estimates and judgements.

In borrowing arrangements, the Group has not defaulted and the Group had obtained the waiver for compliance with certain key financial covenants till March 31, 2021. In addition, the Group has restructured certain key financial covenants of the existing facility agreements upto March 31, 2023 which would enable it to continue servicing the loans as per the existing repayment plan. The Group is confident that it would meet the revised commitments with the lenders for periods subsequent to March 31, 2021.

Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 15 June, 2021.

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. 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:

| Items | Measurement basis |
|---|---|
| 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 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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

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:

- Note 3 (K) & 5 - Recognition of revenue
- Note 3 (D), (E) & (G), 15 and 16A - Property, plant and equipment and intangible assets ~ useful lives and impairment
- Note 3 (C), 24 & 43 - Allowances for credit losses for trade receivables
- Note 3 (G) (ii) & 16A - Impairment testing for goodwill
- Note 3 (H), 36 - Assets and obligations relating to employee benefits
- Note 3 (L), 16B & 38 - Lease classification, termination and renewal option of leases

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 2021 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 36 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 43 - impairment of financial assets.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

2 Basis of preparation (continued)

E Measurement of fair values

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 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 combinations
- Note 43 - financial instruments

F Estimation of uncertainties relating to the global health pandemic from COVID-19

COVID-19 pandemic (declared as such by the World Health Organisation on March 11, 2020), had contributed to widespread volatility and decrease in economic activity across geographies including Indian markets in 2020. Its impact continues in 2021 across countries and economies, particularly in emerging markets. This pandemic has led to disruptions to business operations. During the year, various governments imposed lockdowns over a period of time depending on the severity of the outbreak. This has led to an uncertainty in the Group's ability to return to full capacity in its operations.

A detailed assessment has been carried out by the Group for each business segment with regards to impact on revenue, costs and other financial statement metrics. Impact due to any extended credit terms, cancelled orders, change in contractual terms, price concession request, onerous obligations etc. were comprehensively evaluated for any risk due to Covid-19 on revenue recognized and collectability thereof. No material impact has been noted in this impact assessment.

In assessing the recoverability of its assets including receivables, property, plant and equipment, intangibles, investments, goodwill etc., the Group has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Group has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. While the Group expects to address all challenges from the pandemic, it continues to monitor these matters and the estimates and judgements used in the preparation of these financial statements. Given the dynamic and evolving nature of this pandemic, these estimates are subject to uncertainties and may be affected by the severity and duration of the pandemic and consequential impact on the economy.

3 Significant accounting policies

A Basis of consolidation

i. Business combinations

Business combinations (other than common control business combinations) on or after 1 January 2011

The Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, retrospectively to those business combinations that occurred on or after 01 January 2011. 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 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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

A Basis of consolidation (continued)

Business combinations prior to 1 January 2011

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP.

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. In respect of business combinations effected so far, the Group has elected one of the two approaches on a combination by combination basis.

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

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

v. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and Other Comprehensive Income (OCI) of equity-accounted investees until the date on which significant influence or joint control ceases.

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.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into 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.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)**C Financial instruments****i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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 classified as 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. |

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 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.

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 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(iii) & 43(v)).



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

C Financial instruments (continued)

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

(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).



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)**D Property, plant and equipment****i. Recognition and measurement**

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

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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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 Group.

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. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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 period whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. 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).

E Goodwill and other intangibles**i. Goodwill**

For measurement of goodwill that arises on a business combination see note 39A. Subsequent measurement is at cost less any accumulated impairment losses.

In respect of business combinations that occurred prior to 1 January 2011, goodwill is included on the basis of its deemed cost, which represents the amounts recorded under previous GAAP.

ii. Other intangible assets

Other intangible assets including those acquired by the Group 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 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.

iv. Amortisation

Goodwill is not amortised and is tested for impairment annually.

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 |

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



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

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.

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.

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.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

G Impairment (continued)

ii. Impairment of non-financial assets (continued)

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.

(ii) Share-based payment transactions

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, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(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.

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 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

H Employee benefits (continued)

(v) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits 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 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.

In respect of contingent assets for which inflow of economic benefits are probable, the Group discloses a brief description of the nature of the contingent assets at the end of the year, and, where practicable, an estimate of their financial effect.

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.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

K Revenue (continued)

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 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.

c) Integrated logistics:

In respect of contracts where the Company 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 Company, the Company controls that specified good or service before it is transferred to the customer. Revenues from such contracts are recognized upon substantial fulfillment 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 Company will collect the consideration to which it is entitled for the exchanged goods.

e) Commission:

When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of revenue earned by the Company.

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

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 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 lease term.

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.



3 Significant accounting policies (continued)

(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 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 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.

In general, since Group has made significant investments in each of the warehouse in the form of leasehold improvements, racking equipment etc. and the termination would lead to additional expenses (losses) for dismantling and would lead to business disruption, the management in general has concluded that there is economic disincentive for the Group to discontinue / terminate any arrangement. Accordingly, applying Para B34 of Ind AS 116, except for specific cases, the Group concludes that non-cancellable period generally includes the lease period covered by the option to terminate.

(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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

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.

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.

Uncertainty over Income Tax Treatment

Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item:

1. An entity should determine an approach or method that predicts the resolution of the uncertainty. Based on the approach, the entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.
2. It shall assess whether it is probable that the taxation authority will accept the uncertain tax treatment, assuming that the authority has full right to examine the treatment and has full knowledge of all related information.
3. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses credits and tax rates. In viceversa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related aforesaid items by using either the most likely outcome or the expected outcome of the uncertainty.

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.

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 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 equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, 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 a maturity period of more than three months are classified as other bank balances.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

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

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 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 Earnings per share

Basic earnings per equity share is computed by dividing the net profit 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.

U 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.

V Changes in accounting policies and disclosures

Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession, the same way it would account for the change under Ind AS 116, if the changes were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. This amendment had no material impact on the consolidated financial statements of the Group.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021
All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated
4 Segment information
A. Basis for segmentation

The Group is primarily involved in providing the entire basket of logistics 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.

The Group has four reportable segments (identified on the geographical basis), as described below. These business units offer different services, and are managed separately. For each of the reportable segments, the Group's KMP reviews internal management reports on a periodic basis.

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's KMP. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Year ended 31 March 2021

| | Reportable segments | | | | | |
|--|---------------------|--------------------|-------------------|--------------------|---------------------------|--------------------|
| | India | Europe # | USA | Asia* | Total reportable segments | Eliminations |
| | | | | | | |
| Segment revenue | | | | | | |
| - External revenue | 1,32,036.90 | 3,01,899.88 | 47,366.99 | 2,12,055.92 | 6,93,359.69 | - |
| - Inter-segment revenue | 1,116.27 | 48.96 | 40.26 | 3,731.22 | 4,936.71 | (4,936.71) |
| Total segment revenue | 1,33,153.17 | 3,01,948.84 | 47,407.25 | 2,15,787.14 | 6,98,296.40 | (4,936.71) |
| Segment profit/(loss) before income tax | (8,932.73) | (2,493.69) | (5,816.68) | (627.90) | (17,871.00) | 6,221.90 |
| <i>Segment profit/(loss) before income tax includes:</i> | | | | | | |
| Interest income** | 2,042.90 | 63.02 | - | 46.61 | 2,152.53 | (1,652.61) |
| Interest expenses | 6,298.46 | 9,570.98 | 1,733.30 | 3,872.81 | 21,475.55 | (3,915.74) |
| Depreciation and amortisation | 12,392.47 | 15,345.69 | 3,326.97 | 13,120.87 | 44,186.00 | 142.21 |
| Share of profit/(loss) of equity accounted investees | (6.66) | - | - | - | (6.66) | - |
| Exceptional items | - | - | (1,275.52) | - | (1,275.52) | 6,490.00 |
| Segment assets | 2,02,693.19 | 2,44,079.30 | 25,460.23 | 1,19,019.69 | 5,91,252.42 | (95,540.90) |
| <i>Segment assets include</i> | | | | | | |
| Discontinued operations | 5,871.96 | - | - | - | 5,871.96 | - |
| Investments accounted for using equity method | 10,050.32 | - | - | - | 10,050.32 | - |
| Capital expenditure during the year | 5,366.79 | 3,659.02 | 115.76 | 379.36 | 9,520.93 | - |
| Segment liabilities | 1,21,277.45 | 2,05,585.74 | 33,787.48 | 1,36,128.64 | 4,96,779.31 | (54,293.69) |
| <i>Segment liabilities include</i> | | | | | | |
| Discontinued operations | 5,030.93 | - | - | - | 5,030.93 | - |

Year ended 31 March 2020

| | Reportable segments | | | | | |
|--|---------------------|--------------------|-------------------|--------------------|---------------------------|----------------------|
| | India | Europe # | USA | Asia* | Total reportable segments | Eliminations |
| | | | | | | |
| Segment revenue | | | | | | |
| - External revenue | 1,60,864.68 | 2,77,228.90 | 48,556.56 | 1,73,804.80 | 6,60,454.94 | - |
| - Inter-segment revenue | 641.93 | 76.16 | 359.05 | 2,828.45 | 3,905.59 | (3,905.59) |
| Total segment revenue | 1,61,506.61 | 2,77,305.06 | 48,915.61 | 1,76,633.25 | 6,64,360.53 | (3,905.59) |
| Segment profit/(loss) before income tax | (2,384.76) | 4,689.51 | (5,970.48) | (18,150.52) | (21,816.25) | (2,363.93) |
| <i>Segment profit/(loss) before income tax includes:</i> | | | | | | |
| Interest income** | 3,648.15 | 3,716.69 | 218.51 | 1,699.74 | 9,283.09 | (8,480.62) |
| Interest expenses | 7,942.28 | 12,127.93 | 2,944.98 | 7,235.19 | 30,250.38 | (7,131.46) |
| Depreciation and amortisation | 12,675.80 | 13,707.36 | 4,775.02 | 13,149.77 | 44,307.95 | 142.20 |
| Share of profit/(loss) of equity accounted investees | - | - | - | - | - | - |
| Segment assets | 2,36,719.57 | 2,82,901.07 | 31,618.30 | 1,13,488.69 | 6,64,727.63 | (1,19,714.76) |
| <i>Segment assets include</i> | | | | | | |
| Discontinued operations | 6,348.89 | - | - | - | 6,348.89 | - |
| Investments accounted for using equity method | 3,566.98 | 148.98 | - | - | 3,715.96 | - |
| Capital expenditure during the year | 4,159.38 | 5,714.21 | 4,112.89 | 1,879.30 | 15,865.78 | - |
| Segment liabilities | 1,48,917.06 | 2,46,160.35 | 37,191.67 | 1,27,902.45 | 5,60,171.53 | (74,220.75) |
| <i>Segment liabilities include</i> | | | | | | |
| Discontinued operations | (4,904.61) | - | - | - | (4,904.61) | - |

* Includes results of TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited), India which is considered as part of Asia in the results reviewed by the CODM.

Includes results of SPC International India Private Limited, India, SPC International Inc., USA, and Rico Logistics Limited, Australia which is considered as part of Europe in the results reviewed by the CODM.

** Interest income includes all interest income recorded under effective interest rate method.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021
(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

| Revenue | 31 March 2021 | 31 March 2020 |
|---------------------------|----------------------|----------------------|
| India | 1,59,789.16 | 1,86,802.64 |
| UK | 2,19,712.89 | 2,19,405.53 |
| USA | 57,809.99 | 52,516.85 |
| Thailand | 10,398.57 | 12,268.72 |
| Australia | 56,049.90 | 35,887.21 |
| China | 5,130.12 | 9,715.52 |
| Spain | 62,525.79 | 62,935.59 |
| Singapore | 35,342.56 | 36,019.78 |
| New Zealand | 4,575.00 | 4,185.94 |
| Rest of world | 82,025.71 | 40,717.16 |
| | 6,93,359.69 | 6,60,454.94 |
| Non-current assets | 31 March 2021 | 31 March 2020 |
| India | 58,967.98 | 53,889.24 |
| UK | 81,194.97 | 27,281.72 |
| USA | 11,475.35 | 16,821.87 |
| Thailand | 8,267.37 | 6,580.96 |
| Australia | 7,300.35 | 6,502.88 |
| Spain | 6,386.22 | 51,926.25 |
| Singapore | 33,011.47 | 43,583.83 |
| Rest of world | 3,990.25 | 2,068.34 |
| | 2,10,593.96 | 2,08,655.10 |

Non-current assets exclude financial instruments, deferred tax assets, non-current 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:

| Revenue | 31 March 2021 | 31 March 2020 |
|------------------------------------|--------------------|--------------------|
| Lastmile fulfilment | 1,70,033.00 | 1,52,467.88 |
| Outsourced supply chain management | 3,05,489.14 | 3,34,182.27 |
| Inter-continental movement | 2,11,071.31 | 1,72,233.53 |
| Others | 6,766.24 | 1,571.26 |
| | 6,93,359.69 | 6,60,454.94 |

Lastmile fulfilment: Relates to time bound last mile delivery including technology spare parts logistics, express delivery, etc.

Outsourced supply chain management: Relates to integrated supply chain solutions including transportation, management, warehousing and material management.

Inter-continental movement: Relates to integrated ocean/ air freight services.

Others: Relates to services rendered other than those mentioned above.

E. Major customer

The Group does not have any customer that individually accounted for more than 10% of the revenues in the year ended March 31, 2021 and March 31, 2020.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated
5 Revenue from operations (refer note 40)

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| Sale of products | 1,01,866.11 | 1,10,570.72 |
| Sale of services | | |
| Income from supply chain management services | 5,82,176.42 | 5,39,112.98 |
| Income from telecom services | 8,840.26 | 10,520.43 |
| | 5,91,016.68 | 5,49,633.41 |
| Other operating revenue | | |
| Scrap sales | 361.35 | 75.14 |
| Others | 115.55 | 175.67 |
| | 476.90 | 250.81 |
| | 6,93,359.69 | 6,60,454.94 |

6 Other income

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Interest income under the effective interest method on: | | |
| Cash and cash equivalents | 156.23 | 511.62 |
| Security deposits carried at amortised cost | 305.71 | 253.00 |
| Investments in debentures carried at amortised cost | 36.11 | 30.82 |
| Other items in finance income | 1.87 | 7.04 |
| Income from finance lease | 193.85 | 112.04 |
| Interest income on income tax refund | 324.73 | 220.96 |
| Gain on sale of property, plant and equipments, net | 36.81 | - |
| Gain on sale and lease back (refer note 16B(e)) | - | 6,717.55 |
| Gain on termination of lease contracts | 540.11 | 1,010.13 |
| Net gain on sale of investments | 0.47 | 85.04 |
| Provision no longer required written back | 940.18 | 4,532.59 |
| Exchange difference gain net | 2,519.73 | 3,998.19 |
| Government grant | 1,245.39 | - |
| Other non operating income | 308.20 | 1,342.42 |
| | 6,609.39 | 18,821.40 |

7 Cost of materials consumed

| | Year ended 31 March 2021 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| Inventory of packing materials at the beginning of the year | 281.46 | 41.46 |
| Add: Purchases | 2,360.92 | 3,112.09 |
| Less: Inventory of packing materials at the end of the year | (183.01) | (281.46) |
| | 2,459.37 | 2,872.09 |

8 Purchase of stock-in-trade

| | Year ended 31 March 2021 | Year ended 31 March 2019 |
|----------------------------|-----------------------------|-----------------------------|
| Purchase of stock-in-trade | 95,828.75 | 87,956.60 |
| | 95,828.75 | 87,956.60 |

9 Changes in inventory of stock-in-trade

| | Year ended 31 March 2021 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| Inventories at the beginning of the year | | |
| Stock-in-trade | 16,531.47 | 16,205.30 |
| Inventories at the end of the year | | |
| Stock-in-trade | (22,368.72) | (16,531.48) |
| Exchange differences on translation of foreign operations | 1,473.71 | 487.08 |
| | (4,363.54) | 160.90 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
10 Employee benefits expense

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus | 1,48,648.73 | 1,49,396.17 |
| Contribution to provident and other funds (refer note 36) | 17,942.85 | 17,809.98 |
| Expenses related to post-employment defined benefit plans (refer note 36) | 562.65 | 558.25 |
| Expenses related to compensated absences | 320.89 | 300.96 |
| Share based payments (refer note 36) | 1,902.98 | 860.61 |
| Staff welfare expense | 10,522.33 | 11,490.08 |
| | 1,79,900.43 | 1,80,416.05 |

11 Finance costs

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Interest expenses | 7,369.89 | 11,246.01 |
| Finance cost relating to finance lease obligations | 7,844.00 | 7,297.05 |
| Costs incurred relating to settlement of erstwhile consortium loan (refer note 30A(ii)) | - | 4,353.72 |
| Amortisation of transaction cost on borrowing | 1,181.72 | - |
| Other borrowing costs | 1,164.20 | 222.13 |
| | 17,559.81 | 23,118.91 |

12 Depreciation and amortisation expense

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment | 9,418.06 | 8,867.89 |
| Amortisation of Right of use asset | 30,194.24 | 31,063.23 |
| Amortisation of intangible assets | 4,715.91 | 4,519.03 |
| | 44,328.21 | 44,450.15 |

13 Other expenses

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Freight, clearing, forwarding and handling charges | 2,08,707.82 | 1,89,179.82 |
| Sub-contracting costs [^] | 80,192.43 | 74,112.81 |
| Material handling charges | 1,373.96 | 1,555.53 |
| Casual labour charges | 24,121.33 | 24,604.22 |
| Consumption of stores and spares | 3,146.65 | 3,501.94 |
| Staff transportation charges | 1,503.72 | 1,436.66 |
| Power and fuel | 6,104.81 | 7,502.67 |
| Rent, leasing and hiring charges | 6,774.54 | 6,321.09 |
| Rates and taxes | 3,545.34 | 3,966.12 |
| Insurance | 2,392.04 | 2,205.22 |
| Repairs and maintenance | 9,738.29 | 8,958.68 |
| Advertisement and business promotion | 742.37 | 988.73 |
| Travelling and conveyance | 1,538.09 | 4,177.41 |
| Communication costs | 2,766.97 | 2,796.87 |
| Printing & stationery | 1,267.60 | 1,304.95 |
| Bank charges | 682.89 | 552.81 |
| Factoring charges | 506.62 | 686.94 |
| Payment to auditors # | 204.20 | 193.70 |
| Legal and professional fees | 11,026.09 | 9,098.03 |
| Security expenses | 3,377.58 | 3,621.72 |
| Sales commission expenses | - | 304.37 |
| Premium on derivative instruments designated for hedge | 111.25 | - |
| Loss on foreign currency transactions and translations | 3,230.88 | 4,373.12 |
| Bad debts written off | 951.25 | 1,763.59 |
| Provision for doubtful financial assets and litigations | 2,368.76 | 3,553.54 |
| Loss on sale of property, plant and equipments, net | 93.13 | 621.87 |
| Loss on financial instruments measured at FVTPL | 691.79 | 1,209.76 |
| Provision for impairment on investments (refer note 17) | 161.78 | - |
| Costs incurred relating to settlement of erstwhile consortium loan (refer note 30A(ii)) | - | 2,864.21 |
| Miscellaneous expenses | 3,543.46 | 3,244.42 |
| | 3,80,865.64 | 3,64,700.80 |

[^] Includes cost of sub-contracting in respect of services relating to installation and commissioning of telecom towers.


TVS SUPPLY CHAIN SOLUTIONS LIMITED**Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***13 Other expenses (continued)**

Details of payment to auditors

As auditor

| | | |
|---|-------|-------|
| Audit of standalone & subsidiaries' financial statements | 38.95 | 37.00 |
| Audit of consolidated financial statements | 47.90 | 38.00 |
| Audit of subsidiaries for consolidation purposes* | 69.00 | 70.00 |
| Audit of subsidiaries for financial statement purposes | 14.75 | 19.70 |
| Tax audit of the company and other subsidiaries | 4.60 | 5.75 |
| Certification fees | 14.00 | 7.25 |
| Other matters - Audit procedures in connection with Ind AS 115 / 116 Globally | 15.00 | - |
| Re-imbursement of expenses | - | 1.00 |

In other capacities

Other services

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| | 38.95 | 37.00 |
| | 47.90 | 38.00 |
| | 69.00 | 70.00 |
| | 14.75 | 19.70 |
| | 4.60 | 5.75 |
| | 14.00 | 7.25 |
| | 15.00 | - |
| | - | 1.00 |
| | - | 15.00 |
| | 204.20 | 193.70 |

* Audit fee of subsidiaries for consolidation purposes includes ₹ 2.5 lakhs relating to earlier years



A. Amounts recognised in profit or loss

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Current tax (a) | | |
| Current tax on profits for the year from continuing operations | (1,687.62) | 2,635.75 |
| Deferred tax (b) | (1,687.62) | 2,635.75 |
| Attributable to origination and reversal of temporary differences | (2,484.28) | (2,013.10) |
| MAT credit utilisation/ (entitlement) | | |
| | (2,484.28) | (2,013.10) |
| Tax expense (a+b) | (4,171.90) | 622.65 |

Current tax on profits from discontinued operations

1.62

| | Year ended 31 March 2021 | | | Year ended 31 March 2020 | | |
|--|--------------------------|----------------------------|---------------|--------------------------|----------------------------|--------------|
| | Before tax | Tax expense / (benefit) | Net of tax | Before tax | Tax expense / (benefit) | Net of tax |
| | 149.37 | (43.94) | 105.43 | 146.41 | (61.40) | 85.01 |
| | 149.37 | (43.94) | 105.43 | 146.41 | (61.40) | 85.01 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|--|------------|------------|
| | 2007 | 2006 |

| | Year ended | Year ended |
|--|------------|------------|
| | 2007 | 2006 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended | Year ended |
|------|------------|------------|
| 1999 | 2000 | 2001 |

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| Income tax expense at tax rates applicable to individual entities | (4,676,80) | (4,524,34) |
| <i>Effect of:</i> | | |
| Impact of change in tax rates | 101,78 | (19,00) |
| Permanent disallowances | 119,80 | 22,79 |
| Income not subject to tax/taxable at different rates | (0,83) | 293,79 |
| Change in previously unrecognised tax losses / temporary differences | (1,977,79) | 2,485,55 |
| Items / current year losses for which no deferred tax asset was recognised | 1,532,33 | 1,152,54 |
| Expenses not deductible for tax purposes | 169,04 | 913,39 |
| Tax incentive | - | (303,58) |
| Deferred tax on undistributed reserves | 729,91 | 770,81 |
| Tax refund claimed on fiscal year FY 2020 | (1,715,53) | - |
| Profit recognised on deemed disposal of investment in joint venture | 1,349,92 | - |
| Others | 196,27 | (169,30) |
| Income tax expense as per statement of profit and loss | (4,171,90) | 622,65 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

14 Income tax expense (continued)

D. Recognised deferred tax assets and liabilities

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

| | 31 March 2021 | 31 March 2020 |
|--|------------------|------------------|
| Deferred tax liabilities (net) | | |
| Provision for employee benefits | 129.59 | 283.87 |
| Provision for doubtful trade receivables / advances | 52.03 | 58.73 |
| Provision - others | 546.88 | 749.85 |
| Intangible asset | (226.33) | 1.41 |
| Deferred revenue | 5.55 | 36.03 |
| Deferred rent | 84.39 | 84.39 |
| Other timing differences | 321.95 | 1,142.10 |
| Deferred tax assets | 914.06 | 2,356.38 |
| Property, plant and equipment | 366.03 | 619.68 |
| Prepaid expenses | (0.93) | 78.42 |
| Intangibles | 3,397.02 | 3,607.39 |
| Undistributed profits of subsidiaries and joint ventures | 8,056.30 | 7,201.90 |
| Deemed disposal of investment in joint venture | 1,349.92 | - |
| Deferred tax liabilities | 13,168.34 | 11,507.39 |
| Net Deferred tax liabilities | 12,254.28 | 9,151.01 |
| Deferred tax assets (net) | | |
| Property, plant and equipment | 1,156.37 | 871.20 |
| Provision for employee benefits | 2,449.49 | 1,591.16 |
| Provision for diminution in financial assets | 2,435.56 | 2,489.92 |
| Carried forward tax losses | 1,754.78 | 511.18 |
| MAT credit | 0.00 | 0.00 |
| Tax incentives | 26.03 | 3.07 |
| Deferred revenue | 218.27 | 213.67 |
| Right of use asset and liability | 3,477.43 | 1,068.37 |
| Others | 1,697.13 | 567.62 |
| Deferred tax assets | 13,215.06 | 7,316.19 |
| Property, plant and equipment | 802.36 | - |
| Deferred tax liabilities | 802.36 | - |
| Net Deferred tax assets | 12,412.70 | 7,316.19 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

14 Income tax expense (continued)

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 2021 | | 31 March 2020 | |
|-----------------------------------|------------------|-------------------------|------------------|-------------------------|
| | Gross amount | Unrecognised tax effect | Gross amount | Unrecognised tax effect |
| Deductible temporary differences* | | | | |
| Tax losses | 8,108.19 | 2,040.67 | 7,827.23 | 1,969.96 |
| Unabsorbed depreciation | 34,538.99 | 7,157.76 | 16,303.95 | 2,969.18 |
| | 131.29 | 45.88 | 131.29 | 45.88 |
| | 42,778.47 | 9,244.31 | 24,262.47 | 4,985.02 |

* Deductible temporary differences entirely pertains to the discontinued operations.

F. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

| | 31 March 2021 | 31 March 2020 |
|--------------------------|------------------|------------------|
| Expiry within 5 years | 3,344.25 | 1,130.62 |
| Expiry within 5-10 years | 4,640.33 | 15,171.17 |
| Never expire | 26,685.69 | 133.45 |
| | 34,670.28 | 16,435.24 |





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 2019 | Recognised in Profit & Loss | Recognised in Other comprehensive income | Currency translation adjustment | Balance as at 31 March 2020 | Recognised in Profit & Loss | Recognised in Other comprehensive income | Currency translation adjustment | Balance as at 31 March 2021 |
|---|----------------------------|-----------------------------|--|---------------------------------|-----------------------------|-----------------------------|--|---------------------------------|-----------------------------|
| Deferred tax liabilities (net) | | | | | | | | | |
| Provision for employee benefits | 150.79 | 125.66 | - | 7.42 | 283.87 | (164.31) | - | 10.03 | 129.59 |
| Provision for doubtful trade receivables / advances | 7.60 | 49.48 | - | 1.65 | 58.73 | (8.16) | - | 1.46 | 52.03 |
| Provision others | 544.72 | 183.05 | - | 22.08 | 749.85 | (257.48) | - | 54.51 | 546.88 |
| Intangible asset | 1.38 | - | - | 0.03 | 1.41 | (227.79) | - | 0.05 | (226.33) |
| Deferred revenue | 35.30 | - | - | 0.73 | 36.03 | (31.91) | - | 1.43 | 5.55 |
| Deferred rent | 84.39 | - | - | - | 84.39 | - | - | - | 84.39 |
| Other timing differences | - | 1,113.01 | - | 29.09 | 1,142.10 | (159.15) | - | (661.00) | 321.95 |
| Deferred tax assets | 824.18 | 1,471.20 | - | 61.00 | 2,350.38 | (848.80) | - | (593.52) | 914.06 |
| Property, plant and equipment | 586.08 | 9.35 | - | 24.25 | 619.68 | (271.97) | - | 18.32 | 366.03 |
| Prepaid expenses | 114.61 | (38.58) | - | 2.39 | 78.42 | (83.04) | - | 3.69 | (0.93) |
| Intangibles | 4,419.71 | (561.46) | - | (250.86) | 3,607.39 | (352.13) | - | 141.76 | 3,397.02 |
| Undistributed profits of subsidiaries and joint ventures | 6,279.09 | 770.81 | - | 152.00 | 7,201.90 | 400.79 | - | 453.61 | 8,056.30 |
| Deemed disposal of investment in joint venture | - | - | - | - | - | 1,349.92 | - | - | 1,349.92 |
| Deferred tax liabilities | 11,399.49 | 180.12 | - | (72.22) | 11,507.39 | 1,043.57 | - | 617.38 | 13,168.34 |
| Net Deferred tax liabilities | 10,575.31 | (1,291.08) | - | (133.22) | 9,151.01 | 1,892.37 | - | 1,210.90 | 12,254.28 |
| Deferred tax assets (net) | | | | | | | | | |
| Property, plant and equipment | 599.75 | 271.15 | - | 0.30 | 871.20 | 284.94 | - | 0.23 | 1,156.37 |
| Provision for employee benefits | 1,414.25 | 223.00 | (61.14) | 15.05 | 1,591.16 | 902.06 | (43.94) | 0.21 | 2,449.49 |
| Provision for diminution in financial assets | 2,603.12 | (131.92) | - | 18.72 | 2,489.92 | (52.92) | - | (1.44) | 2,435.56 |
| Carried forward tax losses | 98.52 | 400.77 | - | 11.89 | 511.18 | 1,240.35 | - | 3.25 | 1,754.78 |
| MAT Credit | 11.85 | (11.85) | - | - | (0.00) | - | - | - | (0.00) |
| Tax incentives | 5.10 | (2.03) | - | - | 3.07 | 23.20 | - | (0.24) | 26.03 |
| Deferred revenue | 220.63 | (21.53) | - | 14.57 | 213.67 | - | - | 4.60 | 218.27 |
| Right of use asset and liability | 1,078.88 | (10.51) | - | - | 1,068.37 | 2,329.55 | - | 79.51 | 3,477.43 |
| Others | 571.62 | 4.94 | - | (8.94) | 567.62 | 452.21 | - | 677.30 | 1,697.13 |
| Deferred tax assets | 6,603.72 | 722.02 | (61.14) | 51.59 | 7,316.19 | 5,179.39 | (43.94) | 763.42 | 13,215.06 |
| Property, plant and equipment | - | - | - | - | - | 802.74 | - | (0.38) | 802.36 |
| Deferred tax liabilities | - | - | - | - | - | 802.74 | - | (0.38) | 802.36 |
| Net Deferred tax assets | 6,603.72 | 722.02 | (61.14) | 51.59 | 7,316.19 | 4,376.65 | (43.94) | 763.80 | 12,412.70 |
| Net amount recognised in statement of profit and loss / other comprehensive income | | (2,013.10) | 61.14 | | | (2,484.28) | 43.94 | | |

TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

15 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 |
|---|-----------------|-----------------|---------------------|------------------------|-----------------|------------------|--------------------|------------------------|------------------|
| Gross carrying amount | | | | | | | | | |
| Balance as at 01 April 2019 | 5,537.31 | 12,077.55 | 19,724.26 | 14,765.16 | 2,540.75 | 1,008.51 | 4,166.99 | 3,436.42 | 63,256.95 |
| Other additions | - | - | 5,143.47 | 3,311.31 | 894.79 | 299.66 | 1,075.38 | 2,612.13 | 13,336.73 |
| Disposals** | (3,437.75) | (8,929.83) | (2,746.42) | (686.52) | (454.03) | (26.46) | (193.03) | (296.95) | (16,770.97) |
| Adjustment | - | - | 1,332.23 | 2,350.92 | 644.50 | 12.52 | 1,869.06 | 1,737.56 | 7,946.78 |
| Exchange differences on translation of foreign operations | (12.49) | (23.76) | 953.56 | 435.40 | 125.68 | 2.76 | 270.14 | 360.24 | 2,111.53 |
| Balance at 31 March 2020 | 2,087.07 | 3,123.96 | 24,407.10 | 20,176.27 | 3,751.69 | 1,296.99 | 7,188.54 | 7,849.40 | 69,881.02 |
| Balance as at 01 April 2020 | 2,087.07 | 3,123.96 | 24,407.10 | 20,176.27 | 3,751.69 | 1,296.99 | 7,188.54 | 7,849.40 | 69,881.02 |
| Other additions | - | 97.46 | 778.80 | 4,509.94 | 118.34 | 598.05 | 817.16 | 104.30 | 7,024.05 |
| Reclassifications to assets held for sale | - | - | (41.31) | - | - | - | (50.31) | - | (91.62) |
| Disposals** | - | - | (1,104.40) | (1,530.96) | (485.08) | (64.80) | (201.32) | (403.34) | (3,780.90) |
| Exchange differences on translation of foreign operations | (0.00) | 30.23 | 276.81 | 1,033.13 | 224.10 | 1.56 | 131.22 | 343.27 | 2,040.32 |
| Balance at 31 March 2021 | 2,087.07 | 3,251.65 | 24,317.00 | 24,188.37 | 3,609.05 | 1,831.80 | 7,885.29 | 7,893.63 | 75,063.87 |
| Accumulated depreciation | | | | | | | | | |
| Balance at 01 April 2019 | - | 1,450.21 | 8,539.83 | 5,003.43 | 392.38 | 467.35 | 2,716.89 | 1,481.86 | 20,051.95 |
| Depreciation for the year | - | 245.86 | 3,226.35 | 2,274.99 | 937.86 | 268.14 | 1,124.84 | 789.85 | 8,867.89 |
| Disposals** | - | (1,415.09) | (2,187.24) | (205.40) | (382.12) | (19.75) | (175.78) | (97.75) | (4,483.13) |
| Adjustment | - | - | 1,629.87 | 1,967.01 | 662.56 | 10.11 | 1,850.13 | 1,676.29 | 7,825.97 |
| Exchange differences on translation of foreign operations | - | (2.46) | 460.43 | 208.35 | 55.47 | 3.93 | 220.48 | 186.70 | 1,132.90 |
| Balance at 31 March 2020 | - | 278.52 | 11,669.24 | 9,278.38 | 1,666.15 | 729.78 | 5,736.56 | 4,036.95 | 33,395.58 |
| Balance at 01 April 2020 | - | 278.52 | 11,669.24 | 9,278.38 | 1,666.15 | 729.78 | 5,736.56 | 4,036.95 | 33,395.58 |
| Depreciation for the year | - | 76.06 | 4,260.17 | 2,759.97 | 879.53 | 246.13 | 871.32 | 324.88 | 9,418.06 |
| Disposals | - | - | (771.22) | (1,369.19) | (386.84) | (54.75) | (216.75) | (393.92) | (3,192.67) |
| Exchange differences on translation of foreign operations | - | 6.90 | 157.34 | 426.57 | 126.94 | 2.92 | 106.16 | 111.25 | 938.08 |
| Balance at 31 March 2021 | - | 361.48 | 15,315.53 | 11,095.73 | 2,285.78 | 924.08 | 6,497.29 | 4,079.16 | 40,559.05 |
| Carrying amounts (net) | | | | | | | | | |
| At 31 March 2020 | 2,087.07 | 2,845.45 | 12,737.86 | 10,897.89 | 2,085.54 | 567.21 | 1,451.98 | 3,812.45 | 36,485.44 |
| At 31 March 2021 | 2,087.07 | 2,890.17 | 9,001.47 | 13,092.64 | 1,323.27 | 907.71 | 1,387.99 | 3,814.47 | 34,504.82 |

** Includes certain assets procured exclusively for customers net carrying amount of ₹ 7.77 lakhs (Previous year : ₹ 291.25 lakhs), which have been assessed to be finance lease in which the company is a lessor and accordingly reclassified.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

15 Property, plant and equipment (continued)

B Plant and equipment and vehicles held under finance lease

The Group has acquired certain plant and equipment and vehicles under finance lease arrangements. The gross and net carrying amounts of such assets acquired under leases included in the above reconciliation are as follows:

| | 31 March 2021 | 31 March 2020 |
|--------------------------|---------------|---------------|
| Cost/ deemed cost | 158.88 | 206.07 |
| Accumulated depreciation | (135.71) | (163.83) |
| Net carrying amount | 23.18 | 42.24 |

C Security

For details of property, plant and equipment pledged as security against borrowings, refer note 30.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

16 Intangible assets

A Reconciliation of carrying amount

| | Goodwill # | Patents and trademarks | Customer relationship & Others | Brand | Computer software | Total (excluding goodwill) |
|---|------------------|------------------------|--------------------------------|-----------------|-------------------|----------------------------|
| Gross carrying amount | | | | | | |
| Balance at 01 April 2019 | 42,953.66 | 5.53 | 23,782.87 | 4,577.48 | 5,750.91 | 34,116.79 |
| Other additions | 1,137.83 | - | (1,332.35) | (178.04) | 2,529.03 | 1,018.64 |
| Reclassifications to assets held for sale | - | - | - | - | (142.90) | (142.90) |
| Disposals | - | - | 455.65 | - | 422.56 | 878.21 |
| Exchange differences on translation of foreign operations | 1,350.91 | (0.48) | 1,109.41 | 106.33 | 284.01 | 1,499.27 |
| Balance at 31 March 2020 | 45,442.40 | 5.05 | 24,015.58 | 4,505.77 | 8,843.61 | 37,370.01 |
| Balance at 01 April 2020 | 45,442.40 | 5.05 | 24,015.58 | 4,505.77 | 8,843.61 | 37,370.01 |
| Other additions/revisions | - | - | 105.59 | - | 2,391.29 | 2,496.88 |
| Disposals/adjustments | - | - | - | - | (58.67) | (58.67) |
| Exchange differences on translation of foreign operations | 1,725.60 | 1.05 | 1,194.25 | 323.97 | 178.40 | 1,697.67 |
| Balance at 31 March 2021 | 47,168.00 | 6.10 | 25,315.42 | 4,829.74 | 11,354.63 | 41,505.89 |
| Accumulated amortisation/impairment | | | | | | |
| Balance at 01 April 2019 | - | - | 4,425.91 | 578.60 | 2,356.65 | 7,361.16 |
| Amortisation for the year | - | - | 2,627.08 | 267.69 | 1,624.26 | 4,519.03 |
| Disposals | - | - | - | - | (57.60) | (57.60) |
| Adjustments | - | - | 301.88 | - | 576.75 | 878.63 |
| Exchange differences on translation of foreign operations | - | - | 657.24 | 7.14 | 122.79 | 787.17 |
| Balance at 31 March 2020 | - | - | 8,012.11 | 853.43 | 4,622.85 | 13,488.39 |
| Balance at 01 April 2020 | - | - | 8,012.11 | 853.43 | 4,622.85 | 13,488.39 |
| Impairment for the year * | 1,275.52 | - | - | - | - | - |
| Amortisation for the year | - | - | 2,327.86 | 204.67 | 2,183.38 | 4,715.91 |
| Disposals/adjustments | - | - | - | - | (58.67) | (58.67) |
| Exchange differences on translation of foreign operations | (11.97) | - | 347.09 | 26.01 | 104.51 | 477.61 |
| Balance at 31 March 2021 | 1,263.55 | - | 10,687.06 | 1,084.11 | 6,852.07 | 18,623.24 |
| Carrying amounts (net) | | | | | | |
| Balance at 31 March 2020 | 45,442.40 | 5.05 | 16,003.47 | 3,652.34 | 4,220.76 | 23,881.62 |
| Balance at 31 March 2021 | 45,904.45 | 6.10 | 14,628.36 | 3,745.63 | 4,502.56 | 22,882.65 |

* During the year, the Group disposed off the inventory and all operations relating to Mesco business in North America. Consequently, goodwill related to this business amounting to ₹ 1,275.52 lakhs has been fully written off which is disclosed as exceptional item in the statement of profit and loss.



