

# TVS Supply Chain Solutions to continue focus on right sizing: MD Ravi Viswanathan

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Chennai

Amid a volatile time for the freight forwarding industry, TVS Supply Chain Solutions is entering FY26 with an order pipeline of ₹5,250 crore. Its Fortune 500 customers' count is showing a healthy expansion with a gross addition of 24 accounts during the year.

"As we enter FY26, we will continue to enhance operational agility and cost efficiency," said Managing Director Ravi Viswanathan.

"We will continue to focus on right sizing and right

shoring," he told *businessline*.

Some of the back-end support functions were moved from Europe to Madurai involving 300 people, he said. "We will continue this as part of cost optimisation," he added.

## 'Q3 WAS TOUGH'

Last year, the company reported a 9 per cent growth in revenue in a challenging environment, given the war situation, which continues in Europe and the Red Sea crisis.

"We had three quarters of positive PBT. However, Q3FY25 was a tough quarter.



Ravi Viswanathan (left), TVS Supply Chain Solution's Managing Director, and global CFO R Vaidhyathan TE RAJA SIMHAN

We hit some unexpected headwinds, which reversed the profitability. But, overall, it was a satisfying year," he said.

Viswanathan said the

freight forwarding business, which constitutes 25 per cent of the revenue, continues to be volatile, especially with the trade war between the US and China.

The company handles containers from China to various parts of the world, including Europe, Australia and India. Freight rates from China to the US remain very volatile, he said.

In the last two months, the volume of boxes from China to the US was huge and this created disruption in the global supply chain. Empty containers were sent from all parts of the world to China to manage the surge in volume to the US, he said.

The company has two operating segments: Integrated Supply Chain Solutions (ISCS) and Network Solutions (NS).

## INDIA PORTFOLIO

In the ISCS segment, revenue grew 5 per cent in FY25. North America operations remained strong and the India portfolio stayed resilient and supported stronger bottom-line margins, he said. "We see a stable ISCS business. It will continue to grow at double digits...We won a ₹1,000-crore, three-year contract from a leading retail company in the UK," he said.

The NS segment reported a revenue of ₹1,078 crore in Q4 FY25, up from ₹1,047 crore in the same quarter last year, reflecting a 3 per cent year-on-year (y-o-y) growth. For FY25, revenue from the

segment reached ₹4,499 crore — up 13.6 per cent over FY24.

The company's global CFO R Vaidhyathan said IFM (Integrated Final Mile) business used to be a negative EBITDA business in the past, which has turned positive in Q4 and will continue to be incrementally positive going forward."

In Q4, there was a redundancy cost of around ₹5 crore and the company expects to incur additional redundancy costs in Q1 and Q2 as part of restructuring initiatives.

The benefits of right sizing and right shoring will get reflected from Q3, he said.