

# Directors' Report





The Directors have the pleasure of presenting the 33<sup>rd</sup> Annual Report and the Company's audited accounts for the year ended 31<sup>st</sup> March 2025.

## 1. SUMMARY OF THE KEY HIGHLIGHTS ON THE COMPANY'S PERFORMANCE IN FY 2024-25

### Sales Performance:

- The Company surpassed all its previous highs, achieved the highest-ever sales of 4.74 million units of two-and three-wHEELERS.
- Two-wHEELER domestic ICE sales grew by 9% over the last year as against industry growth of 7% with 3.25 million units sold.
- In the two-wHEELER international market, the Company sales grew by 23% against the industry growth of about 21%.
- Total ICE two-wHEELER grew by 12% compared to the last year as against industry growth of 10%.
- EV two-wHEELER sales increased by 44% to 2.8 lakh units as against 1.9 lakh units during last year.
- Three-wHEELER sales stood at 1.35 lakh units against 1.46 lakh units sold last year.

..... 4.74 Mn

Total units (2Ws+3Ws) sold during FY 2024-25  
(15% y-o-y growth)

₹36,309 Cr .....

All-time high revenue

..... ₹3,629 Cr

All-time high PBT

## Financial Performance

- The Company posted the highest ever revenue of ₹36,309 crore, highest ever profit of ₹3,629 crore.
- The Company's operating revenue grew by 14%.
- The Company recorded the highest-ever operating EBITDA of ₹4,454 crore, a growth of 27% as against the EBITDA of ₹3,514 crore during last year.
- The Company's operating EBITDA improved by 120 basis points at 12.3% including the PLI benefits, as against last financial year's 11.1%.

## Dividend & Bonus Preference Shares

- Declared an interim dividend of ₹10 per share (1,000%) for the year FY 2024-25, absorbing a sum of ₹475 crore.
- On receipt of final approval from the Hon'ble National Company Law Tribunal, Chennai Bench, the Company shall issue 4 Non-convertible Redeemable Preference Shares (NCRPS) of face value of ₹10 each fully paid up, for every 1 equity share of ₹1 each fully paid up held by equity shareholder of the Company.

## Acquisitions

- The Company established a wholly owned subsidiary in Dubai in the name of TVS Motor Company DMCC, Dubai.
- The Company acquired additional stake in DriveX Mobility Private Limited (DriveX) and thereby it has become a subsidiary.
- The Company acquired additional stake in The Go Corporation, Switzerland (GO AG) and EBCO Ltd, UK through TVS Motor (Singapore) Pte Ltd and thereby both became the wholly owned subsidiary of TVS Motor (Singapore) Pte. Ltd and the Company.

## Product Launches

- All-new TVS Jupiter 110, TVS Apache RTR 160 series and all-new TVS Ronin.
- New variants of TVS iQube electric scooter; and.
- TVS King EV MAX – first electric three-wheeler.

## Performance of Subsidiaries

- TVS Credit Services Limited has served 1.9 crore customers till date. TVS book size is ₹26,647 crore. PBT for the year grew by 35% at ₹1,025 crore as against last year ₹762 crore.
- Sundaram Auto Components Limited completed the sale of its injection moulded plastic component solutions division on 31<sup>st</sup> January 2025 and business of manufacturing of seats for two-wheelers on 22<sup>nd</sup> March 2025 as a going concern on a slump sale basis.
- PT TVS Motor Company, Indonesia two-wheeler sales grew by 19.3% and reported operating EBITDA of \$8 million.

## Awards and Accolades

- The Company earned multiple accolades in J.D. Power 2024 India Two-Wheeler IQS and APEAL Studies, with models like Jupiter 125, Radeon, Apache RTR 160 2V and Raider recognised for quality and customer appeal.
- Mr. Venu Srinivasan, Chairman Emeritus and MD of TVS Motor, won the lifetime achievement award for his contributions to Indian manufacturing by ET Awards for Corporate Excellence.
- Mr. Sudarshan Venu, MD of TVS Motor, was ranked amongst India's Best CEOs by Fortune and Business World magazines.
- The CSR arm of the Company viz. Srinivasan Services Trust inter-alia won awards for 'Learning & Development' best practices, CSR Universe Social Impact Awards 2024 and the Gold Award for 'Excellence in HR Digital transformation'.

