



TVS SUPPLY CHAIN SOLUTIONS LIMITED

Our Company was originally incorporated as "TVS Logistics Services Limited" in Madurai, a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 16, 2004 and certificate of commencement of business dated November 29, 2004 issued by the Registrar of Companies, Tamil Nadu. Thereafter, the name of our Company was changed to its present name, "TVS Supply Chain Solutions Limited", pursuant to a special resolution passed in the extra-ordinary general meeting of the Shareholders held on November 19, 2018. Consequently, a certificate of incorporation pursuant to change of name dated February 27, 2019 was issued by the RoC to reflect the change in name. For further details relating to the changes in registered office of our Company, see "History and Certain Corporate Matters" on page 264 of the Prospectus.
Registered Office: 10 Jawahar Road, Chokkikulam, Madurai - 625 002, Tamil Nadu, India; Corporate Office: No.58, Eldams road, Teynampet, Chennai - 600 018, Tamil Nadu, India; Tel: + 91 44 66857777; Website: www.tvsscs.com; Contact Person: P D Krishna Prasad, Company Secretary and Compliance Officer; Tel.: +91 44 66857777; E-mail: cs.compliance@tvsscs.com; Corporate Identity Number: U63011TN2004PLC054655



(Please scan this QR code to view the Prospectus)

OUR PROMOTERS: TVS MOBILITY PRIVATE LIMITED, T.S. RAJAM RUBBERS PRIVATE LIMITED, DHINRAMA MOBILITY SOLUTION PRIVATE LIMITED AND RAMACHANDHRAN DINESH

Our Company has filed the Prospectus dated August 17, 2023 with the RoC (the "Prospectus") and the Equity Shares are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and the trading is expected to commence on August 23, 2023.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 44,670,050 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF TVS SUPPLY CHAIN SOLUTIONS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 197 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 196 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹ 8,800 MILLION ("OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF 30,456,852 EQUITY SHARES AGGREGATING TO ₹ 6,000 MILLION* (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 14,213,198 EQUITY SHARES AGGREGATING TO ₹ 2,800 MILLION, COMPRISING OF 10,734,565 EQUITY SHARES AGGREGATING TO ₹ 2,114.71 MILLION BY OMEGA TC HOLDINGS PTE. LTD., 984,823 EQUITY SHARES AGGREGATING TO ₹ 194.01 MILLION BY TATA CAPITAL FINANCIAL SERVICES LIMITED, 100,000 EQUITY SHARES AGGREGATING TO ₹ 19.70 MILLION BY KOTAK SPECIAL SITUATIONS FUND, AND 100,000 EQUITY SHARES AGGREGATING TO ₹ 19.70 MILLION BY TVS MOTOR COMPANY LIMITED (COLLECTIVELY THE "INVESTOR SELLING SHAREHOLDER"), AND 2,293,810 EQUITY SHARES AGGREGATING TO ₹ 451.88 MILLION BY OTHER SELLING SHAREHOLDERS AS SET OUT UNDER ANNEXURE A OF THE PROSPECTUS ("OTHER SELLING SHAREHOLDERS"). THE INVESTOR SELLING SHAREHOLDERS AND OTHER SELLING SHAREHOLDERS, COLLECTIVELY REFERRED AS "SELLING SHAREHOLDERS" AND SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE". THE OFFER WILL CONSTITUTE 10.06% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

*OUR COMPANY, IN CONSULTATION WITH THE BRLMS, HAS UNDERTAKEN A FURTHER ISSUE OF (I) COMPULSORILY CONVERTIBLE PREFERENCE SHARES AGGREGATING TO ₹ 750 MILLION (SUBSEQUENTLY CONVERTED INTO 4,476,275 EQUITY SHARES) AND (II) 4,010,695 EQUITY SHARES AGGREGATING TO ₹ 750 MILLION ("PRE-IPO PLACEMENT"). THE FRESH ISSUE SIZE HAS BEEN REDUCED BY ₹ 1,500 MILLION PURSUANT TO THE PRE-IPO PLACEMENT AND ACCORDINGLY, THE FRESH ISSUE COMPRISES OF 30,456,852 EQUITY SHARES AGGREGATING TO ₹ 6,000 MILLION.