16 Intangible assets (continued)

The Group has performed impairment tests of goodwill at the end of the financial year March 2021 and March 2020. 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 March 2021 | 20,606 | 10,113 | 1,195 | 5,301 | 8,690 |
| Carrying amount of goodwill March 2020 | 19,580 | 9,290 | 1,102 | 6,762 | 8,690 |
| Basis of recoverable amount | Value in use | Value in use | Value in use | Value in use | Value in use |
| Pre-tax discount rate March 2021 | 7.5% | 8.0% | 8.0% | 3.0% | 9.2% |
| Pre-tax discount rate March 2020 | 6.80% | 8.00% | 8.00% | 5.50% | 12% |
| Projection period | 5 Years | 5 Years | 5 Years | 5 Years | 5 Years |
| Terminal growth rate March 2021 | 3.4% | 1.0% | 1.0% | 1.0% | 3.0% |
| Terminal growth rate March 2020 | 3.5% | 1.0% | 1.0% | 1.0% | 3.5% |

Key assumptions have not changed significantly compared to the previous year with the exception of discount rates used. For March 2021 and March 2020, the recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised for the years March 2021 and March 2020.

Management considers that it is not likely for the assumptions used to change so significantly, as to eliminate the excess of recoverable amounts.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(all amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

16B Right of use assets

- a The leases primarily consists 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 period

| | Building | Plant and equipment | Furniture and fixtures | Office equipment | Vehicles | Total |
|---|------------------|---------------------|------------------------|------------------|-----------------|------------------|
| Net carrying amount | | | | | | |
| Balance as at 1st April 2019 | 82,878.31 | 5,911.10 | 32.96 | 321.69 | 472.14 | 89,616.20 |
| Additions | 37,437.17 | 2,643.82 | - | 83.30 | 837.44 | 41,021.73 |
| Reversals (less) | (4,614.43) | - | - | - | - | (4,614.43) |
| Amortisation (less) | (27,502.25) | (3,076.45) | (6.12) | (114.18) | (364.23) | (31,063.23) |
| Currency translation and others | 2,304.00 | 242.25 | - | 19.02 | 63.57 | 2,628.84 |
| Balance as at 31st March 2020 | 90,502.80 | 5,720.72 | 26.84 | 309.83 | 1,028.92 | 97,589.11 |
| Additions | 26,474.39 | 3,349.32 | - | 8.71 | 163.92 | 29,986.34 |
| Reversals (less) | (4,193.27) | (1,518.76) | (6.38) | - | (33.48) | (5,751.89) |
| Amortisation (less) | (27,306.45) | (2,252.85) | (10.18) | (135.30) | (489.46) | (30,194.24) |
| Currency translation and others | 3,478.52 | 303.97 | - | 10.03 | (4.34) | 3,788.18 |
| Balance as at 31st March 2021 | 88,955.99 | 5,602.40 | 10.28 | 193.27 | 665.56 | 95,427.50 |
| c Set out below are the carrying amounts of lease liabilities and the movement during the period | | | | | | |
| Balance at the beginning of the year | | | | | | |
| Additions | | | | | | |
| Accretion of interest | | | | | | |
| Payments | | | | | | |
| Reversals | | | | | | |
| Currency translation and others | | | | | | |
| Balance at the end of the year | | | | | | |
| Current | | | | | | |
| Non-current | | | | | | |
| d The following are recognised in the statement of profit and loss | | | | | | |
| Amortisation expenses of right of use assets | | | | | | |
| Interest expenses on lease liabilities | | | | | | |
| Expenses relating to short term leases and leases of low value assets | | | | | | |
| Total amount recognised in profit or loss | | | | | | |
| e Sale & lease back during the previous year | | | | | | |

During the previous year, the Group had sold a property located in Chorley, UK and took back the same property on lease for a period of 15 years. The UK real estate market provided an opportunity to realise significant gain on Chorley property. There were many interested long term investors who were ready to buy the property with a dependable yield. Using the opportunity, the Group realised ₹ 28,075.81 lakhs for the property that had a book value of ₹ 10,452.95 lakhs by selling it to the local council. By taking back the same property on lease, there was no disruption to the normal operations of the business.

Key terms of the sale and lease back is as follows:

- Net sale proceeds from sale and lease back
- Net book value of property sold and leased back
- Present value of lease liability
- Rights transferred to the buyer
- Gain on sale and lease back recognised
- Right of use assets recognised

| | |
|---|-----------|
| 31 March 2020 | |
| Net sale proceeds from sale and lease back | 28,075.81 |
| Net book value of property sold and leased back | 10,452.95 |
| Present value of lease liability | 17,938.06 |
| Rights transferred to the buyer | 38% |
| Gain on sale and lease back recognised | 6,717.55 |
| Right of use assets recognised | 6,678.55 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

17 Equity accounted investees

The Group's interest in equity accounted investees comprises of the following

| | Note | 31 March 2021 | 31 March 2020 |
|-----------------------------|------|------------------|-----------------|
| Interest in joint ventures* | A | 10,050.32 | 3,566.98 |
| Interest in associate # | | - | 148.98 |
| | | 10,050.32 | 3,715.96 |

The Group's share of profit (loss) in equity accounted investees are as follows

| | Note | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|------|-----------------------------|-----------------------------|
| Share of profit (loss) in joint ventures/associate* | A | (6.66) | 218.98 |
| | | (6.66) | 218.98 |

* During the year, the Group's share of net assets in TVS Industrial & Logistics Park Pvt. Limited (TVSILP) (joint venture) was diluted from 50% to 31.2% as consequence of primary investment by CDC Group PLC in TVSILP. This deemed disposal has been accounted for in accordance with Ind AS 28 and the consequent gain of ₹ 6,490 lakhs has been disclosed in the financial statements as an exceptional item. The Group continues to treat its investment in TVSILP as a joint venture on the basis of its rights and power under the new shareholders agreement with the other investors.

The investment in Montara Verpacken mit System GmbH has been fully impaired as at 31 March, 2021 and an amount of ₹ 161.78 lakhs has been taken to the statement of profit and loss account.

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 :

| 31 March 2021 | TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Private Limited) | Total |
|--|---|-------------|
| | 31.2% * | |
| Non-current assets | 81,183.15 | 81,183.15 |
| Current assets | 22,407.51 | 22,407.51 |
| Non-current liabilities | (56,385.39) | (56,385.39) |
| Current liabilities | (15,673.98) | (15,673.98) |
| Net assets | 31,531.28 | 31,531.28 |
| Group's share of net assets | 9,837.76 | 9,837.76 |
| Add : Assumed goodwill | 84.90 | 84.90 |
| Carrying amount of interest in joint ventures as at 31 March 2021 (refer note below) | 9,922.66 | 9,922.66 |
| For the year ended 31 March 2021 | | |
| Revenue | | |
| Profit | 5,850.04 | 5,850.04 |
| Total comprehensive income | (21.33) | (21.33) |
| Group's share of Profit | (21.33) | (21.33) |
| Group's share of OCI | (6.66) | (6.66) |
| Group's share of total comprehensive income | (6.66) | (6.66) |

* 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

| 31 March 2020 | TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Private Limited) | Total |
|--|--|--------------|
| | 50.0% | |
| Non-current assets | 57,300.89 | 57,300.89 |
| Current assets | 5,084.64 | 5,084.64 |
| Non-current liabilities | (42,290.64) | (42,290.64) |
| Current liabilities | (13,130.75) | (13,130.75) |
| Net assets | 6,964.14 | 6,964.14 |
| Group's share of net assets | 3,482.07 | 3,482.07 |
| Add : Assumed goodwill | 84.90 | 84.90 |
| Carrying amount of interest in joint venture as at 31 March 2020 | 3,566.97 | 3,566.97 |
| A. Joint ventures (continued) | | |
| | TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Private Limited) | Total |
| For the year ended 31 March 2020 | | |
| Revenue | | |
| Profit | 5,544.28 | 5,544.28 |
| Total comprehensive income | 437.96 | 437.96 |
| Group's share of Profit | 437.96 | 437.96 |
| Group's share of OCI | 218.98 | 218.98 |
| Group's share of total comprehensive income | 218.98 | 218.98 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

18. A. Non-controlling interests

TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)
 FLEXOL Packaging (India) Limited
 White Data Systems India Pvt. Ltd.
 TVS Toyota Tsusho Supply Chain Solutions Ltd.
 TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)
 Rico Logistics Limited
 SPC International Limited
 Other NCI in subsidiaries of TVS Logistics Investment UK Limited

| | 31 March 2021 | 31 March 2020 |
|--|-----------------|-----------------|
| | 555.64 | 655.97 |
| | 30.84 | 131.29 |
| | 2,024.62 | 2,208.71 |
| | 981.92 | 847.86 |
| | (1,455.24) | (1,237.47) |
| | 620.74 | 603.78 |
| | - | 3,189.69 |
| | 1,238.37 | 1,584.59 |
| | 3,996.89 | 7,982.42 |

B. Profit attributable to non-controlling interests

TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)
 FLEXOL Packaging (India) Limited
 White Data Systems India Pvt. Ltd.
 TVS Toyota Tsusho Supply Chain Solutions Ltd.
 TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)
 Rico Logistics Limited
 SPC International Limited
 Other subsidiaries of TVS Logistics Investment UK Limited

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| | 144.68 | 110.54 |
| | (25.87) | (113.21) |
| | (194.74) | (113.48) |
| | 138.45 | 89.41 |
| | (259.65) | (5,783.57) |
| | (14.61) | (68.26) |
| | - | 394.88 |
| | 11.48 | (82.74) |
| | (208.26) | (5,566.43) |

C. Other comprehensive income attributable to non-controlling interests

TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)
 FLEXOL Packaging (India) Limited
 White Data Systems India Pvt. Ltd.
 TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)
 Rico Logistics Limited
 SPC International Limited
 TVS Toyota Tsusho Supply Chain Solutions Ltd.
 Other subsidiaries of TVS Logistics Investment UK Limited

| | | |
|--|---------------|-----------------|
| | 1.71 | (1.93) |
| | 0.70 | (0.91) |
| | 12.66 | (8.60) |
| | (57.78) | (119.07) |
| | 31.56 | (47.89) |
| | 136.51 | (0.99) |
| | (4.46) | (0.38) |
| | 150.84 | 11.65 |
| | 271.80 | (168.12) |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

18 Non-controlling interests (continued)

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 2021

| | White Data Systems India Pvt. Ltd. | TVS Toyota Tsusho Supply Chain Solutions Ltd. | TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Ltd.) | FLEXOL Packaging (India) Limited | TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asiatics Supply Chain Solutions Limited) | Rico Logistics Limited | SPC International Limited |
|---|--|--|--|--|---|------------------------|---------------------------------|
| NCI % | 49.00% | 40.00% | 10.00% | 11.94% | 6.51% | 2.50% | 37.00% |
| Non-current assets | 2,468.29 | 4,770.61 | 259.54 | 533.17 | 55,716.40 | 54,271.88 | - |
| Current assets | 3,092.12 | 2,375.09 | 9,190.98 | 651.20 | 53,295.39 | 57,934.71 | - |
| Non-current liabilities | (41.83) | (3,081.93) | (126.99) | (38.13) | (76,560.72) | (26,138.21) | - |
| Current liabilities | (1,386.70) | (1,608.98) | (3,767.19) | (887.91) | (54,795.37) | (61,238.83) | - |
| Net assets | 4,131.88 | 2,454.79 | 5,556.34 | 258.33 | (22,344.30) | 24,829.55 | - |
| Net assets attributable to NCI | 2,024.62 | 981.92 | 555.64 | 30.84 | (1,455.24) | 620.74 | - |
| Revenue | 501.95 | 6,153.49 | 34,726.29 | 2,229.38 | 1,81,159.40 | 1,59,874.55 | - |
| Profit | (397.43) | 346.14 | 1,286.07 | (151.49) | (1,814.92) | (584.30) | - |
| Other comprehensive income | 22.36 | (10.99) | 17.14 | 5.84 | (477.75) | - | - |
| Total comprehensive income | (375.07) | 335.15 | 1,303.21 | (145.65) | (2,292.67) | (584.30) | - |
| Profit allocated to NCI | (194.74) | 138.45 | 144.68 | (25.87) | (239.65) | (14.61) | - |
| OCI allocated to NCI | 12.66 | (4.40) | 1.71 | 0.70 | (31.12) | - | - |
| Exchange differences on translation of foreign operations | - | - | - | - | (26.66) | 31.56 | - |
| Total comprehensive income allocated to NCI | (182.08) | 134.05 | 146.39 | (25.17) | (317.43) | 16.95 | - |

31 March 2020

| | White Data Systems India Pvt. Ltd. | TVS Toyota Tsusho Supply Chain Solutions Ltd. | TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Ltd.) | FLEXOL Packaging (India) Limited | TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asiatics Supply Chain Solutions Limited) | Rico Logistics Limited | SPC International Limited |
|---|--|--|--|--|---|------------------------|---------------------------------|
| NCI % | 49.00% | 40.00% | 15.00% | 32.50% | 6.69% | 2.50% | 37.00% |
| Non-current assets | 1,928.88 | 5,258.82 | 382.25 | 683.24 | 57,157.61 | 48,767.83 | 3,063.86 |
| Current assets | 5,248.93 | 1,663.96 | 6,755.30 | 803.68 | 47,865.56 | 55,547.35 | 6,585.10 |
| Non-current liabilities | (84.38) | (3,106.18) | (177.64) | (48.80) | (75,886.55) | (24,569.27) | - |
| Current liabilities | (2,589.95) | (1,696.96) | (2,586.77) | (1,034.15) | (47,624.28) | (55,594.63) | (1,028.18) |
| Net assets | 4,503.48 | 2,119.64 | 4,373.14 | 403.97 | (18,487.66) | 24,151.28 | 8,620.78 |
| Net assets attributable to NCI | 2,206.71 | 847.86 | 655.97 | 131.29 | (1,237.47) | 603.78 | 3,189.69 |
| Revenue | 4,922.10 | 5,057.31 | 29,888.53 | 2,137.69 | 1,45,173.49 | 1,50,088.37 | 14,505.67 |
| Profit | (231.59) | 223.52 | 736.91 | (348.33) | (18,467.15) | (2,730.25) | 1,067.23 |
| Other comprehensive income | (17.55) | (0.95) | (12.86) | (2.79) | (316.55) | (2,571.35) | (232.84) |
| Total comprehensive income | (249.14) | 222.57 | 724.05 | (351.12) | (18,783.70) | (5,301.60) | 834.39 |
| Profit allocated to NCI | (113.48) | 89.41 | 110.54 | (113.21) | (5,783.57) | (68.26) | 394.88 |
| OCI allocated to NCI | (8.60) | (0.38) | (1.93) | (0.91) | (21.19) | (64.28) | (86.15) |
| Exchange differences on translation of foreign operations | - | - | - | - | (97.88) | 16.39 | 85.16 |
| Total comprehensive income allocated to NCI | (122.08) | 89.03 | 108.61 | (114.12) | (5,902.64) | (116.15) | 393.89 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated
19 Investments
A. Non-current investments

| | 31 March 2021 | 31 March 2020 |
|---|-------------------|-------------------|
| Unquoted investment in body corporate at fair value | | |
| TN Apex Skill Development Centre For Logistics 2,00,000 (31 March 2020 : Nil) equity shares of ₹ 10 each | 20.00 | - |
| | 20.00 | - |
| Unquoted investment in debentures carried at amortised cost | | |
| Prasanna Purple Mobility Solutions Private Limited*** (31 March 2020: 15,800) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each | - | 154.30 |
| Prasanna Purple Mobility Solutions Private Limited*** (31 March 2020: 14,490) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each | - | 107.21 |
| | - | 261.51 |
| Unquoted investment in preference shares carried at amortised cost | | |
| Cargowings Logistics Limited 25,000,000 (31 March 2020 : 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 decline in fair 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 | 261.51 |
| Aggregate amount of unquoted investments | 2,520.00 | 2,761.51 |
| Aggregate amount of impairment in the value of investments | 2,500.00 | 2,500.00 |

B. Current investments

| | 31 March 2021 | 31 March 2020 |
|---|-----------------|-----------------|
| Unquoted investment in debentures carried at amortised cost | | |
| Prasanna Purple Mobility Solutions Private Limited*** 25,400 (31 March 2020: 9,600) Series I NCD, 0.1% Unsecured Non- Convertible Debentures of ₹ 1000 each | 253.97 | 99.29 |
| Prasanna Purple Mobility Solutions Private Limited*** 30,690 (31 March 2020: 16,200) Series II NCD, 0.1% Unsecured Non- Convertible Debentures of ₹ 1000 each | 301.65 | 162.00 |
| Prasanna Purple Mobility Solutions Private Limited*** 80,000 (31 March 2020: 80,000) Optionally Convertible Debentures of ₹ 1000 each | 800.00 | 800.00 |
| | 1,355.62 | 1,061.29 |
| Total current investments | 1,355.62 | 1,061.29 |
| Aggregate value of unquoted investments | 1,355.62 | 1,061.29 |

*** Series I NCD, 0.1% Unsecured Non-Convertible Debentures and Series II NCD, 0.1% Unsecured Non-Convertible Debentures carries Interest at 0.1% p.a and redeemable over a period commencing from July 31, 2016 as stated below :

| Series I NCD | Amount | Series II NCD | Amount |
|---|---------------|---|---------------|
| 31 July 2019 (extended till September 2021) | 135.00 | 30 November 2019 (extended till September 2021) | 99.90 |
| 31 July 2020 (extended till September 2021) | 96.00 | 30 November 2020 (extended till September 2021) | 162.00 |
| 31 July 2021 | 23.00 | 30 November 2021 | 45.00 |
| | 254.00 | | 306.90 |

The Optionally Convertible Debentures ("OCD") which carries minimum 20% IRR, is either redeemable or convertible into equity shares of Prasanna Purple Mobility Solutions Private Limited as per the terms and conditions set out in the shareholder's agreement between TVS Commutation Solutions Limited and Prasanna Purple Mobility Solutions Private Limited. The redemption/ conversion shall be done in two years from 01 March 2016 (date of issuance). The redemption / conversion has been extended till September 2021.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated
20 Deposits and other receivables

| | Non-current | | Current | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Security deposits | | | | |
| Unsecured, considered good | 3,420.08 | 2,833.65 | 3,948.37 | 3,947.92 |
| Unsecured, considered doubtful | - | - | 121.92 | 96.92 |
| Provision for doubtful security deposits | - | - | (121.92) | (96.92) |
| | 3,420.08 | 2,833.65 | 3,948.37 | 3,947.92 |
| Security deposit to related parties | | | | |
| Unsecured, considered good | 464.83 | 336.11 | - | 145.94 |
| | 464.83 | 336.11 | - | 145.94 |
| Other receivables | | | | |
| Loans and advances to employees | - | - | 1,596.69 | 423.20 |
| Finance lease receivables (refer note 15 and 38) | 858.97 | 1,192.20 | 302.53 | 275.57 |
| Receivable from others | | | | |
| Unsecured, considered good | - | - | 825.77 | 542.17 |
| Unsecured, considered doubtful | - | - | 180.74 | 180.74 |
| Provision for doubtful receivables | - | - | (180.74) | (180.74) |
| | 858.97 | 1,192.20 | 2,724.99 | 1,240.94 |
| | 4,743.88 | 4,361.96 | 6,673.36 | 5,334.80 |

21 Other financial assets

| | Non-current | | Current | |
|---|-----------------|---------------|------------------|------------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Advances recoverable in cash or kind | | | | |
| Unsecured considered good | - | - | 300.97 | 185.71 |
| Unbilled revenue | - | - | 300.97 | 185.71 |
| Margin money deposited with banks | - | - | 29,461.79 | 24,376.58 |
| Derivative asset (refer note 43(v)) | - | 132.52 | 137.14 | - |
| Deposits with banks with more than 12 months maturity | 617.17 | - | - | - |
| Interest accrued on investments | - | 10.50 | - | - |
| Others | 605.44 | 605.44 | - | - |
| | 1.66 | - | 49.85 | 293.75 |
| | 1,224.27 | 748.46 | 29,968.25 | 24,856.04 |

22 Other non current assets

| | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Prepaid expenses | | |
| Advance for supply of goods and services | 15.53 | 1.14 |
| Unsecured, considered good | 140.07 | 156.80 |
| | 140.07 | 156.80 |
| Capital advances | | |
| Unsecured, considered good | 94.68 | 561.98 |
| Unsecured, considered doubtful | 4.06 | 4.20 |
| Provision for doubtful receivables | (4.06) | (4.20) |
| | 94.68 | 561.98 |
| | 250.28 | 719.92 |

23 Inventories

| (valued at lower of cost or net realizable value) | 31 March 2021 | 31 March 2020 |
|---|------------------|------------------|
| Packing materials | | |
| Stock-in-trade | 183.01 | 281.46 |
| Stores and spares | 22,368.72 | 16,531.48 |
| | 213.80 | 169.24 |
| | 22,765.53 | 16,982.18 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
24 Trade receivables

| | 31 March 2021 | 31 March 2020 |
|--------------------------------|--------------------|--------------------|
| Gross trade receivables | | |
| Secured, considered good | | |
| Unsecured, considered good | 1,13,431.14 | 1,30,727.96 |
| Doubtful | 9,865.41 | 7,473.38 |
| | <u>1,23,296.55</u> | <u>1,38,201.34</u> |
| Loss allowance | | |
| Doubtful | (9,865.41) | (7,473.38) |
| | <u>(9,865.41)</u> | <u>(7,473.38)</u> |
| Net trade receivables | <u>1,13,431.14</u> | <u>1,30,727.96</u> |
| Non-current | 632.46 | - |
| Current | 1,12,798.68 | 1,30,727.96 |

25 Cash and cash equivalents (refer note below)

| | 31 March 2021 | 31 March 2020 |
|---|------------------|------------------|
| Cash on hand | 65.24 | 74.58 |
| Cheques on hand | 5.17 | 14.50 |
| | <u>70.41</u> | <u>89.08</u> |
| Balance with banks | | |
| On current accounts | 53,097.57 | 87,878.41 |
| Deposits with original maturity of less than three months | 528.26 | 493.79 |
| | <u>53,625.83</u> | <u>88,372.20</u> |
| | <u>53,696.24</u> | <u>88,461.28</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 2021 | 31 March 2020 |
|---|-----------------|------------------|
| Deposits with original maturity of more than 3 months less than 12 months | 3,715.97 | 26,216.52 |
| | <u>3,715.97</u> | <u>26,216.52</u> |

27 Loans - Current

| | 31 March 2021 | 31 March 2020 |
|--------------------------------|---------------|---------------|
| Loan to others | | |
| Unsecured, considered doubtful | 1,004.63 | 1,004.63 |
| Provision for doubtful loans | (1,004.63) | (1,004.63) |
| | <u>-</u> | <u>-</u> |

28 Other current assets

| | 31 March 2021 | 31 March 2020 |
|--|------------------|------------------|
| Advance related to supply of goods and services to parties other than related parties | | |
| Unsecured, considered good | 4,161.10 | 2,419.76 |
| Unsecured, considered doubtful | 1,710.60 | 1,710.46 |
| Provision for doubtful receivables | (1,710.60) | (1,710.46) |
| | <u>4,161.10</u> | <u>2,419.76</u> |
| Advance related to supply of goods and services to related parties | | |
| Unsecured, considered good | 136.46 | - |
| | <u>136.46</u> | <u>-</u> |
| Balances with statutory authorities | | |
| Unsecured, considered good | 3,631.13 | 3,292.95 |
| | <u>3,631.13</u> | <u>3,292.95</u> |
| Other current assets | | |
| Prepaid expenses | 9,262.78 | 8,511.40 |
| Others | 443.28 | 67.90 |
| | <u>17,634.75</u> | <u>14,292.01</u> |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated
29A Share capital
Authorised share capital

34,800,000 (31 March 2020: 34,800,000) equity shares of ₹ 10 each
 1,200,000 (31 March 2020: 1,200,000) preference shares of ₹ 10 each =
 1,100,000 (31 March 2020: 1,100,000) preference shares of ₹ 100 each

31 March 2021
31 March 2020

3,480.00
 120.00
 1,100.00

3,480.00
 120.00
 1,100.00

Issued
Equity shares

13,810,401 (31 March 2020 : 13,810,401) equity shares of ₹ 10 each at par
 5,066,800 (31 March 2020 : 5,066,800) equity shares of ₹ 10 each at a premium of ₹ 185.72 per share
 3,223,194 (31 March 2020 : 3,223,194) equity shares of ₹ 10 each at a premium of ₹ 185 per share
 275,800 (31 March 2020 : 275,800) equity shares of ₹ 10 each at a premium of ₹ 65 per share
 4,456,816 (31 March 2020 : 4,456,816) equity shares of ₹ 10 each at a premium of ₹ 424.92 per share
 1,798,607 (31 March 2020 : 1,798,607) equity shares of ₹ 10 each at a premium of ₹ 685 per share
 3,163,515 (31 March 2020 : 3,163,515) equity shares of ₹ 10 each at a premium of ₹ 940 per share
 95,000 (31 March 2020 : 95,000) equity shares of ₹ 10 each at a premium of ₹ 940 per share

1,381.04
 506.68
 322.32
 27.58
 445.68
 179.86
 316.35
 9.50

1,381.04
 506.68
 322.32
 27.58
 445.68
 179.86
 316.35
 9.50

Total issued capital

3,189.01

3,189.01

Called, Subscribed and Paid up
Equity shares

31,730,133 (31 March 2020: 31,730,133) equity shares of ₹ 10 each
 Add: Amount paid up on 160,000 (31 March 2020: 160,000) equity shares forfeited at ₹ 2 each

3,173.01
 3.20
3,176.21

3,173.01
 3.20
3,176.21

15.351 (31 March 2020: 15.351) 0.0001% cumulative, redeemable, non-convertible, participating preference shares have been classified as a financial liability (see note 30).

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

| | 31 March 2021 | | 31 March 2020 | |
|------------------------------------|--------------------|-----------------|--------------------|-----------------|
| | Nos | ₹ in lakhs | Nos | ₹ in lakhs |
| Equity shares | | | | |
| At the beginning of the year | 3,17,30,133 | 3,173.01 | 3,16,35,133 | 3,163.51 |
| Movement during the year | - | - | 95,000 | 9.50 |
| Outstanding at the end of the year | 3,17,30,133 | 3,173.01 | 3,17,30,133 | 3,173.01 |

b. Terms/rights attached to equity shares

The Company has one class of equity shares having face value of ₹ 10 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").

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated
29A Share capital (continued)
d. Details of shareholders holding more than 5% shares of a class of shares

| | 31 March 2021 | | 31 March 2020 | |
|--|------------------|-----------|------------------|-----------|
| | Number of shares | % holding | Number of shares | % holding |
| Equity shares of ₹ 10 each, fully paid up | | | | |
| T V Sundram Iyengar & Sons Private Limited | 1,07,27,343 | 33.81% | 1,07,27,343 | 33.81% |
| CDPO Private Equity Asia Pte Ltd | 1,21,36,892 | 38.25% | 1,21,36,892 | 38.25% |
| Dinram Logistics Services LLP | - | 0.00% | 29,82,464 | 9.40% |
| Omega Tc Holdings Pte Ltd, Singapore | 15,85,847 | 5.00% | 23,68,865 | 7.47% |
| DRSR Logistics Services Private Limited | 37,50,214 | 11.82% | - | 0.00% |
| 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 | 10,23,350 | 100.00% | 10,23,350 | 100.00% |
| 0.0001% Non-Cumulative, Non-Participating, Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid up | | | | |
| David Robbins | 39,998 | 21.05% | 39,998 | 21.05% |
| MS Krishnan | 9,992 | 5.26% | 9,992 | 5.26% |
| Suehow Pty Ltd | 12,004 | 6.32% | 12,004 | 6.32% |
| R Dinesh | 2,996 | 1.58% | 2,996 | 1.58% |
| Sanjive Sharma | 40,002 | 21.05% | 40,002 | 21.05% |
| Tartun Khanna | 45,006 | 23.69% | 45,006 | 23.69% |
| Andrew Jones | 40,002 | 21.05% | 40,002 | 21.05% |

29B 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

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 warrants

On June 8, 2018 and August 22, 2018, the Company issued 30,000 and 65,000 share warrants respectively, at a price of ₹ 950 per share warrant to identified persons on a preferential basis for an aggregate consideration of ₹ 902.50 lakhs with a right to apply and get allotment of equity shares of the Company ranking pari-passu with the existing equity shares, in the ratio of 1:1 within a period of 18 months from the date of issue of share warrants or earlier at the option of the Board. During the year ended March 31, 2019, the Company had received ₹ 225.63 lakhs (25% of the issue price as at balance sheet date). During the previous year ended March 31, 2020, the company had received ₹ 676.87 Lakhs (balance 75% of the issue price) and accordingly the company had allotted 93,000 equity shares at a face value of ₹ 10 per share at ₹ 940 per share premium.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
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.

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. ₹ 175 Crore. Each CCPS carries a minimum preferential dividend rate of 0.001% 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).

29C Other items of OCI
Remeasurements of defined benefit liability/(asset)

| | 31 March 2021 | 31 March 2020 |
|--|---------------|----------------|
| Opening balance | | |
| Remeasurements of defined benefit liability (asset) (net of taxes) | (28.02) | (113.03) |
| Closing balance | 105.43 | 85.01 |
| | 77.41 | (28.02) |

Remeasurements of defined benefit liability/(asset)

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses 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 finance leases. Equity comprises all components of equity.

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

| | 31 March 2021 | 31 March 2020 |
|--|--------------------|--------------------|
| Total current and non-current borrowings | 1,50,650.32 | 2,12,189.15 |
| Current maturities of long-term borrowings | 6,222.04 | 6,382.44 |
| Debt | 1,56,872.36 | 2,18,571.59 |
| Total equity | 53,225.90 | 59,062.09 |
| Debt to equity ratio | 2.95 | 3.70 |

29E 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

(i) Profit (loss) attributable to equity shareholders

| | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Profit (loss) for the year, attributable to the equity holders from continuing operations | (7,029.61) | (19,236.40) |
| Profit (loss) for the year, attributable to the equity holders from discontinued operations | (243.97) | 2.73 |

(ii) Weighted average number of equity shares

| | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Weighted average number of equity shares outstanding during the year | 3,17,30,133 | 3,16,47,311 |
| Add - Number of shares relating to compulsorily convertible preference shares | 12,13,350 | 3,38,190 |
| Weighted average number of equity shares used in the calculation of basic earnings per share | 3,29,43,483 | 3,19,85,501 |
| Adjustments for dilutive effect | | |
| - Number of shares relating to Management Incentive Plan | 1,32,552 | 60,728 |
| - Number of shares relating to share warrants | 1,380 | 1,203 |
| Weighted average number of equity shares used in the calculation of diluted earnings per share | 3,30,77,415 | 3,20,47,432 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
30 Borrowings

| | 31 March 2021 | 31 March 2020 |
|---|------------------|--------------------|
| (a) Non-current borrowings | | |
| Secured term loans from banks | 94,082.97 | 94,038.76 |
| Secured term loans from financial institutions | 0.90 | 2.28 |
| Secured long term obligations under finance leases | 1,018.94 | 1,882.90 |
| Total non-current borrowings | 95,102.81 | 95,923.94 |
| (b) Current borrowings | | |
| Term loan from financial institution | | |
| Secured | - | 7,020.00 |
| Unsecured | - | 5,080.00 |
| Term loan from banks | | |
| Unsecured | - | 1,200.00 |
| Cash credit from banks | | |
| Secured | 182.88 | 5,261.96 |
| Unsecured | - | 23.63 |
| Bills discounting | | |
| Unsecured | 854.47 | 4,353.56 |
| Revolving credit facility | | |
| Secured | 29,175.95 | 45,165.16 |
| Loans repayable on demand | | |
| Secured | - | 10,308.22 |
| Unsecured | 23,981.45 | 35,333.63 |
| Redeemable preference shares (unsecured) | 891.60 | 891.60 |
| Other short term loans | | |
| Secured | 121.16 | 1,287.43 |
| Unsecured, related party | 340.00 | 340.00 |
| Current portion of long term borrowings | 55,547.51 | 1,16,265.21 |
| Secured term loans from banks | 5,160.78 | 5,069.23 |
| Secured term loans from financial institutions | - | 636.35 |
| Secured finance lease obligations | 1,061.26 | 676.86 |
| | 6,222.04 | 6,382.44 |
| | 61,769.55 | 1,22,647.65 |
| Less: Amount included under 'Other financial liabilities' | (6,222.04) | (6,382.44) |
| Total current borrowings | 55,547.51 | 1,16,265.21 |

Information about Group's exposure to interest rate and liquidity risks is included in note 43.

