

## 4. Management Discussion and Analysis

### 4.1. Company's Global Business Performance in FY 2025-26

The Company surpassed all its previous highs, achieving the highest-ever sales of 5.89 million units (up from the 4.74 million units in FY 2024-25).

The two-wheeler sales touched all-time high of 5.67 million units, recording a 23% growth over FY 2024-25. The three-wheelers sales were at 0.22 million units as against the 0.14 million units last year, translating to a 62.7% growth.



### 4.2. India Business (Two-wheelers and Three-wheelers)

The Company outperformed the broader two-wheeler industry (ICE+EV), which grew by ~9%, with a higher-than-industry growth of 19.1% across segments.

### 4.3. International Business

- **Two-wheelers:** In FY 2025-26, the Company registered a 30% growth in two-wheeler exports with 1.43 million units, against the 1.09 million units in the previous year. This was driven by strong business growth in Africa, LATAM and Asia.
- **Three-wheelers:** Three-wheeler exports during the year reached 0.16 million units, a growth of 50% over FY 2024-25. In the international markets, some African markets witnessed revival in industry due to currency stabilisation and lower inflation.

#### Motorcycles

**1.42 Mn** Overall India sales 18% ↗

**0.57 Mn** Sales in Premium category 29.5% ↗

**0.76 Mn** Sales in Commuter segment 05% ↗

#### Scooters

**1.93 Mn** India scooter sales 25.7% ↗

**0.37 Mn** India EV sales 31% ↗

Public charging networks expanded to upwards of 5,000 charging points

#### Commercial Mobility – Three-wheelers

**61k** Sales in India Commercial Mobility category 109% ↗

↗ Growth in FY 2025-26



#### 4.4. New Product Launches and Initiatives in FY 2025-26



##### TVS Apache – 20<sup>th</sup> Anniversary Limited Editions

FY 2025-26 marked a significant milestone for TVS Apache as the brand completed 20 years of leadership in performance motorcycling.

Launched in 2005, Apache has played a defining role in shaping India's performance motorcycle segment through race-derived engineering, segment-first innovations and a strong global community of over 6.5 million riders.

To commemorate this landmark journey, the 20<sup>th</sup> Anniversary Edition was introduced across the Apache portfolio, including the RTR Series, 310 Series and RTX.



The limited-edition models feature exclusive anniversary graphics and race-inspired livery, a distinctive 20-Year Anniversary crest, dual-tone alloy wheels and USB charger, collectively symbolising brand Apache's design evolution, innovation-led approach and performance DNA.

The Anniversary Edition stands as a tribute to the brand's remarkable legacy and continued focus on innovation, racing excellence, and the future of performance motorcycling.



##### TVS Apache RR 310 – OMC-inspired Edition

The latest update to the TVS Apache RR 310 introduces a striking Sepang Blue Race Replica colour, inspired by the TVS Asia OMC race bike, along with additional new colour options, reinforcing the motorcycle's racing pedigree.



It is equipped with a bi-directional quick shifter and segment first technologies, including aerodynamic winglets, Sequential TSL, transparent clutch cover, Cornering Drag Torque Control, and Launch Control, enhancing stability, performance, and rider confidence.

Advanced rider technologies such as the Gen 2 Race Computer with multi-language support further elevate control, safety and rider engagement.

##### Segment-first Technologies in Apache RR 310

- Aerodynamic winglets
- Sequential TSL
- Transparent clutch cover
- Cornering Drag Torque Control
- Launch Control



### TVS Apache RTX 300

The Company expanded its premium motorcycle portfolio with the launch of the TVS Apache RTX, marking Apache's entry into the adventure rally tourer segment.

Building on the Apache brand's strong legacy and a global rider base of over 6.5 million, the Apache RTX extends TVS Racing and Apache's rally heritage, engineering excellence and evolving rider aspirations to combine performance with the spirit of exploration.

**The motorcycle is powered by the new 299.1 cc RT XD4 engine, delivering 36 PS and 28.5 Nm, paired with a 6-speed gearbox with assist and slipper clutch and a steel trellis frame for multi-terrain capability.**

The Apache RTX also features a mono-volume design and is equipped with advanced technologies, including TVS SmartXonnect with Map Mirroring, quick-shifter, adjustable suspension, TPMS and Class D LED headlamps with DRLs, enhancing its suitability for long-distance and adventure touring.



6.5 Mn

TVS Apache's global rider base



### TVS Apache RTR 160 4V & 200 4V (TFT Variants)

The Apache portfolio was strengthened with the introduction of 5-inch connected TFT & Projector headlamp variants of the RTR 160 4V and RTR 200 4V.

**Powered by oil-cooled 4 valve engines delivering 17.55 PS (RTR 160 4V) and 20.82 PS (RTR 200 4V), the TFT variants introduce the SmartXonnect™-enabled TFT cluster with voice assist, enhancing rider connectivity and engagement.**

The motorcycles are equipped with advanced rider aids, including traction control, assist and slipper clutch, segment-leading Class D LED projector headlamp, LED TSLs and refreshed race-inspired graphics, elevating both performance and visual appeal.

With these upgrades, the Apache RTR 4V TFT variants reinforce Apache's leadership in delivering technology-rich, race-inspired performance motorcycles tailored to evolving rider expectations.



SmartXonnect™  
enabled

TFT cluster with  
voice assist



### TVS Ronin – Agonda Edition

The TVS Ronin Agonda is a limited edition offering inspired by the serene character of Agonda Beach, Goa, and the custom culture ethos that defines the Ronin brand. Drawing from the Company's first custom Ronin – known for its clean, mechanical aesthetic, the Agonda translates this philosophy into a refined white edition that is calm, confident and contemporary. Blending retro design cues with modern elements such as USD front forks, signature DRL and premium alloy wheels, the Ronin Agonda delivers a minimal yet distinctive visual identity reflective of its coastal inspiration.



Unveiled at TVS MotoSoul 2025 in Goa, the motorcycle returns to the origin of Ronin's design journey and further strengthens its positioning as a lifestyle led, design forward modern retro.

## TVS Ronin Agonda

Unveiled at TVS MotoSoul  
2025, Goa



### TVS iQube 3.1 kWh Variant and Portfolio Refresh

The Company expanded its electric scooter portfolio with the introduction of a new TVS iQube 3.1 kWh variant, designed to further strengthen everyday electric mobility for Indian families. Built for practical urban commuting, the new variant offers an IDC-certified range of 123 km on a single charge and comes equipped with Smart Hill-Hold for improved safety on inclines, along with a refreshed UI/UX interface that enhances the overall riding experience.

**With over 800,000 units sold and a presence across majority of our touchpoints, TVS iQube continues to be one of India's most trusted family EV 2Ws, delivering dependable performance, connected features and ease of use for daily riders.**

The TVS iQube portfolio now offers five variants across multiple battery configurations, making it one of the most comprehensive offerings in the segment.

The refreshed lineup now includes the 2.2 kWh variant with 94 km IDC range, the newly introduced 3.1 kWh variant with 123 km, and 3.5 kWh variants across iQube and iQube S delivering 145 km of IDC range. At the top of the portfolio, the iQube ST 5.3 kWh offers an IDC range of up to 212 km.

The expanded lineup reinforces the Company's commitment to offering customers the 'Power of Choice' across range, technology, and riding needs, while ensuring complete assurance and simplicity of usage.

## 800,000 units

of TVS iQube sold



### TVS Orbiter V1 & V2

The all-new TVS Orbiter V1 was launched in India with an innovative Battery-as-a-Service (BaaS) model. It is powered by a 1.8 kWh battery pack and joins the existing Orbiter range, which now comprises two variants – the V1 with the smaller battery and the V2 with a larger 3.1 kWh unit.

This new V1 variant makes the TVS Orbiter a lot more accessible and affordable. It offers a claimed IDC range of 86 km on a full charge. The battery can be charged from zero to 80% in ~2 hours and 20 minutes.

The TVS Orbiter V2, perfectly blends high performance with smart technology. Engineered for the modern Indian rider, it boasts an impressive 158 km IDC range on a single charge from its robust 3.1 kWh lithium-ion battery, ensuring range anxiety is a thing of the past. Its powerful 4.4 kW hub motor propels you to a top speed of 68 kmph, with Eco and Power modes to suit your riding style. The battery can be charged from zero to 80% in around four hours and 10 minutes.

Prioritising customer safety and convenience, both the scooters are equipped with a reliable braking system featuring a front drum and rear drum brake, along with advanced features like cruise control, auto hill hold mode, and a handy reverse mode. It is also IP67-rated for water and dust resistance, making it perfect for any weather.

The TVS Smart Connect app offers Bluetooth connectivity for incoming calls and messages, geo-fencing, turn-by-turn map navigation, and seamless OTA updates.

With practical features like a massive 34-litre boot space, a front USB port, and an easy-to-access box, the TVS Orbiter is not just a scooter; it's an ultimate smart mobility partner.

**34 litres  
boot space**

Practical features in  
TVS Orbiter



### New TVS XL100

The Company's moped portfolio, now spanning 46 years, stands as one of India's most enduring automotive legacies, embodied in the evolution of the TVS XL series. From its early iterations to the latest XL100, the platform has consistently delivered reliable and accessible mobility to millions.

Since its inception in 1979, it has played a pivotal role in enabling affordable personal transportation across urban, semi-urban and rural India, becoming deeply embedded in the country's mobility landscape. With cumulative sales of approximately 17 million units to date, the Moped continues to evolve with changing customer needs while remaining a trusted symbol of durability, utility and everyday mobility. To carry the legacy forward, a new variant of the XL100 was launched.

Designed for evolving personal and utility needs, the new variant features alloy wheels, tubeless tyres, LED headlamp, improved suspension, refreshed styling, and dual-tone colour options. It continues to offer trusted features like Silent Start with ISG, ET-Fi for better mileage, and strong load-carrying capability, further strengthening XL100's role as a trusted partner in progress for millions of customers across India.

**≥ 17 Mn units**

Cumulative sales of  
TVS XL100



### TVS Jupiter 110 Stardust Black Edition

The launch of TVS Jupiter Stardust Black Edition marks a significant milestone for the brand, celebrating TVS Jupiter being recognised as the 'Most Awarded Scooter of India' 2025. This exclusive edition adds a new layer of style and sophistication to the TVS Jupiter Portfolio.

Finished in a sleek matte black, this edition features an industry-first speckled panel, an exclusive brushed gold logo, and a 'Most Awarded Scooter of India' commemorative badge, making it a distinctive offering for customers seeking premium styling.



Positioned as the top-end model in the TVS Jupiter range, it further strengthens the line-up by blending progressive styling with advanced technology, comfort, and everyday convenience, while retaining the core first-in-segment features, including double helmet under-seat storage, external front fuel fill, and signature infinity light bar.

This milestone further reflects the brand promise of 'India ka Naya Zyada', as TVS Jupiter continues to deliver more style, innovation, and value to customers across the country.