## 2. GENERAL OVERVIEW

TVS Motor Company Limited (TVSM), driven by its unwavering customer focus and commitment to the highest standards of quality, has delivered a strong performance for FY 2024-25.

Our long-term core values of trust, customer obsession, value maximisation, speed & agility, exactness and disruptive mindset have been the cornerstone of our success, enabling us to consistently grow.

The year has been marked by significant growth, robust financial results, and a strengthened market position, reflecting our dedication to delivering superior products and services. As we continue to innovate and expand, we remain steadfast in our mission to provide unparalleled value to our customers and stakeholders.





## 2.1. Key Performance Snapshot

In FY 2024-25, the Company registered highest-ever annual sales of 46.09 lakh (4.61 million) units of two-wheelers and 1.35 lakh (0.13 million) units of three-wheelers. This translated into a 13% sales growth over the annual sales of 41.91 lakh (4.19 million) units in FY 2023-24.

On the back of this strong performance, the Company reported an all-time high revenue of ₹36,251 crore and PBT of ₹3,629 crore. The Company also recorded its highest ever operating EBITDA of ₹4,454 crore, a growth of 27% as against ₹3,514 crore during FY 2023-24.

TVS Motor earned multiple accolades in the J.D. Power 2024 India Two-Wheeler IQS and APEAL Studies, with models like Jupiter 125, Radeon, Apache RTR 160 2V, Raider and iQube recognised for quality and customer appeal.

The Company became India's first two-wheeler manufacturer to achieve the 'TPM Advanced Special Award' simultaneously for all its manufacturing plants. This outstanding achievement is a testament to the unwavering dedication, teamwork and commitment of every employee across the organisation.

Together, the joint efforts of our employees and partners have strengthened excellence in management and optimised business processes across the Company.

## 2.2. Macroeconomic Overview – India

India's Real Gross Domestic Product (GDP) grew by 6.5% in FY 2024-25, driven by an increase in consumption and improvement in the agriculture sector. This has also been aided by the fiscal and monetary policies of the Government and supported by the inherent fundamentals of the economy.

As per the Ministry of Statistics and Programme Implementation, the agriculture sector's Gross Value Added (GVA) grew by 4.6% in FY 2024-25, in comparison to the 2.7% growth seen in FY 2023-24. Bountiful rains and adequate water levels in reservoirs across the country aided this growth. Industry and services sectors grew by 5.6% and 7.3%, respectively.

The Consumer Price Index (CPI) inflation stayed range-bound at 4.63%, in line with the Reserve Bank of India's (RBI) targets, supported by stable food and commodity prices. In February 2025, the RBI reduced the benchmark repo rate by 25 basis points to 6.25% to support consumption growth.

The Government of India's ongoing and significant investment in infrastructure over recent years bodes well for overall economic growth and improvement in the quality of life of people. In FY 2024-25, the public capital infrastructure spend was ₹10.2 lakh crore, increased from ₹9.49 lakh crore in FY 2023-24.

## 2.3. Macroeconomic Overview - Global

As per the International Monetary Fund (IMF), the global economy grew by 3.3% in CY 2024. The emerging and developing economies grew at a faster rate of 4.3%, in comparison to the 1.8% growth observed in developed economies.

As per the April 2025 projections of the IMF, the global economic growth is estimated to grow by 2.8% in CY 2025. The growth estimates differ across regions and countries on account of the geo-political uncertainties.



### 3. INDUSTRY PERFORMANCE IN FY 2024-25

#### 3.1. Two-wheeler ICE (India)

In FY 2024-25, two-wheeler sales grew by 6.9% (all-India VAHAN), with 13.2% growth in Q1, 2.0% in Q2, 11.6% in Q3, and then flattening in Q4 FY 2024-25.

The industry wholesale stood at 19.9 million units compared to 18.4 million units in the previous fiscal year. While this reflects a growth of 8%, the industry has yet to reach its highest-ever volume of 21.2 million units recorded in FY 2018-19.