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 2021 | 31 March 2020 |
| Secured term loan from banks | | | | | |
| DBS Bank, Axis Bank Limited & Standard Chartered Bank (refer note (i) & (ii) below) | USD / GBP | 2.1% + 1 month LIBOR | 2022 - 2025 | 98,923.28 | 93,874.69 |
| HDFC Bank | INR | 8.50% - 9.35% p.a. | 2023 | 320.47 | 233.30 |
| | | | | 99,243.75 | 94,107.99 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
30 Borrowings (continued)
A. Terms and repayment schedule (continued)
In lakhs of INR

| In lakhs of INR | Currency | Nominal Interest rate | Year of maturity | Carrying amount as at | |
|--|-----------|-----------------------|------------------|-----------------------|------------------|
| | | | | 31 March 2021 | 31 March 2020 |
| Unsecured term loan from banks | | | | | |
| Axis Bank Limited | INR | 9.10% | 2020 | - | 5,000.00 |
| HDFC Bank Limited | INR | 7.50% - 8.35% | 2020 | - | 1,200.00 |
| | | | | - | 6,200.00 |
| Secured term loan from financial institutions | | | | | |
| Tata Capital Financial Services Limited | INR | 10.25% | 2021 | - | 623.01 |
| Tata Capital Financial Services Limited | INR | 11.50% | 2020 | - | 7,020.00 |
| Sundaram Finance Limited | INR | 9.75% - 10.96% | 2021 | - | 13.63 |
| Other financial institutions | INR | | | 0.90 | - |
| | | | | 0.90 | 7,658.64 |
| Unsecured term loan from Financial institutions | | | | | |
| Tata Capital Financial Services Limited | INR | 11.50% | 2021 | - | 5,080.00 |
| | | | | - | 5,080.00 |
| Secured finance lease obligations | | | | | |
| Sundaram Finance Limited | INR | 10.20% | 2021 | - | 4.39 |
| Asset Alliance Limited | GBP | 6.6% to 14% | 2021 | 1,871.44 | 2,047.33 |
| Other banks | | | | 208.76 | 508.04 |
| | | | | 2,080.20 | 2,559.76 |
| Secured cash credit facilities from banks | | | | | |
| Indian Overseas Bank | INR | 7.60% | | - | 37.58 |
| Yes Bank | INR | MCLR + 2.25% p.a. | | 182.88 | 197.99 |
| ANZ Loan | AUD | 4.04% | | - | 5,026.39 |
| | | | | 182.88 | 5,261.96 |
| Unsecured cash credit facilities from banks | | | | | |
| Axis Bank Limited | INR | 7.5% - 7.8% | | - | 23.65 |
| | | | | - | 23.65 |
| Unsecured bill discounting | | | | | |
| Axis Bank limited | INR | 7.95% | | - | 3,257.76 |
| TREDS - Invoicemart | INR | 6.95% - 7.95% | | 414.12 | - |
| DBS (Paying Agent) | INR | 6.50% | | 440.35 | - |
| Other Bank | SGD | 2.00% | | - | 1,095.80 |
| | | | | 854.47 | 4,353.56 |
| Secured revolving credit facility | | | | | |
| DBS Bank, Axis Bank Limited & Standard Chartered Bank (refer note (i) below) | USD / GBP | 1.80% + 1 month LIBOR | | 29,175.95 | 45,165.16 |
| | | | | 29,175.95 | 45,165.16 |
| Secured loans repayable on demand | | | | | |
| IDFC First Bank Limited | INR | 10.50% | | - | 100.00 |
| Bankia | EUR | 3.10% | | - | 1,181.83 |
| State Bank of India | INR | 7.48% - 8.73% | | - | 3,000.00 |
| DBS bank | INR | 7.50% - 9.00% | | - | 1,000.00 |
| Banco Santander | EUR | 2.00% | | - | 309.01 |
| Banc Sabadell | EUR | 2.00% | | 121.16 | 83.77 |
| La Caixa | EUR | 2.00% | | - | 80.05 |
| Bankinter | EUR | 2.00% | | - | 626.59 |
| Ibercaja | EUR | 2.00% | | - | 188.01 |
| | | | | 121.16 | 6,569.26 |
| Unsecured loans repayable on demand | | | | | |
| Standard Chartered Bank | INR | 7.11% - 8.20% | | 5,400.00 | 14,000.00 |
| Axis Bank Limited | INR | 7.78% - 8.06% | | 6,380.00 | 9,850.00 |
| DBS Bank | INR | 7.50% - 9.00% | | - | 4,000.00 |
| HDFC Bank Limited | INR | 7.50% - 8.35% | | 10,650.00 | 12,500.00 |
| IDFC First Bank | INR | 7.00% | | 1,550.00 | - |
| Others | INR | | | 1.45 | 10.02 |
| | | | | 23,981.45 | 40,360.02 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

30 Borrowings (continued)

A. Terms and repayment schedule (continued)

In lakhs of INR

| | Currency | Nominal Interest rate | Carrying amount as at | |
|--|----------|-----------------------|-----------------------|--------------------|
| | | | 31 March 2021 | 31 March 2020 |
| Redeemable preference shares | | | | |
| Unsecured | INR | | 891.60 | 891.60 |
| Other short term loans (Unsecured) | | | 891.60 | 891.60 |
| Cholamandalam Investment and Finance Company Limited | INR | 8.10% | 340.00 | 340.00 |
| | | | 340.00 | 340.00 |
| | | | 1,56,872.36 | 2,18,571.61 |

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.

(ii) During the year, 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)).

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.

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

Working capital loan from Yes bank is secured against the present & future current assets of Flexol Packaging (India) Private Limited.

Secured term loan from financial institutions

1. Term Loan at 10.25% interest rate from Tata Capital Financial Services Limited was secured by an exclusive mortgage of immovable property located at Mumbai and first and exclusive charge by way of hypothecation on identified movable fixed assets. This has been repaid in the current year.

2. Term loans from Sundaram Finance Limited are secured by hypothecation of vehicles and equipments acquired out of the loan. This has been repaid in the current year.

3. The Term loan of 11.50% was from Tata Capital Financial Services Limited. The total facility was for Rs.200 crore of which Rs.80 crore was secured against the company's plant and machinery, furniture and fixtures, computer equipments and office equipments. This has been repaid in the current year.

Finance lease obligations

Finance lease obligations are secured against the respective assets taken on finance lease.

Cash credit facility from banks

Cash credit from ANZ bank availed by TVS Asianics Australia Pty. Limited was secured by fixed and floating charges over all present and future assets, undertaking (including goodwill) and unpaid or uncalled capital of T.I.F Holdings Pty. Limited, corporate guarantee and indemnity unlimited by TVS Asianics Australia Pty. Limited. This has been repaid in the current year.

Cash credit from Indian Overseas bank was obtained by SPC International India Private Limited and it was secured against the fixed deposits. This has been repaid in the current year.

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 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.

Loans repayable on demand from banks

The term loan from IDFC First Bank Limited was secured by hypothecation charge on entire current assets of TVS Toyota Tsusho Supply Chains Solution Pvt Ltd.. This has been repaid in the current year.

The overdraft facility from Bankia was availed by Elite IT Services S.L.U and was secured by the letter of comfort provided by RICO Logistics Limited, UK. This has been repaid in the current year.

Working capital loan from State Bank of India was secured against the debtors of the company. This has been repaid in the current year.

Working capital loan from DBS Bank was secured upto Rs.10 crore against the debtors of the company. This has been repaid in the current year.

Loan from Banco Santander, Banc Sabadell, La Caixa, Bankinter, Ibercaja 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 29.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
31 Trade payables

 Trade payables to related parties
 Other trade payables

31 March 2021 **31 March 2020**

| | |
|--------------------|--------------------|
| 231.22 | 119.96 |
| 1,11,935.97 | 1,01,138.25 |
| 1,12,167.19 | 1,01,258.21 |

32 Other financial liabilities

 Derivative liability (refer note 43(v))
 Forward purchase obligation
 Amount due to employees
 Current maturities of long term borrowings
 Current maturities of finance lease obligations
 Interest accrued but not due on borrowings
 Payable to factor
 Security deposits payable
 Deferred consideration*
 Capital creditors
 Others

| Non-current portion | | Current portion | |
|---------------------|-----------------|------------------|------------------|
| 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| 1,398.08 | - | - | 1,205.60 |
| - | - | - | 3,854.41 |
| - | - | 10,043.08 | 5,027.96 |
| - | - | 5,160.78 | 5,705.58 |
| - | - | 1,061.26 | 676.86 |
| - | - | 128.92 | 492.45 |
| - | - | 643.76 | 864.47 |
| 1,078.22 | 1,057.09 | 58.14 | - |
| - | 975.57 | 1,334.09 | 1,250.94 |
| 101.01 | 1,597.26 | 1,381.21 | 1,465.94 |
| - | - | 622.05 | 428.88 |
| 2,577.31 | 3,629.92 | 20,433.29 | 20,973.09 |

* Deferred consideration includes payable towards acquisition of shares in TVS SCS Logistics Management Co. Ltd (Formerly known as TLM Logistics Management Co. Ltd.) amounting to ₹ 994.01 Lakhs (31 March 2020 ₹ 975.57 Lakhs), in T.I.F Holdings Pty. Ltd., Australia amounting to ₹ 340.08 Lakhs (31 March 2020: ₹ 281.72 Lakhs) and TVS SCS International Freight (Spain) SLU (Formerly known as Nadal Forwarding S.L), Spain amounting to ₹ Nil (31 March 2020: ₹ 969.22 Lakhs).

33 Provisions (refer note 37)

 Provisions for employee benefits
 Liability for retirement benefit obligations
 Liability for compensated absences

Other provisions

 Provision for dilapidation
 Provision for warranties
 Provision for litigations

| Non-current portion | | Current portion | |
|---------------------|-----------------|-----------------|-----------------|
| 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| 664.84 | 804.31 | 727.89 | 523.72 |
| 332.62 | 596.19 | 2,434.18 | 1,662.73 |
| 2,601.56 | 436.24 | - | - |
| - | - | 19.94 | 19.94 |
| - | - | 69.04 | 258.53 |
| 3,599.02 | 1,836.74 | 3,251.05 | 2,464.92 |

Movement in other provisions

| | Dilapidation | Onerous contracts | Others | Total |
|---------------------------------------|-----------------|-------------------|---------------|-----------------|
| Balance as at 1 April 2019 | 536.88 | 446.42 | 714.49 | 1,697.79 |
| Assumed in a business combination | 108.18 | - | 0.88 | 109.06 |
| Provisions utilised during the period | (1220.59) | (452.17) | (442.23) | (1,114.99) |
| Foreign exchange adjustments | 11.77 | 5.75 | 5.33 | 22.85 |
| Balance as at 31 March 2020 | 436.24 | 0.00 | 278.47 | 714.71 |
| Provisions made during the period | 2,503.09 | - | 32.82 | 2,535.91 |
| Provisions utilised during the period | (408.81) | - | (222.31) | (631.12) |
| Foreign exchange adjustments | 71.04 | - | - | 71.04 |
| Balance as at 31 March 2021 | 2,601.56 | 0.00 | 88.98 | 2,690.54 |

34 Other non-current liabilities

Deferred rent

31 March 2021 **31 March 2020**

| | |
|---|---------------|
| - | 155.16 |
| - | 155.16 |

35 Other current liabilities

 Deferred revenue
 Statutory dues
 Advances from customers
 Others

31 March 2021 **31 March 2020**

| | |
|------------------|------------------|
| 2,682.11 | 1,974.65 |
| 10,521.91 | 6,217.14 |
| 966.74 | 1,152.76 |
| 1,604.98 | 1,306.70 |
| 15,775.74 | 10,997.75 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

36 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 ₹ 17,942.85 lakhs (31 March 2020: ₹ 17,809.98 lakhs)

Defined benefit plans

| | Non-current | | Current | |
|---|---------------|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Provisions for retirement benefit obligations | 664.84 | 804.31 | 727.89 | 523.72 |

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. Further, certain entities of the Group in Korea, Thailand and Indonesia have retirement benefit plans in accordance with the requirements of their respective local laws.

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 2021 | 31 March 2020 |
|---|-----------------|-----------------|
| Balance at the beginning of the year | 3,037.66 | 2,739.17 |
| Benefits paid | (285.96) | (385.49) |
| Current service cost | 509.99 | 476.47 |
| Interest cost | 152.36 | 135.50 |
| Past service cost | 2.72 | 32.03 |
| Actuarial (gains) losses recognised in other comprehensive income | | |
| - changes in demographic assumptions | (27.39) | (56.40) |
| - changes in financial assumptions | 42.14 | (27.74) |
| - experience adjustments | (175.02) | (61.31) |
| Exchange differences | 37.79 | 185.42 |
| Balance at the end of the year | 3,294.29 | 3,037.66 |

Reconciliation of the fair value of plan assets

| | 31 March 2021 | 31 March 2020 |
|---|-----------------|-----------------|
| Balance at the beginning of the year | 1,709.63 | 1,282.24 |
| Contributions paid | 292.27 | 726.17 |
| Benefits paid | (191.85) | (385.49) |
| Interest income | 102.42 | 85.75 |
| Actuarial gains / (losses) recognised in other comprehensive income | (10.90) | 0.96 |
| Balance at the end of the year | 1,901.56 | 1,709.63 |
| Net defined benefit (asset) / liability | 1,392.73 | 1,328.03 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

36 Employee benefits (continued)
Defined benefit plans (continued)

C. Expense recognised in profit or loss

Current service cost

Interest cost

Past service cost

Interest income

Expenses relating to discontinued operations

Expenses relating to continuing operations

D. Remeasurements recognised in other comprehensive income

Actuarial gain (loss) on defined benefit obligation

Actuarial (gain) loss on plan assets

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:

Discount rate

Future salary growth

Attrition rate

Expected return on plan assets

ii. Sensitivity analysis

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 2021 | | 31 March 2020 | |
|------------------------------------|---------------|----------|---------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (34.98) | 38.62 | (128.87) | 140.72 |
| Future salary growth (1% movement) | 34.71 | (36.92) | 125.20 | (117.25) |
| Attrition rate (1% movement) | (33.29) | 20.65 | (24.08) | 31.32 |

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

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.

The following are share based payment arrangements:

| Option series (Refer note below) | Number | Grant date | Exercise price | Fair value at grant date |
|-------------------------------------|-----------|------------|----------------|--------------------------|
| MIP I | | | | |
| MIP II - Pool A & Pool B | 11,69,791 | 20-Nov-18 | 950.00 | 964.00 |
| MIP II - Pool A & Pool B | 8,97,008 | 20-Nov-18 | 950.00 | 964.00 |
| MIP II - Pool A & Pool B | 1,11,984 | 16-May-19 | 950.00 | 1,193.80 |
| MIP I | 14,768 | 01-Jul-19 | 950.00 | 1,193.80 |
| MIP I | 1,75,000 | 14-Feb-20 | 950.00 | 1,531.50 |
| MIP I | 82,460 | 20-Nov-20 | 950.00 | 1,418.90 |
| MIP I | 13,537 | 09-Feb-21 | 950.00 | 1,418.90 |

Note:

Under MIP I, the vesting of options granted is linked to time.

Under MIP II - Pool A & Pool B, shares vest on varying dates with an option life of 5 years after vesting.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
Fair value of share options granted during the year

The weighted average fair value of the stock options granted during the financial year is ₹ 618.8 (MIP I) (Previous year: ₹ 650.9 (MIP I) & ₹ 276.0 (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.

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 * | 964.00 | 1,531.50 | 1,418.90 | 1,418.90 | 964.00 | 1,193.80 | 1,193.80 |
| 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 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 |
| Expected volatility | 32% | 36% | 52.3% | 52.3% | 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% |

* Before adjustment for lack of marketability

Movements in share options during the year

| MIP I | Year ended March 31, 2021 Number of options | Weighted average exercise price | Year ended March 31, 2020 Number of options | Weighted average exercise price |
|---------------------------------------|--|---------------------------------|--|---------------------------------|
| Opening at the beginning of the year | 13,34,883 | 950 | 11,69,791 | 950 |
| Granted during the year | 95,997 | 950 | 1,75,000 | 950 |
| Exercised during the year | - | - | - | - |
| Forfeited and expired during the year | 18,957 | 950 | 9,908 | 950 |
| Balance at the end of the year | 14,11,923 | 950 | 13,34,883 | 950 |

| MIP II | Year ended March 31, 2021 Number of options | Weighted average exercise price | Year ended March 31, 2020 Number of options | Weighted average exercise price |
|---------------------------------------|--|---------------------------------|--|---------------------------------|
| Opening at the beginning of the year | 10,23,760 | 950 | 9,39,838 | 950 |
| Granted during the year | - | - | 1,29,828 | 950 |
| Exercised during the year | - | - | - | - |
| Forfeited and expired during the year | 98,631 | 950 | 45,906 | 950 |
| Balance at the end of the year | 9,25,129 | 950 | 10,23,760 | 950 |

Share options vested but not exercised during the year - Nil

Share options outstanding at the end of the year - MIP I - 14,11,923 & MIP II - 9,25,129

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 950 and a weighted average remaining contractual life of 1.19 years.

37 Capital commitments and contingent liabilities

| | 31 March 2021 | | 31 March 2020 | |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
| | 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 | 687.12 | - | 883.64 | - |
| Contingent liabilities: | | | | |
| Employee related matters (refer note (ii) below) | 2,183.59 | 17.58 | 2,204.91 | 17.58 |
| Income tax related matters | - | - | 12.51 | - |
| Bank guarantees issued | 140.95 | 77.10 | 68.52 | 97.72 |
| Service tax related matters | 1,190.33 | 10,160.87 | 815.46 | 10,160.87 |
| Sales tax related matters | 116.55 | 2,601.07 | 112.15 | 1,840.16 |
| GST related matters | 285.37 | - | 285.37 | - |
| Claims not acknowledged as debt * | 552.74 | 13.62 | 406.44 | 13.62 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

37 Capital commitments and contingent liabilities (continued)

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.

(i) The Company's wholly owned subsidiary, Drive India Enterprise Solutions Limited (DIESL) (Discontinued operations) has VAT and Service tax matters outstanding with authorities at various levels amounting to ₹ 12,761.94 lakhs (31 March 2020: 12,001.03 lakhs). As per the Share Purchase Agreement dated May 22, 2015 with the erstwhile shareholders, majority of these amounts are covered under the specific and general indemnity. As per the agreement, there is no expiry period for claiming specific indemnity, however period for claiming general indemnity ends on August 2023 (8 years from the Closing Date as per the agreement). Therefore, the management is in the process of claiming such amounts from the erstwhile shareholders. Whilst the Company is eligible to claim majority of the sum as indemnity, the Group has disclosed the entire amounts as contingent liabilities in the financial statements on a cautionary basis. Based on evaluation of the technical position as well as legal advice obtained from experts, management has concluded the company's liability to be possible have accordingly been disclosed under this note.

(ii) 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 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, 2021.

(iii) Disputes with minority shareholders

(a) Arbitration with erstwhile Chief Executive officer and minority shareholder of TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)

TVS Supply Chain Solutions Pte. Ltd. ("TVS GFS") and the Company are part of an ongoing arbitration at Singapore International Arbitration Centre (SIAC) with a former CEO of TVS GFS who is also a minority shareholder in relation to amounts payable benefits due under the then employment contracts and also in relation to shares held by him in TVS GFS. The Company had terminated the services of the CEO for cause in 2019 and has accrued for appropriate costs till the date of termination based on internal review and legal advice and believes no further adjustments are considered necessary to these financial statements pending resolution of the proceedings at SIAC. The proceedings at SIAC are on going presently.

(b) T.I.F Holdings Pty. Limited ("Transtar group")

TVS GFS 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 Company 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.

(c) TVS SCS Singapore Pte. Ltd (Formerly known as Pan Asia Logistics Singapore Pte. Ltd)

The erstwhile shareholders of the TVS SCS Singapore Pte. Ltd are claiming top-up payment in connection with the acquisition. The Group believes that having regard to the amounts accrued in the books already there are no further amounts payable to the erstwhile shareholders under the terms of the shareholders' agreement, and no further material adjustments to these amounts would be required.

* Claims against TVS Industrial & Logistics Park Pvt. Limited (formerly known as TVS Infrastructure Pvt Ltd) 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 Ares of land belonging to the Company ("Land"). The Company has contested the Claim as the Land does not fall within the purview of MIDC and the Company 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 and Order dated October 17, 2007 has granted a stay against the Claim. Thereafter in the year 2010, the Company has received a letter dated July 6, 2010 from MIDC increasing the Claim amount to ₹ 117.44 lakhs. The Company has filed appropriate reply to the said letter (Claims against the Company not acknowledged as debt in P.Y. ₹ 117.44 lakhs).

(ii) A demand of ₹ 368.50 lakhs was raised by the Income Tax Department u/s 143(3) during assessment proceedings of the AY 2014-15 against which Company had preferred an appeal before CIT(A), Mumbai. After giving effect of CIT(A) order dated February 28, 2018, demand was reduced to ₹ 327.24 lakhs vide order dated October 24, 2018. The said demand was further reduced to ₹ 264.71 lakhs after considering rectification of apparent errors. The Company further paid ₹ 101 lakh under protest after which demand reduced to ₹ 163.14 lakhs. Further, refund of AY 2017-18, AY 2018-19 & 2019-20 of ₹ 13.31 lakhs, ₹ 72.49 lakhs and ₹ 77.34 lakhs respectively, has been determined u/s 143(1) and adjusted u/s 245 of the Income-tax Act by Income Tax Department - CPC. Therefore, net tax payable is Nil. The Company has preferred an appeal before The Income Tax Tribunal (ITAT), Mumbai and is pending.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

38 Leases**Finance leases as lessor**

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 15)

| | 31 March 2021 | 31 March 2020 |
|-------------------------------|-----------------|-----------------|
| Gross investment in the lease | 1,592.33 | 1,962.79 |
| Unearned finance income | (430.83) | (495.02) |
| Net investment in the lease | 1,161.50 | 1,467.77 |

As at 31 March, the gross investment in the lease and the present value of the minimum lease payments receivables under non-cancellable finance leases are as follows:

| | 31 March 2021 | 31 March 2020 |
|---|-----------------|-----------------|
| Gross investment in the lease | | |
| Receivable within one year | 468.07 | 422.96 |
| Receivable between one and five years | 1,068.89 | 1,399.73 |
| Receivable after five years | 55.37 | 140.10 |
| Total | 1,592.33 | 1,962.79 |
| Present value of minimum lease payments receivable | | |
| Receivable within one year | 302.53 | 275.57 |
| Receivable between one and five years | 806.15 | 1,036.02 |
| Receivable after five years | 52.82 | 156.18 |
| Total | 1,161.50 | 1,467.77 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated.)

39 Business combinations

A. There is no business combination during the year ended 31 March 2021.

B. Business combinations during the year ended 31 March 2020

There is no business combination during the year ended 31 March 2020. The Group had revised the Purchase price allocation (PPA) for Eltec and Triage which was acquired during the year ended 31 March 2019.

i. Acquisition of Eltec - Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition based on revised Purchase price allocation:

| In lakhs of INR | Revised PPA | Original PPA |
|---|-------------------|-------------------|
| Net Property, plant & equipment | | |
| Intangible assets - Others | 149.44 | 149.44 |
| Intangible assets - Client relationship | 121.42 | 121.42 |
| Intangible assets - Trade name | 2,346.73 | 3,593.65 |
| Inventories | 614.90 | 793.92 |
| Trade receivables | 113.64 | 113.64 |
| Cash and cash equivalents | 2,527.31 | 2,527.31 |
| Borrowings | 241.29 | 241.29 |
| Trade payables | (3,967.26) | (3,967.26) |
| Deferred tax liabilities | (4,749.50) | (4,749.50) |
| Other current liabilities | (740.21) | (1,096.70) |
| Total net identifiable assets acquired | (3,498.69) | (2,429.24) |

Goodwill

| In lakhs of INR | Revised PPA | Original PPA |
|---------------------------------------|-----------------|-----------------|
| Consideration transferred | | |
| Fair value of net identifiable assets | - | - |
| Goodwill | 3,498.69 | 2,429.24 |
| | 3,498.69 | 2,429.24 |

ii. Acquisition of Triage - Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition based on revised Purchase price allocation:

| In lakhs of INR | Revised PPA | Original PPA |
|---|-----------------|-----------------|
| Net Property, plant & equipment | | |
| Intangible assets - Client relationship | 18.10 | 18.10 |
| Intangible assets - Trade name | 908.38 | 998.85 |
| Other non-current assets | 148.38 | 148.38 |
| Inventories | 462.33 | 462.33 |
| Trade receivables | 123.95 | 123.95 |
| Cash and cash equivalents | 517.52 | 517.52 |
| Other current assets | 19.00 | 19.00 |
| Trade payables | 659.57 | 659.57 |
| Deferred tax liabilities | (283.19) | (283.19) |
| Other current liabilities | (277.76) | (294.95) |
| Total net identifiable assets acquired | (403.52) | (403.52) |
| | 1,892.76 | 1,966.04 |

Goodwill

| In lakhs of INR | Revised PPA | Original PPA |
|---------------------------------------|-------------------|-------------------|
| Consideration transferred | | |
| Fair value of net identifiable assets | 2,860.84 | 2,860.84 |
| Goodwill | (1,892.76) | (1,966.04) |
| | 968.08 | 894.80 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

40 Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers":**A. Disaggregated revenue information**

| Segment | 31 March 2021 | | | 31 March 2020 | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | India | Outside India | Total | India | Outside India | Total |
| Type of goods or service | | | | | | |
| Revenue from supply chain management services | 1,59,789.16 | 5,33,570.53 | 6,93,359.69 | 1,86,802.64 | 4,73,652.30 | 6,60,454.94 |
| Total revenue from contracts with customers | 1,59,789.16 | 5,33,570.53 | 6,93,359.69 | 1,86,802.64 | 4,73,652.30 | 6,60,454.94 |

Revenues from external customers in respect of each category of services rendered by the Group are as follows:

| Revenue | 31 March 2021 | 31 March 2020 |
|------------------------------------|--------------------|--------------------|
| Lastmile fulfilment | 1,70,033.00 | 1,52,467.88 |
| Outsourced supply chain management | 3,05,489.14 | 3,34,182.27 |
| Inter-continental movement | 2,11,071.31 | 1,72,233.53 |
| Others | 6,766.24 | 1,571.26 |
| | 6,93,359.69 | 6,60,454.94 |

C. Summary of contract balances

| Particulars | 31 March 2021 | 31 March 2020 |
|--|---------------|-----------------|
| Trade Receivables | | |
| Contract assets (Refer note (a) below) | 1,23,296.55 | 1,38,201.34 |
| Advance from Customers | 29,461.79 | 24,376.58 |
| | 966.74 | 1,152.76 |

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.

D. Reconciliation of Revenue from sale of products/services with the contracted price

| Particulars | 31 March 2021 | 31 March 2020 |
|--|--------------------|--------------------|
| Revenue as per contracted price | 6,93,635.17 | 6,61,318.52 |
| Less: Trade discounts, volume rebates etc. | 275.48 | 863.58 |
| Revenue as per statement of profit and loss | 6,93,359.69 | 6,60,454.94 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

(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 March 31, 2021.

42 Related party disclosures

| | |
|---|---|
| A. Enterprise having significant influence | TV Sundram Iyengar & Sons Private Limited CDPO Private Equity Asia PTE. LTD. |
| B. Subsidiaries of TV Sundram Iyengar & Sons Private Limited | TVS Motor Company Limited Sundaram Clayton Limited Lucas-TVS Limited Sundaram Industries Private Limited Lucas Indian Service Limited Sundaram Auto Components Limited TVS Automobile Solutions Private Limited Sundram Fasteners Limited TVS Electronics Limited Sundram Precision Components Limited TVS Training and Services Limited TVS Distribution & Services Middle East FZE |
| C. Joint Ventures | TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Pvt. Ltd.) |
| D. Associates | Montara Verpacken mit System GmbH, Germany Subsidiaries of Montara Verpacken mit System GmbH, Germany Montara North America Corporation, USA |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
42 Related party disclosures (continued)
E. Joint ventures of A

SI Airsprings Private Limited (formerly known as Firestone TVS Private Limited)

F. Key management personnel (KMP)

 Mr. R. Dinesh, Managing director
 Mr. Ravi Viswanathan, Joint managing director
 Mr. S. Ravichandran, Whole-time director

G. Entities controlled by KMP / relatives of KMP of the Company

 Dinram Logistics Services LLP
 DRSR Advisory Services LLP
 TVS Srichakra Limited

Transactions during the year

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Income from logistics services | | |
| Lucas-TVS Limited | 1,157.95 | 1,394.34 |
| Sundaram Clayton Limited | 96.42 | 221.12 |
| Sundaram Industries Private Limited | 129.43 | 140.76 |
| Sundram Fasteners Limited | 122.30 | 127.94 |
| T V Sundram Iyengar & Sons Private Limited | 604.61 | 961.80 |
| TVS Industrial & Logistics Park Pvt. Limited | 56.54 | 1.82 |
| TVS Motor Company Limited | 8,530.09 | 7,442.65 |
| TVS Srichakra Limited | 6,063.70 | 6,091.55 |
| TVS Training And Services Limited | 9.47 | 42.59 |
| SI Airsprings Private Limited (formerly known as Firestone TVS Private Limited) | - | 54.33 |
| Lucas Indian Service Limited | 4.93 | 62.95 |
| Sale of Goods | | |
| Sundaram Clayton Limited | 9.99 | - |
| Reimbursement of expenses from | | |
| T V Sundram Iyengar & Sons Private Limited | 6.44 | 3.10 |
| Purchase of spares, fuel, others | | |
| T V Sundram Iyengar & Sons Private Limited | - | 3.69 |
| Sundaram Industries Private Limited | 49.41 | 45.19 |
| Sundram Fasteners Limited | - | 0.11 |
| TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 30.09 | 0.22 |
| Freight, packing and forwarding expenses | | |
| T V Sundram Iyengar & Sons Private Limited | 53.30 | 2.43 |
| TVS Electronics Limited | 0.47 | 0.69 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

42 Related party disclosures (continued)**Transactions during the year (continued)**

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Rent | | |
| TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 919.44 | 893.14 |
| T V Sundram Iyengar & Sons Private Limited | 174.93 | 176.45 |
| Lucas-TVS Limited | 1.80 | 1.80 |
| Repairs and maintenance | | |
| T V Sundram Iyengar & Sons Private Limited | - | 4.93 |
| TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 8.52 | 6.25 |
| Expenses incurred by and reimbursed to | | |
| T V Sundram Iyengar & Sons Private Limited | 20.48 | 246.02 |
| Other expenses | | |
| T V Sundram Iyengar & Sons Private Limited | - | 73.22 |
| TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Pvt Ltd) | - | 32.70 |
| Purchase of fixed assets | | |
| T V Sundram Iyengar & Sons Private Limited | 18.99 | - |
| TVS Motor Company Limited | - | 14.82 |
| Sundaram Fasteners Limited | 11.82 | 7.57 |
| Lucas India Service Limited | 3.42 | 6.27 |
| Purchase of Leasehold Improvement | | |
| TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 1.35 | 40.58 |
| Remuneration to Key Managerial Personnel | | |
| Salaries, wages and bonus to whole-time director (including contribution to provident and other funds) | 192.79 | 457.65 |
| Salaries, wages and bonus to joint managing director (including contribution to provident and other funds) (w.e.f. 14th Feb 2020) | 449.62 | 220.56 |
| Remuneration to managing director | 200.00 | 400.00 |

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 years ended March 31, 2021 and March 31, 2020 includes a charge of ₹ 1365.20 lakhs and ₹ 298.43 lakhs, towards KMP respectively.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

42 Related party disclosures (continued)

| Year end balances: | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Receivables | | |
| Lucas Indian Service Limited | | |
| Lucas-TVS Limited | 72.25 | 21.89 |
| Sundaram Clayton Limited | 21.94 | 122.93 |
| Sundaram Industries Private Limited | 11.20 | 30.84 |
| Sundram Fasteners Limited | 67.01 | 82.05 |
| T V Sundram Iyengar & Sons Private Limited | 19.31 | 28.71 |
| TVS Motor Company Limited | 24.86 | 370.01 |
| TVS Srichakra Limited | 1,467.77 | 833.08 |
| TVS Training And Services Limited | 189.93 | 750.94 |
| SI Airsprings Private Limited (formerly known as Firestone TVS Private Limited) | 11.18 | 29.37 |
| Sundaram Fasteners Limited | 10.53 | 6.90 |
| | 1.34 | 26.09 |
| Other receivables - Unbilled revenue | | |
| Lucas TVS Limited | | |
| Lucas Indian Service Limited | 25.83 | 23.43 |
| Sundaram Clayton Limited | - | 3.81 |
| Sundaram Fasteners Limited | 5.03 | 8.00 |
| T V Sundaram Iyengar & Sons Private Limited | 2.09 | 2.55 |
| TVS Motor Company Limited | 10.94 | 118.56 |
| TVS Srichakra Limited | 246.77 | 19.76 |
| | 867.23 | 131.60 |
| Security deposits (based on transaction value, not discounted) | | |
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | - | 762.83 |
| Advance for Supply of Goods & Services | | |
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 59.00 | 28.45 |
| T V Sundaram Iyengar & Sons Private Limited | 77.46 | 21.23 |
| Payables | | |
| Lucas-TVS Limited | | |
| Lucas Indian Service Limited | 0.17 | 0.16 |
| Sundaram Industries Private Limited | 1.29 | 1.06 |
| Sundram Fasteners Limited | 18.04 | 14.03 |
| T V Sundram Iyengar & Sons Private Limited | 3.86 | 2.19 |
| TVS Srichakra Ltd | 33.73 | 35.21 |
| TVS Industrial & Logistics Park Pvt. Limited (Formerly known as TVS Infrastructure Pvt Ltd) | - | 56.97 |
| | 98.56 | 10.34 |
| Payable to Key Managerial Personnel | | |
| Salaries, wages and bonus to Whole-time director | - | 250.00 |
| Salaries, wages and bonus to Joint managing director | 200.00 | 180.00 |
| Commission to Managing director | 200.00 | 400.00 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(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 2021 | | 31 March 2020 | | |
| | | FVTPL | FVTOCI | Amortised cost | FVTPL, FVTOCI | Amortised cost |
| Financial assets measured at fair value | | | | | | |
| Investments | | | | | | |
| Other financial assets | 19 | 20.00 | - | - | - | - |
| Total | 21 | 617.17 | - | - | - | - |
| Financial assets not measured at fair value | | | | | | |
| Investments | | | | | | |
| Deposits and other receivables | 19 | - | - | 1,355.62 | - | 1,322.80 |
| Trade receivables | 20 | - | - | 11,417.24 | - | 9,696.76 |
| Cash and cash equivalents | 24 | - | - | 1,13,431.14 | - | 1,30,727.96 |
| Other bank balances | 25 | - | - | 53,696.24 | - | 88,461.28 |
| Other financial assets | 26 | - | - | 3,715.97 | - | 26,216.52 |
| Total | 21 | - | - | 30,575.35 | - | 25,604.51 |
| Financial liabilities measured at fair value | | | | | | |
| Derivatives - Forward contract payables | | | | 2,14,191.56 | - | 2,82,029.83 |
| Written put option/ forward obligation liability | 32 | 1,398.08 | - | - | 1,205.60 | - |
| Total | 32 | - | - | - | 3,854.41 | - |
| Financial liabilities not measured at fair value | | | | | | |
| Borrowings | | | | | | |
| Lease liability | 30 | - | - | 1,50,650.32 | - | 2,12,189.15 |
| Trade payables | 16B | - | - | 1,16,538.86 | - | 1,18,243.64 |
| Other financial liabilities | 31 | - | - | 1,12,167.19 | - | 1,01,258.21 |
| Total | 32 | - | - | 21,612.52 | - | 19,542.99 |
| | | - | - | 4,00,968.89 | - | 4,51,233.99 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

(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 3.