## 'Most Awarded Scooter of India'

TVS Jupiter



### TVS Jupiter 125 Dual Tone SXC Edition

The TVS Jupiter 125 Dual Tone SmartXonnect™ (SXC) represents a smart, stylish and practical upgrade for today's commuter. Delivering a perfect blend of performance, comfort, style and advanced connectivity, the new variant strengthens Jupiter's line up with compelling features that are superior within the 125cc commuter scooter segment.



It features progressive styling with dual-tone colour options — Ivory Brown and Ivory Grey — complemented by a newly designed seat, signature LED headlamp, and 12-inch front and rear alloy wheels.

Powered by a refined 124.8cc engine with iGO Assist technology, the scooter delivers superior pick-up with class-leading torque, without compromising fuel efficiency. Best-in-class convenience is delivered through double helmet storage (33L), an external front fuel fill, and a front open glove box. The Metal Maxx body, with its extensive metal panels enhances durability and rider safety. A fully digital SmartXonnect™ console with connected features further elevates everyday usability, reinforcing the Jupiter 125 Dual Tone SXC as a smart, stylish, and practical choice for the modern urban commuter.

## Metal Maxx body

With extensive metal panels that enhance durability and safety



### TVS Ntorq 150

Over 2 million NTORQians and 50 self-managed ride groups and communities define the relationship that has been built between one of India's most loved and iconic automotive brands and its riders. With the launch of TVS NTORQ 150, TVSM has given customers India's first 'Hyper Sport' Scooter.



It is designed to represent a symphony of high performance, sportier aesthetics and cutting-edge technology with performance and features such as:

- Fastest 0-60km/h acceleration in 6.3 sec
- Multipoint projector headlamps and signature sporty tail-lamps
- TFT cluster with 50+ connected features
- Alexa and smartwatch integration
- Safety with ABS and Traction control



### TVS Raider 125 – TFT DD & SSE Editions

The TVS Raider TFT DD variant was launched with 99+ connected features and Dual Disc brakes with ABS. This variant offers customers a wide range of colours options.



The SSE variants, with the Iron Man, Black Panther, Deadpool, and Wolverine offer the customers an opportunity to bring the Marvel Universe to life.

#### TVS Raider SSE variants:

- |             |                 |
|-------------|-----------------|
| → Iron Man  | → Black Panther |
| → Wolverine | → Deadpool      |

## India's first 'Hyper Sport' Scooter

TVS Ntorq 150



### TVS King Kargo HD EV

The TVS King Kargo HD EV establishes a new benchmark in the cargo three-wheeler segment by combining driver-first comfort, intelligent connected technology, heavy-duty capability, and sustainable mobility in one innovative platform.

Engineered to empower entrepreneurs, the vehicle features a best-in-class 6.6 ft load deck with leaf spring suspension, rapid acceleration, and charging from 0-100% in just 3 hours 10 minutes, enabling higher productivity and high uptime. Its 26 smart connected features provide real-time insights that help drivers and fleet operators optimise vehicle performance and efficiency.



Designed with safety and comfort at its core, the vehicle offers twin-axis ORVMs, high stability, LED headlights, ergonomic seating, and a premium spacious cabin to enhance the driver experience during long working hours. This capable cargo vehicle is now also available in a CNG variant.

26

Smart connected features in  
TVS King Kargo HD EV



### TVS Racing

TVS Racing, the racing arm of the Company's Research & Development (R&D), delivered an outstanding performance in FY 2025-26 achieving a remarkable 99% podium finish rate across all races that it took part in.

PETRONAS TVS Racing secured wins in 8 out of 9 national championships it participated in, underlining competitive strength and technical superiority.

The team also successfully completed Asia's first-ever electric one-make racing programme for four consecutive years with its prototype race machine, 'RTE', marking a significant milestone in electric motorsport development.

On the international stage, the Sherco-TVS Rally Factory Team clinched a rally victory in Spain, further reinforcing the Company's global racing credentials. In addition, TVSM's ARRC Spec RR310 set new lap timing track record twice, demonstrating sustained performance advancement.

Beyond race results, the TVS Racing team actively contributed to strategic development initiatives, including the 260cc Adventure Rally Special Edition and Electric Supercross racing projects.

The Company continues to benefit significantly from the strong collaboration between the Racing Team engineers and the Product Development division. This integration enables the transfer of cutting-edge motorsport technologies into production models, accelerating innovation and ensuring the Company's products remain performance-driven and market-relevant.

8 wins

Out of 9 secured by  
PETRONAS TVS Racing in the  
National Championships

### Experiential Brand Platforms: TVS MotoSoul 2025-26

During FY 2025-26, the Company further strengthened its engagement with India's motorcycling community through TVS MotoSoul, the flagship lifestyle and motorcycling festival. TVS MotoSoul continued to serve as a vibrant platform that brought together riders, customers, custom builders, motorsports enthusiasts, and industry partners to celebrate the culture, creativity, and camaraderie of motorcycling.

In its 5<sup>th</sup> edition this year, the event showcased the Company's growing focus on community-led brand building, blending product showcases with immersive riding experiences, motorsport demonstrations, custom motorcycle displays, and interactive sessions. Custom-built motorcycles based on key TVS models—including the TVS Ronin and Apache series—were presented, highlighting design innovation, craftsmanship, and the brand's commitment to personalisation and expressive motorcycling.

It also provided a platform for deeper engagement with rider communities such as the TVS Apache Owners Group (AOG) and TVS Ronin CuLT, reinforcing a sense of belonging and shared identity among enthusiasts. Curated rides, riding skill sessions, motorsport showcases and live performances contributed to a holistic experience that extended beyond products to lifestyle and culture.



## Brand Experience and Engagement: Rann Utsav 2026

In February 2026, the Company partnered with Gujarat Tourism at the renowned Rann of Kutch as part of the Rann Utsav celebrations, creating a distinctive experiential platform that blended motorcycling, adventure, and India's rich cultural heritage.

As part of this collaboration, the Company unveiled exclusive five bespoke 'Rann Utsav' edition custom motorcycles that interpret the landscapes and cultures of the Rann of Kutch by incorporating design elements inspired by Gujarat's rich regional art and traditions.

Over 100 Riders from TVS Apache Owners Group (AOG) and TVS Ronin CuLT (Culture, Lifestyle, and Travel) Community undertook the first-ever West Chapter Ride to the Rann under the starry desert nights. The initiative underscored the Company's commitment to integrating lifestyle motorcycling with cultural tourism, while supporting Gujarat's vision of promoting sustainable tourism and contributing to the national development agenda aligned with Viksit Bharat@2047.



### 4.5 BMW Association

The strategic partnership between TVS Motor Company Limited and BMW Motorrad, that began in FY 2013-14, has emerged as a distinctive benchmark in the global two-wheeler industry. The alliance has delivered several successful global products on the single cylinder 310 cc platform.

**Together, these products have built a strong global footprint with over 206,000 customers across key markets such as the European Union, the United States, Latin America, Japan, China, and India.**

In December 2025, the Company marked a significant milestone in its global manufacturing partnership with BMW Motorrad as the 200,000<sup>th</sup> BMW motorcycle rolled off the production line at the Company's Hosur facility.

Further strengthening the portfolio, the new BMW F 450 GS was unveiled at EICMA 2025 in November 2025.

The Company continues to play a pivotal role in the design, development, and industrialisation of upcoming BMW Motorrad products, while ensuring world-class quality standards, robust supply chain management, and scalable manufacturing excellence.

Building on more than a decade of successful collaboration, both companies have defined a future roadmap encompassing multiple new product platforms and advanced technologies. With several super-premium models currently under development, the partnership is well positioned to unlock significant growth opportunities and further strengthen its global presence in the segment.

## BMW F 450 GS

Unveiled at EICMA 2025



## 5. Financial Performance Report

### 5.1. Company's Financial Performance in FY 2025-26

| Details                                                                           | Year Ended<br>31 <sup>st</sup> March 2026 | Year Ended<br>31 <sup>st</sup> March 2025 |
|-----------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>SALES</b>                                                                      |                                           |                                           |
| <b>Quantitative</b>                                                               | <b>(Number in lakhs)</b>                  |                                           |
| Motorcycles                                                                       | 27.13                                     | 21.95                                     |
| Mopeds                                                                            | 5.44                                      | 5.10                                      |
| Scooters                                                                          | 24.13                                     | 19.04                                     |
| Three-wheelers                                                                    | 2.19                                      | 1.35                                      |
| <b>Total Vehicles Sold</b>                                                        | <b>58.89</b>                              | <b>47.44</b>                              |
| <b>Financials</b>                                                                 | <b>(₹ in crores)</b>                      |                                           |
| <b>Revenue from Operations</b>                                                    | <b>47,270</b>                             | <b>36,251</b>                             |
| Other Income                                                                      | (30)                                      | (41)                                      |
| Profit/Loss before Depreciation, Finance Costs, Exceptional Items and Tax Expense | 6,049                                     | 4,408                                     |
| Less: Depreciation/ Amortisation/ Impairment                                      | 900                                       | 748                                       |
| Profit/Loss Before Finance Costs, Exceptional Items, and Tax Expense              | 5,149                                     | 3,660                                     |
| Less: Finance Costs                                                               | 204                                       | 139                                       |
| Profit/Loss Before Exceptional items and Tax Expense                              | 4,945                                     | 3,521                                     |
| Add/(Less): Exceptional Items                                                     | (41)                                      | -                                         |
| <b>Profit/Loss Before Tax Expense – Continuing operations</b>                     | <b>4,904</b>                              | <b>3,521</b>                              |
| Less: Tax Expense (Current and Deferred)                                          | 1,289                                     | 917                                       |
| <b>Profit/Loss After Tax – Continuing operations</b>                              | <b>3,615</b>                              | <b>2,604</b>                              |
| Profit/Loss Before Tax Expense – Discontinued operations                          | -                                         | 22                                        |
| Less: Tax Expense (Current & Deferred)                                            | -                                         | (8)                                       |
| Profit/Loss After Tax – Discontinued operations                                   | -                                         | 30                                        |
| Profit/Loss After Tax for the year                                                | 3,615                                     | 2,634                                     |
| Total Comprehensive Income/Loss                                                   | 165                                       | 32                                        |
| <b>Total</b>                                                                      | <b>3,780</b>                              | <b>2,666</b>                              |
| Less: Dividend on Equity Shares                                                   | 570                                       | 475                                       |
| <b>Balance Carried Forward</b>                                                    | <b>3,210</b>                              | <b>2,191</b>                              |

### 5.2. Dividend

The Board of Directors of the Company (the Board) at their meeting held on 24<sup>th</sup> March 2026, declared an interim dividend of ₹12 per share (1,200%) on 47,50,87,114 equity shares of ₹1 each for the year FY 2025-26, absorbing a sum of ₹570 crore. The dividend was paid to shareholders on 18<sup>th</sup> April 2026.

