



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**  
**Consolidated Financial Statements**  
**FY 2021-22**

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Consolidated Balance Sheet as at 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15A	32,705.06	34,504.85
Capital work-in-progress	15B	1,166.47	1,573.94
Goodwill	16A	58,699.81	45,904.45
Other intangible assets	16A	26,485.39	22,882.65
Right-of-use assets	16B	96,248.98	95,427.50
Equity accounted investees	17	10,002.42	10,050.32
Financial assets			
Investments	19	20.00	20.00
Trade receivable	24	604.15	632.46
Other bank balances	26	5.20	793.45
Deposits and other receivables	20	6,223.19	4,743.88
Other financial assets	21	-	1,525.42
Deferred tax assets (net)	14	13,559.51	12,412.70
Non-current tax assets (net)		8,326.91	7,416.76
Other non-current assets	22	311.75	250.28
<b>Total non-current assets</b>		<b>2,54,358.84</b>	<b>2,38,138.66</b>
<b>Current Assets</b>			
Inventories	23	29,167.96	22,765.53
Financial assets			
Investments	19	-	1,355.62
Trade receivables	24	1,30,732.32	1,16,033.04
Cash and cash equivalents	25	99,382.64	53,696.24
Other bank balances	26	1,102.08	2,922.52
Deposits and other receivables	20	8,571.16	6,673.36
Other financial assets	21	398.44	506.46
Current tax assets (net)		1,710.18	4,187.13
Other current assets	28	53,549.27	47,096.54
<b>Total current assets</b>		<b>3,24,614.05</b>	<b>2,55,236.44</b>
Assets classified as held for disposal	45	-	5,871.96
<b>Sub-total</b>		<b>3,24,614.05</b>	<b>2,61,108.40</b>
<b>Total assets</b>		<b>5,78,972.89</b>	<b>4,99,247.06</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Consolidated Balance Sheet as at 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	As at 31 March 2022	As at 31 March 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	29A	3,629.57	3,176.21
Other equity	29B	67,770.40	44,147.41
Reserves of a disposal group held for sale	29B	-	1,905.36
<b>Equity attributable to owners of the Company</b>		<b>71,399.97</b>	<b>49,228.98</b>
Non-controlling interests	18	3,991.49	3,996.89
<b>Total equity</b>		<b>75,391.46</b>	<b>53,225.87</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	30	73,547.93	94,083.87
Lease liability	16B	84,648.44	88,455.10
Other financial liabilities	32	10,143.45	2,878.48
Provisions	33	4,293.01	3,599.02
Deferred tax liabilities (net)	14	15,794.28	12,254.28
Other non current liabilities	34	24.47	-
<b>Total non-current liabilities</b>		<b>1,88,451.58</b>	<b>2,01,270.75</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	30	1,02,830.32	60,708.29
Lease liability	16B	34,379.20	30,163.96
Trade payables	31	-	-
-Total outstanding dues of micro enterprises and small enterprises		2,670.26	1,821.56
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,42,643.79	1,13,580.00
Other financial liabilities	32	10,392.89	14,211.24
Provisions	33	3,425.72	3,251.05
Current tax liabilities (net)		1,219.14	207.63
Other current liabilities	35	17,568.53	15,775.78
<b>Total current liabilities</b>		<b>3,15,129.85</b>	<b>2,39,719.51</b>
Liabilities directly associated with assets classified as held for sale	45	-	5,030.93
<b>Sub-total</b>		<b>3,15,129.85</b>	<b>2,44,750.44</b>
<b>Total liabilities</b>		<b>5,03,581.43</b>	<b>4,46,021.19</b>
<b>Total equity and liabilities</b>		<b>5,78,972.89</b>	<b>4,99,247.06</b>

The notes from 1 to 58 form an integral part of the consolidated financial statements.

As per our report of even date attached

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

Firm Registration Number : 101049W / E300004

Chartered Accountants

*Bharath N S*

**Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : 23 May 2022



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

*S Mahalingam*

**S Mahalingam**

Chairman

DIN: 00121727

*Ravi Viswanathan*

**Ravi Viswanathan**

Managing Director

DIN: 08713910

*P D Krishna Prasad*

**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 16 May 2022

*R. Dinesh*

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

*Ravi Prakash Bhagavathula*

**Ravi Prakash Bhagavathula**

Chief Financial Officer



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Statement of profit and loss for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>Continuing operations</b>			
Revenue from operations	5	9,24,978.59	6,93,359.69
Other income	6	5,015.04	6,609.39
<b>Total income</b>		<b>9,29,993.63</b>	<b>6,99,969.08</b>
<b>Expenses</b>			
Cost of materials consumed	7	1,175.44	2,459.37
Purchase of stock-in-trade	8	1,22,364.71	95,226.01
Changes in inventory of stock-in-trade	9	(6,448.04)	(4,363.54)
Employee benefits expense	10	1,88,913.19	1,80,503.17
Finance costs	11	15,494.93	17,559.81
Depreciation and amortisation expense	12	46,104.89	44,328.21
Other expenses	13	5,57,716.93	3,80,865.64
<b>Total expenses</b>		<b>9,25,322.05</b>	<b>7,16,578.67</b>
<b>Profit / (loss) before exceptional items, share of profit / (loss) of equity accounted investees and income tax from continuing operations</b>		<b>4,671.58</b>	<b>(16,609.59)</b>
Exceptional items	48	(3,509.63)	5,214.48
Share of profit/(loss) of equity accounted investees (net of income tax)	17	(47.90)	(6.66)
<b>Profit / (loss) before tax from continuing operations</b>		<b>1,114.05</b>	<b>(11,401.77)</b>
<b>Tax expenses</b>			
Current tax		5,072.70	(1,687.62)
Deferred tax (expense/ (credit))		689.38	(2,484.28)
<b>Total tax expenses</b>	14	<b>5,762.08</b>	<b>(4,171.90)</b>
<b>Profit / (loss) for the year from continuing operations</b>		<b>(4,648.03)</b>	<b>(7,229.87)</b>
<b>Discontinued operations</b>			
Profit / (loss) from discontinued operations before tax expenses		(92.10)	(243.97)
<b>Tax expense of discontinued operations</b>			
Current tax		-	-
<b>Profit / (loss) after tax from discontinued operations</b>		<b>(92.10)</b>	<b>(243.97)</b>
<b>Profit / (loss) for the year</b>		<b>(4,740.13)</b>	<b>(7,473.84)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement gain / (loss) on defined benefit plans		(123.45)	149.37
Income tax relating to above		26.23	(43.94)
<b>Net other comprehensive income not to be reclassified</b>		<b>(97.22)</b>	<b>105.43</b>
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange gain / (loss) in translating financial statements of foreign operations		(1,842.58)	872.47
Income tax relating to above		-	-
		<b>(1,842.58)</b>	<b>872.47</b>
Effective portion of cash flow hedge		(207.92)	(776.34)
Income tax relating to above		-	-
		<b>(207.92)</b>	<b>(776.34)</b>
<i>Items reclassified subsequently to profit or loss</i>			
Effective portion of cash flow hedge		-	-
Income tax relating to above		-	-
		<b>-</b>	<b>-</b>
<b>Net other comprehensive income to be reclassified</b>		<b>(2,050.50)</b>	<b>96.13</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(2,147.72)</b>	<b>201.56</b>
<b>Total comprehensive income for the year</b>		<b>(6,887.85)</b>	<b>(7,272.28)</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Statement of profit and loss for the year ended 31 March 2022**

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

	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>Profit / (loss) attributable to:</b>			
Owners of the Company		(5,070.27)	(7,273.58)
Non-controlling interests	18	330.14	(200.26)
<b>Profit/(loss) for the year</b>		<b>(4,740.13)</b>	<b>(7,473.84)</b>
<b>Other comprehensive income attributable to :</b>			
Owners of the Company		(2,103.73)	(70.24)
Non-controlling interests	18	(43.99)	271.80
<b>Other comprehensive income for the year</b>		<b>(2,147.72)</b>	<b>201.56</b>
<b>Total comprehensive income attributable to :</b>			
Owners of the Company		(7,174.00)	(7,343.82)
Non-controlling interests	18	286.15	71.54
<b>Total comprehensive income for the year</b>		<b>(6,887.85)</b>	<b>(7,272.28)</b>
<b>Earnings / (loss) per share (₹) for continuing operations</b>			
Basic	29E	(1.46)	(2.13)
Diluted		(1.46)	(2.13)
<b>Earnings / (loss) per share (₹) for discontinued operations</b>			
Basic	29E	(0.03)	(0.07)
Diluted		(0.03)	(0.07)
<b>Earnings / (loss) per share (₹) for continuing and discontinued operations</b>			
Basic	29E	(1.49)	(2.21)
Diluted		(1.49)	(2.21)

The notes from 1 to 58 form an integral part of the consolidated financial statements.

As per our report of even date attached

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

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited**



**Bharath N S**

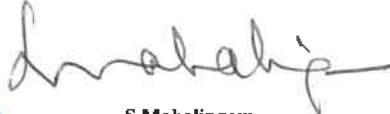
Partner

Membership No. 210934

Place : Chennai

Date : 23 May 2022





**S Mahalingam**

Chairman

DIN: 00121727



**R Dinesh**

Executive Vice Chairman

DIN: 00363300



**Ravi Viswanathan**

Managing Director

DIN: 08713910



**Ravi Prakash Bhagavathula**

Chief Financial Officer



**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 16 May 2022



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Consolidated statement of cashflows for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flow from / (used in) operating activities</b>		
<b>Profit / (loss) before tax from continuing operations</b>	<b>1,114.05</b>	<b>(11,401.77)</b>
<b>Profit / (loss) before tax from discontinued operations</b>	<b>(92.10)</b>	<b>(243.97)</b>
<b>Adjustments for:</b>		
Interest income	(1,490.86)	(1,162.60)
Provision no longer required written back	(709.66)	(1,042.40)
Income from mutual funds and net gain on sale of investments	-	(0.50)
Exceptional item	2,210.74	(5,214.48)
Finance costs	15,495.08	17,560.10
Depreciation and amortisation	46,106.97	44,328.21
Gain on termination of lease contract	(573.39)	(540.11)
Foreign exchange differences (gain)/loss	1,803.60	786.00
Bad debts written off	497.88	951.30
Impairment losses on financial instrument and litigations	3,692.48	2,698.50
Provision for impairment on investments	-	161.80
Share of (profit)/loss of equity accounted investees	47.90	6.66
Share based payment expenses	2,795.18	2,333.90
(Profit)/loss on sale of property plant and equipment, net	(144.74)	56.30
<b>Operating profit / (loss) before changes in operating assets</b>	<b>70,753.13</b>	<b>49,276.94</b>
<b>Change in operating assets and liabilities</b>		
(Increase) / decrease in inventories	(6,573.99)	(4,366.10)
(Increase) / decrease in trade receivables	(19,914.59)	17,376.90
(Increase) / decrease in other current and non-current, financial and non-financial assets	(10,257.23)	(9,455.90)
Increase / (decrease) in trade payables	30,368.30	9,303.50
Increase / (decrease) in provisions	247.89	323.90
Increase / (decrease) in other current and non-current financial and non-financial liabilities	(2,923.72)	9,031.00
<b>Cash generated from operations</b>	<b>61,699.79</b>	<b>71,490.24</b>
Income taxes paid, net of refunds	(1,571.23)	(277.40)
<b>Net cash from/(used in) operating activities</b>	<b>60,128.56</b>	<b>71,212.84</b>
<b>Cash flows from / (used in) investing activities</b>		
Redemption of / (Investment in) bank deposits having an original maturity of more than three months	2,696.81	23,135.20
Payments for property, plant and equipment and other intangible assets	(11,649.38)	(11,651.90)
Proceeds from sale of property, plant and equipment	1,594.85	540.80
Proceeds from sale of investments	100.00	-
Investment in body corporate	-	(20.00)
Acquisition of subsidiary, net of cash and cash equivalents	(13,820.10)	-
Payment of consideration payable and deferred consideration	(816.44)	(5,009.40)
Acquisition of non-controlling interests	(17,200.76)	(1,475.90)
Interest income received	1,040.56	818.90
<b>Net cash from / (used in) investing activities</b>	<b>(38,054.46)</b>	<b>6,337.70</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Consolidated statement of cashflows for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flows from / (used in) financing activities</b>		
Payment of principal and interest payments of lease liability	(39,477.56)	(36,582.72)
Proceeds from issue of equity share capital	45,686.64	-
Dividends paid to non-controlling interests by subsidiaries	(24.00)	(12.00)
(Repayment of) / proceeds from short term borrowings, net	24,111.25	(64,382.10)
Proceeds from long term borrowings	2,578.20	43.30
Payment of transaction costs related to borrowings	-	(653.10)
Repayment of long term borrowings	(5,056.23)	(6,101.10)
Interest paid	(4,109.65)	(9,037.60)
<b>Net cash from / (used in) financing activities</b>	<b>23,708.65</b>	<b>(1,16,725.32)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>45,782.75</b>	<b>(39,174.78)</b>
Cash and cash equivalents at the beginning of the financial year	53,840.82	88,968.30
Effects of exchange rate changes on cash and cash equivalents	(240.93)	4,047.30
<b>Cash and cash equivalents at the end of the financial year (refer note 25)</b>	<b>99,382.64</b>	<b>53,840.82</b>
Less: Cash and cash equivalents of discontinued operations	-	144.58
<b>Cash and cash equivalents at the end of the financial year from continuing operations</b>	<b>99,382.64</b>	<b>53,696.24</b>

The notes from 1 to 58 form an integral part of the consolidated financial statements.

As per our report of even date attached

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

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited**

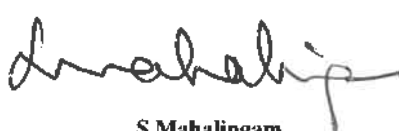
**Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : 23 May 2022



**S Mahalingam**

Chairman

DIN: 00121727


**R Dinesh**

Executive Vice Chairman

DIN: 00363300


**Ravi Viswanathan**

Managing Director

DIN: 08713910


**Ravi Prakash Bhagavathula**

Chief Financial Officer


**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 16 May 2022



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Consolidated statement of changes in equity for the year ended 31 March 2022**  
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**29A Equity Share Capital**

**Note**

Balance as at 1 April 2020

Balance as at 31 March 2021

Balance as at 1 April 2021

Shares issued during the year

Balance as at 31 March 2022

29A

Amount
3,176.21
<b>3,176.21</b>
3,176.21
453.36
<b>3,629.57</b>

**29B Other equity**

Other equity	Attributable to owners of the Company												Attributable to Non-controlling interest	Total	
	Reserves and surplus					Items of OCI					Total attributable to owners of the Company				
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Reserves of a disposal group held for sale	Compulsorily convertible preference shares *	Share based payment reserve	Exchange differences on translation of foreign operations	Effective portion of cash flow hedge		Measurement losses			
Balance as at 1 April 2020	86,640.33	0.82	0.46	259.09	(41,899.06)	2,149.33	1,042.35	1,141.75	(1,403.64)	-	(28.00)	47,903.43	7,982.43	55,885.86	
Total comprehensive income for the year ended 31 March 2021															
Profit / (loss) for the year from continuing operations	-	-	-	-	(7,029.61)	-	-	-	-	-	-	(7,029.61)	(200.26)	(7,229.87)	
Profit / (loss) for the year from discontinued operations	-	-	-	-	-	(243.97)	-	-	-	-	-	(243.97)	-	(243.97)	
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															
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	(3,643.30)	(1,491.57)	
Balance as at 31 March 2021	86,640.33	0.82	0.46	259.09	(45,339.83)	1,905.36	1,042.35	3,046.06	(802.96)	(776.34)	77.43	46,052.77	3,996.89	50,049.66	



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Consolidated statement of changes in equity for the year ended 31 March 2022**  
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**29B Other equity**

Other equity	Attributable to owners of the Company											Attributable to Non-controlling interest		Total
	Reserves and surplus					Items of OCI					Total attributable to owners of the Company			
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Reserves of a disposal group held for sale	Compulsorily convertible preference shares <sup>a</sup>	Share based payment reserve	Exchange differences on translation of foreign operations	Effective portion of cash flow hedge			Remeasurement gains / losses	
Balance as at 1 April 2021	86,640.33	0.82	0.46	259.09	(45,339.83)	1,905.36	1,042.35	3,046.06	(802.96)	(776.34)	77.43	46,052.77	3,996.89	50,049.66
Total comprehensive income for the year ended 31 March 2022														
Profit / (loss) for the year from continuing operations	-	-	-	-	(4,978.17)	-	-	-	-	-	-	(4,978.17)	530.14	(4,448.03)
Profit / (loss) for the year from discontinued operations	-	-	-	-	-	(92.10)	-	-	-	-	-	(92.10)	-	(92.10)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	(1,798.59)	(207.92)	(97.22)	(2,103.73)	(43.99)	(2,147.72)
Total comprehensive income	-	-	-	-	(4,978.17)	(92.10)	-	-	(1,798.59)	(207.92)	(97.22)	(7,174.00)	286.15	(6,887.85)
Transactions with owners recorded directly in equity														
Distribution of dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(24.00)	(24.00)
Issue of equity shares pursuant to exercise of share options	26.53	-	-	-	-	-	-	(2.09)	-	-	-	24.44	-	24.44
Issue of equity shares for cash	45,336.73	-	-	-	-	-	-	-	-	-	-	45,336.73	-	45,336.73
Acquisition of subsidiary	902.46	-	-	-	-	-	-	-	-	-	-	-	4,936.00	4,936.00
Conversion of convertible preference shares into equity	-	-	-	-	-	-	(1,030.35)	-	-	-	-	(127.89)	-	(127.89)
Share based payments	-	-	-	-	-	-	-	1,060.48	-	-	-	1,060.48	-	1,060.48
Transfer of reserves	-	528.09	-	-	2,514.62	(1,813.26)	-	(701.36)	-	-	-	528.09	-	528.09
Acquisition of non-controlling interests	-	-	-	-	(17,930.22)	-	-	-	-	-	-	(17,930.22)	(5,203.55)	(23,133.77)
Balance as at 31 March 2022	1,32,906.05	528.91	0.46	259.09	(65,733.60)	-	12.00	3,403.09	(2,601.55)	(984.26)	(19.79)	67,770.40	3,991.49	71,761.89

\* Represents instruments entirely equity in nature.

The notes from 1 to 58 form an integral part of the consolidated financial statements.

As per our report of even date attached

for S.R. Badibol & Associates LLP  
Firm Registration Number : 101049W / E300004  
Chartered Accountants

*Shanthi*  
Shanthi N S  
Partner

Membership No. 210934

Place : Chennai

Date : 23 May 2022



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

*S Mahalingam*  
S Mahalingam  
Chairman  
DIN: 00121727

*Ravi Viswanathan*  
Ravi Viswanathan  
Managing Director  
DIN: 08713910

*R. Dinesh*  
R Dinesh  
Executive Vice Chairman  
DIN: 00363300

*Ravi Prakash Jagannathan*  
Ravi Prakash Jagannathan  
Chief Financial Officer

*P D Krishna Prasad*  
P D Krishna Prasad  
Company Secretary

Place : Chennai  
Date : 16 May 2022

## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

(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 integrated supply chain solutions and network solutions. On February 12, 2022, the Company filed Draft Red Herring Prospectus in connection with Initial Public Offer with the Securities and Exchange Board of India.

#### 2 Basis of preparation

##### A Statement of compliance and going concern assessment

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

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 16th May 2022.

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	Fair value of plan assets less present value of defined benefit obligations





## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 2 Basis of preparation (continued)

##### D Use of estimates and judgements

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

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

##### Judgements

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

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

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

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

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

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered external credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19, where ever necessary.

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

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

##### Impairment of non-financial assets

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

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

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

##### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 is included in the following notes:

- Note 14 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 16A - Impairment testing for goodwill;
- Note 36 (Note A-G) – measurement of defined benefit obligations: key actuarial assumptions;
- Note 43 – Financial instruments - Fair values and risk management.



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

(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 combination during the year ended 31 March 2022
- Note 43 - Financial instruments - Fair values and risk management.

##### F Impact relating to the global health pandemic from COVID-19

The COVID-19 pandemic resulted in significant volatility in financial markets and a decrease in global and India's economic activities in 2020 and early 2021. Consequent lockdowns and varying restrictions imposed by the Central and various State Governments had led to disruptions and dislocations of individuals and businesses. However, with the gradual lifting of the lockdown restrictions during the year, the operations of the Company have returned to normal levels of activity and in the opinion of the Company, the impact of COVID 19 on its financial metrics are no longer significantly uncertain. The Company has evaluated the impact of COVID-19 on the business and operations of the Company as at March 31, 2022 and is of the view that it does not have any material impact on the financial results of the Company on the basis of the facts and events upto the date of approval of these financial statements.

However, in view of the dynamic nature of the pandemic, the Company will continue to monitor future events / developments that may result in an adverse effect on the business and operations of the Company.

#### 3 Significant accounting policies

##### A Basis of consolidation

###### i. Business combinations

*Business combinations (other than common control business combinations)*

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are 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.





## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### A Basis of consolidation (continued)

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

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

##### *Common control business combinations*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts.

##### *ii. Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### *iii. Non-controlling interests (NCI)*

An entity has a choice on a combination-by-combination basis to measure any NCI that represents present ownership interest in the acquiree at either fair value or the proportionate share of the acquiree's net identifiable assets. 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*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### A Basis of consolidation (continued)

###### v. Equity accounted investees

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

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint ventures. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable.

An investment in joint venture or associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in divestment or dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture and associate, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures and associates are eliminated by reducing the carrying amount of investment. The carrying amount of investment in joint ventures and associates is reduced to recognise impairment, if any, when there is evidence of impairment.

When the Group's share of losses of a joint venture or an associate exceeds the Group's interest in that joint venture or associate (which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture or associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

###### vi. Obtaining control over existing investment

The difference between the fair value of the initial interest as the date of obtaining control and its book value has been recognised in the statement of profit and loss.

###### 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 2022

(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.



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### C Financial instruments (continued)

###### v. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, interest rate/cross currency swaps etc to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability (refer note 30A(ii) & 43(v))

For the purpose of hedge accounting, hedges are classified as:

(i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

(ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

(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.





## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### C Financial instruments (continued)

###### (iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

##### D Property, plant and equipment

###### i. Recognition and measurement

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. 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.

Based on technical evaluation and consequent advice, the management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used and are different from those prescribed in Schedule II of the Act.

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

##### E Goodwill and other intangibles

###### i. Goodwill

For measurement of goodwill that arises on a business combination refer 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.



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### E Goodwill and other intangibles

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.

##### 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.



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### G Impairment (continued)

###### 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.

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.



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### H Employee benefits (continued)

###### (iv) Defined benefit plans

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

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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

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

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

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

###### (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.





## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### 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.

###### 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:

Integrated logistics services comprise of transportation, warehousing and other value-added supply chain solutions. 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 fulfilment of obligations under the contract.

###### d) Sale of goods

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



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### K Revenue (continued)

###### e) Commission:

When the Company acts in the capacity of an agent rather than as the principal in a transaction in relation to the above, the revenue recognised is the net amount of revenue earned by the 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 a Lessor:

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

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

##### Group as lessee

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

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

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the 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 (refer note 3 (G) (ii)).



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### L Leases (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 insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

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

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

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

###### (v) Key matters involving significant judgement

###### (a) Determining the lease term of contracts with termination options – Group as lessee

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

###### (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 2022

(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 2022

(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

###### (i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

###### (ii) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

#### V Changes in accounting policies and disclosures

##### (iii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

##### (iv) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

##### (v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**

(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 supply chain management services. The information relating to this operating segment is reviewed regularly by the Group's Key managerial personnel ('KMP') (Chief Operating Decision Maker) to make decisions about resources to be allocated and to assess its performance. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in the segment, and are as set out in the significant accounting policies.

During the year ended March 31, 2022, Group has changed the structure of internal reporting to the Chief Operating Decision Maker, which has resulted in a change in the reportable segments for which operating results are regularly reviewed to make decisions and assess performance. Hence, the Group has restated the corresponding segment information in the earlier periods based on the new reportable segments.

**Integrated supply chain solutions:** Our capabilities under the Integrated Supply Chain Solutions ("ISCS") segment include including planning, organising, implementing, optimizing and managing comprehensive third party logistic solutions.

**Network Solutions:** Our capabilities also include Network Solutions ("NS") such as global forwarding solutions ("GFS"), which involves managing end-to-end freight forwarding solutions across ocean, air and land, and last mile solutions ("LMS") including courier, spare part logistics and technology services.

**B. Information about reportable segments**

Information regarding the results of each reportable segment is included below. Revenue and results directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated expenses.

**Year ended 31 March 2022**

	Reportable segments				Eliminations	Total
	ISCS	NS	Unallocated	Total reportable segments		
<b>Segment revenue</b>						
- External revenue	3,74,071.15	5,50,907.44	-	9,24,978.59	-	9,24,978.59
- Inter-segment revenue	385.87	2,606.06	-	2,991.93	(2,991.93)	-
<b>Total segment revenue</b>	<b>3,74,457.02</b>	<b>5,53,513.50</b>	<b>-</b>	<b>9,27,970.52</b>	<b>(2,991.93)</b>	<b>9,24,978.59</b>
<b>Segment result from continuing operations</b>	<b>29,300.27</b>	<b>36,780.83</b>	<b>(6,078.78)</b>	<b>60,002.32</b>	<b>6,706.90</b>	<b>66,709.22</b>
<b>Add</b>						
Other income						5,015.04
Share of profit from Joint Ventures						(47.90)
Exceptional items						(3,509.63)
<b>Less</b>						
Depreciation and amortisation expense						46,104.89
Finance costs						15,494.93
Share based payments						2,795.18
Loss on foreign currency transactions and translations						2,657.68
<b>Profit/(loss) before tax from continuing operations</b>						<b>1,114.05</b>
<b>Profit/(loss) before tax from discontinued operations</b>						<b>(92.10)</b>
<b>Segment assets</b>	<b>3,11,259.84</b>	<b>2,58,656.85</b>	<b>3,18,246.54</b>	<b>8,88,163.23</b>	<b>(3,09,190.34)</b>	<b>5,78,972.89</b>
<i>Segment assets include</i>						
Investments accounted for using equity method	-	-	10,002.42	10,002.42	-	10,002.42
Capital expenditure during the year	8,455.76	2,747.63	-	11,203.39	-	11,203.39
<b>Segment liabilities</b>	<b>2,41,199.66</b>	<b>2,46,893.88</b>	<b>1,93,372.49</b>	<b>6,81,466.03</b>	<b>(1,77,884.60)</b>	<b>5,03,581.43</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**4 Segment information (continued)**
**Year ended 31 March 2021**

	Reportable segments				Eliminations	Total
	ISCS	NS	Unallocated	Total reportable segments		
<b>Segment revenue</b>						
- External revenue	3,20,411.59	3,72,948.10	-	6,93,359.69	-	6,93,359.69
- Inter-segment revenue	1,262.10	564.90	-	1,827.00	(1,827.00)	-
<b>Total segment revenue</b>	<b>3,21,673.69</b>	<b>3,73,513.00</b>	<b>-</b>	<b>6,95,186.69</b>	<b>(1,827.00)</b>	<b>6,93,359.69</b>
<b>Segment result from continuing operations</b>	<b>21,955.80</b>	<b>27,591.90</b>	<b>(10,902.10)</b>	<b>38,645.60</b>	<b>5,588.20</b>	<b>44,233.80</b>
<b>Add</b>						
Other income						6,609.39
Share of profit from Joint Ventures						(6.66)
Exceptional items						5,214.48
<b>Less</b>						
Depreciation and amortisation expense						44,328.21
Finance costs						17,559.81
Share based payments						2,333.88
Loss on foreign currency transactions and translations						3,230.88
<b>Profit/(loss) before tax from continuing operations</b>						<b>(11,401.77)</b>

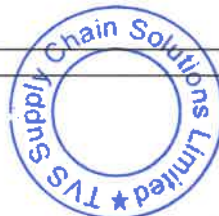
<b>Profit/(loss) before tax from discontinued operations</b>						<b>(243.97)</b>
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Year ended 31 March 2021	Reportable segments				Eliminations	Total
	ISCS	NS	Unallocated	Total reportable segments		
<b>Segment assets</b>	<b>2,87,768.68</b>	<b>2,35,803.06</b>	<b>2,30,896.35</b>	<b>7,54,468.09</b>	<b>(2,55,221.03)</b>	<b>4,99,247.06</b>
<i>Segment assets include</i>						
Discontinued operations	5,871.96	-	-	5,871.96	-	5,871.96
Investments accounted for using equity method	-	-	10,050.32	10,050.32	-	10,050.32
Capital expenditure during the year	6,555.50	2,965.50	-	9,521.00	-	9,521.00
<b>Segment liabilities</b>	<b>2,19,912.93</b>	<b>2,26,873.15</b>	<b>1,48,884.61</b>	<b>5,95,670.69</b>	<b>(1,49,649.50)</b>	<b>4,46,021.19</b>
<i>Segment liabilities include</i>						
Discontinued operations	5,030.94	-	-	5,030.94	-	5,030.94

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Reconciliation of profits</b>		
<b>Segment results</b>	<b>60,002.32</b>	<b>38,645.60</b>
Other income	15,237.90	13,397.50
Finance Cost	(8,531.00)	(8,206.70)
Others	-	397.40
<b>Segment results before taxation from continuing operations</b>	<b>66,709.22</b>	<b>44,233.80</b>

	31 March 2022	31 March 2021
<b>Reconciliation of assets</b>		
<b>Segment operating assets</b>	<b>8,88,163.23</b>	<b>7,54,468.09</b>
Goodwill & other intangibles assets	26,046.91	8,293.68
Investments	(1,43,072.58)	(1,06,222.91)
Loans	(1,39,984.28)	(1,05,879.46)
Deposits and other receivables	(38,367.64)	(36,670.52)
Trade receivables	(13,791.95)	(14,338.08)
Other current assets	(20.80)	(403.74)
<b>Total assets</b>	<b>5,78,972.89</b>	<b>4,99,247.06</b>

	31 March 2022	31 March 2021
<b>Reconciliation of liabilities</b>		
<b>Segment operating liabilities</b>	<b>6,81,466.03</b>	<b>5,95,670.69</b>
Borrowings	(1,60,190.26)	(1,27,960.73)
Other financial liabilities	(15,998.34)	(23,355.04)
Trade payables	(13,379.60)	(7,270.42)
Deferred tax liabilities (net)	12,024.61	8,936.69
Other current liabilities	(38.37)	-
Current tax liabilities	(302.64)	-
<b>Total liabilities</b>	<b>5,03,581.43</b>	<b>4,46,021.19</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***4 Segment information (continued)****C. Geographical information**

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets have been based on the geographical location of the assets.

Revenue from operations	31 March 2022	31 March 2021
India	2,43,683.72	1,67,318.70
Rest of the world	6,81,294.87	5,26,040.99
	<b>9,24,978.59</b>	<b>6,93,359.69</b>

Revenue from operations from Rest of the world primarily comprises of revenues generated from Europe, Asia-Pacific, North America amounting to ₹ 4,25,279.80 lakhs as at March 31, 2022 (March 31, 2021 : ₹ 3,32,927.80 lakhs) ₹ 2,18,396.86 lakhs (March 31, 2021 : ₹ 1,45,746.20 lakhs) and ₹ 37,618.20 lakhs (March 31, 2021 : ₹ 47,367.00 lakhs) respectively.

Non-current assets	31 March 2022	31 March 2021
India	59,486.50	50,010.00
Rest of the world	1,39,263.97	1,51,548.20
Eliminations/unallocated	16,866.99	(1,014.53)
	<b>2,15,617.46</b>	<b>2,00,543.67</b>

Non-current assets from Rest of the world primarily comprises of non-current assets from Europe, Asia-Pacific, North America amounting to ₹ 81,082.27 lakhs as at March 31, 2022 (March 2021: ₹ 90,616.70 lakhs) ₹ 47,427.75 lakhs (March 2021: ₹ 49,456.20 lakhs) and ₹ 10,753.94 lakhs (March 2021: ₹ 11,475.30 lakhs) respectively.

Non-current assets exclude financial instruments, deferred tax assets, tax assets and post-employment benefit assets.