The following table presents fair value hierarchy of assets and liabilities measured at fair value:

Financial assets and liabilities valued at fair value

| Particulars | As at 31 March 2021 | | | As at 31 March 2020 | | |
|--|---------------------|----------|---------|---------------------|----------|----------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Assets: | | | | | | |
| Investments | - | - | - | - | - | - |
| Derivative asset | - | 617.17 | 20.00 | - | - | - |
| Liabilities: | | | | | | |
| Derivative liability | - | - | - | - | - | - |
| Written put option/ forward obligation liability | - | 1,398.08 | - | - | 1,205.60 | - |
| | - | - | - | - | - | 3,854.41 |

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. The Group has also not disclosed fair values of investments carried at cost.

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. The written put option/ forward obligation liability has been settled in the year ended 31 March 2021 and hence doesn't pose any sensitivity risk in the equity.

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 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

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 2021 | 31 March 2020 |
| Trade receivables | | |
| Investments | 1,13,431.14 | 1,30,727.96 |
| Cash and cash equivalents | 1,375.62 | 1,322.80 |
| Other bank balances | 53,696.24 | 88,461.28 |
| Deposits and other receivables | 3,715.97 | 26,216.52 |
| Other financial assets | 11,417.24 | 9,696.76 |
| Total | 31,192.52 | 25,604.51 |
| | 2,14,828.73 | 2,82,029.83 |

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

43 Financial instruments - Fair values and risk management (continued)
D. Financial risk management (continued)
Cash and cash equivalents and other bank balances

The Group holds cash and bank balances of ₹ 57,412.21 lakhs as at 31 March 2021 (31 March 2020: ₹ 1,14,677.79 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 ₹ 43,985.39 lakhs as at 31 March 2021 (31 March 2020: ₹ 36,624.04 lakhs). The credit worthiness of such parties are evaluated by the management on an ongoing basis and is considered to be good.

D. Financial risk management (continued)
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.

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 |
| 31 March 2021 | | | | | |
| Non derivative financial liabilities | | | | | |
| Current and non-current borrowings | | | | | |
| Secured term loans from banks (refer note 2A) | 99,243.75 | 99,243.75 | 5,160.78 | 94,082.97 | - |
| Secured term loans from financial institutions | 0.90 | 0.90 | 0.90 | - | - |
| Secured long term obligations under finance leases | 2,080.20 | 2,080.20 | 1,061.26 | 1,018.94 | - |
| Secured cash credit from banks | 182.88 | 182.88 | 182.88 | - | - |
| Secured revolving credit facility | 29,175.95 | 29,175.95 | 29,175.95 | - | - |
| Secured loans repayable on demand | 121.16 | 121.16 | 121.16 | - | - |
| Unsecured bills discounting | 854.47 | 854.47 | 854.47 | - | - |
| Unsecured loans repayable on demand | 23,981.45 | 23,981.45 | 23,981.45 | - | - |
| Redeemable preference shares | 891.60 | 891.60 | 891.60 | - | - |
| Unsecured other short term loans | 340.00 | 340.00 | 340.00 | - | - |
| Others | | | | | |
| Trade payables | 1,12,167.19 | 1,12,167.19 | 1,12,167.19 | - | - |
| Lease liability | 1,16,538.85 | 1,42,669.32 | 34,004.42 | 70,836.67 | 37,828.23 |
| Other financial liabilities | 16,788.56 | 16,788.56 | 16,788.56 | - | - |
| | 4,02,366.96 | 4,28,497.43 | 2,24,730.62 | 1,65,938.58 | 37,828.23 |

| | Carrying amount | Total | Contractual cash flows | | |
|--|-----------------|-------------|------------------------|-------------|-------------------|
| | | | 1 year or less | 1-5 years | More than 5 years |
| 31 March 2020 | | | | | |
| Non derivative financial liabilities | | | | | |
| Current and non-current borrowings | | | | | |
| Secured term loans from banks (refer note 2A) | 94,107.99 | 94,107.99 | 5,069.23 | 89,038.76 | - |
| Unsecured term loans from banks | 6,200.00 | 6,200.00 | 6,200.00 | - | - |
| Secured term loans from financial institutions | 7,658.64 | 7,691.75 | 7,687.88 | 3.59 | 0.28 |
| Unsecured term loan from Financial institutions | 5,080.00 | 5,080.00 | 5,080.00 | - | - |
| Secured long term obligations under finance leases | 2,559.76 | 2,559.76 | 676.86 | 1,882.90 | - |
| Secured cash credit from banks | 5,261.96 | 5,261.96 | 5,261.96 | - | - |
| Unsecured cash credit from banks | 23.65 | 23.65 | 23.65 | - | - |
| Secured revolving credit facility | 45,165.16 | 45,165.16 | 45,165.16 | - | - |
| Secured loans repayable on demand | 6,569.26 | 6,569.26 | 6,569.26 | - | - |
| Unsecured bills discounting | 4,353.56 | 4,353.56 | 4,353.56 | - | - |
| Unsecured loans repayable on demand | 40,360.02 | 40,360.02 | 40,360.02 | - | - |
| Unsecured commercial paper | - | - | - | - | - |
| Redeemable preference shares | 891.60 | 891.60 | 891.60 | - | - |
| Unsecured other short term loans | 340.00 | 340.00 | 340.00 | - | - |
| Others | | | | | |
| Trade payables | 1,01,258.21 | 1,01,258.21 | 1,01,258.21 | - | - |
| Lease liability | 1,18,243.64 | 1,32,503.09 | 30,122.96 | 78,727.64 | 23,652.49 |
| Other financial liabilities | 18,220.56 | 18,220.56 | 14,590.64 | 3,629.92 | - |
| | 4,56,294.01 | 4,70,586.57 | 2,73,650.99 | 1,73,282.81 | 23,652.77 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
43 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 Group'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 Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenues, payables, receivables, etc. are denominated in a currency other than the respective functional currency of each of the entities in the Group. The Group 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 foreign currency swaps and forwards. Refer note 43 (v) for further details on hedging activities and derivatives.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against the respective currencies noted below at 31 March 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 |
| 31 March 2021 | | | | |
| United States Dollar (1% movement) | | | | |
| Euro (1% movement) | 55.09 | (55.09) | - | - |
| Great Britain Pounds (1% movement) | 51.31 | (51.31) | - | - |
| Australian Dollar (1% movement) | (434.97) | 434.97 | - | - |
| Singapore Dollar (1% movement) | 72.28 | (72.28) | - | - |
| Thailand Bhat (1% movement) | 46.99 | (46.99) | - | - |
| Others (1% movement)* | 1.58 | (1.58) | - | - |
| | 3.98 | (3.98) | - | - |
| 31 March 2020 | | | | |
| United States Dollar (1% movement) | | | | |
| Euro (1% movement) | (31.08) | 31.08 | - | - |
| Great Britain Pounds (1% movement) | 11.45 | (11.45) | - | - |
| Australian Dollar (1% movement) | (480.69) | 480.69 | - | - |
| Singapore Dollar (1% movement) | 37.31 | (37.31) | - | - |
| Thailand Bhat (1% movement) | (9.39) | 9.39 | - | - |
| Others (1% movement)* | (1.21) | 1.21 | - | - |
| | 466.43 | (466.43) | - | - |

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.

Interest rate risk

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

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

Variable rate instruments
Financial liabilities

- Term loans from banks
- Cash credit from banks
- Revolving credit facility
- Loans repayable on demand
- Bills discounting

31 March 2021 31 March 2020

| | |
|-----------|-----------|
| 98,923.28 | 95,074.69 |
| 182.88 | 5,285.62 |
| 29,175.95 | 45,165.16 |
| 22,430.00 | 39,350.00 |
| - | 4,353.56 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

43 Financial instruments - Fair values and risk management (continued)
Fixed rate instruments
Financial assets

- Deposits with banks

4,244.23 26,853.32

Financial liabilities

- Term loans from banks

- Term loans from financial institutions

320.47 5,233.30

- Finance lease obligations

12,738.64

- Loans repayable on demand

2,080.20 2,559.76

- Bills discounting

1,672.61 7,579.28

- Redeemable preference shares

854.48 -

- Other short term loans

891.60 891.60

340.00 340.00

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.

31 March 2021
Financial liabilities

- Term loans from banks

- Cash credit from banks

- Revolving credit facility

- Loans repayable on demand

- Bills discounting

| | (Profit) or loss | | Equity | |
|--|------------------|-----------------|-----------------|-----------------|
| | 100 bp decrease | 100 bp increase | 100 bp decrease | 100 bp increase |
| | (989.23) | 989.23 | - | - |
| | (1.83) | 1.83 | - | - |
| | (291.76) | 291.76 | - | - |
| | (224.30) | 224.30 | - | - |
| | - | - | - | - |
| | (1,507.12) | 1,507.12 | - | - |

Cash flow sensitivity (net)
31 March 2020
Financial liabilities

- Term loans from banks

- Cash credit from banks

- Revolving credit facility

- Loans repayable on demand

- Bills discounting

Cash flow sensitivity (net)

| | | | | |
|--|------------|----------|---|---|
| | (950.75) | 950.75 | - | - |
| | (52.86) | 52.86 | - | - |
| | (451.65) | 451.65 | - | - |
| | (393.50) | 393.50 | - | - |
| | (43.54) | 43.54 | - | - |
| | (1,892.30) | 1,892.30 | - | - |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

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 not designated as hedging instruments

During the previous year, the company had entered into forward contracts with HDFC bank for the loans given by the company to its wholly owned subsidiary and these are not designated as hedges. The company has recognized a loss of ₹ 691.79 lakhs (₹ 1209.76 as at March 31, 2020) and derecognised the derivative liability in the current year on receipt of the loans given (refer note 32)

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 currency.

Foreign currency risk:

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 2021. 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. 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 held the following hedging instruments as at 31 March 2021:

| | 1 to 6 Months | 6 to 12 Months | More than 12 Months | Total |
|--|---------------|----------------|---------------------|-----------|
| Principle only Swap | | | | |
| Notional principal amount (In INR Lakhs) | - | 2,367.64 | 44,985.10 | 47,352.73 |
| Average Forward Rate (SGD/GBP) | - | 1.76 | 1.76 | 1.76 |
| Average Forward Rate (SGD/USD) | - | 1.37 | 1.37 | 1.37 |
| Average Forward Rate (GBP/USD) | - | 1.26 | 1.26 | 1.26 |

The impact of hedging instruments on the balance sheet as at 31 March, 2021 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 | 34,342.40 | 617.17 | Other financial assets | 617.17 |
| Principle only swap | 13,010.33 | 1,398.08 | Other financial liabilities | 1,398.08 |

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 |
|--------------------------|---|--|-----------------------------------|--|--|
| Year ended 31 March 2021 | | | | | |
| Principle only swap | 49.27 | - | (776.34) | 49.27 | Other expenses |

The impact of hedged item on equity:

| | Cash flow hedge reserve |
|---|-------------------------|
| As at 01 April 2020 | - |
| Effective portion of changes in fair value arising from swap arrangements | 49.27 |
| Amount re-classified to profit or loss | (49.27) |
| As at 31 March 2021 | - |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

(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 2021 | 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 total comprehensive income | Amount |
| Parent | | | | | | | | |
| TVS Supply Chain Solutions Limited | 143.52% | 76,392.42 | 108.88% | (8,137.77) | 35.26% | 71.08 | 110.92% | (8,066.69) |
| Domestic Subsidiaries - (parent's share) | | | | | | | | |
| 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) | 10.44% | 5,556.35 | -17.21% | 1,286.07 | 8.50% | 17.14 | -17.92% | 1,303.21 |
| FLEXOL Packaging (India) Limited | 0.49% | 258.32 | 2.03% | (151.49) | 2.90% | 5.84 | 2.00% | (145.65) |
| TVS Aviation Logistics Limited | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| SPC International (India) Private Limited | 1.67% | 888.69 | 1.02% | (75.93) | 0.00% | - | 1.04% | (75.93) |
| TVS Toyota Tsusho Supply Chain Solutions Ltd. | 2.63% | 1,400.58 | -5.03% | 375.99 | -5.45% | (10.99) | -5.02% | 365.00 |
| White Data Systems India Pvt. Ltd. | 6.32% | 3,364.44 | 4.50% | (336.41) | 11.09% | 22.36 | 4.32% | (314.05) |
| Foreign Subsidiaries - (parent's share) | | | | | | | | |
| TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited) | -0.60% | (321.01) | 0.22% | (16.45) | -4.79% | (9.66) | 0.36% | (26.11) |
| TVS Logistics Investment USA Inc., USA and its subsidiaries | -15.65% | (8,327.25) | 39.27% | (2,934.66) | 147.10% | 296.50 | 36.28% | (2,638.16) |
| TVS Logistics Investment UK Limited and its subsidiaries | 70.65% | 37,604.87 | -1.29% | 96.77 | 607.81% | 1,225.18 | -18.18% | 1,321.95 |
| TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asiamics Supply Chain Solutions Limited), Singapore and its subsidiaries | -41.98% | (22,344.29) | 24.28% | (1,814.92) | -646.87% | (1,303.91) | 42.89% | (3,118.83) |
| Non-controlling interests in all subsidiaries | | | | | | | | |
| Associates | | | | | | | | |
| Montara Verpacken mit System GmbH | 7.51% | 3,996.89 | 2.68% | (200.26) | 134.84% | 271.80 | -0.98% | 71.54 |
| Joint venture | | | | | | | | |
| TVS Infrastructure Private Limited | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Eliminations | | | | | | | | |
| | 18.88% | 10,050.32 | 0.09% | (6.66) | 0.00% | - | 0.09% | -6.66 |
| As at 31 March 2021 | -103.89% | (55,294.44) | -59.43% | 4,441.87 | -190.39% | (383.77) | -55.80% | 4,058.10 |
| | 100% | 53,225.90 | 100% | (7,473.84) | 100% | 201.57 | 100% | (7,272.27) |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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

| 31 March 2020 | 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 |
| Parent | | | | | | | | |
| TVS Supply Chain Solutions Limited | 139.78% | 82,555.67 | 6.55% | (1,584.11) | 15.72% | (121.69) | 6.84% | (1,705.80) |
| Domestic Subsidiaries - (parent's share) | | | | | | | | |
| Drive India Enterprise Solutions Limited | -0.76% | (449.53) | 0.19% | (45.14) | 0.25% | (1.94) | 0.19% | (47.08) |
| TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited) | 7.40% | 4,373.14 | -3.05% | 736.91 | 1.66% | (12.87) | -2.90% | 724.04 |
| FLIXOL Packaging (India) Limited | 0.68% | 403.96 | 1.44% | (348.32) | -0.36% | 2.79 | 1.38% | (345.53) |
| TVS Aviation Logistics Limited | 0.00% | - | 0.00% | - | 0.00% | - | - | - |
| SPC International (India) Private Limited | 1.63% | 964.62 | -0.41% | 99.67 | 0.00% | - | -0.40% | 99.67 |
| TVS Toyota Tusho Supply Chain Solutions Ltd. | 1.75% | 1,035.58 | -1.06% | 255.49 | -0.12% | 0.95 | -1.03% | 256.44 |
| White Data Systems India Pvt. Ltd. | 6.23% | 3,679.61 | 0.69% | (165.98) | 2.27% | (17.55) | 0.74% | (183.53) |
| Foreign Subsidiaries - (parent's share) | | | | | | | | |
| TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited) | -0.51% | (299.24) | 0.45% | (108.48) | 0.00% | - | 0.43% | (108.48) |
| TVS Logistics Investment USA Inc., USA and its subsidiaries | -9.44% | (5,573.37) | 24.62% | (5,952.45) | 0.00% | - | 23.85% | (5,952.45) |
| TVS Logistics Investment UK Limited and its subsidiaries | 60.32% | 35,627.12 | -15.82% | 3,824.68 | 35.25% | (272.92) | -14.23% | 3,551.76 |
| TVS Supply Chain Solutions Pre. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore and its subsidiaries | -31.30% | (18,487.66) | 76.37% | (18,467.15) | 0.00% | - | 74.00% | (18,467.15) |
| Non-controlling interests in all subsidiaries | | | | | | | | |
| Associates | | | | | | | | |
| Montara Verpacken mit System GmbH | 0.25% | 148.98 | 0.00% | - | 0.00% | - | 0.00% | - |
| Joint venture | | | | | | | | |
| TVS Infrastructure Private Limited | 6.04% | 3,564.83 | -0.91% | 218.98 | 0.00% | - | -0.88% | 218.98 |
| Eliminations | | | | | | | | |
| | -95.60% | (56,464.04) | -12.08% | 2,922.15 | 23.62% | (182.85) | -10.98% | 2,739.30 |
| As at 31 March 2020 | 100% | 59,062.09 | 100% | (24,180.18) | 100% | (774.21) | 100% | (24,954.38) |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(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 non-current assets/disposal group recognised as held for sale as on 31 March 2021

| Asset/Disposal group | Reportable segment |
|--|--------------------|
| Drive India Enterprise Solutions Limited | India |

B. The proposed sale is expected to be completed within 1 year from the respective reporting dates
C. Financial performance and cash flow information
The results of Drive India Enterprise Solutions Limited for the year are presented below:

| | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Total Revenues (includes other income) | 681.42 | 1,515.89 |
| Expense | 675.87 | 1,559.40 |
| Profit/(loss) before tax from a discontinued operation | 5.55 | (43.51) |
| Tax (expenses)/income: | | |
| Tax relating to earlier periods | - | 9.99 |
| Profit/(loss) for the year from a discontinued operation | 5.55 | (53.50) |
| Earnings per share: | | |
| Basic | 0.02 | (0.17) |
| Diluted | 0.02 | - |

The net cash flows incurred by Drive India Enterprise Solutions Limited are, as follows:

| | | |
|--|--------------|--------------|
| Net cash inflow/(outflow) from operating activities | 178.48 | 605.74 |
| Net cash inflow/(outflow) from investing activities | (117.76) | (550.36) |
| Net cash inflow/(outflow) from financing activities | (2.96) | - |
| Net increase/(decrease) in cash generated from discontinued operation | 57.76 | 55.38 |

D. The major classes of assets and liabilities of Drive India Enterprises Solutions Limited classified as held for sale as at 31 March 2021 are, as follows:

| Group(s) of assets classified as held for sale: | 31 March 2021 | 31 March 2020 |
|--|-----------------|-----------------|
| Right-of-use assets | 0.77 | 2.18 |
| Other intangible assets | 20.14 | 218.90 |
| Other financial assets - Non-current | 437.52 | 466.57 |
| Non-current tax assets (net) | 39.50 | 87.08 |
| Other non-current assets | 447.46 | 692.76 |
| Inventories | 157.57 | 102.02 |
| Trade receivables (Non-current & current) | 3,477.54 | 3,485.81 |
| Loans - current | - | - |
| Cash and cash equivalents | 144.75 | 507.02 |
| Other bank balances | 420.03 | - |
| Deposits & other receivables - current | 11.34 | 1.17 |
| Other financial assets - Current | 388.14 | 342.47 |
| Other current assets | 327.20 | 442.91 |
| | 5,871.96 | 6,348.89 |
| Liabilities associated with group(s) of assets classified as held for sale: | | |
| Provisions - Non-current | 2.58 | 2.63 |
| Borrowings - Current | 492.87 | 492.87 |
| Trade payables (Non-current & current) | 3,699.25 | 3,554.51 |
| Other non-current liabilities | 311.39 | 314.73 |
| Other financial liabilities - Current | 19.22 | 71.49 |
| Provisions - current | 1.11 | 1.15 |
| Current tax liabilities (net) | - | - |
| Deferred tax liabilities | 65.69 | 65.69 |
| Other current liabilities | 438.82 | 401.54 |
| | 5,030.93 | 4,904.61 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
46 List of subsidiaries

| Name of direct subsidiaries of the Company | Country of incorporation | Ownership interest | |
|--|--------------------------|--------------------|---------------|
| | | 31 March 2021 | 31 March 2020 |
| TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited) | India | 90.00% | 85.00% |
| Drive India Enterprises Solutions Limited | India | 100.00% | 100.00% |
| FLEXOL Packaging (India) Limited | India | 88.11% | 67.55% |
| 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 | 93.50% | 93.31% |
| TVS Toyota Tsusho Supply Chain Solutions Limited | India | 60.00% | 60.00% |
| White Data Systems India Pvt. Ltd. | India | 51.00% | 51.00% |
| Name of step-down subsidiaries | | | |
| Subsidiaries of TVS Logistics Investment UK Limited | | | |
| 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 | 100.00% | 100.00% |
| Multipart Limited, UK | United Kingdom | 100.00% | 100.00% |
| Linfox TVS Solutions Pty Limited | United Kingdom | 100.00% | 100.00% |
| Peter Thomas & Co (Refurbishing) Limited, UK | United Kingdom | 100.00% | 75.00% |
| 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 | 97.47% | 97.47% |
| <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. | | 100.00% | 100.00% |
| Rico Logistique, France | France | 100.00% | 100.00% |
| Rico Logistics Limited, Australia | Australia | 100.00% | 100.00% |
| Circle Express Limited, UK | United Kingdom | 95.00% | 85.00% |
| Tri - Tec Computer Support Limited, Northern Ireland | Northern Ireland | 100.00% | 100.00% |
| 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% | 63.06% |
| <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.a.s. France | France | 100.00% | 100.00% |
| SPC International s.r.o. Slovakia | Slovakia | 100.00% | 100.00% |
| Subsidiaries of TVS Logistics Investments USA Inc. | | | |
| 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> | | | |
| Waintrans LLC, USA | USA | 100.00% | 100.00% |
| TVS Supply Chain Solutions De Mexico S.A. de C.V., Mexico | Mexico | 99.00% | 99.00% |
| TVS Packaging Solutions Inc, US | USA | 100.00% | 100.00% |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

46 List of subsidiaries (continued)

Subsidiaries of TVS Supply Chain Solutions Pte. Ltd.

| | | | |
|---|-------------|---------|---------|
| 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> | | | |
| Lineas Regulares XXI, S.L. | Spain | 99.75% | 99.75% |
| 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> | | | |
| Pan Asia Logistics Limited, Shanghai | 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 | 49.00% | 49.00% |
| 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% |
| Pan Asia Logistics 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% |
| 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 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% |

47 Subsequent events

There are no significant subsequent events that have occurred after the reporting period till the date of these consolidated financial statements.

48 Prior year comparatives

To conform to this year'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 : 15 June 2021



[Signature]

S Mahalingam

Chairman

DIN: 00121727

[Signature]

R Dinesh

Managing Director

DIN: 00363300

[Signature]

Ravi Viswanathan

Joint Managing Director

DIN: 08713910

[Signature]

S Ravichandran

Whole-time Director

DIN: 01485845

[Signature]

Ravi Prakash Bhagavathula

Group Chief Financial Officer

Place : Singapore

[Signature]

P D Krishna Prasad

Company Secretary



Place : Chennai

Date : 15 June 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of TVS Supply Chain Solutions Limited

Report on the Audit of the Standalone Ind AS Financial Statements**Opinion**

We have audited the accompanying standalone Ind AS financial statements of TVS Supply Chain Solutions Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, 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 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 Ind AS 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, 2021, 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 2A of the Standalone Financial Statements which describes the continuing impact of Covid-19 pandemic, and its possible consequential implications, on the Company's operations and financial metrics. Our opinion is not modified in respect of the matter.

Other Information

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

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 for the Standalone Ind AS 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 Ind AS 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 that give a true and fair view 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 Ind AS 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 Ind AS financial statements, management is 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 Ind AS 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 system 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- 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 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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, 2016 ("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 Ind AS 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 over financial reporting of the Company with reference to these standalone Ind AS 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, 2021 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;



S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

(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 Ind AS financial statements – Refer Note 32 to the standalone Ind AS 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.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Bharath N S

per Bharath N S

Partner

Membership Number: 210934

UDIN: 21210934AAAADI9878

Place of Signature: Chennai

Date: June 15, 2021



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure 1 referred to in our report of even date

Re: TVS Supply Chain Solutions Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable property, are held in the name of the Company except for one immovable property comprising land and building acquired pursuant to demerger of the third-party logistics services business of a subsidiary amounting to a gross book value of Rs. 2,857 lakhs, for which the Company is in the process of registering title deeds. Also refer note 12 of the standalone Ind AS financial statements.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loans to four parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) In respect of loans granted to companies covered in the register maintained under section 189 of Companies Act, 2013, the schedule of repayment of principal and payment of interest has been stipulated. Having regard to the amendments made to certain of these agreements in the current year, we are informed that there has been no default on the part of the parties to whom the money has been lent as the repayments / receipts were to the extent of amounts demanded.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other statutory dues applicable to it. The provisions relating to duty of custom, duty of excise, value added tax are not applicable to the Company.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, value added tax and cess on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Amount (Rs in lacs) | Amount* (Rs in lacs) | Period to which the amount relates | Forum where the dispute is pending |
|----------------------|--------------------|---------------------|----------------------|------------------------------------|--|
| Income-tax Act, 1961 | Income tax dues | 209.09 | - | AY 2011-12 | High Court of Judicature of Madras |
| Income-tax Act, 1961 | Income tax dues | 143.88 | 122.28 | AY 2012-13 | Income Tax Appellate Tribunal |
| Income-tax Act, 1961 | Income tax dues | 14.71 | - | AY 2014-15 | CIT (Appeals) |
| Income-tax Act, 1961 | Income tax dues | 46.68 | - | AY 2015-16 | Income Tax Appellate Tribunal |
| Income-tax Act, 1961 | Income tax dues | 137.36 | - | AY 2016-17 | CIT (Appeals) |
| Finance Act, 1994 | Service tax dues | 80.12 | 72.84 | April 2014 to September 2015 | Additional commissioner, CGST & Central Excise |

*Net of amounts paid under protest

- (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) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 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) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 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: 21210934AAAADI9878

Place of signature: Chennai

Date: June 15, 2021



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE 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, 2021 in conjunction with our audit of the standalone 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 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 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 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 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 financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 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 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 Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, 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

Bharath N S

per Bharath N S

Partner

Membership No.: 210934

UDIN: 21210934AAAADI9878

Place of signature: Chennai

Date: June 15, 2021





TVS SUPPLY CHAIN SOLUTIONS LIMITED
Standalone Financial Statements
FY 2020-21

TVS SUPPLY CHAIN SOLUTIONS LIMITED
Standalone Balance sheet as at 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | Note | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------|------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 14,560.73 | 13,248.31 |
| Capital work-in-progress | | 407.27 | 191.77 |
| Goodwill | 13A | 5,287.90 | 5,287.90 |
| Other intangible assets | 13B | 534.55 | 748.99 |
| Right-of-use assets | 13C | 23,650.77 | 25,141.86 |
| Financial assets | | | |
| Investments | 14 | 42,296.40 | 41,457.00 |
| Trade receivables | 20 | 632.46 | - |
| Deposits and other receivables | 16 | 7,880.61 | 3,502.08 |
| Other financial assets | 17 | 605.44 | 615.94 |
| Deferred tax assets (net) | 11 | 6,399.97 | 5,629.36 |
| Non-current tax assets (net) | | 5,959.97 | 6,372.95 |
| Other non-current assets | 18 | 249.26 | 716.98 |
| Total non-current assets | | 1,08,465.33 | 1,03,113.14 |
| Current assets | | | |
| Inventories | 19 | 176.03 | 130.51 |
| Financial assets | | | |
| Investments | 14 | 1,355.62 | 1,058.00 |
| Trade receivables | 20 | 28,819.34 | 39,582.86 |
| Cash and cash equivalents | 21 | 10,531.95 | 8,013.14 |
| Other bank balances | 22 | 270.01 | 249.40 |
| Loans | 15 | 3,818.88 | 44,596.27 |
| Deposits and other receivables | 16 | 18,168.51 | 15,461.26 |
| Other financial assets | 17 | 12,723.82 | 6,362.12 |
| Other current assets | 23 | 6,394.30 | 4,350.22 |
| Total current assets | | 82,258.46 | 1,19,803.78 |
| Total assets | | 1,90,723.79 | 2,22,916.92 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 24A | 3,176.21 | 3,176.21 |
| Other equity | 24B | 73,216.76 | 79,379.15 |
| Total equity | | 76,392.97 | 82,555.36 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Standalone Balance sheet as at 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | Note | As at 31 March 2021 | As at 31 March 2020 |
|--|------|------------------------|------------------------|
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 25 | 208.26 | 166.35 |
| Lease liability | 13C | 18,625.35 | 20,761.85 |
| Other financial liabilities | 27 | 3,981.11 | 49.80 |
| Provisions | 28 | 203.04 | 431.62 |
| Total non-current liabilities | | 23,017.76 | 21,409.62 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 25 | 29,971.11 | 63,225.92 |
| Lease liability | 13C | 7,157.54 | 6,249.30 |
| Trade payables | 26 | | |
| Dues to micro, small and medium enterprises | | 1,496.54 | 2,510.07 |
| Dues to creditors other than micro, small and medium enterprises | | 37,036.55 | 31,162.85 |
| Other financial liabilities | 27 | 10,882.37 | 12,662.02 |
| Provisions | 28 | 1,223.86 | 946.76 |
| Other current liabilities | 29 | 3,545.09 | 2,195.02 |
| Total current liabilities | | 91,313.06 | 1,18,951.94 |
| Total liabilities | | 1,14,330.82 | 1,40,361.56 |
| Total equity and liabilities | | 1,90,723.79 | 2,22,916.92 |

The notes from 1 to 38 form an integral part of the standalone financial statements.