The Board does not recommend any further dividend for the year under consideration. The dividend payout is in accordance with the Company's Dividend Distribution Policy. The Board is not considering any transfer of amount to General Reserves for the year under review.

## 6. Business Overview and Outlook for FY 2026-27

### Global Outlook

Global economic growth was projected by the IMF at around 3.2% during Q1 to Q3 of FY 2025-26, moderating marginally to ~3.1% in Q4 FY 2025-26, with emerging market economies continuing to drive growth. Advanced economies are expected to see relatively modest expansion amid fiscal consolidation, evolving trade policies and geopolitical developments.

The global operating environment remains influenced by tariff actions, trade fragmentation and geopolitical tensions, which have reshaped supply chains, particularly for semiconductors, critical minerals and technology-intensive components. Disruptions to key maritime routes have contributed to higher freight and insurance costs, carrier surcharges and input-cost volatility, leading to potential short- to medium-term supply interruptions and elevated landed costs. In addition, ongoing geopolitical tensions in the Middle East present upside risks to global inflation, primarily through energy prices, with possible spillovers into currency volatility and near-term demand moderation in select markets.

Another megatrend to watch out for is the likely impact of AI on consumption economies as job displacement and slower wage growth moderate household spending sentiment. As consumers adopt a more cautious and austere outlook, discretionary demand may soften, with a greater emphasis on value, utility and essential purchases.

Against this backdrop, the Company is closely monitoring the progress of the war for determining appropriate strategies to be adopted to ensure business continuity. The two-wheeler international business is expected to maintain positive momentum, driven by growth in Africa and increasing volumes in Asia, ASEAN and Latin America.

While global demand remains subject to external uncertainties, the Company is positioned to navigate these challenges through its diversified geographic footprint, disciplined risk management, strong execution capabilities and continued focus on building the international business, supported by India's ongoing bilateral and multilateral trade engagements.

African mobility demand continues to remain structurally strong, supported by rising two-wheeler penetration, rising urbanisation, and increasing dependence on affordable personal and last-mile mobility solutions. Africa remains one of the key markets for the Company.



While the ongoing geopolitical conflict may lead to some near-term volatility in fuel and logistics costs, the long-term demand outlook for the two-wheeler industry across Africa remains favourable.

As a major oil exporter, Nigeria, is expected to benefit from elevated crude oil prices, with stronger export earnings and forex inflows supporting macroeconomic stability, fiscal revenues, and GDP growth. The IMF projects Nigeria's economy to grow by 4.1% in FY 2026-27.

Similarly, resource-rich economies such as Democratic Republic of the Congo and Guinea are expected to benefit from favourable commodity price trends, particularly across metals and mining exports. Higher commodity realisations are likely to support export revenues, government finances, infrastructure spending, and broader macroeconomic conditions, partially offsetting the impact of global financial tightening and external uncertainties.

In South Africa, easing power supply disruptions, moderating inflation and improving business confidence are expected to support gradual recovery in mobility demand, making it an important strategic market for the Company's expansion plans as it steps into the next fiscal year.

Overall, the international business is expected to demonstrate resilience and gradual improvement during FY 2026-27.



## India Outlook

In India, demand conditions remain resilient, supported by favourable fundamentals, GST-led consumption momentum and a healthy replacement cycle. While risks remain from higher fuel prices, inflationary pressures, evolving regulatory norms and tighter liquidity conditions, stable inflation trends and stable reservoir levels provide partial offsets, subject to monsoon performance.

India is expected to retain its position as one of the fastest-growing major economies, with GDP growth projected in the range of 6.0%–6.5%. At the same time, the macroeconomic outlook is increasingly influenced by global geopolitical developments, including conflicts in West Asia, which could impact trade flows, energy prices, raw material costs and financial markets.

The possibility of an El Niño event could weigh on monsoon patterns and may have broader implications for India's economy through its impact on agricultural output, rural incomes, and overall consumption sentiment.

Within this context, the Company believes India's long-term structural growth drivers continue to underpin demand across personal and commercial mobility. The two-wheeler segment is expected to benefit from replacement demand and steady consumer sentiment, though near-term growth could moderate depending on inflation, fuel prices and input-cost movements. Demand in the three-wheeler segment is anticipated to be supported by last-mile connectivity and intra-city mobility needs, even as operators remain investment-selective.

Overall, the Company expects India two-wheeler and three-wheeler demand in FY 2026-27 to broadly track the previous year's performance, subject to external developments. This outlook is supported by the Company's diversified product portfolio, strong brand equity, extensive distribution network, cost discipline, continued innovation and customer-centric focus, underpinned by a resilient, multi-sourced supply chain that provides agility in a dynamic and uncertain operating environment.

## 7. Operations Review

### 7.1. Risk Management Policy

The Company has established a comprehensive Risk Management Policy to systematically identify, assess, monitor and mitigate risks that may impact the achievement of its strategic and business objectives. The policy provides a structured and proactive approach to risk management and is embedded within the Company's overall governance and decision-making framework.



#### Risk Management Framework

The Company's risk management framework comprises the following key elements:

- **Risk Identification:** Risks are identified through a continuous and structured process covering both internal and external factors, including market dynamics, regulatory changes, operational processes, financial exposures, cybersecurity threats, information technology risks and ESG-related considerations.
- **Risk Assessment and Prioritisation:** Identified risks are evaluated based on their likelihood of occurrence and potential impact, using both qualitative and quantitative assessment methodologies. Risk prioritisation is aligned to the Company's risk appetite, strategic objectives and severity thresholds, enabling focused management attention.
- **Risk Mitigation and Control:** The Company adopts a proactive approach to risk mitigation through clearly defined strategies, including optimisation of operational processes, deployment of appropriate technologies, contingency planning and allocation of adequate resources to manage and control risks.
- **Risk Monitoring and Reporting:** Risk exposures and the effectiveness of mitigation measures

are monitored on an ongoing basis through key risk indicators and periodic reviews. Significant risk indicators and mitigation status are reviewed regularly by the management team and reported regularly to the Board.

- **Governance and Oversight:** Risk management is an integral part of the Company's governance structure. The Board of Directors provides overall oversight, supported by the Risk Management Committee, which reviews strategic, financial, market, operational, IT, legal, regulatory and ESG risks, and monitors the implementation and effectiveness of mitigation actions.

The risk management framework is robust, well-defined and periodically reviewed to ensure its continued relevance and effectiveness in a changing business environment. The Board has approved a comprehensive risk mitigation policy and is confident that the Company has adequate systems and processes in place for effective risk identification, assessment, monitoring and management.

The Risk Management Committee oversees various risks and recommends appropriate actions based on the threat level.

## 7.2. Internal Controls and their Adequacy

The Company has implemented a comprehensive internal control framework to safeguard its assets, perform efficient operations, detect and prevent fraud, and ensure the integrity of financial and operational reporting and compliance with the applicable laws and regulations.

Key components of the internal control system include:

- **Control Environment:** The Company fosters a strong organisational culture centred around integrity, ethics, and accountability. This environment supports adherence to policies and procedures and ensures that the internal control system is respected and implemented across the Company.
- **Risk-based Control Activities:** The Company aligns its control activities with identified risks, ensuring that controls are tailored to address the specific needs of each function. Respective functions collaborate closely with internal audit to ensure that key controls are functioning effectively and critical risks are addressed.
- **Monitoring and Evaluation:** The Company places strong emphasis on sustained monitoring of its internal controls. Independent internal audits are conducted regularly to assess the performance of the control systems. The Audit Committee of the Board oversees the adequacy of internal controls, ensuring they evolve with the changing risk landscape and business environment.

Through continued focus on internal control adequacy, the Company aims to achieve sustainable growth and enhance shareholder value.



## 7.3. Total Quality Management (TQM)

Total Quality Management (TQM) remains a core way of working for the Company, underpinned by a strong culture of Total Employee Involvement (TEI). During the year, focused efforts were directed towards strengthening process discipline, enhancing customer experience and delivering sustained operational excellence.

Across manufacturing, all plants continued to challenge world-class benchmarks through consistent and advanced deployment of Total Productive Maintenance (TPM) practices.

The Dealer TQM cluster approach was further strengthened to drive breakthrough improvements in customer satisfaction, market share and profitability. The programme was supported by leadership-led change management workshops and a sharper focus on rigorous Daily Work Management (DWM). Company-wide emphasis was placed on strengthening DWM through structured self-audits and layered audits on SOP adherence, enabling closure of gaps and sustained discipline.

Digital and AI interventions were increasingly leveraged to improve demand forecasting and enhance customer-facing processes, aligned to defined customer, business and functional performance objectives.

On the supplier side, the Supplier Development Programme continued to embed the TVS Production System across priority suppliers, driving improvements in process maturity, quality and delivery through sustainable manufacturing and waste reduction. Advanced practices including Vision AI and predictive maintenance were scaled across a wider supplier base.

TEI remained strong through Kaizen, QCCs and cross-functional projects that supported safety, quality and profitability. Under the TVS Way certification framework, 750+ employees were trained and 600+ certified as Yellow Belts, strengthening structured problem-solving, waste elimination, inventory and asset management, and working capital efficiency.

Communities of Practice (CoPs) across Operations Research, Reliability and Taguchi methods continued to accelerate cross-functional problem resolution and dissemination of best practices.

The Company also ensured consistent and continued 100% participation in the TEIAN initiatives, which has resulted in impressive cost savings of ₹49 crore during

the year. Notably, around 40% of employees' families actively engaged in the Home Kaizen programme, implementing over 350 home kaizens focused on water and energy conservation, enhancing home safety, and eliminating waste. These collective efforts not only reflect commitment to innovation and sustainability but also highlight the meaningful impact achieved by extending initiatives beyond the workplace.

>750

People trained on TVS Way

600+

Employees certified as  
Yellow Belts

## 7.4. Research and Development

FY 2025-26 marked a transformative year for the Company's Research & Development function, with accelerated progress across advanced powertrains, digital and connected technologies, rider assist systems, electric mobility and premium platform engineering. Strategic investments in global R&D capabilities, coupled with future-ready technology showcases, reinforced the Company's position as an innovation-led global mobility player.

- **Global Engineering & Design Capabilities:** The Company strengthened its global R&D footprint with the establishment of a Global Centre of Excellence (CoE) for Design and Engineering in Bologna, Italy, following the acquisition of Engines Engineering S.p.A. The CoE significantly enhanced capabilities in rapid



prototyping, digital simulation, modular platform development and premium motorcycle design, while enabling deeper engineering synergies with Norton Motorcycles.