**D. Information about services rendered by the Group**

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

Revenue	31 March 2022	31 March 2021
ISCS	3,74,071.15	3,20,411.59
NS	5,50,907.44	3,72,948.10
	<b>9,24,978.59</b>	<b>6,93,359.69</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**5 Revenue from operations (refer note 40)**

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of products</b>	<b>1,39,287.15</b>	<b>1,01,866.11</b>
<b>Sale of services</b>		
Income from supply chain management services	7,72,610.84	5,82,176.42
Income from telecom services	12,890.27	8,840.26
	<b>7,85,501.11</b>	<b>5,91,016.68</b>
<b>Other operating revenue</b>		
Scrap sales	64.13	361.35
Others	126.20	115.55
	<b>190.33</b>	<b>476.90</b>
	<b>9,24,978.59</b>	<b>6,93,359.69</b>

**6 Other income**

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income under the effective interest method on items carried at amortised cost:		
Deposits with banks	543.26	156.23
Security deposits	441.27	305.71
Investments in debentures carried at amortised cost	-	36.11
Other items in finance income	1.75	1.87
Income from finance lease	209.46	193.85
Interest income on income tax refund	222.24	324.73
Gain on sale of property, plant and equipments, net	144.74	36.81
Gain on termination of lease contracts	573.39	540.11
Net gain on sale of investments	-	0.47
Provision no longer required written back	705.66	940.18
Exchange difference gain net	854.08	2,519.73
Government grant	330.51	1,245.39
Other non operating income	988.68	308.20
	<b>5,015.04</b>	<b>6,609.39</b>

**7 Cost of materials consumed**

	Year ended 31 March 2022	Year ended 31 March 2021
Inventory of packing materials at the beginning of the year	183.01	281.46
Add : Purchases	1,263.11	2,360.92
Less : Inventory of packing materials at the end of the year	(270.68)	(183.01)
	<b>1,175.44</b>	<b>2,459.37</b>

**8 Purchase of stock-in-trade**

	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of stock-in-trade	1,22,364.71	95,226.01
	<b>1,22,364.71</b>	<b>95,226.01</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**9 Changes in inventory of stock-in-trade**
**Inventories at the beginning of the year**

Stock-in-trade

**Inventories at the end of the year**

Stock-in-trade

Exchange differences on translation of foreign operations

Year ended 31 March 2022	Year ended 31 March 2021
22,368.72	16,531.47
(28,607.24)	(22,368.72)
(209.52)	1,473.71
<b>(6,448.04)</b>	<b>(4,363.54)</b>

**10 Employee benefits expense**

Salaries, wages and bonus

Contribution to provident and other funds (refer note 36A)

Expenses related to post-employment defined benefit plans (refer note 36A)

Expenses related to compensated absences

Share based payments (refer note 36B)

Staff welfare expense

Year ended 31 March 2022	Year ended 31 March 2021
1,56,220.11	1,48,820.57
18,908.28	17,942.85
438.42	562.65
487.22	320.89
2,795.18	2,333.88
10,063.98	10,522.33
<b>1,88,913.19</b>	<b>1,80,503.17</b>

**11 Finance costs**

Interest on debt and borrowings

Interest on lease liabilities

Amortisation of transaction cost on borrowing

Other borrowing costs

Year ended 31 March 2022	Year ended 31 March 2021
5,615.26	7,369.89
8,039.78	7,844.00
1,373.14	1,181.72
466.75	1,164.20
<b>15,494.93</b>	<b>17,559.81</b>

**12 Depreciation and amortisation expense**

Depreciation of property, plant and equipment

Depreciation of right of use asset

Amortisation of intangible assets

Year ended 31 March 2022	Year ended 31 March 2021
9,387.17	9,418.06
31,916.77	30,194.24
4,800.95	4,715.91
<b>46,104.89</b>	<b>44,328.21</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***13 Other expenses**

	Year ended 31 March 2022	Year ended 31 March 2021
Freight, clearing, forwarding and handling charges	3,47,942.70	2,08,707.82
Sub-contracting costs <sup>^</sup>	1,06,364.65	80,192.43
Material handling charges	2,293.02	1,373.96
Casual labour charges	30,174.01	24,121.33
Consumption of stores and spares	5,332.04	3,146.65
Staff transportation charges	1,888.95	1,503.72
Power and fuel	7,535.94	6,104.81
Rent, leasing and hiring charges (refer note 16B)	9,575.64	6,774.54
Rates and taxes	3,831.48	3,545.34
Insurance	2,736.02	2,392.04
Repairs and maintenance	9,356.71	9,738.29
Advertisement and business promotion	1,044.32	742.37
Travelling and conveyance	2,312.20	1,538.09
Communication costs	3,513.81	2,766.97
Printing & stationery	1,795.13	1,267.60
Bank charges	479.55	682.89
Factoring charges	889.93	506.62
Payment to auditors #	170.57	204.20
Legal and professional fees	7,499.37	11,026.09
Security expenses	3,731.39	3,377.58
Premium on derivative instruments designated for hedge	383.91	111.25
Loss on foreign currency transactions and translations	2,657.68	3,230.88
Bad debts written off	497.88	951.25
Provision for doubtful financial assets	3,692.48	2,368.76
Loss on sale of property, plant and equipments, net	-	93.13
Loss on financial instruments measured at fair value through Profit & Loss - Realised	-	691.79
Provision for impairment on investments (refer note 17)	-	161.78
Miscellaneous expenses	2,017.55	3,543.46
	<b>5,57,716.93</b>	<b>3,80,865.64</b>

<sup>^</sup> Includes cost of sub-contracting in respect of services relating to installation and commissioning of telecom towers.

## # Details of payment to auditors

	Year ended 31 March 2022	Year ended 31 March 2021
<b>As auditor</b>		
Audit of standalone & subsidiaries' financial statements	51.00	38.95
Audit of consolidated financial statements	66.40	47.90
Audit of subsidiaries for consolidation purposes*	184.54	69.00
Audit of subsidiaries for financial statement purposes	25.25	14.75
Tax audit of the company and other subsidiaries	3.41	4.60
Certification fees	7.50	14.00
Services in connection with proposed initial public offer	248.00	-
Other matters	-	15.00
	<b>586.10</b>	<b>204.20</b>
Reclassified to prepaid expenses (refer note below)	415.53	-
Net total	<b>170.57</b>	<b>204.20</b>

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

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



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022  
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

**14 Income tax expense**

A. Amounts recognised in profit or loss	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current tax (a)</b>		
Current tax on profits for the year from continuing operations	5,072.70	(1,687.62)
	<b>5,072.70</b>	<b>(1,687.62)</b>
<b>Deferred tax (b)</b>		
Attributable to origination and reversal of temporary differences	689.38	(2,484.28)
	<b>689.38</b>	<b>(2,484.28)</b>
<b>Tax expense (a+b)</b>	<b>5,762.08</b>	<b>(4,171.90)</b>

Note:

Current tax on profits from discontinued operations

- -

**B. Income tax recognised in other comprehensive income**

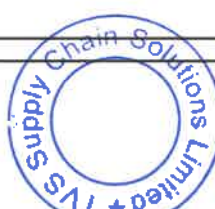
	Year ended 31 March 2022			Year ended 31 March 2021		
	Before tax	Tax expense / (benefit)	Net of tax	Before tax	Tax expense / (benefit)	Net of tax
Re measurement of defined benefit liability / (asset)	(123.45)	26.23	(97.22)	149.37	(43.94)	105.43
	<b>(123.45)</b>	<b>26.23</b>	<b>(97.22)</b>	<b>149.37</b>	<b>(43.94)</b>	<b>105.43</b>

**C. Reconciliation of effective tax rate**

	Year ended 31 March 2022	Year ended 31 March 2021
Income tax expense at tax rates applicable to individual entities	1,264.28	(4,676.80)
Effect of:		
Impact of change in tax rates	-	101.78
Permanent disallowances	120.68	119.80
Income not subject to tax/ taxable at different rates	767.57	(0.83)
Change in previously unrecognised tax losses / temporary differences	(432.18)	(1,977.79)
Items / current year losses for which no deferred tax asset was recognised	940.06	1,532.33
Expenses not deductible for tax purposes	887.81	169.04
Deferred tax on undistributed reserves	1,709.94	729.91
Tax refund claimed on fiscal year FY 2020	-	(1,715.53)
Profit recognised on deemed disposal of investment in joint venture	(80.38)	1,349.92
Others	584.30	196.27
<b>Income tax expense as per statement of profit and loss</b>	<b>5,762.08</b>	<b>(4,171.90)</b>

**D. Recognised deferred tax assets and liabilities**
**a. Deferred tax assets and liabilities are attributable to the following :**

Deferred tax liabilities (net)	31 March 2022	31 March 2021
Provision for employee benefits	135.69	129.59
Provision for doubtful trade receivables / advances	62.25	52.03
Provision - others	546.88	546.88
Intangible asset	-	-
Deferred revenue	5.55	5.55
Deferred rent	80.78	84.39
Other timing differences	149.14	321.96
<b>Deferred tax assets</b>	<b>980.29</b>	<b>1,140.40</b>
Property, plant and equipment	502.06	366.03
Prepaid expenses	(0.91)	(0.93)
Intangibles	5,654.43	3,623.55
Undistributed profits of subsidiaries and joint ventures	9,349.62	8,056.31
Deemed disposal of investment in joint venture	1,269.37	1,349.92
<b>Deferred tax liabilities</b>	<b>16,774.57</b>	<b>13,394.68</b>
<b>Net Deferred tax liabilities</b>	<b>15,794.28</b>	<b>12,254.28</b>
<b>Deferred tax assets (net)</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Property, plant and equipment	1,860.55	1,156.37
Provision for employee benefits	1,952.28	2,449.49
Provision against financial assets	3,473.63	2,435.56
Carried forward tax losses	826.99	1,754.78
Tax incentives	20.48	26.03
Deferred revenue	220.00	218.27
Right of use asset and liability	4,451.70	3,477.43
Others	1,527.97	1,697.13
<b>Deferred tax assets</b>	<b>14,333.60</b>	<b>13,215.06</b>
Property, plant and equipment	785.41	802.36
Prepaid expenses	(11.32)	-
<b>Deferred tax liabilities</b>	<b>774.09</b>	<b>802.36</b>
<b>Net Deferred tax assets</b>	<b>13,559.51</b>	<b>12,412.70</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022

(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 2022		31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	3,057.47	519.47	8,108.19	2,040.67
Tax losses	57,030.89	12,433.72	34,558.99	7,157.76
Unabsorbed depreciation	842.67	294.46	131.29	45.88
	<b>60,931.03</b>	<b>13,247.65</b>	<b>42,778.47</b>	<b>9,244.31</b>

**F. Tax losses carried forward**

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

	31 March 2022	31 March 2021
Expiry within 5 years	4,576.34	3,344.25
Expiry within 5-10 years	14,236.97	4,640.33
Never expire	39,060.25	26,685.69
	<b>57,873.56</b>	<b>34,670.27</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2022**

(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 (continued)**

**b. Movement in deferred tax assets and liabilities**

	Balance as at 1 April 2020	Recognised in Profit & Loss	Recognised in Other comprehensive income	Currency translation adjustment	Total OCI Balance as at 31 March 2021	Acquired in business combination	Recognised in Profit & Loss	Recognised in Other comprehensive income	Currency translation adjustment	Total OCI Balance as at 31 March 2022
<b>Deferred tax liabilities (net)</b>										
Provision for employee benefits	283.87	(164.31)	-	10.03	129.59	-	2.91	-	3.19	135.69
Provision for doubtful trade receivables / advances	58.73	(8.16)	-	1.46	52.03	-	8.72	-	1.50	62.25
Provision others	749.85	(257.48)	-	54.51	546.88	-	-	-	-	546.88
Deferred revenue	36.03	(31.91)	-	1.43	5.55	-	-	-	-	5.55
Deferred rent	84.39	-	-	-	84.39	-	(4.54)	-	0.93	80.78
Other timing differences	1,142.10	(159.15)	-	(660.99)	321.96	-	(165.29)	-	(7.53)	149.14
<b>Deferred tax assets</b>	<b>2,354.97</b>	<b>(621.01)</b>	<b>-</b>	<b>(593.56)</b>	<b>1,140.40</b>	<b>-</b>	<b>(158.20)</b>	<b>-</b>	<b>(1.91)</b>	<b>980.29</b>
Property, plant and equipment	619.68	(271.97)	-	18.32	366.03	-	121.68	-	14.35	502.06
Prepaid expenses	78.42	(83.04)	-	3.69	(0.93)	-	-	-	0.02	(0.91)
Intangibles	3,605.98	(124.34)	-	141.71	3,623.35	2,029.90	(48.41)	-	49.59	5,654.43
Undistributed profits of subsidiaries and joint ventures	7,201.90	400.79	-	453.62	8,056.31	-	1,386.77	-	(93.46)	9,349.62
Deemed disposal of investment in joint venture	-	1,349.92	-	-	1,349.92	-	(80.55)	-	-	1,269.37
<b>Deferred tax liabilities</b>	<b>11,505.98</b>	<b>1,271.36</b>	<b>-</b>	<b>617.34</b>	<b>13,394.68</b>	<b>2,029.90</b>	<b>1,379.49</b>	<b>-</b>	<b>(29.50)</b>	<b>16,774.57</b>
<b>Net Deferred tax liabilities</b>	<b>9,151.01</b>	<b>1,892.37</b>	<b>-</b>	<b>1,210.90</b>	<b>12,254.28</b>	<b>2,029.90</b>	<b>1,537.69</b>	<b>-</b>	<b>(27.59)</b>	<b>15,794.28</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2022**

*(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 (continued)**

**b. Movement in deferred tax assets and liabilities**

	Balance as at 1 April 2020	Recognised in Profit & Loss	Recognised in Other comprehensive income	Currency translation adjustment	Total OCI Balance as at 31 March 2021	Acquired in business combination	Recognised in Profit & Loss	Recognised in Other comprehensive income	Currency translation adjustment	Total OCI Balance as at 31 March 2022
<b>Deferred tax assets (net)</b>										
Property, plant and equipment	871.20	284.94	-	0.23	1,156.37	40.63	657.79		5.76	1,860.55
Provision for employee benefits	1,591.16	902.06	(43.94)	0.21	2,449.49	70.37	(597.81)	24.60	5.63	1,952.28
Provision against financial assets	2,489.92	(52.92)	-	(1.44)	2,435.56	-	1,036.46	-	1.61	3,473.63
Carried forward tax losses	511.18	1,240.35	-	3.25	1,754.78	-	(949.89)	-	22.10	826.99
MAT Credit	-	-	-	-	-	-	-	-	-	-
Tax incentives	3.07	23.20	-	(0.24)	26.03	-	(6.24)	-	0.69	20.48
Deferred revenue	213.67	-	-	4.60	218.27	-	-	-	1.73	220.00
Right of use asset and liability	1,068.37	2,329.55	-	79.51	3,477.43	91.23	896.20	-	(13.16)	4,451.70
Others	567.62	452.21	-	677.30	1,697.13	51.53	(235.89)	1.63	13.57	1,527.97
<b>Deferred tax assets</b>	<b>7,316.19</b>	<b>5,179.39</b>	<b>(43.94)</b>	<b>763.42</b>	<b>13,215.06</b>	<b>253.76</b>	<b>800.62</b>	<b>26.23</b>	<b>37.93</b>	<b>14,333.60</b>
Property, plant and equipment	-	802.74	-	(0.38)	802.36	-	(35.77)	-	18.82	785.41
Prepaid expenses	-	-	-	-	-	-	(11.92)	-	0.60	(11.32)
<b>Deferred tax liabilities</b>	<b>-</b>	<b>802.74</b>	<b>-</b>	<b>(0.38)</b>	<b>802.36</b>	<b>-</b>	<b>(47.69)</b>	<b>-</b>	<b>19.42</b>	<b>774.09</b>
<b>Net Deferred tax assets</b>	<b>7,316.19</b>	<b>4,376.65</b>	<b>(43.94)</b>	<b>763.80</b>	<b>12,412.70</b>	<b>253.76</b>	<b>848.31</b>	<b>26.23</b>	<b>18.51</b>	<b>13,559.51</b>
<b>Net amount recognised in statement of profit and loss / other comprehensive income</b>		<b>(2,484.28)</b>	<b>43.94</b>				<b>689.38</b>	<b>(26.23)</b>		





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2022**

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

**15A. Property, plant and equipment**

**a Reconciliation of carrying amount**

	Land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Leasehold improvements	Total
<b>Gross carrying amount</b>									
Balance at 1 April 2020	2,087.10	3,260.50	24,358.10	12,260.30	3,766.30	1,297.00	15,628.40	7,434.00	70,091.70
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)	(3,789.90)
Exchange differences on translation of foreign operations	-	45.80	283.90	116.60	225.80	1.60	1,094.90	295.80	2,064.40
<b>Balance at 31 March 2021</b>	<b>2,087.10</b>	<b>3,403.76</b>	<b>24,275.09</b>	<b>15,355.88</b>	<b>3,625.36</b>	<b>1,831.85</b>	<b>17,288.83</b>	<b>7,430.76</b>	<b>75,298.63</b>
<b>Balance at 1 April 2021</b>	<b>2,087.10</b>	<b>3,403.76</b>	<b>24,275.09</b>	<b>15,355.88</b>	<b>3,625.36</b>	<b>1,831.85</b>	<b>17,288.83</b>	<b>7,430.76</b>	<b>75,298.63</b>
Additions on acquisitions (refer note 39)	-	-	-	209.55	-	167.76	53.70	-	431.01
Other additions	-	3.66	1,758.67	3,334.99	426.60	561.37	2,140.89	480.15	8,706.33
Disposals**	-	(5.95)	(3,157.92)	(1,213.11)	(855.34)	(167.65)	(2,079.98)	(463.91)	(7,943.86)
Exchange differences on translation of foreign operations	-	(9.35)	654.32	67.01	(15.60)	(69.77)	(99.91)	67.37	594.07
<b>Balance at 31 March 2022</b>	<b>2,087.10</b>	<b>3,392.12</b>	<b>23,530.16</b>	<b>17,754.32</b>	<b>3,181.02</b>	<b>2,323.56</b>	<b>17,303.53</b>	<b>7,514.37</b>	<b>77,086.18</b>
<b>Accumulated depreciation</b>									

**Reconciliation of carrying amount**

	Land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Leasehold improvements	Total
<b>Balance at 1 April 2020</b>	-	450.00	11,623.60	2,574.90	1,680.40	729.70	12,597.70	3,950.00	33,606.30
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	-	22.50	164.40	(489.91)	128.60	2.90	1,069.90	63.70	962.09
<b>Balance at 31 March 2021</b>	-	<b>548.56</b>	<b>15,276.95</b>	<b>3,475.77</b>	<b>2,301.69</b>	<b>923.98</b>	<b>14,322.17</b>	<b>3,944.66</b>	<b>40,793.78</b>
<b>Balance at 1 April 2021</b>	-	<b>548.56</b>	<b>15,276.95</b>	<b>3,475.77</b>	<b>2,301.69</b>	<b>923.98</b>	<b>14,322.17</b>	<b>3,944.66</b>	<b>40,793.78</b>
Depreciation for the year	-	79.78	3,571.99	2,698.16	799.46	379.89	1,315.14	542.75	9,387.17
Disposals	-	(5.95)	(2,540.03)	(798.59)	(757.60)	(131.82)	(1,844.34)	(416.89)	(6,495.22)
Exchange differences on translation of foreign operations	-	(6.00)	560.81	180.11	(100.74)	(124.06)	(30.17)	215.44	695.39
<b>Balance at 31 March 2022</b>	-	<b>616.39</b>	<b>16,869.72</b>	<b>5,555.45</b>	<b>2,242.81</b>	<b>1,047.99</b>	<b>13,762.80</b>	<b>4,285.96</b>	<b>44,381.12</b>
<b>Carrying amounts (net)</b>									
<b>As at 31 March 2021</b>	<b>2,087.10</b>	<b>2,855.20</b>	<b>8,998.14</b>	<b>11,880.11</b>	<b>1,323.67</b>	<b>907.87</b>	<b>2,966.66</b>	<b>3,486.10</b>	<b>34,504.85</b>
<b>As at 31 March 2022</b>	<b>2,087.10</b>	<b>2,775.73</b>	<b>6,660.44</b>	<b>12,198.87</b>	<b>938.21</b>	<b>1,275.57</b>	<b>3,540.73</b>	<b>3,228.41</b>	<b>32,705.06</b>

\*\* Includes certain assets procured exclusively for customers net carrying amount of ₹ 235.49 lakhs (Previous year : ₹ 7.77 lakhs), which have been assessed to be finance lease in which the company is a lessor and accordingly reclassified.

**b Security**

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



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***15B Capital work-in-progress****a Ageing of capital work-in-progress****As at 31 March 2022**

Projects in progress

< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
794.43	372.04	-	-	1,166.47
<b>794.43</b>	<b>372.04</b>	<b>-</b>	<b>-</b>	<b>1,166.47</b>

**As at 31 March 2021**

Projects in progress

< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
1,403.62	170.32	-	-	1,573.94
<b>1,403.62</b>	<b>170.32</b>	<b>-</b>	<b>-</b>	<b>1,573.94</b>

**b Expected completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan**

There are no overdue projects as at March 31, 2022 and March 31, 2021



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022

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

**16A Intangible assets**
**a Reconciliation of carrying amount**

	Goodwill #	Patents and trademarks	Customer relationship & Others	Brand	Computer software	Total (excluding goodwill)
<b>Gross carrying amount</b>						
Balance at 1 April 2020	45,442.40	5.05	24,015.58	4,505.77	8,287.40	36,813.80
Other additions	-	-	105.59	-	2,391.29	2,496.88
Exchange differences on translation of foreign operations	1,725.60	1.05	1,194.25	323.97	178.40	1,697.67
<b>Balance at 31 March 2021</b>	<b>47,168.00</b>	<b>6.10</b>	<b>25,315.42</b>	<b>4,829.74</b>	<b>10,857.09</b>	<b>41,008.35</b>
Balance at 1 April 2021	47,168.00	6.10	25,315.42	4,829.74	10,857.09	41,008.35
Other additions	-	-	-	-	2,497.06	2,497.06
Additions on acquisitions (refer note 39)	12,447.61	-	5,809.00	-	15.77	5,824.77
Disposals	-	-	68.19	53.94	(2,099.49)	(1,977.36)
Exchange differences on translation of foreign operations	347.75	(0.08)	(58.72)	269.77	79.36	290.33
<b>Balance at 31 March 2022</b>	<b>59,963.36</b>	<b>6.02</b>	<b>31,133.89</b>	<b>5,153.45</b>	<b>11,349.79</b>	<b>47,643.15</b>

**Accumulated amortisation & impairment**

Balance at 01 April 2020	-	-	8,012.11	853.43	4,066.64	(2,932.18)
Impairment for the year *	1,275.52	-	-	-	-	-
Amortisation for the year	-	-	2,327.86	204.67	2,183.38	4,715.91
Exchange differences on translation of foreign operations	(11.97)	-	347.09	26.01	(04.51)	477.61
<b>Balance at 31 March 2021</b>	<b>1,263.55</b>	<b>-</b>	<b>10,687.06</b>	<b>1,084.11</b>	<b>6,354.53</b>	<b>18,125.70</b>
Balance at 1 April 2021	1,263.55	-	10,687.06	1,084.11	6,354.53	18,125.70
Amortisation for the year	-	-	2,680.13	124.83	1,995.99	4,800.95
Disposals	-	-	-	-	(1,977.44)	(1,977.44)
Exchange differences on translation of foreign operations	-	-	156.25	(8.39)	60.69	208.55
<b>Balance at 31 March 2022</b>	<b>1,263.55</b>	<b>-</b>	<b>13,523.44</b>	<b>1,200.55</b>	<b>6,433.77</b>	<b>21,157.76</b>
<b>Carrying amounts (net)</b>						
Balance at 31 March 2022	58,699.81	6.02	17,610.45	3,952.90	4,916.02	26,485.39
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 ended March 31, 2021, 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.

# The Group has performed impairment tests of goodwill at the end of the year March 2022 and March 2021. For the purpose of impairment testing, goodwill is allocated to the cash generating units which are expected to benefit from the synergies of the corresponding business combinations. The goodwill impairment test is performed at the level of cash generating unit or a group of cash generating units represented by a common business segment. Cash flows beyond the five year period are extrapolated by using the estimated long term growth rates. The growth rates do not exceed the long term average growth rate for the logistics/supply chain industry in which the cash generating unit operates. Future cash flows are discounted based on the weighted average cost of capital (WACC), taking into account the risks that are specific to the cash generating units.

**Key assumptions used for calculating the value in use:**

Cash generating unit	TVS GFS	RICO Group	SCS UK Group	SCS North America	SCS India Group
Carrying amount of goodwill as at 31 March 2022	20,944	9,973	1,178	5,467	21,137
Carrying amount of goodwill as at 31 March 2021	20,606	10,113	1,195	5,301	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 31 March 2022	7.50%	6.00%	6.00%	3.80%	9.70%
Pre-tax discount rate 31 March 2021	7.50%	8.00%	8.00%	3.90%	9.20%
Projection period	5 Years	5 Years	5 Years	5 Years	5 Years
Terminal growth rate 31 March 2022	3.40%	0.50%	0.50%	1.00%	3.00%
Terminal growth rate 31 March 2021	3.40%	1.00%	1.00%	1.00%	3.00%

Key assumptions have not changed significantly compared to the previous year with the exception of discount rates used. For March 2022 and March 2021, the recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised for the years March 2022 and March 2021.

Management believes 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 2022

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

**16B Right of use assets**

a The leases primarily consists leasing of warehouses, office premises &amp; material handling equipments with the lease term of more than 12 months.

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

	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
<b>Net carrying amount</b>						
Balance at 1 April 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	29,996.34
Reversals (less)	(4,193.27)	(1,518.76)	(6.38)	-	(33.48)	(5,751.89)
Depreciation (less)	(27,306.45)	(2,252.85)	(10.18)	(135.30)	(489.46)	(30,194.24)
Exchange differences on translation of foreign operations	3,478.52	303.97	-	10.03	(4.34)	3,788.18
<b>Balance at 31 March 2021</b>	<b>88,955.99</b>	<b>5,602.40</b>	<b>10.28</b>	<b>193.27</b>	<b>665.56</b>	<b>95,427.50</b>
Additions *	37,344.50	773.73	11.80	-	381.65	38,511.68
Reversals (less)	(5,337.84)	(344.03)	-	65.31	31.12	(5,585.44)
Depreciation (less)	(29,644.59)	(1,684.06)	(5.38)	(131.05)	(451.69)	(31,916.77)
Exchange differences on translation of foreign operations	(149.90)	(49.44)	-	1.53	9.82	(187.99)
<b>Balance at 31 March 2022</b>	<b>91,168.16</b>	<b>4,298.60</b>	<b>16.70</b>	<b>129.06</b>	<b>636.46</b>	<b>96,248.98</b>

\* Includes assets relating to leases acquired through business combination

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

	31 March 2022	31 March 2021
Balance at the beginning of the year	1,18,619.06	1,20,803.44
Additions *	38,373.18	27,439.58
Accretion of interest	8,039.78	7,844.00
Payments	(39,475.46)	(36,582.72)
Reversals	(6,158.83)	(6,292.00)
Exchange differences on translation of foreign operations	(370.09)	5,406.76
<b>Balance at the end of the year</b>	<b>1,19,027.64</b>	<b>1,18,619.06</b>
Current	34,379.20	30,163.96
Non-current	84,648.44	88,455.10
Cash outflows for leases	39,475.46	36,582.72

\* Includes liabilities relating to leases acquired through business combination

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

	31 March 2022	31 March 2021
Depreciation expenses of right of use assets	31,916.77	30,194.24
Interest expenses on lease liabilities	8,039.78	7,844.00
Gain on termination of lease	573.39	540.11
Expenses relating to short term leases and leases of low value assets	9,575.64	6,774.54
<b>Total amount recognised in profit or loss</b>	<b>50,105.58</b>	<b>45,352.89</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**

(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

Interest in joint ventures (refer note i and ii below)  
Interest in associate (refer note iii below)

Note	31 March 2022	31 March 2021
A	10,002.42	10,050.32
	-	-
	<b>10,002.42</b>	<b>10,050.32</b>

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

Share of profit / (loss) in joint ventures/associate\*

Note	Year ended 31 March 2022	Year ended 31 March 2021
A	(47.90)	(6.66)
	<b>(47.90)</b>	<b>(6.66)</b>

**Notes:**

i) During the year ended March 31, 2021, 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.

ii) Since the investment in Linfox TVS Solutions Pty Limited, Australia is not material, the disclosures with respect to summarised financial information has not been disclosed in the financial statements.

iii) 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 during the year ended 31 March 2021. Also, since the investment in Montara Verpacken mit System GmbH is not material, the disclosures with respect to summarised financial information has not been disclosed in the financial statements for the years ended 31 March 2021. During the year, this investment is assessed not to be an associate in the absence of significant influence in accordance with Ind AS 28 and accordingly presented as non-current investments (refer note 19A).

**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 2022	TVS Industrial & Logistics Park Pvt. Limited	Total
	29.7% *	
Non-current assets	1,00,879.71	1,00,879.71
Current assets	20,297.99	20,297.99
Non-current liabilities	(79,627.77)	(79,627.77)
Current liabilities	(8,908.01)	(8,908.01)
Net assets	32,641.92	32,641.92
Group's share of net assets	9,699.37	9,699.37
Add : Assumed goodwill	84.90	84.90
<b>Carrying amount of interest in joint ventures as at 31 March 2022(refer note below)</b>	<b>9,784.27</b>	<b>9,784.27</b>
<b>For the year ended 31 March 2022</b>		
Revenue	10,555.55	10,555.55
Profit	649.81	649.81
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>649.81</b>	<b>649.81</b>
Group's share of Profit	(47.90)	(47.90)
Group's share of OCI	-	-
<b>Group's share of total comprehensive income</b>	<b>(47.90)</b>	<b>(47.90)</b>

\* Share of net assets/profit computed based on diluted basis

Note - Certain adjustments in the reserves of the joint venture have not been considered in the consolidated financial statements of the Group in line with Ind AS 28





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**17 Equity accounted investees (continued)**

31 March 2021	TVS Industrial & Logistics Park Pvt. 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	31,531.29	31,531.29
Group's share of net assets	9,837.76	9,837.76
Add : Assumed goodwill	84.90	84.90
<b>Carrying amount of interest in joint venture as at 31 March 2021</b>	<b>9,922.66</b>	<b>9,922.66</b>

A. Joint ventures (continued)	TVS Industrial & Logistics Park Pvt. Limited	Total
<b>For the year ended 31 March 2021</b>		
Revenue	5,850.04	5,850.04
Profit	(21.33)	(21.33)
<b>Total comprehensive income</b>	<b>(21.33)</b>	<b>(21.33)</b>
Group's share of Profit	(6.66)	(6.66)
Group's share of OCI	-	-
<b>Group's share of total comprehensive income</b>	<b>(6.66)</b>	<b>(6.66)</b>

**Note:**

(1) 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

(2) The principal activities of TVS Industrial &amp; Logistics Park Pvt. Limited (TVSILP) consist of creating, developing, operating warehouses and Industrial infrastructure facilities by executing turnkey projects, taking care of setting up or relocation of infrastructure.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022  
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**18 A. Non-controlling interests**

	31 March 2022	31 March 2021
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	459.37	555.64
FLEXOL Packaging (India) Limited	-	30.84
White Data Systems India Pvt. Ltd.	1,979.99	2,024.62
TVS Toyota Tsusho Supply Chain Solutions Ltd.	1,154.52	981.92
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)	-	(1,455.24)
Rico Logistics Limited	-	620.74
Other NCI in subsidiaries of TVS Logistics Investment UK Limited	397.61	1,238.37
	<b>3,991.49</b>	<b>3,996.89</b>
<b>B. Profit attributable to non-controlling interests</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	408.33	144.68
FLEXOL Packaging (India) Limited	-	(25.87)
White Data Systems India Pvt. Ltd.	(42.28)	(194.74)
TVS Toyota Tsusho Supply Chain Solutions Ltd.	167.81	138.45
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)	(144.55)	(259.65)
Rico Logistics Limited	(17.02)	(14.61)
Fit 3PL Warehousing Pvt. Ltd.	44.77	-
Other subsidiaries of TVS Logistics Investment UK Limited	(86.92)	11.48
	<b>330.14</b>	<b>(200.26)</b>
<b>C. Other comprehensive income attributable to non-controlling interests</b>		
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	0.50	1.71
FLEXOL Packaging (India) Limited	-	0.70
White Data Systems India Pvt. Ltd.	(2.34)	12.66
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)	(26.24)	(57.78)
Rico Logistics Limited	0.50	31.56
SPC International Limited	-	136.51
TVS Toyota Tsusho Supply Chain Solutions Ltd.	4.79	(4.40)
Fit 3PL Warehousing Pvt. Ltd.	(0.54)	-
Other subsidiaries of TVS Logistics Investment UK Limited	(20.66)	150.84
	<b>(43.99)</b>	<b>271.80</b>

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 2022	TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	White Data Systems India Pvt. Ltd.	TVS Toyota Tsusho Supply Chain Solutions Ltd.
NCI %	4.79%	49.00%	40.00%
Non-current assets	941.41	3,080.25	4,098.35
Current assets	14,520.36	1,951.92	3,217.00
Non-current liabilities	(639.61)	(41.88)	(2,628.94)
Current liabilities	(5,231.90)	(949.49)	(1,800.12)
Net assets	9,590.26	4,040.80	2,886.29
Net assets attributable to NCI	459.37	1,979.99	1,154.52
Revenue	85,241.77	461.93	5,726.52
Profit	4,268.66	(86.28)	419.52
Other comprehensive income	5.25	(4.77)	11.98
Total comprehensive income	4,273.91	(91.03)	431.50
Profit allocated to NCI	408.33	(42.28)	167.81
OCI allocated to NCI	0.50	(2.34)	4.79
Exchange differences on translation of foreign operations	-	-	-
Total comprehensive income allocated to NCI	408.83	(44.62)	172.60

31 March 2021	TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited)	Rico Logistics Limited	FLEXOL Packaging (India) Limited	TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	White Data Systems India Pvt. Ltd.	TVS Toyota Tsusho Supply Chain Solutions Ltd.
NCI %	6.51%	2.50%	11.94%	10.00%	49.00%	40.00%
Non-current assets	55,716.40	54,271.88	533.17	259.54	2,468.29	4,770.61
Current assets	53,295.39	57,934.71	651.20	9,190.98	3,092.12	2,375.09
Non-current liabilities	(76,560.72)	(26,138.21)	(38.13)	(126.99)	(41.83)	(3,081.93)
Current liabilities	(54,795.37)	(61,238.83)	(887.91)	(3,767.18)	(1,386.70)	(1,608.98)
Net assets	(22,344.30)	24,829.55	258.33	5,556.35	4,131.88	2,454.79
Net assets attributable to NCI	(1,455.24)	620.74	30.84	555.64	2,024.62	981.92
Revenue	1,81,159.40	1,59,874.55	2,229.38	34,726.29	501.95	6,153.49
Profit	(1,814.92)	(584.30)	(151.49)	1,286.07	(397.43)	346.14
Other comprehensive income	(477.75)	-	5.84	17.14	22.36	(10.99)
Total comprehensive income	(2,292.67)	(584.30)	(145.65)	1,303.21	(375.07)	335.15
Profit allocated to NCI	(259.65)	(14.61)	(25.87)	144.68	(194.74)	138.45
OCI allocated to NCI	(31.11)	-	0.70	1.71	12.66	(4.40)
Exchange differences on translation of foreign operations	(26.66)	31.56	-	-	-	-
Total comprehensive income allocated to NCI	(317.42)	16.95	(25.17)	146.39	(182.08)	134.05



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**19 Investments**
**A. Non-current investments**
**Unquoted investment in body corporate at fair value**

TN Apex Skill Development Centre For Logistics

200,000 (31 March 2021 : 200,000) equity shares of ₹ 10 each

Montara Verpacken mit System GmbH

21,004 (31 March 2021 : 21,004) equity shares of euro 1 each

**Provision for Impairment in value of Investments**

Montara Verpacken mit System GmbH

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

Cargowings Logistics Limited

25,000,000 (31 March 2021 : 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up

**Provision for Impairment in value of Investments**
**Unquoted investments in preference shares**

Cargowings Logistics Limited

**Total non-current investments**

Aggregate amount of unquoted investments

Aggregate amount of impairment in the value of investments

**B. Current investments**
**Unquoted investment in debentures carried at amortised cost**

Prasanna Purple Mobility Solutions Private Limited (refer note i and ii (a) below)

Nil (31 March 2021: 25,400) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each

