Directors' Report

The Directors are pleased to present the 34th Annual Report and the audited financial statements of the Company for the year ended 31st March 2026, reflecting a year of strong performance, sustained growth and significant milestones across businesses. A summary of the key highlights on the Company's performance and operations in FY 2025-26 is enumerated.

5.89 Mn	Total units (2Ws and 3Ws) sold during FY 2025-26	24%
47,270 Cr	All-time-high revenue	
4,945 Cr	All-time-high Profit Before Tax	


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1. Key Highlights of the Company's Performance in FY 2025-26

Customer Satisfaction

- Reinforcing its commitment to quality and customer satisfaction, the Company delivered a strong performance in the J.D. Power 2026 India Two-Wheeler Studies, securing five honours. Notably, TVS Jupiter 110, TVS Raider, and TVS Ronin achieved top rankings in their respective segments in the Initial Quality Study (IQS), underlining the Company's consistent focus on delivering superior product quality and ownership experience.
- Further strengthening its leadership in delivering superior customer experience, TVS Jupiter 110 and TVS Sport secured the top position in the J.D. Power Automotive Performance, Execution and Layout (APEAL) Study, reflecting the Company's continued emphasis on product excellence and rider-centric design.

Sales Performance

- The Company delivered a record-breaking performance during the year, surpassing all previous milestones to achieve its highest-ever sales of 5.89 million units of two- and three-wheelers.
- Driven by strong customer acceptance and a robust product portfolio, two-wheeler domestic ICE sales in India grew by an impressive 19%, significantly outpacing industry growth of 9%, with volumes reaching 3.87 million units.
- The Company also sustained strong momentum in international markets, where two-wheeler sales recorded a growth of 31%, markedly higher than the industry growth of 12%, reflecting the strength of its global presence and market expansion strategy.
- In the electric mobility space, the Company further consolidated its leadership position, with EV two-wheeler sales increasing by 35% to 3.67 lakh units. This performance enabled the Company to emerge as the No. 1 player in the EV two-wheeler segment in India in FY 2025-26.
- The three-wheeler business also witnessed robust growth, with sales rising to 2.2 lakh units, a strong growth of 63% over the previous year, significantly ahead of the industry growth of 28%, underscoring the Company's competitiveness and market leadership in this segment.

5.89 Mn units

Highest-ever sales of two- and three-wheelers

No. 1 player

In EV two-wheeler segment in India (FY 2025-26)

Financial Performance

- The Company posted the highest-ever revenue of ₹47,270 crore, highest-ever profit of ₹4,945 crore (Profit before exceptional items and tax).
- The Company's operating revenue grew by 30%.
- The Company recorded the highest-ever operating EBITDA of ₹6,079 crore, a growth of 37% as against the EBITDA of ₹4,450 crore during last year.
- The Company posted a PAT of ₹3,615 crore during the year.

30%

Growth in TVSM's operating revenue in FY 2025-26

Dividend & Bonus Preference Shares

- Reflecting its strong financial performance and continued focus on shareholder value creation, the Company declared an interim dividend of ₹12 per share (1,200%) for FY 2025-26, absorbing a sum of ₹570 crore.
- Pursuant to the approval of the Hon'ble National Company Law Tribunal, Chennai Bench, the Company undertook a capital restructuring initiative through the allotment of 4 listed Non-Convertible Redeemable Preference Shares (NCRPS) of face value ₹10 each, fully paid-up, for every 1 equity share held. The total value of the allotment amounted to ₹1,900.35 crore, with a maturity date of 1 September 2026, reinforcing the Company's commitment to optimising its capital structure while enhancing shareholder returns.

Key Acquisitions and Disinvestments

Norton Motorcycle Co. Ltd., UK

- Since the acquisition of Norton in FY 2020-21, the Company has committed investments of over £250 million towards revitalising the brand. These investments have been directed towards new product development, establishment of advanced engineering and R&D capabilities, setting up of new manufacturing infrastructure in the UK, and a comprehensive brand transformation programme. This sustained commitment underscores the Company's long-term vision of positioning Norton as a globally competitive premium motorcycle marque, defined by design excellence, engineering precision, and best-in-class performance.
- Building on this momentum, Norton is gearing up to introduce a differentiated product portfolio in FY 2026-27, comprising the all-new Manx, Manx R, Atlas and Atlas GT, marking a new phase in the brand's product renaissance and global repositioning.