- **Advanced Powertrain & Platform Development:** The year saw the deployment of a new 300cc-class powertrain and an adventure-touring platform, engineered for mixed-terrain performance with optimised chassis geometry and dynamic ride characteristics. This platform underpins next-generation premium offerings and demonstrates strong capability in scalable, modular architecture development.
- **Digital, Connected & Software-Defined Features:** The Company made major advances in connected vehicle technologies, including 5-inch TFT SmartXonnect clusters, voice assist, integrated navigation, hazard alerts and Android Auto compatibility. Innovations such as AR-enabled Heads-Up Display (HUD) helmet integration reflect the growing convergence of hardware, software and rider experience.
- **Advanced Rider Assistance & Safety Technologies:** Enhanced safety features, including traction control systems, full LED lighting and Class-D projector headlamps were integrated across multiple platforms, reinforcing the Company's focus on intelligent, rider-centric safety engineering.
- **Electric Mobility & Aerodynamic Efficiency:** Progress on the electric mobility roadmap, highlighted by advancements in high-efficiency electric powertrains, lightweight architecture, aerodynamic optimisation and packaging innovations that deliver improved range, performance and everyday usability.

→ **Design Innovation & Brand Differentiation:**

Limited-edition technology-enabled variants commemorating 20 years of the Apache brand showcased the Company's ability to combine design innovation, digital features and performance engineering to enhance brand equity and customer engagement.



- **Commercial Mobility:** The TVS King Kargo HD EV is an electric cargo three-wheeler, launched for urban and semi urban logistics. It is designed to deliver high load ability, strong performance, fast charging, and advanced connectivity, positioning TVS as a strong contender in the electric commercial 3W segment.

Overall, FY 2025-26 reflected a step-change in R&D maturity, with integrated advances across engineering, digitalisation, safety and electrification positioning the Company as a future-ready, technology-driven global mobility leader.

## Global Centre of Excellence (CoE)

Established in Bologna, Italy

## 7.5. Digital and AI Technologies

Digital & AI (D&AI) remained central to the Company's growth agenda in FY 2025-26, driving impact across customer engagement, business growth, operations and new product development.

AI-enabled digital channels and partner integrations expanded market reach, supported by voice and vision-based AI solutions that enhanced sales effectiveness. Cloud-native, AI-driven applications strengthened quality, procurement and production while accelerating paperless transformation across enterprise functions.

Digitalisation of sustainability initiatives advanced through automated carbon data capture and responsible digital practices. The Company also reinforced cybersecurity and digital defence, strengthening governance, threat detection, data protection and multi-cloud resilience to ensure secure and reliable operations.

Going forward, D&AI will focus on customer experience, supply chain resilience, enterprise capability enhancement and cyber-resilient growth.

## 7.6. Environment, Occupational Health and Safety

In FY 2025-26, the Company strengthened its commitment to environmental stewardship, workplace safety, and employee well-being through structured management systems and targeted initiatives across its global operations.

During the year, the Company released its first Nature Report aligned with the Taskforce on Nature-related Financial Disclosures (TNFD), marking an important step in integrating nature-related risks and opportunities into its sustainability strategy while reinforcing its commitment to the UN Sustainable Development Goals (SDGs).

**The Company also strengthened its ESG performance, achieving a CDP Climate Change score of A- (Leadership) and an ESG score of 65/100 from S&P Global, ranking among the top seven in the global automotive sector.**

All plants in India (Hosur, Mysuru and Nalagarh), along with Norton Motorcycles, are certified under internationally recognised ISO 14001:2015 (Environmental Management), ISO 45001:2018 (Occupational Health and Safety), and ISO 50001:2018 (Energy Management) standards. Indian manufacturing operations remain certified under SA 8000:2014, reflecting commitment to responsible labour practices and ethical workplace standards.

The Company's efforts in sustainable manufacturing received external recognition during the year. The Nalagarh and Hosur facilities were awarded Gold and Platinum ratings respectively under the GreenCo Rating by the CII-Godrej Green Business Centre, recognising excellence in energy efficiency, water positivity, zero waste to landfill practices and overall environmental performance.

During the year, the Company further accelerated its transition to renewable energy (RE). In India, it achieved approximately 97% RE mix in its electricity mix, avoiding an estimated 76,708.24 tCO<sub>2</sub>e emissions.

**TVS Jupiter 125, TVS iQube, TVS Apache 160 4V, TVS Apache RR 310 and TVS Apache RTR 310 became the first two-wheelers in India to receive the GreenPro Type I Ecolabel, reinforcing the Company's commitment to sustainable product development.**

During the year, the Company implemented physical and mental wellness initiatives under its My Health Index (MHI) programme, including preventive health screenings, counselling support and hands-on wellness interventions, resulting in a ~40% shift of employees from at-risk to optimal health zones across select cohorts.

Safety performance was managed through the My Safety Index (MSI) framework across Hosur, Mysuru, Nalagarh, PT TVS Indonesia and Norton Motorcycles (UK). Additional initiatives such as the Driver Management Centre (DMC) at Hosur and Contractor Management Centres (CMC) across plants enhanced safety monitoring and compliance.

## 7.7. Human Resource Development

Aligned to its long-term vision, the Company's people strategy is focused on building a high performance, future-ready organisation. The Company firmly believes that sustainable business success is driven by its people and continues to invest in developing capabilities that support long term growth, resilience and global competitiveness.

The Company's values and leadership competencies form the cornerstone of its organisational culture. These have been systematically embedded across the organisation through a structured five phase approach – Initiation, Socialisation, Familiarisation, Adoption and Institutionalisation, resulting in 100% coverage on values and fostering a strong, purpose-driven culture aligned with the Company's strategic priorities.



As the Company continues to expand its global footprint, it has strengthened its talent base in line with evolving business needs. The talent management framework focuses on building a steady pipeline of leadership ready talent, while performance management processes continue to reinforce a high-performance culture across the organisation. Critical hiring remains a focus area to support future business requirements and strategic growth initiatives.

Recognising the critical role of leadership in enabling global expansion, the Company has implemented structured leadership development programmes to identify, nurture and prepare future leaders. These programmes are designed to ensure leadership continuity and organisational readiness as the Company scales its operations across international markets.

The leadership development framework is structured across three levels—junior, middle and strategic leadership—to build a strong and sustainable leadership pipeline. Identified high potential employees are supported through a blend of learning and development interventions, including certified global management programmes delivered in partnership with leading academic institutions.

These initiatives have strengthened the internal leadership bench and serve as a key feeder for leadership roles across the Company and its Group entities.



### Diversity, Equity & Inclusion

The Company remains committed to fostering a diverse, equitable and inclusive workplace. It has been recognised among the Top 15 'Best Companies for Women in India' and is the only automotive company to receive this recognition for the sixth consecutive year. It has also been certified as a 'Most Preferred Workplace' by EY and received the 'Women in STEM Excellence Award' from Confederation of Indian Industry [CII].

The Company ensures equal opportunities for women and Differently Aabled Persons (DAP) across both white collar and blue-collar roles. DAPs constitute 3% of the workforce (500+ employees) across all plant locations. Women represent 21% of the blue-collar workforce and 15.5% of the white-collar workforce, reflecting steady progress towards a more inclusive organisation.

### 'Most Preferred Workplace'

Certified by EY

### 'Women in STEM Excellence Award'

Received from CII

### Top 15 'Best Companies for Women in India'

Only automotive company to receive this recognition for the sixth consecutive year

### TVS Institute of Quality & Leadership [TVS IQL]

The TVS Institute of Quality & Leadership [TVS IQL] plays a pivotal role in strengthening the Company's organisational capabilities and enabling long-term sustainability through its holistic talent philosophy, 'The TVS Way'. Evolving from a Learning Centre to a Corporate University in 2018, IQL continues to invest in building future-ready capabilities through structured competency frameworks and strategic partnerships with leading universities. Leadership and management development are delivered in collaboration with globally reputed institutions, while Communities of Practice foster knowledge-sharing in key domains.

IQL has achieved Global GCCU certification up to the Performance level and has received multiple awards recognising excellence in learning and development.



## 8. Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could affect the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the India and overseas markets in which the Company operates, changes in Government Regulations, Tax Laws, and Other Statutes, and incidental factors.



## 9. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 (the Act, 2013) with respect to Directors' Responsibility Statement, it is hereby stated

- that in the preparation of annual accounts for the FY ended 31<sup>st</sup> March 2026, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent to give a true and fair view of the situation of the Company at the end of the FY and of the profit of the Company for the year under review;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the annual accounts for the FY ended 31<sup>st</sup> March 2026 on a "going concern basis";
- that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## 10. Corporate Social Responsibility (CSR)

The Company recognises social responsibility as an integral and a crucial part of its value system. Srinivasan Services Trust (SST), the CSR arm of TVS Motor Company has been implementing various socio-economic development programmes in thousands of villages across five states of India viz. Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra and Himachal Pradesh in the last 30 years.



SST follows an integrated, holistic and participatory approach to village development, working in close association with the communities and the Government. SST nudges communities to embrace practices towards a better quality of life by ensuring a participatory approach right from the stage of planning to execution of activities.

SST aim is to bring about sustainable development in villages through Total Community Involvement (TCI). SST focusses on society building through the development of women and children, conserving water, repairing and renovating government health and education infrastructure and preserving the environment in its 2,500 working villages across the country.

SST has so far facilitated in the formation of over 5,000 Self-Help Groups (SHGs) consisting of more than 60,000 women, who have been empowered both socially and economically. More than ₹150 crore of annual income

is being generated by the women in Self-Help Groups by engaging in livelihood activities. During FY 2025-26, three SHGs facilitated by SST have been honoured with the prestigious Manimegalai Award by the Government of Tamil Nadu for empowering women and fostering economic growth.

SST has so far renovated more than 2,400 government infrastructures, which includes anganwadis, schools, health centres, veterinary centres and other village community infrastructures. SST has partnered with organisations such as Gramalaya, Agastya International Foundation, Villmart Education and Solutions, Shreeja Mahila Milk Producer Company, NavSahyog Foundation, Agaram Foundation, Magic Bus India Foundation, Care Works Foundation, National Bank for Agriculture and Rural Development (NABARD) and Sankara Eye Foundation to enhance the impact for the community.

More than 25,000 farmers have been benefitted by its water conservation projects like repairing, renovating and rebuilding water conservation structures that include desilting of tanks, channels and creation of percolation ponds. Across the working villages over 530+ water conservation projects have been implemented. This has created an additional water storage capacity of 169 crore litres.

SST also ensures last mile connectivity for availing the government social security schemes and agriculture & livestock schemes to reach the unreached population. Apart from renovating the government health centres and conducting regular medical camps, SST runs seven medical centres and four mobile medical vans in its working areas. Today, through SST's interventions, over two lakh healthcare consultations are facilitated annually, improving access to essential health services for rural communities.

SST has also afforested over 14,000 acres of barren areas including degraded forests, panchayat hillocks and plains in the last three decades. SST is working with Grassroots Research and Advocacy Movement (GRAAM) and Anna University to carry out social impact studies for the various projects undertaken by the trust.

SST has won the following awards during FY 2025-26:

- Excellence Award in Corporate Social Responsibility under the 20<sup>th</sup> CII ITC Sustainability Awards 2025
- 8<sup>th</sup> ICC Social Impact Awards 2026 Rural Development was adjudged the Runners-up
- Gold Award under the category of 'Best HR Practices in CSR in Manufacturing and Process (Large)' in the 9<sup>th</sup> CII National HR Circle Competition
- Award for 'Best Water Conservation' from the Tamil Nadu Water Resources Department.

