TVS

SHAPING TOMORROW'S MOBILITY, TODAY

EXCITING

SUSTAINABLE

RESPONSIBLE

SAFE

32nd Annual Report 2023-24

TVS Motor Company Limited (TVSM) is a globally recognised manufacturer of two and three-wheelers, present in 80+ countries. With cutting-edge manufacturing facilities in India and Indonesia, it offers world-class products and delivers unparalleled customer experiences through its extensive network.

Fourth-largest

Two-wheeler manufacturer in the world

7

of 10 awards won by TVSM in the J.D. Power 2024 India Two-Wheeler Initial Quality Study (2WIQS) and APEAL

TVSM has been certified as a 'Great Place to Work in Manufacturing – Top 50' by GPTW

What's Inside

Key Highlights, FY 2023-24

Financial

₹ 31,925 Cr
Revenue
20.5% Y-o-Y

11.1%
Operating EBITDA

₹ 2,083 Cr
PAT
40% Y-o-Y

19%
Increase in domestic ICE 2W sales

₹ 2,562 Cr
Operating Free Cash Flow

₹ 983 Cr
Reduction in Net Debt

40 Lakh mark
Surpassed for the first time in 2W sales

1.94 Lakh units
EV sales

Non-financial

16 Lakh
CSR beneficiaries

43 MW
Installed capacity of solar and wind

93%
Energy requirements met through renewable sources

100%
Co-processing for hazardous waste

Shaping tomorrow's mobility, today

For decades, TVS Motor Company's emphasis on innovation, understanding of customer needs and unparalleled technical expertise, deepened through its partnerships with top global automotive players have helped it pioneer mobility solutions for diverse categories of riders. From fuel-efficient, affordable two- and three-wheelers to racing-inspired bikes, its products have met and exceeded customer expectations with their design, advanced safety features and reliability.

TVSM vehicles are everyday companions to more than 58 million users across the globe, many of them women, whose ease and convenience have been a major focus area of its product design. Its vision is to improve the quality of life of its customers and redefine mobility through technology, connectivity, and cutting-edge design. To execute this vision, today, it is at the forefront of electric two-wheeler technology, offering its customers clean, connected and highly customisable vehicles. Its flagship TVS iQube has led to mass adoption of EV mobility in India, and with the global launch of TVS X, its revolutionary electric crossover, TVSM is set to further impact and influence mobility options around the world. Through its products that promote green journeys, commitment to sustainability, environmental stewardship, and inclusivity, it is paving the way for a more sustainable and safe future of mobility.

101%

EV two-wheeler sales growth Y-o-Y in FY 2023-24

65%

Women in EV battery assembly lines

82%

Reduction in carbon intensity/ per vehicle in last 10 years

93%

Local material sourcing

Cruising ahead with sustainable mobility

TVSM is the world's fourth-largest two-wheeler manufacturer. Building on its decades-long legacy of offering aspirational products at competitive prices, it is making personal mobility safer and more sustainable, powered by trust, value, and service.

Hosur Plant

Fast Facts

50 Mn
Vehicles on road

1 Mn+
Customers of TVS three-wheelers across 43 countries

#1
In J.D. Power Customer Service Satisfaction Survey for four consecutive years

5
State-of-the-art plants in Karnataka, Tamil Nadu, Himachal Pradesh, Indonesia and UK

650
EV-related patents

VISION

To transform the quality of life of people across the world by providing mobility solutions that are **Exciting, Responsible, Sustainable and Safe**.

MISSION

To be one of the leading companies globally in our chosen business segments, providing the most compelling mobility solutions through:

1. An innovation-driven culture thriving on relentless reflection and teamwork
2. Focus on speed and agility to seize opportunity in a Volatile Uncertain Complicated Ambiguous (VUCA) world
3. Scalable technology platforms & solutions with highest quality to delight customers
4. Commitment towards a sustainable future for societies and the environment

CORE VALUES

Trust

- Demonstrate transparency & fairness in all dealings
- Honor all commitments

Customer Obsession

- Possess a strong mindset to delight customers beyond one's stated call of duty
- Proactively understand & address customer needs with deep insight & customer intimacy

Value Maximisation

Continuously finding ways to deliver/ create highest value sustainably for customers, company and other stakeholders every time, and in everything we do.

Speed & Agility

- Be willing to move fast, with freedom
- Every action should be taken with speed and rigour, without any bureaucracy

Exactness

Clarity and Sharpness in thinking, action and communication – driven by relentless reflection to identify root causes, vigorous execution of solutions, and expressed in a simple and clear manner.

Disruptive Mindset

- Think unconstrained
- Always challenge the status-quo
- Create and grasp opportunities with boldness and determination

KEY DIFFERENTIATORS

Prominent multi-segment presence

From the entry-level scooter to performance scooter, and commuter to premium motorcycle segments, TVSM has a strong presence in multiple product segments, which is a key differentiator from competition.

Exposure across geographies

With its extensive distribution in over 80 countries, the Company has established a robust global presence. This expansive reach positions it as a significant player in the international market and provides valuable growth and market diversification opportunities.

Strategically investing in cutting-edge R&D

TVSM's R&D efforts continue to build on its in-depth customer understanding, adopting an agile transdisciplinary approach towards creating the future of mobility solutions through cutting-edge innovations.

Harnessing the power of digital and AI

TVSM focuses on digitalising its operations, sales and retail management, manufacturing and supply chain, new product introduction and enterprise functions. The Company's TVSXverse programme focuses on improving customer journeys.

Crafted with care for every journey

A provider of innovative mobility choices, TVSM offers a wide range of products to suit the needs of daily commuters, niche customers, and speed enthusiasts. Our products are technologically advanced, reliable, and safe. Its vehicles cater to a broad customer base and their evolving preferences, including mopeds, scooters, commuter bikes, and premium motorcycles. Its authorised service network, TVS Care, is a one-stop solution for a million happy customers each month across over 3,800 cities in India.

2.63 Lakh

Units sold per month (MA) - India

0.74 Lakh

Units sold per month (MA) - International

Motorcycles

TVS Apache RR 310

TVS Apache RTR 310

TVS Apache RTR 180

TVS Apache RTR 160 4V

TVS Ronin

TVS Raider

TVS Radeon

TVS StaR City+

TVS Sport

Products and Services

Scooters

TVS Jupiter 125

TVS Ntorq

TVS Zest 110

Electric scooters

TVS X

TVS iQube

Three-wheelers

TVS King

Mopeds

TVS XL 100

TVS Jupiter

TVS Scooty Pep+

Redefining the riding experience

New Product Launches in FY 2023-24

TVS X

- Flagship electric two-wheeler with high energy efficiency
- Largest 10-inch TFT touchscreen on a 2W
- Bluetooth, WiFi, Wired connectivity

TVS Apache RTR 310

- Race Tuned Dynamic Stability Control
- Climate Control Seat
- 5” TFT Cluster with multiway connectivity

TVS Ronin

- USB charger
- Visor
- New EFI cover

TVS Raider SS Edition

- First Marvel-themed motorcycle in India
- Most award-winning 125cc motorcycle
- Gen-Z-propelling powerful character traits

TVS iQUBE Electric

- Larger 31L under seat storage
- Voice assist
- Live charge status

TVS HLX 150F

- Model enhanced with powerful Ecothrust engine
- Added safety features
- Better styling and superior suspension

TVS NEO AMI 125

- All-in-one lock
- Intelligent access (iXS) for the last parked location
- Twin USB-charging and tubeless tyres

ONE-STOP SOLUTION FOR EVERY SERVICE NEED

- Service centres open all days
- Pick-up and drop facility
- Repairs by certified technicians
- Annual maintenance contract with warranty
- Wide range of TVS consumables
- 24x7 roadside assistance
- Accidental claim and cashless insurance
- Genuine parts purchase
- Tyre and battery replacement support

TVS Care

Drop us a Hi on Whatsapp to avail these services, or contact:

1800 258 7111

The TVS Care Advantage

3,800+

Cities of presence

4,500+

Authorised service centres

10,000+

Certified technicians

1 Mn+

Happy customers served a month

30 years

Customer service expertise

75%

Customer satisfaction score

TVS Motoverse

TVSM is the world's first two-wheeler company to launch its own Motoverse solution, designed to captivate customers, particularly the tech-savvy Gen Z, who are seeking authentic and immersive experiences. The Company has exciting plans to host diverse events within Motoverse, providing engaging and meaningful interactions for the targeted demographic.

Expanding global presence

Having begun its journey in India, TVSM is now a global brand, operating in Asia, Africa, Latin America and Europe. The Company's four manufacturing units, three in India and one in Indonesia, multiple distribution centres, and offices serve 80+ markets across the world.

TVSM is strategically expanding its international presence by fortifying its EV offerings and strengthening its distribution network across the world. In fiscal 2024, the Company announced its entry into European markets through a distribution partnership. TVSM will initially introduce its premium EV and ICE range in France and Italy, a move that will pave the way for further expansion into select EU markets. TVSM's EVs & ICE vehicles, including the Jupiter 125, NTORQ, iQube S, TVS X, Ronin 250, Apache RR 310, and Apache RTR 310, will be available in Europe.

Global offices

Manufacturing locations

Present in 80+ countries

Investments and Partnerships

Norton Motorcycles

GO Movement

ebco Electric Bikes / corratec

semg swiss e-mobility group

rapido Bike Taxi

Ultraviolette

DriveX

ion Mobility

TVS Digital

Altizon The Industrial IoT Company

Scienaptic

predictronics

Zapata

Map not to scale and for representation purpose only

We are excited about our strategic entry into the European market which marks a significant milestone in our journey as a truly global brand. This move is not just about offering our high-quality two wheelers to a wider market, but also about providing comprehensive mobility solutions for tomorrow, as is evident from our significant investments in electric mobility and partnerships.

Our recent decisions also align with our commitment to premiumisation and towards enhancing our brand and product portfolio to cater to discerning customers globally. We look forward to shaping the future of mobility and delivering unparalleled experiences to our customers at home and abroad."

Sudarshan Venu
Managing Director

Moving ahead in the race

TVSM has been instrumental in shaping the evolution of motorsports in India since the early 1980s. Through its factory racing team, TVS Racing, it has introduced several sporting formats, and groomed talent for international events in its bid to democratise the sport. It has also been used the track to pioneer technologies and finetune the performance of powerful vehicles like TVS Apache, executing its 'track to road' philosophy.

TVS Racing: Wins and Collaborations

TVS Factory racer Harith Noah made history by becoming the first Indian to win the Dakar Rally 2 Class race of 2024 and finish among the top 11. The rally, which tests rider's endurance for two gruelling weeks in the Saudi Arabian desert, is considered one of the toughest races in the world.

TVS Racing's association with Petronas, the oil giant, completed two years. Known since 2022 as Petronas TVS Racing Team, the partnership has led to the team's participation in several important races in the national circuit, will see the introduction of co-branded merchandise.

TVSM launched the Electric One Make Championship (e-OMC), an exclusive format of racing on the electric TVS Apache RTE race motorcycles, that have been developed solely for the championship

A new endurance record was set with the Apache RR 310 at the 24-Hour Indian National Speed Endurance. A distance of 3,658 kms was covered at an average speed of 152 kmph, which once again testified to the power of the sporting bike

At the flagship motorcycle fest, TVS MotoSoul, the new TVS Apache RTR 160 4V was unveiled, and partnerships with Alpinestars, the world's leading manufacturer of high-performance riding wear and accessories, was announced

Driving corporate excellence forward

Prof. Sir Ralf Dieter Speth
Chairman

Venu Srinivasan M C
Chairman Emeritus and Managing Director

Sudarshan Venu M M M
Managing Director

K N Radhakrishnan M M
Director and CEO

C R Dua M M M
Independent Director

Shailesh Haribhakti C
Independent Director

Committees

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Chairman/Chairperson (C) Member (M)

Dr. Deepali Pant Joshi
Independent Director

M M C

Kuok Meng Xiong
Independent Director

M

Vijay Sankar
Independent Director

M C

H K Singh
Independent Director

M M

B Sriram
Independent Director

M C

Dr. Lakshmi Venu
Non-Executive Director

Building up our momentum

All stunts on our products are performed by trained professionals under controlled conditions

A progressive vision to lead the transformation towards sustainable mobility and impact the lives of its customers drives TVSM's choice of strategic priorities. Its growth as a global brand is underpinned by its emphasis on excellence, enhanced customer experience, brand premiumisation and technology integration.

TVSM strives to move forward rapidly in the EV business through innovation. It is India's sole OEM with complete in-house EV and connected capabilities, including battery manufacturing, management systems, vehicle control units, and infotainment. TVSM plans to invest in future technologies and products, focusing on shaping mobility's future, shared mobility, and international expansion.