- During the year, The Norton Motorcycle Co. Ltd., UK, a wholly owned subsidiary of the Company, incorporated two wholly owned subsidiaries—Norton Motorcycle Private Limited, India on 19 August 2025 and Norton USA LLC on 6 November 2025.
- Ahead of its planned commercial launch in the United States during the summer of FY 2026-27, Norton has been undertaking preparatory steps to establish its presence in key markets. These include the incorporation of the US subsidiary, onboarding of sales and marketing personnel, and the progressive appointment of dealer partners. The brand has also generated encouraging customer and stakeholder response following the product unveil at EICMA, Milan and is continuing to invest in readiness for the forthcoming commercial rollout.

Engines Engineering S.p.A, Italy

- The Company acquired 100% stake in Engines Engineering S.p.A, Italy (EE) through TVS Motor (Singapore) Pte Ltd on 3 October 2025 and thereby EE became a wholly owned subsidiary of TVS Motor (Singapore) Pte. Limited and the Company.
- The acquisition of EE marks a significant step in strengthening global engineering and innovation capabilities to design and develop next generation products for global markets.

Roppen Transportation Services Private Limited (Rapido)

- The Company has disinvested its stake held in Roppen Transportation Services Private Limited (Rapido) and during the year realised a sum of ₹288 crore as against the investment of ₹114 crore.

Key Partnerships

- The Company entered a strategic partnership with Hyundai Motor Company to co-create next-generation electric three-wheelers, aimed at redefining last-mile mobility through a combination of design innovation, advanced technology and a strong focus on sustainability.
- This collaboration brings together Hyundai's global expertise in design, engineering and future mobility technologies with the Company's strengths in manufacturing excellence, market understanding and co-development capabilities. Together, the partners aim to address the rapidly evolving micro-mobility landscape in India with solutions that are tailored for urban adaptability and efficiency.
- The partnership is aligned towards setting new benchmarks in design, quality, and sustainable mobility, while accelerating the development of innovative, high-performance solutions for the future of urban transportation.

New Product Launches

The Company delivered a robust performance during the year, underpinned by a series of successful product launches and lifecycle enhancements across its motorcycles, scooters and electric mobility portfolio.

- Introduction of the all-new TVS Ntorq 150, alongside updates to the flagship TVS Apache RR 310 and refreshed variants of the Apache RTR 200 4V and RTR 160.
- Milestone celebration of the TVS Apache brand was marked by the launch of an exclusive range of 20th Anniversary Limited Editions in September 2025, further strengthening brand equity and customer engagement.
- The portfolio was further reinforced with the launch of the all-new TVS Apache RTX 300 in October 2025, complemented by the introduction of the TVS Jupiter 125 DT SXC and refreshed variants of the TVS iQube S and ST. Value offerings were also enhanced through the launch of the new TVS XL100, broadening accessibility across segments.
- In electric mobility, the Company continued to scale its presence with the introduction of the all-new TVS Orbiter in India in August 2025, followed by the TVS Orbiter V1 (BaaS variant) in March 2026, enabling wider adoption through innovative ownership models.

Apache 20th Anniversary Limited Editions

Launched in September 2025, marking milestone celebration of TVS Apache brand

Across its product portfolio, the Company established advanced TFT instrument clusters as a distinctive signature of its technology leadership and rider-centric innovation.

Powered by the proprietary SmartXonnect™ platform, TVS digital TFT clusters seamlessly integrate connected features such as navigation, voice assist, ride analytics, and smartphone integration, delivering an intuitive and highly personalised rider interface.

From the Apache RTR TFT variants to the NTORQ and Raider range, these clusters consistently combine high-resolution displays, robust connectivity, and real-time data capabilities. This deep in-house expertise in hardware-software integration, UI/UX design, and connected ecosystems positions TVS's TFT cluster technology as a defining differentiator—enhancing safety, engagement, and the overall riding experience across segments.