The significant performance markers in FY 2024-25 are listed here for reference:

#### OVERALL TWO-WHEELER INDUSTRY (ICE +EV) VAHAN

**9.0%**

H1 growth

**6.6%**

H2 growth

#### TWO-WHEELER ICE

#### MOTORCYCLE INDUSTRY (DISPATCH)

**4.6%**

Growth in FY 2024-25

**12.2 Mn**

Volume in FY 2024-25

**65%**

Category share in FY 2024-25 (a y-o-y decline of 1.5%)

#### TWO-WHEELER ICE

#### SCOOTER INDUSTRY (DISPATCH)

**12.7%**

Growth in FY 2024-25

**6.1 Mn**

Volume in FY 2024-25

**32.3%**

Category share in FY 2024-25 (a y-o-y growth of 1.5%)

#### TWO-WHEELER EV

#### SCOOTER INDUSTRY (VAHAN)

**22.0%**

Growth in FY 2024-25

**1.14 Mn**

Volume in FY 2024-25

**6.8%**

Penetration in FY 2024-25 (a y-o-y growth of 1.5%)

#### TWO-WHEELER ICE

#### MOPED INDUSTRY (DISPATCH)

**4.2%**

Growth in FY 2024-25

**5.01 Lakh**

Volume in FY 2024-25

**2.7%**

Category share in FY 2024-25 (a y-o-y decline of 0.1%)



The growth of motorcycle industry in FY 2024-25 offered key insights:

- Premium motorcycle sales grew by 6.6% in FY 2024-25, reaching 1.6 million units compared to 1.5 million units in FY 2023-24 retaining a category share of 8.5%.
- Commuter motorcycles commanded a dominant category share of 49.1% (50.3% in FY 2023-24) of the overall two-wheeler industry.
- This category, which comprises the Executive and Economy segments, saw a volume growth of 4.1% in FY 2024-25 with sales of 9.2 million units (from 8.8 million units in FY 2023-24). While the Economy segment grew by only 1.2%, the Executive segment posted a growth of 8.3%, improving its category share from 20.4% to 20.6%.
- The Scooter industry grew by 12.7% in FY 2024-25, with 6.1 million units sold compared to 5.37 million units in FY 2023-24, maintaining its category share at 32.3%.

### 3.2. Two-wheeler EV (India)

EV industry retail sales, as per VAHAN, reached 1.14 million units in FY 2024-25, up 22% over last year. The average penetration of EV two-wheelers stood at 6.8%, growing from 5.3% last year.

The continued focus and support for EV adoption extended by the Central Government — in the form of the PM e-Drive (earlier Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India or FAME II), the Production-Linked Incentive (PLI) Scheme, and reduced Goods and Services Tax (GST) on lithium-ion batteries — are making EVs more affordable for consumers.

Various state governments have issued their EV policies, offering additional incentives and support for EV adoption.

### 3.3. Three-wheelers ICE+EV (India)

The retail industry posted a strong growth of 14%, from 0.61 million units to 0.7 million units in FY 2024-25. The wholesale industry grew by 9% during FY 2024-25, with volumes rising from 0.65 million units to 0.71 million units.

The small-passenger segment (ICE + EV) grew by 20% in FY 2024-25 (from 349,284 units in FY 2023-24 to 420,464 units in FY 2024-25), while its contribution to the overall three-wheeler industry increased from 54% to 59%. The cargo segment also saw growth, due to demand for last-mile delivery and e-commerce applications aided the growth of the cargo segment.

The adoption of EVs (L5) in the three-wheeler industry has been significantly increasing, from 12% in FY 2023-24 to 22% in FY 2024-25. The L5 EV segment's sales nearly doubled, from 78,002 units in FY 2023-24 to 154,548 units in FY 2024-25, posting a growth of 98%.

# 59%

Contribution of the Small Passenger segment to the overall three-wheeler industry

# 154,548 units

EV segment sales in FY 2024-25

↗ 98% y-o-y growth

### 3.4. International Business

#### (Two-wheelers and Three-wheelers)

While the global two-wheeler industry grew by 3% in FY 2024-25, 4.2 million units were exported from India, a growth of 22.1% over last year. H1 FY 2024-25 recorded a growth of 16.5%, and H2 FY 2024-25 reported an growth of 30%. Exports to the LATAM region experienced higher growth with strong demand in Mexico, Colombia, and Guatemala, while exports to the Middle East faced a decline.

The three-wheeler industry grew by 3% in FY 2024-25, with 105.7K units exported from India, registering a decline of 15.7% over last year. However, the decline was lower in H2 at 13.1%, indicating a recovery.