

## ‘We want to be a \$1 bn firm in India by 2021’



### Global capabilities will boost growth, says TVS Logistics MD

In 1996, when R. Dinesh, MD and S. Ravichandran, deputy MD of TVS Logistics Services, started the company, they had never imagined that the firm would grow into an Indian multinational in a few years down the line. From clocking a revenue of Rs. 1 crore in 1996-97 to becoming a Rs. 6,000-crore entity, the journey had been long but smooth, thus far. In an interview, Mr. Dinesh spoke about the TVS Group's foray into the logistics sector.

### What made you to foray into logistics?

It was not a group mandate. Ravichandran had returned from Tanzania after an overseas assignment. I knew him and he said logistics was becoming integral for distribution and spare parts. Because I was into these, he wanted me to look at logistics as a division. He came up with the idea and I backed him. We wanted to give it a try. Initially we did not win any business but we also did not spend [a] lot of money.

We did not get business from the group. We got our first business from a U.K. company which is into manufacturing of earth moving equipment. In the first year, we had a turnover of Rs. 1 crore, including Rs. 60 lakh from the U.K. customer.

After that, we started growing slowly. Post 2008, it was very well planned and after 2011, we became serious about the business.

### How did you grow to become a company of this size?

Actually, it is an evolution. From 1996 to 1999, we had three to four customers. We got a big breakthrough when one MNC car manufacturer wanted to outsource planning and integration of the supply chain. We had a choice to become an India player waiting to be squeezed by MNCs. But, we decided to be bold and go ahead to acquire companies overseas. So, in 2004 we formed a separate company and that was the time when we wanted money.

In 2008, we got investment from Goldman Sachs. Post that, we did the first overseas acquisition. Initially we bought the company (Rico Logistics) which we ran out of India but we allowed the management team to grow the business and supported them.

In U.K., we got the know-how for after market. Then, we wanted the know-how to handle production. So, we went ahead to acquire the company (Wainwright Industries Inc.) in the U.S. In India, we were into transportation and then, we forayed into freight forwarding through the investment in TVS Asianics in Singapore. So, now we have capability in almost every sphere of logistics.

So, while it may look that we have grown with acquisitions, it was not acquisition and just not running that business. All our acquisitions have grown by 25%.

## On expanding in Asia?

We see Singapore as the hub for Asia. We committed [an] investment plan of \$100 million, most of which has been invested through TVS Asianics. Singapore gives us a natural advantage to expand in Asia and strengthen India-Asia trade.

## What is your vision for the company?

We are still an India company. Post-GST, we are getting our global capabilities to India to grow in India and now, post the Pan Asia Logistics acquisition by TVS Asianics in Singapore, to grow in Asia as well. Ideally speaking, we want to be a billion-dollar company in India by 2021 (from about \$370 million now). That is the vision.

## Any plans to go public?

You know what has happened with the initial listing by a few logistics companies which are much smaller in size than us. If you ask me, yes we are evaluating but we have not decided.

(The writer was in Singapore recently at the invitation of TVS Logistics)

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