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*Press Release*

## ***TVS Logistics partners with Tata Opportunities Fund to acquire DIESL***

*Transaction would make TVS Logistics one of India's most competitive and diversified logistics companies*

**26<sup>th</sup> May 2015, Chennai:** TVS Logistics Services Limited (TVS LSL), India's leading 3<sup>rd</sup> Party Logistics (3PL) service provider, today announced that an understanding has been reached, subject to Competition Commission of India (CCI) and requisite regulatory clearances, to acquire Drive India Enterprise Solutions Limited (DIESL), for an undisclosed sum. The transaction is expected to make the combination one of India's most capable and diversified companies in the logistics space. The Tata Opportunities Fund, the flagship Private Equity fund advised by Tata Capital, will invest into TVS LSL to fund the acquisition and to support its future growth through a minority stake.

The two companies, TVS LSL and DIESL, have complementary strengths across sectors and geographies. TVS is strong in automotive and has diversified its businesses in sectors like, beverages, IT, healthcare, telecom and defence globally. On the other hand, DIESL is strong in consumer durables and has marquee customers in FMCG, retail, technology and telecommunications. Further, DIESL's strong warehousing network in North and East India provides a good fit with TVS LSL, which has a strong footprint in South and West India. TVS LSL will integrate DIESL's operations in due course. Together, the combination will enjoy increased cross-selling opportunities given their repertoire of capabilities and customer access to provide a 'one-stop shop' solution for new and existing customers.

**R. Dinesh, Managing Director of TVS LSL,** said, "We are thrilled to be able to bring together two uniquely capable and complementary entities in the 3PL space in India. This move is highly strategic and enables us to add to our already expanding base of non-auto customers. Besides, we have widened our service capabilities including last mile delivery and other capabilities like demand forecasting and technology logistics through our overseas acquisitions. With our sophisticated range of services and capabilities, TVS LSL would be able to provide unmatched support to our (TVS & DIESL) clients in India."

**Padmanabh Sinha, Managing Partner of the Tata Opportunities Fund's advisory team in India,** said, "The Fund and its limited partners are delighted to be able to support TVS LSL in this strategic endeavour and partner them in building a truly capable 3PL powerhouse in India. With this transaction, the Tata Opportunities Fund continues its strategy of investing into market leading companies in various segments. The Fund believes that the new government's thrust on developing infrastructure and reforming taxation, especially the Goods and Services Tax, will provide a conducive environment for the growth of professionally managed 3PL companies offering world class solutions."

**K. R. S. Jamwal, Executive Director of Tata Industries and Director on the Board of DIESL,** said, "TVS and we share common values of trust and fairness and enjoy a warm relationship, especially in the

automotive business. We are pleased that TVS LSL along with the Tata Opportunities Fund will be carrying forward the DIESL business which has been nurtured by Tata Industries and Tata International. We are confident the partnership will be mutually rewarding”.

Founded in 2003, as a 50:50 joint venture between Tata International and Tata Industries, DIESL has till date built a pan-India 3PL network with more than 180 warehouses and 6.5 million square feet of storage space catering primarily to the consumer products industry. DIESL had revenues of over INR 950 Cr (USD 150 million) in FY2014-15.

TVS LSL, a company that was carved out of TVS & Sons in 2004, is a diversified 3PL global company with operations across India, the UK, the USA, Europe and South East Asia. TVS LSL has offices in 8 countries and provides services globally in over 50 countries with more than 100 blue chip customers. TVS LSL had revenues of over INR 3,000 crores (~ USD 500 million) in FY 2014-15 and manages over 3 million square feet of warehouse space.

Over the years, TVS LSL has substantially widened its service capability like last mile delivery, demand forecasting and technology logistics through its key overseas acquisitions such as, Rico Logistics (UK) and Multipart (UK). With a global footprint and suite of sophisticated capabilities and services, TVS LSL is now well positioned to increase its coverage across all segments of the logistics supply chain supporting last mile delivery (including for e-commerce) and diversify in India to have an increased presence in the non-auto space.

#### **About TVS Logistics Services Limited:**

TVSLSL is part of the USD 7 billion TVS Group of companies and offers complete logistics solutions, specializing in Warehousing, Distribution, Transportation and In-plant logistics. TVS Logistics had an annual turnover of over INR 3,000 Crore (~USD 500 million) in FY2014-15 and controls over 3 million square feet of warehouse space in India. TVS LSL operates in UK, Spain, Thailand, USA, Germany, China and Australia through a mix of subsidiaries and JV partners. TVS Logistics has been considered as the best choice for low cost sourcing and complete logistics management of automotive components from India. TVS Logistics has marquee investors including Goldman Sachs and KKR who have been partners with the company since 2008 and 2012 respectively.

#### **About Tata Opportunities Fund:**

The Tata Opportunities Fund (TOF) is a third party private equity fund with a mandate to invest *into* or *alongside* Tata group entities, in addition to investing into independent Indian businesses via growth capital or through buy-outs. TOF completed the final close of its fund in 2013 with commitments of ~USD 600 million from marquee global investors. Excluding this investment, the Fund has till date committed over USD 340 million to diverse sector leaders in various segments including Ginger Hotels, Tata Sky, Varroc Engineering and Shriram Properties.



**About Tata Capital Limited:**

Tata Capital Limited, registered with the Reserve Bank of India as a Core Investment Company, a holistic financial services provider caters to the diverse needs of retail, corporate and institutional customers, directly or indirectly through its subsidiaries. Its range of offerings includes Consumer Finance, Advisory Services, Commercial Finance, Infrastructure Finance, Securities, Investment Banking, Private Equity Advisory, Credit Cards and Travel & Forex Services. For more information about Tata Capital, please visit [www.tatacapital.com](http://www.tatacapital.com).

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