As per our report of even date attached

for **S.R. Battiboi & 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 : 15 June 2021



[Signature]

S Mahalingam

Chairman

DIN: 00121727

[Signature]

R Dinesh

Managing Director

DIN: 00363300

[Signature]

Ravi Viswanathan

Joint Managing Director

DIN: 08713910

[Signature]

S Ravichandran

Whole-time Director

DIN: 01485845

[Signature]

Ravi Prakash Bhagavathula

Group Chief Financial Officer

Place : Singapore

[Signature]

P D Krishna Prasad

Company Secretary



Place : Chennai

Date : 15 June 2021

TVS SUPPLY CHAIN SOLUTIONS LIMITED
Standalone statement of profit and loss for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | Note | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|------|-----------------------------|-----------------------------|
| Revenue from operations | 5 | 1,24,196.49 | 1,49,400.09 |
| Other income | 6 | 10,252.85 | 12,529.05 |
| Total income | | 1,34,449.34 | 1,61,929.14 |
| Expenses | | | |
| Purchase of stock-in-trade | | 10.58 | 11,821.00 |
| Employee benefits expense | 7 | 39,827.59 | 40,004.96 |
| Finance costs | 8 | 5,910.07 | 7,571.97 |
| Depreciation and amortisation expense | 9 | 11,548.22 | 11,926.03 |
| Other expenses | 10 | 86,097.01 | 92,778.06 |
| Total expenses | | 1,43,393.47 | 1,64,102.02 |
| Loss before tax | | (8,944.13) | (2,172.88) |
| Income tax expense | 11 | | |
| Adjustments of tax relating to prior years | | 2.43 | - |
| Deferred tax | | (808.79) | (588.77) |
| Income tax expense | | (806.36) | (588.77) |
| Loss for the year | | (8,137.77) | (1,584.11) |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | 109.25 | 187.06 |
| Income tax relating to these items | | (38.18) | (65.37) |
| Net other comprehensive income not to be reclassified subsequently to profit or loss | | 71.07 | 121.69 |
| Other comprehensive income for the year, net of tax | | 71.07 | 121.69 |
| Total comprehensive income for the year | | (8,066.70) | (1,462.42) |
| Earnings per share (INR) | 24E | | |
| Basic | | (24.70) | (4.95) |
| Diluted | | (24.70) | (4.95) |

The notes from 1 to 38 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 : 15 June 2021



S Mahalingam

Chairman

DIN: 00121727

R Dinesh

Managing Director

DIN: 00363300

Ravi Viswanathan

Joint Managing Director

DIN: 08713910

S Ravichandran

Whole-time Director

DIN: 01485845

Ravi Prakash Bhagavathula

Group Chief Financial Officer

Place : Singapore

P D Krishna Prasad

Company Secretary

Place : Chennai

Date : 15 June 2021



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Standalone statement of changes in equity for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

A Equity Share Capital

Balance as at 31 March 2019
 Changes in equity share capital during the year 2019-20
 Balance as at 31 March 2020
 Changes in equity share capital during the year 2020-21
 Balance as at 31 March 2021

| Note | Amount |
|------|----------|
| 24A | 3,166.71 |
| | 0.50 |
| | 3,176.21 |
| | 3,176.21 |

B Other equity

Balance at 01 April 2019
 Loss for the year
 Other comprehensive income (net of tax)
 Total comprehensive income
 Transactions with owners recorded directly in equity
 Issue of convertible preference shares
 Expense directly in relation to issue of convertible preference shares
 Recognition of share based payments
 Issue of equity shares pursuant to exercise of share warrants
 Total contributions by and distributions to owners
 Balance at 31 March 2020

| | Securities premium | Capital reserve | Reserves and surplus | | | | | Share options | Compulsorily convertible preference shares | Retained earnings | Items of OCI | Total |
|-----------|--------------------|-----------------|----------------------------|----------------|---------------|---------------|---------------|---------------|--|-------------------|--------------|------------|
| | | | Capital redemption reserve | Share warrants | Share options | Share options | Share options | | | | | |
| | 69,627.38 | 0.82 | 0.46 | 225.63 | 276.41 | | | 19.00 | (7,885.92) | (98.23) | | 62,165.55 |
| | - | - | - | - | - | - | - | - | (1,584.11) | - | | (1,584.11) |
| | - | - | - | - | - | - | - | - | | 121.69 | | 121.69 |
| | - | - | - | - | - | - | - | - | (1,584.11) | 121.69 | | (1,462.42) |
| | 16,476.65 | - | - | - | - | - | - | 1,023.35 | - | - | | 17,500.40 |
| | - | - | - | - | - | - | - | (356.70) | - | - | | (356.70) |
| | - | - | - | - | 865.34 | - | - | - | - | - | | 865.34 |
| 893.01 | - | - | - | (225.63) | - | - | - | - | - | - | | 667.38 |
| 17,349.66 | - | - | - | (225.63) | 865.34 | - | - | 666.65 | - | - | | 18,676.02 |
| 86,997.04 | 0.82 | 0.46 | - | - | 1,141.75 | - | - | 685.65 | (9,470.03) | 23.46 | | 79,379.15 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Standalone statement of changes in equity for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

B Other equity (continued)

Balance at 01 April 2020

Loss for the year
Other comprehensive income (net of tax)
Total comprehensive income

Transactions with owners recorded directly in equity

Recognition of share based payments

Total contributions by and distributions to owners

Balance at 31 March 2021

The notes from 1 to 38 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 : 101649W / E300004

Chartered Accountants



Bharath N S

Partner

Membership No. 210934

Place : Chennai

Date : 15 June 2021

[Signature]

S Mahalingam
Chairman
DIN: 00121727

[Signature]

Ravi Viswanathan
Joint Managing Director
DIN: 08713910

[Signature]
Ravi Prakash Ingavathula
Group Chief Financial Officer
Place: Singapore



for and on behalf of the board of directors of
TVS Supply Chain Solutions Limited

[Signature]

R Dinesh
Managing Director
DIN: 00363300

[Signature]

S Ravichandran
Whole-time Director
DIN: 01485845

[Signature]
P D Krishna Prasad
Company Secretary

Place : Chennai
Date : 15 June 2021

| Securities premium | Reserves and surplus | | | | Items of OCI | | Total |
|--------------------|----------------------|----------------------------|----------------|---------------|--|-------------------|------------|
| | Capital reserve | Capital redemption reserve | Share warrants | Share options | Compulsorily convertible preference shares | Retained earnings | |
| 86,997.04 | 0.82 | 0.46 | - | 1,141.75 | 685.65 | (9,470.03) | 79,379.15 |
| - | - | - | - | - | - | (8,137.77) | (8,137.77) |
| - | - | - | - | - | - | 71.07 | 71.07 |
| - | - | - | - | - | - | (8,137.77) | (8,066.70) |
| - | - | - | - | 1,904.31 | - | - | 1,904.31 |
| - | - | - | - | 1,904.31 | - | - | 1,904.31 |
| 86,997.04 | 0.82 | 0.46 | - | 3,046.06 | 685.65 | (17,607.80) | 73,216.76 |

TVS SUPPLY CHAIN SOLUTIONS LIMITED**Standalone statement of cash flows for the year ended 31 March 2021***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Cash flow from operating activities | | |
| Loss before tax | (8,944.13) | (2,172.88) |
| Adjustments for: | | |
| Interest income under the effective interest method on: | | |
| Cash and cash equivalents | (235.53) | (113.83) |
| Security deposits carried at amortised cost | (288.15) | (241.71) |
| Investments in debentures carried at amortised cost | (36.11) | (30.82) |
| Loan to subsidiaries and joint ventures | (562.09) | (1,567.11) |
| Amortisation of financial guarantee liability | (1,652.61) | (1,744.48) |
| Provision no longer required written back | - | (640.31) |
| Dividend income from subsidiaries | (108.00) | (102.00) |
| Share based payments | 1,680.40 | 641.43 |
| Finance costs | 5,910.07 | 7,571.97 |
| Depreciation and amortisation expense | 11,548.22 | 11,926.03 |
| Gain on termination of lease contract | (480.34) | (914.46) |
| Interest income under income tax refund | (305.24) | (210.86) |
| Unrealised foreign exchange differences | (2,478.29) | (2,139.96) |
| Bad debts written off | 82.96 | 10.10 |
| Provision for doubtful debts | 971.68 | 2,005.38 |
| Loss on changes in fair value of financial assets measured at fair value through P&L | - | 1,209.76 |
| Provision for doubtful security deposits | 25.00 | - |
| (Gain)/Loss on sale of property, plant and equipment, net | 82.37 | 16.45 |
| Operating profit before changes in operating assets and liabilities | 5,210.21 | 13,502.67 |
| Change in operating assets and liabilities | | |
| (Increase) / decrease in inventories | (45.52) | (1.00) |
| (Increase) / decrease in trade receivables | 9,051.43 | (13,826.97) |
| (Increase) / decrease in other current and non-current, financial and non-financial assets | (12,023.39) | 9,588.88 |
| Increase / (decrease) in trade payables | 4,860.12 | (2,159.85) |
| Increase / (decrease) in other current and non-current, financial and non-financial liabilities | 9,933.39 | (6,335.46) |
| Increase / (decrease) in provisions | 157.77 | (258.60) |
| Cash generated from operations | 17,144.01 | 509.67 |
| Income taxes paid, net of refunds | 610.55 | (1,237.35) |
| Net cash flow from/ (used in) operating activities | 17,754.56 | (727.68) |
| Cash flows used in investing activities | | |
| Investment in bank deposits having an original maturity of more than three months | (20.61) | 6.83 |
| Payments for property, plant and equipment and other intangible assets | (5,480.50) | (3,770.12) |
| Proceeds from sale of property, plant and equipment | 165.13 | 78.23 |
| Investments in subsidiaries and joint ventures | (1,080.90) | (15,395.16) |
| Investments in body corporate | (20.00) | - |
| Loans (given)/received to/from subsidiaries | 42,260.61 | (35,486.25) |
| Interest received | 834.25 | 326.12 |
| Dividend income from subsidiaries | 108.00 | 102.00 |
| Net cash flow used in investing activities | 36,765.98 | (54,138.35) |



TVS SUPPLY CHAIN SOLUTIONS LIMITED**Standalone statement of cash flows for the year ended 31 March 2021***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Cash flows from/(used in) financing activities | | |
| Proceeds from compulsorily convertible preference shares, (net) | - | 17,143.30 |
| Proceeds from issue of share warrants | - | 676.88 |
| Proceeds from/(repayment) of short-term borrowings, net | (33,254.81) | 50,347.72 |
| Proceeds from long-term borrowings | 43.29 | 3,015.98 |
| Repayment of long-term borrowings | (5,593.84) | (811.47) |
| Interest paid | (3,609.86) | (5,013.36) |
| Payment of lease liabilities | (9,586.51) | (10,327.35) |
| Net cash flow from/ (used in) financing activities | (52,001.73) | 55,031.70 |
| Net increase / (decrease) in cash and cash equivalents | 2,518.81 | 165.67 |
| Cash and cash equivalents at the beginning of the financial year | 8,013.14 | 7,847.47 |
| Cash and cash equivalents at the end of the financial year | 10,531.95 | 8,013.14 |

The notes from 1 to 38 form an integral part of the standalone financial statements.

As per our report of even date attached

for **S.R. Battiboi & 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 : 15 June 2021

**S Mahalingam**

Chairman

DIN: 00121727

**R Dinesh**

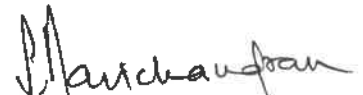
Managing Director

DIN: 00363300

**Ravi Viswanathan**

Joint Managing Director

DIN: 08713910

**S Ravichandran**

Whole-time Director

DIN: 01485845

**Ravi Prakash Bhagavathula**

Group Chief Financial Officer

Place : Singapore

**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 15 June 2021



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

(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.

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.

In view of the matters as mentioned in Note 2.F, the Company has assessed the continuing impact of the Novel Coronavirus (COVID-19) pandemic on availability of liquidity in its businesses and its ability to repay its obligations both in respect of borrowings and other liabilities as and when they are due.

Across the world, lockdown rules have been substantially reduced while in India, there are temporary restrictions in movement of people and resources affecting the business operations. The management is confident that business will resume with robust growth in the near future. The Company also believes the pandemic is not expected to have any material medium to long term impact to its business prospects.

The Company has made a detailed assessment of its liquidity position and has considered the possible impact of Covid 19 on the financial projections and commitments using available information, estimates and judgements. In borrowing arrangements, the Company has not defaulted on any of the borrowings as at March 31, 2021 (refer note 25). Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. Accordingly, the standalone financial statements have been prepared on a going concern basis.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 15 June, 2021. 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:

| Items | Measurement basis |
|---|---|
| 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:

- Note 3 (K) & 5 - Recognition of revenue
- Note 3 (D) & (E), 12 and 13 - Property, plant and equipment and intangible assets – useful lives and impairment
- Note 3 (B), 20 & 37 - Allowances for credit losses for trade receivables
- Note 3 (H), 30 - Assets and obligations relating to employee benefits
- Note 3 (L), 13C, 31 - Lease accounting

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 2020 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 - impairment of financial assets



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

2 Basis of preparation (continued)

E Measurement of fair values

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 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

F Estimation of uncertainties relating to the global health pandemic from COVID-19

COVID-19 pandemic (declared as such by the World Health Organisation on March 11, 2020), had contributed to widespread volatility and decrease in economic activity across geographies including Indian markets in 2020. It's impact continues in 2021 across countries and economies, particularly in emerging markets. This pandemic has led to disruptions to business operations. During the year, various governments imposed lockdowns over a period of time depending on the severity of the outbreak. This has led to an uncertainty in the Company's ability to return to full capacity in its operations.

A detailed assessment has been carried out by the Company for each business segment with regards to impact on revenue, costs and other financial statement metrics. Impact due to any extended credit terms, cancelled orders, change in contractual terms, price concession request, onerous obligations etc. were comprehensively evaluated for any risk due to Covid-19 on revenue recognized and collectability thereof. No material impact has been noted in this impact assessment.

In assessing the recoverability of its assets including receivables, property, plant and equipment, intangibles, investments, goodwill etc., the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. While the Company expects to address all challenges from the pandemic, it continues to monitor these matters and the estimates and judgements used in the preparation of these financial statements. Given the dynamic and evolving nature of this pandemic, these estimates are subject to uncertainties and may be affected by the severity and duration of the pandemic and consequential impact on the economy.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

3 Significant accounting policies

A Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into 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

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent

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 classified as 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.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

B Financial instruments (continued)

iii. Derecognition (continued)

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.

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) on or after 01 January 2011

The Company has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, retrospectively to those business combinations that occurred on or after 01 January 2011. 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.

ii. Business combinations prior to 01 January 2011

In respect of such business combinations, goodwill represents the amount recognised under the Company's previous accounting framework under Indian GAAP.

iii. 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.

D Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, 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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)**D Property, plant and equipment (continued)****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 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 period whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. 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).

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

Other 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 when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit and loss as and when incurred.

iv. Amortisation

Goodwill is not amortised and is tested for impairment annually.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

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).

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

G Impairment (continued)

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.

For disclosures relating to Goodwill impairment, refer to Note 16A of the Consolidated Financial Statements of the Company.

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. 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.

iii. 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

iv. Share based payment arrangements

The share options granted to employees pursuant to the company's Management Incentive Plan (MIP) scheme, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

1 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.

1 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.

In respect of contingent assets for which inflow of economic benefits are probable, the Company discloses a brief description of the nature of the contingent assets at the end of the year, and, where practicable, an estimate of their financial effect.

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.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

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.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

L Leases

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 lease term.

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. The Company's lease liabilities are included in interest-bearing loans and borrowings. (see note 25)

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

Lease payments on short-term leases and leases of low-value assets are recognised as expense on actual 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.

In general, since Company has made significant investments in each of the warehouse in the form of leasehold improvements, racking equipment etc., and the termination would lead to additional expenses (losses) for dismantling and would lead to business disruption, the management in general has concluded that there is economic disincentive for the Company to discontinue / terminate any arrangement. Accordingly, applying Para B34 of Ind AS 116, except for specific cases, the Company concludes that non-cancellable period generally includes the lease period covered by the option to terminate.

(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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

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.

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.

Uncertainty over Income Tax Treatment

Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item:

1. An entity should determine an approach or method that predicts the resolution of the uncertainty. Based on the approach, the entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.
2. It shall assess whether it is probable that the taxation authority will accept the uncertain tax treatment, assuming that the authority has full right to examine the treatment and has full knowledge of all related information.
3. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In viceversa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related aforesaid items by using either the most likely outcome or the expected outcome of the uncertainty.

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.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

3 Significant accounting policies (continued)

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 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 equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, 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 a maturity period of more than three months are classified as other bank balances.

Q Earnings per share

Basic earning per equity share are computed by dividing the net profit 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.

R 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.

S Changes in accounting policies and disclosures

Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession, the same way it would account for the change under Ind AS 116, if the changes were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no material impact on the standalone financial statements of the Company.



TVS SUPPLY CHAIN SOLUTIONS LIMITED**Notes to the standalone financial statements for the year ended 31 March 2021***(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

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| Sale of products | 9.91 | 13,136.44 |
| Sale of services | | |
| Income from supply chain management services | 1,11,317.87 | 1,25,683.57 |
| Income from telecom services | 12,511.25 | 10,520.43 |
| | 1,23,829.12 | 1,36,204.00 |
| Other operating revenue | | |
| Scrap sales | 357.46 | 59.65 |
| | 357.46 | 59.65 |
| | 1,24,196.49 | 1,49,400.09 |

6 Other income

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Interest income under the effective interest method on: | | |
| Cash and cash equivalents | 41.68 | 113.83 |
| Security deposits carried at amortised cost | 288.15 | 241.71 |
| Investments in debentures carried at amortised cost | 36.11 | 30.82 |
| Loans to subsidiaries | 562.09 | 1,567.11 |
| Amortisation of financial guarantee liability | 1,652.61 | 1,744.48 |
| Income from finance lease | 193.85 | 112.04 |
| Interest income on income tax refund | 305.24 | 210.86 |
| Dividend income from subsidiaries | 108.00 | 102.00 |
| Exchange difference gain net | 2,478.29 | 2,226.56 |
| Provision no longer required written back | - | 640.31 |
| Gain on termination of lease | 480.34 | 914.46 |
| Business development and management services | 2,890.05 | 3,602.03 |
| Other non operating income | 1,216.44 | 1,022.84 |
| | 10,252.85 | 12,529.05 |

7 Employee benefits expense

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus* | 32,295.87 | 32,946.01 |
| Contribution to provident and other funds (refer note 30) | 2,606.10 | 2,778.03 |
| Share based payment costs** | 1,689.40 | 641.43 |
| Expenses related to post-employment defined benefit plans (refer note 30) | 408.92 | 453.33 |
| Expenses related to compensated absences | 267.03 | 276.97 |
| Staff welfare expenses | 2,569.27 | 2,909.19 |
| | 39,827.59 | 40,004.96 |

*Net of reimbursement of ₹ 34.84 (31 March 2020: ₹ Nil) in respect of corporate payroll costs recharged to Drive India Enterprise Solutions Limited.

**Net of ₹ 223.91 lakhs (31 March 2020: ₹223.91 lakhs) in respect of share options issued to the company's subsidiaries.

8 Finance costs

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Interest expenses | 3,281.76 | 4,985.37 |
| Finance cost of finance lease obligations | 2,524.06 | 2,364.47 |
| Other borrowing costs | 104.25 | 222.13 |
| | 5,910.07 | 7,571.97 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
9 Depreciation and amortisation expense

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment | 2,984.09 | 2,507.88 |
| Amortisation of right-of-use assets | 8,244.09 | 8,883.70 |
| Amortisation of intangible assets | 320.04 | 534.45 |
| | 11,548.22 | 11,926.03 |

10 Other expenses

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| Freight charges | 40,359.60 | 49,295.39 |
| Sub-contracting costs* | 10,411.41 | 9,793.61 |
| Staff transportation charges | 1,435.20 | 1,390.45 |
| Material handling charges | 977.85 | 990.53 |
| Casual labour charges | 15,034.90 | 13,177.77 |
| Consumption of stores and spares | 1,324.29 | 708.05 |
| Power and fuel | 657.01 | 667.59 |
| Rent | 1,606.84 | 1,594.29 |
| Rates and taxes | 457.22 | 327.14 |
| Insurance | 268.41 | 241.81 |
| Repairs and maintenance | | |
| Plant and machinery | 61.85 | 75.92 |
| Buildings | 303.37 | 246.72 |
| Others | 1,488.98 | 1,693.57 |
| Advertisement and business promotion | 118.61 | 153.20 |
| Travelling and conveyance | 329.71 | 1,232.81 |
| Communication costs | 377.94 | 415.01 |
| Printing and stationery | 498.57 | 581.66 |
| Factoring charges | 193.85 | 493.35 |
| Bank charges | 160.33 | 116.43 |
| Legal and professional fees | 3,801.34 | 3,137.01 |
| Security expenses | 2,373.68 | 2,547.58 |
| Payment to auditors (refer note (a) below) | 186.85 | 160.25 |
| Bad debts written off (net of adjustment against provision for doubtful debts ₹ 104.80 (31 March 2020: ₹ 2690.77)) | 82.96 | 10.10 |
| Provision for doubtful debts/advances | 971.68 | 2,005.38 |
| Provision for doubtful security deposits | 25.00 | - |
| Expenditure on corporate social responsibility (refer note (b) below) | 8.95 | 46.95 |
| Loss on sale of property plant and equipment, net | 82.37 | 16.45 |
| Loss on financial instruments measured at fair value through P&L | 691.79 | 1,209.76 |
| Miscellaneous expenses | 1,806.45 | 449.28 |
| | 86,097.01 | 92,778.06 |

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

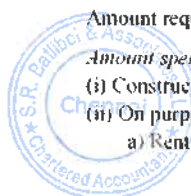
10 Other expenses (continued)
(a) Details of payment to auditors

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| As auditor | | |
| Audit of standalone financial statements | 38.95 | 37.00 |
| Audit of consolidated financial statements | 47.90 | 38.00 |
| Audit of subsidiaries for consolidation purposes* | 69.00 | 60.00 |
| Tax audit | 2.00 | 2.00 |
| Certification fees | 14.00 | 7.25 |
| Other audit services (including certifications etc.) | 15.00 | - |
| Re-imbursement of expenses | - | 1.00 |
| In other capacities | | |
| Other services | - | 15.00 |
| | 186.85 | 160.25 |

* Audit fee of subsidiaries for consolidation purposes includes ₹ 2.5 lakhs relating to earlier years

(b) Corporate social responsibility expenditure

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Amount required to be spent as per section 135 of the Companies Act, 2013 | 7.92 | 42.68 |
| Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purpose other than (i) above on | | |
| a) Rent | 8.95 | 46.95 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(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 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Current tax (a) | | |
| Prior year tax | 2.43 | - |
| | 2.43 | - |
| Deferred tax (b) | | |
| Attributable to origination and reversal of temporary differences | (808.79) | (588.77) |
| | (808.79) | (588.77) |
| Tax expense (a+b) | (806.36) | (588.77) |

B. Income tax recognised in other comprehensive income

| | Year ended 31 March 2021 | | | Year ended 31 March 2020 | | |
|--|--------------------------|----------------------------|--------------|--------------------------|----------------------------|---------------|
| | Before tax | Tax (expense) / benefit | Net of tax | Before tax | Tax (expense) / benefit | Net of tax |
| Remeasurement of defined benefit liability / (asset) | 109.25 | (38.18) | 71.07 | 187.06 | (65.37) | 121.69 |
| | 109.25 | (38.18) | 71.07 | 187.06 | (65.37) | 121.69 |

C. Reconciliation of effective tax rate

| | | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------|-----------------------------|-----------------------------|
| Profit before tax | | (8,944.13) | (2,172.88) |
| Tax using the Company's domestic tax rate | 34.94% | (3,125.44) | 34.61% (759.30) |
| <i>Effects of:</i> | | | |
| Permanent disallowances | -1% | 117.29 | -1% 22.79 |
| Income not subject to tax | -3% | 229.12 | -16% 349.55 |
| Tax incentives | 0% | - | 7% (149.68) |
| Current year loss on which DTA was not recognised | -11% | 1,007.85 | 0% |
| Changes in estimate related to prior years | -11% | 969.76 | 0% |
| Others | 0% | (4.94) | 2% (52.13) |
| Effective tax rate | 9% | (806.36) | 27% (588.77) |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(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
a. Deferred tax assets and liabilities are attributable to the following :

| Deferred tax assets (net) | 31 March 2021 | 31 March 2020 |
|---|-----------------|-----------------|
| Deferred tax asset | | |
| Employee benefits | 2,109.23 | 1,458.10 |
| Provision for diminution in financial assets, net | 2,106.86 | 2,316.46 |
| Tax incentives | 1.02 | 3.06 |
| Carried forward tax losses | 95.55 | 95.55 |
| Depreciation and amortisation | 1,002.87 | 751.15 |
| Right of use asset and lease liability | 1,084.44 | 1,005.04 |
| Net Deferred tax asset | 6,399.97 | 5,629.36 |

b. Movement in deferred tax assets

| | Balance as at 31 March 2019 | Recognised in Profit & Loss | Recognised in OCI | Balance as at 31 March 2020 | Recognised in Profit & Loss | Recognised in OCI | Balance as at 31 March 2021 |
|--|--------------------------------|--------------------------------|----------------------|--------------------------------|--------------------------------|----------------------|--------------------------------|
| Employee benefits | 897.43 | 626.04 | (65.37) | 1,458.10 | 689.31 | (38.18) | 2,109.23 |
| Provision for diminution in financial assets | 2,552.48 | (236.02) | - | 2,316.46 | (209.60) | - | 2,106.86 |
| Tax incentives | 5.10 | (2.04) | - | 3.06 | (2.04) | - | 1.02 |
| Carried forward tax losses | 95.55 | - | - | 95.55 | - | - | 95.55 |
| Depreciation and amortisation | 514.55 | 236.60 | - | 751.15 | 251.72 | - | 1,002.87 |
| Right of use asset and lease liability | 1,040.85 | (35.81) | - | 1,005.04 | 79.40 | - | 1,084.44 |
| Net Deferred tax asset | 5,105.96 | 588.77 | (65.37) | 5,629.36 | 808.79 | (38.18) | 6,399.97 |

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 2021 | | 31 March 2020 | |
|-------------------------|---------------|----------------------------|---------------|----------------------------|
| | Gross amount | Unrecognised tax effect | Gross amount | Unrecognised tax effect |
| Tax losses | 3,608.10 | 1,260.82 | 723.92 | 252.97 |
| Unabsorbed depreciation | 131.29 | 45.88 | 131.29 | 45.88 |

F. Tax losses carried forward

| | 31 March 2021 | Expiry date | 31 March 2020 | Expiry date |
|--------------------------|-----------------|-------------|---------------|-------------|
| Expiry within 5-10 years | 723.92 | 2028-2029 | 723.92 | 2028-2029 |
| Expiry within 5-10 years | 2,884.19 | 2029-2030 | - | - |
| Never expire | 131.29 | | 131.29 | |
| | 3,739.39 | | 855.21 | |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

12. Property, plant and equipment

| | Land | Building * | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computer equipment | Total |
|---|-----------------|-----------------|---------------------|------------------------|---------------|------------------|--------------------|------------------|
| Gross carrying amount | | | | | | | | |
| Balance at 01 April 2019 | 2,096.22 | 2,803.71 | 5,506.89 | 4,457.73 | 283.58 | 890.16 | 1,379.24 | 17,417.53 |
| Additions | - | - | 1,242.00 | 1,495.11 | 199.48 | 263.03 | 536.94 | 3,736.56 |
| Disposals** | - | - | (290.33) | (92.20) | (73.52) | (10.67) | (25.30) | (492.02) |
| Adjustments | - | - | 72.70 | 175.12 | - | 12.52 | 25.01 | 285.35 |
| Balance at 31 March 2020 | 2,096.22 | 2,803.71 | 6,531.26 | 6,035.76 | 409.54 | 1,155.04 | 1,915.89 | 20,947.42 |
| Balance at 01 April 2020 | 2,096.22 | 2,803.71 | 6,531.26 | 6,035.76 | 409.54 | 1,155.04 | 1,915.89 | 20,947.42 |
| Additions | - | - | 198.37 | 3,508.01 | 46.21 | 569.49 | 221.73 | 4,543.81 |
| Disposals** | - | - | (493.42) | (556.41) | (63.88) | (63.34) | (150.03) | (1,327.08) |
| Balance at 31 March 2021 | 2,096.22 | 2,803.71 | 6,236.21 | 8,987.36 | 391.87 | 1,661.19 | 1,987.59 | 24,164.15 |
| Accumulated depreciation and impairment losses | | | | | | | | |
| Balance at 01 April 2019 | - | 153.26 | 2,075.08 | 1,612.98 | 84.58 | 417.30 | 791.00 | 5,134.20 |
| Depreciation for the year | - | 54.14 | 1,048.50 | 871.40 | 45.34 | 160.95 | 327.55 | 2,507.88 |
| Disposals** | - | - | (41.58) | (13.88) | (28.85) | (6.07) | (18.12) | (108.50) |
| Adjustments | - | - | 51.36 | 85.80 | - | 10.11 | 18.26 | 165.53 |
| Balance at 31 March 2020 | - | 207.40 | 3,133.36 | 2,556.30 | 101.07 | 582.29 | 1,118.69 | 7,699.11 |
| Balance at 01 April 2020 | - | 207.40 | 3,133.36 | 2,556.30 | 101.07 | 582.29 | 1,118.69 | 7,699.11 |
| Depreciation for the year | - | 54.14 | 1,016.29 | 1,283.53 | 50.09 | 224.03 | 356.01 | 2,984.09 |
| Disposals** | - | - | (417.74) | (433.01) | (29.64) | (53.89) | (145.50) | (1,079.78) |
| Balance at 31 March 2021 | - | 261.54 | 3,731.91 | 3,406.82 | 121.52 | 752.43 | 1,329.20 | 9,603.42 |
| Carrying amounts (net) | | | | | | | | |
| At 31 March 2020 | 2,096.22 | 2,596.31 | 3,397.90 | 3,479.46 | 308.47 | 572.75 | 797.20 | 13,248.31 |
| At 31 March 2021 | 2,096.22 | 2,542.17 | 2,504.30 | 5,580.54 | 270.35 | 908.76 | 658.39 | 14,860.73 |

* The Company is still in the process of registering the title deeds of immovable properties comprising buildings acquired during the year ended March 31, 2016, from demerger of the third party logistics services business (Service Business/ Demerged undertaking) of Drive India Enterprise Solutions Limited (DIESL) amounting to a gross book value of ₹ 2,857 lakhs

** Includes certain assets procured exclusively for customers (net carrying amount of ₹ 7.77 Lakhs (Previous year ₹ 291.25 Lakhs), which have been assessed to be finance lease in which the company is a lessor and accordingly reclassified



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

12. Property, plant and equipment (continued)

B. Plant and equipment and vehicles held under finance lease

The Company has acquired certain plant and equipment and vehicles under finance lease arrangements. The gross and net carrying amounts of such assets acquired under leases included in the above reconciliation are as follows

| | 31 March 2021 | 31 March 2020 |
|----------------------------|---------------|---------------|
| Cost/ Deemed cost | 158.88 | 206.07 |
| Accumulated depreciation | (135.71) | (163.83) |
| Net carrying amount | 23.17 | 42.24 |

C. Security

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



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
13A Goodwill
Reconciliation of carrying amount

| | Goodwill | Total |
|------------------------------------|-----------------|-----------------|
| Gross carrying amount | | |
| Balance at 01 April 2019 | 5,287.90 | 5,287.90 |
| Disposals | - | - |
| Balance at 31 March 2020 | 5,287.90 | 5,287.90 |
| Balance at 01 April 2020 | 5,287.90 | 5,287.90 |
| Disposals | - | - |
| Balance at 31 March 2021 | 5,287.90 | 5,287.90 |
| Accumulated impairment loss | | |
| Balance at 01 April 2019 | - | - |
| Impairment for the year | - | - |
| Disposals | - | - |
| Balance at 31 March 2020 | - | - |
| Balance as at 01 April 2020 | - | - |
| Impairment for the year | - | - |
| Disposals | - | - |
| Balance at 31 March 2021 | - | - |
| Carrying amounts (net) | | |
| At 31 March 2020 | 5,287.90 | 5,287.90 |
| At 31 March 2021 | 5,287.90 | 5,287.90 |

13B Other intangible assets
Reconciliation of carrying amount

| | Customer relationship | Brand | Computer software | Total |
|---|------------------------------|---------------|--------------------------|-----------------|
| Gross carrying amount | | | | |
| Balance at 01 April 2019 | 609.35 | 676.63 | 1,575.66 | 2,861.64 |
| Additions | - | - | 199.58 | 199.58 |
| Disposals/retirement | - | - | (1.49) | (1.49) |
| Balance at 31 March 2020 | 609.35 | 676.63 | 1,773.75 | 3,059.73 |
| Balance at 01 April 2020 | 609.35 | 676.63 | 1,773.75 | 3,059.73 |
| Additions | - | - | 105.78 | 105.78 |
| Disposals/retirement | - | - | (0.43) | (0.43) |
| Balance at 31 March 2021 | 609.35 | 676.63 | 1,879.10 | 3,165.08 |
| Accumulated amortisation and impairment loss | | | | |
| Balance as at 01 April 2019 | 155.02 | 459.60 | 1,161.67 | 1,776.29 |
| Amortisation for the year | 87.05 | 153.20 | 294.20 | 534.45 |
| Disposals/retirement | - | - | - | - |
| Balance at 31 March 2020 | 242.07 | 612.80 | 1,455.87 | 2,310.74 |
| Balance as at 01 April 2020 | 242.07 | 612.80 | 1,455.87 | 2,310.74 |
| Amortisation for the year | 87.05 | 63.83 | 169.16 | 320.04 |
| Disposals/retirement | - | - | (0.25) | (0.25) |
| Balance at 31 March 2021 | 329.12 | 676.63 | 1,624.78 | 2,630.53 |
| Carrying amounts (net) | | | | |
| At 31 March 2020 | 367.28 | 63.83 | 317.88 | 748.99 |
| At 31 March 2021 | 280.23 | - | 254.32 | 534.55 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
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 period

| | Building | Furniture and fixtures | Total |
|--------------------------------------|------------------|------------------------|------------------|
| Net carrying amount | | | |
| Balance as at 31st March 2019 | 19,769.20 | 16.83 | 19,786.03 |
| Additions | 18,028.53 | - | 18,028.53 |
| Reversals (less) | (3,789.00) | - | (3,789.00) |
| Amortisation (less) | (8,877.58) | (6.12) | (8,883.70) |
| Balance as at 31st March 2020 | 25,131.15 | 10.71 | 25,141.86 |
| Additions | 9,903.67 | - | 9,903.67 |
| Reversals (less) | (3,144.29) | (6.38) | (3,150.67) |
| Amortisation (less) | (8,239.76) | (4.33) | (8,244.09) |
| Balance as at 31st March 2021 | 23,650.77 | 0.00 | 23,650.77 |

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

| | 31 March 2021 | 31 March 2020 |
|---|------------------|------------------|
| Balance at the beginning of the year | 27,011.15 | 22,224.66 |
| Additions | 9,465.20 | 17,452.83 |
| Accretion of interest | 2,524.06 | 2,364.47 |
| Payments | (9,586.51) | (10,327.35) |
| Reversals | (3,631.01) | (4,703.46) |
| Balance at the end of the year | 25,782.89 | 27,011.15 |
| Current | 7,157.54 | 6,249.30 |
| Non - Current | 18,625.35 | 20,761.85 |

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

| | 31 March 2021 | 31 March 2020 |
|--|------------------|------------------|
| Amortisation expenses of right of use assets | 8,244.09 | 8,883.70 |
| Interest expenses on lease liabilities | 2,524.06 | 2,364.47 |
| Expenses relating to short term leases | 1,606.84 | 1,382.27 |
| Total amount recognised in profit or loss | 12,374.99 | 12,630.44 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
14 Investments
A Non-current investments

| | 31 March 2021 | 31 March 2020 |
|---|------------------|------------------|
| Unquoted investments in equity instruments | | |
| Investments in subsidiaries | | |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 7,264.14 | 6,800.00 |
| 1,080,000 (31 March 2020 : 1,019,999) equity shares of ₹ 10 each fully paid up | | |
| TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand | 188.45 | 188.45 |
| 100,000 (31 March 2020 : 100,000) ordinary shares of 100 Baht each fully paid up | | |
| TVS America Inc. | 90.04 | 90.04 |
| 490 (31 March 2020 : 490) shares of no par value | | |
| TVS Logistics Investment UK Limited | 5,066.44 | 5,066.44 |
| 6,195,698 (31 March 2020 : 6,195,698) ordinary shares of 1 GBP each fully paid up | | |
| TVS Logistics Investments USA Inc. | 3,666.60 | 3,666.60 |
| 61,510 (31 March 2020 : 61,510) shares of no par value | | |
| FLEXOL Packaging (India) Limited | 1,553.08 | 936.31 |
| 684,822 (31 March 2020 : 520,416) equity shares of ₹ 10 each fully paid up | | |
| SPC International (India) Private Limited | 561.49 | 561.49 |
| 51,000 (31 March 2020 : 51,000) equity shares of ₹ 100 each fully paid up | | |
| TVS Packaging Solutions Private Limited | 1.00 | 1.00 |
| 10,000 (31 March 2020 : 10,000) equity shares of ₹ 10 each fully paid up | | |
| TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore | 18,260.36 | 18,260.36 |
| 34,849,324 (31 March 2020 : 34,849,324) equity shares of SGD 1 each fully paid up | | |
| TVS Toyota Tsusho Supply Chain Solutions Limited | 120.00 | 120.00 |
| 1,200,000 (31 March 2020 : 1,200,000) equity shares of ₹ 10 each fully paid up | | |
| White Data Systems India Pvt Ltd | 4,219.84 | 4,219.84 |
| 21,07,810 (31 March 2020 : 21,07,810) equity shares of ₹ 10 each fully paid up | | |
| | 40,991.44 | 39,910.53 |
| Investments in joint ventures | | |
| TVS Industrial & Logistics Parks Private Limited * | 1,375.00 | 1,375.00 |
| 5,500,000 (31 March 2020 : 5,500,000) equity shares of ₹ 10 each fully paid up | | |
| | 1,375.00 | 1,375.00 |
| Unquoted investment in preference shares carried at amortised cost | | |
| Cargowings Logistics Limited | 2,500.00 | 2,500.00 |
| 25,000,000 (31 March 2020 : 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up | | |
| | 2,500.00 | 2,500.00 |
| Unquoted investment in body corporate at fair value | | |
| Tamil nadu Apex Skill Development Centre for Logistics | 20.00 | - |
| 2,00,000 (31 March 2020 : Nil) equity shares of ₹ 10 each fully paid up | | |
| | 20.00 | - |
| Unquoted investment in debentures carried at amortised cost | | |
| Prasanna Purple Mobility Solutions Private Limited*** | | |
| (31 March 2020: 15,800) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each | - | 154.30 |
| Prasanna Purple Mobility Solutions Private Limited*** | | |
| (31 March 2020: 14,490) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each | - | 107.21 |
| | - | 261.51 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
14 Investments (continued)
A Non-current investments (continued)
Provision for decline in fair value of investments
Unquoted investments in equity instruments/ preference shares

TVS America Inc.

Cargowings Logistics Limited

Total non-current investments

Aggregate amount of unquoted investments

Aggregate amount of impairment in the value of investments

(90.04)

(2,500.00)

(2,590.04)

(90.04)

(2,500.00)

(2,590.04)

42,296.40

41,457.00

The Company and TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore ("TVS GFS") are part of an ongoing litigation with certain minority shareholders of TVS GFS, the outcome of which is unlikely to impact the carrying value of the investment. Also refer note 37(iii) of the consolidated financial statements of the company.