As required under Section 135 of the Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual Report on CSR, containing the particulars of the projects/programmes approved and recommended by the CSR Committee and approved by the Board for FY 2025-26 are given by way of **Annexure IV** attached to this Report.

It may also be noted that the CSR Committee has approved the projects or programmes to be undertaken



by the SST and other eligible trusts for the year 2026-27, preferably in local areas including the manner of execution, modalities of utilisation of funds and implementation schedules and also monitoring and reporting mechanism for the projects or programmes.

## 11. Financial Performance of Subsidiaries & Associates

### 11.1. Acquisitions

During the year under review, the Company has acquired / incorporated the following:

- **Engines Engineering S.p.A, Italy**, was acquired (100%) by TVS Motor (Singapore) Pte Limited, Singapore on 3<sup>rd</sup> October 2025.
- **Norton Motorcycle Private Limited, Chennai and Norton USA LLC, Delaware, USA**, wholly owned Subsidiaries of The Norton Motorcycle Co Limited, UK were incorporated in India and USA on 19<sup>th</sup> August 2025 and 6<sup>th</sup> November 2025, respectively.
- Additional investment in **TVS Credit Services Limited (TVS Credit)**, a subsidiary of the Company to a sum of ₹171.51 crore on 3<sup>rd</sup> November 2025. Pursuant to the above additional investment, the Company's shareholding in TVS Credit has increased from 80.69% to 80.76% (on a fully diluted basis);
- Additional investment in **DriveX Mobility Private Limited (DriveX)**, a subsidiary of the Company to a sum of ₹88.09 crore in various tranches. Pursuant to the above additional investment, the Company's shareholding in DriveX has increased to 92.21%.

### 11.2. Disinvestments

- **Altizon Inc., USA**, ceased as an associate of TVS Digital Pte Ltd. (**TVS Digital**), a step down wholly owned subsidiary and of the Company effective 23<sup>rd</sup> January 2026. This change was consequent to the reduction in shareholding below 20% due to additional shares allotted to its promoters.
- The Company has disinvested its stake held in **Roppen Transportation Services Private Limited (Rapido)** during the year and realised a sum of ₹288 crore as against the investment of ₹114 crore.

### 11.3. Mergers/Other Corporate Actions

- **Swiss E-Mobility Group (Schweiz) AG, Switzerland, Alexand'Ro Edouard'O Passion Velo Sarl, Switzerland and The GO Corporation, Switzerland** merged with TVS EBike Company AG, Switzerland (Formerly known as Swiss E-Mobility Group (Holding) AG, Switzerland) on 30<sup>th</sup> June 2025.
- **Sundaram Auto Components Limited (SACL)** has been amalgamated with the Company through a Scheme of Amalgamation (Scheme

which was approved by the Hon'ble National Company Law Tribunal, Chennai Bench on 6<sup>th</sup> May 2026. The merger is effective from 12<sup>th</sup> May 2026 (being the date of filing of Hon'ble NCLT Order with Registrar of Companies). Consequent to the effectiveness of the Scheme, SACL stands dissolved without winding up and all its assets, liabilities, rights, obligations, and undertakings stand transferred to and vested in the Company in accordance with the provisions of the Scheme.

As on 31<sup>st</sup> March 2026, the following are the subsidiaries/associates of the Company:

### 11.4. Subsidiaries

- TVS Credit Services Limited (TVS CS), Bengaluru
- TVS Motor Services Limited, Chennai
- TVS Electric Mobility Limited, Chennai
- PT TVS Motor Company Indonesia, Jakarta
- TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)
- TVS Motor Company (Europe) B.V., Amsterdam
- TVS Motor Company DMCC, Dubai
- DriveX Mobility Private Limited, Coimbatore

### 11.5. Subsidiaries of TVS CS

- Harita ARC Private Limited, Chennai
- Harita Two-wheeler Mall Private Limited, Chennai
- TVS Housing Finance Private Limited, Chennai

### 11.6. Subsidiaries of TVSM Singapore

- TVS EBike Company AG, Switzerland (TVS EBike) (Formerly known as Swiss E-Mobility Group (Holding) AG)
- The Norton Motorcycle Co Limited, UK (Norton)
- TVS Digital Pte Ltd, Singapore
- TVS EBike Company Limited (Formerly known as EBCO Limited, UK)
- TVS Motor GmbH, Germany (Formerly known as Celerity Motor GmbH)
- Engines Engineering S.p.A, Italy [effective 3<sup>rd</sup> October 2025]

### 11.7. Subsidiaries of TVS EBike

- EGO Movement Deutschland GmbH, Germany
- Swiss E-mobility Group (österreich) GmbH, Austria
- TVS EBike Company GmbH, Germany (Formerly known as Colag E-Mobility GmbH, Germany)

## 11.8. Subsidiaries of Norton

- Norton Motorcycle Private Limited, Chennai [effective 19<sup>th</sup> August 2025]
- Norton USA LLC, USA [effective 6<sup>th</sup> November 2025]

## 11.9. Associates

- Ultraviolette Automotive Private Limited, Bengaluru

## 11.10. Associates of TVSM Singapore

- Killwatt GmbH, Germany

## 11.11. Associates of TVS Digital Pte Ltd

- Predictronics Corp., USA

## 11.12. Subsidiaries' and Associates Performance

### TVS Credit Services Limited (TVS CS)

TVSCS is the retail finance arm of the Company for financing of two wheelers, three wheelers, used cars, used and new tractors, used commercial vehicles, consumer durables, Personal Loan, Gold Loan and Mid Corporate loans. TVSCS primarily caters to self-employed, new to credit borrowers in the semi-urban and rural areas in India. TVSCS has an extensive presence in 22 states across India with serving more than 2 crore customers.

During FY 2025-26, TVSCS's overall disbursements registered at ₹33,018 crore as compared to ₹26,301 crore in the previous year registering growth of 26%. The book size of TVSCS registered a growth of 15% to reach ₹30,639 crore as of March 2026 from ₹26,647 crore as of March 2025. Total income during the FY 2025-26 grew by 9% at ₹7,196 crore from ₹6,609 crore during FY 2024-25. The PBT grew by 21% at ₹1,238 crore as against ₹1,025 crore during the previous year.

The following companies are the subsidiaries of TVS CS:

- Harita ARC Private Limited, Chennai
- Harita Two wheeler Mall Private Limited, Chennai
- TVS Housing Finance Private Limited, Chennai

All the above subsidiaries are yet to commence their operations.

### The Norton Motorcycle Co Limited, UK (Norton)

Norton unveiled its Resurgence portfolio of 4 new models at the EICMA Milan, in November 2025. These marked a significant milestone in the journey. These included two forms of a 1200cc, 4-cylinder motorcycle and two forms of a 600cc twin cylinder

platform. This launch reflects the significant progress made in rebuilding Norton's product portfolio and brand positioning.

Since acquiring Norton brand, the Company has laid a strong foundation for sustainable growth, including the establishment of a state of the art manufacturing facility and a dedicated engineering and design centre. These investments have strengthened Norton's capabilities across product development, quality engineering, and industrialisation leading to long-term value creation.

The premium and super premium motorcycle segments are expected to demonstrate sustained growth, and Norton is well positioned to participate meaningfully in this market through a robust and clearly defined product pipeline. TVS Motor continues to support Norton through sustained investments in new product development, advanced facilities, research and development, and world class quality engineering, aligned with Norton's philosophy of Design, Dynamism, and Detail.

The Company will continue to invest strategically, leveraging its engineering, design, development, and supply chain capabilities to deliver high quality products in a cost effective and scalable manner.

As part of its growth strategy, Norton is preparing for phased international expansion, with an initial focus on the UK, Europe, India and USA in phase 1.

The following companies are the subsidiaries of Norton:

- Norton Motorcycle Pvt. Ltd, India [effective 19<sup>th</sup> August 2025]
- Norton USA LLC, USA [effective 6<sup>th</sup> November 2025]

All the above subsidiaries are yet to commence their operations.

### PT TVS Motor Company Indonesia (PT TVS)

During the FY, PT TVS two-wheeler sales grew by 40%, standing at 0.20 Mn units as against 0.14 Mn units during the previous FY, and three-wheeler sales is at 11,500 units as against 4,727 units during the previous FY. During the year PT TVS reported operating EBITDA of \$8 Mn.

### DriveX Mobility Private Limited (DriveX)

DriveX a subsidiary of the Company, is engaged in the business of procurement, refurbishment, and retail of pre-owned multi-brand two-wheelers, including motorcycles and scooters. The Company operates through a combination of company-owned company-operated (COCO) stores and franchisee-led (FOFO) outlets. As on 31 March 2026, DriveX

operates 12 COCO stores and approximately 23 FOFO outlets, with a primary presence across the southern states of Karnataka and Tamil Nadu. The Company also runs two refurbishment centres located in Hosur and Coimbatore.

In addition to its physical retail network, DriveX operates a customer-to-customer (C2C) digital platform, DriveX DIRECT, which serves as an end-to-end online marketplace for buying and selling multi-brand pre-owned two-wheelers. The Company also operates an auction platform, DriveX Auction Platform (DAP), facilitating vehicle sales to open market brokers.

During the FY 2025-26, DriveX reported a revenue of ₹74 crore, as compared to ₹61 crore in the previous FY 2024-25.

During the year under review, the Company increased its stake in DriveX by an additional 2.81%. Consequently, the Company's shareholding in DriveX stands at 92.21% as on 31<sup>st</sup> March 2026.

#### **TVS EBike Company AG, Switzerland (TVS EBike) (Formerly known as Swiss E-Mobility Group (Holding) AG).**

TVS EBike Company AG, Switzerland (TVS EBike), a wholly owned subsidiary of TVS Motor (Singapore) Pte Ltd, along with its subsidiaries Swiss E-Mobility Group (Osterreich) GmbH, Austria, TVS EBike Company GmbH, Germany, Nuremberg and EGO Movement Deutschland GmbH, Germany operates in the DACH (Germany, Austria and Switzerland) region.

In CY 2025, TVS EBike reported revenues of CHF 56 Mn amidst tough market conditions in Europe. The market in CY 2026 continues to address challenges of excess inventory and excessive discounting.

#### **TVS EBike Company Limited, UK (Formerly known as EBCO Limited) EBCO Ltd, UK**

TVS EBike Company Limited, UK (Formerly known as EBCO Limited), a British company providing mobility solutions through e-bikes across the Adventure, Urban and City bikes segments. EBCO offers innovative and high-quality e-bikes in the UK market.

During FY 2025-26, TVS EBike UK reported a revenue of GBP 1.2 Mn as against GBP 1.14 Mn during FY 2024-25.