Prasanna Purple Mobility Solutions Private Limited (refer note i and ii (a) below)

Nil (31 March 2021: 30,690) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each

Prasanna Purple Mobility Solutions Private Limited (refer note i and ii (b) below)

Nil (31 March 2021: 80,000) Optionally Convertible Debentures of ₹ 1000 each

**Total current investments**

Aggregate value of unquoted investments

	31 March 2022	31 March 2021
	20.00	20.00
	161.18	-
	(161.18)	-
	20.00	20.00
	2,500.00	2,500.00
	2,500.00	2,500.00
	(2,500.00)	(2,500.00)
	(2,500.00)	(2,500.00)
	20.00	20.00
	2,520.00	2,520.00
	2,500.00	2,500.00
	31 March 2022	31 March 2021
	-	253.97
	-	301.65
	-	800.00
	-	1,355.62
	-	1,355.62
	-	1,355.62

Note :

During the year ended 31 March 2022, the Group has sold the entire debenture instruments to Drive India Enterprise Solutions Limited for a consideration of ₹ 1,822.10 lakhs and derecognised the investment in debentures along with the interest accrued (refer note 21). The Group incurred a net loss of ₹ 138.94 lakhs for the year ended 31 March 2022.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**20 Deposits and other receivables**

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Security deposits</b>				
Unsecured, considered good	4,444.16	3,420.08	6,279.81	3,948.37
Unsecured, credit impaired	-	-	113.02	121.92
Provision for credit impaired security deposits	-	-	(113.02)	(121.92)
	<b>4,444.16</b>	<b>3,420.08</b>	<b>6,279.81</b>	<b>3,948.37</b>
<b>Security deposit to related parties</b>				
Unsecured, considered good	521.57	464.83	-	-
	<b>521.57</b>	<b>464.83</b>	<b>-</b>	<b>-</b>
<b>Other receivables</b>				
Loans and advances to employees	-	-	853.10	1,596.69
Finance lease receivables (refer note 15A and 38)	1,257.46	858.97	569.28	302.53
Receivable from others				
Unsecured, considered good	-	-	868.97	825.77
Unsecured, credit impaired	-	-	180.74	180.74
Provision for credit impaired receivables	-	-	(180.74)	(180.74)
	<b>1,257.46</b>	<b>858.97</b>	<b>2,291.35</b>	<b>2,724.99</b>
	<b>6,223.19</b>	<b>4,743.88</b>	<b>8,571.16</b>	<b>6,673.36</b>

**21 Other financial assets**

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Advances recoverable in cash or kind</b>				
Unsecured considered good	-	-	257.55	300.97
	-	-	257.55	300.97
Derivative asset (refer note 43(v))	-	918.33	-	-
Interest accrued on investments (refer note 19 B)	-	605.44	-	-
Others	-	1.65	140.89	205.49
	<b>-</b>	<b>1,525.42</b>	<b>398.44</b>	<b>506.46</b>

**22 Other non current assets**

	31 March 2022	31 March 2021
<b>Prepaid expenses</b>	7.33	15.53
<b>Advance for supply of goods and services</b>		
Unsecured, considered good	165.31	140.07
	165.31	140.07
<b>Capital advances</b>		
Unsecured, considered good	139.11	94.68
Unsecured, considered doubtful	0.14	4.06
Provision for doubtful receivables	(0.14)	(4.06)
	139.11	94.68
	<b>311.75</b>	<b>250.28</b>

**23 Inventories**
*(valued at lower of cost or net realizable value)*

	31 March 2022	31 March 2021
<b>Packing materials</b>	270.68	183.01
<b>Stock-in-trade</b>	28,607.24	22,368.72
<b>Stores and spares</b>	290.04	213.80
	<b>29,167.96</b>	<b>22,765.53</b>
Of the above, goods in transit	712.05	78.76



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022

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

**24 Trade receivables**

	31 March 2022	31 March 2021
<b>Gross trade receivables</b>		
Secured, considered good	1,31,336.47	1,16,665.50
Unsecured, considered good	12,852.50	9,865.41
Credit Impaired	1,44,188.97	1,26,530.91
<b>Loss allowance</b>		
Credit Impaired	(12,852.50)	(9,865.41)
	(12,852.50)	(9,865.41)
<b>Net trade receivables</b>	<b>1,31,336.47</b>	<b>1,16,665.50</b>
Non-current	604.15	632.46
Current	1,30,732.32	1,16,033.04

**Ageing of trade receivable from the due date of payment:**
**Non-Current**

31 March 2022

Unsecured, considered good

Undisputed

Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
604.15	-	-	-	-	-	604.15
<b>604.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>604.15</b>

31 March 2021

Unsecured, considered good

Undisputed

Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
632.46	-	-	-	-	-	632.46
<b>632.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>632.46</b>

**Current**

31 March 2022

Unsecured, considered good

Undisputed

Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
79,336.82	42,996.90	3,909.96	781.03	731.36	2,976.25	1,30,732.32
<b>79,336.82</b>	<b>42,996.90</b>	<b>3,909.96</b>	<b>781.03</b>	<b>731.36</b>	<b>2,976.25</b>	<b>1,30,732.32</b>

Trade Receivables - credit impaired

Undisputed

Disputed

600.35	2,310.05	1,880.84	4,139.50	2,973.99	140.04	12,044.78
119.20	16.57	31.45	20.07	14.71	605.73	807.72
<b>719.55</b>	<b>2,326.62</b>	<b>1,912.29</b>	<b>4,159.57</b>	<b>2,988.70</b>	<b>745.77</b>	<b>12,852.50</b>
<b>80,056.37</b>	<b>45,323.52</b>	<b>5,822.25</b>	<b>4,940.60</b>	<b>3,720.06</b>	<b>3,722.02</b>	<b>1,43,584.82</b>

31 March 2021

Unsecured, considered good

Undisputed

Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
69,182.30	41,470.20	2,963.85	1,020.16	1,187.71	208.82	1,16,033.04
<b>69,182.30</b>	<b>41,470.20</b>	<b>2,963.85</b>	<b>1,020.16</b>	<b>1,187.71</b>	<b>208.82</b>	<b>1,16,033.04</b>

Trade Receivables - credit impaired

Undisputed

Disputed

199.92	1,269.68	1,220.05	3,871.00	1,686.55	1,015.37	9,262.57
-	-	-	-	12.09	590.75	602.84
<b>199.92</b>	<b>1,269.68</b>	<b>1,220.05</b>	<b>3,871.00</b>	<b>1,698.64</b>	<b>1,606.12</b>	<b>9,865.41</b>
<b>69,382.22</b>	<b>42,739.88</b>	<b>4,183.90</b>	<b>4,891.16</b>	<b>2,886.35</b>	<b>1,814.94</b>	<b>1,25,898.45</b>

**24A Transferred financial assets that are derecognised in their entirety and with continuing involvement**

The Company has transferred certain receivables under non-recourse arrangements where substantial risk and rewards related to these receivables are transferred to the buyer and the same is de-recognised from the Group's balance sheet.

**Particulars**

Carrying amount of transferred receivables

Carrying amount of exposures retained by the Company

31 March 2022	31 March 2021
46,616.74	22,076.54
-	-

**24B Transferred financial assets that are not derecognised in their entirety**

During the year, the Company has entered into a recourse factoring and the Company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety

**Particulars**

Carrying amount of transferred assets measured at amortised cost

Carrying amount of associated liabilities (Part of borrowings)

Fair value of assets

Fair value of associated liabilities

31 March 2022	31 March 2021
2,999.98	-
2,999.98	-
2,999.98	-
2,999.98	-





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**25 Cash and cash equivalents (refer note below)**

	31 March 2022	31 March 2021
Cash on hand	54.35	65.24
Cheques on hand	517.45	5.17
<b>Balance with banks</b>		
On current accounts	83,134.20	53,097.57
Deposits with original maturity of less than three months	15,676.64	528.26
	<b>98,810.84</b>	<b>53,625.83</b>
	<b>99,382.64</b>	<b>53,696.24</b>

**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 2022	31 March 2021
Deposits with original maturity of more than 3 months	1,107.28	3,715.97
	<b>1,107.28</b>	<b>3,715.97</b>
<b>Current</b>	<b>1,102.08</b>	<b>2,922.52</b>
<b>Non-Current</b>	<b>5.20</b>	<b>793.45</b>

**27 Loans - Current**

	31 March 2022	31 March 2021
<b>Loan to others</b>		
Unsecured, considered doubtful	1,004.63	1,004.63
Provision for doubtful loans	(1,004.63)	(1,004.63)
	-	-

Note: There are no loans or advances in the nature of loans granted to Promoters, Directors, Key managerial person or other related parties.

**28 Other current assets**

	31 March 2022	31 March 2021
<b>Advance related to supply of goods and services to parties other than related parties</b>		
Unsecured, considered good	3,728.63	4,161.10
Unsecured, considered doubtful	1,577.77	(1,710.60)
Provision for doubtful receivables	(1,577.77)	(1,710.60)
	3,728.63	4,161.10
<b>Advance related to supply of goods and services to related parties</b>		
Unsecured, considered good	531.84	136.46
	531.84	136.46
<b>Balances with statutory authorities</b>		
Unsecured, considered good	3,521.64	3,631.13
	3,521.64	3,631.13
Unbilled revenue	34,976.37	29,461.79
<b>Other current assets</b>		
Prepaid expenses	10,784.42	9,262.78
Others	6.37	443.28
	<b>53,549.27</b>	<b>47,096.54</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**29A Share capital**
**Authorised share capital**

588,000,000 equity shares of ₹ 1 each (31 March 2021: 34,800,000 of ₹ 10 each)

1,200,000 (31 March 2021: 1,200,000) preference shares of ₹ 10 each #

Nil (31 March 2021: 1,100,000) preference shares of ₹ 100 each

**31 March 2022**
**31 March 2021**

5,880.00

3,480.00

120.00

120.00

-

1,100.00

**Issued**
**Equity shares**

138,104,010 equity shares of ₹ 1 each at par (31 March 2021: 13,810,401 of ₹ 10 each at par)

1,381.04

1,381.04

50,668,000 equity shares of ₹ 1 each at a premium of ₹ 18.57 (31 March 2021: 5,066,800 of ₹ 10 each at a premium of ₹ 185.72 per share)

506.68

506.68

32,231,940 equity shares of ₹ 1 each at a premium of ₹ 18.50 (31 March 2021: 3,223,194 of ₹ 10 each at a premium of ₹ 185.00 per share)

322.32

322.32

2,758,000 equity shares of ₹ 1 each at a premium of ₹ 6.50 (31 March 2021: 275,800 of ₹ 10 each at a premium of ₹ 65.00 per share)

27.58

27.58

44,568,160 equity shares of ₹ 1 each at a premium of ₹ 42.49 (31 March 2021: 4,456,816 of ₹ 10 each at a premium of ₹ 424.92 per share)

445.68

445.68

17,986,070 equity shares of ₹ 1 each at a premium of ₹ 68.50 (31 March 2021: 1,798,607 of ₹ 10 each at a premium of ₹ 685.00 per share)

179.86

179.86

31,635,150 equity shares of ₹ 1 each at a premium of ₹ 94.00 (31 March 2021: 3,163,515 of ₹ 10 each at a premium of ₹ 940.00 per share)

316.35

316.35

950,000 equity shares of ₹ 1 each at a premium of ₹ 94.00 (31 March 2021: 95,000 of ₹ 10 each at a premium of ₹ 940.00 per share)

9.50

9.50

12,089,310 equity shares of ₹ 1 each at a premium of ₹ 143.75 (31 March 2021: Nil)

120.89

-

143,680 equity shares of ₹ 1 each at a premium of ₹ 94.00 (31 March 2021: Nil) (Refer note 29B)

1.44

-

556,300 equity shares of ₹ 1 each (31 March 2021: Nil) (Refer note 29B)

5.56

-

31,086,790 (31 March 2021: Nil) equity shares of ₹ 1 each at a premium of ₹ 143.75 per share \*

310.87

-

14,33,820 (31 March 2021: Nil) equity shares of ₹ 1 each at a premium of ₹ 127.00 per share

14.34

-

26,000 (31 March 2021: Nil) equity shares of ₹ 1 each at a premium of ₹ 94.00 per share

0.26

-

**Total issued capital**
**3,642.37**
**3,189.01**
**Called, Subscribed and Paid up**
**Equity shares**

362,637,230 equity shares of ₹ 1 (31 March 2021: 31,730,133 of ₹ 10 each)

3,626.37

3,173.01

Add: Amount paid up on 1,600,000 equity shares of ₹ 1 each forfeited at ₹ 0.2 each (31 March 2021: 160,000 of ₹ 10 each)

3.20

3.20

forfeited at ₹ 2 each)

**3,629.57**
**3,176.21**

# 15,351 (31 March 2021: 15,351) 0.0001% cumulative, redeemable, non-convertible, participating preference shares have been classified as a financial liability (see note 30).

Note - The Board of Directors of the Company in its meeting held on December 15, 2021 and shareholders in the Extraordinary General Meeting held on January 31, 2022 approved the sub-division of shares from ₹ 10 per share to ₹ 1 per share. Shares information presented in the financial statements is adjusted for the share split. The number of shares used for the calculation of earnings per share, and the earnings per share in Note 29E (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013

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

	31 March 2022		31 March 2021	
	Nos	₹ in lakhs	Nos	₹ in lakhs
<b>Equity shares</b>				
At the beginning of the year	3,17,30,133	3,173.01	3,17,30,133	3,173.01
Additional shares pursuant to share split during the year	28,55,71,197	-	-	-
Shares issued during the year (refer note below)	4,53,35,900	453.36	-	-
<b>Outstanding at the end of the year</b>	<b>36,26,37,230</b>	<b>3,626.37</b>	<b>3,17,30,133</b>	<b>3,173.01</b>

The Group has issued equity shares of 31,086,790 at a face value of ₹ 1 each to Exor Special Opportunities Master Fund for a premium of ₹ 143.75 per share.

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

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

**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 2022

(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 2022		31 March 2021	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 1 each (March 2021: ₹ 10 each), fully paid up				
T V Sundram Iyengar & Sons Private Limited *	-	-	1,07,27,343	33.81%
TVS Mobility Private Limited *	10,72,73,430	29.58%	-	-
CDPO Private Equity Asia Pte Ltd	-	-	1,21,36,892	38.25%
Mahogany Singapore Company Pte. Ltd	1,88,39,310	5.20%	-	0.00%
Omega Tc Holdings Pte Ltd, Singapore	-	-	15,85,847	5.00%
DRSR Logistics Services Private Limited	3,75,02,140	10.34%	37,50,214	11.82%
T S Rajam Rubbers Private Limited	6,56,13,570	18.09%	-	-
Exor Special Opportunities Master Fund	4,25,69,160	11.74%	-	-

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

Consequent to the same, and with effect from 4 February 2022, the TSR Mobility and Supply Chain Solutions Business Undertaking of T V Sundram Iyengar and Sons Private Limited ("TVSS") including 10,72,73,430 equity shares representing 29.70% equity shares of TVS Supply Chain Solutions Limited was, as a result of the demerger from TVSS, transferred to and vested upon TVS Mobility Private Limited (formerly known as T S Rajam Distribution Services Private Limited). Consequent to the above, TVS Mobility has become the Promoter of the Company.

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

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

**0.0001% Non- cumulative, participating, compulsorily convertible preference shares of ₹ 100 each, fully paid up (Series A)**

Mahogany Singapore Company Pte. Ltd	-	0.00%	10,23,350	100.00%
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**0.0001% Non- Cumulative, Non-Participating, Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid up**

David Robbins	39,998	33.33%	39,998	21.05%
MS Krishnan	-	0.00%	9,992	5.26%
Snehow Pty Ltd	-	0.00%	12,004	6.32%
R Dinesh	-	0.00%	2,996	1.58%
Sanjive Sharma	40,002	33.33%	40,002	21.05%
Tarun Khanna	-	0.00%	45,006	23.69%
Andrew Jones	40,002	33.33%	40,002	21.05%

**e. Details of shareholding of promoters**

	31 March 2022			31 March 2021		
	Number of shares	% holding	% Change During the year	Number of shares	% holding	% Change During the year
T V Sundram Iyengar & Sons Private Limited	-	0.00%	-100.00%	1,07,27,343	33.81%	0.00%
TVS Mobility Private Limited	10,72,73,430	29.58%	100.00%	-	-	-



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2022

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

### 29B Other equity

#### Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with Section 52 of the Companies Act, 2013.

#### Capital reserve

During 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 based payment reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

#### Exchange differences on translating the financial statements of a foreign operation

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

#### Effective portion of cash flow hedges

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss (e.g. interest payments).

#### Compulsorily convertible preference shares

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

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

### 29C Other items of OCI

#### Remeasurements of defined benefit liability/(asset)

Opening balance

Remeasurements of defined benefit liability/(asset) (net of taxes)

Closing balance

	31 March 2022	31 March 2021
Opening balance	77.41	(28.02)
Remeasurements of defined benefit liability/(asset) (net of taxes)	(97.22)	103.43
Closing balance	(19.81)	77.41

#### Remeasurements of defined benefit liability/(asset)

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

### 29D Capital management

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

The Group monitors capital using a ratio of 'debt' to 'equity'. For this purpose, debt is defined as total debt, comprising interest-bearing loans and borrowings and obligations under Lease liability. Equity comprises all components of equity.

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

	31 March 2022	31 March 2021
Total current and non-current borrowings	1,76,378.25	1,54,792.16
Debt	1,76,378.25	1,54,792.16
Total equity	75,391.46	53,225.87
Debt to equity ratio	2.34	2.91



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**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:

	31 March 2022	31 March 2021
<b>(i) Profit (loss) attributable to equity shareholders</b>		
Profit (loss) for the year, attributable to the equity holders from continuing operations	(4,978.17)	(7,029.61)
Profit (loss) for the year, attributable to the equity holders from discontinued operations	(92.10)	(243.97)
<b>(ii) Weighted average number of equity shares</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Weighted average number of equity shares outstanding during the year	33,94,29,140	31,73,01,330
Add - Number of shares relating to compulsorily convertible preference shares	12,00,020	1,21,33,500
Weighted average number of equity shares used in the calculation of basic earnings per share	34,06,29,160	32,94,34,830
Adjustments for dilutive effect		
- Number of shares relating to Management Incentive Plan	28,06,508	71,20,922
Weighted average number of equity shares used in the calculation of diluted earnings per share	34,34,35,668	33,65,55,752

**30 Borrowings**
**(a) Non-current borrowings**

Secured term loans from banks

Secured term loans from financial institutions

**Total non-current borrowings**
**(b) Current borrowings**
**Cash credit from banks**

Secured

**Bills discounting**

Unsecured

**Revolving credit facility**

Secured

Unsecured

**Loans repayable on demand**

Secured

Unsecured

**Redeemable preference shares (unsecured)**
**Other short term loans**

Secured

Unsecured, related party

**Current portion of long term borrowings**

Secured term loans from banks

**Total current borrowings**

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 2022	31 March 2021
<b>Secured term loan from banks</b>					
DBS Bank Limited, Axis Bank Limited & Standard Chartered Bank Limited (refer note (i) & (ii) below)	USD / GBP	2.10% + 1 month LIBOR 2.10% + CAS 0.0326% + 1 Month SONIA	2022 - 2025	94,614.34	98,923.28
HDFC Bank Limited	INR	7.60 - 9.0%	2023	422.25	320.47
IDFC First Bank Limited	GBP	3.40%	2023	2,476.43	-
				<b>97,513.02</b>	<b>99,243.75</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(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 2022	31 March 2021
<b>Secured term loan from financial institutions</b>					
Other financial institutions	INR	-	-	-	0.90
				-	<b>0.90</b>
<b>Secured cash credit facilities from banks*</b>					
Yes Bank Limited	INR	MCLR + 2.25% p.a.	-	-	182.88
HDFC Bank Limited	INR	8.75%	-	1.75	-
				<b>1.75</b>	<b>182.88</b>
<b>Unsecured bill discounting / Factoring *</b>					
IDFC First Bank Limited	INR	6.50%	-	2,999.98	-
TREDS - Invoicemart	INR	5.62%	-	1,322.25	414.12
DBS Limited (Paying Agent)	INR	6.50%	-	773.46	440.55
				<b>5,095.69</b>	<b>854.47</b>
<b>Secured revolving credit facility</b>					
DBS Bank Limited, Axis Bank Limited & Standard Chartered Bank Limited (refer note (i) below)	GBP	2.05% + CAS 0.0326%*1 Month SONIA	-	43,308.16	29,175.95
				<b>43,308.16</b>	<b>29,175.95</b>
<b>Secured loans repayable on demand*</b>					
DBS Bank Limited	INR	6.40%	-	1,000.00	-
				<b>1,000.00</b>	<b>-</b>
<b>Unsecured loans repayable on demand*</b>					
Standard Chartered Bank Ltd	INR	7.11%-8.20%	-	-	5,400.00
Axis Bank Limited	INR	6.25%	-	5,060.00	6,380.00
HDFC Bank Limited	INR	6.00%	-	16,990.00	10,650.00
DBS Bank Limited	INR	6.40%	-	4,600.00	-
IDFC First Bank Limited	INR	6.75%	-	1,550.00	1,550.00
Others	INR	-	-	-	1.45
				<b>28,200.00</b>	<b>23,981.45</b>

**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 2022	31 March 2021
<b>Redeemable preference shares</b>					
Unsecured	INR	0.0001%	-	891.60	891.60
				<b>891.60</b>	<b>891.60</b>
<b>Other short term loans*</b>					
Banc Sabadell - Secured	EUR	2.75%	-	68.03	121.16
Cholamandalam Investment and Finance Company Limited (Unsecured)	INR	7.60%	-	300.00	340.00
				<b>368.03</b>	<b>461.16</b>
				<b>1,76,378.25</b>	<b>1,54,792.16</b>

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

**Note:**

i) On March 26, 2020, the Group has refinanced the existing bank term loan of USD 1,001.61 lakhs & GBP 204.60 lakhs (from a Consortium of Banks/financial institutions) with a fresh term loan of USD 300 lakhs and GBP 783.92 lakhs and revolving credit facility of GBP 495.11 lakhs, from DBS, SCB & Axis Bank. The term loan is repayable between March 2022 and March 2025. Revolving credit facility was originally repayable by March 2022 and can be renewed for a further period. During the year, this facility has been renewed and the same is repayable by March 2023.

ii) During the year ended March 31, 2021 and March 31, 2022 the Group entered into hedging contracts to hedge the foreign currency risk on the principal loan amount of the term loan that was refinanced on March 26, 2020. The Group has adopted hedge accounting for these hedging contracts (refer note 43(v)).

**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 was secured against the current assets of Flexol Packaging (India) Private Limited. This loan has been repaid in the current year.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022  
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**30 Borrowings (continued)**

Cash credit facility from banks

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-Asiatics 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

Loan from Banc Sabadell were availed against the security of current assets of TVS Logistics Iberia S.L.

**C. Redeemable Preference Shares**

The Company has cumulative, redeemable, non-convertible, participating preference shares. These preference shares have been classified as a liability. For rights, preferences and restrictions attached to preference shares attached to these preference shares refer note 29A.

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

	31 March 2022	31 March 2021
Opening borrowing	1,54,792.16	2,16,011.90
Cash flows	21,633.22	(70,439.90)
Unamortised transaction cost	1,373.07	528.61
Changes in fair values	(1,307.98)	833.81
Currency translation adjustment	(112.22)	7,857.74
Closing borrowing	1,76,378.25	1,54,792.16

Note: For changes in liabilities arising from lease liabilities, refer note 16B(c)

**E. Wilful Defaulter**

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

**F. Utilisation of borrowings**

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

B) The quarterly returns/statements of current assets filed by the Group with banks or financial institutions in relation to secured borrowings wherever applicable, are in agreement with the books of accounts.

**31 Trade payables**

	31 March 2022	31 March 2021
Trade payables to related parties	167.61	231.22
Other trade payables *	1,45,146.44	1,15,170.34
	1,45,314.05	1,15,401.56

\* Includes dues for payment to Micro and Small enterprises Rs. 2,670.26 lakhs (31 March 2021: 1,821.57 lakhs)

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

31 March 2022	Not due	< 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed dues - MSME	847.17	1,692.04	42.56	81.50	6.99	2,670.26
Undisputed dues - Others	83,159.98	55,766.98	1,441.33	705.88	1,569.62	1,42,643.79
	84,007.15	57,459.02	1,483.89	787.38	1,576.61	1,45,314.05
31 March 2021	Not due	< 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed dues - MSME	124.06	1,515.51	128.59	35.88	17.52	1,821.56
Undisputed dues - Others	71,283.72	33,775.12	4,371.66	1,647.07	2,502.43	1,13,580.00
	71,407.78	35,290.63	4,500.25	1,682.95	2,519.95	1,15,401.56

**32 Other financial liabilities**

	Non-current portion		Current portion	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Derivative liability (refer note 43(v))	3,238.09	1,699.24	-	-
Amount due to employees	-	-	8,988.88	10,043.08
Interest accrued but not due on borrowings	-	-	92.76	128.92
Payable to factor	-	-	282.83	643.76
Security deposits	932.22	1,078.23	40.13	58.14
Deferred consideration*	5,973.14	-	347.54	1,334.09
Capital creditors	-	101.01	640.75	1,381.21
Others	-	-	-	622.04
	10,143.45	2,878.48	10,392.89	14,211.24

\* Deferred consideration includes payable towards acquisition of shares in RICO Logistics Limited, UK amounting to ₹ 5,973.14 Lakhs (31 March 2021: Nil), in TVS SCS Logistics Management Co. Ltd (Formerly known as TLM Logistics Management Co. Ltd.) amounting to Nil (31 March 2021: ₹ 994.01 Lakhs) and in TVS Supply Chain Solutions Australia Holdings Pty. Ltd Holdings Pty. Ltd., Australia amounting to ₹ 347.54 Lakhs (31 March 2021: ₹ 340.08 Lakhs)



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**33 Provisions (refer note 37)**

	Non-current portion		Current portion	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Provisions for employee benefits</b>				
Liability for retirement benefit obligations	969.52	664.84	503.44	727.89
Liability for compensated absences	470.27	332.62	2,802.57	2,434.18
<b>Other provisions</b>				
Provision for dilapidation	2,853.22	2,601.56	58.67	-
Provision for warranties	-	-	9.94	19.94
Provision for litigations	-	-	51.10	69.04
	<b>4,293.01</b>	<b>3,599.02</b>	<b>3,425.72</b>	<b>3,251.05</b>

<b>Movement in other provisions</b>	<b>Dilapidation</b>	<b>Warranties</b>	<b>Litigations</b>	<b>Total</b>
<b>Balance as at 1 April 2020</b>	<b>436.24</b>	<b>19.94</b>	<b>258.53</b>	<b>714.71</b>
Provisions made during the year	2,503.09	-	32.82	2,535.91
Provisions utilised during the year	(408.81)	-	(222.31)	(631.12)
Foreign exchange adjustments	71.04	-	-	71.04
<b>Balance as at 31 March 2021</b>	<b>2,601.56</b>	<b>19.94</b>	<b>69.04</b>	<b>2,690.54</b>
Provisions made during the year	295.46	-	14.26	309.72
Provisions utilised during the year	-	(10.00)	(32.20)	(42.20)
Unwinding of discount	-	-	-	-
Foreign exchange adjustments	14.87	-	-	14.87
<b>Balance as at 31 March 2022</b>	<b>2,911.89</b>	<b>9.94</b>	<b>51.10</b>	<b>2,972.93</b>

**Dilapidation**

This represents the present obligation of the cost likely to be incurred to restore the leased assets at the time of handing over to the lessors.

**34 Other non-current liabilities**

	31 March 2022	31 March 2021
Deferred rent	24.47	-
	<b>24.47</b>	<b>-</b>

**35 Other current liabilities**

	31 March 2022	31 March 2021
Deferred revenue	2,272.92	-
Statutory dues	9,526.22	10,521.91
Advances from customers	2,095.18	966.74
Others	3,674.21	4,287.13
	<b>17,568.53</b>	<b>15,775.78</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022

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

**36A Employee benefits****Defined contribution plans**

The Company and its subsidiaries in various geographies make contributions, generally determined as a specified percentage of employee salaries, in respect of qualifying employees in accordance with the local laws and regulations in the respective country which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards such defined contribution plans for the year aggregated to ₹ 18,908.28 lakhs (31 March 2021: ₹ 17,942.85 lakhs).

**Defined benefit plans**

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provisions for retirement benefit obligations	969.52	664.84	503.44	727.89

For details about the related employee benefit expenses, see note 10.

**Details of retirement benefit obligations**

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

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

**A. Funding**

The gratuity plans of the Company and certain subsidiaries in India is a funded plan with the Group making periodic contributions to a fund managed by certain insurance companies. The retirement benefit plans of the overseas subsidiaries noted above are unfunded.

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

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

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

	31 March 2022	31 March 2021
Balance at the beginning of the year	3,294.29	3,037.66
Acquired in business combination	207.53	-
Benefits paid	(497.39)	(285.96)
Current service cost	432.24	509.99
Interest cost	97.89	152.36
Past service cost	-	2.72
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	(15.36)	(27.39)
- changes in financial assumptions	(36.63)	42.14
- experience adjustments	151.98	(175.02)
Exchange differences	(70.01)	37.79
<b>Balance at the end of the year</b>	<b>3,564.54</b>	<b>3,294.29</b>

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

	31 March 2022	31 March 2021
Balance at the beginning of the year	1,901.56	1,709.63
Acquired in business combination	12.14	-
Contributions paid	319.91	292.26
Benefits paid	(210.28)	(191.85)
Interest income	91.71	102.42
Actuarial gains / (losses) recognised in other comprehensive income	(23.46)	(10.90)
<b>Balance at the end of the year</b>	<b>2,091.58</b>	<b>1,901.56</b>
<b>Net defined benefit (asset) / liability</b>	<b>1,472.96</b>	<b>1,392.73</b>

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

	31 March 2022	31 March 2021
Current service cost	432.24	509.99
Interest cost	97.89	152.36
Past service cost	-	2.72
Interest income	(91.71)	(102.42)
	<b>438.42</b>	<b>562.65</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**36A Employee benefits (continued)**
**Defined benefit plans (continued)**
**D. Remeasurements recognised in other comprehensive income**

Actuarial gain / (loss) on defined benefit obligation	(99.99)	160.27
Actuarial gain / (loss) on plan assets	(23.46)	(10.90)
	<b>(123.45)</b>	<b>149.37</b>

**E. Plan assets**

Plan assets comprise of the following:

Insurer managed funds

31 March 2022	31 March 2021
2,091.58	1,901.56
<b>2,091.58</b>	<b>1,901.56</b>

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

Principal actuarial assumptions at the reporting date were:

Discount rate	5%-7.55%	2.17%- 8.19%
Future salary growth	0% - 10%	0% - 10%
Attrition rate	0%-58%	0%-58%
Expected return on plan assets	5%-7.5%	4.13%-6.95%

**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 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(73.29)	76.96	(34.98)	38.62
Future salary growth (1% movement)	75.65	(72.22)	34.71	(36.92)
Attrition rate (1% movement)	(12.85)	18.82	(33.29)	20.65

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

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

	31 March 2022	31 March 2021
Within the next 12 months (next annual reporting period)	1,672.38	1,352.21
Between 2 and 5 years	1,390.75	1,185.11
Between 5 and 10 years	222.01	74.24
Beyond 10 years	49.65	230.16
The weighted average duration of the defined benefit obligation	7.13	9.63

**36B Share based payments**

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





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**36B 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 year is ₹ 51.10 (MIP I) & ₹ 43.80 (MIP II)\* (Previous year: ₹ 618.80 (MIP I)). Options were priced using a Black Scholes option valuation model & Monte Carlo simulation model for MIP I and II respectively. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price volatility of guideline companies in developed and developing countries.

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

**Inputs in to the model:**

	MIP I	MIP I	MIP I	MIP I	MIP I
Grant date share price * #	96.40	153.15	141.89	141.89	127.70
Grant date	20-Nov-18	14-Feb-20	20-Nov-20	09-Feb-21	08-Feb-22
Exercise price #	95.00	95.00	95.00	95.00	95.00
Expected volatility	32.00%	35.90%	52.30%	52.30%	53.40%
Option life	2.36 years	1.13 years	1 year	1 year	1 year
Dividend yield	0.15%	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	7.28%	5.10%	3.80%	3.80%	4.40%

\* Before adjustment for lack of marketability

# After giving effect of share split

	MIP II - Pool A & Pool B	MIP II - Pool A & Pool B	MIP II - Pool A & Pool B	MIP II
Grant date share price * #	96.40	119.38	119.38	127.70
Grant date	20-Nov-18	16-May-19	01-Jul-19	08-Feb-22
Exercise price #	95.00	95.00	95.00	95.00
Expected volatility	33.10%	36.23%	36.23%	53.25%
Option life	3.61 years	3.13 years	3 years	1.39 years
Dividend yield	0.15%	0.00%	0.00%	0.00%
Risk free interest rate	7.50%	6.44%	6.44%	4.35%

\* Before adjustment for lack of marketability

# After giving effect of share split

**Movement in share options during the year**

MIP I	Year ended 31 March 2022 Number of Options	Weighted average exercise price	Year ended 31 March 2021 Number of Options	Weighted average exercise price
Opening at the beginning of the year	14,11,923	950.00	13,34,883	950.00
Additions in number of options on account of share split	1,27,07,307	95.00	-	-
Granted during the year	17,07,600	95.00	95,997	950.00
Exercised during the year *	26,000	95.00	-	-
Forfeited and expired during the year	32,07,380	95.00	18,957	950.00
<b>Balance at the end of the year</b>	<b>1,25,93,450</b>	<b>95.00</b>	<b>14,11,923</b>	<b>950.00</b>

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

**Share options vested but not exercised**

1,08,85,850

-

MIP II	Year ended 31 March 2022 Number of Options	Weighted average exercise price	Year ended 31 March 2021 Number of Options	Weighted average exercise price
Opening at the beginning of the year	9,25,129	950.00	10,23,760	950.00
Additions in number of options on account of share split	83,26,161	95.00	-	-
Granted during the year *	46,73,070	95.00	-	-
Options lapsed *	92,51,290	95.00	-	-
Forfeited and expired during the year	1,50,180	95.00	98,631	950.00
<b>Balance at the end of the year</b>	<b>45,22,890</b>	<b>95.00</b>	<b>9,25,129</b>	<b>950.00</b>

**Share options vested but not exercised**

-

-

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

**Share options outstanding at the end of the year - MIP I - 12,593,450 & MIP II - 4,522,890 (31 March 2021 : MIP I - 1,411,923 & MIP II - 925,129)**

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 95.00 and a weighted average remaining contractual life of 0.42 years (31 March 2021: 1.19 years).