Strategic Objectives	What TVSM Intends to do?	Priorities Going Forward
Enhancing Premiumisation across the Portfolio	Build an aspirational global brand through exciting riding experiences	• Create a premium brand experience and global community of riding enthusiasts • Build new desirable solutions
Attaining Leadership in the EV Business	Deliver cutting-edge electric mobility solutions across the world	• Develop innovative product formats • Lower TCO by battery and propulsion system R&D
Scaling up of Commercial Mobility Business	Establish TVS as a global, leading, and trusted commercial mobility brand	• Build products and solutions for new and diverse use cases • Invest and build sustainable solutions for commercial mobility • Provide services and solutions for fleet owners
Embracing Sustainability across the Value chain	• Ensuring environmental development • Creating prosperous communities • Building sustainable livelihoods	• Prevent pollution due to emission, effluents, waste and contribute to conserve resources • Contribute to combatting climate change by improving energy efficiency and renewable energy • Protect natural habitats • Provide safe work environment • Provide education, training and counselling to employees • Support suppliers, dealers and contractors in adopting sound EHS practices • Empower rural power through awareness, skills and training programmes

TVSM roadmap for the future

Dear Stakeholders,

TVSM's stellar performance in FY 2023-24 has once again proved our commitment to excellence, our agility and our abiding dedication to the customer.

In the ever-evolving landscape of mobility, TVSM offers a compelling combination of advanced technology and reliable design by creating attractive products and solutions that seamlessly integrate cutting-edge features with immersive experiences to captivate customers and deliver value.

Strong Business Performance

We surpassed 4 million two-wheeler sales for the first time and posted a record revenue of ₹ 31,925 crore. Within India, ICE two-wheeler sales went up by 19%, outpacing the industry's 13% growth, while the EV two-wheeler sales increased to 101%, vis-à-vis industry growth of 32%, showcasing our capability in leading the shift towards high-tech, energy-efficient, and smart mobility solutions.

Market Outlook

The global two-wheeler market is set for substantial advancement, driven by increasing demand from developing countries seeking innovative mobility solutions. Key factors include, the expanding e-commerce sector, shared micromobility services, and a growing young workforce with rising disposable incomes.

The global automotive industry is transitioning from ICE to EVs due to numerous advantages such as lower Total Cost of Ownership (TCO), advanced technology, operational ease, and reduced environmental impact. Government regulations are accelerating EV adoption. Emerging technologies like artificial intelligence, machine learning, and blockchain are being leveraged to enhance product quality and customer experience.

Focus on Highest Quality

At TVSM, we maintain an unwavering focus on the highest quality across the value chain. Our commitment to top-tier product quality and service is anchored in the philosophy of Total Quality Management. This ensures every vehicle we produce delivers exceptional reliability and performance, significantly enhancing customer trust and satisfaction. Our relentless efforts to develop superior products and solutions stem from a deep understanding of the mobility aspirations of the customer.

This dedication to quality enables us to create products that consistently exceed expectations. TVSM winning 7 out of 10 categories in the J.D. Power 2024 India Two-Wheeler Initial Quality Study (IQS), underscores this commitment. This award is an outcome of direct endorsement of vehicle quality by customers within the first six months of ownership. Further solidifying our position, our products also received top awards in the J.D. Power APEAL Study for being the most 'appealing' in the economy, executive, and premium segments.

Dynamic Leadership

Our remarkable growth in the past few years has been made possible by the dynamic leadership team, headed by Mr. Sudarshan Venu, MD, and Mr. KN Radhakrishnan, Director & CEO, duly supported by our dedicated employees, partners, stakeholders, and shareholders. Under their visionary leadership, we have fostered a passionate, motivated, and aligned team working towards one goal.

In TVSM, women constitute 13% of the overall workforce. This representation extends across all levels, including senior leadership. We are committed to fostering diversity and inclusion, ensuring that women have equal opportunities for growth and advancement within the Company.

We have developed comprehensive, indigenous, end-to-end capabilities spanning the modern mobility value chain. We have created advanced electronic architecture and connected solutions, aimed at elevating the new-age mobility experience. The TVS SmartXonnect, our homegrown connected solution, is now available on multiple products enabling a wide range of customers to experience connected mobility.

We have built a future-ready, diverse, and multi-cultural workforce. Our focus is on leadership development, continuous education, skill building, and integrating new capabilities in software, data analytics, and AI. TVSM has been certified as a 'Great Place to Work in Manufacturing - Top 50' in 2023-24.

Building a Sustainable Ecosystem

Our achievements are supported by co-operation partners like BMW Motorrad and various supply chain collaborators. Together, we are creating a sustainable, closed-loop circular ecosystem. This collaboration benefits customers, the community, and the planet. With our new vision, we aim to deliver the highest sustainable value for our stakeholders.

With our focus on providing electric mobility solutions, advanced safety systems and notably with the usage of 93% of our infrastructure energy needs by renewable and clean energy, we commit to driving a positive change towards a sustainable future.

Impacting the Society

The Srinivasan Services Trust (SST), our CSR arm, enhances its impact on rural development. SST transforms attitudes and empowers people through long-term engagement. The goal is to foster collaboration and self-sufficiency, creating positive change in rural India. Partnering with communities, SST drives sustainable development and improves quality of life.

The Road Ahead for India and TVSM

India is making steady progress towards becoming one of the largest economies in the world. With a young, intelligent, thriving workforce with a global outlook, the nation is well-positioned to leverage its advantages.

At TVSM, we are committed to holistic, qualitative, and sustainable growth. We are leveraging this talent pool, coupled with our core values of trust, customer obsession, maximising value, speed, agility, exactness, and a disruptive mindset, to deliver the best.

Making EVs the Fulcrum of Future Growth

Our focus on EVs as one of our future growth enablers fits perfectly with our 2030 vision. EVs represent a commitment to sustainable innovation, addressing environmental concerns while meeting customer demands for energy-efficient transportation solutions. To realise our vision, it is essential to align technological advancements with strategic infrastructure development and proactive collaboration between industry and Government.

At TVSM, we are gearing up for exciting times ahead as we transition to a high-tech, global, and smart mobility company. With our technology adoption, strategic partnerships, and a start-up mindset within the organisation, we are confident in our leadership and our ability to delight the 'new-age customer'.

Once again, I take this opportunity to sincerely thank the leadership team, employee union, employees, partners and all stakeholders.

With best wishes,

Prof. Sir Ralf Dieter Speth
Chairman

Managing Director's Statement

Gearing up for an exciting ride

Dear Stakeholders,

I am proud to state that TVSM has yet again demonstrated its strength by exceeding expectations and achieving all-time high sales in FY 2023-24. This outstanding accomplishment showcases the Company's remarkable growth trajectory and solidifies its position as a formidable market leader. In FY 2023-24, TVSM's total sales soared by 14%, reaching an impressive 4.2 million units, up from 3.7 million units in the previous fiscal.

TVSM's success in FY 2023-24 was driven by the two-wheeler segment, which saw a 15% increase to 40.45 lakh units from 35.13 lakh units in FY 2022-23. The three-wheeler segment also grew, reaching 1.46 lakh units in FY 2023-24. Despite a slight decline in total exports, the Company's overall performance remained robust, showing resilience and adaptability in the market.

Remarkable Business Performance

In FY 2023-24, TVSM achieved significant milestones in the two-wheeler ICE segment, surpassing sales of 3.85 million units, a remarkable increase from 3.42 million units in the previous year. Despite challenges in the global market, the Company's two-wheeler exports totalled 0.89 million units, reflecting a slight decline of 3.0% year-on-year. Looking ahead, the Company anticipates a rebound in its two-wheeler business, particularly in the African market, supported by the expected improvements in the global economic situation as inflation moderates further and currency stabilises. TVSM has implemented strategic measures to mitigate challenges and is poised for a strong recovery in international markets.

Leading in Sustainable Mobility

The year saw us achieve the highest VAHAN retail sales in March 2024 - a testament to our commitment to innovation and environmental stewardship. We are investing significantly in the EV segment to improve design, deploy future technologies, and enhance digital capabilities. This was evident in the launch of TVS X, a premium product with advanced features, superior design, powertrain, and battery technology.

Prioritising Partnerships

Since acquiring Norton Motorcycles in 2020, TVSM has been ramping up its investment in the Company. Through knowledge sharing and leveraging our mutual engineering and design capabilities, Norton aims to expand its product portfolio. Our associations with EBCO in the UK, Drive X, ION Mobility, and Swiss E-Mobility Group AG (SEMG), among others, will further aid our strategy of transitioning to a smart mobility company by leveraging our mutual strengths and know-how.

Remaining Invested in the Future

In keeping with this plan, we made a strategic investment of ₹ 88 crore in Norton to enhance the appeal of the Norton brand. We have also made significant new launches and introduced new variants of existing models of our motorcycles and e-bikes. This ability to innovate and diversify is one of TVSM's core strengths.

We have outlined a product pipeline for FY 2025-26, with additional time allocated for the development of high-quality products in the premium and super-premium segments. Although our European subsidiaries, such as SEMG, were impacted by the economic slowdown, we remain committed to long-term investments to rebuild their strength.

We aim to drive growth by investing in new products and premiumisation. Our investments in digital connectivity strengthen our EV and ICE capabilities, and we anticipate elevating customer satisfaction with customer-centric investments in software, electronics, and digital connectivity. Our product innovations are tested on the track as part of our 'Track to Road' philosophy, enhancing the capabilities of our Apache sports motorcycles. We will continue to support sports enthusiasts through TVS Racing and enrich our premium offerings.

Driving Market Expansion

We focus on building enduring relationships with retailers, stockists, and dealers to expand our market presence. Our hub-and-spoke model ensures careful supply chain management while balancing the interests of our partners and our Company. Our recent partnership with Emil Frey in France will help us tap into new markets and expand our distribution network. Additionally, we aim to increase our presence in the evolving rural market in India.

Dual Technology Capability

TVSM considers its investments crucial for the future and aims to drive topline growth by investing in new products and various technologies to strengthen its EV and ICE capabilities. These endeavours will further elevate customer satisfaction. We also understand that the scooter segment is likely to grow significantly, with market share projected to increase to 35-40%.

This growth will create opportunities for both ICE and EV segments, allowing consumers to choose as per their convenience and comfort. The Company's dedication to investing in both technologies reflects its commitment to meeting the diverse preferences of its customers.

Growing Sustainability

TVSM's business strategy prioritises Environmental, Social, and Governance (ESG) elements. It focuses on resource efficiency, with a 10% reduction in water usage and 93% of its electricity coming from renewable sources. The Company is committed to becoming a 'Net Zero' carbon emitter. Its ESG efforts have led to cost reductions, market opportunities, and better risk management.

Promising Future

With improvements in road infrastructure and increasing mobility demands, the two- and three-wheeler industry is waiting to see a greater demand surge in the future. We aim to capitalise on the opportunities by deepening our international presence in the African, Latin American, European, Southeast Asian, and Middle Eastern markets.

The past year has shown that TVSM remains resilient, adaptable, and geared for the future. We appreciate the support of the Board, TVSM team, and stakeholders and look forward to an exciting journey ahead.

Regards,

Sudarshan Venu
Managing Director

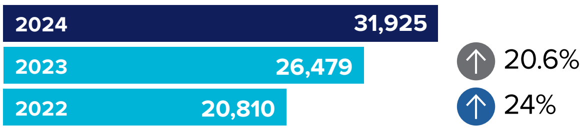
Revving up remarkable success

TVSM achieved remarkable success in FY 2023-24, with record-breaking revenues and profits, driven by 15% growth in motorcycle sales and an astounding 100% increase in EV sales. A well-balanced product mix, competitive pricing, and a strong emphasis on electric mobility power the journey ahead.