**OFFER PRICE: ₹197 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.
ANCHOR INVESTOR OFFER PRICE: ₹197 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.
THE OFFER PRICE IS 197 TIMES THE FACE VALUE OF THE EQUITY SHARES**

RISKS TO INVESTORS

- Losses in past - We incurred a restated loss for the year, on a consolidated basis, amounting to ₹763.44 million and ₹458.00 million in Fiscals 2021 and 2022, respectively. Any similar losses in the future may adversely affect our business, financial condition and cash flows.
- Majority of our Revenue from Global Operations - We derived an average of 72.99% of our revenue from operations from our global operations in Fiscals 2021, 2022 and 2023. Our global operations expose us to risks such as compliance with local laws and any failure to comply with applicable laws or regulations could lead to civil, administrative or regulatory proceedings which could adversely affect our business, results of operations and financial condition.
- Borrowings - As of March 31, 2023, our total borrowings was ₹19,896.16 million, on a consolidated basis. Our indebtedness and the conditions and restrictions imposed by our financing agreements and any non-compliance may lead to, among others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.
- Foreign Currency Exposure - In Fiscals 2021, 2022 and 2023, an average of 72.99% of our revenue from operations were denominated in foreign currencies and an average of 73.87% of our borrowings were in foreign currencies in the same years. Accordingly, we are exposed to foreign currency exchange rate fluctuations and our results of operations have and will be impacted by such fluctuations in the future.
- The Price/Earnings Ratio based on diluted EPS for Financial Year 2023 for the Company at the higher end of the Price Band is as high as 193.14 times and at the lower end of the Price Band is 183.33 times as compared to the average industry peer group PE ratio of 43.03 times.
- Customer Concentration - We derive a portion of our revenue from certain key customers.

Revenue by Customers	Fiscal					
	2021		2022		2023	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
Top 5	13,397.47	19.32%	15,267.10	16.51%	18,331.86	17.91%
Top 10	18,975.01	27.37%	22,892.25	24.75%	28,343.88	27.69%
Top 20	25,704.87	37.07%	32,761.37	35.42%	39,798.50	38.88%

Note: The top 5, top 10 and top 20 customers are the top 5, top 10 and top 20 customers, respectively, in terms of revenue for each of the respective years and may not necessarily be the same customers.

- Working Capital Requirements - We have increasing working capital requirements and we may require additional financing to meet those requirements.
- Operating Expenses - Freight, clearing, forwarding and handling charges, Employee Benefit Expenses, Sub-contracting cost and casual labour charges constituted an average of 71.85% of the Revenue from Operations in Fiscals 2021, 2022, 2023
- Dependency on network partners and other third parties - Our operations are significantly dependent on network partners and other third parties for our warehousing and transportation needs, which may have an adverse effect on our business, results of operations, financial condition and cash flows.
- Lease - We lease all of our warehouses. Failure to renew our current leases or licenses or locate desirable locations that are suitable for our expansion at commercially reasonable prices could adversely affect our business, financial condition, results of operations and cash flows.
- The Offer Price of the Equity Shares, price to earnings ratio ("P/E") ratio, market capitalization to revenue from operations ratio and enterprise value ("EV") to EBITDA ratio of our Company may not be indicative of the market price of the Equity Shares on listing, for the years indicated.

Fiscals	Price to Earnings Ratio		Market Capitalization to Revenue from Operations		Enterprise value to EBITDA	
	(At lower end of Price Band i.e. ₹187 per Equity Share)	(At higher end of Price Band i.e. ₹197 per Equity Share)	(At lower end of Price Band i.e. ₹187 per Equity Share)	(At higher end of Price Band i.e. ₹197 per Equity Share)	(At lower end of Price Band i.e. ₹187 per Equity Share)	(At higher end of Price Band i.e. ₹197 per Equity Share)
For Fiscal 2021	NA*	NA*	1.18	1.24	26.84	27.89
For Fiscal 2022	NA*	NA*	0.89	0.93	16.58	17.25
For Fiscal 2023	183.33	193.14	0.80	0.84	15.16	15.75

*Due to negative P/E.

- The allotment pursuant to Pre IPO Placement of (i) Series E CCPS was at ₹180 per Series E CCPS (and converted into Equity Shares at a conversion price of ₹ 167.55 per Equity Share), and (ii) Equity Shares was at ₹187 per Equity Share, which is equal to or less than the Offer Price at lower end of the Price Band i.e., ₹ 187 per Equity Share and at higher end of the Price Band i.e., ₹ 197 per Equity Share.
- Average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from ₹3.92 to ₹121.93 per Equity Share and Offer Price at higher end of the Price Band is ₹197 per Equity Share.
- Details of weighted average cost of acquisition of all Equity Shares transacted in last one year, eighteen months and three year immediately preceding the date of the Prospectus.