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***36B Share based payments (continued)****Cash settled grants to employees**

During the year ended March 31, 2020, the Group has provided stock-based grants to certain employees under the employment agreement, which are linked to the share price of the Company, (a) which will vest on 3 years from the date of joining or 12 months after the IPO event of the Company, whichever is earlier (b) which will vest on 3 years from the date of grant or 12 months after an IPO event of the Company, whichever is later. The Group reserves the right of mode of settlement, which can be either in equity or in cash and in either case, the settlement will be based on the prevailing fair market value of the Company when the shares are fully vested or the agreed sum under the employment agreement, whichever is higher. The remaining estimated contractual life of these grants as at March 31, 2021 was (a) 1 year (b) 2.25 years. There were no forfeiture / exercise / expiry during the year ended March 31, 2021. Outstanding grants as at March 31, 2021 was 2,23,158. During the year ended March 31, 2022 the Group has cash settled certain grants in accordance with the employment agreement and the grants of the remaining employees remain unchanged. The Group has accounted these stock-based grants based on the fair market value of the Company as at the reporting dates.

**37 Capital commitments, contingent liabilities and other matters**

	31 March 2022		31 March 2021	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	1,537.26	-	687.12	-
<b>Contingent liabilities:</b>				
Employee related matters (refer note (i) below)	2,183.59	-	2,183.59	17.58
Bank guarantees issued	70.43	-	140.95	77.10
Service tax related matters	1,210.00	-	1,190.33	10,160.87
Sales tax related matters	496.63	-	116.55	2,601.07
GST related matters	110.18	-	285.37	-
Claims not acknowledged as debt *	421.60	-	552.74	13.62

**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 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, 2022.

**\* Claims against TVS Industrial & Logistics Park Pvt. Limited not acknowledged as debts (refer note 17):**

(i). Maharashtra Industrial Development Corporation ("MIDC") has served a notice of claim dated November 6, 2006 as development charges of ₹ 94.08 lakhs ("Claim") against 6 hectares and 12 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.

(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. Further, department has adjusted an amount of ₹ 21.05 lakhs as interest on the outstanding tax demand from refund due. 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 had preferred an appeal before The Income Tax Tribunal (ITAT), Mumbai which is dismissed by the ITAT, Mumbai. The Company shall be filing an appeal before The Bombay High Court.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***37 Capital commitments, contingent liabilities and other matters (continued)****Other Matters**

(i) The Company's erstwhile wholly owned subsidiary, Drive India Enterprise Solutions Limited (DIESL) (Discontinued operations) had VAT and Service tax matters outstanding with authorities at various levels in the respective years (31 March 2021: ₹ 12,761.90 lakhs). Majority of these amounts were covered under the specific and general indemnity under the Share Purchase Agreement dated May 22, 2015 with the erstwhile shareholders ("Original SPA"). During the year ended March 31, 2022, the Company entered in to Share Purchase Agreement dated September 29, 2021 ("New SPA") with the Buyer for disposal of investments in DIESL for a consideration of ₹ 100 lakhs. The Company entered in to an Novation agreement with the erstwhile shareholders and the Buyer for the transfer of indemnities provided in Original SPA. As per the New SPA, the Company's maximum indemnity to the Buyer is restricted to ₹3.500 lakhs including any losses suffered by the Buyer under the "Original SPA" which the erstwhile shareholders fail to indemnify.

**(ii) 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 were part of the arbitration with Singapore International Arbitration Centre ("SIAC") with a former CEO of TVS GFS, James Herbert Mcadam III (who was is also a minority shareholder in TVS GFS, holding 2,477,523 shares) in relation to amounts payable and benefits due under the then employment contract and also in relation to shares held by him in TVS GFS. The Company had terminated his services for cause in 2019 and accrued for appropriate costs till the date of termination. On September 17, 2021, SIAC issued the partial award followed by final award on January 17, 2022. Under the terms of the award, SIAC held the termination as incorrect as a consequence of which the former CEO was entitled to compensation relating to wrongful termination (including legal costs) aggregating ₹ 1825.20 lakhs and also directed that minority shareholder sell the shares held by him in TVS GFS to the Company for a total consideration of ₹ 8277.90 lakhs. Pursuant to such final award, out of the shares held by James Herbert Mcadam III, 1,786,024 have been transferred to TVS Logistics Investment UK Limited, a nominee and Subsidiary of our Company in February 2022. The balance 691,499 shares have been cancelled in compliance with the final award.

The Group has recorded the cost of termination and legal costs as exceptional items in the profit and loss account. The Group has de-recognised the non-controlling interests of negative ₹ 1,626.00 lakhs as at date of partial award. The difference between the consideration and the non-controlling interests derecognised, amounting to ₹ 9,904.00 lakhs has been debited to the Other Equity. The Company had apportioned the profit / OCI to the non-controlling interests for the period from April 1, 2021 to September 17, 2021 (date of partial award) (refer note 48).

**(b) TVS Supply Chain Solutions Australia Holdings Pty. Ltd**

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.

**(iii) TVS Supply Chain Solutions North America Inc**

TVS Supply Chain North America Inc. is part of an ongoing litigation with few employees of the Company. The Company believes that the liability accrued in the books fairly represents the amounts payable, if any, to these employees and believes no further adjustments are considered necessary to these financial statements.

**38 Leases****Finance leases as lessor**

The 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 year are as follows: (also refer note 15A)

	31 March 2022	31 March 2021
Gross investment in the lease	2,226.59	1,592.33
Unearned finance income	(399.85)	(430.83)
Net investment in the lease	1,826.74	1,161.50

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 2022	31 March 2021
<b>Gross investment in the lease</b>		
Receivable within one year	746.23	468.07
Receivable between one and five years	1,480.36	1,068.89
Receivable after five years	-	55.37
<b>Total</b>	<b>2,226.59</b>	<b>1,592.33</b>
<b>Present value of minimum lease payments receivable</b>		
Receivable within one year	569.28	302.53
Receivable between one and five years	1,257.46	806.15
Receivable after five years	-	52.82
<b>Total</b>	<b>1,826.74</b>	<b>1,161.50</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***39 Business combinations****A. Business combination during the year ended 31 March 2022****i. Acquisition of FIT 3PL Warehousing Pvt. Ltd**

The Company acquired 69.15% stake in FIT 3PL Warehousing Private Limited (FIT 3PL) for a consideration of ₹ 13,830.00 lakhs through Share Purchase Agreement (SPA) dated 13 September 2021. The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the fair value of FIT 3PL being allocated to identifiable assets and liabilities at fair value. FIT 3PL is a full-fledged 3PL company providing end to end logistics services such as warehousing, distribution, in-plant logistics, fulfilment, first mile, long haul, express, last mile, packaging, and other value-added services. The date of acquisition is 13 October 2021 based on the effective date of transfer of control ("Valuation date").

Subsequently on 27 December 2021, the company acquired the remaining shareholding of 30.85% held by minority shareholders for a consideration of ₹ 6,580.00 lakhs.

**A. Consideration transferred**

The following table summarises the acquisition date fair value of each class of consideration transferred:

<i>In lakhs of INR</i>	<b>Amount</b>
Cash	13,830.00
Deferred Consideration	-
<b>Total consideration for business combination</b>	<b>13,830.00</b>

**B. Identifiable assets acquired and liabilities assumed**

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

<i>In lakhs of INR</i>	<b>Amount</b>
Property, plant & equipment	431.01
Intangible assets - Software	15.77
Intangible assets - Customer relationship	5,809.00
Right of use assets	3,724.91
Trade receivables	1,843.11
Deferred tax assets (net)	255.68
Other current & non-current assets	2,314.03
Cash and cash equivalents	9.90
Borrowings	(260.47)
Lease liabilities	(3,724.91)
Trade payables	(1,563.77)
Deferred tax liabilities (net)	(2,029.90)
Other current & non-current liabilities	(505.97)
Less: Non-controlling interests measured at fair value	(4,936.00)
<b>Total net identifiable assets acquired</b>	<b>1,382.39</b>

**C. Goodwill**

<i>In lakhs of INR</i>	<b>Amount</b>
Consideration transferred	13,830.00
Fair value of net identifiable assets	(1,382.39)
<b>Goodwill</b>	<b>12,447.61</b>

**B. There were no business combinations during the year ended 31 March 2021**

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022

(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 2022			31 March 2021		
	India	Rest of the world	Total	India	Rest of the world	Total
Type of goods or service						
Revenue from operations	2,43,683.72	6,81,294.87	9,24,978.59	1,67,318.70	5,26,040.99	6,93,359.69
Total revenue from contracts with customers	2,43,683.72	6,81,294.87	9,24,978.59	1,67,318.70	5,26,040.99	6,93,359.69

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

Revenue	31 March 2022	31 March 2021
ISCS	3,74,071.15	3,20,411.59
NS	5,50,907.44	3,72,948.10
	9,24,978.59	6,93,359.69

**B. Timing of revenue recognition**

Particulars	31 March 2022	31 March 2021
Goods transferred at a point in time	1,39,477.48	1,02,343.01
Services transferred over time	7,85,501.11	5,91,016.68
Total revenue from contracts with customers	9,24,978.59	6,93,359.69

**C. Summary of contract balances**

Particulars	31 March 2022	31 March 2021
Trade Receivables	1,44,188.97	1,26,530.91
Contract assets (Refer note (a) below)	34,976.37	29,461.79
Advance from Customers	2,095.18	966.74

Note:

a. Contract assets are initially recognised for revenue earned from supply chain management services as receipt of consideration is conditional on successful completion. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

b. There are no significant changes in the Contract assets and Contract liabilities during the years reported.

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

Particulars	31 March 2022	31 March 2021
Revenue as per contracted price	9,26,142.51	6,93,635.17
Less Trade discounts, volume rebates etc.	(1,163.92)	(275.48)
Revenue as per statement of profit and loss	9,24,978.59	6,93,359.69





## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the consolidated financial statements for the year ended 31 March 2022

(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, 2022.

#### 42 Related party disclosures (refer note 29A)

<b>A. Enterprise having significant influence</b>	TVS Mobility Private Limited (From 4th February 2022) T V Sundram Iyengar & Sons Private Limited (Till 3rd February 2022)
<b>B. Subsidiaries of TVS Mobility Private Limited (From 4th February 2022)</b>	Sundaram Industries Private Limited
<b>B. Subsidiaries of T V Sundram Iyengar &amp; Sons Private Limited (Till 3rd February 2022)</b>	TVS Motor Company Limited Sundaram Clayton Limited  Lucas-TVS Limited Sundaram Industries Private Limited Lucas Indian Service Limited Sundram Fasteners Limited TVS Electronics Limited TVS Training and Services Limited TVS Automobile Solutions Private Limited TVS Europe Distribution Limited Universal Components UK Limited
<b>C. Joint Ventures</b>	TVS Industrial & Logistics Park Pvt. Limited Linfox TVS Solutions Pty Limited, Australia
<b>D. Associates</b>	Montara Verpacken mit System GmbH, Germany (till 31 March, 2021)



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(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, JV of T V Sundram Iyengar &amp; Sons Private Limited)

**F. Key management personnel (KMP)**

 Mr. R. Dinesh, Executive Vice Chairman  
 Mr. Ravi Viswanathan, Managing Director  
 Mr. S. Ravichandran, Non-Executive Director  
 Mr. C. K. Ranganathan, Independent director  
 Mr. V. Anantha Nageswaran, Independent director (till March 18, 2021)  
 Mr. S. Mahalingam, Independent director  
 Sri. Gopal Srinivasan, Non-Executive director  
 Sri. S. Ram, Non-Executive director (till September 13, 2021)  
 Ms. Shobhana Ramachandran, Non-Executive director  
 Sri. Suresh Krishna, Non-Executive director (till November 27, 2020)  
 Mr. Ravi Prakash Baghavathula, Chief Financial Officer  
 Mr. P. D. Krishna Prasad, Company Secretary  
 Ms. Gauri Kumar, Additional Independent Director (w.e.f. 7th February 2022)  
 Mr. B. Sriram, Additional Independent Director (w.e.f. 7th February 2022)

**G. Private Companies under common directorship/ Entities controlled by KMP or relatives of KMP of the Company**

 DRSR Advisory Services LLP  
 TVS Srichakra Limited  
 TVS Automobile Solutions Private Limited  
 Ki Mobility Solutions Pvt Ltd  
 Sundaram Industries Private Limited  
 Cavin Kare Pvt Ltd.

**Transactions during the year**

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income from logistics services</b>		
Lucas-TVS Limited	2,707.11	1,831.48
Sundaram Clayton Limited	2,251.46	1,119.78
Sundaram Industries Private Limited	400.70	281.51
Sundram Fasteners Limited	1,310.13	994.70
T V Sundram Iyengar & Sons Private Limited	175.00	604.61
TVS Industrial & Logistics Park Private Limited	-	56.54
TVS Motor Company Limited	24,659.77	18,947.32
TVS Srichakra Limited	9,903.50	7,275.66
TVS Training And Services Limited	-	9.47
SI Airsprings Private Limited (formerly known as Firestone TVS Private Limited)	33.21	-
Lucas Indian Service Limited	-	4.93
TVS Mobility Private Limited	0.50	-
TVS Automobile Solutions Private Limited	2,249.92	1,117.21
Ki Mobility Solutions Pvt Ltd	89.46	-
Cavin Kare Pvt Ltd.	224.40	-
Universal Components UK Limited	-	15.74
<b>Sale of Goods</b>		
Sundaram Clayton Limited	8.61	9.99
<b>Other income</b>		
Lucas TVS Limited	5.84	-
<b>Reimbursement of expenses from</b>		
T V Sundram Iyengar & Sons Private Limited	3.03	6.44
TVS Mobility Private Limited	0.14	-
<b>Professional fees</b>		
T V Sundram Iyengar & Sons Private Limited	73.60	-
<b>Purchase of spares, fuel, others</b>		
T V Sundram Iyengar & Sons Private Limited	17.84	-
Sundaram Industries Private Limited	60.66	49.61
TVS Automobile Solutions Private Limited	-	35.82
Sundram Fasteners Limited	9.85	516.42
Lucas Indian Service Limited	5.61	-
TVS Industrial & Logistics Park Private Limited	2.22	30.09
Lucas TVS Limited	-	175.60
<b>Freight, packing and forwarding expenses</b>		
T V Sundram Iyengar & Sons Private Limited	169.40	53.30
TVS Electronics Limited	-	0.47



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(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 2022	Year ended 31 March 2021
<b>Rent</b>		
TVS Industrial & Logistics Park Private Limited	934.10	919.44
T V Sundram Iyengar & Sons Private Limited	139.77	174.93
TVS Mobility Private Limited	50.59	-
Lucas-TVS Limited	1.80	1.80
<b>Repairs and maintenance</b>		
T V Sundram Iyengar & Sons Private Limited	-	8.52
<b>Expenses incurred by and reimbursed to</b>		
T V Sundram Iyengar & Sons Private Limited	2.99	20.48
TVS Mobility Private Limited	0.70	
<b>Other expenses</b>		
T V Sundram Iyengar & Sons Private Limited	108.00	-
TVS Industrial & Logistics Park Private Limited	17.18	-
Sundaram Industries Private Limited	0.04	-
<b>Purchase of fixed assets</b>		
T V Sundram Iyengar & Sons Private Limited	11.47	18.99
Sundaram Fasteners Limited	-	11.82
Lucas India Service Limited	-	3.42
<b>Purchase of Leasehold Improvement</b>		
TVS Industrial & Logistics Park Private Limited	-	1.35
<b>Remuneration to Key Managerial Personnel</b>		
Mr. S. Ravichandran, Non-Executive Director	406.35	192.79
Mr. Ravi Viswanathan, Managing Director	542.70	449.62
Mr. R. Dinesh, Executive Vice Chairman	640.00	200.00
Mr. Ravi Prakash Baghavathula, Chief Financial Officer	438.40	347.80
Mr. P D Krishna Prasad, Company Secretary	53.29	41.37
<b>Sitting fees to Independent &amp; Non-Executive Directors</b>		
Mr. C. K. Ranganathan	2.50	2.25
Mr. V. Anantha Nageswaran	-	3.50
Mr. S Mahalingam	4.25	3.75
Sri. Gopal Srinivasan	1.00	1.50
Sri. S.Ram	0.50	1.50
Ms. Shobhana Ramachandran	2.50	1.50
Sri. Suresh Krishna	-	1.50
Ms. Gauri Kumar	1.00	-
Mr. B. Sriram	1.00	-

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, 2022 and March 31, 2021 includes a charge of ₹ 327.10 lakhs and ₹ 1403.20 lakhs, towards KMP respectively.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***42 Related party disclosures (continued)**

	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>Year end balances:</b>		
<b>Receivables</b>		
Lucas Indian Service Limited	-	72.25
Lucas-TVS Limited	-	21.94
Sundaram Clayton Limited	-	11.45
Sundaram Industries Private Limited	37.29	103.75
Sundram Fasteners Limited	-	116.89
T V Sundram Iyengar & Sons Private Limited	7.87	24.86
TVS Motor Company Limited	-	1,467.77
TVS Srichakra Limited	1,801.71	275.43
TVS Training And Services Limited	-	11.18
SI Airsprings Private Limited (formerly known as Firestone TVS Private Limited)	-	10.53
TVS Automobile Solutions Private Limited	503.22	597.14
TVS Europe Distribution Limited	-	136.68
Ki Mobility Solutions Pvt Ltd	10.76	-
CavinKare Pvt Ltd	127.63	-
	-	
<b>Other receivables - Unbilled revenue</b>		
Lucas TVS Limited	-	25.83
Lucas Indian Service Limited	-	-
Sundaram Clayton Limited	-	5.03
Sundaram Fasteners Limited	-	2.09
Sundaram Industries Limited	-	-
T V Sundaram Iyengar & Sons Private Limited	-	10.94
TVS Motor Company Limited	-	246.77
TVS Srichakra Limited	332.10	867.23
Ki Mobility Solutions Pvt Ltd	11.30	-
<b>Security deposits (based on transaction value, not discounted)</b>		
TVS Industrial & Logistics Park Private Limited	789.66	789.66
<b>Advance for Supply of Goods &amp; Services</b>		
TVS Industrial & Logistics Park Private Limited	411.78	59.00
T V Sundaram Iyengar & Sons Private Limited	120.06	77.46
<b>Payables</b>		
Lucas-TVS Limited	-	0.17
Lucas Indian Service Limited	-	1.29
Sundaram Industries Private Limited	16.50	18.04
Sundram Fasteners Limited	-	111.86
T V Sundram Iyengar & Sons Private Limited	15.41	33.73
TVS Srichakra Ltd	-	-
TVS Industrial & Logistics Park Private Limited	106.39	98.56
TVS Mobility Private Limited	15.16	-
Universal Components UK Limited	-	1.89
<b>Payable to Key Managerial Personnel</b>		
Salaries, wages and bonus to Non-Executive Director	209.04	-
Salaries, wages and bonus to Managing Director	200.00	200.00
Commission to Executive Vice Chairman	200.00	200.00
Salaries, wages and bonus to Chief Financial Officer	173.59	365.00
Salaries, wages and bonus to Company Secretary	3.75	3.75



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2022**  
(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 2022		31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI
					Amortised cost
<b>Financial assets measured at fair value</b>					
Investments	20.00	-	-	20.00	-
Other financial assets - Derivative asset	-	-	-	918.33	-
<b>Total</b>	<b>20.00</b>	<b>-</b>	<b>-</b>	<b>938.33</b>	<b>-</b>
<b>Financial assets carried at amortised cost</b>					
Investments	-	-	-	-	1,355.02
Deposits and other receivables	-	-	14,794.35	-	11,417.24
Trade receivables	-	-	1,31,336.47	-	1,16,665.50
Cash and cash equivalents	-	-	99,382.64	-	53,696.24
Other bank balances	-	-	1,107.28	-	3,715.97
Other financial assets	-	-	398.44	-	1,113.55
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,47,019.18</b>	<b>-</b>	<b>1,87,964.12</b>
<b>Financial liabilities measured at fair value</b>					
Derivatives - Forward contract payables	3,238.09	-	-	1,699.24	-
Written put option/ forward obligation liability	-	-	-	-	-
<b>Total</b>	<b>3,238.09</b>	<b>-</b>	<b>-</b>	<b>1,699.24</b>	<b>-</b>
<b>Financial liabilities carried at amortised cost</b>					
Borrowings	-	-	1,76,378.25	-	1,54,792.16
Trade payables	-	-	1,45,314.05	-	1,15,401.56
Other financial liabilities	-	-	17,298.25	-	15,390.48
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,38,990.55</b>	<b>-</b>	<b>2,85,584.20</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2022**

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

**43 Financial instruments - Fair values and risk management (continued)**

**B. Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels as described in note 2E.

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

**Financial assets and liabilities valued at fair value**

Particulars	31 March 2022			31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets:</b>						
Investments	-	-	20.00	-	-	20.00
Derivative asset	-	-	-	-	918.33	-
<b>Liabilities:</b>						
Derivative liability	-	3,238.09	-	-	1,699.24	-
Written put option/ forward obligation liability	-	-	-	-	-	-

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.

**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 2022***(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 2022	31 March 2021
Trade receivables	1,31,336.47	1,16,665.50
Investments	20.00	1,375.62
Cash and cash equivalents	99,382.64	53,696.24
Other bank balances	1,107.28	3,715.97
Deposits and other receivables	14,794.35	11,417.24
Other financial assets	398.44	2,031.88
<b>Total</b>	<b>2,47,039.18</b>	<b>1,88,902.45</b>

**Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. The impairment loss at the reporting dates relates to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Group determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available information about customers from internal/external sources. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**

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

*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 2022	31 March 2021
Balance at the beginning of the year	9,865.41	7,473.49
Add: Addition on account of acquisitions	204.74	-
Add: Provision for the year	3,730.00	2,774.30
Less: Provision withdrawn against bad debts written off	(987.17)	(511.59)
Add / Less : Exchange differences on translation of foreign operations	39.56	129.21
<b>Balance at end of the year</b>	<b>12,852.54</b>	<b>9,865.41</b>

*Cash and cash equivalents and other bank balances*

The Group holds cash and bank balances of 1,00,489.92 lakhs as at 31 March 2022 (31 March 2021: 57,412.21 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 15,212.79 lakhs as at 31 March 2022 (31 March 2021: ₹ 14,824.74 lakhs). The credit worthiness of such parties are evaluated by the management on an ongoing basis and is considered to be good.

**iii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

*Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Contractual cash flows				
	Carrying amount	Total	1 year or less	1-5 years	More than 5 years
<b>31 March 2022</b>					
<b>Non derivative financial liabilities</b>					
<i>Current and non-current borrowings</i>					
Secured term loans from banks (refer note 2A)	97,513.02	97,513.02	23,965.09	73,547.93	-
Secured cash credit from banks	1.75	1.75	1.75	-	-
Secured revolving credit facility	43,308.16	43,308.16	43,308.16	-	-
Secured loans repayable on demand	1,000.00	1,000.00	1,000.00	-	-
Unsecured bills discounting	5,095.69	5,095.69	5,095.69	-	-
Unsecured loans repayable on demand	28,200.00	28,200.00	28,200.00	-	-
Redeemable preference shares	891.60	891.60	891.60	-	-
Unsecured other short term loans	368.03	368.03	368.03	-	-
<i>Others</i>					
Trade payables	1,45,314.05	1,45,314.05	1,45,314.05	-	-
Lease liability	1,19,027.64	1,42,117.86	40,566.65	68,118.36	33,432.85
Other financial liabilities	20,536.34	20,536.34	20,536.34	-	-
	<b>4,61,256.28</b>	<b>4,84,346.50</b>	<b>3,09,247.36</b>	<b>1,41,666.29</b>	<b>33,432.85</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**43 Financial instruments - Fair values and risk management (continued)**

	Carrying amount	Total	Contractual cash flows		
			1 year or less	1-5 years	More than 5 years
<b>31 March 2021</b>					
<b>Non derivative financial liabilities</b>					
<i>Current and non-current borrowings</i>					
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 cash credit from banks	182.88	182.88	182.88	-	-
Secured revolving credit facility	29,175.95	29,175.95	29,175.95	-	-
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	461.16	461.16	461.16	-	-
<i>Others</i>					
Trade payables	1,15,401.56	1,15,401.56	1,15,401.56	-	-
Lease liability	1,18,619.06	1,42,669.32	34,004.42	70,836.67	37,828.23
Other financial liabilities	17,089.72	17,089.72	17,089.72	-	-
	<b>4,05,902.50</b>	<b>4,29,952.76</b>	<b>2,27,204.89</b>	<b>1,64,919.64</b>	<b>37,828.23</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(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.

	USD	Euro	GBP	31 March 2022 SGD	AUD	THB	Others
<b>Financial assets:</b>							
Investments	-	-	-	-	-	-	-
Loans	21,420.68	2,055.31	18,666.07	3,144.76	-	91.45	-
Deposits and other receivables	2,654.19	3,084.26	14,092.34	2,332.01	554.27	500.14	577.37
Trade receivables	19,196.80	31,008.04	-	1.09	9,031.91	2,179.61	6,717.57
Cash and cash equivalents	5,437.29	9,549.15	0.73	211.51	5,141.92	892.08	3,187.73
Other bank balances	-	-	-	-	-	-	-
Other financial assets	-	1.68	-	-	-	6.71	42.42
	<b>48,708.96</b>	<b>45,698.44</b>	<b>32,759.14</b>	<b>5,689.37</b>	<b>14,728.10</b>	<b>3,669.99</b>	<b>10,525.09</b>
<b>Financial liabilities:</b>							
Borrowings	25,507.22	22,567.11	64,732.01	-	(566.86)	-	-
Lease liability	-	4,410.03	-	-	2,228.76	2,781.76	1,811.64
Trade payables	11,390.29	26,017.39	326.42	126.05	4,295.82	998.50	4,958.15
Other financial liabilities	-	208.75	91.12	1,090.81	347.28	39.70	-
	<b>36,897.51</b>	<b>53,203.28</b>	<b>65,149.55</b>	<b>1,216.86</b>	<b>6,305.00</b>	<b>3,819.96</b>	<b>6,769.79</b>
<b>Net assets / (liabilities)</b>	<b>11,811.45</b>	<b>(7,504.84)</b>	<b>(32,390.41)</b>	<b>4,472.51</b>	<b>8,423.10</b>	<b>(149.97)</b>	<b>3,755.30</b>
	USD	Euro	GBP	31 March 2021 SGD	AUD	THB	Others
<b>Financial assets:</b>							
Investments	-	-	-	-	-	-	-
Loans	23,031.51	(688.91)	3,413.49	3,790.52	-	-	1,181.38
Deposits and other receivables	2,492.37	1,336.03	14,249.55	1,132.38	778.29	158.14	5,577.25
Trade receivables	7,804.63	26,069.93	24.15	0.67	9,200.57	-	1,734.48
Cash and cash equivalents	2,190.55	6,624.95	-	34.33	1,975.10	-	-
Other bank balances	617.17	2,382.22	-	-	425.55	-	-
Other financial assets	-	-	-	-	-	-	930.63
	<b>36,136.23</b>	<b>35,724.22</b>	<b>17,687.19</b>	<b>4,957.90</b>	<b>12,379.51</b>	<b>158.14</b>	<b>9,423.74</b>
<b>Financial liabilities:</b>							
Borrowings	23,462.88	2,356.35	56,340.20	-	-	-	-
Lease liability	32.85	6,944.81	6.18	-	1,385.97	-	3,371.45
Trade payables	4,611.85	17,941.84	39.36	258.58	3,409.06	-	4,745.39
Other financial liabilities	2,519.67	3,350.53	4,798.68	-	356.72	-	908.65
	<b>30,627.25</b>	<b>30,593.53</b>	<b>61,184.42</b>	<b>258.58</b>	<b>5,151.75</b>	<b>-</b>	<b>9,025.49</b>
<b>Net assets / (liabilities)</b>	<b>5,508.98</b>	<b>5,130.69</b>	<b>(43,497.23)</b>	<b>4,699.32</b>	<b>7,227.76</b>	<b>158.14</b>	<b>398.25</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(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 (continued)*
**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the INR 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
<b>31 March 2022</b>				
United States Dollar (1% movement)	118.11	(118.11)	-	-
Euro (1% movement)	(75.05)	75.05	-	-
Great Britain Pounds (1% movement)	(323.90)	323.90	-	-
Australian Dollar (1% movement)	84.23	(84.23)	-	-
Singapore Dollar (1% movement)	44.73	(44.73)	-	-
Thailand Bhat (1% movement)	(1.50)	1.50	-	-
Others (1% movement)*	37.55	(37.55)	-	-
<b>31 March 2021</b>				
United States Dollar (1% movement)	55.09	(55.09)	-	-
Euro (1% movement)	51.31	(51.31)	-	-
Great Britain Pounds (1% movement)	(434.97)	434.97	-	-
Australian Dollar (1% movement)	72.28	(72.28)	-	-
Singapore Dollar (1% movement)	46.99	(46.99)	-	-
Thailand Bhat (1% movement)	1.58	(1.58)	-	-
Others (1% movement)*	3.98	(3.98)	-	-

The above table also includes sensitivity analysis on inter group receivables/ payables which are denominated in a foreign currency. Such inter-group receivables and payables, though eliminated on consolidation give rise to currency risk and hence, the same has been disclosed.

\*Others mainly include currencies such as Malaysian ringgit, Hong Kong dollar, Indonesian rupiah, South Korean won, New Taiwan dollar, Canadian dollar and New Zealand dollar.

The Group has only two types of variable rate instrument i.e. cash credit facility being used for cash management purposes and certain working capital demand loans.

**Exposure to interest rate risk**

	31 March 2022	31 March 2021
<b>Variable rate instruments</b>		
<i>Financial liabilities</i>		
- Term loans from banks	94,614.34	98,923.28
- Cash credit from banks	1.75	182.88
- Revolving credit facility	43,308.16	29,175.95
- Loans repayable on demand	27,650.00	22,430.00
- Bills discounting	-	-
<b>Fixed rate instruments</b>		
<i>Financial assets</i>		
- Deposits with banks	16,783.92	4,244.23
<i>Financial liabilities</i>		
- Term loans from banks	2,898.68	320.47
- Term loans from financial institutions	-	0.90
- Finance lease obligations	-	-
- Loans repayable on demand	1,550.00	1,551.45
- Bills discounting	5,095.69	854.47
- Redeemable preference shares	891.60	891.60
- Other short term loans	368.03	461.16



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2022**

*(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 (continued)*

*Interest rate risk (continued)*

*Fair value sensitivity analysis for fixed rate instruments*

A reasonably possible change of 100 basis points in interest rates at the reporting date would not have any impact on the reported profit or loss or equity as these fixed rate instruments (deposits with banks) are carried at amortised cost, any changes in interest rates are not considered for subsequent measurement.

*Cash flow sensitivity analysis for variable rate instruments*

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	<b>(Profit) or loss</b>		<b>Equity</b>	
	<b>100 bp decrease</b>	<b>100 bp increase</b>	<b>100 bp decrease</b>	<b>100 bp increase</b>
<b>31 March 2022</b>				
<i>Financial liabilities</i>				
- Term loans from banks	(946.14)	946.14	-	-
- Cash credit from banks	(0.02)	0.02	-	-
- Revolving credit facility	(433.08)	433.08	-	-
- Loans repayable on demand	(276.50)	276.50	-	-
- Bills discounting	-	-	-	-
<b>Cash flow sensitivity (net)</b>	<b>(1,655.74)</b>	<b>1,655.74</b>	<b>-</b>	<b>-</b>
<b>31 March 2021</b>				
<i>Financial liabilities</i>				
- Term loans from banks	(989.23)	989.23	-	-
- Cash credit from banks	(1.83)	1.83	-	-
- Revolving credit facility	(291.76)	291.76	-	-
- Loans repayable on demand	(224.30)	224.30	-	-
- Bills discounting	-	-	-	-
<b>Cash flow sensitivity (net)</b>	<b>(1,507.12)</b>	<b>1,507.12</b>	<b>-</b>	<b>-</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(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 year ended March 31, 2020, 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 as at March 31, 2021 and derecognised the derivative liability in the previous 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/receivable currency.

Foreign currency risk : Relating to borrowing

Variability in principal liability on the loan attributable to movements in foreign currency exchange rate. To hedge changes in the foreign currency exchange rate while making principal repayments, the Group had entered into Principle only Swap (PoS) during the years ended 31 March 2022 and 31 March 2021. The hedge results in fixed cash flows.

Foreign currency risk : Relating to receivable

During the year ended 31 March 2022, the Group had entered into principle only swap contracts for the loans given by the step down subsidiaries to other Group entities, to hedge changes in the foreign currency exchange rates. Foreign currency risk relates to the variability in the transaction currency of the receivable attributable to movements in foreign currency exchange rate. The hedge results in fixed cash flows.

There is an economic relationship between the hedged items and the hedging instruments as the critical terms of the hedged item are closely aligned with the hedging instrument from the inception of the hedge till termination (i.e., notional amount, maturity, payment and reset dates). The Group has assessed hedge effectiveness and established an economic relationship at the inception of the hedge and across the tenor of the hedging relationship

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the derivative instruments are identical to the hedged risk components.