FINANCIAL

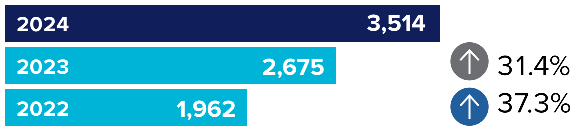
Revenue (₹ in Crore)

31,925



EBITDA (₹ in Crore)

3,514

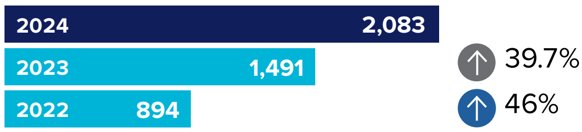


EBITDA margin (%)

11.1

PAT (₹ in Crore)

2,083



PAT margin (%)

6.6

Sales volume (Nos. in Mn)

4.19

Earnings per share (₹)

43.84

Divided per share (₹)

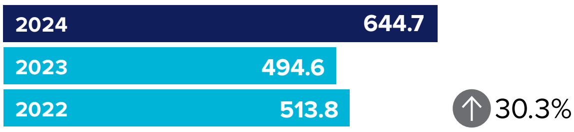
8.00

y-o-y growth   3-year CAGR

NON-FINANCIAL

R&D spend (₹ in Crore)

644.7

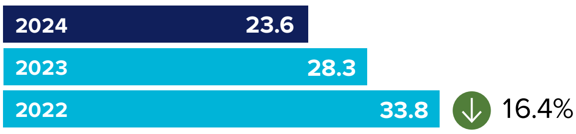


Specific waste intensity (tonnes/Crore)

0.4

Specific water intensity (Kilolitres/Crore)

23.6

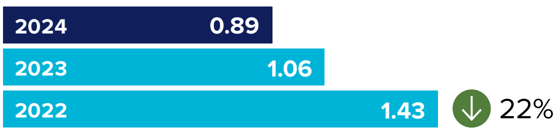


Share of women in the workforce (%)

13

Specific GHG emissions (Scope 1 and 2) (tCO_2e/Crore)

0.89



CSR beneficiaries (Nos. in lakh)

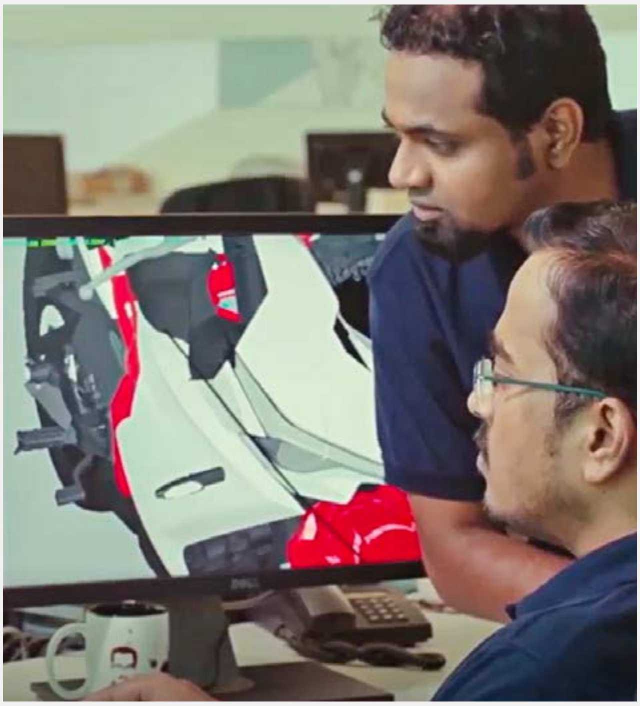
16

y-o-y growth

y-o-y (lesser the better)

Unleashing potential through relentless innovation

Since its inception, TVSM has consistently pursued excellence in in-house research and development. To realise its vision of shaping the future of mobility, it has further intensified its R&D investments in chosen strategic areas. The Company remains one of the most prolific generators of patented products in India and globally.



With a strategic focus on building a world-class skill set in technology research, product design, and development, TVSM has formed an exclusive team of specialised engineers for in-house software development.
As mobility solutions become smarter, more connected, and increasingly reliant on software, electronics, and control, the Company is focusing on investing in embedded systems and improving its digital capabilities.
The Company's R&D has adopted an agile, vigorous trans-disciplinary approach towards creating mobility solutions that are exciting, responsible, safe, and sustainable.

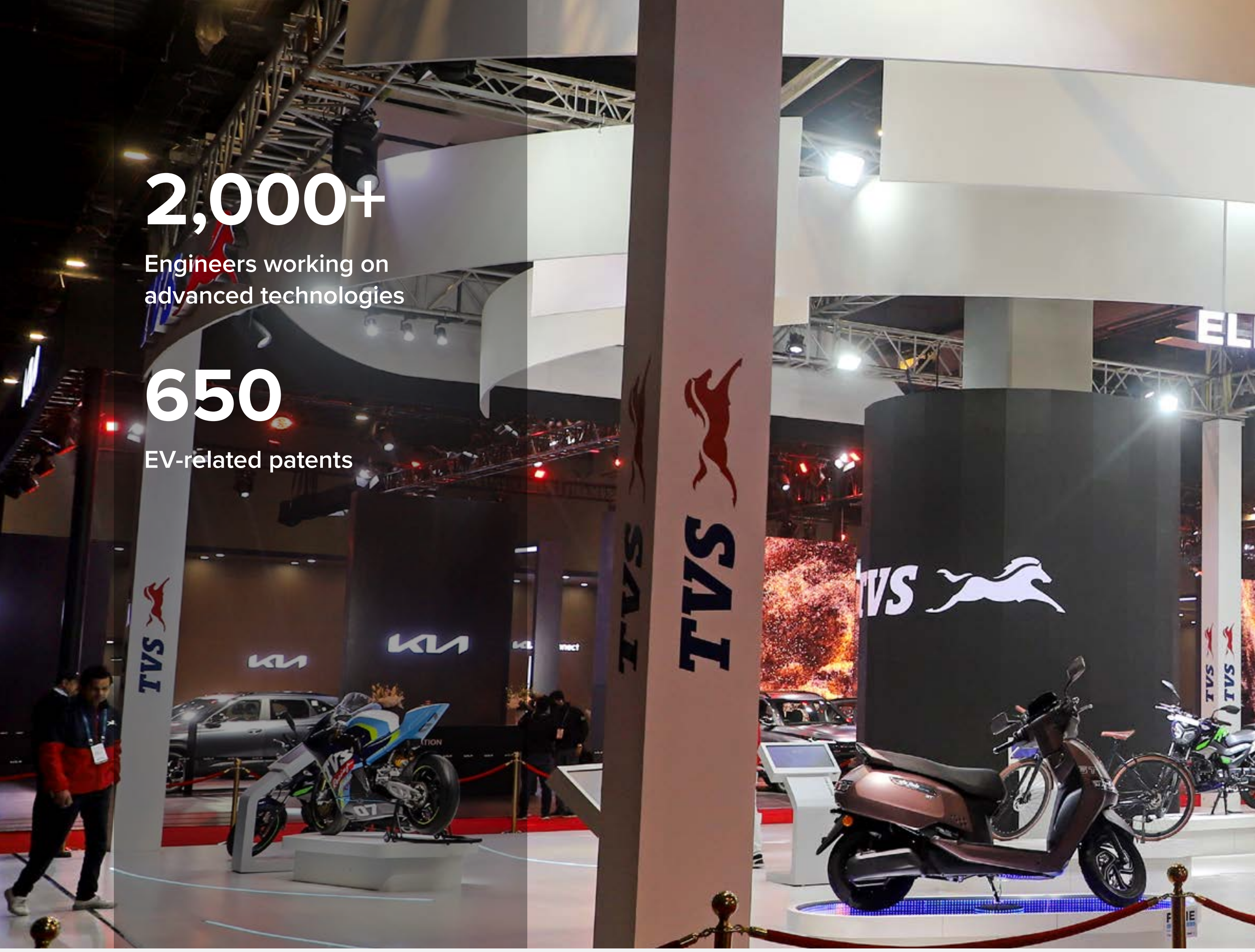
Driving Deeper Global Market Penetration with State-of-the-art EV Technology

Nearly 12 years ago, the Company embarked on a strategic journey into electric mobility, laying the groundwork for what would become a pivotal aspect of its strategy. It established centres of excellence dedicated to advancing electric powertrain technology and developing key EV components like batteries, motors, and controllers while refining design, supply chain, and industrialisation processes.

In 2020, TVSM launched its first electric product, the TVS iQube and has since expanded its offerings across a diverse range, empowering its customers with choice across design and price variants.

With the launch of TVS X, one of the world's most advanced, electric two-wheeler, proudly made in India, TVSM is expected to make a major impact on the global EV market with this premium offering. This stylish, efficient, and innovative vehicle has an impressive range as well as a powerful motor backed by cutting-edge battery technology. The top-notch R&D team has also built a highly advanced, all-new technology solution for infotainment and control architecture, which delivers an unparalleled product experience with high security and cutting-edge OTA capability. Given the rapid adoption of E-mobility around the world, the TVS X is set to capture global imagination.

TVSM acknowledges the pivotal role of government policies and OEM initiatives in shaping market dynamics. The Company's proactive stance in aligning product offerings with policy changes emphasises our commitment to staying ahead of the curve. As it navigates the evolving electric mobility landscape, TVSM focuses on enabling new market segments and gradually expanding its global footprint.



2,000+

Engineers working on advanced technologies

650

EV-related patents

We constantly look at the white spaces in both the ICE and EV segments. Customers are technology-agnostic and will choose products based on their usage, convenience, and comfort. With a well-planned product line-up and improvements in supply chain and infrastructure, we are confident that we will continue to be a formidable player in the EV segment. We are investing in many technologies which will be incorporated into both EV and ICE models. Our focus is on delighting customers across the portfolio through best-in-class infotainment, digital connectivity, and new technologies with attractive features”.

K N Radhakrishnan

Director & CEO

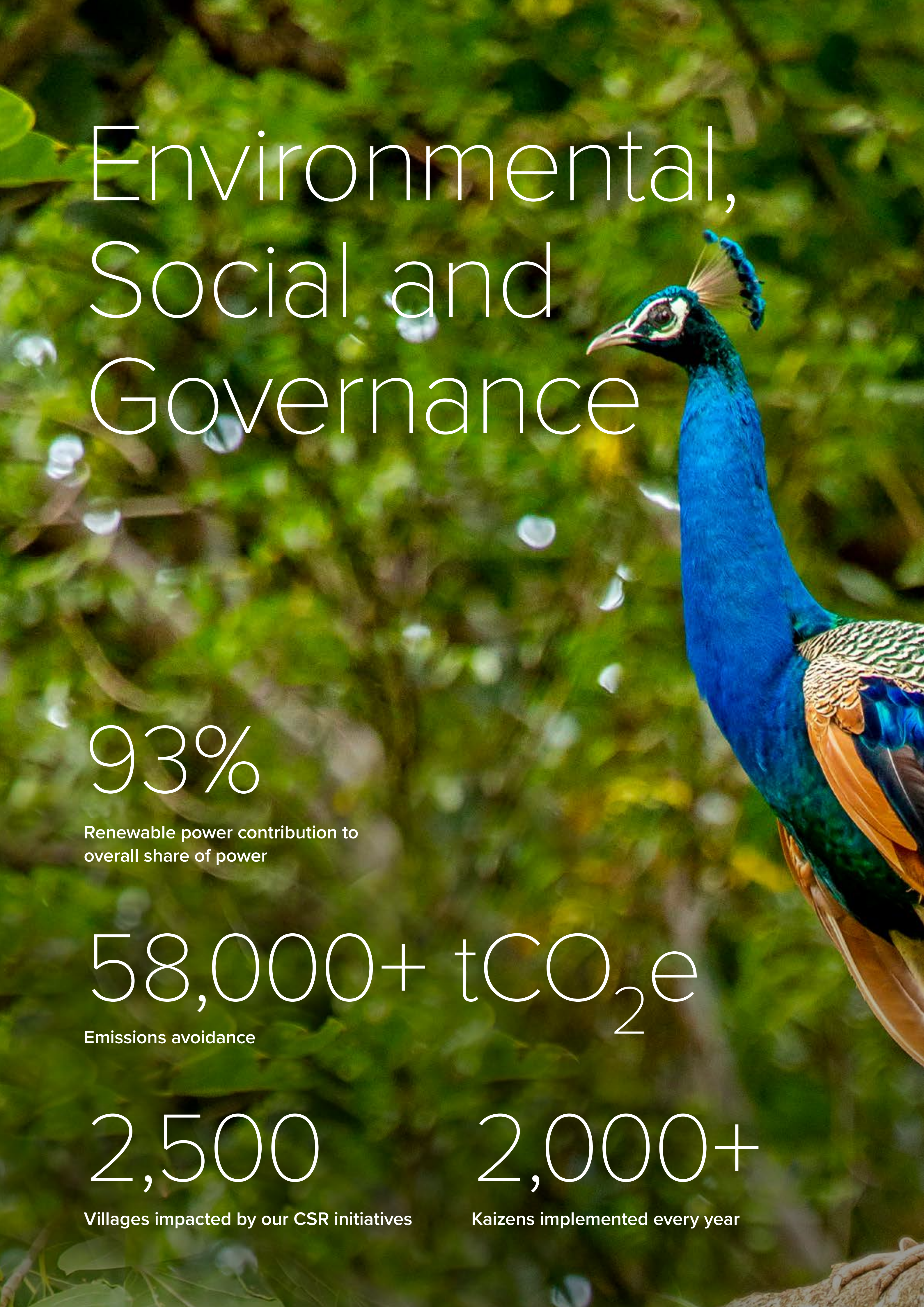
Bharat Mobility, February 2024

TVS X's connected cluster

LEVERAGING DIGITALISATION AND AI

The Company has been digitalising operations across various domains, such as customer experience, service management, manufacturing, supply chain, new product introduction (NPI), and enterprise functions. Under the TVS Xverse programme in FY 2023-24, the Company significantly enhanced customer-facing digital and AI capabilities, strengthening its global web presence to boost organic traffic and lead generation. AI technologies are being used in retail and service operations.

Read more on digitalisation and AI technologies being used in page 79.



Environmental, Social and Governance

93%

Renewable power contribution to overall share of power

58,000+ tCO_2e

Emissions avoidance

2,500

Villages impacted by our CSR initiatives

2,000+

Kaizens implemented every year

This bird is one of the many that inhabit the precincts of our plant in Mysuru

ESG Framework

In the current context, Environmental, Social, and Governance (ESG) considerations are increasingly pertinent for manufacturing industries like TVS Motor Company, influencing the Company's long-term viability, reputation, regulatory compliance, and financial health. Embracing ESG principles can help TVS Motor Company mitigate potential environmental impacts, foster social goodwill, and ensure robust corporate governance, crucial for competitiveness, compliance, and meeting global stakeholder demands. Furthermore, robust ESG practices can drive operational efficiencies, innovate product development, and enhance brand recall. Integrating ESG into our business strategy is not only a moral imperative but also a strategic move for long-term growth and success.