* During the year, the Company's investment in TVS Industrial & Logistics Park Pvt. Limited diluted from 50% to 31.2% on account of primary investment by CDC Group PLC in the form of Compulsorily Convertible Preference Shares and Compulsorily Convertible Debentures. In the consolidated financial statements of the company, this deemed disposal has been accounted for in accordance with Ind AS 28 and the consequent gain of ₹ 6,490 lakhs has been disclosed in the consolidated financial statements as an exceptional item (refer note 17 of the consolidated financial statements of the company)

B Current investments
31 March 2021
31 March 2020
Unquoted investment in debentures carried at amortised cost

Prasanna Purple Mobility Solutions Private Limited***

25,400 (31 March 2020: 9,600) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each

253.97

96.00

Prasanna Purple Mobility Solutions Private Limited***

30,690 (31 March 2020: 16,200) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each

301.65

162.00

Prasanna Purple Mobility Solutions Private Limited***

80,000 (31 March 2020: 80,000) Optionally Convertible Debentures of ₹ 1000 each

800.00

800.00

Total current investments

1,355.62

1,058.00

Aggregate amount of unquoted investments

1,355.62

1,058.00

Aggregate amount of impairment in the value of investments

*** Series I NCD, 0.1% Unsecured Non-Convertible Debentures and Series II NCD, 0.1% Unsecured Non-Convertible Debentures carries Interest at 0.1% p.a. and redeemable as stated below:

Series I NCD
Amount
Series II NCD
Amount

31 July 2019 (extended till September 2021)

135.00

30 November 2019 (extended till September 2021)

99.90

31 July 2020 (extended till September 2021)

96.00

30 November 2020 (extended till September 2021)

162.00

31 July 2021

23.00

30 November 2021

45.00

254.00

306.90

*** The Optionally Convertible Debentures ("OCD") which carries minimum 20% IRR, is either redeemable or convertible into equity shares of Prasanna Purple Mobility Solutions Private Limited as per the terms and conditions set out in the shareholder's agreement between TVS Commutation Solutions Limited and Prasanna Purple Mobility Solutions Private Limited. The redemption/conversion shall be done in two years from 01 March 2016 (date of issuance). The redemption/conversion has been extended till September 2021.

14.A Assets held for sale
Investment in equity instruments

Drive India Enterprise Solutions Limited

2,210,000 (31 March 2020: 2,210,000) equity shares of ₹ 10 each fully paid up

Less: Provision for decline in fair value of investments

4,021.43

4,021.43

(4,021.43)

(4,021.43)

Unquoted investment in preference shares carried at amortised cost

Drive India Enterprise Solutions Limited

1,084,000 (31 March 2020: 1,084,000) 0.0001% cumulative, redeemable, non-convertible, participating preference shares of ₹ 10 each**

2,200.52

2,200.52

Less: Provision for decline in fair value of investments

(2,200.52)

(2,200.52)

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. The company expects to complete the sale in financial year 2021-22.

**The preference shares are 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. The preference shares shall be redeemed on demand by the shareholder in accordance with applicable provisions of the Companies Act, 2013 within a maximum period of 20 years from the date of allotment of the preference shares at issue price of ₹ 203 per share.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
15 Loans

| | 31 March 2021 | 31 March 2020 |
|--|-----------------|------------------|
| Loans to related parties | | |
| Unsecured, considered good | 3,818.88 | 44,596.27 |
| | 3,818.88 | 44,596.27 |
| Loans to others | | |
| Unsecured, considered doubtful | 1,004.63 | 1,004.63 |
| Provision for doubtful loans to others | (1,004.63) | (1,004.63) |
| | - | - |
| | 3,818.88 | 44,596.27 |

16 Deposits and other receivables

| | Non-current | | Current | |
|--|-----------------|-----------------|------------------|------------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Security deposits | | | | |
| Unsecured, considered good | 2,575.70 | 1,973.77 | 903.74 | 1,584.18 |
| Unsecured, considered doubtful | - | - | 121.92 | 96.92 |
| Provision for doubtful security deposits | - | - | (121.92) | (96.92) |
| | 2,575.70 | 1,973.77 | 903.74 | 1,584.18 |
| Security deposit from related parties | | | | |
| Unsecured, considered good | 464.83 | 336.11 | - | 145.94 |
| | 464.83 | 336.11 | - | 145.94 |
| Other receivables | | | | |
| Advances to employees | - | - | 1,533.30 | 391.98 |
| Finance lease receivables (refer note 12) | 858.97 | 1,192.20 | 302.53 | 275.57 |
| Receivable from subsidiaries (refer note 34) | 3,981.11 | - | 15,428.94 | 13,063.59 |
| Receivable from others | - | - | 180.74 | 180.74 |
| Considered doubtful | - | - | (180.74) | (180.74) |
| Provision for doubtful receivables | - | - | - | - |
| | 4,840.08 | 1,192.20 | 17,264.77 | 13,731.14 |
| | 7,880.61 | 3,502.08 | 18,168.51 | 15,461.26 |

17 Other financial assets

| | Non-current | | Current | |
|---|---------------|---------------|------------------|-----------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Advances recoverable in cash or kind | | | | |
| Unsecured, considered good | - | - | 20.35 | 21.65 |
| Interest accrued on fixed deposits | - | - | 1.02 | 1.93 |
| Deposits with banks with more than 12 months maturity | - | 10.50 | - | - |
| Interest accrued on investments | 605.44 | 605.44 | - | - |
| Unbilled revenue | - | - | 12,702.45 | 6,338.54 |
| | 605.44 | 615.94 | 12,723.82 | 6,362.12 |

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



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

| | | |
|---|----------------------|----------------------|
| 18 Other non-current assets | 31 March 2021 | 31 March 2020 |
| Capital advances | | |
| Unsecured considered good | 94.68 | 561.98 |
| Unsecured considered doubtful | 4.06 | 4.20 |
| Provision for unsecured doubtful | (4.06) | (4.20) |
| | 94.68 | 561.98 |
| Advance for supply of goods and services | | |
| Unsecured considered good | 140.00 | 155.00 |
| | 140.00 | 155.00 |
| Others | | |
| Prepaid expenses | 14.58 | - |
| | 14.58 | - |
| | 249.26 | 716.98 |
| 19 Inventories | 31 March 2021 | 31 March 2020 |
| Stores and spares | 176.03 | 130.51 |
| | 176.03 | 130.51 |
| For inventories secured against borrowings, see note 25 | | |
| 20 Trade receivables | 31 March 2021 | 31 March 2020 |
| Unsecured, considered good | 29,451.80 | 39,582.86 |
| Credit impaired | 4,904.82 | 3,933.14 |
| Less: Allowance for expected credit loss | (4,904.82) | (3,933.14) |
| Less: Allowance for credit risk | | |
| | 29,451.80 | 39,582.86 |
| Non-current | 632.46 | - |
| Current | 28,819.34 | 39,582.86 |
| The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 37. | | |
| 21 Cash and cash equivalents | 31 March 2021 | 31 March 2020 |
| Cash on hand | 10.69 | 10.43 |
| Balance with banks | | |
| On current accounts | 10,411.45 | 7,892.91 |
| Deposits with original maturity of less than three months | 109.81 | 109.80 |
| | 10,531.95 | 8,013.14 |
| 22 Other bank balances | 31 March 2021 | 31 March 2020 |
| Deposits with original maturity of more than three months less than 12 months | 270.01 | 249.40 |
| | 270.01 | 249.40 |
| 23 Other current assets | 31 March 2021 | 31 March 2020 |
| Advance related to supply of goods and services to parties other than related parties | | |
| Unsecured considered good | 3,276.60 | 1,593.41 |
| Unsecured considered doubtful | 1,710.60 | 1,710.46 |
| Provision for doubtful advances | (1,710.60) | (1,710.46) |
| | 3,276.60 | 1,593.41 |
| Advance for supply of goods and services to related parties | | |
| Unsecured, considered good | 136.46 | 49.67 |
| | 136.46 | 49.67 |
| Other current assets | | |
| Prepaid expenses | 269.55 | 535.03 |
| Balances with government authorities | 2,706.81 | 2,167.23 |
| Others | 4.88 | 4.88 |
| | 2,981.24 | 2,707.14 |
| | 6,394.30 | 4,350.22 |

For other current assets secured against borrowings, see note 25



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
24A Share capital
Authorised share capital

| | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| 34,800,000 (31 March 2020: 34,800,000) equity shares of ₹ 10 each | 3,480.00 | 3,480.00 |
| 1,200,000 (31 March 2020: 1,200,000) preference shares of ₹ 10 each | 120.00 | 120.00 |
| 1,100,000 (31 March 2020: Nil) preference shares of ₹ 100 each | 1,100.00 | 1,100.00 |

Issued
Equity shares

| | | |
|--|----------|----------|
| 13,810,401 (31 March 2020: 13,810,401) equity shares of ₹ 10 each at par | 1,381.04 | 1,381.04 |
| 5,066,800 (31 March 2020: 5,066,800) equity shares of ₹ 10 each at a premium of ₹ 185.72 per share | 506.68 | 506.68 |
| 3,223,194 (31 March 2020: 3,223,194) equity shares of ₹ 10 each at a premium of ₹ 185 per share | 322.32 | 322.32 |
| 275,800 (31 March 2020: 275,800) equity shares of ₹ 10 each at a premium of ₹ 65 per share | 27.58 | 27.58 |
| 4,456,816 (31 March 2020: 4,456,816) equity shares of ₹ 10 each at a premium of ₹ 424.92 per share | 445.68 | 445.68 |
| 1,798,607 (31 March 2020: 1,798,607) equity shares of ₹ 10 each at a premium of ₹ 685 per share | 179.86 | 179.86 |
| 3,163,515 (31 March 2020: 3,163,515) equity shares of ₹ 10 each at a premium of ₹ 940 per share | 316.35 | 316.35 |
| 95,000 (31 March 2020: 95,000) equity shares of ₹ 10 each at a premium of ₹ 940 per share | 9.50 | 9.50 |

Total issued capital
3,189.01 3,189.01
Called, Subscribed and Paid up
Equity shares

| | | |
|---|----------|----------|
| 31,730,133 (31 March 2020: 31,730,133) equity shares of ₹ 10 each | 3,173.01 | 3,173.01 |
|---|----------|----------|

| | | |
|---|------|------|
| Add: Amount paid up on 160,000 (31 March 2020: 160,000) equity shares forfeited at ₹ 2 each | 3.20 | 3.20 |
|---|------|------|

3,176.21 3,176.21

15.351 (31 March 2020: 15.351) 0.0001% cumulative, redeemable, non-convertible, participating preference shares have been classified as a financial liability (see note 25)

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

| | 31 March 2021 | | 31 March 2020 | |
|---|--------------------|-----------------|--------------------|-----------------|
| | Nos | ₹ in lakhs | Nos | ₹ in lakhs |
| Equity shares | | | | |
| At the beginning of the year | 3,17,30,133 | 3,176.21 | 3,16,35,133 | 3,166.71 |
| Shares issued during the year | - | - | 95,000 | 9.50 |
| Outstanding at the end of the year | 3,17,30,133 | 3,176.21 | 3,17,30,133 | 3,176.21 |

b. Terms/rights attached to equity shares

The Company has one class of equity shares having face value of ₹ 10 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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
24A Share capital (continued)
d. Details of shareholders holding more than 5% shares of a class of shares in the company

| | 31 March 2021 | | 31 March 2020 | |
|---|------------------|-----------|------------------|-----------|
| | Number of shares | % holding | Number of shares | % holding |
| Equity shares of ₹ 10 each, fully paid up | | | | |
| T V Sundram Iyengar & Sons Private Limited | 1,07,27,343 | 33.81% | 1,07,27,343 | 33.81% |
| CDPO Private Equity Asia Pte Ltd | 1,21,36,892 | 38.25% | 1,21,36,892 | 38.25% |
| Dinam Logistics Services LLP | - | 0.00% | 29,58,214 | 9.32% |
| Omega Te Holdings Pte Ltd, Singapore | 15,85,847 | 5.00% | 23,68,865 | 7.47% |
| DRSR Logistics Services Private Limited | 37,50,214 | 11.82% | - | 0.00% |
| 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 | 10,23,350 | 100.00% | 10,23,350 | 100.00% |
| 0.0001% Non- Cumulative, Non-Participating, Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid up | | | | |
| David Robbins | 39,998 | 21.05% | 39,998 | 21.05% |
| MS Krishnan | 9,992 | 5.26% | 9,992 | 5.26% |
| Suehow Pty Ltd | 12,004 | 6.32% | 12,004 | 6.32% |
| R Dinesh | 2,996 | 1.58% | 2,996 | 1.58% |
| Sanjive Sharma | 40,002 | 21.05% | 40,002 | 21.05% |
| Tarun Khanna | 45,006 | 23.69% | 45,006 | 23.69% |
| Andrew Jones | 40,002 | 21.05% | 40,002 | 21.05% |

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 warrants

On June 8, 2018 and August 22, 2018, the Company issued 30,000 and 65,000 share warrants respectively, at a price of ₹ 950 per share warrant to identified persons on a preferential basis for a aggregate consideration of ₹ 902.50 lakhs with a right to apply and get allotment of equity shares of the Company ranking pari-passu with the existing equity shares, in the ratio of 1:1 within a period of 18 months from the date of issue of share warrants or earlier at the option of the Board. During the year ended March 31, 2019, the Company had received ₹ 225.63 lakhs (25% of the issue price as at balance sheet date). During the previous year ended March 31, 2020, the company had received ₹ 676.87 Lakhs (balance 75% of the issue price) and accordingly the company had allotted 95,000 equity shares at a face value of ₹ 10 per share at ₹ 940 per share premium.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

24B 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.

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. ₹ 175 Crore. 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).

Dividends

After the reporting date, the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

in ₹ lakhs

₹ Nil per equity share (31 March 2020: ₹ Nil per equity share)

| | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| | - | - |

24C Other items of OCI

Remeasurements of defined benefit liability (asset)

| | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Opening balance | 23.46 | (98.23) |
| Remeasurements of defined benefit liability (asset) (net of taxes) | 71.07 | 121.69 |
| Closing balance | 94.53 | 23.46 |

Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

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.

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

| | 31 March 2021 | 31 March 2020 |
|---|------------------|------------------|
| Non-current borrowings | 208.26 | 166.35 |
| Current borrowings and current maturities of non-current borrowings | 30,084.22 | 68,931.50 |
| Debt | 30,292.48 | 69,097.85 |
| Total equity | 76,392.97 | 82,555.36 |
| Debt to equity ratio | 0.40 | 0.84 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
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:

| | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| (i) Profit (loss) attributable to equity shareholders | | |
| Profit (loss) for the year, attributable to the equity holders | (8,137.77) | (1,584.11) |
| (ii) Weighted average number of equity shares | | |
| Weighted average number of equity shares | 3,17,30,133 | 3,16,47,311 |
| Add - Number of shares relating to compulsorily convertible preference shares | 12,13,350 | 3,38,190 |
| Weighted average number of equity shares used in the calculation of basic earnings per share | 3,29,43,483 | 3,19,85,501 |
| Adjustments for dilutive effect | | |
| - Number of shares relating to Management Incentive Plan | 1,32,552 | 60,728 |
| - Number of shares relating to share warrants | 1,380 | 1,203 |
| Weighted average number of equity shares used in the calculation of diluted earnings per share | 3,30,77,415 | 3,20,47,432 |

25 Borrowings
(a) Non-current borrowings

| | | |
|--|---------------|---------------|
| Secured term loans from banks | 207.36 | 164.07 |
| Secured term loans from financial institutions | 0.90 | 2.28 |
| Total non-current borrowings | 208.26 | 166.35 |

(b) Current borrowings

| | | |
|---|------------------|------------------|
| Term loan from financial institution | | |
| Secured | - | 7,020.00 |
| Unsecured | - | 5,080.00 |
| Term loan from banks | | |
| Unsecured | - | 1,200.00 |
| Cash credit from banks | | |
| Unsecured | - | 23.65 |
| Loans repayable on demand | | |
| Secured | - | 4,000.00 |
| Unsecured | 28,225.04 | 41,752.91 |
| Bills discounting | | |
| Unsecured | 854.47 | 3,257.76 |
| Redeemable preference shares (unsecured) | 891.60 | 891.60 |
| | 29,971.11 | 63,225.92 |
| Current portion of non-current borrowings | | |
| Unsecured term loans from banks | - | 5,069.23 |
| Secured term loans from banks/financial institutions | 113.11 | 636.35 |
| | 113.11 | 5,705.58 |
| | 30,084.22 | 68,931.50 |
| Less: Amount included under 'Other financial liabilities' | (113.11) | (5,705.58) |
| Total current borrowings | 29,971.11 | 63,225.92 |

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



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
25 Borrowings (continued)
A Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

| In lakhs of INR | Carrying amount as at | | | | |
|--|-----------------------|-----------------------|------------------|------------------|------------------|
| | Currency | Nominal Interest rate | Year of maturity | 31 March 2021 | 31 March 2020 |
| Secured Term loan from banks | | | | | |
| HDFC Bank Limited | INR | 7.65% - 9.35% | 2025 | 320.47 | 233.29 |
| | | | | 320.47 | 233.29 |
| Unsecured Term loan from banks | | | | | |
| Axis Bank Limited | INR | 9.10% | 2020 | - | 5,000.00 |
| HDFC Bank Limited | INR | 7.50% - 8.35% | 2020 | - | 1,200.00 |
| | | | | - | 6,200.00 |
| Secured term loan from Financial institutions | | | | | |
| Tata Capital Financial Services Limited | INR | 11.50% | 2021 | - | 7,020.00 |
| Tata Capital Financial Services Limited | INR | 10.25% | 2021 | - | 625.01 |
| Sundaram Finance Limited | INR | 9.75% - 10.96% | 2020 | - | 13.63 |
| Other financial institutions | INR | | | 0.90 | |
| | | | | 0.90 | 7,658.64 |
| Unsecured term loan from Financial institutions | | | | | |
| Tata Capital Financial Services Limited | INR | 11.50% | 2021 | - | 5,080.00 |
| | | | | - | 5,080.00 |
| Unsecured cash credit facilities from banks | | | | | |
| Axis Bank Limited | INR | 7.5% - 7.8% | | - | 23.65 |
| | | | | - | 23.65 |
| Bill discounting - Unsecured | | | | | |
| DBS (paying agent) | INR | 6.50% | 2021 | 440.35 | - |
| Axis Bank Limited | INR | 7.95% | 2020 | - | 3,257.76 |
| TREDS-Invoicemart | INR | 6.95% - 7.95% | 2021 | 414.12 | - |
| | | | | 854.47 | 3,257.76 |
| Secured loans repayable on demand | | | | | |
| DBS | INR | 9.40% | | - | 1,000.00 |
| State Bank of India | INR | 7.48% - 8.73% | | - | 3,000.00 |
| | | | | - | 4,000.00 |
| Unsecured loans repayable on demand | | | | | |
| Related party - Drive India Enterprise Solutions | INR | 7.00% - 9.00% | 2021 | 1,545.04 | 1,392.89 |
| Related party - White Data Systems India Pvt Ltd | INR | 7.05% | 2021 | 1,150.00 | - |
| Related party - TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | INR | | 2021 | 1,550.00 | - |
| | | 7.25% | | | |
| Standard Chartered Bank | INR | 6.49% - 8.70% | 2021 | 5,400.00 | 14,000.00 |
| IDFC | INR | 7.00% | 2021 | 1,550.00 | - |
| HDFC Bank Limited | INR | 6.00% - 7.70% | 2021 | 10,650.00 | 12,500.00 |
| DBS | INR | 7.50% - 9.00% | 2020 | - | 4,000.00 |
| Axis Bank Limited | INR | 5.75% - 8.00% | 2021 | 6,380.00 | 9,850.00 |
| Axis Bank Limited | INR | 7.80% | 2021 | - | 10.02 |
| | | | | 28,225.04 | 41,752.91 |
| Redeemable preference shares (unsecured) | | | | | |
| Unsecured | INR | 0.0001% | | 891.60 | 891.60 |
| | | | | 891.60 | 891.60 |
| | | | | 30,292.48 | 69,097.85 |

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.

Secured loans repayable on demand from banks

1. Working capital loan from State Bank of India was secured against the debtors of the company. This is repaid in the current year.
2. Working capital loan from DBS Bank was secured upto Rs.10 crore against the debtors of the company. This is repaid in the current year.

Secured term loan from financial institutions

1. The Term loan of 11.50% is from Tata Capital Financial Services Limited. The total facility is for Rs.200 crore of which Rs.80 crore is secured against the company's plant and machinery, furniture and fixtures, computer equipments and office equipments. This is repaid in the current year.
2. Term Loan at 10.25% interest rate from Tata Capital Financial Services Limited is secured by an exclusive mortgage of immovable property located at Mumbai and first and exclusive charge by way of hypothecation on identified movable fixed assets. This is repaid in the current year.
3. Term loans from Sundaram Finance Limited are secured by hypothecation of vehicles and equipments acquired out of the loan. This is repaid in the current year.

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
26 Trade payables

| | 31 March 2021 | 31 March 2020 |
|---|------------------|------------------|
| Trade payables to related parties (refer note 34) | 1,707.42 | 2,971.76 |
| Dues to micro, small and medium enterprises (refer note 33) | 1,496.54 | 2,510.07 |
| Other trade payables | 35,329.13 | 28,191.09 |
| | 38,533.09 | 33,672.92 |

27 Other financial liabilities

| | Non-current portion | | Current portion | |
|--|---------------------|---------------|------------------|------------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Derivatives - Forward contract payables | - | - | - | 1,205.60 |
| Current maturities of long term borrowings | - | - | 113.11 | 5,705.58 |
| Interest accrued but not due on borrowings | - | - | 65.76 | 289.61 |
| Payable to factor | - | - | 643.76 | 864.47 |
| Capital creditors | - | - | 199.01 | 814.42 |
| Amount due to employees | - | - | 7,839.65 | 3,455.05 |
| Financial guarantee liability | 3,981.11 | 49.80 | 1,587.30 | 81.14 |
| Dues to subsidiaries | - | - | 433.48 | 245.85 |
| Others | - | - | 0.30 | 0.30 |
| | 3,981.11 | 49.80 | 10,882.37 | 12,662.02 |

28 Provisions

| | Non-current portion | | Current portion | |
|------------------------------------|---------------------|---------------|-----------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Provisions for employee benefits | | | | |
| Liability for gratuity | - | - | 536.21 | 511.54 |
| Liability for compensated absences | 203.04 | 431.62 | 687.65 | 435.22 |
| | 203.04 | 431.62 | 1,223.86 | 946.76 |

29 Other current liabilities

| | 31 March 2021 | 31 March 2020 |
|---------------------------|-----------------|-----------------|
| Statutory dues others | 2,944.19 | 1,309.20 |
| Advance from customers | 576.22 | 872.93 |
| Other current liabilities | 24.68 | 12.89 |
| | 3,545.09 | 2,195.02 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021

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

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 ₹ 2,606.10 lakhs (31 March 2020: ₹ 2,778.03 lakhs)

Defined benefit plans

| | Non-current | | Current | |
|------------------------|---------------|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Provision for gratuity | - | - | 536.21 | 511.54 |

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) and Bajaj Allianz Life Insurance Company Limited.

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 2021 | 31 March 2020 |
|---|-----------------|-----------------|
| Balance at the beginning of the year | 2,189.48 | 2,070.66 |
| Benefits paid | (182.59) | (221.21) |
| Current service cost | 377.69 | 421.65 |
| Interest cost | 117.43 | 105.16 |
| Actuarial (gains) losses recognised in other comprehensive income | | |
| - changes in demographic assumptions | - | (45.56) |
| - changes in financial assumptions | 42.04 | (30.92) |
| - experience adjustments | (159.18) | (110.30) |
| Balance at the end of the year | 2,384.87 | 2,189.48 |

Reconciliation of the fair value of plan assets

| | 31 March 2021 | 31 March 2020 |
|---|-----------------|-----------------|
| Balance at the beginning of the year | 1,677.94 | 1,125.41 |
| Contributions paid into the plan | 275.00 | 699.98 |
| Benefits paid | (182.59) | (221.21) |
| Interest income | 86.20 | 73.48 |
| Actuarial gains / (losses) recognised in other comprehensive income | (7.89) | 0.28 |
| Balance at the end of the year | 1,848.66 | 1,677.94 |
| Net defined benefit (asset) / liability | 536.21 | 511.54 |

C. Expense recognised in profit or loss

| | 31 March 2021 | 31 March 2020 |
|----------------------|---------------|---------------|
| Current service cost | 377.69 | 421.65 |
| Interest cost | 117.43 | 105.16 |
| Interest income | (86.20) | (73.48) |
| | 408.92 | 453.33 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
30 Employee benefits (continued)
Defined benefit plans (continued)
D. Remeasurements recognised in other comprehensive income

| | 31 March 2021 | 31 March 2020 |
|---|-----------------|-----------------|
| Actuarial (gain) / loss on defined benefit obligation | (117.14) | (186.78) |
| Actuarial (gain) / loss on plan assets | 7.89 | (0.28) |
| | (109.25) | (187.06) |

E. Plan assets

Plan assets comprise of the following:

Insurer managed funds

| 31 March 2021 | 31 March 2020 |
|-----------------|-----------------|
| 1,848.66 | 1,677.94 |
| 1,848.66 | 1,677.94 |

F. Defined benefit obligation
i. Actuarial assumptions

Principal actuarial assumptions at the reporting date were:

| | 31 March 2021 | 31 March 2020 |
|--------------------------------|---------------|---------------|
| Discount rate | 4.13% | 5.33% |
| Future salary growth | 8.00% | 8.00% |
| Attrition rate | 58.00% | 58.00% |
| Expected return on plan assets | 4.13% | 5.33% |

ii. Sensitivity analysis

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 2021 | | 31 March 2020 | |
|------------------------------------|---------------|----------|---------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (30.22) | 31.24 | (80.11) | 87.58 |
| Future salary growth (1% movement) | 29.73 | (29.33) | 72.62 | (67.93) |
| Attrition rate (1% movement) | (7.32) | 7.57 | (15.68) | 16.78 |

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.

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.

The following are share based payment arrangements:

| Option series (Refer note below) | Number | Grant date | Exercise price | Fair value at grant date |
|----------------------------------|-----------|------------|----------------|--------------------------|
| MIP I | 11,69,791 | 20-Nov-18 | 950.00 | 964.00 |
| MIP II - Pool A & Pool B | 8,97,008 | 20-Nov-18 | 950.00 | 964.00 |
| MIP II - Pool A & Pool B | 1,11,984 | 16-May-19 | 950.00 | 1,193.80 |
| MIP II - Pool A & Pool B | 14,768 | 01-Jul-19 | 950.00 | 1,193.80 |
| MIP I | 1,75,000 | 14-Feb-20 | 950.00 | 1,531.50 |
| MIP I | 82,460 | 20-Nov-20 | 950.00 | 1,418.90 |
| MIP I | 13,537 | 09-Feb-21 | 950.00 | 1,418.90 |

Note:

Under MIP I, the vesting of options granted is linked to time.

Under MIP II - Pool A & Pool B, shares vest as per the terms of the scheme with an option life of 5 years after vesting.



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
30 Employee benefits (continued)
Share based payments (continued)
Fair value of share options granted during the year

The weighted average fair value of the stock options granted during the financial year is ₹ 618.8 (MIP I) (Previous year: ₹ 650.9 (MIP I) & ₹ 276.0 (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.

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 * | 964.00 | 1,531.50 | 1,418.90 | 1,418.90 | 964.00 | 1,193.80 | 1,193.80 |
| 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 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 | 950.00 |
| Expected volatility | 32% | 36% | 52.3% | 52.3% | 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% |

* Before adjustment of lack of marketability

Movements in share options during the year

| MIP I | Year ended March 31, 2021 Number of Options | Weighted average exercise price | Year ended March 31, 2020 Number of Options | Weighted average exercise price |
|---------------------------------------|--|---------------------------------------|--|---------------------------------------|
| Opening at the beginning of the year | 13,34,883 | 950.00 | 11,69,791 | 950.00 |
| Granted during the year | 95,997 | 950.00 | 1,75,000 | 950.00 |
| Exercised during the year | - | - | - | - |
| Forfeited and expired during the year | 18,957 | 950.00 | 9,908 | 950.00 |
| Balance at the end of the year | 14,11,923 | 950.00 | 13,34,883 | 950.00 |

| MIP II - Pool A & B | Year ended March 31, 2021 Number of Options | Weighted average exercise price | Year ended March 31, 2020 Number of Options | Weighted average exercise price |
|---------------------------------------|--|---------------------------------------|--|---------------------------------------|
| Opening at the beginning of the year | 10,23,760 | 950.00 | 9,39,838 | 950.00 |
| Granted during the year | - | - | 1,29,828 | 950.00 |
| Exercised during the year | - | - | - | - |
| Forfeited and expired during the year | 98,631 | 950.00 | 45,906 | 950.00 |
| Balance at the end of the year | 9,25,129 | 950.00 | 10,23,760 | 950.00 |

Share options vested but not exercised during the year - Nil
Share options outstanding at the end of the year - MIP I - 14,11,923 & MIP II - 9,25,129

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 950 and a weighted average remaining contractual life of 1.19 years



TVS SUPPLY CHAIN SOLUTIONS LIMITED**Notes to the standalone financial statements for the year ended 31 March 2021***(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:

| | 31 March 2021 | 31 March 2020 |
|-------------------------|-----------------|-----------------|
| Gross investment | 1,592.33 | 1,962.79 |
| Unearned finance income | (430.83) | (495.02) |
| Net investment | 1,161.50 | 1,467.77 |

Finance leases are receivable as follows:

| | 31 March 2021 | 31 March 2020 |
|---------------------------------------|-----------------|-----------------|
| Gross investment | | |
| Receivable within one year | 468.07 | 422.96 |
| Receivable between one and five years | 1,068.89 | 1,399.73 |
| Receivable after five years | 55.37 | 140.10 |
| Total | 1,592.33 | 1,962.79 |

Present value of minimum lease payments

| | | |
|---------------------------------------|-----------------|-----------------|
| Receivable within one year | 302.53 | 275.57 |
| Receivable between one and five years | 806.15 | 1,036.02 |
| Receivable after five years | 52.82 | 156.18 |
| Total | 1,161.50 | 1,467.77 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED**Notes to the standalone financial statements for the year ended 31 March 2021***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***32 Capital commitments and contingent liabilities**

| | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for | 686.16 | 883.64 |
| Contingent liabilities: | | |
| Employee related matters* | 2,183.59 | 2,204.91 |
| Corporate guarantee# | 1,58,729.74 | 8,114.37 |
| Income tax related matters | - | 12.51 |
| Bank guarantees issued | 72.43 | - |
| Service tax related matters | 1,190.33 | 815.46 |
| Sales tax related matters | 114.58 | 110.18 |
| GST related matters | 285.37 | 285.37 |
| Claims not acknowledged as debt | 552.74 | 406.44 |

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 Rs 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, 2021.

During the previous year, the corporate guarantee provided by the Company to the lenders, against the term loan availed by the Company's step down subsidiary was revoked as the term loan was repaid during the previous year out of a refinancing arrangement. The fresh corporate guarantee for the new refinanced facility has been effective from 24th April 2020. The amounts outstanding as at March 31, 2020 pertained to corporate guarantee given to ANZ bank for the working capital facility availed by TVS SCS (Aust) Pty. Ltd., Australia (Formerly known as Transtar International Freight (Aust) Pty Ltd), step-down subsidiary which is revoked during the current year as the facility is repaid entirely (refer note 34).

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 2021 has been made in these standalone financial statements based on information received and available with the Company, to the extent identified by the management.

| | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| The amounts remaining unpaid to micro and small suppliers as at end of the accounting year | | |
| Principal | 1,496.54 | 2,510.09 |
| Interest due thereon | 63.70 | 92.31 |
| 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 | 2,911.86 | 2,773.41 |
| 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 | 83.86 | 61.64 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 180.74 | 179.65 |
| 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 | 178.67 | 179.65 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

34 Related party disclosures**A. Enterprise having significant influence**

T V Sundram Iyengar & Sons Private Limited
CDPO Private Equity Asia PTE. LTD.

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
Drive India Enterprise Solutions Limited
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

C. Step down subsidiaries

TVS Supply Chain Solutions Limited, UK
MSys Software Solutions Limited, UK
Multipart Limited, UK
TVS Logistics Iberia S.L., Spain
TVS Autoserv GmbH, Germany
TVS Supply Chain Solutions GmbH, Germany
Peter Thomas & Co (Refurbishing) Limited, UK
Rico Logistics Limited, UK
Ricochet Spain, Spain
Rico Logistique, France
Rico Logistics Pty Ltd, Australia
Circle Express Limited, UK
Tri - Tee Computer Support Limited, Northern Ireland
Tri - Tee Support Limited, Ireland
SPC International Limited, UK
TVS SCS Rico Italia SRL
Triage Holdings Limited
Eltec IT Services S.L.U
Subsidiaries of Triage Holdings Limited
Triage Service Limited
OrderLogic Limited
Subsidiaries of SPC International Limited, UK
SPCINT Limited, UK
SPC International (Engineering) Limited, UK
Pitcomp 171 Limited, UK
SPC EBT Trustees Limited, UK
SPC International Inc., USA
SPC International s.a.s, France
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)
Waintrans LLC, USA
TVS Supply Chain Solutions De Mexico S.A de C.V., Mexico
TVS Packaging Solutions Inc., USA
Subsidiaries of TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore)
TVS SCS International Freight (Spain) SLU (Formerly known as Nadal Forwarding S.L), Spain
Subsidiaries of TVS SCS International Freight (Spain) SLU
Lineas Regulares XXI, S.L
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)



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

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)*

Pan Asia Logistics Limited, Shanghai

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)

Pan Asia Logistics 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 (Esrtwhile 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.

Subsidiaries of T.I.F Holdings Pty. Ltd.