The hedge ineffectiveness can arise from:

- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

**The Group held the following hedging instruments as at 31 March 2022**

	1 to 6 Months	6 to 12 Months	More than 12 Months	Total
<b>Relating to borrowing - Principle only Swap</b>				
Notional principal amount (In INR Lakhs)	7,991.32	7,991.32	53,033.32	69,015.97
Average Forward Rate (SGD/GBP)	1.76	1.76	1.76	1.76
Average Forward Rate (SGD/USD)	1.37	1.37	1.37	1.37
Average Forward Rate (USD/GBP)	1.26	1.26	1.26	1.26
<b>Relating to intercompany receivable - Principle only Swap</b>				
Notional principal amount (In INR Lakhs)	-	-	22,960.66	22,960.66
Average Forward Rate (USD/GBP)	-	-	1.35	1.35
Average Forward Rate (SGD/AUD)	-	-	0.98	0.98



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**43 Financial instruments - Fair values and risk management (continued)**
**The impact of hedging instruments on the balance sheet as at 31 March 2022 was as follows**

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the year
Principle only swap - Relating to borrowing	69,015.97	(2,636.18)	Other financial liabilities	(2,636.18)
Principle only swap - Relating to intercompany receivable	22,960.66	(601.92)	Other financial liabilities	(601.92)

**The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income was, as follows:**

	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
<b>Year ended 31 March 2022</b>					
Principle only swap	(2,011.50)	-	(207.92)	(2,011.50)	Other income/expenses

**The impact of hedged item on equity:**

	Cash flow hedge reserve
<b>As at 1 April 2021</b>	-
Effective portion of changes in fair value arising from swap arrangements	(2,011.50)
Amount re-classified to profit or loss	2,011.50
<b>As at 31 March 2022</b>	-

**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
Relating to borrowing - 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 year
Principle only swap	34,342.40	617.17	Other financial assets	617.17
Principle only swap	13,010.33	1,398.08	Other financial assets/liabilities	1,398.08



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***43 Financial instruments - Fair values and risk management (continued)****The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income was, as follows:**

	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
<b>Year ended 31 March 2021</b>					
Principle only swap	49.27	-	(776.34)	49.27	Other expenses

**The impact of hedged item on equity:**

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





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022

(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 2022	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
<b>Parent</b>								
TVS Supply Chain Solutions Limited	160.39%	1,20,919.50	-44.77%	(2,121.98)	-4.57%	(98.06)	-32.23%	(2,220.04)
<b>Domestic Subsidiaries - (parent's share)</b>								
Drive India Enterprise Solutions Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	12.72%	9,590.26	90.05%	4,268.66	0.24%	5.25	62.05%	4,273.91
FLEXOL Packaging (India) Limited	0.34%	259.75	-0.16%	(7.73)	0.43%	9.15	0.02%	1.42
TVS Aviation Logistics Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
SPC International (India) Private Limited	1.39%	1,045.46	3.31%	156.77	0.00%	-	2.28%	156.77
TVS Toyota Tsusho Supply Chain Solutions Ltd.	2.47%	1,862.72	9.50%	450.16	0.56%	11.98	6.71%	462.14
White Data Systems India Pvt. Ltd.	4.42%	3,335.70	-0.50%	(23.92)	-0.22%	(4.77)	-0.42%	(28.69)
Fin 3PL Warehousing Pvt Limited	3.80%	2,867.84	6.85%	324.65	0.18%	3.90	4.77%	328.55
<b>Foreign Subsidiaries - (parent's share)</b>								
TVS SCS (Siem) Limited (Formerly known as TVS Logistics SIAM Limited)	-0.53%	(396.68)	-2.13%	(100.81)	1.44%	30.98	-1.01%	(69.83)
TVS Logistics Investment USA Inc., USA and its subsidiaries	-17.44%	(13,144.89)	-87.03%	(4,125.12)	-24.23%	(520.44)	-67.45%	(4,645.56)
TVS Logistics Investment UK Limited and its subsidiaries	38.09%	28,715.40	-19.31%	(915.45)	-35.02%	(752.09)	-24.21%	(1,667.54)
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore and its subsidiaries	-27.62%	(20,821.52)	-42.56%	2,017.27	-72.81%	(1,563.76)	6.58%	453.51
<b>Non-controlling interests in all subsidiaries</b>	5.29%	3,991.49	6.96%	330.14	-2.05%	(43.99)	4.15%	286.15
<b>Joint venture</b>								
TVS Industrial & Logistics Park Pvt. Limited	13.27%	10,002.42	-1.01%	(47.90)	0.00%	-	-0.70%	(47.90)
Linfox TVS Solutions Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Eliminations</b>	-96.61%	(72,835.99)	-104.32%	(4,944.86)	36.04%	774.13	-60.55%	(4,170.73)
<b>As at 31 March 2022</b>	<b>100%</b>	<b>75,391.46</b>	<b>100%</b>	<b>(4,740.13)</b>	<b>100%</b>	<b>(2,147.72)</b>	<b>100%</b>	<b>(6,887.85)</b>

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 of total comprehensive income	Amount
<b>Parent</b>								
TVS Supply Chain Solutions Limited	143.52%	76,392.42	-108.88%	(8,137.77)	35.26%	71.08	-110.92%	(8,066.69)
<b>Domestic Subsidiaries - (parent's share)</b>								
Drive India Enterprise Solutions Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	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)
<b>Foreign Subsidiaries - (parent's share)</b>								
TVS SCS (Siem) 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	607.85%	1,225.18	18.18%	1,321.95
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore and its subsidiaries	-41.98%	(22,344.29)	-24.28%	(1,814.92)	-646.91%	(1,303.91)	-42.89%	(3,118.83)
<b>Non-controlling interests in all subsidiaries</b>	7.51%	3,996.89	-2.68%	(200.26)	134.85%	271.80	0.98%	71.54
<b>Associates</b>								
Montara Verpacken mit System GmbH	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Joint venture</b>								
TVS Industrial & Logistics Park Pvt. Limited	18.88%	10,050.32	-0.09%	(6.66)	0.00%	-	-0.09%	(6.66)
Linfox TVS Solutions Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Eliminations</b>	-103.89%	(55,294.46)	59.43%	4,441.88	-190.40%	(383.78)	55.80%	4,058.10
<b>As at 31 March 2021</b>	<b>100%</b>	<b>53,225.87</b>	<b>-100%</b>	<b>(7,473.84)</b>	<b>100%</b>	<b>201.56</b>	<b>-100%</b>	<b>(7,272.28)</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the consolidated financial statements for the year ended 31 March 2022

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

**45 Disclosure pursuant to Ind AS 105 "Non-current assets held for sale and discontinued operations":****A. The group has following disposal group recognised as held for sale****Disposal group**

Drive India Enterprise Solutions Limited

B. During the year ended March 31, 2022, the Company entered in to Share Purchase Agreement dated September 29, 2021 ("New SPA") with the Buyer for disposal of investments in DIESL for a consideration of ₹ 100 lakhs. The group recorded a loss of ₹1,545.50 lakhs on disposal of DIESL which is disclosed as exceptional item. Refer note 37 (i) & 48 for further details.

**C. Financial performance and cash flow information**

The results of Drive India Enterprise Solutions Limited are presented below:

	29 September 2021	31 March 2021
Total Revenues (includes other income)	102.18	163.45
Expense	168.38	165.84
<b>Profit/(loss) before tax from a discontinued operation</b>	<b>(66.20)</b>	<b>(2.39)</b>
Tax (expenses)/income:		
Tax relating to earlier periods	-	-
<b>Profit/(loss) for the period from a discontinued operation</b>	<b>(66.20)</b>	<b>(2.39)</b>
<b>Earnings per share:</b>		
Basic	(0.03)	(0.07)
Diluted	(0.03)	(0.07)

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

Net cash inflow/(outflow) from operating activities	(523.67)	(275.28)
Net cash inflow/(outflow) from investing activities	508.34	263.51
Net cash inflow/(outflow) from financing activities	(2.10)	-
<b>Net increase/(decrease) in cash generated from discontinued operation</b>	<b>(17.43)</b>	<b>(11.77)</b>

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

	31 March 2022	31 March 2021
<b>Group(s) of assets classified as held for sale:</b>		
Right-of-use assets	-	0.77
Other intangible assets	-	20.14
Other financial assets - Non-current	-	437.52
Non-current tax assets (net)	-	39.50
Other non-current assets	-	447.46
Inventories	-	157.57
Trade receivables (Non-current & current)	-	3,477.54
Loans - current	-	-
Cash and cash equivalents	-	144.75
Other bank balances	-	420.03
Deposits & other receivables - current	-	11.34
Other financial assets - Current	-	388.14
Other current assets	-	327.20
	-	<b>5,871.96</b>
<b>Liabilities associated with group(s) of assets classified as held for sale:</b>		
Provisions - Non-current	-	2.58
Borrowings - Current	-	492.87
Trade payables (Non-current & current)	-	3,699.25
Other non-current liabilities	-	311.39
Other financial liabilities - Current	-	19.22
Provisions - current	-	1.11
Current tax liabilities (net)	-	-
Deferred tax liabilities	-	65.69
Other current liabilities	-	438.82
	-	<b>5,030.93</b>
<b>Net Assets</b>	-	<b>841.03</b>
<b>Reserve of disposal group classified as held for sale</b>	-	<b>1,905.36</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(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 2022	31 March 2021
TVS SCS Global Freight Solutions Ltd. (Formerly known as TVS Dynamic Global Freight Services Limited)	India	95.21%	90.00%
Drive India Enterprises Solutions Limited	India	0.00%	100.00%
FLEXOL Packaging (India) Limited	India	100.00%	88.11%
TVS Packaging Solutions Private Limited	India	100.00%	100.00%
SPC International India Private Limited	India	100.00%	100.00%
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited)	Thailand	100.00%	100.00%
TVS Logistics Investment UK Limited	United Kingdom	100.00%	100.00%
TVS Logistics Investments USA Inc.	USA	100.00%	100.00%
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited), Singapore	Singapore	100.00%	93.50%
TVS Toyota Tsusho Supply Chain Solutions Limited	India	60.00%	60.00%
White Data Systems India Pvt. Ltd	India	51.00%	51.00%
Fit 3PL Warehousing Private Limited	India	100.00%	0.00%
<b>Name of step-down subsidiaries</b>			
<b>Subsidiaries of TVS Logistics Investment UK Limited</b>			
TVS Supply Chain Solutions Limited, UK	United Kingdom	100.00%	100.00%
<i>Subsidiaries of TVS Supply Chain Solutions Limited, UK</i>			
MSystems Software Solutions Limited, UK	United Kingdom	100.00%	100.00%
Multipart Limited, UK	United Kingdom	100.00%	100.00%
Peter Thomas & Co (Refurbishing) Limited, UK	United Kingdom	100.00%	100.00%
TVS Logistics Iberia S.L., Spain	Spain	100.00%	100.00%
TVS Autoserv GmbH, Germany	Germany	51.00%	51.00%
TVS Supply Chain Solutions GmbH, Germany	Germany	100.00%	100.00%
Rico Logistics Limited, UK	United Kingdom	100.00%	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%	95.00%
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%	100.00%
<i>Subsidiaries of SPC International Limited, UK</i>			
SPCINT Limited, UK	United Kingdom	100.00%	100.00%
SPC International (Engineering) Limited, UK	United Kingdom	100.00%	100.00%
Pitcomp 171 Limited, UK	United Kingdom	100.00%	100.00%
SPC EBT Trustees Limited, UK	United Kingdom	100.00%	100.00%
SPC International Inc., USA	USA	100.00%	100.00%
SPC International s.a.s, France	France	0.00%	0.00%
SPC International s.r.o., Slovakia	Slovakia	100.00%	100.00%
<b>Subsidiaries of TVS Logistics Investments USA Inc.</b>			
TVS America Inc., USA	USA	100.00%	100.00%
TVS Supply Chain Solutions North America Inc., USA	USA	100.00%	100.00%
<i>Subsidiaries of TVS Supply Chain Solutions North America Inc., USA</i>			
TVS Transportation Solutions LLC, USA	USA	100.00%	100.00%
TVS Supply Chain Solutions De Mexico S.A de C.V., Mexico	Mexico	100.00%	100.00%
TVS Packaging Solutions Inc. US	USA	100.00%	100.00%



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the consolidated financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**46 List of subsidiaries (continued)**

List of subsidiaries (continued)	Country of incorporation	Ownership interest	
		31 March 2022	31 March 2021
<b>Subsidiaries of TVS Supply Chain Solutions Pte. Ltd.</b>			
TVS SCS International Freight (Spain) SLU (Formerly known as Nadal Forwarding S.L), Spain	Spain	100.00%	100.00%
<i>Subsidiaries of TVS SCS International Freight (Spain) SLU, Spain</i>			
Lineas Regulares XXI, S.L	Spain	0.00%	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>			
TVS SCS Logistics Ltd	China	100.00%	100.00%
TVS SCS (Korea) Ltd (Formerly known as Pan Asia Logistics International (Korea) Ltd)	Korea	100.00%	100.00%
TVS SCS Logistics (Thailand) Limited (Formerly known as Pan Asia Logistics (Thailand) Ltd)	Thailand	100.00%	100.00%
TVS SCS Hong Kong Limited (Formerly known as Pan Asia Freight-Forwarding & Logistics Hong Kong Ltd)	Hong Kong	100.00%	100.00%
Pan Asia Container Line Pte Ltd, Hong Kong	Hong Kong	100.00%	100.00%
TVS SCS Deutschland GmbH (Formerly known as Pan Asia Logistics Deutschland GmbH)	Germany	100.00%	100.00%
TVS SCS Malaysia Sdn Bhd	Malaysia	100.00%	100.00%
TVS SCS Vietnam Company Limited (Formerly known as Pan Asia Logistics Vietnam Company Ltd)	Vietnam	95.00%	95.00%
PT Pan Asia Logistics Indonesia	Indonesia	90.00%	90.00%
TVS SCS Taiwan Limited (Formerly known as Pan Asia Logistics Taiwan Ltd)	Taiwan	100.00%	100.00%
Pan Asia Freight-Forwarding & Logistics India Pvt Ltd	India	99.99%	99.99%
TVS Supply Chain Solutions (Thailand) Limited (Formerly known as TVS Asianics), Thailand	Thailand	100.00%	100.00%
<i>Subsidiaries of TVS Supply Chain Solutions (Thailand) Limited</i>			
TVS SCS Logistics Management Co. Ltd (Formerly known as TLM Logistics Management Co., Ltd)	Thailand	100.00%	100.00%
TVS Supply Chain Solutions Australia Holdings Pty Ltd (Formerly known as TVS-Asianics Australia Holdings Pty Ltd)	Australia	100.00%	100.00%
<i>Subsidiaries of TVS Supply Chain Solutions Australia Holdings Pty Ltd</i>			
TVS Supply Chain Solutions Australia Holdings Pty. Ltd Holdings Pty. Ltd., Australia	Australia	100.00%	100.00%
<i>Subsidiaries of TVS Supply Chain Solutions Australia Holdings Pty. Ltd 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 Supply Chain Solutions Holdings Limited (Thailand) (formerly known as Transtar International Freight Holdings Limited)	Thailand	100.00%	100.00%
TVS SCS International Freight (Thailand) Limited (Formerly known as Transtar International Freight (Thailand) Limited), Thailand	Thailand	100.00%	100.00%
Transtar International Freight (Malaysia) SD Bhd, Malaysia	Malaysia	100.00%	100.00%



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***47 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 has been made in these consolidated financial statements based on information received and available with the Company, to the extent identified by the management.

	31 March 2022	31 March 2021
The amounts remaining unpaid to micro and small suppliers as at end of the accounting year		
Principal	2,698.00	1,821.57
Interest due thereon	42.85	78.17
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	9,707.96	2,936.81
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	59.22	130.87
The amount of interest accrued and remaining unpaid at the end of each accounting year	128.59	229.93
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	104.16	227.86

**48 Exceptional Items**

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Loss on sale of investments	19B(i)	138.94	-
Gain on stake dilution in joint venture	17(i)	-	6,490.00
Write off of goodwill on disposal of Mesco business in North America	16A	-	(1,275.52)
Disposal of discontinued operations	37 (i) & 45	1,545.46	-
Settlement of arbitration with erstwhile Chief Executive officer and minority shareholder of TVS	37 (ii) (a)	1,825.23	-
		<b>3,509.63</b>	<b>5,214.48</b>

**49 Registration of charges or satisfaction with Registrar of Companies**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**50 Corporate social responsibility (applicable for Companies registered in India)**

	31 March 2022	31 March 2021
a Amount required to be spent during the year	26.95	11.60
b Amount approved by the board to be spent during the year	26.95	11.60
c Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than i) above	26.95	4.47
d Amount of expenditure incurred	26.95	16.07
e Shortfall at the end of the year	-	-
f Total of previous years shortfall	-	-
g Reason for shortfall	-	-
h Nature of CSR activities		
Activities specified in Schedule VII of the Act	26.95	16.07
i Details of related party transactions	-	0.38

**51 Undisclosed income**

The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

**52 Benami property**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

**53 Crypto currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

**54 Disclosure on funding transactions**

There are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There are no funds that have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.





**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the consolidated financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***55 Ratios Analysis**

<b>Ratios</b>	<b>Numerator</b>	<b>Denominator</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Current ratio	Current assets	Current liabilities	1.03	1.06
Debt equity ratio	Total debt	Shareholder's equity	2.34	2.91
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & lease payments + Principal repayments	1.06	0.69
Return on equity	Profit / (loss) attributable to Owners of the Company	Shareholder's equity	-7.10%	-14.77%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	536.41%	512.56%
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	7.46	5.61
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.94	0.88
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	97.53	44.68
Net profit percentage	Net profit	Net sales = Total sales - sales return	-0.51%	-1.08%
Return on capital employed	Earnings before interest and taxes	Capital employed = Tangible net worth + total debt + deferred tax liability	6.65%	-4.55%

**Reason for change more than 25% - 31st March 2022**

Debt service coverage ratio - The ratio has improved in the current year on account of higher earnings.

Return on equity - The ratio has improved in the current year on account of better earnings.

Trade receivable turnover ratio - The ratio has improved in the current year on account of higher collections and factoring initiatives.

Net capital turnover ratio - The ratio has improved in the current year on account of higher collections and factoring initiatives.

Net profit percentage - The ratio has improved in the current year as the losses have reduced.

Return on capital employed - The ratio has improved in the current year on account of higher earnings.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the consolidated financial statements for the year ended 31 March 2022**

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

**56 Subsequent events**

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

**57 Struck off companies**

The Group does not have any material transactions with companies struck off.

**58 Prior year comparatives**

To conform to this period's classification, certain previous year figures have been reclassified/regrouped wherever necessary.

As per our report of even date attached

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

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited**



**Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : 23 May 2022



**S Mahalingam**

Chairman

DIN: 00121727



**R Dinesh**

Executive Vice Chairman

DIN: 00363300



**Ravi Viswanathan**


Managing Director

DIN: 08713910



**Ravi Prakash Bhagavathula**

Chief Financial Officer



**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 16 May 2022



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**  
**Standalone Financial Statements**  
**FY 2021-22**

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Standalone Balance sheet as at 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12A	14,353.60	14,560.73
Capital work-in-progress	12B	293.83	407.27
Goodwill	13A	5,287.90	5,287.90
Other intangible assets	13B	491.83	534.55
Right-of-use assets	13C	26,314.00	23,650.77
<b>Financial assets</b>			
Investments	14	63,844.34	42,296.40
Trade receivables	20	604.15	632.46
Other bank balances	22	-	-
Deposits and other receivables	16	7,326.67	7,880.61
Other financial assets	17	-	605.44
Deferred tax assets (net)	11	7,421.21	6,399.97
Non-current tax assets (net)		5,375.29	5,959.97
Other non-current assets	18	298.71	249.26
<b>Total non-current assets</b>		<b>1,31,611.53</b>	<b>1,08,465.33</b>
<b>Current assets</b>			
Inventories	19	263.04	176.03
<b>Financial assets</b>			
Investments	14	-	1,355.62
Trade receivables	20	24,514.34	28,819.34
Cash and cash equivalents	21	28,964.60	10,531.95
Other bank balances	22	280.56	270.01
Loans	15	19,116.78	3,818.88
Deposits and other receivables	16	20,728.59	18,168.51
Other financial assets	17	53.76	21.37
Other current assets	23	21,636.63	19,096.75
<b>Total current assets</b>		<b>1,15,558.30</b>	<b>82,258.46</b>
<b>Total assets</b>		<b>2,47,169.83</b>	<b>1,90,723.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	24A	3,629.57	3,176.21
Other equity	24B	1,17,290.52	73,216.76
<b>Total equity</b>		<b>1,20,920.09</b>	<b>76,392.97</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	25	1,094.38	208.26
Lease liability	13C	18,432.24	18,625.35
Other financial liabilities	27	2,645.57	3,981.11
Provisions	28	557.45	203.04
<b>Total non-current liabilities</b>		<b>22,729.64</b>	<b>23,017.76</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Standalone Balance sheet as at 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	As at 31 March 2022	As at 31 March 2021
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	25	39,171.59	30,084.22
Lease liability	13C	10,681.04	7,157.54
Trade payables	26		
Dues to micro, small and medium enterprises		2,362.05	1,496.54
Dues to creditors other than micro, small and medium enterprises		34,189.21	37,036.55
Other financial liabilities	27	10,567.13	10,769.26
Provisions	28	1,269.46	1,223.86
Other current liabilities	29	5,279.62	3,545.09
<b>Total current liabilities</b>		<b>1,03,520.10</b>	<b>91,313.06</b>
<b>Total liabilities</b>		<b>1,26,249.74</b>	<b>1,14,330.82</b>
<b>Total equity and liabilities</b>		<b>2,47,169.83</b>	<b>1,90,723.79</b>

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

As per our report of even date attached

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

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

**TVS Supply Chain Solutions Limited**

**Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : 23 May 2022



**S Mahalingam**

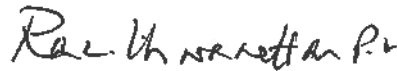
Chairman

DIN: 00121727


**R Dinesh**

Executive Vice Chairman

DIN: 00363300


**Ravi Viswanathan**

Managing Director

DIN: 08713910


**Ravi Prakash Bhagavathula**

Chief Financial Officer



**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 16 May 2022



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Standalone statement of profit and loss for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	5	1,47,180.40	1,24,196.49
Other income	6	8,922.30	10,252.85
<b>Total income</b>		<b>1,56,102.70</b>	<b>1,34,449.34</b>
<b>Expenses</b>			
Purchase of stock-in-trade		8.56	10.58
Employee benefits expense	7	44,290.61	39,827.59
Finance costs	8	5,068.18	5,910.07
Depreciation and amortisation expense	9	13,644.98	11,548.22
Other expenses	10	95,356.21	86,097.01
<b>Total expenses</b>		<b>1,58,368.54</b>	<b>1,43,393.47</b>
<b>Loss before exceptional items and tax</b>		<b>(2,265.84)</b>	<b>(8,944.13)</b>
Exceptional items	43	(824.66)	-
<b>Loss before tax</b>		<b>(3,090.50)</b>	<b>(8,944.13)</b>
<b>Income tax expense</b>	11		
Adjustments of tax relating to prior years		-	2.43
Deferred tax (expense/ (credit))		(968.56)	(808.79)
<b>Income tax expense</b>		<b>(968.56)</b>	<b>(806.36)</b>
<b>Loss for the year</b>		<b>(2,121.94)</b>	<b>(8,137.77)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement gains/ (losses) on defined benefit plans		(150.73)	109.25
Income tax relating to these items		52.67	(38.18)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(98.06)</b>	<b>71.07</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(98.06)</b>	<b>71.07</b>
<b>Total comprehensive income for the year</b>		<b>(2,220.00)</b>	<b>(8,066.70)</b>
<b>Earnings per share (INR)</b>	24E		
Basic		(0.62)	(2.47)
Diluted		(0.62)	(2.47)

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

As per our report of even date attached

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

Firm Registration Number : 101049W / E300004

Chartered Accountants



**Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : 23 May 2022



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



**S Mahalingam**

Chairman

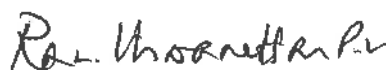
DIN: 00121727



**R Dinesh**

Executive Vice Chairman

DIN: 00363300



**Ravi Viswanathan**

Managing Director

DIN: 08713910



**Ravi Prakash Bhagavathula**

Chief Financial Officer




**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 16 May 2022

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Standalone statement of changes in equity for the period ended 31 March 2022**  
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**24A Equity Share Capital**

Balance as at 1 April 2020  
Changes in equity share capital during the year  
Balance as at 31 March 2021

Balance as at 1 April 2021  
Shares issued during the year  
Balance as at 31 March 2022

Note	Amount
24A	3,176.21
	-
	<u>3,176.21</u>
	3,176.21
	453.36
	<u>3,629.57</u>

**24B Other equity**

Balance as at 1 April 2020  
Loss for the year  
Other comprehensive income (net of tax)  
Total comprehensive income  
Transactions with owners recorded directly in equity  
Share based payments

Total contributions by and distributions to owners

Balance as at 31 March 2021

	Securities premium	Reserves and surplus				Items of OCI	Total
		Capital reserve	Capital redemption reserve	Share options	Compulsorily convertible preference shares *	Retained earnings	
Balance as at 1 April 2020	86,640.33	0.82	0.46	1,141.75	1,042.35	(9,470.03)	79,379.15
Loss for the year	-	-	-	-	-	(8,137.77)	(8,137.77)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	71.07	71.07
Transactions with owners recorded directly in equity	-	-	-	-	-	(8,137.77)	(8,066.70)
Share based payments	-	-	-	1,904.31	-	-	1,904.31
Total contributions by and distributions to owners	-	-	-	1,904.31	-	-	1,904.31
Balance as at 31 March 2021	86,640.33	0.82	0.46	3,046.06	1,042.35	(17,607.80)	73,216.76



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Standalone statement of changes in equity for the period ended 31 March 2022  
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**24B Other equity**

**Balance as at 1 April 2021**

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

**Total comprehensive income**

**Transactions with owners recorded directly in equity**

Issue of equity shares pursuant to exercise of share options

Issue of equity shares

Conversion of Convertible preference shares into equity

Share based payments

Transfer of reserves

**Total contributions by and distributions to owners**

**Balance as at 31 March 2022**

\* Represents instruments entirely equity in nature.

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

As per our report of even date attached

for S.R. Batliboi & Associates LLP

Firm Registration Number : 101049W / E3000004

Chartered Accountants

*Sharath N S*

**Sharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : 23 May 2022



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

*S Mahalingam*

**S Mahalingam**

Chairman

DIN: 00121727

*Ravi Viswanathan*

**Ravi Viswanathan**

Managing Director

DIN: 08713910



*R. Dinesh*

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

*P D Krishna Prasad*

**P D Krishna Prasad**

Chief Financial Officer

*P D Krishna Prasad*

**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 16 May 2022

Securities premium	Reserves and surplus				Items of OCI		Total
	Capital reserve	Capital redemption reserve	Share options	Compulsorily convertible preference shares*	Retained earnings		
86,640.33	0.82	0.46	3,046.06	1,042.35	(17,607.80)	94.53	73,216.76
-	-	-	-	-	(2,121.94)	-	(2,121.94)
-	-	-	-	-	-	(98.06)	(98.06)
-	-	-	-	-	(2,121.94)	(98.06)	(2,220.00)
26.53	-	-	(2.09)	-	-	-	24.44
45,336.73	-	-	-	-	-	-	45,336.73
902.46	-	-	-	(1,030.35)	-	-	(127.89)
-	-	-	1,060.48	-	-	-	1,060.48
-	-	-	(701.36)	-	701.36	-	-
46,265.72	-	-	357.03	(1,030.35)	701.36	-	46,293.76
1,32,906.05	0.82	0.46	3,403.09	12.00	(19,028.38)	(3.53)	1,17,290.52

**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Standalone statement of cash flows for the period ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flow from operating activities</b>		
Loss before tax	(3,090.50)	(8,944.13)
Adjustments for:		
Interest income under the effective interest method on:		
Cash and cash equivalents	(663.84)	(235.53)
Security deposits carried at amortised cost	(377.31)	(288.15)
Investments in debentures carried at amortised cost	-	(36.11)
Loan to subsidiaries and joint ventures	(273.74)	(562.09)
Amortisation of financial guarantee liability	(1,518.33)	(1,652.61)
Dividend income from subsidiaries	(216.00)	(108.00)
Exceptional item (gain)/loss	38.94	-
Share based payments	747.53	1,680.40
Finance costs	5,068.18	5,910.07
Depreciation and amortisation expense	13,644.98	11,548.22
Gain on termination of lease contract	(387.06)	(480.34)
Interest income under income tax refund	(210.53)	(305.24)
Unrealised foreign exchange differences	303.22	(2,478.29)
Bad debts written off	23.86	82.96
Provision for doubtful debts	2,988.71	971.68
Provision for doubtful security deposits	-	25.00
(Gain)/Loss on sale of property, plant and equipment, net	304.81	82.37
<b>Operating profit before changes in operating assets and liabilities</b>	<b>16,382.92</b>	<b>5,210.21</b>
<b>Change in operating assets and liabilities</b>		
(Increase) / decrease in inventories	(87.01)	(45.52)
(Increase) / decrease in trade receivables	1,320.73	9,051.43
(Increase) / decrease in other current and non-current, financial and non-financial assets	(2,179.22)	(12,023.39)
Increase / (decrease) in trade payables	(1,668.90)	4,860.12
Increase / (decrease) in other current and non-current, financial and non-financial liabilities	(480.93)	9,933.39
Increase / (decrease) in provisions	347.27	157.77
<b>Cash generated from operations</b>	<b>13,634.86</b>	<b>17,144.01</b>
Income taxes paid, net of refunds	584.68	610.55
<b>Net cash flow from/ (used in) operating activities</b>	<b>14,219.54</b>	<b>17,754.56</b>
<b>Cash flows used in investing activities</b>		
Investment in bank deposits having an original maturity of more than three months	(10.55)	(20.61)
Payments for property, plant and equipment and other intangible assets	(3,423.15)	(5,480.50)
Proceeds from sale of property, plant and equipment	284.91	165.13
Investments in subsidiaries	(21,547.95)	(1,080.90)
Sale of Investments/(Investments) in body corporate	1,455.63	(20.00)
Loans (given)/received to/from subsidiaries	(15,501.00)	42,260.61
Interest received	874.37	834.25
Dividend income from subsidiaries	216.00	108.00
<b>Net cash flow used in investing activities</b>	<b>(37,651.74)</b>	<b>36,765.98</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Standalone statement of cash flows for the period ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from issue of equity share capital	45,686.64	-
Proceeds from/(repayment) of short-term borrowings, net	7,396.16	(33,254.81)
Proceeds from long-term borrowings	2,578.20	43.29
Repayment of long-term borrowings	(0.90)	(5,593.84)
Interest paid	(2,114.83)	(3,609.86)
Payment of lease liabilities	(11,680.42)	(9,586.51)
<b>Net cash flow from/ (used in) financing activities</b>	<b>41,864.85</b>	<b>(52,001.73)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>18,432.65</b>	<b>2,518.81</b>
Cash and cash equivalents at the beginning of the financial year	10,531.95	8,013.14
<b>Cash and cash equivalents at the end of the financial year (refer note 21)</b>	<b>28,964.60</b>	<b>10,531.95</b>

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

As per our report of even date attached

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

Firm Registration Number : 101049W / E300004

Chartered Accountants

for and on behalf of the board of directors of

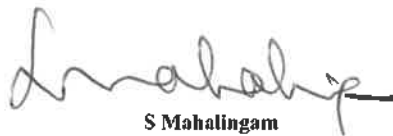
**TVS Supply Chain Solutions Limited****Bharath N S**

Partner

Membership No. 210934

Place : Chennai

Date : 23 May 2022

**S Mahalingam**

Chairman

DIN: 00121727

**R Dinesh**

Executive Vice Chairman

DIN: 00363300

**Ravi Viswanathan**

Managing Director

DIN: 08713910

**Ravi Prakash Bhagavathula**

Chief Financial Officer

**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 16 May 2022



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the standalone financial statements for the year ended 31 March 2022

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

#### 1 Reporting entity

TVS Supply Chain Solutions Limited (formerly known as TVS Logistics Services Limited) ('the Company') was incorporated on 16 November 2004 and is in the business of providing supply chain solution services. The Company has been providing the entire basket of supply chain management services including aftermarket warehouse, in-plant warehouse, global supply chain management services, domestic supply chain management services, material handling services and services relating to installation and commissioning of telecom towers including managed services for telecom networks and associated supply chain management of the logistics activities for telecom service providers and OEMs. On February 12, 2022, the Company filed Draft Red Herring Prospectus in connection with Initial Public Offer with the Securities and Exchange Board of India.

#### 2 Basis of preparation

##### A Statement of compliance and going concern assessment

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on 16th May 2022.

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:

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

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The

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

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

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

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

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

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis

##### 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 2022 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 (Note A-G) – measurement of defined benefit obligations: key actuarial assumptions
- Note 37 – Financial instruments – Fair values and risk management



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2022

(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 – Fair values and risk management

#### F Impact relating to the global health pandemic from COVID-19

The COVID-19 pandemic resulted in significant volatility in financial markets and a decrease in global and India's economic activities in 2020 and early 2021. Consequent lockdowns and varying restrictions imposed by the Central and various State Governments had led to disruptions and dislocations of individuals and businesses. However, with the gradual lifting of the lockdown restrictions during the year, the operations of the Company have returned to normal levels of activity and in the opinion of the Company, the impact of COVID 19 on its financial metrics are no longer significantly uncertain. The Company has evaluated the impact of COVID-19 on the business and operations of the Company as at March 31, 2022 and is of the view that it does not have any material impact on the financial results of the Company on the basis of the facts and events upto the date of approval of these financial statements.

However, in view of the dynamic nature of the pandemic, the Company will continue to monitor future events / developments that may result in an adverse effect on the business and operations of the Company.



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2022

(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 2022***(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)**

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

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

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

**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.

**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).





**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***3 Significant accounting policies (continued)****E Goodwill and other intangibles****i. Goodwill**

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

**ii. Other Intangible assets**

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.

**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).



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2022

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

### 3 Significant accounting policies (continued)

#### G Impairment (continued)

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

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

*Write-off*

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

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

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

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

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

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

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

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

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

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. 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 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.

#### iv. Defined benefit plans

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

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

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

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 2022

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

#### 3 Significant accounting policies (continued)

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

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

##### i. Onerous contracts

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

#### J Contingent liabilities and contingent assets

Contingent liability is disclosed for all:

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

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.

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

###### 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.



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2022

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

### 3 Significant accounting policies (continued)

#### K Revenue (continued)

##### c) Sale of goods

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

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

##### Variable consideration:

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

##### Contract balances:

###### a) Contract assets:

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

###### b) Contract liabilities:

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

#### L Leases

##### Company as 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.

##### (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



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the standalone financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### L Leases (continued)

###### (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.

##### 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.



## TVS SUPPLY CHAIN SOLUTIONS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2022

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

### 3 Significant accounting policies (continued)

#### N Income tax (continued)

##### 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.

#### 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 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 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.