Embracing a Sustainable Future: Our ESG Commitment

In today's dynamic VUCA world, TVSM recognises the pivotal role Environmental, Social, and Governance (ESG) factors play in shaping our long-term success and positive global impact. Driven by the vision of achieving a sustainable future for all stakeholders, we strive to consistently adhere to sustainability standards across the entire value chain.

Our ESG Aspirations

Environmental Stewardship: We commit to minimising our environmental footprint through innovative solutions, resource conservation, and a transition to cleaner energy sources.

Social Progress: We empower employees, foster diversity and inclusion, and contribute to the well-being of the communities where we operate.

Governance Excellence: Upholding ethical standards, transparency, accountability, and responsible decision-making across our value chain.

A Strategic Path Forward: Integrating ESG Principles

By weaving ESG principles into our core business strategy, we fulfil a moral imperative and unlock growth, innovation, and resilience opportunities. Collaborating on this inspiring path, ESG excellence becomes more than a goal—it's a fundamental commitment to shaping our way forward.

High-level view of our ESG Framework

Environment

Forging a Sustainable Future

- **Renewable Energy Revolution:** Committed to 100% renewable energy (RE100 & EP100) across our operations
- **Science-based Action:** Aligned with the Science Based Targets initiative (SBTi) for net-zero emissions
- **Net Water Positive:** Not just minimising water footprint; actively replenishing it
- **Biodiversity Champions:** Our Centre for Biodiversity Excellence protects life's diversity
- **Circular Pioneers:** Eliminating waste, pursuing zero landfill certification
- **Sustainable Innovation:** Designing greener, lighter, safer, and future-ready mobility solutions

Social

Together, we thrive

- **Diversity and Inclusivity:** Our diverse and inclusive workplace brings together unique talents, celebrating the strength that arises from diverse perspectives
- **Safety First:** Our relentless pursuit of a zero-injury workplace safeguards our most valuable asset — our people
- **Empowered Well-Being:** 'My Health Index' investments ensure employee health and happiness, fuelling our success
- **Community Partners:** We empower local communities, fostering growth and development
- **Sustainability Core:** Collaborating with value chain partners to protect the planet and uphold ethics
- **Customer Trust:** Our mission—to exceed customer expectations—drives exciting, sustainable mobility solutions

Governance

Leading with Purpose

- **Robust Governance** to ensure seamless integration spanning from Board oversight to CEO supervision of EHS and Sustainability performance
- **Ethical Excellence:** Upholding ethical business and management practices within & beyond the organisation
- **Resilience through Adaption:** Proactively identifying climate and nature risks aligned to TCFD and TNFD
- **Sustainability Goals:** Integrating measurable targets into our long-range plan and individual performance metrics
- **Guarding Data, Building Trust:** Robust data privacy and cybersecurity protect digital assets and strengthen stakeholder trust
- **Global Transparency:** Aligning disclosures with international frameworks (CSRD, GRI, UN SDGs) for clarity and accountability

Commitment to environmental stewardship

As a responsible corporate citizen, TVSM optimises resource use while combating climate change, improving energy efficiency, and progressively ramping up our use of renewable energy. The Company ensures protection of natural habitats in the areas where it operates and encourages its employees to positively contribute to its environmental stewardship goals.

The Company follows sustainable manufacturing practices that ensures minimum harm to the environment. It has set itself measurable targets to promote its environmental stewardship and undertakes various projects to execute these targets. During the year, the Company further emphasised the integration of sustainability into the business vision document to seamlessly incorporate sustainability into the Company's long-term strategy and business goals.

Major Environmental Achievements in FY 2023-24

Reducing specific water consumption by over 10%

Direct harvest and usage of rainwater to the tune of 16 million litres (in addition to groundwater recharging)

Continuing efforts towards biodiversity preservation

Rare, Endangered and Threatened plant species were planted as a part of celebrations on World Environment Day 2023

Home to 900+ flora and fauna

Committed to achieving water positivity

100%
Co-processing of hazardous waste

Recognition for our 'Renewable Energy - 100%' programme

1. Achieving renewable power contribution of 93% in overall share of power and 58,462.89 tCO_2e emissions avoidance
2. The Company won the '4th India Green Energy Award – 2023', by Indian Federation of Green Energy – IFGE - in recognition of Excellence in two- and three-wheeler category
3. Won 2nd place as the highest 'Outstanding Green Energy User' in India for Industrial/Commercial sector

Biodiversity Conservation

During FY 2023-24, the Company received the 'Excellence' level award in the Biodiversity category at the CII-ITC Sustainability Awards. This accolade was in recognition of its exemplary promotion of biodiversity within the campus.

The Company's policy of maintaining 15% of its factory site area for wild and native forest has allowed natural flora and fauna to flourish. Ornithologists documented the presence of previously unseen bird species in the Company's Hosur plant – the White-bellied Sea Eagle, Cinnamon Bittern, and Garganey Teal. The sea eagle's appearance was particularly remarkable because it is rarely sighted far from the coast.

Wild cats, including leopards and tiger, and wild dogs (Dhole) have been sighted at TVSM's Mysuru plant campus, indicating that the plant's green cover, which was created through meticulous efforts, have turned into natural habitats for these species.

To further its biodiversity conservation efforts, the Company has enrolled naturalists to observe, analyse, and implement measures to improve the richness of the flora. For instance, with expert guidance, we converted an obsolete solar pond at the Hosur plant location into a wetland, leading to the arrival of several species of birds.

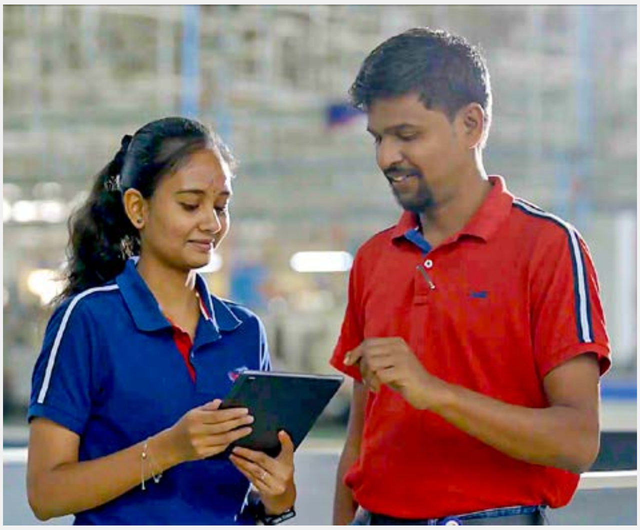
The Company's TVS Greening Minds initiative has been extended to six schools in Mysuru, creating a sense of environmental awareness and ownership among 130 young students. The Centre for Environment Education, Bengaluru, has been engaged in running this programme at the Mysuru location. At Hosur, the programme has been extended to cover five schools, deeply energising 157 students towards environmental action.

Glimpse of one of the rare species present in our Mysuru plant

Building social capital

TVSM is committed to creating an open, enabling, and inclusive workplace, recognising social responsibility, and promoting long-term ties with communities, partners, and customers. Through its CSR arm, the Srinivasan Services Trust (SST), it has driven positive change in rural communities. TVSM ensures a responsible and sustainable supply chain and engages customers in sustainability initiatives. It prioritises customer satisfaction through product excellence, customer-centric services, and continuous innovation.

PEOPLE-POWERED EXCELLENCE



TVSM is committed to building a high-performance, future-ready organisation that values its people and invests in their development and long-term success.

TVSM has been certified as a 'Great Place to Work in Manufacturing – Top 50' by GPTW

Best Workplaces™ in Manufacturing
Great Place To Work. INDIA 2024 ™

Enhancing Diversity

The Company has always prioritised workplace diversity, and has won recognition as the 'Best Company for Women in India'. It has also received the prestigious Helen Keller Award for its commitment to creating equal opportunities for Persons with Disabilities (PwD).

The Company has implemented several leadership-driven initiatives aimed at enhancing gender diversity within the organisation. These include providing on-campus childcare facilities, offering industry-leading maternity and paternity policies, extending medical coverage to parents and in-laws, offering flexible working hours, implementing POSH directives together with sensitisation on gender diversity.

Offering Fair Working and Living Conditions

- Hybrid working policy
- Flexible working hours
- Menstrual leave policy
- Guidelines for the engagement of expectant and nursing mothers in the workplace

>12%

Share of Women in the Workforce

2%

Share of PwDs in the Workforce

11th

Rank in 'Best Companies for Women' across All Companies and Industries in India

Creating an Efficient Workplace

Great Place to Work certified organisation

Best Companies for Women in India (BWCI) consecutively for past 3 years

Great Place to Work Accredited for Inclusive Practices

Most Inclusive Companies in India (MICI) consecutively for 3 years

Awarded Diversity Champion by NASSCOM for our Inclusive Practices

Building People Capabilities

The Company employs a multi-faceted approach to building competencies, including leadership development through in-house programmes, global partnerships, ongoing education, challenging projects and job rotations. TVSM's online platform, Pathways, offers courses on various topics, fostering skill building for all employees. The Company has integrated new capabilities such as EV expertise, software, data analytics and AI, while embedding sustainability as a core organisational pillar.

TVSM has implemented innovative learning solutions like Communities of Practice (CoP), strategic continuing education, annual conferences, and symposiums. It integrates chapters from professional bodies and focuses on fundamental skill development using technologies like Virtual Reality (VR), Augmented Reality (AR), and the Internet of Things (IoT). As a result, the Company has cultivated a vibrant learning ecosystem that encourages continuous learning and staying current in a rapidly changing world.

Harnessing Talent

The TVS Institute of Quality & Leadership (IQL) is committed to nurturing cultural and collective capabilities, bolstering strategy delivery, and advancing sustainability. Through various initiatives such as courses for future mobility, Communities of Practice (CoPs), digital technology-driven skill training, and conferences, TVSM strives to foster a culture of continuous learning and development within its community.

Bronze Award

Received for Best Overall Corporate University at the 2023 Global Council of Corporate Universities (GlobalCCU) Awards

Communicating the Labour Policy

TVSM engages the contract workforce through professional service providers and ensures that contract agreements comply with all statutory labour laws, including POSH. The Company ensures that vendors, service providers and contract workforce are aware of its position on human rights and relevant labour policies.

100%

Stakeholders made aware of grievance mechanism, redressal process and human rights

Employee Health and Wellness

TVSM has implemented various programmes to improve physical and mental health at all plant locations. Regular health checks are conducted for all categories of employees, including employees of service providers. During the year, the Company organised eye camps by collaborating with leading hospitals for outbound and inbound logistics fleet drivers.

In addition to annual health checks for employees and workers, the Company undertook various initiatives for the health and well-being of employee families and community members. Furthermore, the Company offers best-in-class insurance benefits, including family floater policies and coverage for employees' parents and in-laws.

To promote the mental well-being of its employees, TVSM has partnered with **NIMHANS and Your Dost** to curate the Employee Assistance Programme (EAP), offering employees and families the chance to discuss their well-being with subject matter experts confidentially.

The National Safety Council – Tamil Nadu chapter awarded the Hosur plant the 'The Champion' award in the Occupational Health, Safety and Environment Awards 2023

Health and Safety

The Company's manufacturing facilities at Hosur, Mysuru, and Nalagarh have been certified under the Integrated Management Systems and ISO 45001:2018. All TVSM plants and offices were assessed (by entities, statutory authorities, or third parties) on health and safety practices.

As part of its commitment to building a positive safety culture, the Company has meticulously implemented 624 proactive hazard control measures across all plants. These measures, which include equipment safety features for robots and COBOTs conforming to ISO standards and advanced water mist fire protection for battery assembly and cell storage areas, are a testament to TVSM's dedication to ensuring a safe and secure work environment for all. TVSM also undertakes periodical safety training for 9,500 employees of all categories.

12%

Improvement in Plant Safety Rating System score

9,500+

Employees undergo periodic safety training

7,600

Employees participated in road safety campaign to commemorate National Road Safety Month

H&S Initiatives during FY 2023-24

- Implemented road safety training, experiential learning, and defensive riding skill training with virtual reality simulator
- Road safety campaign covering 7,600 employees at all plant locations during January 2024 to commemorate National Road Safety Month
- Partnered with dss+ (Dupont Sustainable Solutions) to make significant strides towards graduating the Company's safety culture from the 'dependent' to the 'independent' stage
- Implemented projects as part of the TICK (Transform, Inspire, Commit, Keep-up) programme through a five-pillar approach: safety interaction, standards, rules, procedures, incident management, training and communication, and road safety
- Audited 30 suppliers for their safety compliance and helped identify around 800 improvements in safety and health as part of the Social Accountability Standard—SA8000—to improve supply chain safety

ENGAGING SUPPLY CHAIN PARTNERS

To foster strong relationships with its supply chain partners, TVSM promotes transparent communication and fair terms, providing them with regular updates on market trends and Company objectives to ensure alignment. Recognising the importance of supplier development, the Company undertakes comprehensive support programmes to help partners improve their capabilities, including training sessions, assistance with technology adoption, and optimisation of operational processes.