Collectively, these initiatives underscore the Company's continued focus on innovation, portfolio premiumisation, and comprehensive market coverage, while driving sustained growth across segments.

SmartXonnect™ platform

Powers TVS digital TFT clusters to integrate connected features seamlessly

Awards and Accolades

The Company secured five honours in the J.D. Power 2026 India Two-Wheeler Studies, with TVS Jupiter 110, TVS Ronin and TVS Raider ranking highest in their respective segments in the Initial Quality Study (IQS).

TVS Sport and TVS Jupiter 110 ranked highest in the Automotive Performance Execution & Layout (APEAL) Study.

Mr. Sudarshan Venu, Chairman and Managing Director, was named 'Person of the Year' by Autocar India during the year under review. The recognition reflects his leadership in guiding the Company's strategic priorities and operational performance.

Sudarshan Venu, 'Person of the Year' by Autocar

Under his direction, the organisation continued to advance its product portfolio and strengthen its presence across key markets. The award highlights his role in steering the company through a dynamic and competitive industry environment.

TVS Apache RTX that opened new frontiers for the company last year, was honoured with the prestigious Indian Motorcycle of the Year (IMOTY 2026). It also won several other awards, including the 'Bike of the Year' at the Autocar India Awards, reinforcing the brand's leadership in performance motorcycling.

TVS Ntorq 150 was adjudged 'Scooter of the Year', highlighting the Company's strengths in diverse product portfolio.

The Asian Centre for Corporate Governance & Sustainability recognised the Company's Annual Report as the 'Best Annual Report' in their Asia Business Responsibility Summit 2025.

The Confederation of Indian Industry [CII] awarded the Mysore factory with the 'CII-GreenCo - Gold Rating' in April 2025.

The Company also received the prestigious 'Golden Peacock Award' for Sustainability from the Institute of Directors (IOD) at the Annual Global Convention on Corporate Governance & Sustainability in London, UK, underscoring its commitment to responsible growth.

TVS Apache RTX

Honoured with the prestigious Indian Motorcycle of the Year (IMOTY 2026) Award

Sudarshan Venu

Named 'Person of the Year' by Autocar India

Golden Peacock Award

For TVSM's Sustainability from the Institute of Directors (IOD) at Annual Global Convention on Corporate Governance & Sustainability, London, UK

2. General Overview

Guided by the Company's enduring core values—trust, customer obsession, value maximisation, speed and agility, exactness, and disruptive mindset—TVSM has delivered another year of strong and consistent growth in FY 2025-26. This steadfast focus has built a resilient foundation that has enabled the Company to grow steadily and sustainably year after year.

The year was characterised by robust financial performance, accelerated growth across key segments, and a further strengthening of the Company's market position, underscoring the effectiveness of its long-term strategy and disciplined execution. As the Company continues to innovate, scale its capabilities, and expand its footprint, it remains firmly committed to delivering superior and consistent value to its customers, partners, and stakeholders.

2.1. Key Performance Snapshot

In FY 2025-26, the Company registered its highest-ever annual sales of 56.70 lakh (5.67 million) units of two-wheelers and 2.19 lakh (0.22 million) units of three-wheelers. This translated into a 23% sales growth over the annual sales of 46.09 lakh (4.61 million) units in FY 2024-25 for two-wheelers and a 63% sales growth from 1.35 lakh (0.14 million) units in FY 2024-25 for three-wheelers.

On the back of this strong performance, the Company reported an all-time high revenue of ₹47,270 crore and PBT of ₹4,945 crore. The Company also recorded its highest-ever operating EBITDA of ₹6,079 crore, recording a growth of 37% as against ₹4,450 crore during FY 2024-25.

₹6,079 Cr

Highest-ever operating EBITDA in FY 2025-26

2.2 Macroeconomic Overview – Global

Global macroeconomic conditions in FY 2025-26 remained challenging, driven by both supply and geopolitical shock cycle.

The International Monetary Fund (IMF) revised global growth downward to 3.1% from 3.3% projected in January 2026, reflecting the economic fallout from the US-Iran-Israel conflict.

The conflict triggered a sharp rise in crude oil and energy prices, disrupted global supply chains, tightened financial conditions and increased policy uncertainty across both advanced and emerging economies.