#### 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.





## TVS SUPPLY CHAIN SOLUTIONS LIMITED

### Notes to the standalone financial statements for the year ended 31 March 2022

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

#### 3 Significant accounting policies (continued)

##### S Changes in accounting policies and disclosures

###### (i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

###### (ii) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

###### (iii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

###### (iv) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

###### (v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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 2022	Year ended 31 March 2021
<b>Sale of products</b>	<b>9.36</b>	<b>9.91</b>
<b>Sale of services</b>		
Income from supply chain management services	1,33,295.03	1,11,317.87
Income from telecom services	13,815.72	12,511.25
	<b>1,47,110.75</b>	<b>1,23,829.12</b>
<b>Other operating revenue</b>		
Scrap sales	60.29	357.46
	<b>60.29</b>	<b>357.46</b>
	<b>1,47,180.40</b>	<b>1,24,196.49</b>

**6 Other income**

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Interest income under the effective interest method on:</b>		
Cash and cash equivalents	454.38	41.68
Security deposits	377.31	288.15
Investments in debentures	-	36.11
Loans to subsidiaries	273.74	562.09
Amortisation of financial guarantee liability	1,518.33	1,652.61
Income from finance lease	209.46	193.85
Interest income on income tax refund	210.53	305.24
Dividend income from subsidiaries	216.00	108.00
Exchange difference gain net	-	2,478.29
Gain on termination of lease	387.06	480.34
Business development and management services	3,423.57	2,890.05
Other non operating income	1,851.92	1,216.44
	<b>8,922.30</b>	<b>10,252.85</b>

**7 Employee benefits expense**

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	36,635.30	32,295.87
Contribution to provident and other funds (refer note 30)	3,082.86	2,606.10
Share based payment costs**	747.53	1,680.40
Expenses related to post-employment defined benefit plans (refer note 30)	315.23	408.92
Expenses related to compensated absences	435.77	267.03
Staff welfare expenses	3,073.92	2,569.27
	<b>44,290.61</b>	<b>39,827.59</b>

\*\*Net of ₹ 312.95 lakhs (31 March 2021 ₹223.91 lakhs) in respect of share options issued to the employees of the Company's subsidiaries.

**8 Finance costs**

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses	2,275.93	3,281.76
Interest on lease liabilities	2,682.59	2,524.06
Other borrowing costs	109.66	104.25
	<b>5,068.18</b>	<b>5,910.07</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**9 Depreciation and amortisation expense**

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	3,264.75	2,984.09
Amortisation of right-of-use assets	10,139.18	8,244.09
Amortisation of intangible assets	241.05	320.04
	<b>13,644.98</b>	<b>11,548.22</b>

**10 Other expenses**

	Year ended 31 March 2022	Year ended 31 March 2021
Freight charges	44,273.17	40,359.60
Sub-contracting costs*	9,184.95	10,411.41
Staff transportation charges	1,826.86	1,435.20
Material handling charges	1,525.92	977.85
Casual labour charges	20,135.69	15,034.90
Consumption of stores and spares	1,047.91	1,324.29
Power and fuel	895.55	657.01
Rent	1,756.47	1,606.84
Rates and taxes	479.35	457.22
Insurance	381.85	268.41
Repairs and maintenance		
Plant and machinery	111.13	61.85
Buildings	506.11	303.37
Others	1,638.76	1,488.98
Advertisement and business promotion	151.21	118.61
Travelling and conveyance	613.10	329.71
Communication costs	422.01	377.94
Printing and stationery	976.43	498.57
Factoring charges	223.66	193.85
Bank charges	46.20	160.33
Legal and professional fees	2,312.18	3,801.34
Security expenses	2,670.81	2,373.68
Payment to auditors (refer note below)	143.90	186.85
Exchange differences, net	303.22	-
Bad debts and advance written off (net of adjustment against provision for doubtful debts ₹ 145.64 (31 March 2021: ₹ 104.80))	23.86	82.96
Provision for doubtful debts/advances	2,988.71	971.68
Provision for doubtful security deposits	-	25.00
Loss on sale of property plant and equipment, net	304.81	82.37
Expenditure on corporate social responsibility (refer note 39)	-	8.95
Loss on financial instruments measured at fair value through Profit & Loss	-	691.79
Miscellaneous expenses	412.39	1,806.45
	<b>95,356.21</b>	<b>86,097.01</b>

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

**Note:**
**Details of payment to auditors**
**As auditor**

	Year ended 31 March 2022	Year ended 31 March 2021
Audit of standalone financial statements	51.00	38.95
Audit of consolidated financial statements	66.40	47.90
Audit of subsidiaries for consolidation purposes *	184.54	69.00
Tax audit	2.00	2.00
Certification fees	7.50	14.00
Services in connection with proposed initial public offer	248.00	-
Other matters	-	15.00
	<b>559.44</b>	<b>186.85</b>
Reclassified to prepaid expenses (refer note below)	415.54	-
<b>Net total</b>	<b>143.90</b>	<b>186.85</b>

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

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



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2022

(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 2022	Year ended 31 March 2021
<b>Current tax (a)</b>		
Tax relating to earlier years	-	2.43
	-	2.43
<b>Deferred tax (b)</b>		
Attributable to origination and reversal of temporary differences	(968.56)	(808.79)
	(968.56)	(808.79)
<b>Tax expense (a+b)</b>	<b>(968.56)</b>	<b>(806.36)</b>

**B. Income tax recognised in other comprehensive income**

	Year ended 31 March 2022			Year ended 31 March 2021		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability / (asset)	(150.73)	52.67	(98.06)	109.25	(38.18)	71.07
	(150.73)	52.67	(98.06)	109.25	(38.18)	71.07

**Reconciliation of effective tax rate**

	Year ended 31 March 2022		Year ended 31 March 2021	
Profit before tax	(3,090.50)		(8,944.13)	
Tax using the Company's domestic tax rate	34.94%	(1,079.96)	34.94%	(3,125.44)
Effects of:				
Permanent disallowances	-3%	106.51	-1%	117.29
Income not subject to tax	0%	-	-3%	229.12
Current year loss on which DTA was not recognised	-2%	48.55	-11%	1,007.85
Changes in estimate related to prior years	0%	-	-11%	969.76
Others	1%	(43.66)	0%	(4.94)
<b>Effective tax rate</b>	<b>31%</b>	<b>(968.56)</b>	<b>9%</b>	<b>(806.36)</b>

**D. Recognised deferred tax assets and liabilities**
**a. Deferred tax assets and liabilities are attributable to the following :**

Deferred tax assets (net)	31 March 2022	31 March 2021
<b>Deferred tax asset</b>		
Employee benefits	1,514.11	2,109.23
Provision against financial assets	3,096.14	2,106.86
Tax incentives	-	1.02
Carried forward tax losses	95.55	95.55
Depreciation and amortisation	1,538.39	1,002.87
Right of use asset and lease liability	1,177.02	1,084.44
<b>Net Deferred tax asset</b>	<b>7,421.21</b>	<b>6,399.97</b>

**E. Unrecognised deferred tax assets**

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

Particulars	31 March 2022		31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses	13,906.99	4,859.66	3,608.10	1,260.82
Unabsorbed depreciation	842.67	294.46	131.29	45.88

**F. Tax losses carried forward**

	31 March 2022	Expiry date *	31 March 2021	Expiry date *
Expiry within 5-10 years	410.18	2028-2029	410.18	2028-2029
Expiry within 5-10 years	4,176.92	2029-2030	4,176.92	2029-2030
Expiry within 5-10 years	9,319.88	2030-2031	-	-
Never expire	842.67		131.29	
	<b>14,749.66</b>		<b>4,718.39</b>	

\* Expiry date mentioned is based on assessment year.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2022

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

**b. Movement in deferred tax assets**

	Balance as at 1 April 2020	Recognised in Profit & Loss	Recognised in OCI	Balance as at 31 March 2021	Recognised in Profit & Loss	Recognised in OCI	Balance as at 31 March 2022
Employee benefits	1,458.10	689.31	(38.18)	2,109.23	(647.79)	52.67	1,514.11
Provision against financial assets	2,316.46	(209.60)	-	2,106.86	989.28	-	3,096.14
Tax incentives	3.06	(2.04)	-	1.02	(1.02)	-	-
Carried forward tax losses	95.55	-	-	95.55	-	-	95.55
Depreciation and amortisation	751.15	251.72	-	1,002.87	535.51	-	1,538.39
Right of use asset and lease liability	1,005.04	79.40	-	1,084.44	92.58	-	1,177.02
<b>Net Deferred tax asset</b>	<b>5,629.36</b>	<b>808.79</b>	<b>(38.18)</b>	<b>6,399.97</b>	<b>968.56</b>	<b>52.67</b>	<b>7,421.21</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2022

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

**12A Property, plant and equipment**

**a Reconciliation of carrying amount**

	Land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
<b>Gross carrying amount</b>								
Balance at 1 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)
<b>Balance at 31 March 2021</b>	<b>2,096.22</b>	<b>2,803.71</b>	<b>6,236.21</b>	<b>8,987.36</b>	<b>391.86</b>	<b>1,661.19</b>	<b>1,987.59</b>	<b>24,164.15</b>
Balance at 1 April 2021	2,096.22	2,803.71	6,236.21	8,987.36	391.86	1,661.19	1,987.59	24,164.15
Additions	-	-	249.17	2,015.55	305.57	518.37	558.60	3,647.26
Disposals**	-	-	(277.02)	(592.42)	(35.87)	(238.33)	(331.21)	(1,474.85)
<b>Balance at 31 March 2022</b>	<b>2,096.22</b>	<b>2,803.71</b>	<b>6,208.36</b>	<b>10,410.49</b>	<b>661.57</b>	<b>1,941.23</b>	<b>2,214.98</b>	<b>26,336.56</b>
<b>Accumulated depreciation and impairment losses</b>								
Balance at 1 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)
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>261.55</b>	<b>3,731.91</b>	<b>3,406.83</b>	<b>121.53</b>	<b>752.43</b>	<b>1,329.20</b>	<b>9,603.43</b>
Balance at 1 April 2021	-	261.55	3,731.91	3,406.83	121.53	752.43	1,329.20	9,603.43
Depreciation for the year	-	54.14	856.14	1,637.10	78.68	310.16	328.52	3,264.74
Disposals**	-	-	(194.74)	(248.24)	(15.74)	(166.96)	(259.55)	(885.23)
<b>Balance at 31 March 2022</b>	<b>-</b>	<b>315.69</b>	<b>4,393.31</b>	<b>4,795.69</b>	<b>184.47</b>	<b>895.63</b>	<b>1,398.17</b>	<b>11,982.93</b>
<b>Carrying amounts (net)</b>								
As at 31 March 2021	2,096.22	2,542.17	2,504.30	5,580.54	270.35	908.76	658.39	14,560.73
As at 31 March 2022	2,096.22	2,488.02	1,815.05	5,614.80	477.10	1,045.60	816.81	14,353.60

\*\* Includes certain assets procured exclusively for customers (net carrying amount of ₹ 235.49 lakhs (31 March 2021 ₹ 7.77 lakhs), which have been assessed to be finance lease in which the Company is a lessor and accordingly reclassified.

**b Security**

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



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***12B Capital work-in-progress****a Ageing of capital work-in-progress****As at 31 March 2022**

Projects in progress

< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
293.83	-	-	-	293.83
<b>293.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>293.83</b>

**As at 31 March 2021**

Projects in progress

< 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
377.02	30.25	-	-	407.27
<b>377.02</b>	<b>30.25</b>	<b>-</b>	<b>-</b>	<b>407.27</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**13A Goodwill**
**Reconciliation of carrying amount**

	<b>Goodwill</b>	<b>Total</b>
<b>Gross carrying amount</b>		
Balance at 1 April 2020	5,287.90	5,287.90
Disposals	-	-
<b>Balance at 31 March 2021</b>	<b>5,287.90</b>	<b>5,287.90</b>
Balance at 1 April 2021	5,287.90	5,287.90
Disposals	-	-
<b>Balance at 31 March 2022</b>	<b>5,287.90</b>	<b>5,287.90</b>
<b>Accumulated impairment loss</b>		
Balance at 1 April 2020	-	-
Impairment for the year	-	-
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>-</b>
Balance at 1 April 2021	-	-
Impairment for the period	-	-
<b>Balance at 31 March 2022</b>	<b>-</b>	<b>-</b>
<b>Carrying amounts (net)</b>		
<b>As at 31 March 2021</b>	<b>5,287.90</b>	<b>5,287.90</b>
<b>As at 31 March 2022</b>	<b>5,287.90</b>	<b>5,287.90</b>

**13B Other intangible assets**
**Reconciliation of carrying amount**

	<b>Customer relationship</b>	<b>Brand</b>	<b>Computer software</b>	<b>Total</b>
<b>Gross carrying amount</b>				
Balance at 1 April 2020	609.35	676.63	1,773.75	3,059.73
Additions	-	-	105.78	105.78
Disposals/retirement	-	-	(0.43)	(0.43)
<b>Balance at 31 March 2021</b>	<b>609.35</b>	<b>676.63</b>	<b>1,879.10</b>	<b>3,165.08</b>
Balance at 1 April 2021	609.35	676.63	1,879.10	3,165.08
Additions	-	-	198.33	198.33
<b>Balance at 31 March 2022</b>	<b>609.35</b>	<b>676.63</b>	<b>2,077.43</b>	<b>3,363.41</b>
<b>Accumulated amortisation and impairment loss</b>				
Balance at 1 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)
<b>Balance at 31 March 2021</b>	<b>329.12</b>	<b>676.63</b>	<b>1,624.78</b>	<b>2,630.53</b>
Balance at 1 April 2021	329.12	676.63	1,624.78	2,630.53
Amortisation for the period	87.05	-	154.00	241.05
Disposals/retirement	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>416.17</b>	<b>676.63</b>	<b>1,778.78</b>	<b>2,871.58</b>
<b>Carrying amounts (net)</b>				
<b>As at 31 March 2021</b>	<b>280.23</b>	<b>-</b>	<b>254.32</b>	<b>534.55</b>
<b>As at 31 March 2022</b>	<b>193.18</b>	<b>-</b>	<b>298.65</b>	<b>491.83</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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
<b>Net carrying amount</b>			
<b>Balance at 1 April 2020</b>	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)
<b>Balance as at 31st March 2021</b>	<b>23,650.77</b>	<b>-</b>	<b>23,650.77</b>
<b>Balance at 1 April 2021</b>	23,650.77	-	23,650.77
Additions	16,068.67	-	16,068.67
Reversals (less)	(3,266.26)	-	(3,266.26)
Amortisation (less)	(10,139.18)	-	(10,139.18)
<b>Balance at 31 March 2022</b>	<b>26,314.00</b>	<b>-</b>	<b>26,314.00</b>

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

	31 March 2022	31 March 2021
<b>Balance at the beginning of the year</b>	25,782.89	27,011.15
Additions	15,981.55	9,465.20
Accretion of interest	2,682.59	2,524.06
Payments	(11,680.42)	(9,586.51)
Reversals	(3,653.33)	(3,631.01)
<b>Balance at the end of the year</b>	<b>29,113.28</b>	<b>25,782.89</b>
Current	10,681.04	7,157.54
Non - Current	18,432.24	18,625.35
Cash outflows for leases	11,680.42	9,586.51

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

	31 March 2022	31 March 2021
Amortisation expenses of right of use assets	10,139.18	8,244.09
Interest expenses on lease liabilities	2,682.59	2,524.06
Gain on termination of lease	387.06	480.34
Expenses relating to short term leases	1,756.47	1,606.84
<b>Total amount recognised in profit or loss</b>	<b>14,965.30</b>	<b>12,855.33</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**14 Investments**
**A Non-current investments**
**Unquoted investments in equity instruments**
**Investments in subsidiaries**

	31 March 2022	31 March 2021
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	8,045.39	7,264.14
1,142,499 (31 March 2021 : 1,080,000) 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 2021 : 100,000) ordinary shares of 100 Baht each fully paid up		
TVS America Inc.	90.04	90.04
490 (31 March 2021 : 490) shares of no par value		
TVS Logistics Investment UK Limited	5,066.44	5,066.44
6,195,698 (31 March 2021 : 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 2021 : 61,510) shares of no par value		
FLEXOL Packaging (India) Limited	1,909.77	1,553.08
770,416 (31 March 2021 : 684,822) equity shares of ₹ 10 each fully paid up		
SPC International (India) Private Limited	561.49	561.49
51,000 (31 March 2021 : 51,000) equity shares of ₹ 100 each fully paid up		
TVS Packaging Solutions Private Limited	1.00	1.00
10,000 (31 March 2021 : 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 2021 : 34,849,324) equity shares of SGD 1 each fully paid up		
TVS Toyota Taisho Supply Chain Solutions Limited	120.00	120.00
1,200,000 (31 March 2021 : 1,200,000) equity shares of ₹ 10 each fully paid up		
White Data Systems India Pvt Ltd	4,219.84	4,219.84
2,107,810 (31 March 2021 : 2,107,810) equity shares of ₹ 10 each fully paid up		
Fit 3PL Warehousing Pvt Ltd	20,410.00	-
200,000 (31 March 2021 : Nil) equity shares of ₹ 100 each fully paid up		
	<b>62,539.38</b>	<b>40,991.44</b>
<b>Investments in joint ventures</b>		
TVS Industrial & Logistics Parks Private Limited *	1,375.00	1,375.00
5,500,000 (31 March 2021 : 5,500,000) equity shares of ₹ 10 each fully paid up		
	<b>1,375.00</b>	<b>1,375.00</b>
<b>Unquoted investment in preference shares carried at amortised cost</b>		
Cargowings Logistics Limited	2,500.00	2,500.00
25,000,000 (31 March 2021 : 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up		
	<b>2,500.00</b>	<b>2,500.00</b>
<b>Unquoted investment in body corporate at fair value</b>		
Tamil nadu Apex Skill Development Centre for Logistics	20.00	20.00
2,00,000 (31 March 2021 : 2,00,000 ) equity shares of ₹ 10 each fully paid up		
	<b>20.00</b>	<b>20.00</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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

	(90.04)	(90.04)
	(2,500.00)	(2,500.00)
	(2,590.04)	(2,590.04)
	<u>63,844.34</u>	<u>42,296.40</u>

**Total non-current investments**

Aggregate amount of unquoted investments

Aggregate amount of impairment in the value of investments

66,434.38	44,886.44
<u>2,590.04</u>	<u>2,590.04</u>

\* During the year ended 31 March 2021, 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 2022**
**31 March 2021**
**Unquoted investment in debentures carried at amortised cost**

Prasanna Purple Mobility Solutions Private Limited

Nil (31 March 2021: 25,400) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each

253.97

Prasanna Purple Mobility Solutions Private Limited

Nil (31 March 2021: 30,690) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each

301.65

Prasanna Purple Mobility Solutions Private Limited

Nil (31 March 2021: 80,000) Optionally Convertible Debentures of ₹ 1000 each

800.00

**Total current investments**

Aggregate amount of unquoted investments

Aggregate amount of impairment in the value of investments

-	<u>1,355.62</u>
-	<u>1,355.62</u>
-	-

**Note:**

During the year ended 31 March 2022, the Company has sold the entire debenture instruments to Drive India Enterprise Solutions Limited for a consideration of ₹ 1,822.10 lakhs and derecognised the investment in debentures along with the interest accrued (refer note 21). The Company incurred a net loss of ₹ 138.94 lakhs for the year ended 31 March 2022.

**14A Assets held for sale\***
**31 March 2022**
**31 March 2021**
**Investment in equity instruments**

Drive India Enterprise Solutions Limited

2,210,000 (31 March 2021: 2,210,000) equity shares of ₹ 10 each fully paid up

4,021.43

Less: Provision for decline in fair value of investments

(4,021.43)

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

Drive India Enterprise Solutions Limited

1,084,000 (31 March 2021: 1,084,000) 0.0001% cumulative, redeemable, non-convertible, participating preference shares of ₹ 10 each

2,200.52

Less: Provision for decline in fair value of investments

(2,200.52)

-	<u>-</u>
-	<u>-</u>

\* Upto the year ended 31 March 2021, the Company classified its investment in Drive India Enterprise Solutions Limited as assets held for sale and measured the same in accordance with Ind AS 105 "Non Current Assets held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. During the year ended March 31, 2022, the Company entered into Share Purchase Agreement dated September 29, 2021 ("New SPA") with the Buyer for disposal of investments in DIESL for a consideration of ₹ 100 lakhs (refer note 43).



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**15 Loans**

	31 March 2022	31 March 2021
<b>Loans to related parties</b>		
Unsecured, considered good (refer note 34)	19,116.78	3,818.88
	<b>19,116.78</b>	<b>3,818.88</b>
<b>Loans to others</b>		
Unsecured, considered doubtful	1,004.63	1,004.63
Provision for doubtful loans to others	(1,004.63)	(1,004.63)
	-	-
	<b>19,116.78</b>	<b>3,818.88</b>

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

Name of the borrower (Wholly Owned Subsidiaries)	31 March 2022		31 March 2021	
	Outstanding loan	%	Outstanding loan	%
TVS Logistics Investment UK Limited, UK	18,666.07	98%	3,381.86	89%
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand	450.71	2%	437.02	11%
	<b>19,116.78</b>	<b>100%</b>	<b>3,818.88</b>	<b>100%</b>

**16 Deposits and other receivables**

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Security deposits</b>				
Unsecured, considered good	2,902.07	2,575.70	1,233.94	903.74
Unsecured, considered doubtful	-	-	113.02	121.92
Provision for doubtful security deposits	-	-	(113.02)	(121.92)
	<b>2,902.07</b>	<b>2,575.70</b>	<b>1,233.94</b>	<b>903.74</b>
<b>Security deposit with related parties</b>				
Unsecured, considered good	521.57	464.83	-	-
	<b>521.57</b>	<b>464.83</b>	-	-
<b>Other receivables</b>				
Advances to employees	-	-	810.31	1,533.30
Finance lease receivables (refer note 12A & 31)	1,257.46	858.97	569.28	302.53
Receivable from subsidiaries (refer note 34)	2,645.57	3,981.11	18,115.06	15,428.94
Receivable from others				
Considered doubtful	-	-	180.74	180.74
Provision for doubtful receivables	-	-	(180.74)	(180.74)
	<b>3,903.03</b>	<b>4,840.08</b>	<b>19,494.65</b>	<b>17,264.77</b>
	<b>7,326.67</b>	<b>7,880.61</b>	<b>20,728.59</b>	<b>18,168.51</b>

**17 Other financial assets**

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	13.91	20.15
Interest accrued on fixed deposits	-	-	2.72	1.02
Interest accrued on investments	-	605.44	-	-
Others	-	-	37.13	-
	-	<b>605.44</b>	<b>53.76</b>	<b>21.37</b>

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 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*

18 Other non-current assets	31 March 2022	31 March 2021
Capital advances		
Unsecured considered good	137.15	94.68
Unsecured considered doubtful	0.14	4.06
Provision for unsecured doubtful	(0.14)	(4.06)
	<u>137.15</u>	<u>94.68</u>
Advance for supply of goods and services		
Unsecured considered good	155.00	140.00
	<u>155.00</u>	<u>140.00</u>
Others		
Prepaid expenses	6.56	14.58
	<u>6.56</u>	<u>14.58</u>
	<u>298.71</u>	<u>249.26</u>

19 Inventories	31 March 2022	31 March 2021
Stores and spares	263.04	176.03
	<u>263.04</u>	<u>176.03</u>
Of the above, goods in transit	32.21	15.20
For inventories secured against borrowings, see note 25.		

20 Trade receivables	31 March 2022	31 March 2021
Gross Trade Receivables		
Unsecured, considered good	25,118.49	29,451.80
Credit impaired	7,893.53	4,904.82
Loss Allowance		
Credit impaired	(7,893.53)	(4,904.82)
	<u>25,118.49</u>	<u>29,451.80</u>
Net Trade Receivables		
Non-current	604.15	632.46
Current	24,514.34	28,819.34

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

Ageing of trade receivable from the due date of payment:

Non-Current	Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
31 March 2022							
Unsecured, considered good							
Undisputed, external	604.15	-	-	-	-	-	604.15
Disputed, external	-	-	-	-	-	-	-
	<u>604.15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>604.15</u>
31 March 2021							
Unsecured, considered good							
Undisputed, external	632.46	-	-	-	-	-	632.46
Disputed, external	-	-	-	-	-	-	-
	<u>632.46</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>632.46</u>
Current	Not due	< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
31 March 2022							
Unsecured, considered good							
Undisputed, external	11,087.21	10,878.62	1,733.58	-	-	814.93	24,514.34
Disputed, external	-	-	-	-	-	-	-
	<u>11,087.21</u>	<u>10,878.62</u>	<u>1,733.58</u>	<u>-</u>	<u>-</u>	<u>814.93</u>	<u>24,514.34</u>
Trade Receivables - credit impaired							
Undisputed, external	401.54	1,290.17	1,158.64	2,055.86	2,417.05	-	7,323.26
Disputed, external	-	-	-	-	-	570.27	570.27
	<u>401.54</u>	<u>1,290.17</u>	<u>1,158.64</u>	<u>2,055.86</u>	<u>2,417.05</u>	<u>570.27</u>	<u>7,893.53</u>
	<u>11,488.74</u>	<u>12,168.79</u>	<u>2,892.23</u>	<u>2,055.86</u>	<u>2,417.05</u>	<u>1,385.20</u>	<u>32,407.87</u>
31 March 2021							
Unsecured, considered good							
Undisputed, external	12,551.26	14,600.62	852.52	-	-	814.94	28,819.34
Disputed, external	-	-	-	-	-	-	-
	<u>12,551.26</u>	<u>14,600.62</u>	<u>852.52</u>	<u>-</u>	<u>-</u>	<u>814.94</u>	<u>28,819.34</u>
Trade Receivables - credit unpaired							
Undisputed, external	167.40	779.38	667.78	2,114.90	598.77	6.32	4,334.55
Disputed, external	-	-	-	-	12.09	558.18	570.27
	<u>167.40</u>	<u>779.38</u>	<u>667.78</u>	<u>2,114.90</u>	<u>610.86</u>	<u>564.50</u>	<u>4,904.82</u>
	<u>12,718.66</u>	<u>15,380.00</u>	<u>1,520.30</u>	<u>2,114.90</u>	<u>610.86</u>	<u>1,379.44</u>	<u>33,724.16</u>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**20A Transferred financial assets that are derecognised in their entirety and with continuing involvement**

The Company has transferred certain receivables under non-recourse arrangements where substantial risk and rewards related to these receivables are transferred to the buyer and the same is de-recognised from the balance sheet.

Particulars	31 March 2022	31 March 2021
Carrying amount of transferred receivables	11,331.70	5,703.60
Carrying amount of exposures retained by the Company	-	-

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

During the year, the Company has entered into a recourse factoring and the Company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

Particulars	31 March 2022	31 March 2021
Carrying amount of transferred assets measured at amortised cost	2,999.98	-
Carrying amount of associated liabilities (Part of borrowings)	2,999.98	-
Fair value of assets	2,999.98	-
Fair value of associated liabilities	2,999.98	-

**21 Cash and cash equivalents**

	31 March 2022	31 March 2021
Cash on hand	20.29	10.69
Balance with banks		
On current accounts	16,812.80	10,411.45
Deposits with original maturity of less than three months	12,131.51	109.81
	<b>28,964.60</b>	<b>10,531.95</b>

**22 Other bank balances**

	31 March 2022	31 March 2021
Deposits with original maturity of more than 3 months	280.56	270.01
Margin money deposited with banks	-	-
	<b>280.56</b>	<b>270.01</b>
Current	280.56	270.01
Non-Current	-	-

**23 Other current assets**

	31 March 2022	31 March 2021
<b>Advance related to supply of goods and services to parties other than related parties</b>		
Unsecured considered good	3,432.23	3,276.60
Unsecured considered doubtful	1,577.77	1,710.60
Provision for doubtful advances	(1,577.77)	(1,710.60)
	<b>3,432.23</b>	<b>3,276.60</b>
<b>Advance for supply of goods and services to related parties</b>		
Unsecured, considered good	531.84	136.46
	<b>531.84</b>	<b>136.46</b>
Unbilled revenue	12,557.26	12,702.45
<b>Other current assets</b>		
Prepaid expenses	2,568.61	269.55
Balances with government authorities	2,541.81	2,706.81
Others	4.88	4.88
	<b>5,115.30</b>	<b>2,981.24</b>
	<b>21,636.63</b>	<b>19,096.75</b>

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 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**24A Share capital**
**Authorised share capital**

588,000,000 equity shares of ₹ 1 each (31 March 2021: 34,800,000 equity shares of ₹ 10 each)  
1,200,000 (31 March 2021: 1,200,000) preference shares of ₹ 10 each #  
1,100,000 (31 March 2021: 1,100,000) preference shares of ₹ 100 each

**31 March 2022**
**31 March 2021**

5,880.00  
120.00  
-

3,480.00  
120.00  
1,100.00

**Issued**
**Equity shares**

138,104,010 equity shares of ₹ 1 each at par (31 March 2021: 13,810,401 of ₹ 10 each at par)  
50,668,000 equity shares of ₹ 1 each at a premium of ₹ 18.57 (31 March 2021: 5,066,800 of ₹ 10 each at a premium of ₹ 185.72 per share)  
32,231,940 equity shares of ₹ 1 each at a premium of ₹ 18.50 (31 March 2021: 3,223,194 of ₹ 10 each at a premium of ₹ 185.00 per share)  
2,758,000 equity shares of ₹ 1 each at a premium of ₹ 6.50 (31 March 2021: 275,800 of ₹ 10 each at a premium of ₹ 65.00 per share)  
44,568,160 equity shares of ₹ 1 each at a premium of ₹ 42.49 (31 March 2021: 4,456,816 of ₹ 10 each at a premium of ₹ 424.92 per share)  
17,986,070 equity shares of ₹ 1 each at a premium of ₹ 68.50 (31 March 2021: 1,798,607 of ₹ 10 each at a premium of ₹ 685.00 per share)  
31,635,150 equity shares of ₹ 1 each at a premium of ₹ 94.00 (31 March 2021: 3,163,515 of ₹ 10 each at a premium of ₹ 940.00 per share)  
950,000 equity shares of ₹ 1 each at a premium of ₹ 94.00 (31 March 2021: 95,000 of ₹ 10 each at a premium of ₹ 940.00 per share)  
12,089,310 equity shares of ₹ 1 each at a premium of ₹ 143.75 (31 March 2021: Nil)  
143,680 equity shares of ₹ 1 each at a premium of ₹ 94.00 (31 March 2021: Nil) (Refer note 24B)  
556,300 equity shares of ₹ 1 each (31 March 2021: Nil) (Refer note 24B)  
31,086,790 (31 March 2021: Nil) equity shares of ₹ 1 each at a premium of ₹ 143.75 per share \*  
14,33,820 (31 March 2021: Nil) equity shares of ₹ 1 each at a premium of ₹ 127.00 per share  
26,000 (31 March 2021: Nil) equity shares of ₹ 1 each at a premium of ₹ 94.00 per share

1,381.04  
506.68  
322.32  
27.58  
445.68  
179.86  
316.35  
9.50  
120.89  
1.44  
5.56  
310.87  
14.34  
0.26

**Total issued capital**

**3,642.37** **3,189.01**

**Called, Subscribed and Paid up**
**Equity shares**

362,637,230 equity shares of ₹ 1 each (31 March 2021: 31,730,133 equity shares of ₹ 10 each)  
Add: Amount paid up on 1,600,000 equity shares of ₹ 1 each forfeited at ₹ 0.2 each (31 March 2021: 160,000) equity shares of ₹ 10 each forfeited at ₹ 2 each

3,626.37  
3.20

**3,629.57** **3,176.21**

# 15,351 (31 March 2021: 15,351) 0.0001% cumulative, redeemable, non-convertible, participating preference shares have been classified as a financial liability (see note 25).

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

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

	31 March 2022		31 March 2021	
	Nos	₹ in lakhs	Nos	₹ in lakhs
Equity shares				
At the beginning of the year	3,17,30,133	3,173.01	3,17,30,133	3,173.01
Additional shares pursuant to share split during the year	28,55,71,197	-	-	-
Shares issued during the year (refer note below)	4,53,35,900	453.36	-	-
<b>Outstanding at the end of the year</b>	<b>36,26,37,230</b>	<b>3,626.37</b>	<b>3,17,30,133</b>	<b>3,173.01</b>

The Company has issued equity shares of 31,086,790 at a face value of ₹ 1 each to Exor Special Opportunities Master Fund for a premium of ₹ 143.75 per share.

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

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

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

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

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



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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 2022		31 March 2021	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of ₹ 1 each (March 2021: ₹ 10 each), fully paid up</b>				
T V Sundram Iyengar & Sons Private Limited *	-	-	1,07,27,343	33.81%
TVS Mobility Private Limited *	10,72,73,430	29.58%	-	-
T S Rajam Rubbers Private Limited	6,56,13,570	18.09%	-	-
CDPQ Private Equity Asia Pte Ltd	-	-	1,21,36,892	38.25%
Omega Te Holdings Pte Ltd, Singapore	-	-	15,85,847	5.00%
Exor Special Opportunities Master Fund	4,25,69,160	11.74%	-	-
DRSR Logistics Services Private Limited	3,75,02,140	10.34%	37,50,214	11.82%
Mahogany Singapore Company Pte. Ltd	1,88,39,310	5.20%	-	-

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

Consequent to the same, and with effect from 4 February 2022, the TSR Mobility and Supply Chain Solutions Business Undertaking of T V Sundram Iyengar and Sons Private Limited ("TVSS") including 10,72,73,430 equity shares representing 29.70% equity shares of TVS Supply Chain Solutions Limited was, as a result of the demerger from TVSS, transferred to and vested upon TVS Mobility Private Limited (formerly known as T.S.Rajam Distribution Services Private Limited). Consequent to the above, TVS Mobility has become the Promoter of the Company.

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

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

**0.0001% Non- cumulative, participating, compulsorily convertible preference shares of ₹ 100 each, fully paid up (Series A)**

Mahogany Singapore Company Pte. Ltd	-	-	10,23,350	100.00%
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**0.0001% Non- Cumulative, Non-Participating, Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid up**

David Robbins	39,998	33.33%	39,998	21.05%
MS Krishnan	-	0.00%	9,992	5.26%
Suehow Pty Ltd	-	0.00%	12,004	6.32%
R Dinesh	-	0.00%	2,996	1.58%
Sanjive Shanna	40,002	33.33%	40,002	21.05%
Tarun Khanna	-	0.00%	45,006	23.69%
Andrew Jones	40,002	33.33%	40,002	21.05%

**e. Details of shareholding of promoters**

	31 March 2022			31 March 2021		
	Number of shares	% holding	% Change During the year	Number of shares	% holding	% Change During the year
T V Sundram Iyengar & Sons Private Limited	-	-	-100%	1,07,27,343	34%	-
TVS Mobility Private Limited *	10,72,73,430	30%	100%	-	-	-

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

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

**Capital reserve**

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

**Capital redemption reserve**

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

**Share options**

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



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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. During the year ended 31st March, 2022 the Company has converted 69,998 preference shares into equity shares of 69,998 ranking pari-passu with the existing equity shares. These shares have been sub-divided into ₹ 1 each in the extraordinary general meeting held on January 31, 2022.