#### **TVS Motor Services Limited (TVS MS)**

TVS MS was initially the investment Special Purpose Vehicle (SPV) of the Company, for funding TVS Credit Services Limited (TVS CS). TVS MS continues to be a wholly owned subsidiary of the Company.

#### **TVS Electric Mobility Ltd, Chennai (TVSEM)**

The Company was incorporated to undertake Electric Mobility business.

The entire shares of TVSEM have been subscribed by the Company and hence, TVSEM is a wholly owned subsidiary of the Company. The Company is yet to commence its operations.

#### **TVS Motor Company (Europe) B.V.**

TVS Motor Company (Europe) B.V. was incorporated with a view to serve as special purpose vehicle for making and protecting the investments made in overseas operations of PT TVS.

#### **TVS Motor (Singapore) Pte. Limited**

TVS Motor (Singapore) Pte Limited, a wholly owned subsidiary of the Company. During the year, the Company has invested a sum of \$ 222.16 Mn in the ordinary shares of TVS Motor (Singapore) Pte Limited.

The Company serves as a special vehicle for investments made in overseas subsidiaries/associates.

#### **TVS Motor Company DMCC, Dubai**

The Company has incorporated a wholly owned subsidiary in Dubai viz. TVS Motor Company DMCC, Dubai on 27<sup>th</sup> June 2024. The subsidiary has been established to strengthen and expand the Company's international operations by effectively catering to the Middle East and North Africa (MENA) region.

#### **TVS Digital Pte Ltd, Singapore**

TVS Digital Pte Limited, Singapore is a wholly owned subsidiary of TVS Motor (Singapore) Pte. Ltd. The Digital start-up offers a range of solutions across their Autotech and Fintech platforms.

During FY 2025-26, the Company earned revenue of ₹46.74 crore (including software IP sale of ₹ 43.15 crore) against the revenue of ₹8.93 crores for FY 2024-25. The Company made a profit before tax of ₹2.39 crores during FY 2025-26 as against a net loss of ₹69.25 crores in FY 2024-25.

#### **Ultraviolette Automotive Private Limited (UV)**

Revenue of UV was ₹126.50 crore in FY 2025-26 as against ₹36.15 crores in the previous FY 2024-25 and incurred a loss tax of ₹154.08 crore in FY 2025-26 as against ₹116.28 crore in last year. UV is a startup company engaged in developing electric mobility solutions.

### Predictronics Corp, (Predictronics) USA

Predictronics, an associate of TVS Digital Pte Limited, is a start-up company engaged in predictive analytics solution for critical assets, vertical software for industrial robots and consulting services.

Revenue of Predictronics was ₹3.92 crore in FY 2025-26 as against ₹2.8 crore in the previous FY 2024-25 and incurred a loss of ₹0.49 crore in FY 2025-26 as against ₹2.04 crore in last year.

### Killwatt GmbH

Killwatt GmbH engaged in development, design, manufacture, sale and distribution of high-tech products and components in the field of personal e-mobility, inter alia two-wheeler and three-wheeler vehicles.

Revenue of Killwatt was ₹24.3 crore in FY 2025-26 as against ₹28.17 crore in the previous FY 2024-25 and earned a profit of ₹0.11 crore in FY 2025-26 as against loss of ₹6.12 crore in last year

## 12. KEY FINANCIAL RATIOS

In Compliance with Regulation 34 of the Listing Regulations, the details of changes in the Key Financial Ratios are:

| Ratios              | UoM   | Standalone |         | Consolidated |         |
|---------------------|-------|------------|---------|--------------|---------|
|                     |       | 2025-26    | 2024-25 | 2025-26      | 2024-25 |
| Debt Equity         | Times | 0.24       | 0.14    | 2.60         | 2.76    |
| Return on Net worth | %     | 34.22      | 29.54   | 33.41        | 28.86   |

The increase in Debt Equity ratio (Standalone) was due to issue of Bonus listed non-convertible redeemable preference shares (NCRPS) by way of utilising the surplus reserves and included under Debt. Return on Net worth reflecting improvement in operational performance.

During the year, the eligible option holders have duly satisfied the vesting conditions laid out under the ESOP Plan and, pursuant to their respective Exercise Letters, have conveyed their intent to exercise their vested Options under the Plan and for this purpose they have also paid the requisite Exercise price to the Trust's bank account. The ESOP Trust has transferred the relevant number of equity shares of the Company held by the Trust to the respective Option Holders to an extent of 3,51,000 employee stock options ("Options")

Nomination and Remuneration Committee of the Company ("NRC") at its meeting held on 28<sup>th</sup> April 2025 and 9<sup>th</sup> May 2026 has further granted 1,27,027 and 22,998 employee stock options respectively ("Options") in accordance with the Plan to the identified employees of the Company ("Eligible Employees") which would entitle such Eligible Employee to acquire equity shares of the Company ("Shares") at a predetermined price provided that the vesting conditions are thereby fulfilled.

The details of the ESOP, including terms of reference, and the requirement specified under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SBEB Regulations) are available on the Company's website in the link as provided in page no. 227 of this Annual Report. There has been no material change to the Plan which was approved by the shareholders and the Plan is in compliance with the SBEB Regulations.

The certificate from the Secretarial Auditor in accordance with Regulation 13 of the SBEB Regulations, has been uploaded on the Company's website at the link provided in page no. 227 of this Annual Report. Furthermore, the Company has adhered to the applicable accounting standards in this regard.

## 13. DEBENTURES

### Non-Convertible Debentures (NCDs)

The Company had earlier issued and allotted 12,500 Rated, Unsecured, Redeemable, Floating Rate, NCDs having a face value of ₹1,00,000/- each aggregating to ₹125 crore (Rupees one hundred and twenty-five crore only) at a coupon rate i.e. sum of Benchmark Rate (Repo Rate as declared by RBI) and spread of 140 basis points on 14<sup>th</sup> March 2023 and the same were redeemed on 13<sup>th</sup> March 2026.

No NCDs were issued during FY 2025-26.

## 14. EMPLOYEE STOCK OPTION PLAN

TVS Motor Company Employee Stock Option Plan ("ESOP Plan") for grant of options to eligible employees up to a maximum of 0.25% of the paid-up equity share capital of the Company as on 31<sup>st</sup> December 2023, aggregating to 11,87,717 equity shares of ₹1 each through secondary acquisition of equity shares of the Company, through the TVSM Employees Stock Option Trust [ESOP Trust] was approved by the shareholders by way of a Special Resolution on 10<sup>th</sup> May 2024.

There would be no equity dilution for the shareholders of the Company as the ESOP Plan is by way of acquisition of Equity Shares from the secondary market and shall be administered through ESOP Trust.

### **SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND ITS SHAREHOLDERS UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 FOR ISSUE OF BONUS REDEEMABLE PREFERENCE SHARES**

The Company had proposed a Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for distribution of surplus reserves to its shareholders by way of issuance of 6% Cumulative Non-Convertible Redeemable Preference Shares (NCRPS) as bonus. The Company has convened the meetings of the equity shareholders and the unsecured creditors on 12<sup>th</sup> April 2025 as per the directions of the Hon'ble National Company Law Tribunal, Chennai Bench (NCLT) and obtained the approval for the Scheme of Arrangement.

NCLT vide its order dated 31<sup>st</sup> July 2025, sanctioned the Scheme and the same became effective on 12<sup>th</sup> August 2025. Pursuant to the Scheme, the Company fixed 25<sup>th</sup> August 2025 as the Record Date for determining eligible shareholders for allotment of NCRPS.

Accordingly, the Scheme Implementation Committee of the Company on 1<sup>st</sup> September 2025, approved the allotment of 190,03,48,456 fully paid-up 6% Cumulative Non-Convertible Redeemable Preference Shares of face value ₹10 each, in the ratio of 4 NCRPS for every 1 equity share of ₹1 each fully paid-up held by the equity shareholders of the Company as on the Record Date.

The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) granted listing and trading approvals for the said NCRPS on 6<sup>th</sup> March 2026, and the NCRPS commenced trading on both the Stock Exchanges with effect from 10<sup>th</sup> March 2026.

The NCRPS are redeemable after 12 months from the date of allotment, along with a coupon rate of 6% per annum, payable at the time of redemption, in accordance with the terms of the Scheme.

## **15. CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Act, 2013 read with the Companies (Accounts) Rules, 2014 and the Listing Regulations along with a separate statement containing the salient features of the financial performance of subsidiaries/associates in the prescribed form. The audited consolidated financial statements together with the Auditors' Report form part of the Annual Report.

The financial statements of the subsidiary companies will be made available to the Shareholders, on receipt of a request from any Shareholder. The

financial statements of the subsidiaries have also been placed on the website of the Company. This will also be available for inspection by the Shareholders at the Registered Office during business hours as mentioned in the Notice of AGM.

The consolidated Profit Before Tax of the Company and its subsidiaries & associates amounted to ₹4,822 crore for the FY 2025-26 as compared to ₹3,505 crore in the previous year.

## **16. DIRECTORS & KEY MANAGERIAL PERSONNEL**

### **Directors' appointment/re-appointment/cessation**

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act, 2013, two-third of the total number of Directors i.e., excluding IDs, are liable to retire by rotation and out of them, one-third is liable to retire by rotation at every AGM. Accordingly, Mr Sudarshan Venu, Chairman and Managing Director, who has been the longest in office, is liable to retire by rotation at the ensuing AGM.

Mr Sudarshan Venu, Chairman and Managing Director, being eligible, offers himself for re-appointment and the same has been recommended by the Board.

### **Elevation of Mr Sudarshan Venu as Chairman of the Company**

The Board of Directors at its meeting held on 5<sup>th</sup> June 2025, approved the elevation of Mr Sudarshan Venu as the Chairman of the Company effective 25<sup>th</sup> August 2025 in recognition of his exemplary contributions to the Company's sustained growth and strategic development during his tenure as a Director.

Consequently, Mr Sudarshan Venu assumed charge as the Chairman and Managing Director of the Company with effect from 25<sup>th</sup> August 2025.

### **Award won by Mr Sudarshan Venu, Chairman and Managing Director**

Mr Sudarshan Venu, Chairman and Managing Director was recognized as Person of the Year 2025 by Autocar India. This remarkable recognition reflects a period of consistent performance, sharper execution, and long-term thinking at TVS Motor Company, as the Company continues to strengthen its global presence while staying anchored in engineering excellence and its core values.

This honour also underscores Mr. Sudarshan Venu's leadership as one of the youngest industry leaders driving TVS Motor Company's transformation. His focus on future ready technologies, global expansion, an ever-increasing market share, and an ambitious push into global markets, new heights with record sales, strategic investments in electric mobility, and



steadfast commitment to TVS values has been central to the consistent performance and long term vision that this award recognises.

### Independent Directors (IDs)

All IDs hold office for a fixed term of five years and are not liable to retire by rotation.

The terms of appointment of IDs include the remuneration payable to them by way of fees and profit-related commission, if any.