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

Transtar International Freight Limited, Hong Kong

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

Transtar International Freight (Singapore) Pte. Limited, Singapore)

Transtar International Freight (Shanghai) Limited, China

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

Transtar International Freight Limited, Thailand)

Transtar International Freight (Malaysia) SD Bhd, Malaysia

D. Subsidiaries of TV Sundram Iyengar & Sons Private Limited

TVS Motor Company Limited

Sundaram Clayton Limited

Lucas-TVS Limited

Sundaram Industries Private Limited

Lucas Indian Service Limited

Sundaram Auto Components Limited

TVS Training and Services Limited

Sundram Precision Components Limited

TVS Distribution & Services Middle East FZE

TVS Electronics Limited

Sundram Fasteners Limited

E. Joint Ventures

TVS Industrial & Logistics Parks Private Limited (formerly known as TVS Infrastructure Private Limited)

Linfox TVS Solutions Pty Limited, Australia

F. Associates

Montara Verpacken mit System GmbH, Germany

Subsidiaries of Montara Verpacken mit System GmbH, Germany

Montara North America Corporation, USA

Montara India Private Limited, India



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
34 Related party disclosures (continued)
G. Key management personnel (KMP)

Mr. R. Dinesh, Managing director
Mr. Ravi Viswanathan, Joint Managing director
Mr. S. Ravichandran, Whole-time director

H. Entities controlled by KMP or relatives of KMP of the Company

Dinram Logistics Services LLP
DRSR Advisory Services LLP
TVS Srichakra Limited

Transactions during the year

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| Income from logistics services | | |
| Lucas-TVS Limited | 1,081.74 | 1,282.98 |
| Sundaram Industries Private Limited | 94.22 | 103.62 |
| TVS Motor Company Limited | 8,530.09 | 7,442.65 |
| Sundaram Clayton Limited | 96.42 | 221.12 |
| T V Sundram Iyengar & Sons Private Limited | 594.67 | 954.29 |
| TVS Toyota Tsusho Supply Chain Solutions Limited | 13.30 | 14.40 |
| FLEXOL Packaging (India) Limited | 7.25 | 14.19 |
| Drive India Enterprise Solutions Limited | 35.38 | 80.33 |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 7.47 | 7.61 |
| Sundram Fasteners Limited | 118.09 | 121.56 |
| TVS Training And Services Limited | 9.47 | 42.50 |
| TVS Srichakra Limited | 5,980.86 | 4,737.84 |
| Lucas Indian Service Limited | 4.93 | 62.95 |
| Sale of Goods | | |
| Sundaram Clayton Limited | 9.99 | - |
| Other income | | |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 51.52 | 48.00 |
| TVS Toyota Tsusho Supply Chain Solutions Limited | 127.76 | 73.32 |
| TVS Supply Chain Solutions North America Inc., USA | 363.43 | 580.81 |
| TVS Logistics Investment UK Limited | 917.84 | 1,729.37 |
| Rico Logistics Limited, UK | 1,751.39 | 2,117.19 |
| TVS Supply Chain Solutions Limited, UK | 1,334.34 | 1,329.45 |
| Drive India Enterprise Solutions Limited | 0.08 | 67.19 |
| TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asiames Supply Chain Solutions Pte. Limited, Singapore) | 893.86 | - |
| White Data Systems India Private Limited | 12.31 | - |
| Dividend income | | |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 108.00 | 102.00 |
| Interest income | | |
| TVS Logistics Investments USA Inc., USA | 40.24 | 180.25 |
| TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand | 35.51 | 34.17 |
| TVS Logistics Investment UK Limited | 467.58 | 1,306.09 |
| TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asiames Supply Chain Solutions Pte. Limited, Singapore) | 10.43 | 46.64 |
| Expenses incurred on behalf of | | |
| Drive India Enterprise Solutions Limited | 1.93 | 1.93 |
| T V Sundram Iyengar & Sons Private Limited | - | 31.00 |
| TVS Logistics Investment UK Limited | 39.86 | 22.78 |
| TVS Supply Chain Solutions Limited, UK | 152.17 | 103.55 |
| TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asiames Supply Chain Solutions Pte. Limited, Singapore) | 153.61 | 0.38 |
| TVS Supply Chain Solutions North America Inc., USA | 134.12 | 41.06 |
| Rico Logistics Limited, UK | 190.42 | 84.01 |
| White Data Systems India Private Limited | 241.95 | - |
| FLEXOL Packaging (India) Ltd | 1.93 | 1.93 |
| TVS Toyota Tsusho Supply Chain Solutions Limited | 1.93 | 1.93 |
| TVS Packaging Solutions Private Limited | 2.00 | - |
| Interest expense | | |
| Drive India Enterprise Solutions Limited | 114.62 | 114.36 |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 49.88 | - |
| White Data Systems India Private Limited | 34.19 | - |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
34 Related party disclosures (continued)
Transactions during the year (continued)

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Purchase of spares, fuel, others | | |
| T V Sundram Iyengar & Sons Private Limited | - | 3.69 |
| Sundaram Industries Private Limited | 49.41 | 45.19 |
| Sundaram Fasteners Limited | - | 0.11 |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 22.18 | 3.47 |
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 30.09 | 0.22 |
| Freight, packing and forwarding expenses | | |
| FLEXOL Packaging (India) Limited | 107.03 | 161.30 |
| T V Sundram Iyengar & Sons Private Limited | 53.30 | 2.43 |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 216.66 | 82.28 |
| TVS Electronics Limited | 0.47 | 0.69 |
| White Data Systems India Private Limited | 357.89 | 6,773.69 |
| Rent | | |
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 919.44 | 893.14 |
| T V Sundram Iyengar & Sons Private Limited | 172.93 | 172.45 |
| Lucas-TVS Limited | 1.80 | 1.80 |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | - | 2.53 |
| Repairs and maintenance | | |
| T V Sundram Iyengar & Sons Private Limited | - | 4.93 |
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 8.52 | 6.25 |
| Expenses incurred by and reimbursed to | | |
| TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte Limited, Singapore) | - | 85.31 |
| T V Sundram Iyengar & Sons Private Limited | 20.48 | - |
| TVS Logistics Investment UK Limited | 59.83 | - |
| Other expenses | | |
| T V Sundram Iyengar & Sons Private Limited | - | 73.22 |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | - | 15.32 |
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | - | 32.70 |
| White Data Systems India Private Limited | 10.26 | - |
| Sale of Fixed Asset | | |
| TVS Toyota Tsusho Supply Chain Solutions Limited | 6.45 | - |
| Purchase of fixed assets | | |
| FLEXOL Packaging (India) Limited | 167.85 | 229.90 |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 6.10 | - |
| T V Sundram Iyengar & Sons Private Limited | 18.99 | - |
| Drive India Enterprise Solutions Limited | 9.54 | 26.62 |
| Sundaram Fasteners Limited | 11.82 | 7.57 |
| TVS Motor Company Limited | - | 14.82 |
| Lucas India Service Limited | 3.42 | 6.27 |
| Purchase of Leasehold Improvement | | |
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 1.35 | 40.58 |
| Investment in equity shares | | |
| FLEXOL Packaging (India) Limited | 616.77 | - |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 464.14 | - |
| TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore) | - | 15,395.17 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)
34 Related party disclosures (continued)
Transactions during the year (continued)

| | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Loans and advances | | |
| <i>Given during the year</i> | | |
| TVS Logistics Investment UK Limited | - | 37,082.99 |
| <i>Repayments received during the year</i> | | |
| TVS Logistics Investment UK Limited | 33,961.78 | 1,596.74 |
| TVS Logistics Investments USA Inc., USA | 5,498.11 | - |
| TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore) | 980.10 | - |
| <i>Taken during the year</i> | | |
| Drive India Enterprise Solutions Limited | 152.15 | 579.06 |
| White Data Systems India Private Limited | 1,150.00 | - |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 1,550.00 | - |
| Remuneration to Key Managerial Personnel | | |
| Salaries, wages and bonus to whole-time director (including contribution to provident and other funds) | 192.79 | 457.65 |
| Salaries, wages and bonus to joint managing director (including contribution to provident and other funds) (w.e.f. 14th Feb 2020) | 449.62 | 220.56 |
| Remuneration to managing director | 200.00 | 400.00 |

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 years ended March 31, 2021 and March 31, 2020 includes a charge of ₹ 1365.20 lakhs and ₹ 298.43 lakhs, towards KMP respectively.

Year end balances:
Loans to related parties

| | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| TVS Logistics Investment UK Limited, UK | 3,381.86 | 37,742.32 |
| TVS Logistics Investments USA Inc., USA | - | 5,448.14 |
| TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand | 437.02 | 448.21 |
| TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore | - | 957.61 |

Receivables

| | | |
|---|----------|----------|
| Lucas-TVS Limited | 72.25 | 95.44 |
| Sundaram Clayton Limited | 11.20 | 30.84 |
| Sundaram Industries Private Limited | 24.95 | 20.27 |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 36.40 | 22.72 |
| TVS Logistics Investment UK Limited | 5,341.61 | 5,426.03 |
| TVS Logistics Investments USA Inc., USA | 61.10 | 286.29 |
| TVS Motor Company Limited | 1,467.77 | 833.08 |
| TVS Supply Chain Solutions North America, Inc., USA | 1,384.07 | 945.87 |
| FLEXOL Packaging (India) Limited | 15.66 | 23.74 |
| TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore | 1,132.38 | 167.00 |
| TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand | 158.14 | 121.03 |
| TVS Toyota Tsusho Supply Chain Solutions Limited | 156.88 | 25.00 |
| TVS Supply Chain Solutions Limited, UK | 1,708.49 | 2,406.35 |
| Rico Logistics Limited, UK | 2,672.17 | 2,625.04 |
| T V Sundram Iyengar & Sons Private Limited | 18.89 | 142.63 |
| TVS Logistics Iberia S.L., Spain | - | - |
| Sundram Fasteners Limited | 19.11 | 25.78 |
| TVS Srichakra Limited | 172.71 | 750.94 |
| TVS Training And Services Limited | 11.18 | 29.37 |
| Drive India Enterprise Solutions Limited | 1,167.42 | 1,094.51 |
| Lucas Indian Service Limited | 1.28 | 21.89 |
| White Data Systems India Private Limited | 214.65 | - |
| TVS Packaging Solutions Private Limited | 2.36 | - |

Other receivables - Unbilled revenue

| | | |
|--|--------|--------|
| Lucas TVS Limited | 25.83 | 23.43 |
| Lucas Indian Service Limited | - | 3.81 |
| Sundaram Clayton Limited | 5.03 | 8.00 |
| Sundaram Fasteners Limited | 2.09 | 2.55 |
| T V Sundram Iyengar & Sons Private Limited | 10.94 | 118.56 |
| TVS Motor Company Limited | 246.77 | 19.76 |
| TVS Srichakra Limited | 867.23 | 131.60 |
| FLEXOL Packaging (India) Ltd | 0.66 | 0.66 |

Security deposits

| | | |
|--|--------|--------|
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 789.66 | 762.83 |
|--|--------|--------|



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

34 Related party disclosures (continued)**Year end balances (continued):**

| | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 59.00 | 28.45 |
| Drive India Enterprise Solutions Limited | - | 0.38 |
| T V Sundaram Iyengar & Sons Private Limited | 77.46 | 21.23 |

Unsecured borrowing repayment on demand from related party

| | | |
|--|----------|----------|
| Drive India Enterprise Solutions Limited | 1,545.04 | 1,392.89 |
| White Data Systems India Private Limited | 1,150.00 | - |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 1,550.00 | - |

Payables

| | | |
|---|----------|----------|
| T V Sundaram Iyengar & Sons Private Limited | 33.73 | 35.21 |
| Sundaram Industries Private Limited | 18.04 | 14.03 |
| Lucas Indian Service Limited | 1.29 | 1.06 |
| FLEXOL Packaging (India) Limited | 84.38 | 63.99 |
| TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited) | 38.41 | 44.29 |
| TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd) | 98.56 | 10.34 |
| TVS Supply Chain Solutions North America, Inc., USA | - | - |
| TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore | 54.56 | 55.00 |
| TVS Motor Company Limited | - | - |
| Lucas-TVS Limited | 0.17 | 0.16 |
| Drive India Enterprise Solutions Limited | 279.26 | 167.81 |
| Sundram Fasteners Limited | 3.86 | 2.19 |
| TVS Packaging Solutions Private Limited | 1.00 | 1.00 |
| Rico Logistics Limited, UK | 98.59 | 90.13 |
| White Data Systems India Private Limited | 1,314.46 | 2,703.48 |
| TVS Logistics Iberia S.L., Spain | - | 1.94 |
| TVS Logistics Investment UK Limited | 92.40 | 28.91 |

Guarantees

| | | |
|---|-----------|----------|
| TVS Logistics Investment UK Limited | 96,103.83 | - |
| TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore | 62,625.91 | 8,114.37 |

Payable to Key Managerial Personnel

| | | |
|--|--------|--------|
| Salaries, wages and bonus to Whole-time director | - | 250.00 |
| Salaries, wages and bonus to Joint managing director | 200.00 | 180.00 |
| Commission to Managing director | 200.00 | 400.00 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED**Notes to the standalone financial statements for the year ended 31 March 2021***(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 2021 | | | 31 March 2020 | | |
|--|--------------------|---------------|--------------------|--------------------|---------------|--------------------|
| | India | Outside India | Total | India | Outside India | Total |
| Type of goods or service | | | | | | |
| Revenue from sale of products | 9.91 | - | 9.91 | 13,136.44 | - | 13,136.44 |
| Revenue from supply chain management services | 1,11,317.87 | - | 1,11,317.87 | 1,25,683.57 | - | 1,25,683.57 |
| Revenue from telecom services | 12,511.25 | - | 12,511.25 | 10,520.43 | - | 10,520.43 |
| Total revenue from contracts with customers | 1,23,839.03 | - | 1,23,839.03 | 1,49,340.44 | - | 1,49,340.44 |

B. Summary of contract balances

| Particulars | 31-Mar-21 | 31-Mar-20 |
|------------------------------------|-----------|-----------|
| Trade Receivables | 34,356.62 | 43,516.00 |
| Contract assets (Refer note below) | 12,702.45 | 6,338.54 |
| Advance from Customers | 576.22 | 872.93 |

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.

C. Reconciliation of Revenue from sale of products/services with the contracted price

| Particulars | 31-Mar-21 | 31-Mar-20 |
|---|-------------|-------------|
| Revenue as per contracted price | 1,24,114.51 | 1,50,204.02 |
| Less: Trade discounts, volume rebates etc. | 275.48 | 863.58 |
| Revenue as per statement of profit and loss | 1,23,839.03 | 1,49,340.44 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

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 2021 | | 31 March 2020 | | Level 1 | | Level 2 | |
| | FVTPL | FVTOCI | FVTPL | FVTOCI | Amortised cost | Amortised cost | Level 3 | Total |
| Financial assets measured at fair value | | | | | | | | |
| Investments | 20.00 | - | - | - | - | - | 20.00 | 20.00 |
| Financial assets not measured at fair value | | | | | | | | |
| Investments | | | | | | | | |
| Loans | - | - | - | - | 1,319.51 | - | - | - |
| Deposits and other receivables | - | - | - | - | 44,596.27 | - | - | - |
| Trade receivables | - | - | - | - | 18,963.34 | - | - | - |
| Cash and cash equivalents | - | - | - | - | 39,582.86 | - | - | - |
| Other bank balances | - | - | - | - | 8,013.14 | - | - | - |
| Other financial assets | - | - | - | - | 249.40 | - | - | - |
| Total | 20.00 | - | - | - | 1,19,702.58 | - | 20.00 | 20.00 |

Financial liabilities not measured at fair value

| | | | | | | | | |
|-----------------------------|----------|----------|----------|----------|--------------------|----------|----------|----------|
| Borrowings | - | - | - | - | 63,392.27 | - | - | - |
| Lease liability | - | - | - | - | 27,011.15 | - | - | - |
| Trade payables | - | - | - | - | 33,672.92 | - | - | - |
| Other financial liabilities | - | - | - | - | 11,506.22 | - | - | - |
| Total | - | - | - | - | 1,35,582.56 | - | - | - |

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED**Notes to the standalone financial statements for the year ended 31 March 2021***(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**

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 2021 | 31 March 2020 |
| Trade receivables | 29,451.80 | 39,582.86 |
| Investments | 1,375.62 | 1,319.51 |
| Cash and cash equivalents | 10,531.95 | 8,013.14 |
| Other bank balances | 270.01 | 249.40 |
| Loans | 3,818.88 | 44,596.27 |
| Deposits and other receivables | 26,049.12 | 18,963.34 |
| Other financial assets | 13,329.26 | 6,978.06 |
| Total | 84,826.64 | 1,19,702.58 |

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

(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)****ii. Credit risk (contd.)**

The ageing of trade receivables that were not impaired as at the reporting date was:

As at 31 March 2021

| | Gross carrying amount | Weighted-average loss rate | Loss allowance |
|---------------------------------|-----------------------|----------------------------|-------------------|
| Not due & Past due 1-90 days | 26,566.54 | 2.6% | (700.45) |
| Past due 91-180 days | 1,458.32 | 13.1% | (190.75) |
| Past due 181-365 days | 1,562.37 | 44.9% | (700.84) |
| Past due for more than 365 days | 4,769.39 | 69.5% | (3,312.78) |
| Total | 34,356.62 | | (4,904.82) |

As at 31 March 2020

| | Gross carrying amount | Weighted-average loss rate | Loss allowance |
|---------------------------------|-----------------------|----------------------------|-------------------|
| Not due & Past due 1-90 days | 34,080.40 | 2.34% | (797.39) |
| Past due 91-180 days | 3,848.50 | 22.27% | (857.00) |
| Past due 181-365 days | 2,650.29 | 16.24% | (430.43) |
| Past due for more than 365 days | 2,936.81 | 62.94% | (1,848.32) |
| Total | 43,516.00 | | (3,933.14) |

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 2021 | 31 March 2020 |
|---|-----------------|-----------------|
| Balance at the beginning of the year | 3,933.14 | 4,618.63 |
| Add: Provision for the year | 971.68 | 2,005.38 |
| Less: Provision withdrawn against bad debts written off | - | (2,690.87) |
| Balance at end of the year | 4,904.82 | 3,933.14 |

Cash and cash equivalents and other bank balances

The Company holds cash and bank balances of ₹ 10,801.96 lakhs as at 31 March 2021 (31 March 2020: ₹ 8,262.54 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 ₹ 26,049.12 lakhs as at 31 March 2021 (31 March 2020: ₹ 18,963.34 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 ₹ 47,975.56 lakhs as at 31 March 2021 (31 March 2020: ₹ 52,893.82). 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
Notes to the standalone financial statements for the year ended 31 March 2021
(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 |
| 31 March 2021 | | | | | |
| Non derivative financial liabilities | | | | | |
| Current and non-current borrowings | | | | | |
| Secured term loan from banks | 320.47 | 320.47 | 113.11 | 207.36 | - |
| Secured term loans from financial institutions | 0.90 | 0.90 | 0.90 | - | - |
| Secured finance lease obligations | 25,782.89 | 31,549.68 | 9,144.76 | 17,194.55 | 5,210.37 |
| Unsecured loans repayable on demand | 28,225.04 | 28,225.04 | 28,225.04 | - | - |
| Unsecured Bills discounting | 854.47 | 854.47 | 854.47 | - | - |
| Redeemable preference shares | 891.60 | 891.60 | 891.60 | - | - |
| Others | | | | | |
| Trade payables | 38,533.09 | 38,533.09 | 38,533.09 | - | - |
| Other financial liabilities | 14,750.38 | 14,750.37 | 10,769.26 | 3,981.11 | - |
| | 1,09,358.84 | 1,15,125.62 | 88,532.23 | 21,383.02 | 5,210.37 |

| | Contractual cash flows | | | | |
|--|------------------------|-------------|----------------|-----------|-------------------|
| | Total | Total | 1 year or less | 1-5 years | More than 5 years |
| 31 March 2020 | | | | | |
| Non derivative financial liabilities | | | | | |
| Current and non-current borrowings | | | | | |
| Secured term loan from banks | 233.30 | 233.30 | 66.95 | 166.35 | - |
| Unsecured term loans from banks | 6,200.00 | 6,200.00 | 6,200.00 | - | - |
| Secured term loans from financial institutions | 7,589.40 | 7,622.52 | 7,618.65 | 3.87 | - |
| Unsecured term loans from financial | 5,149.23 | 5,149.23 | 5,149.23 | - | - |
| Secured finance lease obligations | 27,011.15 | 35,352.32 | 8,378.73 | 18,468.47 | 8,505.13 |
| Unsecured loans repayable on demand | 41,752.91 | 41,752.91 | 41,752.91 | - | - |
| Secured loans | 4,000.00 | 4,000.00 | 4,000.00 | - | - |
| Unsecured Bills discounting | 3,257.76 | 3,257.76 | 3,257.76 | - | - |
| Unsecured cash credit from banks | 23.65 | 23.65 | 23.65 | - | - |
| Redeemable preference shares | 891.60 | 891.60 | 891.60 | - | - |
| Others | | | | | |
| Trade payables | 33,672.92 | 33,672.92 | 33,672.92 | - | - |
| Other financial liabilities | 7,006.24 | 7,006.24 | 6,956.44 | 49.80 | - |
| | 1,36,788.16 | 1,45,162.45 | 1,17,968.84 | 18,688.49 | 8,505.13 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

(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.

Current 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 2021 | | | | | | | As at 31 March 2020 | | | | | | |
|-----------------------------------|---------------------|-----------------|----------|------------------|-----------------|----------|---------------|---------------------|-----------------|---------------|------------------|-----------------|----------|---------------|
| | INR | USD | Euro | GBP | SGD | AED | THB | INR | USD | Euro | GBP | SGD | AED | THB |
| Financial assets: | | | | | | | | | | | | | | |
| Investments | 1,375.62 | - | - | - | - | - | - | 1,319.50 | - | - | - | - | - | - |
| Loans | - | 405.58 | - | 3,413.49 | - | - | - | - | 5,896.35 | - | 37,742.32 | 957.61 | - | - |
| Deposits and other receivables | 8,021.95 | 2,487.09 | - | 14,249.55 | 1,132.38 | - | 158.14 | 6,991.03 | 1,232.16 | - | 10,452.12 | 167.00 | - | 121.03 |
| Trade receivables | 29,451.80 | - | - | - | - | - | - | 39,408.86 | 174.09 | - | - | - | - | - |
| Cash and cash equivalents | 10,531.94 | - | - | - | - | - | - | 8,013.14 | - | - | - | - | - | - |
| Other bank balances | 270.01 | - | - | - | - | - | - | 249.40 | - | - | - | - | - | - |
| Other financial assets | 13,329.26 | - | - | - | - | - | - | 6,978.06 | - | - | - | - | - | - |
| | 62,980.58 | 2,892.47 | - | 17,663.04 | 1,132.38 | - | 158.14 | 62,959.99 | 7,302.51 | - | 48,194.44 | 1,124.61 | - | 121.03 |
| Financial liabilities: | | | | | | | | | | | | | | |
| Borrowings | 30,179.37 | - | - | - | - | - | - | 63,392.27 | - | - | - | - | - | - |
| Lease liability | 25,782.89 | - | - | - | - | - | - | 27,011.15 | - | - | - | - | - | - |
| Trade payables | 38,533.09 | - | - | - | - | - | - | 33,561.95 | 8.39 | 0.48 | 99.85 | 2.25 | - | - |
| Other financial liabilities | 9,294.27 | 1,041.93 | - | 4,527.28 | - | - | - | 12,499.22 | - | - | 28.91 | 183.69 | - | - |
| | 1,03,789.62 | 1,041.93 | - | 4,527.28 | - | - | - | 1,36,464.59 | 8.39 | 0.48 | 128.76 | 185.94 | - | - |
| Net assets / (liabilities) | (40,809.04) | 1,850.54 | - | 13,135.76 | 1,132.38 | - | 158.14 | (73,504.60) | 7,294.12 | (0.48) | 48,065.68 | 938.67 | - | 121.03 |



TVS SUPPLY CHAIN SOLUTIONS LIMITED
Notes to the standalone financial statements for the year ended 31 March 2021
(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 March 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 |
| 31 March 2021 | | | | |
| United States Dollar (1% movement) | 18.51 | (18.51) | - | - |
| Great Britain Pound (1% movement) | 131.36 | (131.36) | - | - |
| Singapore Dollar (1% movement) | 11.32 | (11.32) | - | - |
| Thailand Bhat (1% movement) | 1.58 | (1.58) | - | - |
| 31 March 2020 | | | | |
| United States Dollar (1% movement) | 72.94 | (72.94) | - | - |
| Great Britain Pound (1% movement) | 480.66 | (480.66) | - | - |
| Singapore Dollar (1% movement) | 9.39 | (9.39) | - | - |
| Thailand Bhat (1% movement) | 1.21 | (1.21) | - | - |

Interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

| | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Variable instruments | | |
| <i>Financial Liabilities</i> | | |
| - Loans repayable on demand | 5,400.00 | 39,350.00 |
| - Unsecured Bills discounting | - | 3,257.76 |
| - Cash credit from banks | - | 23.65 |
| Fixed rate instruments | | |
| <i>Financial assets</i> | | |
| - Loans | 3,818.88 | 44,596.27 |
| - Deposits with banks | 379.82 | 369.70 |
| <i>Financial Liabilities</i> | | |
| - Term loans from banks | 320.47 | 6,433.30 |
| - Term loans from financial institutions | 0.90 | 12,738.63 |
| - Finance lease obligations | 25,782.89 | 27,011.15 |
| - Loans repayable on demand | 22,825.04 | 6,402.91 |
| - Vendor bill discounting | 854.47 | - |
| - Redeemable preference shares | 891.60 | 891.60 |

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.



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

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

38 Subsequent events

There are no significant subsequent events that have occurred after the reporting period till the date of this standalone financial statements.

As per our report of even date attached
for **S.R. Battiboi & Associates LLP**
Firm Registration Number : 101049W / E300004
Chartered Accountants



Bharath N S
Partner
Membership No. 210934
Place : Chennai
Date : 15 June 2021



for and on behalf of the board of directors of
TVS Supply Chain Solutions Limited

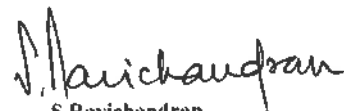


S Mahalingam
Chairman
DIN: 00121727

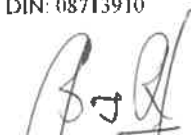
R Dinesh
Managing Director
DIN: 00363300



Ravi Viswanathan
Joint Managing Director
DIN: 08713910



S Ravichandran
Whole-time Director
DIN: 01485845



Ravi Prakash Bhagavathula
Group Chief Financial Officer
Place : Singapore



P D Krishna Prasad
Company Secretary



Place : Chennai
Date : 15 June 2021

TVS SUPPLY CHAIN SOLUTIONS LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their Seventeenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2021.

FINANCIAL RESULTS

(Amount INR in crores)

| Particulars | Standalone | | Consolidated | |
|--|------------|--------------------|--------------|--------------------|
| | 2020-21 | 2019-20 Revised | 2020-21 | 2019-20 Revised |
| Revenues from operations (including other income) | 1344.49 | 1619.29 | 6998.83 | 6792.76 |
| Profit before tax from continuing operations | (89.44) | (21.72) | (166.09) | (243.45) |
| Profit/ (Loss) after tax from continuing operations | (81.37) | (15.84) | (72.29) | (248.02) |
| Profit/ (Loss) before tax from discontinued operations | | - | (2.43) | 0.04 |
| Profit/ (Loss) after tax from discontinued operations | | - | (2.43) | 0.02 |
| Profit/(Loss) for the year | (81.37) | (15.84) | (74.74) | (248.00) |
| Other comprehensive income, net of tax | 0.71 | 1.21 | 0.96 | (8.87) |
| Total comprehensive income | (80.66) | (14.62) | (72.72) | (256.02) |

GLOBAL ECONOMIC OUTLOOK

The world economy was very significantly impacted in financial year FY21 due to Novel Coronavirus Covid-19 with impacts to human health and life. The impacts in Q1 depressed the global GDP for the year, even though gradual re-kindling of the economy from Q3 onwards helped to bring growth back leading into calendar year 2021. The International Monetary Fund (IMF) has forecasted growth of 5.5% in CY 2021 leading up to 4.2% in CY 2022. Rapid global vaccination programs along with economic aid programs implemented and announced in countries like USA, UK, Japan and Europe are helping to cement the turnaround of the world economy.

Growing tensions between China and the USA as well as re-orientation of global trading blocs are pushing countries towards a 'China Plus One' policy as part of de-risking their global supply chains. This is resulting in some shifts to production centres in other low-cost South East Asian countries including India, Vietnam, Indonesia and Thailand. Major economies like Japan (US\$2.2 Bn) and South Korea (US\$95 bn over 5 years)

have allocated significant funds to support their industries relocate to the home country or other South East Asian countries.

With health taking centre stage, Covid-19 has also given an unprecedented push to the health care and pharmaceutical sectors with increased government spending globally, led by the US (increase from 2% of GDP in 2020 to estimated 7% in 2021). The spends on vaccine logistics as well as sourcing and logistics of Personal Protective Equipment (PPEs), ventilators, medicines, etc throw up new business opportunities for world trade and logistics.

The global Auto sector has also seen a bounce back, with an increased focus on sustainability initiatives. With governments in North America, parts of Asia and the European Union focussed on climate change, support for new generational electric vehicle technology is giving a much-needed boost to the Auto sector.

The world has now adjusted to the new normal with Work from Home (WFH) becoming a permanent change in most organisations. This has thrown up new operating models of organisations relying heavily on technology platforms, negating the need for human intervention. Companies are now actively dealing with challenges like digital technology and automation which were earlier on the backburner in the pre-pandemic world. For most companies it has now become imperative to create resilient and shock-proof models as part of their pivoting strategies in a post Covid world.

GLOBAL LOGISTICS OUTLOOK

The pandemic helped to underline the fact that connected supply chains was the answer to creating resilient operating models. Continuous disruptions to global supply chains resulted in sweeping changes to production planning wherein decentralisation of manufacturing was key to creation of new logistics centres. Reports by leading financial institutions indicate that 56 large global companies have already moved some part of their manufacturing base from China to other countries, while companies in most major sectors in US and APAC have either implemented or announced plans to relocate at least a portion of their supply chains out of China. These changes to global supply chains throw up significant opportunities to logistics companies who have large networks as well as a strong Asia presence.

New opportunities have also been thrown up for logistics services through an increase in online sales of automobiles, direct to home and direct to consumer distribution of FMCG and durables. Hyper-local and in-city services have seen exponential demand with consumers preferring to procure essential commodities from the comfort of their homes. These newer operating models seen in India, USA and part of Europe include decentralised and localised approaches through tech enabled delivery platforms which also combine demand forecasting and inventory management technology and service modules. The pandemic has also accelerated growth trends in both the domestic and international express markets globally, driven by both B2B and B2C (e-commerce) shipping.

The Global shipping industry saw a mismatch, especially in the fourth quarter, between container capacity and demand, thereby creating a pressure on prices which have continued in the first half of CY21. This has led to increased demand for air cargo services, especially for e-commerce movements of goods and medical supplies. These disruptions have stressed the need for technologies that provide increased visibility and track and trace services as it equips freight movers to react to disruptions in a timely manner.

As a result of the changes that have taken place in the last 4 quarters, the global logistics sector is expected to grow between 4-5%, with a substantial portion of the growth forecasted to be in the APAC region.

INDIAN ECONOMIC OUTLOOK

The Indian economy saw positive marginal growth in Q3 during FY21. However, the looming rate of infections as part of a second wave along with fears of a possible third wave threaten to impact the Indian economy through FY22. With stringent lockdowns in place in various parts of the country, the earlier year on year double digit GDP growth forecasts have been re-adjusted by the various rating agencies to between 9-9.5% for FY22 followed by 6.5-7% growth in the next year.

The Indian government announced in its annual budget a Rs. 35000 Crore allocation for Covid-19 vaccine alongside a 137% growth in the allocation for the Health sector, to help the country recover expeditiously from the effects of Covid-19. To give a boost to the economy amidst the pandemic, the government has also announced Rs 50000 Crore liquidity push for MSMEs in the healthcare sector. In this scheme banks can provide lending support to vaccine manufacturers, suppliers, medical equipment manufacturers and even patients.

The Government has announced an economic package worth Rs. 2 lakh crores for Infrastructure development which will directly positively impact the Logistics sector. The budget also outlays the highest ever allocation for Road and Highways development at Rs. 1.18 Lakh Crore. Priority has been placed on the completion of the Dedicated Freight Corridor Network to boost connectivity and industrial warehousing in India. There has also been a push for the development of digital technology through a Rs. 1500 crore scheme for digital payment network development across the country. The budget also focusses on green energy initiatives like Hydrogen Energy Mission aimed to reduce petroleum use, greenhouse gas emissions, and air pollution, and contribute to more diverse and efficient energy infrastructure.

INDIAN LOGISTICS INDUSTRY SCENARIO

Despite the challenges during Covid-19 and the slowdown seen in the last year, advanced digital technologies, government reforms, growth of e-commerce and changing customer preferences is transforming the Indian Logistics Industry.

The logistics industry has adapted quickly in the year to new trends of hyperlocal deliveries with tech enabled delivery platforms, rapid adoption of same day delivery services and pivoting opportunities in consumer goods and essential commodities. New focus on last mile deliveries and Direct to Consumer disruptive business models are driving the sector forward. These opportunities necessitate important business transformations towards Agile Operating models, increased adoption of digital platforms and higher penetration of automation, robotics and IoT in logistics services and operations. With continued FDI especially in the Tech and Logistics sectors, new age companies threaten to disrupt traditional logistics organisations not quickly transforming themselves. The Indian express industry has continued to grow rapidly on the back of GST implementation as well as opportunities in the B2B distribution and e-commerce spaces in the last few years.

PERFORMANCE REVIEW

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 to operate in the changing post Covid environment.

Your Company has established operations in over 30 countries covering major markets across Europe, APAC, America and India. Further, the Company has also engaged delivery partners in major countries in Africa and Latin America as part of service fulfilment for the Global Forwarding business. This is part of establishing a global network serviced through direct operations as well as agency business.

Your Company also recorded multiple significant milestones – TVS Supply Chain Solutions Pte. Ltd., Singapore recorded its highest ever monthly revenues in its history in the last quarter of FY21, growing 1.6 times over last quarter of FY20. A similar such benchmark was set in the courier operations in TVS Rico in UK, with the business crossing its highest ever weekly revenues closing the year with a growth rate of 8% in a muted year.

Operations:

Your Company continued to strengthen its offerings in the end-to-end supply chain services. The capability led strategy of Integrated Supply Chain Solutions, Last Mile Solutions and Freight Management Solutions were considerably strengthened through new senior management hires, especially Business Development, Technology and Financial organisations. A global initiative on Process Excellence was kicked off with a through audit and review of all the ISCS businesses and the Global Forwarding business. This initiative will continue through the next year encompassing every aspect of your Company.

An Economic Profit evaluation exercise of all our businesses was undertaken in the last year with an objective to review all our businesses and determine actions to improve profitability and cash flows. The output of the study helped to derive strategic actions towards operational efficiency improvement and business transformation. 46 high impact initiatives were identified of which 95% were completed in FY21, with the balance planned for completion in FY22. The conclusion of these actions will result in significant cost saving through both P&L and Balance sheet impacts.

Overhead cost containment and reduction was a major focus area, taken up across all the businesses. Technology interventions, process excellence actions and activity integration resulted in significant Reduction in Force (RIF) and manpower rationalisation. The global Centre of Excellence at Madurai scaled up through capacity build up (160 seats across two centres) for additional activities including data entry, data management and reporting analytics, thereby increasing business support.

One TVS culture initiatives undertaken during the year included TVS Asianics migrating to the TVS SCS brand with the service definition changed to Global Forwarding Services (GFS). Senior level global communication programs were kicked off with global leadership teams and their reports directly communicated to by various members of the top management.

Business development:

Your Company has successfully implemented global CRM Salesforce across the business across the business. This has enabled all businesses to report pipelines in similar fashion thereby leading to greater control and monitoring.

A Global Sales approach has been kickstarted through creation of a Global Sales council to drive collaboration, cross-selling and focus on select global accounts. As a pilot start, 6 global majors have been identified for potential collaboration, cross selling and encirclement opportunities.

A common global website for your Company was rolled out integrating all businesses into one website. Through this, an efficient Search Engine Optimisation (SEO) has been rolled out, leading to competitive positioning and increased lead generation.

Despite negative sentiment on account of Covid-19, your Company performed exceedingly well on new business development, adding 412 new client accounts with accrued revenues in this year alone at Rs. 508 crores and annualised revenues more than Rs. 750 crores at a consolidated level.

Business Transformation:

With the changing market landscape, your Company is pro-actively adding to its diverse capability portfolio and technological edge to stay ahead: Business transformative actions have been put in place to ensure its leadership position and competitive edge in its various markets.