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). During the year ended 31st March 2022, the Company has converted the entire 10,23,350 CCPS into 12,08,931 equity shares of ₹ 10 each at a premium of ₹ 1,437.56 per share. These shares have been sub-divided into ₹ 1 each in the extraordinary general meeting held on January 31, 2022.

**24C Other items of OCI**
**Remeasurements of defined benefit liability (asset)**

	31 March 2022	31 March 2021
Opening balance	94.53	23.46
Remeasurements of defined benefit liability (asset) (net of taxes)	(98.06)	71.07
Closing balance	(3.53)	94.53

**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 2022	31 March 2021
Non-current borrowings	1,094.38	208.26
Current borrowings and current maturities of non-current borrowings	39,171.59	30,084.22
<b>Debt</b>	<b>40,265.97</b>	<b>30,292.48</b>
Total equity	1,20,920.09	76,392.97
<b>Debt to equity ratio</b>	<b>0.33</b>	<b>0.40</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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 2022	31 March 2021
(i) Profit (loss) attributable to equity shareholders		
Profit (loss) for the year, attributable to the equity holders	(2,121.94)	(8,137.77)
(ii) Weighted average number of equity shares		
Weighted average number of equity shares	33,94,29,140	31,73,01,330
Add - Number of shares relating to compulsorily convertible preference shares	12,00,020	1,21,33,500
Weighted average number of equity shares used in the calculation of basic earnings per share	34,06,29,160	32,94,34,830
Adjustments for dilutive effect		
- Number of shares relating to Management Incentive Plan	28,06,508	71,20,922
Weighted average number of equity shares used in the calculation of diluted earnings per share	34,34,35,668	33,65,55,752

**25 Borrowings**
**(a) Non-current borrowings**

Secured term loans from banks	1,094.38	207.36
Secured term loans from financial institutions	-	0.90
<b>Total non-current borrowings</b>	<b>1,094.38</b>	<b>208.26</b>

**(b) Current borrowings**
**Loans repayable on demand**

Secured	1,000.00	-
Unsecured	30,380.00	28,225.04

**Bills discounting**

Unsecured	5,095.69	854.47
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**Redeemable preference shares (unsecured)**

	891.60	891.60
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	37,367.29	29,971.11
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**Current portion of non-current borrowings**

Secured term loans from banks	1,804.30	113.11
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	1,804.30	113.11
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**Total current borrowings**

	39,171.59	30,084.22
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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 2022**
*(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	Currency	Nominal Interest rate	Year of maturity	Carrying amount as at	
				31 March 2022	31 March 2021
<b>Secured Term loan from banks</b>					
IDFC First Bank Limited	GBP	3.40%	2023	2,476.43	-
HDFC Bank Limited	INR	7.60 - 9.0%	2023	422.25	320.47
				<b>2,898.68</b>	<b>320.47</b>
<b>Secured term loan from Financial institutions</b>					
Other financial institutions	INR	-	-	-	0.90
				<b>-</b>	<b>0.90</b>
<b>Bill discounting / Factoring - Unsecured *</b>					
IDFC First Bank Limited	INR	6.50%	-	2,999.98	-
DBS Bank Limited (paying agent)	INR	5.62%	-	773.46	440.35
TREDS-Invoicemart	INR	6.50%	-	1,322.25	414.12
				<b>5,095.69</b>	<b>854.47</b>
<b>Secured loans repayable on demand *</b>					
DBS Bank Limited	INR	6.40%	-	1,000.00	-
				<b>1,000.00</b>	<b>-</b>
<b>Unsecured loans repayable on demand *</b>					
Related party - Drive India Enterprise Solutions Limited	INR	7.00%-9.00%	-	-	1,545.04
Related party - White Data Systems India Pvt Ltd	INR	7.05%	-	1,180.00	1,150.00
Related party - TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	INR	7.25%	-	1,000.00	1,550.00
Standard Chartered Bank Limited	INR	7.11%-8.20%	-	-	5,400.00
IDFC First Bank Limited	INR	6.75%	-	1,550.00	1,550.00
HDFC Bank Limited	INR	6.00%	-	16,990.00	10,650.00
DBS Bank Limited	INR	6.40%	-	4,600.00	-
Axis Bank Limited	INR	6.25%	-	5,060.00	6,380.00
				<b>30,380.00</b>	<b>28,225.04</b>
<b>Redeemable preference shares (unsecured)</b>					
Unsecured	INR	0.0001%	-	891.60	891.60
				<b>891.60</b>	<b>891.60</b>
				<b>40,265.97</b>	<b>30,292.48</b>

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

**B Secured loans**
**Secured term loan from banks**

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

**Secured loans repayable on demand from banks**

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

**C Redeemable Preference Shares**

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

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

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

	31 March 2022	31 March 2021
Opening borrowing	30,292.48	69,097.85
Cash flows	9,997.07	(38,805.36)
Changes in fair values	(23.57)	-
Closing borrowing	<b>40,265.98</b>	<b>30,292.48</b>

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

**F Wilful Defaulter**

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

**G Utilisation of borrowings**

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

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



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2022  
(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)

**26 Trade payables**

Trade payables to related parties (refer note 34)  
Dues to micro, small and medium enterprises (refer note 33)  
Other trade payables

31 March 2022	31 March 2021
369.37	1,707.42
2,362.05	1,496.54
33,819.84	35,329.13
<b>36,551.26</b>	<b>38,533.09</b>

Ageing of trade payables from the due date of payment:

31 March 2022	Not due	< 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed dues - MSME	712.40	1,551.28	31.27	60.21	6.89	2,362.05
Undisputed dues - Others	14,206.90	18,520.55	873.73	321.25	266.79	34,189.22
	<b>14,919.30</b>	<b>20,071.83</b>	<b>905.00</b>	<b>381.46</b>	<b>273.68</b>	<b>36,551.27</b>
31 March 2021	Not due	< 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed dues - MSME	964.12	491.62	(28.82)	44.80	24.82	1,496.54
Undisputed dues - Others	12,039.70	20,391.94	1,904.73	607.30	2,092.88	37,036.55
	<b>13,003.82</b>	<b>20,883.56</b>	<b>1,875.91</b>	<b>652.09</b>	<b>2,117.70</b>	<b>38,533.09</b>

**27 Other financial liabilities**

	Non-current portion		Current portion	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Interest accrued but not due on borrowings	-	-	92.76	65.76
Payable to factor	-	-	282.83	643.76
Capital creditors	-	-	507.98	199.01
Amount due to employees	-	-	7,161.76	7,839.65
Financial guarantee liability	2,645.57	3,981.11	1,317.00	1,587.30
Dues to subsidiaries	-	-	1,204.50	433.48
Others	-	-	0.30	0.30
	<b>2,645.57</b>	<b>3,981.11</b>	<b>10,567.13</b>	<b>10,769.26</b>

**28 Provisions**

	Non-current portion		Current portion	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provisions for employee benefits				
Liability for gratuity	319.28	-	435.35	536.21
Liability for compensated absences	238.17	203.04	834.11	687.65
	<b>557.45</b>	<b>203.04</b>	<b>1,269.46</b>	<b>1,223.86</b>

**29 Other current liabilities**

	31 March 2022	31 March 2021
Statutory dues others	3,516.87	2,944.19
Advance from customers	1,754.42	576.22
Other current liabilities	8.33	24.68
	<b>5,279.62</b>	<b>3,545.09</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(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 ₹ 3,082.86 lakhs (31 March 2021: ₹ 2,606.10 lakhs).

**Defined benefit plans**

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provision for gratuity	319.28	-	435.35	536.21

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

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

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

**A. Funding**

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

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

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

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

	31 March 2022	31 March 2021
Balance at the beginning of the year	2,384.88	2,189.48
Benefits paid	(179.73)	(182.59)
Current service cost	320.78	377.69
Interest cost	71.37	117.43
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	(30.18)	42.04
- experience adjustments	156.99	(159.18)
<b>Balance at the end of the year</b>	<b>2,724.11</b>	<b>2,384.88</b>

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

	31 March 2022	31 March 2021
Balance at the beginning of the year	1,848.66	1,677.94
Contributions paid into the plan	247.55	275.00
Benefits paid	(179.73)	(182.59)
Interest income	76.92	86.20
Actuarial gains / (losses) recognised in other comprehensive income	(23.92)	(7.89)
<b>Balance at the end of the year</b>	<b>1,969.48</b>	<b>1,848.66</b>
<b>Net defined benefit (asset) / liability</b>	<b>754.63</b>	<b>536.22</b>

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

	31 March 2022	31 March 2021
Current service cost	320.78	377.69
Interest cost	71.37	117.43
Interest income	(76.92)	(86.20)
	<b>315.23</b>	<b>408.92</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(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**

Actuarial gain/ (loss) on defined benefit obligation

Actuarial gain/ (loss) on plan assets

31 March 2022	31 March 2021
126.81	(117.13)
23.92	7.89
<b>150.73</b>	<b>(109.25)</b>

**E. Plan assets**

Plan assets comprise of the following:

Insurer managed funds

31 March 2022	31 March 2021
1,969.48	1,848.66
<b>1,969.48</b>	<b>1,848.66</b>

**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

31 March 2022	31 March 2021
5.00%	4.13%
8.00%	8.00%
58.00%	58.00%
5.00%	4.13%

**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 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(34.44)	35.60	(30.22)	31.24
Future salary growth (1% movement)	33.90	(33.45)	29.73	(29.33)
Attrition rate (1% movement)	(8.30)	8.58	(7.32)	7.57

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

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

The following payments are expected contributions to the defined benefit plan in future years:

	31 March 2022	31 March 2021
Within the next 12 months (next annual reporting period)	1,561.95	1,340.94
Between 2 and 5 years	1,327.62	1,137.23
Between 5 and 10 years	63.33	55.63
Beyond 10 years	1.06	0.95
<b>Total expected payments</b>	<b>2,953.96</b>	<b>2,534.75</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 1.72 years (31 March 2021: 1.72 years).

**Share based payments**

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



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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 ₹ 51.10 (MIP I) & ₹ 43.80 (MIP II)\* (Previous year: ₹ 618.80 (MIP I)). Options were priced using a Black Scholes option valuation model & Monte Carlo simulation model for MIP I and II respectively. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price volatility of guideline companies in developed and developing countries.

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

**Inputs in to the model:**

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

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

\* Before adjustment of lack of marketability

# After giving effect of share split

**Movements in share options during the year**

MIP I	Year ended 31 March 2022 Number of Options	Weighted average exercise price	Period ended 31 March 2021 Number of Options	Weighted average exercise price
Opening at the beginning of the year	14,11,923	950.00	13,34,883	950.00
Additions in number of options on account of share split	1,27,07,307	95.00	-	950.00
Granted during the year	17,07,600	95.00	95,997	950.00
Exercised during the year *	26,000	95.00	-	-
Forfeited and expired during the year	32,07,380	95.00	18,957	950.00
<b>Balance at the end of the year</b>	<b>1,25,93,450</b>	<b>95.00</b>	<b>14,11,923</b>	<b>950.00</b>

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

MIP II	Year ended 31 March 2022 Number of Options	Weighted average exercise price	Period ended 31 March 2021 Number of Options	Weighted average exercise price
Opening at the beginning of the year	9,25,129	950.00	10,23,760	950.00
Additions in number of options on account of share split	83,26,161	95.00	-	-
Granted during the year *	46,73,070	95.00	-	-
Options lapsed *	92,51,290	-	-	-
Forfeited and expired during the year	1,50,180	-	98,631	950.00
<b>Balance at the end of the year</b>	<b>45,22,890</b>	<b>95.00</b>	<b>9,25,129</b>	<b>950.00</b>
<b>Share options vested but not exercised</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Share options outstanding at the end of the period - MIP I - 12,593,450 MIP II - 4,522,890**

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 95.00 and a weighted average remaining contractual 0.42 years (31 March 2021: 1.19 years)



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(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 2022	31 March 2021
Gross investment	2,226.59	1,592.33
Unearned finance income	(399.86)	(430.83)
Net investment	<b>1,826.73</b>	<b>1,161.50</b>

Finance leases are receivable as follows:

	31 March 2022	31 March 2021
Gross investment		
Receivable within one year	746.23	468.07
Receivable between one and five years	1,480.36	1,068.89
Receivable after five years	-	55.37
Total	<b>2,226.59</b>	<b>1,592.33</b>

**Present value of minimum lease payments**

Receivable within one year	569.28	302.53
Receivable between one and five years	1,257.46	806.15
Receivable after five years	-	52.82
Total	<b>1,826.74</b>	<b>1,161.50</b>

**32 Capital commitments and contingent liabilities**

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for

31 March 2022	31 March 2021
1,537.26	686.16

**Contingent liabilities:**

Employee related matters*	2,183.59	2,183.59
Corporate guarantee	1,56,382.87	1,58,729.74
Bank guarantees issued	70.43	72.43
Service tax related matters	1,194.31	1,190.33
Sales tax related matters	459.60	114.58
GST related matters	110.18	285.37
Claims not acknowledged as debt	421.60	552.74

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, 2022.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***33 Due to micro, small and medium enterprises**

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in these standalone financial statements based on information received and available with the Company, to the extent identified by the management.

	<b>31 March 2022</b>	<b>31 March 2021</b>
The amounts remaining unpaid to micro and small suppliers as at end of the accounting year		
Principal	2,362.05	1,496.54
Interest due thereon	37.43	63.70
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	9,062.13	2,911.86
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	47.32	83.86
The amount of interest accrued and remaining unpaid at the end of each accounting year	114.61	180.74
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	90.18	178.67



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***34 Related party disclosures (refer note 24A)****A. Enterprise having significant influence**

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

**B. Subsidiaries**

TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)  
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand  
TVS Logistics Investment UK Limited  
TVS Logistics Investments USA Inc., USA  
Drive India Enterprise Solutions Limited (Subsidiary till 29th September 2021)  
FLEXOL Packaging (India) Limited  
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited), Singapore  
TVS Packaging Solutions Private Limited  
SPC International India Private Limited, India  
White Data Systems India Private Limited, India  
TVS Toyota Tsusho Supply Chain Solutions Limited  
Fit 3PL Warehousing Private Limited (Subsidiary from 13th October 2021)

**C. Step down subsidiaries**

TVS Supply Chain Solutions Limited, UK  
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  
*Subsidiaries of Ricochet Spain S.L. Spain*  
Eltec IT Services S.L.U  
Rico Logistique, France  
Rico Logistics Limited, Australia  
Circle Express Limited, UK  
Tri - Tec Computer Support Limited, Northern Ireland  
Tri - Tec Support Limited, Ireland  
TVS SCS Rico Italia SRL  
Triage Holdings Limited  
*Subsidiaries of Triage Holdings Limited*  
Triage Service Limited  
OrderLogic Limited  
SPC International Limited, UK  
*Subsidiaries of SPC International Limited, UK*  
SPCINT Limited, UK  
SPC International (Engineering) Limited, UK  
Pitcomp I71 Limited, UK  
SPC EBT Trustees Limited, UK  
SPC International Inc., USA  
SPC International s.a.s, France  
SPC International s.r.o., Slovakia  
*Subsidiaries of TVS Logistics Investments USA Inc.*  
TVS America Inc., USA  
TVS Supply Chain Solutions North America Inc., USA  
(formerly known as Wainwright Industries Inc. USA)  
*Subsidiaries of TVS Supply Chain Solutions North America Inc., USA*  
TVS Transportation Solutions LLC, USA  
TVS Supply Chain Solutions De Mexico S.A de C.V., Mexico  
TVS Packaging Solutions Inc., USA  
*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 SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the standalone financial statements for the year ended 31 March 2022**

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

**34 Related party disclosures (continued)**

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

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)

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

TVS SCS Logistics Ltd

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

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

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

Pan Asia Container Line Pte Ltd, Hong Kong

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

TVS SCS Malaysia Sdn Bhd

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

PT Pan Asia Logistics Indonesia

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

Pan Asia Freight-Forwarding & Logistics India Pvt Ltd

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

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

TVS Supply Chain Solutions Australia Holdings Pty. Ltd Holdings Pty. Ltd., Australia

*Subsidiaries of TVS Supply Chain Solutions Australia Holdings Pty. Ltd 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 Supply Chain Solutions Holdings Limited (Thailand)

(formerly known as Transtar International Freight Holdings Limited)

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

Transtar International Freight (Malaysia) SD Bhd, Malaysia

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

Sundaram Industries Private Limited

**D. Subsidiaries of T V Sundram Iyengar & Sons Private Limited (Till 3rd February 2022)**

TVS Motor Company Limited

Sundaram Clayton Limited

Lucas-TVS Limited

Sundaram Industries Private Limited

Lucas Indian Service Limited

TVS Automobile Solutions Private Limited

TVS Training and Services Limited

TVS Electronics Limited

Sundram Fasteners Limited

**E. Joint Ventures**

TVS Industrial & Logistics Parks Private Limited

**F. Associates**

Linfox TVS Solutions Pty Limited, Australia

Montara Verpacken mit System GmbH, Germany (till 31 March, 2021)



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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, Executive Vice Chairman  
 Mr. Ravi Viswanathan, Managing Director  
 Mr. S. Ravichandran, Non-Executive Director  
 Mr. C. K. Ranganathan, Independent director  
 Mr. V. Anantha Nageswaran, Independent director (till March 18, 2021)  
 Mr. S. Mahalingam, Independent director  
 Sri. Gopal Srinivasan, Non-Executive director  
 Sri. S. Ram, Non-Executive director (till September 13, 2021)  
 Ms. Shobhana Ramachandran, Non-Executive director  
 Sri. Suresh Krishna, Non-Executive director (till November 27, 2020)  
 Mr. Ravi Prakash Baghavathula, Chief Financial Officer  
 Mr. P. D. Krishna Prasad, Company Secretary  
 Ms. Gauri Kumar, Additional Independent Director (w.e.f. 7th February 2022)  
 Mr. B. Sriram, Additional Independent Director (w.e.f. 7th February 2022)

**H. Private Companies under common directorship/ Entities controlled by KMP or relatives of KMP of the Company**

Dimram Logistics Services LLP  
 DRSR Advisory Services LLP  
 TVS Automobile Solutions Private Limited  
 TVS Srichakra Limited  
 Ki Mobility Solutions Pvt Ltd  
 Sundaram Industries Private Limited  
 Cavin Kare Pvt Ltd.

Transactions during the year	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income from logistics services</b>		
Lucas-TVS Limited	1,032.54	1,081.74
Sundaram Industries Private Limited	103.25	94.22
TVS Motor Company Limited	7,226.61	8,530.09
Sundaram Clayton Limited	105.15	96.42
T V Sundram Iyengar & Sons Private Limited	167.26	594.67
TVS Toyota Tsusho Supply Chain Solutions Limited	5.60	13.30
FLEXOL Packaging (India) Limited	1.98	7.25
Drive India Enterprise Solutions Limited	12.60	35.38
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	2.02	7.47
Sundram Fasteners Limited	133.33	118.09
TVS Training And Services Limited	-	9.47
TVS Srichakra Limited	6,178.79	5,980.86
Lucas Indian Service Limited	-	4.93
TVS Automobile Solutions Private Limited	2,249.92	1,075.37
Ki Mobility Solutions Pvt Ltd	89.46	-
Cavin Kare Pvt Ltd.	224.40	-
FIT 3PL Warehousing Private Limited	28.98	-
<b>Sale of Goods</b>		
FLEXOL Packaging (India) Ltd	7.50	-
Sundaram Clayton Limited	8.61	9.99
TVS Toyota Tsusho Supply Chain Solutions Limited	443.66	-
<b>Other income</b>		
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	62.82	51.52
TVS Toyota Tsusho Supply Chain Solutions Limited	148.01	127.76
TVS Supply Chain Solutions North America Inc., USA	370.58	363.43
TVS Logistics Investment UK Limited	934.04	917.84
Rico Logistics Limited, UK	2,352.83	1,751.39
TVS Supply Chain Solutions Limited, UK	1,701.13	1,334.34
TVS Logistics Iberia S.L., Spain	-	-
Drive India Enterprise Solutions Limited	-	0.08
Lucas TVS Limited	5.84	-
FLEXOL Packaging (India) Ltd	10.46	-
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore)	1,142.14	893.86
White Data Systems India Private Limited	23.99	12.31
FIT 3PL Warehousing Private Limited	1.35	-



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***Dividend income**

TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	216.00	108.00
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**Interest income**

TVS Logistics Investments USA Inc., USA	-	40.24
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand	33.83	35.51
TVS Logistics Investment UK Limited	239.91	467.58
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited,	-	10.43

**Expenses incurred on behalf of**

Drive India Enterprise Solutions Limited	-	1.93
T V Sundram Iyengar & Sons Private Limited	-	-
TVS Logistics Investment UK Limited	95.11	39.86
TVS Supply Chain Solutions Limited, UK	103.48	152.17
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore)	203.58	153.61
TVS Supply Chain Solutions North America Inc., USA	103.97	134.12
Rico Logistics Limited, UK	151.24	190.42
White Data Systems India Private Limited	155.51	241.95
FLEXOL Packaging (India) Ltd	-	1.93
TVS Toyota Tsusho Supply Chain Solutions Limited	-	1.93
TVS Packaging Solutions Private Limited	-	2.00

**Interest expense**

Drive India Enterprise Solutions Limited	54.22	114.62
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	87.04	49.88
White Data Systems India Private Limited	102.58	34.19



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(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 2022	Year ended 31 March 2021
<b>Purchase of spares, fuel, others</b>		
T V Sundram Iyengar & Sons Private Limited	17.84	-
Sundaram Industries Private Limited	60.66	49.41
Lucas Indian Service Limited	5.61	-
FLEXOL Packaging (India) Limited	53.85	-
Sundram Fasteners Limited	9.85	-
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	10.15	22.18
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	2.22	30.09
<b>Freight, packing and forwarding expenses</b>		
FLEXOL Packaging (India) Limited	90.03	107.03
T V Sundram Iyengar & Sons Private Limited	167.40	53.30
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	166.31	216.66
TVS Electronics Limited	-	0.47
White Data Systems India Private Limited	16.07	357.89
TVS Motor Company Limited	-	-
<b>Rent</b>		
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	934.10	919.44
T V Sundram Iyengar & Sons Private Limited	133.77	172.93
Lucas-TVS Limited	1.80	1.80
TVS Mobility Private Limited	50.59	-
FIT 3PL Warehousing Private Limited	20.56	-
<b>Repairs and maintenance</b>		
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	-	8.52
<b>Expenses incurred by and reimbursed to</b>		
TVS Supply Chain Solutions Pte. Ltd (Formerly known as TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore)	1,020.25	-
T V Sundram Iyengar & Sons Private Limited	2.99	20.48
TVS Mobility Private Limited	0.70	-
TVS Logistics Investment UK Limited	-	59.83
<b>Other expenses</b>		
T V Sundram Iyengar & Sons Private Limited	108.00	-
Sundaram Industries Private Limited	0.04	-
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	17.18	-
White Data Systems India Private Limited	98.16	10.26
<b>Sale of Fixed Asset</b>		
TVS Toyota Tsusho Supply Chain Solutions Limited	13.93	6.45
<b>Purchase of fixed assets</b>		
FLEXOL Packaging (India) Limited	-	167.85
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	-	6.10
T V Sundram Iyengar & Sons Private Limited	11.47	18.99
Drive India Enterprise Solutions Limited	-	9.54
Sundaram Fasteners Limited	-	11.82
Lucas India Service Limited	-	3.42
White Data Systems India Private Limited	0.33	-
<b>Purchase of Leasehold Improvement</b>		
TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	-	1.35
<b>Investment in equity shares</b>		
FLEXOL Packaging (India) Limited	356.69	616.77
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	781.25	464.14
FIT 3PL Warehousing Private Limited	20,410.00	-



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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 2022	Year ended 31 March 2021
<b>Loans and advances</b>		
<i>Given during the year</i>		
TVS Logistics Investment UK Limited	15,501.00	-
<i>Repayments received during the year</i>		
TVS Logistics Investment UK Limited	-	33,961.78
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>Repayments made during the year</i>		
White Data Systems India Private Limited	920.00	
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	950.00	-
<i>Taken during the year</i>		
Drive India Enterprise Solutions Limited	-	152.15
White Data Systems India Private Limited	950.00	1,150.00
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	400.00	1,550.00
<b>Remuneration to Key Managerial Personnel</b>		
Mr. S. Ravichandran, Non-Executive Director	406.35	192.79
Mr. Ravi Viswanathan, Managing Director	542.70	449.62
Mr. R. Dinesh, Executive Vice Chairman	640.00	200.00
Mr. Ravi Prakash Baghavathula, Chief Financial Officer	438.40	347.80
Mr. P D Krishna Prasad, Company Secretary	53.29	41.37
<b>Sitting fees to Independent &amp; Non-Executive Directors</b>		
Mr. C. K.Ranganathan	2.50	2.25
Mr. V. Anantha Nageswaran	-	3.50
Mr. S Mahalingam	4.25	3.75
Sri. Gopal Srinivasan	1.00	1.50
Sri. S.Ram	0.50	1.50
Ms. Shobhana Ramachandran	2.50	1.50
Sri. Suresh Krishna	-	1.50
Ms. Gauri Kumar	1.00	-
Mr. B. Sriram	1.00	-

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, 2022 and March 31, 2021 includes a charge of ₹ 327.10 lakhs and ₹ 1403.20 lakhs, towards KMP respectively.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***34 Related party disclosures (continued)****Period end balances:****Loans to related parties**

	31 March 2022	31 March 2021
TVS Logistics Investment UK Limited, UK	18,666.08	3,381.86
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand	450.71	437.02

**Receivables**

Lucas-TVS Limited	-	72.25
Sundaram Clayton Limited	-	11.20
Sundaram Industries Private Limited	8.08	24.95
TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)	46.41	36.40
TVS Logistics Investment UK Limited	6,497.41	5,341.61
TVS Logistics Investments USA Inc., USA	63.01	61.10
TVS Motor Company Limited	-	1,467.77
TVS Supply Chain Solutions North America, Inc., USA	1,755.41	1,384.07
FLEXOL Packaging (India) Limited	39.97	15.66
TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited), Singapore	2,407.22	1,132.38
TVS SCS (Siam) Limited (Formerly known as TVS Logistics SIAM Limited), Thailand	188.14	158.14
TVS Toyota Tsusho Supply Chain Solutions Limited	107.21	156.88
TVS Supply Chain Solutions Limited, UK	908.06	1,708.49
Rico Logistics Limited, UK	3,562.14	2,672.17
T V Sundram Iyengar & Sons Private Limited	7.87	18.89
TVS Logistics Iberia S.L., Spain	-	-
Sundram Fasteners Limited	-	19.11
TVS Srichakra Limited	571.23	172.71
TVS Training And Services Limited	-	11.18
Drive India Enterprise Solutions Limited	-	1,167.42
Lucas Indian Service Limited	-	1.28
White Data Systems India Private Limited	6.74	214.65
TVS Packaging Solutions Private Limited	3.47	2.36
TVS Automobile Solutions Private Limited	503.22	580.99
Ki Mobility Solutions Pvt Ltd	10.76	-
CavinKare Pvt Ltd	127.63	-
FIT 3PL Warehousing Private Limited	19.58	-
<b>Other receivables - Unbilled revenue</b>		
Lucas TVS Limited	-	25.83
Sundaram Clayton Limited	-	5.03
Sundaram Fasteners Limited	-	2.09
T V Sundaram Iyengar & Sons Private Limited	-	10.94
TVS Motor Company Limited	-	246.77
TVS Srichakra Limited	332.10	867.23
FLEXOL Packaging (India) Ltd	-	0.66
Ki Mobility Solutions Pvt Ltd	11.30	-
FIT 3PL Warehousing Private Limited	9.57	-

**Security deposits**

TVS Industrial & Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)	789.66	789.66
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**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***34 Related party disclosures (continued)****Year end balances (continued):****31 March 2022****31 March 2021****Other receivables - Advance for Supply of Goods & Services**

TVS Industrial &amp; Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)

411.78

59.00

T V Sundaram Iyengar &amp; Sons Private Limited

120.06

77.46

**Unsecured borrowing repayment on demand from related party**

Drive India Enterprise Solutions Limited

-

1,545.04

White Data Systems India Private Limited

1,180.00

1,150.00

TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)

1,000.00

1,550.00

**Payables**

T V Sundaram Iyengar &amp; Sons Private Limited

15.41

33.73

Sundaram Industries Private Limited

16.50

18.04

Lucas Indian Service Limited

-

1.29

FLEXOL Packaging (India) Limited

44.70

84.38

TVS SCS Global Freight Solutions Limited (Formerly known as TVS Dynamic Global Freight Services Limited)

140.23

38.41

TVS Industrial &amp; Logistics Park Limited (Formerly known as TVS Infrastructure Pvt Ltd)

106.39

98.56

TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited),

1,090.81

54.56

Singapore

Lucas-TVS Limited

-

0.17

Drive India Enterprise Solutions Limited

-

279.26

Sundram Fasteners Limited

-

3.86

TVS Packaging Solutions Private Limited

1.00

1.00

Rico Logistics Limited, UK

-

98.59

White Data Systems India Private Limited

25.96

1,314.46

TVS Logistics Iberia S.L., Spain

2.07

-

TVS Logistics Investment UK Limited

91.12

92.40

TVS Mobility Private Limited

15.16

-

FIT 3PL Warehousing Private Limited

22.26

-

**Guarantees**

TVS Logistics Investment UK Limited

94,685.19

96,103.83

TVS Supply Chain Solutions Pte. Ltd. (Formerly known as TVS-Asianics Supply Chain Solutions Limited),

61,697.68

62,625.91

Singapore

**Payable to Key Managerial Personnel**

Salaries, wages and bonus to Non-Executive Director

209.04

-

Salaries, wages and bonus Managing Director

200.00

200.00

Commission to Executive Vice Chairman

200.00

200.00

Salaries, wages and bonus to Chief Financial Officer

173.59

365.00

Salaries, wages and bonus to Company Secretary

3.75

3.75



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**  
**Notes to the standalone financial statements for the year ended 31 March 2022**  
*(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 2022			31 March 2021		
	India	Outside India	Total	India	Outside India	Total
<b>Type of goods or service</b>						
Revenue from operations	1,47,180.40	-	1,47,180.40	1,24,196.49	-	1,24,196.49
<b>Total revenue from contracts with customers</b>	<b>1,47,180.40</b>	<b>-</b>	<b>1,47,180.40</b>	<b>1,24,196.49</b>	<b>-</b>	<b>1,24,196.49</b>

**B. Timing of revenue recognition**

Particulars	31 March 2022	31 March 2021
Goods transferred at a point in time	440.75	367.36
Services transferred over time	1,46,739.65	1,23,829.13
<b>Total revenue from contracts with customers</b>	<b>1,47,180.40</b>	<b>1,24,196.49</b>

**C. Summary of contract balances**

Particulars	31 March 2022	31 March 2021
Trade Receivables (Gross)	33,012.02	34,356.62
Contract assets (Refer note below)	12,557.26	12,702.45
Advance from Customers	1,754.42	576.22

Note:

Contract assets are initially recognised for revenue earned from supply chain management services as receipt of consideration is conditional on successful completion. Upon completion and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

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

Particulars	31 March 2022	31 March 2021
Revenue as per contracted price	1,48,344.31	1,24,471.97
Less: Trade discounts, volume rebates etc.	1,163.92	275.48
<b>Revenue as per statement of profit and loss</b>	<b>1,47,180.40</b>	<b>1,24,196.49</b>



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the standalone financial statements for the year ended 31 March 2022**

(All amounts are in Indian rupees (₹) unless 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 2022				31 March 2021					
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	Level 1	Level 2	Level 3	Total
<i>Financial assets measured at fair value</i>										
Investments	20.00	-	-	20.00	-	-	-	-	20.00	20.00
<i>Financial assets not measured at fair value</i>										
Investments	-	-	0.00	-	-	1,355.62	-	-	-	-
Loans	-	-	19,116.78	-	-	3,818.88	-	-	-	-
Deposits and other receivables	-	-	28,055.26	-	-	26,049.12	-	-	-	-
Trade receivables	-	-	25,118.49	-	-	29,451.80	-	-	-	-
Cash and cash equivalents	-	-	28,964.60	-	-	10,531.95	-	-	-	-
Other bank balances	-	-	280.56	-	-	270.01	-	-	-	-
Other financial assets	-	-	53.76	-	-	626.81	-	-	-	-
Total	20.00	-	1,01,589.45	20.00	-	72,104.19	-	-	20.00	20.00
<i>Financial liabilities not measured at fair value</i>										
Borrowings	-	-	40,265.97	-	-	30,179.37	-	-	-	-
Trade payables	-	-	36,551.26	-	-	38,533.09	-	-	-	-
Other financial liabilities	-	-	13,212.70	-	-	14,863.49	-	-	-	-
Total	-	-	90,029.93	-	-	83,575.96	-	-	-	-

**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 2022***(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 2022	31 March 2021
Trade receivables	25,118.49	29,451.80
Investments	20.00	1,375.62
Cash and cash equivalents	28,964.60	10,531.95
Other bank balances	280.56	270.01
Loans	19,116.78	3,818.88
Deposits and other receivables	28,055.26	26,049.12
Other financial assets	53.76	626.81
<b>Total</b>	<b>1,01,609.45</b>	<b>72,124.19</b>

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. The impairment loss at the reporting dates relates to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available information about customers from internal/external sources. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(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 2022**

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not due & Past due 1-90 days	17,059.60	4.1%	(697.62)
Past due 91-180 days	3,793.94	22.8%	(864.77)
Past due 181-365 days	5,568.69	27.3%	(1,522.40)
Past due for more than 365 days	6,589.78	73.0%	(4,808.75)
<b>Total</b>	<b>33,012.01</b>		<b>(7,893.53)</b>

**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)
<b>Total</b>	<b>34,356.62</b>		<b>(4,904.82)</b>

*Movements in the allowance for impairment in respect of trade receivables*

The movement in the allowance for impairment in respect of trade receivables is as follows:

	31 March 2022	31 March 2021
Balance at the beginning of the year	4,904.82	3,933.14
Add : Provision for the year	2,988.71	971.68
<b>Balance at end of the year</b>	<b>7,893.53</b>	<b>4,904.82</b>

*Cash and cash equivalents and other bank balances*

The Company holds cash and bank balances of ₹ 29,245.16 lakhs as at 31 March 2022 (31 March 2021: ₹ 10,801.96 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 ₹ 28,055.26 lakhs as at 31 March 2022 (31 March 2021: ₹ 26,049.12 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 ₹ 44,309.03 lakhs as at 31 March 2022 (31 March 2021: ₹ 35,273.11). 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 2022**
*(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)*
**37 Financial instruments - Fair values and risk management (continued)**
**B. Financial risk management (continued)**
*Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Contractual cash flows				
	Carrying amount	Total	1 year or less	1-5 years	More than 5 years
<b>31 March 2022</b>					
<b>Non derivative financial liabilities</b>					
<i>Current and non-current borrowings</i>					
Secured term loan from banks	2,898.68	2,898.68	1,804.30	1,094.38	-
Unsecured loans repayable on demand	30,380.00	30,380.00	30,380.00	-	-
Secured loans repayable on demand	1,000.00	1,000.00	1,000.00	-	-
Unsecured Bills discounting	5,095.69	5,095.69	5,095.69	-	-
Redeemable preference shares	891.60	891.60	891.60	-	-
<i>Others</i>					
Trade payables	36,551.26	36,551.26	36,551.26	-	-
Other financial liabilities	13,212.70	13,212.70	10,567.13	2,645.57	-
	<b>90,029.93</b>	<b>90,029.93</b>	<b>86,289.97</b>	<b>3,739.96</b>	<b>-</b>
<b>31 March 2021</b>					
<b>Non derivative financial liabilities</b>					
<i>Current and non-current borrowings</i>					
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	-	-
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	-	-
<i>Others</i>					
Trade payables	38,533.09	38,533.09	38,533.09	-	-
Other financial liabilities	14,750.38	14,750.38	10,769.27	3,981.11	-
	<b>83,575.96</b>	<b>83,575.96</b>	<b>79,387.49</b>	<b>4,188.47</b>	<b>-</b>





**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the standalone financial statements for the year ended 31 March 2022**  
(All amounts are in Indian rupees (₹) unless except share data and otherwise stated)

**37 Financial Instruments - Fair values and risk management (continued)**

**iv. Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

**Currency risk**

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenues, loans given to related parties and other payables and receivables are denominated in a currency other than the INR. The company does not hedge its foreign currency risk in general except in case of certain payables and receivables denominated in foreign currency which are hedged through the use of forward exchange contracts. The Company does not apply hedge accounting in respect of such forward exchange contracts.