At the same time, the IMF revised global inflation upward to 4.4% from 3.8% earlier, indicating a prolonged period of elevated input costs and price pressures.

Among Emerging Market and Developing Economies (EMDEs), the impact was more pronounced for countries with high fuel import dependence and weaker fiscal buffers. However, the IMF expects the shock to remain largely near-term, assuming geopolitical tensions do not escalate further.

2.3. Macroeconomic Overview – India

Despite global tariff-related uncertainties during FY 2025-26, the Indian economy remained resilient, supported by strong domestic demand, higher government capex, robust investment activity, and structural reforms such as personal income tax and GST rationalisation. As per the revised GDP series (base year 2022-23), India's real GDP growth is estimated at 7.6% in FY 2025-26, compared to 7.1% in FY 2024-25. Growth remained broad-based, with Q3 FY 2025-26 GDP expanding by 7.8% Y-o-Y, supported by strong private consumption and festive demand. Nominal GDP growth stood relatively lower at 8.6%, mainly due to benign inflation averaging around 2.1% during FY 2025-26.

Broad-based Sectoral Growth Supported Overall Momentum

Real Gross Value Added (GVA) is estimated to have grown by 7.7% during FY 2025-26. Growth remained well distributed across key sectors of the economy:

- Agriculture and allied activities continued to benefit from favourable monsoon conditions and healthy reservoir levels.
- Manufacturing activity strengthened materially, supported by improving domestic demand, government capital expenditure and higher industrial output.
- Construction activity remained strong, driven by continued infrastructure development and urban expansion.
- The services sector remained the primary growth engine of the economy, supported by healthy performance across trade, transportation, hospitality, financial services and digital services.

The Government of India maintained its emphasis on long-term infrastructure creation and investment-led growth. In the Union Budget FY 2025-26, capital expenditure was budgeted at ₹11.21 lakh crore, reinforcing the Government's commitment towards roads, railways, logistics, urban infrastructure and digital connectivity. Continued public investment supported industrial activity, crowding-in of private investment and long-term productivity enhancement across the economy.

Domestic demand conditions remained favourable during FY 2025-26, supported by measures such as personal income tax relief, GST rationalisation, improving consumer sentiment and sustained investment activity.

Private Final Consumption Expenditure (PFCE) grew by 7.7%, while Government Final Consumption Expenditure (GFCE) expanded by 6.6% during the year.

Under the revised CPI series with base year 2023-24, inflation moderated to 2.1% in FY 2025-26, remaining at the lower end of the Reserve Bank of India's target band of 2-6%. The benign inflation environment was supported by GST rationalisation, favourable base effects, healthy supply conditions and adequate reservoir levels across the country. Reflecting the favourable macroeconomic environment, the RBI described the economy as being in a 'Goldilocks' phase and reduced the policy repo rate cumulatively by 125 basis points since February 2025 to 5.25%, while maintaining a neutral policy stance. Lower interest rates supported liquidity conditions, credit growth and retail financing demand across sectors.

During FY 2025-26, the Goods and Services Tax (GST) rationalisation provided a meaningful boost to the Indian two-wheeler industry, particularly in the mass and mid-premium motorcycle segments. The reduction in GST on two-wheelers below 350cc from 28% to 18% significantly improved affordability and lowered the on-road acquisition cost for customers. The lower tax structure enhanced the value proposition across key models, improved dealer throughput and strengthened retail momentum through more effective financing and promotional offerings without margin dilution.

3. Industry Performance in FY 2025-26

3.1. Two-wheeler ICE (India)

In FY 2025-26, two-wheeler sales grew by ~13% (all-India VAHAN), with a ~2% growth in Q1 & Q2 and a significant 19% growth in Q3 [due to GST revision]. This momentum sustained into Q4 with a strong 24% growth.

Industry wholesale volumes increased by 9% to 20.6 million units, from 18.8 million units in the previous fiscal year.