Ethical business practices are foundational to TVS Motor's relationship with its supply chain partners. Regular updates are provided to partners on environmental regulations and other changes in the regulatory environment and the Company's Code of Conduct to ensure a sustainable and equitable partnership.

PUTTING CUSTOMERS FIRST

TVSM prioritises customer satisfaction through a combination of product excellence, customer-centric services, and continuous innovation. Factors that have helped it score high in customer satisfaction are:

Customer centric products with deep customer insights

Megabrands built on customer preferences and innovation

Best-in-class product quality

#1

J.D. Power Customer Satisfaction Index - Benchmark Survey 2021-22

879

Score against Industry Score of 863

Scoring high on

Service initiation, Service advisory, Service facility, Service delivery, Service quality

HELPING COMMUNITIES THRIVE

The Company implements its CSR initiatives through the Srinivasan Services Trust (SST) and follows a holistic, participatory approach in undertaking social projects, working closely with the communities and the government to promote sustainable development in villages.

SST has formed partnerships with several NGOs and foundations to work on specific areas of water, health and hygiene, capacity building of SHGs, quality education, and livelihood improvement.

CSR Outcomes

2,500
Villages reached

830+
Schools renovated

16 Lakh
People benefitted

980+
Anganwadis renovated

5,000+
Self Help Groups formed

375+
Other community buildings restored

60,000+
Women enrolled in SHGs

130+
Health centres renovated

238+

Tanks desilted

10 Lakh+

Trees planted

150 Cr Litres

Water capacity enhanced in tanks

₹100 Cr

Income generation programs

AREAS OF SST'S WORK

Women's Empowerment

We encourage women to be part of self-help groups (SHGs) so they can earn incomes, avail themselves of loans, and have a support group.

Educational Infrastructure

Supporting villagers in building, maintaining, and improving their infrastructure ensures children have classrooms to attend, girls have access to toilets, and mothers have clean and safe anganwadis to leave their children.

Health

Generally, we try to help the community access primary healthcare centres, create awareness about diseases, encourage them to attend health camps, and eat nutritious food. A healthier community is a more productive community. We also ensure that veterinary centres are well-maintained so livestock can get the care they need.

Water and Agriculture

We desilt tanks, build check dams, and encourage farmers to find ways to use less water for crops. This helps them practice multi-cropping and improve output.

From shy homemakers to changemakers

This is a tale of the power of determination. In the village of Eruvadi in Tamil Nadu's Tirunelveli district, women usually stayed at home, relying entirely on their husbands for money. Their lack of economic independence meant that even basic purchases required their husbands' approval.

SST saw the need for change and decided to help empower these women. During interactions with the local community, SST met Bheerbanu from BISMI SHG, an active advocate for women's causes. She had expertise in tailoring, which made her an ideal role model. Motivating other women to join the tailoring training was a crucial step.

Convincing women to join the training was a challenge. Many doubted their ability to earn money and lacked confidence. SST engaged not only with the women but also with their families to overcome these hurdles. Bheerbanu played a pivotal role in this process.

SST trained Bheerbanu to supervise the SHG accounts weekly and also facilitated bank loans for purchasing tailoring machines. Around 37 rural women now have regular tailoring jobs. This income has transformed their lives, allowing them to meet their family's needs and household essentials.

Bheerbanu's impact extends beyond training. She motivated 16 women to build individual toilets and organised anaemia camps that improved women's health. The SHG members engage in community service, providing aid to Anganwadis, participating in village festivals, and supporting various initiatives. SST's efforts have not only empowered women but brought about social transformation in the lives of rural communities.


தன்னிறைவுத்திட்டம்-2018-19
அரசு மேல்நிலைப்பள்ளியில்
மாணவியர்களுக்கான கழிப்பிடம்
கட்டுதல்.
மதிப்பீடு ரூ. 14இலட்சம்.

Overcoming shame and silence

We, a group of young girl students from Kalakadu, used to dread going to school during our periods. Our school toilets were not designed keeping our needs in mind.
We did not have a place to change our sanitary napkins and had to wait in the long queue outside the toilets, which were overcrowded and unhygienic. Some of us even ended up with urinary tract infections. It was so uncomfortable and messy that we started skipping school during those days.

We could not keep quiet about our problems any more and shared them with our parents. Our parents brought up our concerns during the PTA meeting, and then SST organised a meeting with our parents, teachers, and others to discuss this issue.
Soon enough, we saw some changes being made.

Thanks to the contributions of four alumni doctors, our school teachers, and donations from various sources, including SST's financial help through the Namakku Namme Thittam programme, we finally got a brand new toilet block for us girl students.
Now, we no longer have to miss school during our periods or worry about getting infections. We can attend classes every single day without any fear or discomfort. And what's even better is that more students from our villages are now seeking admission in our school, thanks to the better facilities we now have.

We are proud of what we have accomplished together!

From health centre to hospital

What a change it has been! My name is Susila and I have been working as a supervisor at the Bangarupeta Government Primary Health Centre in Tirupati district, Andhra Pradesh, for the past two years. I have seen first-hand the struggles that outpatients and pregnant women have faced in this facility.

But today, I am so relieved and inspired by the changes that have taken place. Just a few years ago, patients would wait outside under a tent, braving the elements just to get medical care. It was chaos for our pregnant patients who desperately needed care and advice.

But we did not give up. We spoke up and told the representatives from SST who sometimes attend our meetings about the issues we were facing. And that is when things started to change. SST took immediate action and got the necessary approvals to redo the waiting area for outpatients. In just 25 days, the work was done and our centre was transformed.

We finally have a dedicated waiting area for our pregnant women and outpatients, and the centre looks like a brand-new private hospital. All of our concerns have been taken care of. This health centre is going to be upgraded to a 24x7 hospital. I am so proud of the progress we have made. I know that we will continue to improve and serve our community even better.

The magic of desilting

Farmers in India have to face many struggles in irrigating their fields. The Thamiraparani river in Thoothukudi district of Tamil Nadu is the lifeblood of farmers. A clogged canal can mean no water, no crops.

That is why it became alarming when one of the canals coming from the river to our village waited for desilting for over five years. This had a severe impact on our cropping cycles, forcing us to stop farming and leaving our lands barren. It was a difficult time for us, and we knew we needed help to overcome this challenge.

We turned to SST, and they heard our cries for help. Together with SST, we contributed to renovating the canal, and it has made all the difference. The desilting has increased inflow of water has benefitted around 1,500 farmers from eight villages in the Appan Kovil, Varadharajapuram, Keezpidaakai Kaspa, and Managalakurichi panchayats.

Now, we are able to do three cycles of cropping a year across 927 acres of farm land! It is amazing to see the economy of our villages grow as a result. We are grateful for the support of SST in helping us overcome this challenge.

Upholding transparency, accountability, and integrity

The Company has always sought to uphold the highest corporate governance standards, emphasising accountability, responsibility, and reliability. TVSM has a dedicated Risk Committee that evaluates ESG risks and sustainability objectives, keeping the Board informed about challenges. Furthermore, it follows a structured governance approach to reviewing sustainability initiatives through dedicated committees to evaluate their impact.

ESG Governance

TVSM's organisational structure ensures a seamless flow of sustainability reporting. The CEO oversees sustainability initiatives, with the Chief Sustainability Office, reporting directly to the Board, facilitates communication on sustainability matters across the organisation. The Company tracks its sustainability performance on a quarterly basis and undertakes annual plans to implement its objectives.

The Company has established a robust governance model to integrate ESG issues into our core operations and business strategy. The Risk Committee plays a crucial role in assessing ESG risks, setting sustainability goals, objectives, and targets, and keeping the Board informed of our ESG journey and challenges overcome. Leading our ESG strategy is the Sustainability and EHS Steering Committee, chaired by the CEO, which oversees sustainability strategy, reporting, and target setting.

Reporting directly to the CEO and Board, the Chief Sustainability Officer (CSO) ensures clear communication on sustainability throughout the organisation. The Unit EHS and Sustainability Committee, co-chaired by the CSO and Operations Head, oversees the design, budgeting, implementation, and monitoring of sustainability initiatives.

At the operational level, Plant Heads oversee sustainability and EHS activities, supported by the Sustainability Ambassador Programme led by EHS Coordinators and site EHS and Sustainability Heads on the shop floor. This team plans, executes, and reviews sustainability actions.

TVS Motor Company monitors sustainability performance regularly through quarterly reviews and annual planning to achieve its objectives. This structured approach to sustainability governance reinforces our commitment to environmental stewardship and social responsibility.

TVSM Board of Directors

The Board consists of eminent industry veterans, known for their expertise and experience, and provides leadership and guidance to the management. The Company recognises the importance of a diverse Board and its Board members hail from diverse backgrounds, enabling them to leverage their unique perspectives, knowledge, skills, industry experience to ensure the Company is able to channelise growth and retain its competitive advantage.

Board Committees

The Board and Board committees maintain their oversight on strategy execution, risk management and protection of stakeholder interests through strict internal controls against unethical practices. Board committees include the Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee. Additionally, there is a non-mandatory Administrative Committee to address other pertinent matters.

Evaluation of Board Performance

The performance of all Independent Directors is assessed against a range of criteria such as contribution to the development of business strategy and performance of the Company, understanding the significant risks affecting the Company, clear direction to the management and contribution to Board cohesion. The Nomination and Remuneration Committee has laid down the criteria for evaluating the performance of the Directors, Committees of the Board, and the Board as a whole, and the performance of key managerial personnel and senior managerial personnel.

The Nomination and Remuneration Committee has prescribed a peer evaluation methodology for the evaluation of the performance of individual Directors, Committee(s) of the Board, the Chairman and the Board as a whole. Individual Directors are assessed on the basis of their commitment to the role and fiduciary responsibilities as a Board member, attendance and active participation, strategic and lateral thinking, contribution, and recommendations given professionally, and heading/acting as a member of various Committees.

The performance of senior managerial personnel is measured against their achievement of the business plans approved by the Board during and after the financial year and their annual performance incentive, which reflects their business plan achievements. An evaluation of performance has been undertaken based on the criteria for all senior managerial personnel, following the above process. The Nomination and Remuneration Committee is responsible for evaluating and approving the compensation plans, policies, and programmes applicable to senior managerial personnel. The Nomination and Remuneration Committee also delegated its authority to the Executive Directors, wherever appropriate, for this purpose.

Risk Management

The Company's risk management framework is robust and regularly reviewed by the Risk Management Committee. This framework enables the Board to identify, assess, and monitor key risks and actively mitigate those that could impact the Company's objectives.

Risk identification and prioritisation are based on the Company's risk appetite, strategy, severity, and likelihood. The Board is confident in the effectiveness of the systems and procedures for risk identification, assessment, monitoring, and management.

The Risk Management Committee oversees various risks, including strategic, financial, market, IT, legal, regulatory, reputational, and others, and recommends appropriate actions. The Board has approved a risk mitigation policy.

Whistleblower Policy

TVSM's Whistleblower Policy aims to provide necessary safeguards for protecting all its stakeholders from reprisals or victimisation, for whistleblowing in good faith and to provide a means to raise actual or suspected violations. Hence, this Policy sets out ways through which the stakeholders of the Company can raise concerns related to actual or alleged violations of the Code, any accounting/audit matters and/or breaches of legal, statutory, and/or regulatory requirements such as incorrect or misrepresentation of any financial statements, reports, disclosures, and/or report instances of leakage/suspected leakage of unpublished price-sensitive information.

Best-in-class Certifications

ISO 14000 — Environmental Management System

ISO 22301 Societal Security — Business Continuity Management Systems

ISO 27001 — Information Security Management

ISO 45001 — Occupational Health and Safety Management Systems

SA8000® Standard — SAI (Social Accountability International)

Enduring Affiliations

Confederation of Indian Industry (CII)

Affiliations with Trade and Industry Chambers

Corporate Information

Board of Directors

Prof. Sir Ralf Dieter Speth
Chairman

Venu Srinivasan
Chairman Emeritus & Managing Director

Sudarshan Venu
Managing Director

K.N. Radhakrishnan
Director & Chief Executive Officer

C. R. Dua
Shailesh Haribhakti
Dr. Deepali Pant Joshi
Kuok Meng Xiong
Vijay Sankar
Hemant Krishan Singh
B Sriram
Dr. Lakshmi Venu

Audit Committee

Shailesh Haribhakti, *Chairman*
C. R. Dua
K.N. Radhakrishnan
Dr. Deepali Pant Joshi

Nomination and Remuneration Committee

Vijay Sankar *Chairman**
C R Dua
Dr. Deepali Pant Joshi
Kuok Meng Xiong
B Sriram

Risk Management Committee

B Sriram, *Chairman*
Sudarshan Venu
K N Radhakrishnan
Hemant Krishan Singh
K Gopala Desikan

Stakeholders' Relationship Committee

Dr. Deepali Pant Joshi, *Chairperson*
Venu Srinivasan
Sudarshan Venu
C R Dua
Hemant Krishan Singh

Corporate Social Responsibility Committee

Venu Srinivasan, *Chairman*
Sudarshan Venu
Vijay Sankar

Chief Financial Officer

K. Gopala Desikan

Company Secretary

K. S. Srinivasan

Statutory Auditors

Sundaram & Srinivasan,
Chartered Accountants,
23 C P Ramasamy Iyer Road
Alwarpet, Chennal - 600018
Tel.: 044-2498 8762
E-mail: sundaramandsrinivasan1948@gmail.com

Cost Auditor

C S Adawadkar & Co.
Cost Accountant
103, Building 10 "Palvi", DSK Raanwara,
Bavdhan, Pune 411021
E-mail: csadawadkar@csagrp.co.in

Secretarial Auditors

S. Krishnamurthy & Co.,
Company Secretaries
No. 16, Pattammal Street,
Mandaveli, Chennai - 600 028.
Tel.: 044-42074012
E-mail: skco.cs@gmail.com

Shares listed with

BSE Ltd., Mumbai.
National Stock Exchange of India Ltd., Mumbai.