Future Ready Positioning: Your Company has made significant progress towards building on its auto sector capabilities by adding expertise and customers in the Electric Vehicles (EV) segment. Capabilities have been built up in strategic sourcing, parts assembly and battery handling, to helping to manage inventories of parts and feeding manufacturing lines with sub-assemblies. The support to EVs was taken forward through aftermarket spare parts logistics support to provide repair and handling services. The Company also supports EV charging stations with installation, maintenance and repair services. The Company has also developed special SOPs to handle batteries under the UN Dangerous Goods handling guidelines.

Your Company has also established itself in another future ready business of the Utilities sector through Smart Metering solutions for both electricity and water metering. Your Company works with Utility service providers across UK to provide tailor-made software on the web and logistics solutions thereby supporting installation and maintenance of these devices. Using IoT, the software then pushes the request to the Engineers for field execution. This technological solution has the potential to be extended to various sectors in the coming years.

Digitalisation and Technological Advancements: Your Company has taken a pivotal step to position itself a technology leader in logistics by investing in digital platform technologies, which are scalable, replicable and cost efficient. The legacy TRACE Warehouse Management System has been upgraded into a world class system "Visibility", with the advantages of being the easiest to use, install and update amongst its competitors. This system further enables complete inventory visibility, mobile enabled scanning for quick turn around and seamless integration with the client systems. The system also has the ability to consolidate and optimise based on the customer's requirements coupled with easy implementation. The system is being further enhanced with predictive analytics and AI based decision making for faster operational processing. With over 100 installations, Visibility also recorded a first through a sign up with a global metals major as a SaaS (Software as a Service) paving the way to be sold as a standalone platform.

Courier Alliance is another technological advancement that the Company has rolled out as part of its portfolio. The solution enables platformisation and uberisation of the Sameday delivery network. Available jobs are posted on the open platform which creates a job alert on the system, which is responded to by various route couriers, thereby avoided the need to dispatch services, as well as saving operation costs through low cost sourcing. This platform has been completely rolled out in UK and implementation in India is in the works.

Our platform technologies reduce human intervention, enable cost efficiencies and can be implemented in every sector across every geography. This platform approach has now become a distinguishing factor for the Company which enables seamless end to end supply chain management.

Your Company will also be reviewing structural re-organisations to take forward the business transformation journey in a post Covid-19 connected world.

The annual people survey to measure employee satisfaction and net promoter score was expanded to include all the significant businesses and subsidiaries, with the Global Forwarding Solutions group participating for the first time. Branded "Vibe", the survey was actively promoted to our participation employees across Asia- Pacific, India, Europe and North America through video communication messages from the entire leadership group. The Company also decided to invest in a global unified HRM system, pilot trials of which commenced in India during the year.

Acquisitions:

During the year under review, no new acquisitions were undertaken by your Company.

Financing Initiatives:

1. Project SS (Comprehensive overseas financing facility for acquisition & revolving credit) update:

- a) During the year, your Company pro-actively renegotiated the financial covenants for the period FY 21 to FY 23 to address the business impact on revenue & cashflow due to COVID-19. This initiative ensured that liquidity has been secured while ensuring covenant compliances.
- b) At the request of the lenders, despite COVID impact on the business, your Company tied up appx. 75% of syndication target and thereby substantially met the commitments to the underwriting banks.

2. Hedging strategy update:

- a) During the year, your Company hedged 76% of its GBP/USD denominated long term borrowings through Principal Only Swap derivative instruments which ensures no cashflow impact on foreign exchange fluctuations. Balance 24% exposure is kept open and is under watch.
- b) As a continuing hedging policy, your Company follows natural hedging as its core policy whereby the earnings and pay-outs are typically mapped in the same currency by operating entities in US, UK and rest of Asia.

3. Other updates:

- a) Towards meeting the objective of de-leveraging, your Company reduced its gross indebtedness level by 28% compared to previous year which included repayment of high-cost Indian debts.
- b) During the year, your Company reduced the working capital in excess of ₹ 200 Crores compared to March 20 due to higher operational efficiency and treasury initiatives
- c) Towards a sustained financing initiative, your Company tied up with A-TREDS (a RBI driven initiative for MSME vendors) and set-up a line of credit which eases liquidity issues for such vendors and improves sales margin for the Company.

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 to achieve higher turnover and profits in the years to come.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No material changes and commitments have occurred affecting the financial position of the Company after March 31, 2021 till the date of this report.

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 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, no changes have occurred in the issued, called, subscribed and paid-up share capital of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company based on the recommendation of the Nomination and Remuneration Committee appointed Sri S Ravichandran, (DIN 01485845) as Executive Director (designated as Whole Time Director) of the Company, for a period of one year from 15.11.2020, subject to the approval of the shareholders.

During the year, Sri Suresh Krishna has resigned as Chairman and Director of your Company with effect from 27.11.2020 due to personal reasons. Sri. Suresh Krishna was the Chairman of your Company since inception. The Board wishes to record its sincere appreciation for the guidance and support extended by Sri Suresh Krishna during his tenure as Chairman. Sri. S Mahalingam was appointed as Chairman of your Company with effect from 27.11.2020.

The term of Sri Anantha Nageswaran as an Independent Director on the Board of your Company expired on 18.03.2021. The Board wishes to record its sincere appreciation for the guidance and support extended by Sri Anantha Nageswaran during his tenure as Director.

Sri. Gopal Srinivasan (DIN: 00177699) and Sri. R Dinesh (DIN: 00363300), 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 appointment and re-appointment of above Directors.

STATUTORY AUDITORS

The Members at their 14th Annual General Meeting appointed M/s. S.R. Batliboi & Associates LLP, as the Statutory Auditors of the Company for a term of 5 (five) years from the conclusion of the 14th Annual General Meeting of the Company till the conclusion of the 19th Annual General Meeting.

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 four 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 Mr. K Venugopalan, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year ended 31st March, 2021. The Secretarial Audit Report is attached to this Report.

AUDIT COMMITTEE

The Audit Committee consists Sri. S Mahalingam, Chairman, Sri. C K Ranganathan and Ms. Anita George as members. During the year under review, the Board has accepted all the recommendations of the Committee.

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 Nomination and Remuneration Committee consists of Sri. C K Ranganathan, Chairman, Sri. S Mahalingam and Ms. Anita George, Members in terms of Section 178 of the Companies Act, 2013. 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 Board has constituted a Corporate Social Responsibility Committee consists of Sri. C K Ranganathan, Chairman, Ms. Shobhana Ramachandran, Sri. S Mahalingam and Ms. Anita George, 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.

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.

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. C K Ranganathan and Sri. S Mahalingam were re-appointed as Independent Directors on the Board of your Company, for a period of five years, with effect from June 29, 2018 and August 30, 2018, respectively.

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.

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.

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 31st March, 2021 and of the loss 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;

(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:

(INR in crores)

Foreign exchange earnings - 69.29

Foreign exchange outgo - 9.72

MANAGEMENT INCENTIVE PLAN

During the year under review, the Company has granted 95,997 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.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to bankers, business associates, consultants and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the promoter company, the members and the subsidiary/ joint venture companies for their support and confidence reposed on your Company.

Your Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company.

For and on behalf of the Board

Place: Chennai

Date: 15.06.2021

S Mahalingam
(DIN: 00121727)
Chairman

[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 / ASSOCIATE / JOINT VENTURE

PART A - SUBSIDIARIES

| Sl.no | Name of the Company | Country | Reporting Currency | Exchange rate | | | Total Assets | Reserves | Total Liabilities | Details of Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Dividend proposed/declared | % share holding |
|-------|--|-----------|--------------------|---------------|---------|------------------|-----------------|------------------|-------------------|------------------------|-----------------|------------------------|------------------------|-----------------------|----------------------------|-----------------|
| | | | | Closing | Average | Reporting period | | | | | | | | | | |
| 1 | TVS SCS Global Freight Services Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited) | India | INR | 1 | 1 | FY 2020-21 | 94,35,52,275 | 54,36,53,068 | 38,79,17,207 | | 3,47,26,28,830 | 17,33,57,937 | 4,47,50,759 | 12,86,07,178 | | 90.00% |
| 2 | Drive India Enterprise Solutions Limited | India | INR | 1 | 1 | FY 2020-21 | 76,56,75,955 | 66,63,56,144 | 80,99,29,138 | | 4,28,13,022 | 5,55,668 | | 5,55,668 | | 100.00% |
| 3 | FLEXOR Packaging (India) Limited | India | INR | 1 | 1 | FY 2020-21 | 11,84,36,533 | 1,81,27,841 | 9,26,04,533 | | 22,22,07,480 | (1,51,48,945) | | (1,51,48,945) | | 88.06% |
| 4 | TVS SCS (Siam) Limited (Formerly known as TVS Logistics Siam Limited) | Thailand | THB | 2.34 | 2.39 | FY 2020-21 | 5,72,37,307 | (5,55,08,506) | 8,93,37,813 | | 9,84,60,498 | (16,45,254) | | (16,45,254) | | 100.00% |
| 5 | TVS Logistics Investment UK Limited | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 1,120,15,74,944 | (55,03,49,458) | 1,12,67,63,130 | | - | (61,76,83,402) | (12,15,04,578) | (49,61,78,824) | | 100.00% |
| 6 | TVS Logistics Investments USA Inc | USA | USD | 73.50 | 74.20 | FY 2020-21 | 45,21,27,410 | (72,86,82,103) | 2,57,78,79,924 | | - | (17,36,14,780) | | (17,36,14,780) | | 100.00% |
| 7 | TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Viasmes Supply Chain Solutions Pte. Limited), Singapore and its subsidiaries | Singapore | SGD | 54.35 | 54.34 | FY 2020-21 | 10,90,11,79,881 | (4,36,77,51,459) | 13,13,56,08,636 | | 18,11,59,40,019 | (23,22,89,557) | (5,07,97,763) | (18,14,91,794) | | 100.00% |
| 8 | TVS America Inc | USA | USD | 73.50 | 74.20 | FY 2020-21 | 8,08,55,170 | (14,53,46,871) | 6,44,91,701 | | - | (5,84,184) | | (5,84,184) | | 93.50% |
| 8 | TVS Toyota Tsushiro Supply Chain Solutions Limited | India | INR | 1.00 | 1.00 | FY 2020-21 | 2,00,00,000 | 1,20,05,58,289 | 45,91,50,648 | | 61,51,76,877 | 5,12,45,380 | 1,36,46,183 | 3,75,99,197 | | 60.00% |
| 8 | White Data Systems Private Limited | India | INR | 1.00 | 1.00 | FY 2020-21 | 4,13,29,610 | 29,51,14,287 | 14,28,52,993 | | 4,88,03,288 | (3,45,12,149) | (8,71,135) | (3,36,41,014) | | 51.00% |
| 9 | SFC International (India) Private Limited | India | INR | 1.00 | 1.00 | FY 2020-21 | 51,00,000 | 8,37,68,983 | 4,56,58,038 | | 20,24,58,507 | (73,08,719) | 2,83,885 | (75,92,604) | | 100.00% |
| 10 | TVS Packaging Solutions Private Limited | India | INR | 1.00 | 1.00 | FY 2020-21 | 1,00,000 | (3,47,200) | 1,00,270 | | - | (2,11,800) | | (2,11,800) | | 100.00% |

Our Company does not hold any shares in the following companies, but however they are subsidiaries under section 87(0) of the Companies Act, 2013

| Sl.no | Name of the Company | Country | Reporting Currency | Exchange rate | | | Total Assets | Reserves | Total Liabilities | Details of Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Dividend declared | % share holding |
|-------|---|---------|--------------------|---------------|---------|------------------|-----------------|----------------|-------------------|------------------------|-----------------|------------------------|------------------------|-----------------------|-------------------|-----------------|
| | | | | Closing | Average | Reporting period | | | | | | | | | | |
| 1 | TVS Supply Chain Solutions Limited | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 10,09,17,48,598 | 4,36,59,51,601 | 5,72,57,96,892 | | 11,23,06,39,931 | 29,76,23,451 | (21,54,97,074) | 51,31,20,525 | | 100.00% |
| 2 | TVS Supply chain solutions OMBI | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 34,07,71,869 | (4,17,48,417) | 38,23,49,113 | | 57,73,49,897 | 1,50,25,562 | 66,40,423 | 83,85,139 | | 100.00% |
| 3 | Pearl Thomas & Co (Retraining) Limited, UK | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 15,03,19,179 | (6,74,83,897) | 21,77,92,981 | | 14,36,26,350 | (3,59,73,642) | (70,13,617) | (2,89,60,025) | | 100.00% |
| 4 | TVS Logistics Iberia S.L. | Spain | GBP | 100.95 | 97.06 | FY 2020-21 | 1,18,08,48,993 | 19,16,63,857 | 97,16,19,718 | | 1,60,02,49,195 | 4,13,69,720 | 68,94,606 | 3,44,75,114 | | 100.00% |
| 5 | TVS Antsover GmbH | Germany | GBP | 100.95 | 97.06 | FY 2020-21 | 44,74,38,137 | 14,88,01,676 | 28,10,71,004 | | 67,83,68,391 | 2,62,88,260 | 75,74,692 | 1,87,13,568 | | 51.00% |
| 6 | Rico Logistics Limited and its subsidiaries | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 54,44,791 | 2,47,74,71,060 | 8,73,77,43,879 | | 15,98,14,77,325 | 3,54,77,060 | 9,39,17,487 | (5,84,40,427) | | 97.47% |
| 7 | TVS Supply Chain Solutions North America Inc. and its subsidiaries (Formerly known as Wainwright Industries Inc.) | USA | USD | 73.50 | 74.20 | FY 2020-21 | 4,39,05,58,785 | (35,43,39,805) | 2,81,88,95,096 | | 4,74,07,25,554 | (40,80,52,973) | (28,82,07,280) | (11,98,45,773) | | 100.00% |

The following is (are) the subsidiary(ies) where our Company owns the entire share capital along with another subsidiary

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

1. Name of subsidiaries which are yet to commence operations.
2. 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 2021 | |
| 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 31.2% | 50% on non-dilutive basis |
| 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 | 4,19,37,30,114 | |
| 6 | Profit for the year | (21,33,383) | |
| i | Considered in consolidation | (6,65,615) | |
| 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 <div style="display: flex; justify-content: space-between;"> <div> Mahalingam Sethuraman Chairman </div> <div> R Dinesh Managing Director </div> <div> Ravi Vishwanathan Joint Managing Director </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div> S Ravichandran Whole-time Director </div> <div> Ravi Prakash Bhagavathula Group Chief Financial Officer </div> <div> P D Krishna Prasad Company Secretary </div> </div> | | | |
| Place: Chennai Date: | | | |

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

| Exchange rate | | INR | | | | | | | | | | | | | | | |
|---------------------------|---|-----------|--------------------|---------|---------|------------------|----------------|------------------|-----------------|-------------------|------------------------|-----------------|------------------------|------------------------|-----------------------|-------------------|-----------------|
| | | Country | Reporting Currency | Closing | Average | Reporting Period | Capital | Reserves | Total Assets | Total Liabilities | Details of Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Dividend declared | % share holding |
| SUBSIDIARIES | | | | | | | | | | | | | | | | | |
| 1 | TVS SCS Global Freight Services Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited) | India | INR | 1 | 1 | FY 2020-21 | 1,20,00,000 | 54,36,35,068 | 94,35,52,275 | 38,79,17,207 | | 3,47,26,28,830 | 17,33,57,937 | 4,47,50,759 | 12,86,07,178 | 1,07,99,990 | 90.00% |
| 2 | Drive India Enterprise Solutions Limited | India | INR | 1 | 1 | FY 2020-21 | 2,21,00,000 | (6,63,56,184) | 76,56,72,955 | 80,99,29,138 | | 4,28,13,022 | 5,55,668 | - | 5,55,668 | | 100.00% |
| 3 | FLEXOL Packaging (India) Limited | India | INR | 1 | 1 | FY 2020-21 | 77,04,160 | 1,81,27,841 | 11,84,36,533 | 9,26,04,533 | | 22,22,07,480 | (1,51,48,945) | - | (1,51,48,945) | | 88.06% |
| 4 | TVS SCS (Siam) Limited (Formerly Known as TVS Logistics Siam Limited) | Thailand | THB | 2.34 | 2.39 | FY 2020-21 | 2,34,08,000 | (5,55,08,506) | 5,72,37,307 | 8,93,37,813 | | 9,84,60,498 | (16,45,254) | - | (16,45,254) | | 100.00% |
| 5 | TVS Logistics Investment UK Limited | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 62,54,61,289 | (55,03,49,458) | 11,20,18,74,944 | 11,12,67,63,130 | | - | (61,76,83,402) | (12,15,04,578) | (49,61,78,824) | | 100.00% |
| 6 | TVS Logistics Investments USA Inc. | USA | USD | 73.50 | 74.20 | FY 2020-21 | 45,21,27,410 | (72,86,82,103) | 2,32,13,25,305 | 2,59,78,79,924 | | - | (17,36,14,780) | - | (17,36,14,780) | | 100.00% |
| 7 | TVS America Inc. | USA | USD | 73.50 | 74.20 | FY 2020-21 | 8,08,55,170 | (14,53,46,871) | - | 6,44,91,701 | | - | (5,84,184) | - | (5,84,184) | | |
| 8 | TVS Supply Chain Solutions Pte. Ltd., Singapore and its subsidiaries (Formerly known as TVS-Asiatics Supply Chain Solutions Pte. Limited) | Singapore | SGD | 54.35 | 54.34 | FY 2020-21 | 2,13,33,22,748 | (4,36,77,51,459) | 10,90,11,79,926 | 13,13,56,08,636 | | 18,11,59,40,019 | (23,22,89,557) | (5,07,97,763) | (18,14,91,794) | | |
| 9 | TVS Toyota Tsusho Supply Chain Solutions Limited | India | INR | 1.00 | 1.00 | FY 2020-21 | 2,00,00,000 | 12,00,58,289 | 59,92,08,937 | 45,91,50,648 | | 61,51,76,877 | 5,12,45,380 | 1,36,46,183 | 3,75,99,197 | | 60.00% |
| 10 | White Data Systems Private Limited | India | INR | 1.00 | 1.00 | FY 2020-21 | 4,13,29,610 | 29,51,14,287 | 47,92,96,890 | 14,28,52,993 | | 4,88,03,288 | (3,45,12,149) | (8,71,135) | (3,36,41,014) | | 51.00% |
| 9 | SPC International (India) Private Limited | India | INR | 1.00 | 1.00 | FY 2020-21 | 51,00,000 | 8,37,68,983 | 13,45,27,021 | 4,56,58,038 | | 20,24,58,507 | (73,08,719) | 2,83,885 | (75,92,604) | | 100.00% |
| 10 | TVS Packaging Solutions Private Limited | India | INR | 1.00 | 1.00 | FY 2020-21 | 1,00,000 | (3,47,200) | 1,00,270 | 3,47,470 | | - | (2,11,800) | - | (2,11,800) | | 100.00% |
| STEP DOWN SUBSIDIARIES | | | | | | | | | | | | | | | | | |
| 11 | TVS Supply Chain Solutions Limited | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 202 | 4,36,59,51,601 | 10,09,17,48,598 | 5,72,57,96,892 | | 11,23,06,39,931 | 29,76,23,451 | (21,54,97,074) | 51,31,20,525 | | 100.00% |
| 12 | TVS Supply chain solutions GMBH | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 21,71,174 | (4,37,48,417) | 34,07,71,869 | 38,23,49,113 | | 57,73,49,897 | 1,50,25,562 | 66,40,423 | 83,85,139 | | |
| 13 | Peter Thomas & Co (Refurbishing) Limited, UK | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 10,095 | (6,74,83,897) | 15,03,19,179 | 21,77,92,981 | | 14,36,26,350 | (3,59,73,642) | (70,13,617) | (2,89,60,025) | | |
| 14 | TVS Logistics Iberia S.L. | Spain | GBP | 100.95 | 97.06 | FY 2020-21 | 1,75,65,457 | 19,16,63,857 | 1,18,08,48,993 | 97,16,19,718 | | 1,60,02,49,195 | 4,13,69,720 | 68,94,606 | 3,44,75,114 | | 100.00% |
| 15 | TVS Autoserv GmbH | Germany | GBP | 100.95 | 97.06 | FY 2020-21 | 1,75,65,457 | 14,88,01,676 | 44,74,38,137 | 28,10,71,004 | | 67,83,68,391 | 2,62,88,260 | 75,74,692 | 1,87,13,568 | | 51.00% |
| 16 | Rico Logistics Limited and its subsidiaries | UK | GBP | 100.95 | 97.06 | FY 2020-21 | 54,44,791 | 2,47,74,71,060 | 11,22,06,59,731 | 8,73,77,43,879 | | 15,98,14,77,325 | 3,54,77,060 | 9,39,17,487 | (5,84,40,427) | | 97.47% |
| 17 | TVS Supply Chain Solutions North America Inc. and its subsidiaries (formerly known as Wanwright Industries Inc.) | USA | USD | 73.50 | 74.20 | FY 2020-21 | 1,92,16,03,494 | (35,04,39,805) | 4,39,00,58,785 | 2,81,88,95,096 | | 4,74,07,25,354 | (40,80,52,973) | (28,82,07,200) | (11,98,45,773) | | 100.00% |
| JOINT VENTURES/ASSOCIATES | | | | | | | | | | | | | | | | | |
| 18 | TVS Industrial and Logistics Private limited | INDIA | INR | 1 | 1 | FY 2020-21 | 18,17,60,194 | 4,01,19,69,920 | 11,39,96,76,132 | 7,20,59,37,802 | | 58,50,03,531 | 6,89,03,395 | 7,10,56,778 | (21,33,383) | | 50.00% |

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2021
(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. | NIL |

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 | 92.37 |

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 (formerly known as TVS Dynamic Global Freight Services Ltd, India) | U63010TN2007PLC064282 | Subsidiary | 90 | 2(87) |
| 2. | FLEXOL Packaging (India) Limited, India. | U74990TN2010PLC076131 | Subsidiary | 88.11 | 2(87) |
| 3. | TVS Toyota Tsusho Supply Chain Solutions Ltd, India. | U74999TN2014PLC098233 | Subsidiary | 60 | 2(87) |
| 4. | Drive India Enterprise Solutions Ltd, India. | 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) | 29.71 | 2(6) |
| 8. | White Data Systems India Private Limited, India | U72200TN2015PTC129978 | Subsidiary | 51 | 2(87) |

| | | | | | |
|-----|---|----|------------|-------|-------|
| 9. | TVS Logistics Investment UK Ltd, UK | NA | Subsidiary | 100 | 2(87) |
| 10. | TVS SCS (Siam) Limited (formerly known as TVS Logistics Siam Limited, Thailand) | NA | Subsidiary | 100 | 2(87) |
| 11. | TVS Supply Chain Solutions Pte. Ltd. (formerly known as TVS- Asianics Supply Chain Solutions Pte. Ltd., Singapore) | NA | Subsidiary | 93.5 | 2(87) |
| 12. | TVS Logistics Investments USA Inc., USA | NA | Subsidiary | 100 | 2(87) |
| 13. | TVS Supply Chain Solutions North America Inc., USA | NA | Subsidiary | 100 | 2(87) |
| 14. | TVS Supply Chain Solutions Ltd, UK | NA | Subsidiary | 100 | 2(87) |
| 15. | TVS Autoserv GmbH, Germany | NA | Subsidiary | 51 | 2(87) |
| 16. | RICO Logistics Limited, UK | NA | Subsidiary | 97.47 | 2(87) |
| 17. | TVS Logistics Iberia S.L, Spain | NA | Subsidiary | 100 | 2(87) |
| 18. | TVS Supply Chain Solutions GmbH, Germany | NA | Subsidiary | 100 | 2(87) |
| 19. | TVS Supply Chain Solutions Australia Holdings Pty. Ltd (formerly known as TVS-Asianics Australia Pty. Ltd, Australia) | NA | Subsidiary | 100 | 2(87) |
| 20. | TVS Supply Chain Solutions de Mexico S.A. de C.V., Mexico | NA | Subsidiary | 99 | 2(87) |
| 21. | TVS Transport Solutions USA | NA | Subsidiary | 100 | 2(87) |
| 22. | T.I.F Holding Pty. Ltd, Australia | NA | Subsidiary | 100 | 2(87) |
| 23. | Ricochet Spain S.L., Spain | NA | Subsidiary | 100 | 2(87) |
| 24. | Rico Logistique, France | NA | Subsidiary | 100 | 2(87) |
| 25. | SPC International Limited, UK | NA | Subsidiary | 100 | 2(87) |
| 26. | Rico Logistics Limited, Australia | NA | Subsidiary | 100 | 2(87) |
| 27. | Circle Express Limited, UK | NA | Subsidiary | 95 | 2(87) |
| 28. | Tri- Tec Computer Support Ltd, Northern Ireland | NA | Subsidiary | 100 | 2(87) |
| 29. | Tri-Tech Support Limited, Ireland | NA | Subsidiary | 100 | 2(87) |
| 30. | TVS SCS (Aust) Pty. Ltd (formerly known as Transtar International Freight (Aust) Pty Ltd, Australia) | NA | Subsidiary | 100 | 2(87) |
| 31. | KANH Nominees Pty Ltd, Australia | NA | Subsidiary | 100 | 2(87) |
| 32. | TVS SCS New Zealand Limited (formerly known as Transtar International Freight Limited, New Zealand) | NA | Subsidiary | 100 | 2(87) |

| | | | | | |
|-----|---|----|------------|-----|-------|
| 33. | SPC International (Engineering) Limited, UK | NA | Subsidiary | 100 | 2(87) |
| 34. | PITCOMP 171 Limited, UK | NA | Subsidiary | 100 | 2(87) |
| 35. | SPC EBT Trustees Limited, UK | NA | Subsidiary | 100 | 2(87) |
| 36. | SPCINT Limited, UK | NA | Subsidiary | 100 | 2(87) |
| 37. | SPC International INC., USA | NA | Subsidiary | 100 | 2(87) |
| 38. | SPC International s.a.s, France | NA | Subsidiary | 100 | 2(87) |
| 39. | SPC International s.r.o., Slovakia | NA | Subsidiary | 100 | 2(87) |
| 40. | Transtar International Freight Limited, Hong Kong | NA | Subsidiary | 100 | 2(87) |
| 41. | TVS SCS International Freight (Singapore) Pte. Ltd. (formerly known as Transtar International Freight (Singapore) Pte. Ltd. Singapore | NA | Subsidiary | 100 | 2(87) |
| 42. | TVS SCS International Freight (Thailand) Limited (formerly known as Transtar International Freight (Thailand) Limited, Thailand) | NA | Subsidiary | 100 | 2(87) |
| 43. | Transtar International Freight (Shanghai) Limited, China | NA | Subsidiary | 100 | 2(87) |
| 44. | Transtar International Freight (Malaysia) Sdn Bhd | NA | Subsidiary | 100 | 2(87) |
| 45. | Peter Thomas & Co (Refurbishing) Limited, UK | NA | Subsidiary | 100 | 2(87) |
| 46. | MSys Software Solutions Ltd,UK | NA | Subsidiary | 100 | 2(87) |
| 47. | Multipart Limited, UK | NA | Subsidiary | 100 | 2(87) |
| 48. | TVS SCS Forwarding S.L.U. (formerly known as Nadal Forwarding S.L.U.) | NA | Subsidiary | 100 | 2(87) |
| 49. | Lineas Regulares XXI, S.L | NA | Subsidiary | 100 | 2(87) |
| 50. | TVS SCS International Pte. Ltd. (formerly known as Pan Asia Logistics International Pte. Ltd) | NA | Subsidiary | 100 | 2(87) |
| 51. | TVS SCS Singapore Pte. Ltd. (formerly known as Pan Asia Logistics Singapore Pte. Ltd) | NA | Subsidiary | 100 | 2(87) |
| 52. | TVS SCS Logistics Ltd. (formerly known as Pan Asia Logistics Limited, Shangai) | NA | Subsidiary | 100 | 2(87) |
| 53. | TVS SCS (Korea) Ltd. (formerly known as Pan Asia Logistics International (Korea) Ltd) | NA | Subsidiary | 100 | 2(87) |
| 54. | TVS SCS Logistics (Thailand) Limited (formerly known as Pan Asia Logistics (Thailand) Ltd) | NA | Subsidiary | 49 | 2(87) |
| 55. | TVS SCS Hong Kong Limited (formerly known as Pan Asia Freight-Forwarding & Logistics Hong Kong Ltd) | NA | Subsidiary | 100 | 2(87) |
| 56. | Pan Asia Container Line Pte Ltd, Hong Kong | NA | Subsidiary | 100 | 2(87) |

| | | | | | | | | | |
|--|--------------------|------------------|--------------------|--------------|--------------------|------------------|--------------------|--------------|----------|
| Corporate's | | | | | | | | | |
| Sub-total (B)(2):- | 1,97,63,173 | 12,39,617 | 2,10,02,790 | 66.19 | 1,98,29,970 | 11,72,820 | 2,10,02,790 | 66.19 | - |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | 1,97,63,173 | 12,39,617 | 2,10,02,790 | 66.19 | 1,98,29,970 | 11,72,820 | 2,10,02,790 | 66.19 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 3,04,90,516 | 12,39,617 | 3,17,30,133 | 100 | 3,05,57,313 | 11,72,820 | 3,17,30,133 | 100 | - |

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 shareholding 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 | |
| 1. | T.V. Sundram Iyengar & Sons Private Limited | 1,07,27,343 | 33.81 | - | 1,07,27,343 | 33.81 | - | - |

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

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 | 1,90,25,969 | 59.96 | - | - |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g., allotment / transfer / bonus/ sweat equity etc.): | 27.11.2020 - Change in status of Directorship 1,64,931 | 0.52 | 1,91,90,900 | 60.48 |
| | At the end of the year | 1,91,90,900 | 60.48 | 1,91,90,900 | 60.48 |

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 | 8,32,059 | 2.63 | -- | -- |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | 27.11.2020 & 18.03.2021 - Change in status of Directorship 1,64,931 shares & 20,000 shares | (0.58) | 6,47,128 | 2.04 |
| | At the end of the year | 6,47,128 | 2.04 | 6,47,128 | 2.04 |

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

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 11,892 | 57,206 | | 69,098 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | 290 | | 290 |
| Total (i+ii+iii) | | | | |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 88 | 5,257 | | |
| * Reduction | 11,659 | 32,491 | | 44,150 |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 321.38 | 29,971.10 | | 30,292.48 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | 66 | | 66 |
| Total (i+ii+iii) | 321.38 | 30,037.86 | | 30,358.24 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

| SN | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|----|---|----------------------------------|---|---|--------------|
| | | Sri. R Dinesh, Managing Director | Sri Ravi Viswanathan, Joint Managing Director | Sri. S. Ravichandran, Whole Time Director | |
| 1 | Gross salary | - | - | - | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 2.64 | 3.22 | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 1.45 | 0.50 | |

| | | | | | |
|---|--|------|--------------|--------------|---|
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | |
| 2 | Stock Option | 2.46 | 10.11 | 1.07 | |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission - as % of profit - others, specify | 4.00 | - | - | |
| 5 | Others, please specify -Contribution to Provident fund - Others | - | 0.09 0.11 | 0.08 0.62 | |
| | Total (A) | 6.46 | 14.40 | 5.49 | |
| | Ceiling as per the Act | - | - | - | - |

*Minimum remuneration.

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

| SN | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|----|---|-------------------------------|------------------------------------|-----------------------------------|-----------------------------|--------------|
| 1 | Independent Directors | Sri. C. K. Ranganathan | Sri. V. Anantha Nageswaran* | Sri. S Mahalingam | | |
| | Fee for attending board/ committee meetings | 2.25 | 3.50 | 3.75 | | 9.5 |
| | Commission | - | - | - | | - |
| | Others, please specify | - | - | - | | - |
| | Total (1) | 2.25 | 3.50 | 3.75 | | 9.5 |
| 2 | Other Non-Executive Directors | Sri. Gopal Srinivasan | Sri. S. Ram | Ms. Shobhana Ramachandhran | Sri. Suresh Krishna* | |
| | Fee for attending board/ committee meetings | 1.50 | 1.50 | 1.50 | 1.50 | 6.00 |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (2) | 1.50 | 1.50 | 1.50 | 1.50 | 6.00 |
| | Total (B)=(1+2) | | | | | 15.50 |
| | 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 | 1.00 | 0.18 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.25 | 0.08 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |

| | | | |
|---|--|--------------|--------------|
| 2 | Stock Option | 0.28 | 0.10 |
| 3 | Sweat Equity | - | - |
| 4 | Commission - as % of profit - others, specify | - | - |
| 5 | Others, please specify -Contribution to Provident Fund -Others | 0.05 0.06 | 0.02 0.12 |
| | Total | 1.64 | 0.50 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Form – MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 31st March, 2021 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 31st March, 2021 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.

Place : Chennai

Date : 15.06.2021

K. Venugopalan
Company Secretary in Practice
CP No. 6015
FCS No. 2526

Annual Report on CSR for FY 2020-21
(Annexure to Board's Report)

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

As an integral part of contribution to the society, the Company believes in actively assisting in the improvement of the quality of life of communities around through its CSR endeavours. The Company undertakes CSR projects/activities as per its CSR Policy, which is aligned with Schedule VII under Section 135 of the Companies Act, 2013. The Company's CSR initiatives are being carried out under the CSR Policy adopted by Company. The Board based on the recommendation of CSR Committee, approved to spend for providing education and skill development to the economically weaker/underprivileged sections of the society during the year ended on March 31, 2021.

2. The Composition of the CSR Committee.

The CSR Committee comprises of Sri. C. K. Ranganathan, Chairman, Sri. S. Mahalingam, Ms. Shobhana Ramachandran and Ms. Anita George, as the members of the Committee.

3. Average net profit of the company for last three financial years: INR 395.78 Lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): INR 7.92 lakhs
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year: INR 7.92 Lakhs;
 - (b) Amount unspent, if any : NIL ;
 - (c) Manner in which the amount spent during the financial year is detailed below.

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|-------|------------------------------------|--|--|---|--|---|---|
| S. No | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) Local Area or other (2)Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads: | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| 1 | Vocational Training | Sector (ii) | Chennai, Tamil Nadu | INR 7.81 lakhs | INR 8.95 lakhs | Same as (6) | Direct |
| | Total | | | | INR 8.95 lakhs | | |

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable
7. We hereby affirm that the CSR Policy ("Policy") of the Company as approved by the Board of Directors of the Company is monitored by the CSR Committee and the CSR activities have been implemented in accordance with the Policy.

R. Dinesh
Managing Director
(DIN: 00363300)

S Mahalingam
Chairman - CSR Committee
(DIN: 00121727)

Place: Chennai

Date: 14.06.2021

Disclosure pursuant to Employee Stock Option Scheme:

Details for the FY 2020-21

(a) options granted : 95,997

(b) options vested : 13,29,463

(c) options exercised : Nil

(d) the total number of shares arising as a result of exercise of options : Nil

(e) options lapsed : Nil

(f) the exercise price : NA

(g) variation of terms of options : to accommodate grant of options to eligible employees of TVS Supply Chain Solutions Pte Ltd, Singapore, a subsidiary of our Company in line with regulatory requirements under the law of Singapore.

(h) money realized by exercise of options : Nil

(i) total number of options in force : 24 24,670

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

(i) Key Managerial Personnel :

R Dinesh, Managing Director (2,68,464), Ravi Viswanathan (1,75,000), S Ravichandran, Whole Time Director (3,16,000), Ravi Prakash Baghavathula, CFO (83,019) and P D Krishna Prasad, Company Secretary (30,000)

(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