FY 2022-23

18% Full Year Growth Percentage

H1	20%
H2	16%

FY 2024-25

7% Full Year Growth Percentage

H1	9%
H2	6%

FY 2023-24

10% Full Year Growth Percentage

H1	8%
H2	11%

FY 2025-26

13% Full Year Growth Percentage

H1	3%
H2	21%

The significant performance markers in FY 2025-26 are listed here for reference:

Growth in FY 2025-26

Scooter – EV + ICE (ICE: Dispatch, EV: VAHAN)

17%

8.49 Mn — Volume in FY 2025-26

7.28 Mn — Volume in FY 2024-25

Premium Motorcycle (Dispatch)

14%

1.83 Mn — Volume in FY 2025-26

1.59 Mn — Volume in FY 2024-25

Commuter Motorcycle – Economy + Executive + Moped Industry (Dispatch)

3%

10.04 Mn — Volume in FY 2025-26

9.75 Mn — Volume in FY 2024-25

Two-wheeler EV – Scooter Industry (VAHAN)

21%

1.45 Mn — Volume in FY 2025-26

6.6% 0.4%* — Penetration in FY 2025-26

The growth of motorcycle industry in FY 2025-26 offered key insights:

- Premium motorcycle sales grew by 14% in FY 2025-26, reaching 1.8 million units compared to 1.6 million units in FY 2024-25 with a category share of 8.9% (8.5% in FY 2024-25) of the overall ICE two-wheeler industry.
- Commuter motorcycles continued to command dominant category share of 46.2% (49.3% in FY 2024-25) of the overall ICE two-wheeler industry.

This category, which comprises the Executive and Economy segments, saw a volume growth of 3% in FY 2025-26 with sales of 9.5 million units (from 9.2 million units in FY 2024-25). While the Economy segment grew by 4.5%, the Executive segment grew by only 0.7%, which resulted in its category share declining from 20.6% to 19%.

The ICE Scooter industry grew by 16% in FY 2025-26, with 7.03 million units sold compared to 6.07 million units in FY 2024-25, thereby increasing its category share from 32.3% (FY 2024-25) to 34.1% (FY 2025-26).

16% **ICE scooter industry growth in FY 2025-26**

3.2. Two-wheeler EV (India)

EV industry retail sales, as per VAHAN, reached 1.46 million units in FY 2025-26, up 26% over last year. The average penetration of EV two-wheelers stood at 6.6%, growing from 6.2% last year. In Q4 FY 2025-26, the EV industry grew by 38%.

Sustained policy support from the Central Government through initiatives such as 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 the reduction in Goods and Services Tax (GST) on lithium-ion batteries has played a pivotal role in improving the affordability and adoption of electric vehicles.

Complementing these efforts, several state governments have introduced dedicated EV policies that provide additional incentives and infrastructure support, collectively accelerating the transition towards electric mobility.

3.3. Three-wheeler ICE + EV (India)

The retail industry posted a strong growth of 17%, from 0.67 million units to 0.78 million units in FY 2025-26. The wholesale industry grew by 11% during FY 2025-26, with volumes rising from 0.71 million units to 0.79 million units

The small-passenger segment (ICE + EV) grew by 7% in FY 2025-26 (from 0.42 million units in FY 2024-25 to 0.45 million units in FY 2025-26), while its contribution to the overall three-wheeler industry decreased from 58% to 56%.

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 ICE segment retails in Q3 FY 2025-26 & Q4 FY 2025-26 witnessed a growth of 8.7% & 19.1% over last year, owing to GST rate cuts w.e.f September 2025.

The adoption of EVs (L5) in the three-wheeler industry (retail) has significantly increased - from 22% in FY 2024-25 to 32% in FY 2025-26. The L5 EV segment's retails increased from 0.14 million units in FY 2024-25 to 0.25 million units in FY 2025-26, posting a growth of 71%.

3.4. International Business

Two-wheelers

The global two-wheeler industry grew by 11.8% in FY 2025-26, with ~5.2 million units exported from India, a growth of 23% over last year. Exports to the Africa region experienced higher growth with strong demand in Africa, while exports to the Middle East faced a decline.

Three-wheelers

The global three-wheeler industry grew by 52.5% in FY 2025-26, with 0.16 million units (160.9K) exported from India, registering a growth of 50% over last year. However, the growth was higher in H2 at 75%.