Bankers

State Bank of India
Corporate Accounts Group Branch, Chennai.

Registered Office

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Nungambakkam, Chennai 600 006, Tamil Nadu, India
Tel: 044-28332115
CIN No. L35921TN1992PLC022845
E-mail: contactus@tvsmotor.com
Website: www.tvsmotor.com

Share Transfer Agent

Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers, No. 1,
Ramakrishna Street, North Usman Road, T Nagar,
Chennai-600 017
Tel: 044-2814 0801-03; Fax: 044-2814 2479
E-mail: einward@integratedindia.in

Plant Locations

1. **Post Box No. 4, Harita, Hosur - 635 109, Tamil Nadu, India. Tel: 04344 - 276780**
2. **Post Box No. 1, Byathahalli Village, Kadakola Post, Mysuru - 571 311, Karnataka, India. Tel: 0821 - 2596561**
3. **Bhatian Village, Bharatgarh Road, Teh. Nalagarh, Solan District - 174 101, Himachal Pradesh, India. Tel: 01795 - 220492/93**

* Chairman wef 14th July 2024

Financial Highlights

₹ in crore

Details	IGAAP	Ind AS								
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Sales & other income@	10,788	12,195	13,363	15,618	18,217	16,455	16,784	20,810	26,479	31,925
Profit before interest, depreciation, amortisation and tax*	669	914	1,030	1,274	1,441	1,378	1,462	1,981	2,775	3,663
Profit before tax*	456	629	699	879	961	787	826	1,243	2,003	2,781
Exceptional/Extraordinary Items	-	-	-	-	-	(32)	-	(30)	-	-
Profit after tax	348	489	558	663	670	592	612	894	1,491	2,083
Net fixed assets	1,419	1,751	2,046	2,503	2,837	3,185	3,289	3,731	4,224	4,702
Share capital	47.51	47.51	47.51	47.51	47.51	47.51	47.51	47.51	47.51	47.51
Reserves and surplus	1,598	1,911	2,361	2,833	3,300	3,571	4,123	4,775	6,000	7,684
Net worth	1,646	1,959	2,409	2,881	3,348	3,619	4,171	4,822	6,048	7,731
Total borrowings	970	924	1,107	1,189	1,400	2,022	1,106	1,601	2,245	1,513
Earnings per share (₹)	7.32	10.30	11.75	13.95	14.11	12.47	12.88	18.81	31.38	43.84
Dividend per share (₹)	1.90	2.50	2.50	3.30	3.50	3.50	3.50	3.75	5.00	8.00
Book value per share (₹)	34.65	41.23	50.71	60.64	70.47	76.18	87.79	101.50	127.30	162.73
Operating EBITDA (%)	6.36	7.29	7.06	7.74	7.87	8.19	8.53	9.44	10.14	11.06
Profit before tax*/Turnover (%)	4.24	5.20	5.30	5.66	5.28	4.79	4.93	5.98	7.59	8.75
Return on capital employed (%)	20.27	23.24	21.67	24.61	23.55	16.62	17.15	20.68	25.25	31.41
Return on net worth (%)	22.73	27.15	25.56	25.06	21.52	17.01	15.72	19.87	27.43	30.23

Notes:

@ Sales includes Excise duty upto June 2017.

* Figures stated are before exceptional and extraordinary items.

Directors' Report

All stunts on our products are performed by trained professionals under controlled conditions.

The Directors have the pleasure of presenting the 32nd Annual Report and the audited accounts of the Company for the year ended 31st March 2024.

1. General Overview

1.1. Key Performance Snapshot of FY 2023-24

As a testimony to customers confidence in our products, the Company has secured top position across multiple product segments by winning seven out of ten JD Power awards.

4.04 Mn
Two-wheelers sold

0.15 Mn
Three-wheelers sold

₹31,776 Cr
Turnover

₹2,781 Cr
Profit before tax

1.2. Economy Macro Overview – India

In FY 2023-24, India continued to outperform other economies in a show of resilience amidst global uncertainties by maintaining a strong growth momentum. This was evidenced by a GDP growth of more than 8% in the first three quarters of FY 2023-24. Active and prudent management of fiscal and monetary macro policies by the Government and RBI helped to achieve and foster this growth, ably supported by the inherent fundamentals of the economy.

FY 2023-24 saw a revival of the manufacturing sector, with more than 10% growth in the first three quarters. On the supply side, the industry and services sectors showed consistent growth of ~8%. The agriculture sector reported modest growth of ~1%. India evinced the highest growth among major advanced and emerging economies during the period.

RBI has significantly reduced interest rates as a spur to the growth of Industry. It has been consistent with its macro policy stance of bringing down interest rates to help provide stability to the valuation of INR. Core inflation has subsided and may further get moderated in the next fiscal due to predicted normal monsoons.

The Government has been making a consistent and significant push towards building infrastructure over the last few years. In FY 2022-23, the public capital expenditure stood at ₹ 7.28 lakh crore. This strong support from the Government continues, with value increasing to ₹ 10 lakh crore in FY 2023-24 and an outlay of ₹ 11.1 lakh crore in FY 2024-25. This consistent infrastructure build will vitalise the economy in the short term and improve quality of life in the mid and long term.

In FY 2024-25, India is expected to continue the trend and outpace all other major economies. As the Indian economy increasingly digitises, financialisation, formalisation, urbanisation, and premiumisation will become significant drivers of growth.

Strong economic fundamentals, a growing young skilled population, cost competitive workforce, rising discretionary consumption, access to vast natural resources, and a stable polity will drive future growth.

Furthermore, gradually increasing 'new-wave entrepreneurship' aided by the improved ease of doing business is providing renewed impetus for growth. India is increasingly transforming itself to be one of the most sought-after FDI destinations.

As per the IMF India is likely to become the third-largest economy by 2027.

1.3. Economy Macro Overview – Global

The global geopolitical strife that started two years ago remains unresolved, and additional issues have emerged in a few more regions. The Company is cognizant of the fact that these events shall have negative externalities across the globe.

Commercial shipping has been affected in some key maritime routes, impacting crude oil prices. As a result, despite the reduction in global demand and excess supply, prices have not reduced significantly.

Interest rate cycles have peaked out, and therefore, rates are expected to go down in FY 2024-25. This will support emerging and low-income countries in the short and medium term by providing greater economic stability.

Overall 2W ICE Industry

6.35% H1 FY 2023-24

23.65% H2 FY 2023-24

Overall 2W ICE-Scooter Industry

11.5% Growth in FY 2023-24

5.4 Mn Volume in FY 2023-24

31% Category share in FY 2023-24

A decline of 0.4% from FY 2022-23

2W ICE – Motorcycle Industry

13.6% Growth in FY 2023-24

11.6 Mn Volume in FY 2023-24

66.3% Category share in FY 2023-24

A growth of 0.5% from FY 2022-23

1.4. Mobility Industry Performance

1.4.1. Two-Wheeler ICE (India)

Industry retail grew by 8.7% in FY 2023-24 (all-India VAHAN, excluding Telangana). The last three quarters of FY 2023-24 have posted a healthy growth of ~10% indicating a good momentum Q2 FY2024 - 12.6%, Q3 FY2024 - 11%, and Q4 FY2024 - 9.4%.

Industry wholesale stood at 17.5 million units compared to 15.5 million units in the last fiscal year. While this reflects a growth of 12.8%, the industry is yet to reach its highest-ever volume of 21.2 million recorded in FY 2018-19.

This indicates a growth momentum for the upcoming year. The significant performance markers for FY 2023-24 are enumerated.

A deep dive into the Motorcycle Industry is enumerated –

Premium Motorcycles grew by 24.4% in FY 2023-24 with 1.5 million units sold compared to 1.21 million units in FY 2022-23. The category share moderately increased to 8.6% from 7.8%.

Commuter Motorcycles commanded a dominant category share of 50.3% (50.5% in FY 2022-23) of the overall 2W industry. This resilient category share is a clear indicator of the critical role played by this segment in meeting India's mobility needs. This category, which is comprised of executive and economy segments, saw a volume growth of 11.2% in FY 2023-24 with sales of 8.8 million units (from 7.9 million units in FY 2022-23).

The executive segment growth was 23.4% with a sizeable increase in category share, from 18.5% in FY 2022-23 to 20.3% in FY 2023-24. However, the economy segment showed muted demand growth.

The Company recorded a growth of 18.6% as compared to the industry growth of 12.8% in FY 2023-24.

18.6%

Growth recorded in FY 2023-24

1.4.2. Two-Wheeler EV (India)

The industry retail on VAHAN reached 0.93 million units in FY 2023-24, up from 0.71 million units in FY 2022-23, a 32% growth over last year. The average penetration of EV two-wheelers for the year FY 2023-24 stood at 5.4%, with an exit of 6.8% for Q4.

The support extended by the Central Government in the form of Faster Adoption and Manufacturing of Hybrid and Electronic vehicles in India (FAME II) and PLI combined with EV policies extended by State Governments have contributed to drive growth.

FY 2023-24 saw the formalisation of the industry due to the introduction of FAME regulations on safety and governance. This has resulted in the movement from low-quality, low-cost product offerings to products with significantly higher quality and improved safety.

In May 23, a sudden reduction in FAME II subsidy from ₹ 15k/kWh to ₹ 10k/kWh (effective from June 23) led to a significant drop in industry sales volumes. In February 2024, the government announced the ceasing of the FAME subsidy from 31st March 2024 and introduced the EMPS scheme valid from April 2024 to July 2024, with a reduced benefit of ₹ 5k/kWh.

Attractive TCO (total cost of ownership) remains the primary driver of sales, combined with the superior technology proposition offered by EVs. The Company is proactively investing in concerted strategies across five areas to help realise the government's vision of accelerated EV adoption –

- **New product development**
- **Capacity and capability building**
- **Customer segment prioritisation**
- **Software development**
- **Charging infrastructure**

As with ICE 2Ws, India will emerge as a major hub for EV 2W exports in addition to serving the large domestic market.

The Company retailed 0.18 million EVs for the year with a 124% growth. The phased expansion of iQube continued with availability in 712 dealerships and a public charging network expanding to 2,000 charging points.

1.4.3. Three-Wheeler ICE+EV (India)

The industry retail has exhibited robust growth, increasing from an average of 29,551 units to 42,661 units per month. This translates to a 44% growth based on VAHAN registrations (excluding Telangana state). The industry wholesale has grown by 41% during FY 2023-24 with monthly average volume rising from 34,252 to 48,128 units. This sharp recovery was primarily due to the increased availability of retail finance.

The small passenger segment grew by 47% in FY 2023-24 (from 193,431 units in FY 2022-23 to 284,844 units in FY 2023-24). The contribution of the small-passenger segment in the overall 3W industry increased from 47% to 49%. The cargo segment growth was aided by an increase in demand for last mile delivery and e-commerce applications.

The adoption of electric vehicles (L3 and L5) in the overall 3W industry has increased to 55%, up from 52% in FY 2022-23. L5 EV segment has increased sales from 29,868 units in FY 2022-23 to 1,00,084 units in FY 2023-24, registering a growth of 235%.

The Company has grown by 29% during the year with monthly average volume increasing from 1,340 to 1,733 units.

1.4.4. International Business (2W and 3W)

In International Business, the industry exports of 2W in FY 2023-24 stood at 3.5 million units, a decline of 6.9% over FY 2022-23.

The industry was affected by liquidity crunch, high inflation, currency devaluation, and country-specific socio-political strife. Although Q1 FY2024 saw higher decline, it progressively improved largely towards the lower base. The exports to the African region continued to be under pressure. Exports to the Middle East region registered higher growth, thus helping overall industry exports.

The Company's 2W exports stood at 0.89 million units down from 0.92 million in the previous year. Three-wheeler exports during the year reached 0.13 million units, a decline of 17.9% compared to FY 2022-23.

TVSM is cautious, yet optimistic regarding the industry recovery; it expects the industry to bounce back progressively in the upcoming year.