The terms of IDs cover, inter-alia, duties, rights of access to information, disclosure of their interest/concern, dealing in Company's shares, remuneration and expenses, insurance and indemnity. The IDs are provided with copies of the Company's policies and charters of various committees of the Board.

In accordance with Section 149(7) of the Act, 2013, all IDs have declared that they have met the criteria of independence as provided under Section 149(6) of the Act, 2013 and Regulation 25 of the Listing Regulations and the Board confirms that they are independent of the management.

The detailed terms of appointment of IDs are disclosed on the Company's website in the link as provided in page no 227 of this Annual Report.

All the IDs are registered with the databank of Independent Directors developed by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Companies Act, 2013 and obtained ID registration certificate and renewed the same for five years/lifetime, as the case may be.

### Appointments

The Board at its meeting held on 15<sup>th</sup> December 2025 and 13<sup>th</sup> May 2026 respectively, based on the recommendation of the Nomination and Remuneration Committee, had appointed Ms Kalpana Unadkat (DIN:02490816) and Mr Ravindran Shanmugam, (DIN 11700880), as Non-Executive Independent Directors (NE-ID) on the Board, for a period of five consecutive years effective 15<sup>th</sup> December 2025 and 13<sup>th</sup> May 2026 respectively.

The shareholders have approved the appointment of Ms Kalpana Unadkat on 22<sup>nd</sup> January 2026 by way of a special resolution through Postal Ballot.

Further, the Company has sought approval of the shareholders' by way of a special resolution through Postal Ballot for the appointment of Mr Ravindran Shanmugam.

In the opinion of the Board, Ms Kalpana Unadkat and Mr Ravindran Shanmugam as well as the other Independent Directors possess requisite expertise, integrity, experience and proficiency.

The Company has also received declarations from all the Independent Directors of the Company confirming that

- a) They meet the criteria of independence prescribed under the Act and the Listing Regulations; and
- b) They have registered their names in the Independent Directors' Databank.

The Nomination and Remuneration policy for appointment of the Independent Director and the terms of appointment are available on the website of the Company and in the link provided in page no 227 of this Annual Report.

### Cessation / Retirement

Dr. Deepali Pant Joshi, Independent Director had tendered her resignation as the Independent Director of the Company, with effect from the close of business hours on 6<sup>th</sup> November 2025 to pursue other interests and consequently also ceased to be the Member of the Audit Committee, Nomination and Remuneration Committee and Chairperson of Stakeholders' Relationship Committee of the Company effective the said date.

Prof. Sir Ralf Dieter Speth, Chairman and Non-Executive Non-Independent Director, did not offer himself for re-appointment, at the 33<sup>rd</sup> AGM held on 22<sup>nd</sup> August 2025 and thereby ceased as a Director of the Company effective that date.

### Separate meeting of Independent Directors (IDs)

During the year under review, a separate meeting of IDs was held on 3<sup>rd</sup> March 2026.

Based on the set of questionnaires, complete feedback on Non-Independent Directors and details of various activities undertaken by the Company were provided to IDs to facilitate their review/evaluation.

#### a) Non-Independent Directors (Non-IDs)

IDs used various criteria prescribed by the Nomination and Remuneration Committee (NRC) for (i) evaluation of Executive Directors viz., M/s. Sudarshan Venu, Venu Srinivasan and K N Radhakrishnan (ii) evaluation of Chairman of the Board and (iii) the Board as a whole, for the FY 2025-26.

IDs evaluated the performance of all Non-IDs individually, through a set of questionnaires.

IDs reviewed the Major events and milestones achieved by the Company during the FY 2025-26 and products launched, major acquisitions & strategic partnerships and awards & accolades received and the comparative data on financial/market cap for the year 2025-26.

They also reviewed the developing strategic plans aligned with the vision and mission of the Company, displaying leadership qualities for seizing the opportunities and priorities, developing and executing business plans aware of the risks involved, establishing an effective organizational structure, demonstrating high ethical standards and integrity and commitment to the organisation besides participation at the Board/Committee meetings, effective deployment of knowledge and expertise and constructive comments/guidance provided to management by the Non-IDs.

The Independent Directors appreciated Mr Sudarshan Venu, Chairman and Managing Director on strengthening Company's global presence while remaining rooted in engineering excellence and core values. His focus on future-ready technologies, global expansion, growing market share, strategic investments and commitment to the Company's values has been key to its consistent performance and long-term vision.

The IDs also appreciated and recorded that Mr Venu Srinivasan, in his capacity as Chairman Emeritus, continues to play an important role in guiding the Company. His rich experience and insights have been valuable in strengthening the Company's strategic direction and governance.

Mr K N Radhakrishnan, Director & CEO's extensive industry knowledge and collaborative approach foster strong teamwork across the organisation.

IDs were satisfied fully with the performance of all Non-IDs.

#### **b) Mr Sudarshan Venu, as Executive Director and Chairman**

IDs reviewed the performance of the Chairman of the Board.

Based on the performance evaluation carried out during the year, the IDs noted that Mr Sudarshan Venu, Chairman of the Board, continues to provide strong and visionary leadership to the Company. He has been instrumental in guiding the Company to become the third largest motorcycle manufacturer in the world through his strategic direction and dynamic leadership.

They acknowledged his strategic decision-making ability, strong global exposure and deep passion for the automotive industry, which have significantly contributed to the Company's sustained growth and global positioning. His focus on technological advancement, effective risk management and innovation has been key

in driving the Company's transformation and competitiveness in the industry.

Mr Sudarshan Venu actively promotes a collaborative and inclusive Board environment, encouraging meaningful discussions and diverse perspectives that support effective decision-making.

They also noted his commitment to promoting constructive debate, maintaining strong governance standards and striving for excellence, thereby contributing significantly to the overall effectiveness of the Board and the long-term growth of the Company.

#### **c) Board**

IDs also evaluated the Board's composition, size, the mix of skills and experience, meeting sequence, the effectiveness of discussion, decision-making, and follow up action, to improve governance and enhance the personal effectiveness of Directors.

The Company has a Board with a wide range of expertise in all aspects of business and outstanding diversity of the Board with the presence of varied personalities with an expert in each domain viz., Engineering, Finance, Marketing, Legal, Information Technology, Administration and International trades and is well balanced with the addition of directors, with India and international experience and also from new industries.

The Independent Directors expressed their satisfaction with the quality of information, governance practices, and presentations. They also appreciated the transparency experienced at the Board and the management was highly responsive to inputs provided by the independent directors. Additionally, they recorded their satisfaction with the Chairman's encouragement for participation by all board members, which led to insightful discussions.

The Independent Directors affirmed that the Board exemplifies world-class governance transparency, and continuous improvement.

Strong leadership of the Executive Directors were acknowledged. The Board experience was described as both developmental and contributory, offering valuable exposure to emerging leadership.

External validation from the credit rating agency was also noted, along with the ambitions for higher ratings.

IDs were appreciated for raising strategic concerns, while management was commended for its prompt and transparent engagement.

The IDs were satisfied with the Company's performance in all fronts and finally concluded that the Board operates with best practices. Board composition of the Company is in accordance with the SEBI Listing Regulations and the Board benchmarks well in terms of its overall composition and the value it adds to the business.

**d) Quality, Quantity and Timeliness of flow of information between the Company, Management and the Board**

All IDs have expressed their overall satisfaction with the support received from the management and the excellent work done by the management during the year under review and appreciated the quality and accessibility of information, enabling effective participation resulting in smooth and seamless relationship between the top management & the Board. The IDs also recognized for openness, preparedness, responsiveness, and rapid implementation of suggestions.

The Independent Directors deliberated on strengthening the integration of a global risk perspective into its discussions, with a focus on preparedness for evolving geopolitical and geoeconomic challenges through agile and resilient strategies.

The Independent Directors further emphasised the importance of strengthening supply chain resilience, including evaluating appropriate inventory buffers to mitigate potential disruptions. In addition, they recommended accelerating AI adoption and aligning HR culture to support global scalability, while continuing to place strong emphasis on sustainability initiatives alongside the Company's global growth ambitions.

The Company follows the statutory requirements under both the Companies Act and the Listing Regulations and all the information provided to the Directors are very wholesome.

The information provided for the meetings were clear, concise and comprehensive to facilitate detailed discussions and periodic external presentations on specific areas well supplemented the management inputs. The emerging e-technology was duly incorporated in the overall review of the Board.

## Key Managerial Personnel (KMP)

Mr Sudarshan Venu, Chairman and Managing Director, Mr Venu Srinivasan, Chairman Emeritus and Managing Director, Mr K N Radhakrishnan, Director & Chief Executive Officer, Mr K Gopala Desikan, Chief Financial Officer and Mr K S Srinivasan, Company Secretary are KMPs of the Company in terms of Section 2(51) read with Section 203 of the Act, 2013.

## Nomination and Remuneration Policy

The Nomination and Remuneration Committee of Directors (NRC) reviews the composition of the Board to ensure an appropriate mix of abilities, experience and diversity to serve the interests of all stakeholders of the Company.

Nomination and Remuneration Policy were initially approved by the Board at its meeting held on 23<sup>rd</sup> September 2014 and was amended by the Board at its meeting held on 20<sup>th</sup> March 2024 to maintain consistency with statutory amendments to make it up to date and more comprehensive.

The objective of such policy shall be to attract, retain and motivate executive management and devise remuneration structure to link to Company's strategic long-term goals, appropriateness, relevance, and risk appetite.

NRC will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the Board/Company, whenever the need arises for appointment of Directors/KMP / SMP.

Criteria for performance evaluation, disclosures on the remuneration of Directors, criteria of making payments to Non-Executive Directors have been disclosed as part of Corporate Governance Report attached herewith.

## Remuneration Payable to Independent Directors (IDs)

The Shareholders have provided approval for renewal of the payment of remuneration, by way of commission not exceeding 1% of the Net profits, in aggregate, payable to the IDs every year.

IDs devote considerable time in deliberating the operational and other issues of the Company and provide valuable advice in regard to the management of the Company from time to time, and the Company also derives substantial benefit through their expertise and advice.

### Evaluation of the Independent Directors and Committees of Directors

In terms of Section 134 of the Act, 2013 and the Corporate Governance requirements as prescribed under the Listing Regulations, the Board reviewed and evaluated Independent Directors and various Committees viz., Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee, based on the evaluation criteria laid down by the NRC.

The Board has carried out the evaluation of all Directors (excluding the Director being evaluated) and its committees through a set of questionnaires.

### Independent Directors

The performance of the Independent Directors (IDs) was evaluated by the Board, excluding the Director being evaluated, against various parameters including their contribution to the Company's business strategy, performance oversight, understanding of key risks, ability to provide clear direction to management, and contribution to Board cohesion.

The Board noted that the IDs actively participated in deliberations and provided valuable insights on the Company's strategic initiatives, including new ventures, EV developments and international business. They were regularly apprised of the Company's robust cyber security framework, mitigation measures against cyber threats, risk management initiatives, and international business risks arising from forex shortages and currency depreciation.

