

# TVS Supply Chain IPO 'in March quarter'

**ON THE MOVE.** First TVS group company to hit primary market in three decades; officials hold talks with bankers for timing it right

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TVS Supply Chain Solutions (TVS-SCS), a global supply chain solutions company, plans to hit the market with an IPO in the current quarter (March).

It was planning to get listed in June last year but had to postpone due to the bad market sentiments following the Russian aggression of Ukraine, said sources.

After nearly three decades a company from the TVS group is coming out with an IPO. TVS Electronics was the last company in the group to be listed way back in 1994.

The expectations are high in the group on the listing. According to the sources, the management wants timing of TVS-SCS listing should be right. So, officials are hold-

ing meetings with bankers on the listing, sources said.

## 4 VERTICALS

TVS-SCS, now part of the TVS Mobility Group, has four business verticals - supply chain solutions; manufacturing; auto dealership and after-market sales & service. TVS-SCS is the second largest company in the TVS family after TVS Motors.

As per the Draft Red Herring Prospectus filed with market regulator Securities and Exchange Board of India last year, the IPO consists of fresh issue of equity shares aggregating up to ₹2,000 crore and offer-for-sale. The company's existing shareholders, including promoters; Omega TC Holdings; Mahogany Singapore Company PTE. Ltd; Tata Capital Financial Services Ltd and DRSR Logistics Service Pvt

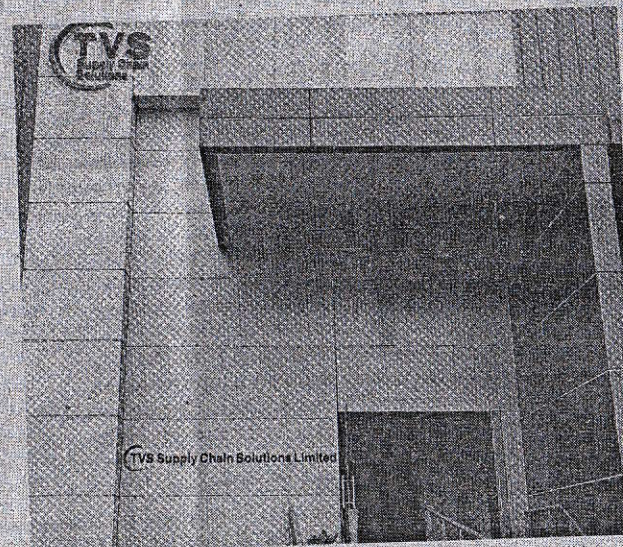
Ltd will sell 5,948 crore shares in the IPO, according to a draft prospectus.

## UTILITY OF FUNDS

The company will use a majority of the net proceeds from the IPO (₹1,166 crore) to repay or prepay its outstanding borrowings which will assist the company in maintaining a favourable debt to equity ratio and enable utilisation of internal accruals for further investment in business growth and expansion.

The company will also deploy ₹75.2 crore in fiscal 2023 towards the capitalisation of its strategically important subsidiaries in Germany, US and Thailand and to tap the growth opportunities in these markets.

Further, ₹60 crore will also be infused in the company's UK arm, to increase its stake



**DEBT-LIGHT.** Most of the net proceeds from the IPO will be used to repay or prepay outstanding borrowings TE RAJA SIMHAN

in Rico UK to 100 per cent. The remaining amount from the net proceeds will be deployed towards inorganic

growth and general corporate purposes, the DRHP said. The consolidated revenue for H1 of current fiscal rose

to ₹5,419.2 crore as against ₹4,240.10 crore reported in the corresponding period of FY22.

## REVENUE UP

The company posted a PAT of ₹38.05 crore as against loss of ₹57.8 crore reported H1-FY22.

The consolidated revenue for FY22 was ₹9,250 crore as against ₹6,933 crore the previous year.

Nearly 30 per cent of the revenue is from India. Out of the total revenue 27 per cent is from industrial; 24 per cent from auto; 17 per cent from tech and tech infra; 12 per cent from consumer and the rest from other sectors, including utilities and health care, said sources.

Some of the company's top customers include Daimler, Sony, Panasonic, Hero and Mahindra & Mahindra.