2. Financial Performance Report

2.1. Company Financial Performance in FY 2023-24

Details	Year Ended 31st March 2024	Year Ended 31st March 2023
SALES		
Quantitative		(Number in Lakh)
Motorcycles	19.90	17.33
Mopeds	4.85	4.46
Scooters	15.70	13.34
Three Wheelers	1.46	1.69
Total Vehicles Sold	**41.91**	**36.82**
Financials		(₹ in Crore)
Revenue from Operations	**31,776**	**26,378**
Other Income	149	101
Profit/loss before Depreciation, Finance Costs, Exceptional items, and Tax Expense	3,663	2,775
Less: Depreciation/ Amortisation/ Impairment	700	631
Profit loss before Finance Costs, Exceptional items, and Tax Expense	2,963	2,144
Less: Finance Costs	182	141
Profit loss before Exceptional items and Tax Expense	2,781	2,003
Add/(less): Exceptional items	-	-
Profit loss before Tax Expense	**2,781**	**2,003**
Less: Tax Expense (Current and Deferred)	698	512
Profit loss after Tax	**2,083**	**1,491**
Total Comprehensive Income/loss	-20	-28
Total	**2,063**	**1,463**
Less: Dividend on Equity Shares	380	238
Balance Carried Forward	**1,683**	**1,226**

2.2. Dividend

The Board of Directors of the Company (the Board) at their meeting held on 11th March 2024, declared an interim dividend of ₹ 8/- per share (800%) on 47,50,87,114 equity shares of ₹ 1/- each for the year FY 2023-24 absorbing a sum of ₹ 380 crore. The same was paid on 28th March 2024.

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, as it is not mandatorily required.

3. Management Discussion and Analysis Report

3.1. Company Business Performance in FY 2023-24

The Company achieved the highest sales of 3.85 million units of 2W ICE in FY 2023-24.

3.1.1. Domestic Business

The Company outperformed the broader Industry which grew by 12.8%. The Company recorded healthy volume growth across segments as enumerated.

Motorcycles

1.22 Mn

Domestic Sales in FY 2023-24

34.4% Y-o-Y increase

0.40 Mn

Premium Sales in FY 2023-24

Primary Growth Driver:
TVS Apache Series

0.82 Mn

Commuter Sales in FY 2023-24

47.6% Y-o-Y increase

Primary Growth Driver:
TVS Raider in executive segment

Commercial Mobility

20,791

Domestic Commercial Mobility Sales in FY 2023-24

29.3% Y-o-Y increase

Primary Growth Driver: TVS King

Scooters

1.45 Mn

Domestic Scooter Sales in FY 2023-24

16.5% Y-o-Y increase

Primary Growth Driver: Jupiter

3.1.2. International Business

The Company's 2W exports in FY 2023-24 were 0.89 million units, a decline of 3% over FY 2022-23 due to the global industry slowdown. Three-wheeler exports during the year reached 0.13 million units, a decline of 18.1% over last year.

2W business is anticipated to rebound in FY 2024-25. The African market is expected to show improvement in recovering from the global slowdown, inflation moderation, currency devaluation, and effects of maritime disruption.

The Company has put adequate countermeasures in place to address the challenges and expects a good recovery in the international market in FY 2024-25.

3.2. New Product Launches and Initiatives in FY 2023-24

TVS X

3.2.1. TVS X

At a glittering global event in Dubai, the Company launched its flagship electric 2W, the TVS X. The product bears testimony to the Company's global ambitions. It brings style, performance, and connected technology like no other product available in the market right now. With many industry-first features - the largest 10-inch TFT touchscreen on a 2W, industry-leading performance, and connected features, TVS X is a demonstration of cutting-edge technological innovation.

3.2.2. TVS Apache RTR 310

The latest addition to the Apache line-up is the Apache RTR310 which redefines two-wheeled exhilaration with its impressive blend of power, agility, and style and is poised to captivate motorcycle enthusiasts and adrenaline aficionados around the world. It comes with many segment-first features like Race Tuned Dynamic Stability Control, Climate Control Seat, 5 Ride Modes, Cruise Control, Dynamic Head and Tail Lamp, a 5" TFT Cluster with multiway connectivity, TPMS, and bi-directional quick shifter.

3.2.4. TVS Raider Super Squad Edition (SSE)

India's most award-winning 125cc motorcycle has continuously lived up to its promise of being a thrilling ride with many firsts in the segment and has been a rage amongst the Gen-Z audience since its launch. To further the legacy, Raider SSE was launched – India's first Marvel-themed motorcycle.

3.2.3. TVS Ronin

A special edition was launched with new graphics and triple-tone colour scheme. The special edition has pre-fitted accessories, including a USB charger, a visor, and a new EFI cover.

3.2.5. TVS Jupiter 125 SmartXonnectTM

The new variant comes with segment-leading technology and a Bluetooth-enabled TFT digital cluster which enhances the riding experience. This state-of-the-art technology ensures that the rider is always connected, and stays updated while on the move, guaranteeing a smooth, convenient, and safe journey.

3.2.6. TVS iQUBE

To further enhance the riding experience of consumers, additional features like a larger 31L under seat storage, voice assist, and Alexa skillset were introduced. It has expanded its presence to 690+ dealers and has maintained a strong No. 2 position in the market segment.

3.2.7. TVS HLX 150F

TVS HLX line of 2Ws, crossed the milestone of 3.5 million customers in international markets. The HLX was first made available 10 years ago in Africa and is now available in 50 countries across Latin America, Africa, and Asia. This model was further enhanced with a powerful yet efficient Ecothrust engine, added safety features, a superior suspension, better styling, and exciting colours.

3.2.8. TVS NEO AMI 125

The Company launched this Bebek - designed around three core principles of perfect dimension, ultimate convenience, and intelligent innovation, across Africa. It is aimed at fulfilling evolving commuting needs by offering customers 72 exciting new features.

3.2.9. TVS Racing

The Company launched India’s first Electric Racing Championship with the TVS Apache RTE.

Factory racer Harith Noah scripted history by becoming the first Indian to win the Rally 2 Class and finishing in the top 11 at the Dakar Rally 2024.

The Petronas-TVS Racing association has completed 2 seasons with 80% wins across different race formats in India. The partnership will now also focus on introducing co-branded merchandise that aligns with the values and identity of both brands. A new endurance record was set with the Apache RR 310 at the 24-Hour Indian National Speed Endurance by covering 3,658 km at an average speed of 152 kmph, validating the machine’s consistent performance and endurance.

TVS Apache RTR 160SP

TVS MotoSoul, our flagship motorcycling festival marked the unveiling of the new TVS Apache RTR 160 4V, the most powerful motorcycle in the 160cc segment. Thrilling partnerships with 'Alpinestars', the world’s leading manufacturer of high-performance riding apparel and gear were also announced.

3.3. Awards and Recognition in FY 2023-24

The Company earned four out of the five awards presented and has been adjudged No.1 in ICE Scooter and Motorcycle in the JD Power APEAL study.

Awards

- TVS Jupiter 110 is the most Appealing Economy Scooter
- TVS Radeon is the most Appealing Economy Motorcycle
- TVS Raider is the most Appealing Executive Motorcycle
- TVS Apache RTR 2V is the most Appealing Premium Motorcycle
- TVS NTORQ is the second most Appealing Executive Scooter

Several products from the Company have emerged as top performers in the Initial Quality Study (IQS), which evaluates the quality of 2Ws within the first six months of ownership.

Awards

- TVS Jupiter 125 is the #1 Executive Scooter in Initial Quality
- TVS Radeon is the #1 Economy Motorcycle in Initial Quality
- TVS Apache RTR 160 2V is the #1 Premium Motorcycle in Initial Quality
- TVS Raider is the #2 Executive Motorcycle in Initial Quality

The Company won various awards, significant among them:

Bike India Awards 2023 and 2024

- Overall Best 2W Manufacturer of the Year
- TVS Raider - 'Bike Variant of the Year'
- TVS Apache RTR 310 - Reader's Choice Bike of the Year and Bike of the Year up to 350cc

Car and Bike Awards 2024

- TVS X – Viewer's Choice Electric Scooter of the Year
- TVS Apache RTR 310 - Viewer's Choice Bike of the Year

Other Awards

- Autocar India Awards 2023 - Green 2W of the Year for TVS iQUBE S
- Jagran Hi-Tech Award 2023 – 2W EV of the Year for TVS X
- Zee Auto Awards 2023 - Most Trusted Brand of the Year (2W)
- Motor Vikatan Technology of the Year 2024 for TVS Apache RTR 310
- Faster Awards Auto Tech Award 2024 for Climate Control Seats in RTR 310
- The Company showcased a suite of made-in-India, made-for-the-world mobility solutions to the Hon'ble Prime Minister of India at Bharat Mobility Global Expo 2024

The Company's leadership was recognised with multiple awards in FY 2023-24.

Awards

- Chairman Emeritus, Venu Srinivasan was awarded 'Outstanding Institution Builder' at the 13th Managing India Awards and the 'Lifetime Achievement' Award by EY
- Managing Director, Sudarshan Venu won the Next-Gen Leader Award in the second edition of Moneycontrol's Indian Family Business Awards

BMW CE02, co-developed by TVSM

3.4. BMW Association

Scripting a stellar and exemplary partnership amongst the global 2W industry, TVS and BMW Motorrad celebrated ten years of their strategic partnership which has resulted in the development of five products on the 310cc platform.

With over 1,90,000 customers worldwide, the motorcycles have been well accepted across all leading markets like the EU, USA, Latin America, Japan, China, and India.

The partnership is further expanding through the joint development of, and future technologies, including Electric Vehicles. Under this enhanced cooperation, both companies have identified a range of products and technologies to deliver mutual business benefits.

The recently unveiled BMW CE 02, carves a new segment for itself with its trend-setting design and innovative solutions to deliver a new kind of mobility experience that is fun in an urban environment.

3.5. Business Overview and Outlook for FY 2024-25

As TVSM moves into FY 2024-25, it holds a positive outlook for the future. India's GDP growth is anticipated to surpass initial estimates, with expectations of around 6.5%, maintaining its position as one of the highest amongst major economies. This growth is underpinned by key socio-economic fundamentals and proactive and consistent policy management by the Government and RBI.

Growth Drivers

- Stable urban discretionary consumption demand, particularly in services like travel, tourism, and hospitality
- Improved consumer sentiment, as evidenced by the RBI's Consumer Confidence survey
- Increased disposable income among the mid-income group due to previous fiscal year's tax reforms
- Enhanced investment climate supported by well-regulated banking and financial practices
- Record capex outlay of ₹ 11.11 lakh crore in the Central Government budget for FY 2024-25
- Moderate global crude oil and commodity prices

In addition to the above factors, the fast-developing corporate sector coupled with the favourable demography are expected to further fuel the growth of the economy.

The focus of the Union Budget for FY 2023-24 was on boosting capital expenditure while reducing fiscal deficit to pave the way for higher growth and lower future liabilities. The upturn in the consumption cycle is linked to a broad-based increase in economic activity, which the Indian Government is fostering through investments.

Although rural recovery remains sluggish, an expected normal monsoon could help the rural economy to recover faster. The slow rural demand is impacting moped and economy motorcycle segments. The Company is confident that the India growth story has a strong thread of personal, and commercial mobility. The demand for commuter, premium and commercial segments will be driven by the growth aspirations of customers aided by the initiation of the replacement cycle and supported by a favourable overall ecosystem.

Looking ahead to 2030, both the per capita income and vehicle ownership are expected to double driven by formalisation, digitisation, and urbanisation. Enhancements in road infrastructure, economic conditions, and mass transit systems will further fuel the demand for mobility. The 2W segment is currently best positioned to meet this demand, making its fundamentals highly appealing to a resurging India.

Export of 2Ws is anticipated to see recovery in FY 2024-25. The African market is expected to show improvement in recovering from the global slowdown and moderation of inflation. Expansion initiatives in LATAM, ASEAN, and the Middle East will provide additional momentum.

African markets currently face significant challenges due to currency devaluation, persistent inflation, and disruptions caused by maritime issues. However, considering the base effect, further decline is unlikely. The Company anticipates that globally implemented counter measures will mitigate these challenges, fostering a favourable business climate.

To sum up, India has positioned itself as the world's fastest-growing economy, simultaneously claiming the title of the most populous nation. With a substantial demand base, robust infrastructure development, strong fundamentals, and diversified sectoral strength coupled with increased global investments, India is well-positioned to maintain its growth trajectory in FY 2024-25.

3.6. Operations Review

3.6.1. Risks and Concerns

Environmental and Geopolitical Factors

The effect of the ongoing global geopolitical strife is continuing to cause large-scale impact on global trade and economy. It has impacted global liquidity, currency depreciation, food, and energy availability in several emerging markets where the Company has a good presence.

In international business, the recovery is slower than expected due to the volatile political climate and the availability of excess funds. The liquidity and inflationary trends are likely to slow down further compared to last year. However, the nature of risk is expected to be more regional than systemic. The recent attacks on commercial and merchant vessels transiting through the Red Sea's vital shipping lane have led to elevated transport costs; however, the Company expects this to cause limited long-term passover into the global inflation and trade landscape.