The Board also acknowledged that the IDs received timely information, comprehensive presentations and full disclosures, enabling meaningful discussions and effective oversight. Overall, the Board observed that the Independent Directors have a strong understanding of the opportunities and risks associated with the Company's strategy and continue to support the direction articulated by the management team towards sustained growth and consistent improvement, while upholding high standards of corporate governance and Board effectiveness.

Based on the report of performance evaluation of directors, the Board noted and recorded that all the directors should extend and continue their term of appointment as Directors/ Independent Directors, as the case may be.

### Committees

The Board delegates specific mandates to its committees, to optimize Directors' skills and talents besides complying with key regulatory aspects.

- Audit Committee for overseeing financial reporting;
- Risk Management Committee for overseeing the risk management framework;
- Nomination and Remuneration Committee for selecting and compensating Directors/ Employees;
- Stakeholders' Relationship Committee for redressing investors' grievances; and
- Corporate Social Responsibility Committee for overseeing CSR initiatives and inclusive growth.

The performance of each Committee was evaluated by the Board after seeking inputs from its members on the basis of specific terms of reference, its charter, time spent by the Committees in considering key issues, quality of information received, major recommendations/ action plans and work of each Committee.

The Board is satisfied with overall effectiveness and decision making of all Committees. The Board reviewed each Committee's terms of reference to ensure that the Company's existing practices remain appropriate.

Directors continues to devote such time as is necessary for the proper performance and effectively discharge their duties, all of them to devote appropriate time to fulfil their duties.

Board and its Committees have an appropriate combination of skills, experience and knowledge.

The current committees' structure was considered effective, and all the committees of the Board were considered to be working effectively.

Recommendations from each Committee were considered and accepted by the Board prior to its implementation during the FY under review.

Details of Committees, its charter and functions are provided in the Corporate Governance Report.

### Number of Board meetings held

During the FY 2025-26, the Board met eight (8) times and details of the meetings are provided as part of Corporate Governance Report prepared in terms of the Listing Regulations.

## 17. AUDITORS

### Statutory Auditors

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, having Firm Registration No. 004207S allotted by The Institute of Chartered Accountants of India, were appointed as statutory auditors of the Company for the first term of five consecutive years from the beginning from AGM 2023 till the conclusion of 36<sup>th</sup> AGM.

The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Company has obtained the necessary certificate under Section 141 of the Act, 2013 confirming their eligibility for continuing as statutory auditors of the Company for the year 2026-27.

The Auditors' Report for the FY 2025-26 does not contain any qualification, reservation or adverse remark and the same is attached with the annual financial statements.

### Secretarial Auditors

As required under Section 204 of the Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

M/s Sriram Krishnamurthy & Co. (Formerly known as S Krishnamurthy & Co.) Company Secretaries, Chennai having Firm registration Number PI994TN045300 allotted by the Institute of Company Secretaries of India were appointed as Secretarial Auditors at the 33<sup>rd</sup> AGM held in 2025 for a term of five consecutive years from FY 2025-26 till FY 2029-30.

The Secretarial Audit Report for the FY 2025-26, given by M/s Sriram Krishnamurthy & Co. Company Secretaries, Chennai is attached to this Report. The Auditor has confirmed that he is not disqualified from continuing as the Secretarial Auditors of the Company.

The Company has obtained the necessary certificate under Section 141 of the Act, 2013 confirming their eligibility for continuing as secretarial auditors of the Company for the year 2026-27.

The Secretarial Audit Report does not contain any qualification, reservation or other remarks.

### Cost Auditor

As per Section 148 of the Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014, as amended, the cost audit records maintained by the Company in respect of its engine components manufactured by the Company in accordance with the respective head covered under Customs Tariff

Act heading in Table B to Rule 3 of the above rules, are required to be audited by a Cost Auditor.

M/s C S Adawadkar & Co, Practising Cost Accountant, having Registration No. 100401 allotted by The Institute of Cost Accountants of India, was appointed as Cost Auditor of the Company for the FY 2025-26 for conducting the cost audit at a remuneration of ₹ 8 Lakh in addition to reimbursement of applicable taxes, out-of-pocket expenses, travelling and other expenses payable.

The Company has filed the Cost Audit Report of 2024-25 on 11<sup>th</sup> August 2025 in XBRL format with the statutory authorities.

Further, the Board of Directors at their meeting held on 13<sup>th</sup> May 2026, re-appointed them as Cost Auditor of the Company at a remuneration of ₹ 8 lakh payable to them for the FY 2026-27, subject to ratification by the Shareholders of the Company.

The Company has received consent from M/s. C S Adawadkar & Co., Practicing Cost Accountants, to serve as Cost auditor of the Company for the FY 2026-27.

The Company has also received necessary certificate under Section 141 of the Act, 2013 from them conveying their eligibility to act as a Cost Auditor.

## 18. CORPORATE GOVERNANCE

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations is given as **Annexure VII** to this Report.

The Director & Chief Executive Officer (D & CEO) and the Chief Financial Officer (CFO) of the Company have certified to the Board on financial statements and other matters in accordance with the Regulation 17 (8) of the Listing Regulations pertaining to CEO/CFO certification for the FY ended 31<sup>st</sup> March 2026.

## 19. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" ('BRSR'). The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBCs').

Accordingly, for the FY ended 31<sup>st</sup> March 2026, Company has published BRSR, in the prescribed format is given as **Annexure VI** to this Report and is available on the Company's website in the link as provided in page no. 227 of this Annual Report.

## 20. POLICY ON VIGIL MECHANISM

The Company has adopted a Policy on Vigil Mechanism in accordance with the provisions of the Act, 2013 and Regulation 22 of the Listing Regulations, which provides a formal mechanism for all Directors, Employees and other Stakeholders' of the Company to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics.

The Code also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the management about grievances or violation of the Company's Code.

The Company is committed to fostering a transparent and ethical work environment where concerns regarding unethical behaviour, fraud, or violations of law can be raised without fear of retaliation. As part of this commitment, the Company has established a Vigil Mechanism and a Whistleblower Policy.

The key features of the Vigil Mechanism and Whistleblower Policy are as follows:

1. **Purpose and Objective:** The Vigil Mechanism is designed to allow employees and other stakeholders' to report any concerns or instances of unethical behaviour, illegal acts, or misconduct within the organization. This includes violations of the Company's Code of Conduct, financial fraud, unethical practices, and any behaviour that could harm the Company's interests or reputation.
2. **Confidentiality and Protection:** The Company ensures that all whistleblowers are protected from any form of retaliation, discrimination, or harassment. Reports can be made confidentially, ensuring that the identity of the whistleblower is kept confidential unless disclosure is required by law.
3. **Reporting Process:** The Company provides a designated channel through which employees and stakeholders' can report concerns. The process is structured to ensure that all issues are addressed in a timely, impartial and thorough manner.
4. **Non-Retaliation Policy:** The Company has a strict non-retaliation policy in place, ensuring that any whistleblower who reports concerns in good faith will not face any adverse consequences, and

their identity will remain protected throughout the process.

The Company encourages all stakeholders' to actively participate in this mechanism, contributing to a culture of integrity, transparency, and accountability

The Policy is disclosed on the Company's website in the link as provided in page no 227 of this Annual Report.

## 21. PUBLIC DEPOSITS

The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act, 2013, for the year ended 31<sup>st</sup> March 2026.

## 22. STATUTORY STATEMENTS

### Information on Conservation of Energy, Technology Absorption, Foreign Exchange, etc:

Relevant information is given in **Annexure I** to this Report, in terms of the requirements of Section 134(3)(m) of the Act, 2013 read with the Companies (Accounts) Rules, 2014.

### Material changes and commitments, if any, affecting the financial position of the Company, having occurred since the end of the year and till the date of the Report:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the FY of the Company to which the financial statements relate and the date of this report.

### Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company:

There are no significant and material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status of the Company and its future operations.

### Annual Return

Copy of the Annual Return (**Annexure II**) in prescribed form is available on the Company's website in the link as provided in page no 227 of this Annual Report, in terms of the requirements of Section 134(3)(a) of the Act, 2013 read with the Companies (Accounts) Rules, 2014.

### Employees' Remuneration

Details of Employees receiving the remuneration in excess of the limits prescribed under Section 197 of the Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as a statement and given in **Annexure III**. In terms of first proviso to Section 136(1) of the Act, 2013, the Annual Report, excluding the aforesaid annexure is being sent to

the Shareholders of the Company. The annexure is available for inspection at the Registered Office of the Company during business hours as mentioned in the Notice of AGM and any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

### Comparative Analysis of Remuneration Paid

A comparative analysis of remuneration paid to Directors and Employees with the Company's performance is given as **Annexure V** to this Annual Report.

### Details of Related Party Transactions

There are no material related party transactions under Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

### Details of Loans/Guarantees/Investments Made:

The Company has not given any loans and guarantees under Sections 185 & 186 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the FY 2025-26 to any other body corporates. On loans granted to the employees, the Company has charged interest as per its policy, in compliance with Section 186 of the Act, 2013.

### Reporting of Fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act, 2013.

### Secretarial Standards

The Company has complied with the applicable Secretarial Standards as amended from time to time.

### General Disclosures

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

- issue of equity shares with differential rights as to dividend, voting or otherwise;
- issue of shares (including sweat equity shares) to employees of the Company;
- pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016;
- instance of one-time settlement with any bank or financial institution; and
- change in the nature of business of the Company.

### Disclosure in terms of Maternity Benefit Act, 1961

It has complied with the provisions of the Maternity Benefit Act, 1961 and the rules made thereunder, including all applicable obligations relating to maternity benefits for eligible employees.

### Disclosure in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), as amended, Company has a robust mechanism in place to redress complaints reported under it. Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee (IC) comprises of internal members and an external member who has an extensive experience in the field. The details of the Complaints filed/ disposed/ pending during the FY 2025-26 is as under:

- Number of complaints filed during the FY: 2
- Number of complaints disposed of during the FY: 2
- Number of complaints pending more than 90 days: - Nil

During FY 2025-26, initiatives were undertaken to demonstrate Company's zero tolerance policy against discrimination and sexual harassment, which included creation of comprehensive and easy to understand training and communication material. In addition, online workshops were conducted for the employees to enhance their awareness and knowledge.

## 23. ACKNOWLEDGEMENT

The Directors gratefully acknowledge the continued support and co-operation received from the holding Company viz., TVS Holdings Limited, Chennai. The Directors also thank all partners, the bankers, investing institutions, customers, dealers, vendors and sub-contractors for their valuable support and assistance.

The Directors wish to place on record their appreciation of the very good work done by all the employees of the Company during the year under review.

The Directors also thank the investors for their continued faith in the Company.

For and on behalf of the Board of Directors

**SUDARSHAN VENU**

Chairman and Managing Director

DIN: 03601690

Singapore  
13<sup>th</sup> May 2026