The following table analyzes foreign currency risk from financial instruments. The amounts disclosed in the table below are in equivalent ₹ for the various currencies to which the Company is exposed to currency risk.

	As at 31 March 2022							As at 31 March 2021						
	INR	USD	Euro	GBP	SGD	AED	THB	INR	USD	Euro	GBP	SGD	AED	THB
Financial assets:														
Investments	20.00	-	-	-	-	-	-	1,375.62	-	-	-	-	-	-
Loans	-	450.71	-	18,666.08	-	-	-	-	405.38	-	3,413.49	-	-	-
Deposits and other receivables	8,788.58	2,654.19	-	14,092.34	2,332.01	-	188.14	8,021.95	2,487.09	-	14,249.55	1,132.38	-	158.14
Trade receivables	25,010.60	107.89	-	-	-	-	-	29,451.80	-	-	-	-	-	-
Cash and cash equivalents	28,964.60	-	-	-	-	-	-	10,531.94	-	-	-	-	-	-
Other bank balances	280.56	-	-	-	-	-	-	270.01	-	-	-	-	-	-
Other financial assets	53.75	-	-	-	-	-	-	13,329.26	-	-	-	-	-	-
	63,118.09	3,212.79	-	32,758.42	2,332.01	-	188.14	62,980.58	2,892.47	-	17,663.04	1,132.38	-	158.14
Financial liabilities:														
Borrowings	37,789.54	-	-	2,476.43	-	-	-	30,179.37	-	-	-	-	-	-
Lease liability	29,113.28	-	-	-	-	-	-	25,782.89	-	-	-	-	-	-
Trade payables	36,551.27	-	-	-	-	-	-	38,533.09	-	-	-	-	-	-
Other financial liabilities	8,068.19	835.77	-	3,217.92	1,090.81	-	-	9,294.27	1,041.93	-	4,527.28	-	-	-
	1,11,522.28	835.77	-	5,694.35	1,090.81	-	-	1,03,789.62	1,041.93	-	4,527.28	-	-	-
Net assets / (liabilities)	(48,404.19)	2,377.02	-	27,064.06	1,241.20	-	188.14	(40,809.04)	1,850.54	-	13,135.76	1,132.38	-	158.14



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**
**Notes to the standalone financial statements for the year ended 31 March 2022**
*(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
<b>31 March 2022</b>				
United States Dollar (1% movement)	23.77	(23.77)	-	-
Great Britain Pound (1% movement)	270.64	(270.64)	-	-
Singapore Dollar (1% movement)	12.41	(12.41)	-	-
Thailand Bhat (1% movement)	1.88	(1.88)	-	-
<b>31 March 2021</b>				
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)	-	-

**Interest rate risk**

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

	31 March 2022	31 March 2021
<b>Variable instruments</b>		
<i>Financial Liabilities</i>		
- Loans repayable on demand	-	5,400.00
<b>Fixed rate instruments</b>		
<i>Financial assets</i>		
- Loans	19,116.78	3,818.88
- Deposits with banks	12,412.07	379.82
<i>Financial Liabilities</i>		
- Term loans from banks	2,898.68	320.47
- Term loans from financial institutions	-	0.90
- Loans repayable on demand	31,380.00	22,825.04
- Vendor bill discounting	5,095.69	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.

**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



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***38 Registration of charges or satisfaction with Registrar of Companies**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

<b>39 Corporate social responsibility (applicable for Companies registered in India)</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
a Amount required to be spent during the period	-	7.92
b Amount approved by the board to be spent during the period	-	7.92
c Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than i) above	-	8.95
d Amount of expenditure incurred	-	8.95
e Shortfall at the end of the year	-	-
f Total of previous years shortfall	-	-
h Nature of CSR activities	-	Activities specified in Schedule VII of the Act

**40 Undisclosed income**

The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

**41 Benami property**

The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

**42 Crypto currency**

The company has not traded or invested in Crypto currency or Virtual Currency during the year.

**43 Exceptional Items**

	<b>Note</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Arbitration cost		(785.72)	-
Loss on sale of investments	14B	(138.94)	-
Consideration from disposal of assets held for sale	14A	100.00	-
		<b>(824.66)</b>	<b>-</b>

**44 Disclosure on funding transactions**

There are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There are no funds that have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED****Notes to the standalone financial statements for the year ended 31 March 2022***(All amounts are in Indian rupees (₹) lakhs except share data and otherwise stated)***45 Ratios Analysis**

Ratios	Numerator	Denominator	31 March 2022	31 March 2021
Current ratio	Current Assets	Current Liabilities	111.63%	90.08%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	33.30%	39.65%
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+Interest	Debt service = Interest & Lease Payments + Principal Repayments	82.18%	38.65%
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-2.15%	-10.24%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.26%	6.46%
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	539.42%	359.81%
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.02%	0.03%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	1222.61%	NA *
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	-1.44%	-6.55%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.08%	-5.21%

\* As at March 31, 2021, current liabilities exceed current assets. Accordingly this ratio cannot be calculated.

**Reason for change more than 25% - 31st March 2022**

Debt service coverage ratio - The ratio has improved in the current year on account of higher earnings.

Return on equity - The ratio has improved in the current year on account of better earnings.

Trade receivable turnover ratio - The ratio has improved in the current year on account of higher collections and factoring initiatives.

Net profit percentage - The ratio has improved in the current year as the losses have reduced.

Return on capital employed - The ratio has improved in the current year on account of higher earnings.



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**

**Notes to the standalone financial statements for the year ended 31 March 2022**

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

**46 Subsequent events**

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

**47 Struck off companies**

The Company does not have any material transactions with companies struck off.

**48 Prior year comparatives**

To conform to this period's classification, certain previous year figures have been reclassified/regrouped wherever necessary.

As per our report of even date attached

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 : 23 May 2022





**S Mahalingam**

Chairman

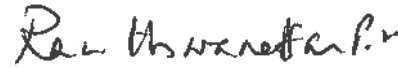
DIN: 00121727



**R Dinesh**

Executive Vice Chairman

DIN: 00363300



**Ravi Viswanathan**

Managing Director

DIN: 08713910



**Ravi Prakash Bhagavathula**

Chief Financial Officer





**P D Krishna Prasad**

Company Secretary

Place : Chennai

Date : 16 May 2022

# TVS Supply Chain Solutions Limited



## Directors' Report – FY 2021-22



**TVS SUPPLY CHAIN SOLUTIONS LIMITED**  
(formerly known as TVS Logistics Services Limited)

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in submitting their Eighteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2022.

**FINANCIAL RESULTS**

(Amount INR in crores)

	<b>Standalone</b>		<b>Consolidated</b>	
<b>Particulars</b>	<b>2021-22</b>	<b>2020-21 Revised</b>	<b>2021-22</b>	<b>2020-21 Revised</b>
Revenues from operations (including other income)	1561.03	1344.49	9299.94	6999.69
Profit/(Loss) before tax from continuing operations	(30.91)	(89.44)	11.14	(114.02)
Profit/ (Loss) after tax from continuing operations	(21.22)	(81.38)	(46.48)	(72.30)
Profit/ (Loss) before tax from discontinued operations	-	-	(0.92)	(2.44)
Profit/ (Loss) after tax from discontinued operations	-	-	(0.92)	(2.44)
Profit/(Loss) for the year	(21.22)	(81.38)	(47.40)	(74.74)
Other comprehensive income, net of tax	(0.98)	0.71	(21.47)	2.02
Total comprehensive income	(22.20)	(80.67)	(68.87)	(72.72)

**SECTION 1: ECONOMIC OUTLOOK**

**1.1 GLOBAL ECONOMIC OUTLOOK**

The world economy showed recovery in calendar year (CY) 2021 despite impacts from Delta variant of Novel Coronavirus in Q2. According to International Monetary Fund (IMF) the growth for the year stood at 5.9%. For CY 2022 the IMF has forecasted a moderate growth of 4.4%. The growth forecast for 2022 has been subdued by the renewed infection surge of Covid19 in various parts of the world, the Russia-Ukraine war and the continued effects of supply chain slowdown.

The continuing global recovery which was driven by increased consumer spending and uptick in investments, now faces some challenges as the pandemic enters its third year with infections surging in different parts of the world. The rapid spread of the new variant has led to restrictions and labour shortages. The recent surge in China has led to disruptions in freight forwarding as key ports are under lockdown. In addition, the Ukraine- Russia war has led to elevated fuel and food prices adding to already rising inflation and supply chain pressures. Moreover, there is record debt which is restricting the ability of some countries to respond to disruptions. However, since the new variant is less infectious, the IMF predicts that the effects will only affect Q1 of CY 2022.

The Ukraine-Russia war is leading to high inflation in energy and food prices as Ukraine is critical supplier for wheat and sunflower oil, while Russia exports over 35 critical minerals which are used in the production of cars. As a result of the Ukraine conflict and ongoing chip shortage, the European Automobile Manufacturers' Association (ACEA) now forecasts that passenger car registrations in the EU will grow at a much lower rate of 7.9% in the year to reach 10.5 million units which is 20% below pre-covid levels. European governments also may confront fiscal pressures from additional spending on energy security and defence budgets. The war is another reminder that resilience of supply chains should be at the forefront.

## **1.2 GLOBAL LOGISTICS OUTLOOK**

In Q1 of FY22 the pandemic had accelerated the regionalization of supply chains and the war has accelerated this movement for FY23. The Russia-Ukraine war is severely disrupting shipping and air freight and logistics firms are suspending services resulting in skyrocketing air freight rates. However despite the capacity issues, the demand for domestic and international transportation has been strong in CY 2021 and will carry on in CY 2022. With severe Covid cases declining, the demand for 3PL services has become more stable. Even with the rise of new variants, very few countries are expected to opt for full economic lockdowns. In order to mitigate the current challenges, the strategy for resilient supply chains has been nearshoring or reshoring and to transition production to cheaper Asian countries outside of China. Another trend that is seen across the US is increase in M&A activity between supply chain and technology firms as supply chain firms are now building and relying on higher order of technologically predictive methods to combat frequent disruptions.

In an effort to combat disruptions, large shipping liners are building up their capability and expanding into air and land freight and inching towards in-house end-to-end supply chain ownership. The mismatch between container capacity and demand has led to leveraging of blockchain technology for supply chain management. This helps organizations improve visibility into their inventory levels and is done by providing timely updates on when products are shipped or delivered to customers. This transparency enables companies to deliver real-time notifications about when products will be available again after being sold out. With the rapid growth in e-commerce sector, new opportunities are arising for the expansion of last mile delivery networks as well as the end to end logistics platforms and fulfilment services for consumer connectivity.

As per Armstrong report, over the next three years, through 2023, it is estimated that the global 3PL market will experience a CAGR of approximately 12%.

The IMF's estimates for GDP are positive for 2021-2023 reflecting a 7.1% CAGR in global logistics costs (in turn 11.9% in 3PL market growth) versus the 2.8% CAGR in costs seen over the last 10 years.

## **1.3 INDIAN ECONOMIC OUTLOOK**

The Indian economy saw positive growth during CY 2021 at 9% with a strong recovery in manufacturing, and continued expansion in the agriculture sector and IMF forecast a consistent 9% for CY 2022. After a quick tryst with Omicron, the caseload declined quickly maintaining normal economic activity and a boost in some sectors such as the automotive sector which has shown positive double-digit growth in all auto segments. The EV sector has grown 218% over FY 2021 bolstered by the sales of two or three wheelers. Manufacturing consisted of 14.5% of the GDP and



is expected to grow strongly in the coming year and reaching 20% by 2025 as per Redseer Report. This is supported by the "Make in India" campaign which is designed to establish India as a Manufacturing Hub. The GOI has also announced the Production Linked Incentive Scheme (PLI) for 13 sectors with an outlay of 2750 Billion INR. The outlay for auto sector is at ₹264 billion. With the China Plus-One Policy still in place for large multinational companies, India has become a very attractive destination for setting up manufacturing hub. According to Global Manufacturing Index 2020, India overtook the United States to rank second in the list of most attractive manufacturing globally.

As per Redseer Report, the Indian economy has been on a sustained recovery path. India's real GDP growth rate is projected at approximately 8.5% per annum during 2021-2025, which is the highest growth rate among the larger economies –resulting in India becoming a US\$4.1 trillion economy by 2025. As per 'Centre for Economics and Business Research', India is projected to become the third largest economy in the world by 2030.

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

Recognising logistics as the backbone for economic growth and post covid recovery, Government of India has done highest ever allocation for Ministry of Road Transport and Highways ("MoRTH") of approximately US\$15.5 billion for the Fiscal 2021-Fiscal 2022. Additionally, the National Logistics Policy aims to create a single E-logistics window and focus on employment creation, skill development and establish competitive MSMEs thereby making the logistics sector seamlessly integrated. The Dedicated Freight Corridor Plan is aimed to create two cross-country freight corridors with the aim of port to port linkage.

The logistics industry is witnessing a shift with increased demand for real time visibility and data backed information of products from all sources starting from production to the end consumer. This shift has also given rise to need for integrated supply chain partners instead of traditional mono-service partners. The need to create an efficient and seamless ecosystem of connected touchpoints is leading to technological business transformations. Ecommerce growth is now also fuelled by Tier 2 cities in the country testing provider capabilities against poor infrastructure, ability to maintain standard delivery times and transportation capabilities.

Commitment to sustainability is also in the forefront with supply chain providers investing heavily in overhauling their existing transportation fleet with Electric Vehicles. The growth in the EV sector has been largely aided by ecommerce giants opting for EV three wheelers for last mile delivery.

#### **SECTION 2: 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.

Your Company recorded multiple significant milestones – TVS Supply Chain Solutions recorded its highest revenue ever in FY22 which is +33.4% versus Prior Year and EBITDA at 7% with an impressive growth of 47.1% versus FY21. Your Company has also successfully filed DRHP with SEBI for public listing and is gearing up for RHP in the coming months.

##### **2.1 Operations:**

Your Company continued to strengthen its offerings in the end-to-end supply chain services. The Company has two segments consisting of Integrated Supply Chain Solutions (ISCS) and Network Solutions (consisting of Global Freight Forwarding Solutions and Time Critical Last Mile Solutions). Both segments of ISCS and Network Solutions contributed to growth where ISCS has grown by +16.3% over FY21 with +28.6% EBITDA growth and the Network Solutions segment has grown by +48.1% over FY21 with +35.4% EBITDA growth. The Company has achieved growth through a balanced mix of pricing and volume increase.

Despite the challenges presented by the pandemic, your Company has continued to grow in all geographical segments, with business in India growing by +46.5% versus FY21 and in Rest of the World (ROW) by +29.0% versus FY21.

A global initiative on Process Excellence was kicked off a through audit and review starting with SCS India where Process Assessments of 77 locations were completed in Q3 to assess compliance to TVS SCS India Process Documents (SOPs and Work Instructions, etc). This process has led to significant positive jump in Process Compliance scores across all divisions and helped the Company receive Quality Certifications of ISO 9001, ISO 45001 and ISO 14001. This initiative will continue through the next year encompassing every aspect of your Company.

## **2.2 Recognition:**

The India business Won Tata Motor's Best Safety Performer Award for Q3 for TML Pantnagar project. Significant awards from Reliance for Best Contractor Award for Safety Performance, Best business partner award for C2 Complex and Best business partner.

SCS EU was awarded the "Thought Leadership Award 2021 from the RLC Foundation for helping transition military personnel into the commercial environment, and in sharing supply chain / integrated logistics best practice. Also awarded the Silver medal in the Defence Relationship Management (DRM) Employer Recognition Scheme Awards 2021 demonstrating our commitment to being a forces friendly employer

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

Despite the Delta and Omicron wave in FY22, your Company performed exceedingly well on new business development, adding 152 new client accounts adding significantly to the growth. The new accounts are from various sectors such as Chemicals, Utilities, Automotive, and Consumer Products etc.

## **2.4 Technology Led Business Transformation:**

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

Your Company also embarked on a new transformation project committed to creating a technology backbone for the Company and enhancing our service portfolio through the following initiatives:

**Improving Real Time Visibility:** The Company has accelerated the implementation of Visibility, our in-house Warehouse Management System, to replace the legacy TRACE Warehouse Management System. This system provides 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. The system has gone live pan India.

**Efficiency Oriented Operational Processes:** Your Company is committed to technological advancements to establish itself as tech-led supply chain provider. Shipamax, an AI powered data entry software tool, was rolled out with the aim of creating efficiency and serving customers better. Shipamax is, a data entry automation software which helps in automating Accounts Payable invoicing and Commercial Invoicing. It uses Artificial Intelligence which is Anti-Template Technology to extract data from a document via OCR and then apply machine learning technology to register what each text mean and then accurately mapping it to a clean data schema, which is then fed into Cargo wise One. This is a significant advancement that improves productivity by removing manual data entry and improves data accuracy through automation. Shipamax was rolled out in Singapore and is ready for roll out to other geographies.



**Enhancing asset utilization through technology:** LCL Consol App is another technological advancement that your Company has undertaken. This application enables decision making on the closing of a container based on profitability, volume and weight parameters. The aim is to improve Gross Margin and Container utilization and to move away from the Manual processes to an Automated, Digital and App based processes. The app communicates in real time with the Sales Team and Ops Team within TVSSCS GFS Organization providing Real-Time Cargo Visibility as well as matching suitable container type - with available cargo thereby helping in converting regular LCL shipment into Consol shipment.

**Increasing Supply Chain Efficiency through Technology:** Your Company is undertaking significant technological changes for overhead cost containment as well as seamless integration of services. The customer and vendor master data onboarding process for entire SCS GFS has been migrated to Centre of Excellence.

**Enhancing Automation by using Artificial Intelligence:** In partnership with the KamerAi, Rico Logistics has implemented its first automated sortation and despatching machine in its Madrid Facility. This warehouse automation system uses a mix of technologies, conveyor systems, carrier interfaces and cameras using AI to provide a bespoke solution for the Spare Parts Logistics Sector. The Automation project, weighs, measures, sorts but also creates automated shipping labels based on various shipping rules based on weight, size, and delivery location. The system also manages returns sortation which evaluates the Return type (Good, Defective, Warranty) the Part Number and then sorts to the relevant Global Returns destination based on these criteria. The System has increased productivity significantly and reduced the labour requirement for the facility by over 10%, whilst improving customer SLA. Due to the success of the project this technology solution is being deployed in additional 3 locations in FY23.

Additionally, the Company implemented vision technology in two warehouses for a large two wheeler auto company wherein sortation was prone to human errors. The warehouse picking and packing system was enhanced and automated through the implementation of vision technology which uses cameras to sort parts through label scanning and match them to packaging of the correct shape and size through label scanning. Additionally, a second warehouse has implemented vision technology for attendance where the attendance for permanent as well as contractual employees is done via facial recognition.

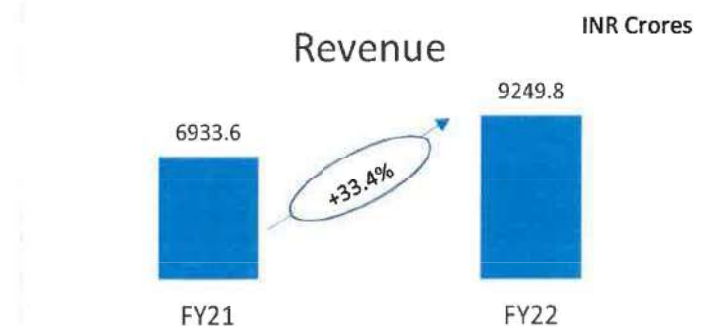
## 2.5 Acquisitions:

During the year under review, your Company has acquired 100% stake in FIT 3PL in the last quarter and has begun integration with SCS India. The acquisition has increased warehousing footprint by 2 Mn Sq Ft with additional 70 warehouses. Additionally, it has strengthened our position in the office automation customer segment.

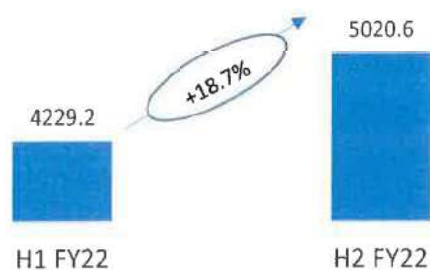
## SECTION 3: FINANCE:

### 3.1 Financial Performance

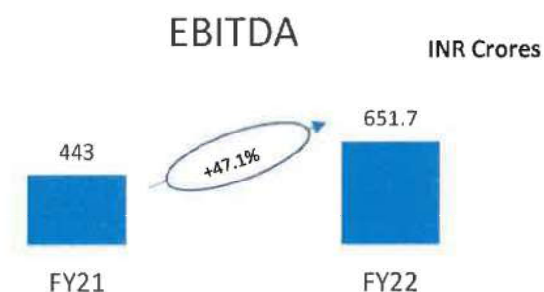
Your Company did exceedingly well with Revenue growing by +33.4% over FY21. Moreover, the Company has displayed consistent growth in H2 and H1.



## Revenue H1 and H2



The growth in revenue has been supported by improvement in margins with 47.1% EBITDA growth over FY21.

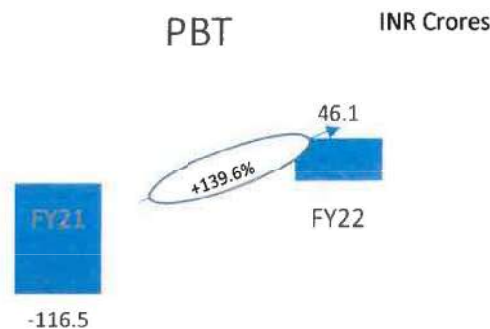


There was 100bps improvement in EBITDA margins YoY and 54bps improvement in EBITDA margins in H2 Vs H1.





The PBT from operations (before exceptional items) was profit of ₹ 46.1 Crores, mainly due to improved operating performance by all regions and growing by +139.6% over FY21.



### 3.2 Financing Initiatives:

In FY 22, your Company reduced its net working capital as a percentage of revenue to 5.0% from 7.1% in the previous year despite a 33% increase in the revenue. This was achieved through implementing broad-based non-recourse factoring of customer receivables programme across the globe.

During the year, the Company successfully migrated its loan benchmark rate from GBP LIBOR to new benchmark rate "SONIA" at cost effective terms and in an operationally efficient manner.

Your Company has set aside enough funds to cover long term loan repayments till March 2023.

### SECTION 4: MISCELLANEOUS UPDATES:

- a) Towards a sustained financing initiative in India, your Company continues to expand A-TREDS line of credit (a RBI driven initiative for MSME vendors) which eases liquidity issues for this category of vendors and improves sales margin for the Company
- b) As a Cyber security strategy, a comprehensive Cyber Security Insurance was designed and implemented for India, Rest of Asian and US entities which together with prevalent policies in UK makes the entire organisation adequately covered for this liability.

### SECTION 5: HUMAN RESOURCE

The number of employees in your Company increased by a count of 319 during the year and reached a total of 18077 employees across the globe. Your Company has implemented a global unified Human Resource Management System which has gone live in India with modules such as Core, Leave, Attendance, ESS, Recruitment & Onboarding and R&R being operational. Train the Trainer (TTT) and End User training are in progress with 1500+ employees trained so far.

A new program has also been launched by SCS India for graduate training program to enhance operational strength and build managerial bandwidth with a Graduate Engineer Trainee (GET) program. The plan is to on-board over a 100 new engineers and train them through On the Job and additional skill development to take on supervisory and managerial roles over the next 2 years. Online aptitude assessments have been completed and 40 candidates have been shortlisted. Interviews by functional heads are in progress.

### SECTION 6: ESG AND CSR

Your Company aspires to become Carbon Neutral through reduction measures and responsible off-setting. The commitment to ESG will be through investment in technology and better working practices to reduce the carbon footprint of operations. The Company will be releasing an ESG policy which will act as a guideline for adopting sustainable practices.

The Company has already taken steps to move in the direction of carbon neutrality through various initiatives in the UK through replacement of Company vehicles with Hybrid or Plug-in Hybrid models which commenced in Sep 2020. Installation of Solar Photo Voltaic systems and zero waste in landfills through partnership with Suez Waste in 2020 to manage waste collections from all UK sites. SCS India and SCS NA have received ISO 14001 certification and the Company is working to receive this accreditation globally.

SCS India took multiple CSR initiatives including a donation of 2Cr to the Tamil Nadu government in the Chief Minister's Public Relief Fund for covid relief. TVS SCS led companies made a total contribution of around Rs. 6 Cr., in the form of 400 Oxygen Concentrators and set-up two Oxygen Plants, one at the Rajaji Government Hospital Trauma Care Madurai and the other at Government Medical College, Tirunelveli.



Additionally, in the campaign and commitment to move towards sustainability, SCS India also conducted a tree plantation drive at a government school in Chennai, Tamil Nadu wherein 1750 trees were planted.

During the year, the Company participated in many tree plantation drives in collaboration with NGO-Mastermind Foundation planting over 1500 trees.



Project Entry (Women Empowerment Program): TVS SCS India has collaborated with Ashwini Seetha Foundation (NGO) which identifies pool of underprivileged women, trains them and subsequently eligible candidates are employed at TVS SCS's Projects. So far over the last 6-7 years about 1171 women have been trained and employed.

The Company partnered with Plan International and FG Sondhi Charitable Trust to provide education assistance for 26 Children during FY22.

SCS GFS Spain contributed to Pare Manel Foundation which works towards alleviating children from poverty and social re-integration of vulnerable and at-risk groups.

#### **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, 2022 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, the following changes have occurred in the issued, called, subscribed and paid-up equity share capital of the Company:

- a) The authorised share capital was increased from Rs. 47 crores to Rs. 60 crores
- b) 31,08,679 Equity shares having a face value of Rs.10/- each at a price of Rs.1447.56/- each, (including a premium of Rs. 1437.56/- per equity share) allotted to Exor Special Opportunities Master Fund, UK on private placement/preferential basis.
- c) 10,23,350 compulsorily convertible preference shares of Rs. 100/- each, fully paid up held by Mahogany Singapore Company Pte. Ltd were converted into 12,08,931 equity shares of Rs.10/- each.



- d) 14,33,820 Equity shares having a face value of Rs.1/- each at a price of Rs.1280/- each (including a premium of Rs. 11279/- per equity share) allotted to Vittorio M Favati on private placement/preferential basis.
- e) 26,000 equity shares of Rs. 1/-each were allotted upon exercise of options granted under the Management Incentive Plan I
- f) The authorised share capital was subdivided into 58.80 crores equity shares of Rs. 1/- each and 12 Lakhs preference shares of Rs. 10/- each.

#### **CHANGE IN CONTROL OF OUR COMPANY**

In order to align and synchronise the management of the respective companies under the TVS family managing it, the members of the TVS family entered into a memorandum of family arrangement dated December 10, 2020 to deliberate on the manner in which the family arrangement would be implemented ("MFA"). Pursuant to the MFA, it was agreed to implement the family arrangement through a composite scheme of amalgamation and arrangement under Section 230 – 232 of the Companies Act, 2013 ("TVS Sons Scheme"). The TVS Sons Scheme was approved by the National Company Law Tribunal, Chennai on December 6, 2021, with effect from the appointed date of February 4, 2022. Pursuant to the TVS Sons Scheme, certain business and activities in relation to sales and distribution of vehicles, equipment and automotive components and parts, along with certain strategic investments, including investment in our Company ("Demerged Undertaking"), were transferred to TVS Mobility Private Limited. As a result, 107,273,430 Equity Shares held by T. V. Sundram Iyengar & Sons Private Limited were transferred to TVS Mobility Private Limited on February 4, 2022, pursuant to which TVS Mobility Private Limited along with its wholly owned subsidiaries, T. S. Rajam Rubbers Private Limited and Dhinrama Mobility Solutions Private Limited acquired control of our Company from T. V. Sundram Iyengar & Sons Private Limited.

#### **INITIAL PUBLIC OFFER**

Your Company has filed the Draft Red Herring Prospectus with Securities Exchange Board of India on February 12, 2022 for an overall issue size of Rs. 5000 crores which includes a fresh issue of equity shares upto Rs. 2000 crores.

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

During the year, consequent upon sale of shareholding by the existing investor viz; CDPQ Private Equity Asia Pte. Ltd, Singapore (CDPQ), Ms. Anita George, Ms. Lim Meng Ann and Mr. Benoit Raillard, the nominee directors CDPQ have resigned with effect from September 9, 2021. The Board wishes to record its appreciation for the contribution made by them during their tenure as Directors.

Consequent upon the issuance of equity shares to Exor Special Opportunities Master Fund, UK ("Exor"), based on the nomination from Exor and as recommended by the Nomination Committee, Sri Ashish Kaushik was co-opted to the Board as additional director with effect from September 9, 2021. At the Extra- ordinary General Meeting of the members of the Company held on 1<sup>st</sup> November 2021, Sri Ashish Kaushik was appointed as Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee and the Board, the members of your Company at their Extra- ordinary General Meeting held on 25<sup>th</sup> March 2022, have appointed Sri R Dinesh as Executive Vice- Chairman and Sri Ravi Viswanathan as Managing Director for a period of five years from February 07.2022.

Sri Gopal Srinivasan has resigned as Director of your Company with effect from February 04.2022 due to personal reasons. Sri. Gopal Srinivasan was a Director of your Company since inception. The Board wishes to record its sincere appreciation for the guidance and support extended by Sri Gopal Srinivasan during his tenure as Director.

Based on the recommendation of the Nomination and Remuneration Committee and the Board, the members of your Company at their Extra- ordinary General Meeting held on 25<sup>th</sup> March 2022, have appointed Ms. Gauri Kumar and Sri. Balasubramanyam Sriram as Independent Directors on the Board of your Company, for a period of five years, with effect from February 7, 2022.

Sri C K Ranganathan has resigned as Independent Director on the Board of your Company with effect from May 16, 2022. The Board wishes to record its sincere appreciation for the guidance and support extended by Sri C K Ranganathan during his tenure as Director.

Based on the recommendation of the Nomination and Remuneration Committee and the Board, appointed Sri Tarun Khanna as an Independent Director for a period of five years from May 16, 2022, subject to approval of the shareholders.

Ms. Shobhana Ramachandhran and Sri. Bobby Pauly, 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 14<sup>th</sup> 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 14<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 19<sup>th</sup> Annual General Meeting. M/s. S.R. Batliboi & Associates LLP have confirmed their eligibility for appointment under Section 139 read with Section 141 of the Companies Act, 2013 and the rules made thereunder.

#### **INTERNAL AUDITORS**

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

#### **BOARD MEETINGS**

During the year, the Board of Directors of your Company met 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 31<sup>st</sup> March, 2022. The Secretarial Audit Report is attached to this Report.

#### **AUDIT COMMITTEE**

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

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

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Board has constituted a Stakeholders Relationship Committee consists of Ms. Gauri Kumar, Chairperson, Sri Ravi Viswanathan and Sri S Ravichandran, Members on February 07, 2022 to consider and resolve the grievances/complaints of security holders of the Company.

## **DEPOSITS**

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

## **LOANS, GUARANTEES OR INVESTMENTS**

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

## **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.

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

Sri C K Ranganathan has resigned as Independent Director on the Board of your Company with effect from May 16, 2022.

Based on the recommendation of the Nomination and Remuneration Committee and the Board, Sri Tarun Khanna was appointed as an Independent Director for a period of five years from May 16, 2022, subject to approval of the shareholders.

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.

The Board has constituted a Risk Management Committee consists of Sri. Balasubramanyam Sriram, Chairman, Sri R Dinesh and Sri Ravi Viswanathan, Members on February 07,,2022 to frame, implement and monitor the Risk Management plan for the Company.

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

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

## **MAINTENANCE OF COST RECORDS**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- (b) appropriate accounting policies have been selected and applied consistently and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 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 - 41.49

Foreign exchange outgo - 10.23

## **MANAGEMENT INCENTIVE PLAN**

During the year under review, the Company has granted 63,80 670 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**

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

For and on behalf of the Board

Place: Chennai

Date: May 16, 2022

S Mahalingam  
(DIN: 00121727)  
Chairman