Period prior to the date of filing of Prospectus	Weighted Average Cost of Acquisition (in ₹)*	Cap Price (₹197) is 'x' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price - Highest Price (in ₹)*
One Year	157.06	1.25	95.00 [^] - 187.00
Eighteen Months	116.80	1.69	73.40 [^] - 187.00
Three Years	116.16	1.70	13.00 [^] - 187.00

* Pursuant to the certificate dated August 17, 2023, issued by S K Patodia & Associates, Chartered Accountants.

[^] Excludes Equity Shares issued pursuant to bonus issuance and gifted Equity Share

- Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e., ₹ 187.00)	Cap price (i.e., ₹ 197.00)
WACA for Primary Transactions during 18 months prior to Prospectus	169.65	1.10 times	1.16 times
WACA for Secondary Transactions during 3 years prior to Prospectus	82.71*	2.26 times	2.38 times

Note: As certified by S K Patodia & Associates, Chartered Accountants, pursuant to their certificate dated August 17, 2023.

* Since there were no secondary transactions involving our Promoters, members of the Promoter Group, Selling Shareholders or shareholders with right to nominate directors on our Board, excluding gifts, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in the last 18 months preceding the date of the Prospectus, in a single transaction or multiple transactions combined together over a span of rolling 30 days, the information has been disclosed for price per share of our Company based on the last eight (since four transactions happened on the same date) secondary transactions (where promoter/promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) on the Board), are a party to the transaction, not older than three years prior to the date of the Prospectus irrespective of the size of the transaction

- Our Company will not receive any proceeds from the Offer for Sale portion of the Offer.
- Details of price at which specified security was acquired in the last 3 years, by each of the promoters, promoter group, selling shareholders, shareholders entitled with right to nominate directors or any other rights is disclosed on page no. 35 of the Prospectus.
- Weighted Average Return on Net Worth for Fiscals 2023, 2022 & 2021 is (2.07)%.

Fiscal	RoNW (%)	Weight
March 31, 2021	(15.15)	1
March 31, 2022	(6.88)	2
March 31, 2023	5.50	3
Weighted Average	(2.07)	-

- The six BRLMs associated with the Offer have handled 68 public Issues in the past three years, out of which 23 Issues closed below the offer price on listing date.

Name of the BRLMs	Total public Issues	Issues closed below price on listing date
JM Financial Limited	13	3
Axis Capital Limited	14	6
J. P. Morgan India Private Limited	2	2
BNP Paribas	Nil	Not Applicable
Nuvama Wealth Management Limited	5	1
Equirus Capital Private Limited	4	0
Common issues handled by the BRLMs	30	11
Total	68	23

DETAILS OF PRE-IPO PLACEMENT

I. Details of the CCPS allotted in Pre - IPO Placement:

Date of allotment	Number of Series E CCPS	Price per Series E CCPS (in ₹)	Number of Equity Shares on conversion of Series E CCPS	Price per Equity Shares on conversion of Series E CCPS	Total consideration (₹ in million)	Name of the allottee ⁽²⁾
July 3, 2023	2,777,778	180.00	2,984,184	167.55	500.00	Allanzers Fin Net Private Limited
	555,555	180.00	596,836	167.55	100.00	Western India Logistics Company Private Limited
	833,333	180.00	895,255	167.55	150.00	Satta Securities Private Limited
Total	4,166,666⁽¹⁾		4,476,275		750.00	

⁽¹⁾ The 4,166,666 Series E CCPS have subsequently been converted into 4,476,275 Equity Shares on July 27, 2023.

⁽²⁾ Except as disclosed below, the allottees are not connected to our Company, Promoters, Promoter Group, Directors, key managerial personnel (KMP), Subsidiaries or Group Companies and their directors or key managerial personnel in any manner: Allanzers Fin Net Private Limited is a shareholder in one of our Group Companies, namely, TVS Industrial and Logistics Parks Private Limited. Further, Ravikumar Swaminathan, a shareholder and a director on the board of directors of TVS Industrial and Logistics Parks Private Limited, is a majority shareholder and a director on the board of directors of Allanzers Fin Net Private Limited.

II. Details of the Equity Shares allotted in Pre - IPO Placement:

Date of allotment	Number of Equity Shares	Price per Equity Shares (₹)	Total consideration (₹ in million)	Name of the allottee ⁽¹⁾
July 27, 2023	4,010,695	187.00	750.00	SBI Life Insurance Company Limited

⁽¹⁾ The allottee is not connected to our Company, Promoters, Promoter Group, Directors, key managerial personnel (KMP), Subsidiaries or Group Companies and their directors or key managerial personnel in any manner.

