



► Oppn Politicising Manipur Ethnic Violence: Shah ► Centre has Divided Manipur: Rahul ► Hostile Elements Questioning Role of Assam Rifles, says Army: P 2

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(Please scan this QR code to view the Red Herring Prospectus)

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 263 of the red herring prospectus dated August 3, 2023 filed with the RoC ("RHP"). Registered Office: 10 Jawahar Road, Chokkikulam, Madurai - 625 002, Tamil Nadu, India. Corporate Office: No.39, Eldams road, Tenjampet, Chennai - 600 016, Tamil Nadu, India. Tel: +91 44 68657777. Website: www.tvsscs.com. Contact Person: P.D Krishna Prasad, Company Secretary and Compliance Officer; Tel: +91 44 6865 7777. Email: cs.compliance@tvsscs.com. Corporate Identity Number: U63011TN2004PL0054659

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

INITIAL PUBLIC OFFERING OF UP TO [●] 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 ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION ("OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 6,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 14,213,199 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, COMPRISING OF UP TO 10,734,565 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OMEGA TC HOLDINGS PTE. LTD., UP TO 984,823 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY TATA CAPITAL FINANCIAL SERVICES LIMITED, UP TO 100,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY KOTAK SPECIAL SITUATIONS FUND, AND UP TO 100,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY TVS MOTOR COMPANY LIMITED (COLLECTIVELY THE "INVESTOR SELLING SHAREHOLDER"), AND UP TO 2,293,810 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OTHER SELLING SHAREHOLDERS AS SET OUT UNDER ANNEXURE A OF THE RHP ("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 [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

OFFER FOR SALE (For details of all Selling Shareholders, please see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 76 and 587, respectively, of the RHP)

Name of Selling Shareholder	Type of Selling Shareholder	Number of Equity Shares of face value of ₹ 1 each offered	Weighted average cost of acquisition ⁽¹⁾ (in ₹ per equity share)	Name of Selling Shareholder	Type of Selling Shareholder	Number of Equity Shares of face value of ₹ 1 each offered	Weighted average cost of acquisition ⁽¹⁾ (in ₹ per equity share)
Omega TC Holdings Pte. Ltd.	ISS	Up to 10,734,565 Equity Shares	66.39	Dinesh Narayan	OSS	Up to 200,000 Equity Shares	27.08
Tata Capital Financial Services Limited	ISS	Up to 984,823 Equity Shares	66.39	TVS Motor Company Limited	ISS	Up to 100,000 Equity Shares	121.93
Sargunanjay Ravichandran	OSS	Up to 580,380 Equity Shares	55.78	Kotak Special Situations Fund	ISS	Up to 100,000 Equity Shares	121.93
Andrew Jones	OSS	Up to 400,020 Equity Shares	19.50	P D Krishna Prasad	OSS	Up to 100,000 Equity Shares	74.63
Ramalingam Shankar	OSS	Up to 315,000 Equity Shares	57.86	Nagesh Nagarajan	OSS	Up to 80,000 Equity Shares	9.40
Ethirajan Balaji	OSS	Up to 250,000 Equity Shares	9.40	Venugopal Murali	OSS	Up to 71,250 Equity Shares	26.74

ISS: Investor Selling Shareholder; OSS: Other Selling Shareholder. For details of average cost of acquisition of Equity Shares by all Selling Shareholders, please see "Summary of the Offer Document" on page 24 of the RHP. ⁽¹⁾As certified by: S K Patodia & Associates, Chartered Accountants, pursuant to their certificate dated August 3, 2023.

TVS Supply Chain Solutions Limited is an integrated supply chain solutions provider, that provides solutions and services to meet its customers' supply chain management and logistics requirements.

The Offer is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations

QIB Portion: Not less than 75% of the Offer | Non-Institutional Portion: Not more than 15% of the Offer | Retail Portion: Not more than 10% of the Offer

PRICE BAND: ₹187 TO ₹197 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.

THE FLOOR PRICE IS 187 TIMES AND THE CAP PRICE IS 197 TIMES THE FACE VALUE OF THE EQUITY SHARES.

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.

BIDS CAN BE MADE FOR A MINIMUM OF 76 EQUITY SHARES AND IN MULTIPLES OF 76 EQUITY SHARES THEREAFTER.

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, HAS UNDERTAKEN A FURTHER ISSUE OF (I) COMPULSORILY CONVERTIBLE PREFERENCE SHARES ("CCPS") AGGREGATING TO ₹ 750 MILLION (SUBSEQUENTLY CONVERTED INTO 4,476,275 EQUITY SHARES AT A CONVERSION PRICE OF ₹ 167.55 PER EQUITY SHARE) 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 UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 6,000 MILLION. FOR FURTHER DETAILS OF THE PRE-IPO PLACEMENT, PLEASE REFER TO "DETAILS OF PRE-IPO PLACEMENT" GIVEN BELOW

In accordance with the recommendation of Committee of Independent Directors of our Company, pursuant to their resolution dated August 4, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), disclosed in 'Basis for the Offer Price' section on pages 135 to 143 of the RHP.

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.
- 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.

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.

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