Additionally, the two - and three-wheeler export industry is expected to be influenced by changing regulatory policies, especially in some markets like Egypt and Iraq. Strong 2W markets like Sri Lanka, Bangladesh, Afghanistan, and Myanmar are taking longer than expected time to recover.

FY 2024-25 is anticipated to be exceptionally busy in terms of elections, with more than 80 countries globally preparing for major electoral events. Among the significant economies heading to the polls are India, the United States, the United Kingdom, the European Union, and Mexico. Notably, during India's 2019 general elections, a total expenditure of ₹ 55,000 crore was recorded. This time around, it is estimated to surpass ₹ 1,00,000 crore, which is expected to provide a boost to the consumption-driven economy within a relatively short timeframe.

Supply Side Factors

The likelihood of broader supply chain disruptions is projected to be lower than in the previous year. However, EV components might still encounter hurdles, potentially causing delays in service levels and financial performance. Any new geopolitical developments that affect the global supply chain could result in short-term or medium-term disruptions. The Company manages a diverse, multi-sourced, global supply chain to counteract these risks.

Demand Side Factors

Consumption growth has been slow in recent quarters. Nevertheless, domestic 2W demand is anticipated to be robust, as it decouples consumption and growth, driven by a strong replacement cycle. Currently, water reservoir levels are lower than normal. Any further monsoon-related irregularities could lead to agricultural output being affected. This could negatively impact the demand conditions.

A significant portion of Indian 2W buyers rely on retail finance for their mobility needs. New regulatory norms and liquidity controls could potentially impact the 2W sales.

Over the past few years, a variety of factors have contributed to a 35-45% increase in 2W prices in India. This affordability issue has already had an impact on demand. The low and mid-market segments have limited capacity to absorb further price increases without facing demand consequences.

Risk Management Policy

The Company's risk management framework is robust and regularly reviewed by the Risk Management Committee. This framework allows the Board to identify, assess, and monitor key risks and actively mitigate those that could impact the Company's objectives.

Risk identification and prioritisation are based on the Company's risk appetite, strategy, severity, and likelihood. The Board is confident in the effectiveness of the systems and procedures for risk identification, assessment, monitoring, and management.

The Risk Management Committee oversees various risks, including strategic, financial, market, IT, legal, regulatory, reputational, and others, recommending appropriate actions. The Board has approved a Risk Mitigation Policy.

Internal Control and their Adequacy

The Board holds the responsibility for assessing and approving the efficiency of internal controls, including financial, operational, and compliance aspects. The Company has implemented a robust and sufficient internal control system to safeguard its assets against loss and ensure proper authorisation and recording of all transactions.

The internal control system is continuously enhanced and evaluated for effectiveness. The information provided to management is accurate and prompt. The Company prioritises the reliability of financial reporting and adherence to legal and regulatory requirements. To strengthen controls, the Company utilises technology and centralises processes, enhances monitoring, and maintains effective tax and treasury strategies.

The Audit Committee oversees the effectiveness of internal controls, employing new technologies that influence financial controls and risk management.

The Company has established an Internal Financial Control framework, encompassing internal controls over financial reporting, operating controls, and an anti-fraud framework. The framework undergoes regular reviews by management and is tested by both an independent audit firm and the internal audit team.

The results are presented to the Audit Committee. Based on periodic testing, the framework is fortified to ensure the adequacy and effectiveness of Internal Financial Controls.

3.6.2. Total Quality Management (TQM)

Total Quality Management (TQM) remains the central focus within the organisation to drive performance excellence and mitigate business risks in an uncertain industry landscape. This steadfast commitment has been instrumental in keeping the organisation on a growth trajectory over time.

Utilising digital and AI initiatives, the Company continuously enhances customer experience processes and improves forecasting accuracy at the front end. These projects are geared toward achieving specific customer, business, and departmental objectives.

The Company operates with lean stock practices and implements a cash and carry system to maintain stock freshness for consumers and boost profitability for its channel partners. Senior management conducts periodic change management workshops with dealer partners to reinforce a culture of the process for results, emphasising execution excellence through rigorous daily work management.

The introduction of a Dealer TQM cluster approach, involving TQM consultants at the front end, aims to achieve breakthrough targets in customer satisfaction, market share, and profits.

The supplier excellence team runs an ongoing programme to embed the TVS production system within suppliers. The goal is to enhance maturity levels, quality, and delivery performance ratings of selected priority suppliers by establishing sustainable manufacturing systems and focusing on waste reduction.

Cutting-edge tools like Vision AI and predictive maintenance algorithms are being widely implemented as best practices. This initiative is set to expand to a larger number of suppliers in the current year.

Community of Practice (CoP) groups unite individuals with shared expertise and passion in specific areas such as OR, TRIZ, Reliability, and Taguchi methods. These CoPs are leveraged to drive strategic initiatives, swiftly solve complex problems, optimise solutions, transfer best practices, and enhance professional skills and competencies across the organisation, aligning with business objectives.

A culture of total employee involvement is deeply ingrained to achieve safety, quality, and profitability targets by promoting kaizen and cross-functional project initiatives. Emphasising 'waste elimination' in inventory and asset management has significantly improved the Company's working capital management.

3.6.3. Cost and Price Management

The Company provides high-value offerings to consumers achieved through aggressive waste reduction and quality improvement strategies such as value engineering, modularity, lightweight, alternative materials, localisation, and process innovation. These efforts extend across the entire supply chain, incorporating productivity enhancements, process improvements, and low-cost automation.

From Q2 FY2024, TVSM witnessed a softening of commodity prices and the improvement of semi-conductor availability which positively impacted pressure on cost and premium buy. This, coupled with the structured cost-reduction approach comprising alternate sourcing, alternate material, alternate design, lightweighting helped in improving the overall cost realisation across products.

Employee engagement is a cornerstone, driving one of the industry's most active employee suggestion programmes. The staff, at all levels, focus on cost reduction, operational enhancements, and waste elimination.

Digitalisation of internal processes is increasing to reduce waste and improve efficiency, particularly in fixed costs. Intense focus on cost management has enabled the Company to navigate commodity price inflation successfully, achieving record profits and earning recognition in JD Power APEAL and IQS studies, highlighting customer satisfaction.

3.6.4. Research and Development

The Company has consistently pursued in-house research and development excellence since its inception. In recent years, it has further intensified the R&D investments that are sharply focussed on chosen strategic areas.

Towards investing in building world-class in-house skill sets in technology research, product design and development, an exclusive team of specialised engineers has been formed for in-house software development. With mobility solutions becoming smart, connected, and increasingly dependent on software, electronics, and control, the focus on research in connected and embedded systems has been further enhanced.

Retaining the strength of in-depth customer understanding, cutting-edge technology, and design innovations at its core, the Company's R&D has adopted an agile, vigorous trans-disciplinary approach towards creating mobility solutions that are exciting, responsible, safe, and sustainable.

The Company's R&D remains one of the most prolific generators of innovations and patents, not only in India but globally also.

FY 2023-24 saw the launch of two exciting new products that are technologically advanced and provide a peek into the future

- **TVS X** is an electric-native smart electric scooter born out of the Company's future vision. It was created in-house, leveraging decades of know-how and cutting-edge technologies developed in the recent years. It's an innovative and lean design delivering high performance, convenient charging, and state-of-the-art connectivity. A highly advanced all-new technology solution has been built for the infotainment and control architecture which has helped deliver an unparalleled product experience with very high security and cutting-edge OTA capability.
- The **Apache RTR 310** comes loaded with several world-leading technology features in the areas of Intelligent assist, aerodynamically efficient design, state-of-the-art connectivity and climatic controlled seat. The intelligent assist is a bouquet of advanced features offered never before in any other global product of its class, the features enhancing fun and joy of riding, providing assist and enhancing safety under various conditions of ride.

TVS R&D has aligned its future focus in support of the Company's vision for 2030. R&D efforts and investments are directed toward electric mobility, alternate fuels, advanced safety systems, and sustainability. The current product range has more than 87% of parts recyclable and about 95% recoverable parts.

Paint shop in Hosur Plant

3.6.5. Digital and AI Technologies

The Company considers Digital and AI as a key organisation-wide accountability area. Currently, it prioritises digitalising the Company's operations in customer experience, retail and service management, manufacturing and supply chain, New Product Introduction (NPI), and enterprise functions.

By enhancing customer facing digital and AI capabilities as part of the TVS Xverse programme in FY 2023-24 by strengthening the web presence globally, the Company aims to increase organic traffic and lead capture of digital visitors. The Company has implemented new social media and marketing automation modules to improve reach, responsiveness, customer experience, and marketing effectiveness. The Company unified the companion mobile application for 2W customers globally and introduced a similar application for its three-wheeler customers.

Digital products used in dealerships, in both sales and service operations, have been improved increasing both retail and service penetration levels. Several AI technologies have been infused into the retail and service operations such as voice AI for lead management, vision AI for dealer upkeep, and auto-ordering systems for parts. The Company is also revamping the parts wholesale and connecting with service stations globally. It launched a new digital commerce capability for accessories and merchandise retail improvement.

The Company has launched an order management system for its international business distribution partners and is piloting a Sales and Operations (S&OP) programme for its vehicle and parts businesses globally, that will be scaled in FY 2024-25. It has deployed its track and trace systems for industrial IoT across its manufacturing locations along with associated digital and AI systems like computer vision AI to improve quality, efficiency, and safety. Warehouse digitalisation also improved transparency and efficiency of operations.

Progressing in its multi-year NPI digitalisation programme, the Company aims to improve the time to market of its new products. It has upgraded and standardised the software and new product introduction processes including for Norton Motorcycle Co, UK. Digital and AI technologies were made available for its new product launches including live commerce at launch, and the vehicle telemetry solution was strengthened to include all connectivity types and AI-based detection and prediction capabilities. Self-serve decision support technologies, including data harmonisation and AI tools, have been implemented for modularity and other NPI initiatives.

Automation of business operations workflows to improve employee experience, productivity, and quality continued this year with several self-serve employee applications in TVS Sampark and similar applications in finance, contract management, policy, and quality management.

Cybersecurity governance improved in line with its plans for information security governance, detection, and response. The Company continued to leverage the cyber governance council, consisting of senior management and industry experts, to expand the coverage of cyber defences and data privacy programmes for coordinated capability improvements for itself and the group companies.

The Company also leveraged its digital and AI capabilities to improve the operations of its subsidiaries. Lead capture and AI engines were deployed in PTTVS Indonesia.

Digital modernisation by leveraging the cloud and new collections system were implemented in TVS Credit. ERP and Product lifecycle management were deployed at The Norton Motorcycle Co. Limited, UK. Marketing and sales automation has been implemented in Swiss E-Mobility Group (Holding) AG, Switzerland (SEMG) along with digital commerce standardisation with Ego Movement.

In FY 2024-25, the Company is continuing its digital and AI investments to holistically enable omnichannel commerce capabilities for the group-wide digital transformation.

3.6.6. Environment, Occupational Health and Safety

All manufacturing Plants at Hosur, Mysuru and Nalagarh locations have been certified under the 'Integrated Management System' of ISO 14001:2015 and ISO 45001:2018. These facilities are also certified under the 'Social Accountability Standard', SA 8000:2014. Canteen facilities operated in-house at Hosur, Mysuru and Nalagarh Plants are certified under Food Safety Management system, ISO 22000:2018.

Impact of Reduce, Reuse, Recycle, Re-purpose Practices and Conservation Projects during FY 2023-24

- Reducing specific water consumption over 10%
- Apart from natural groundwater recharging, 16 million litres of rainwater were directly harvested
- Continuing efforts towards preserving Biodiversity, different varieties of RET - Rare, Endangered and Threatened - plant species were planted as a part of 'World Environment Day-2023'

Impact of 'Renewable Energy - 100%', efforts and projects implemented during FY 2023-34

- Achieving renewable power contribution of 93% in overall share of power and 58,000+ TCO_2e emissions reduction
- The Company won the '4th India Green Energy Award – 2023', by Indian Federation of Green Energy – IFGE - in recognition of Excellence in 2W and three-wheeler category
- Also won the 2nd highest 'Outstanding Green Energy User' in India for Industrial/commercial sector

Health and Wellness Initiative

- Several physical and mental health programmes implemented at all plant locations
- Regular periodic health checkups and vaccination drives conducted for all categories of employees including employees of service providers
- Collaborating with leading hospitals, eye camps organised for fleet drivers of outbound and inbound logistics
- Health care support provided to nearby villages of plant locations
- Road Safety training with experiential learning and defensive riding skills through a Virtual Reality (VR) simulator implemented
- Road safety campaign covering 7,600 employees was carried out during January 2024 commemorating National Road Safety Month at all plant locations
- Strides were taken to transform safety culture from 'dependent' to 'independent', partnering with dss+ - Dupont Sustainable Solutions
- Projects as a part of TICK (Transform, Inspire, Commit, Keep-up) programme were implemented through the five-pillar approach viz. Safety Interaction, Standards-Rules-Procedures, Incident Management, Training and Communication, and Road Safety
- Improving supply chain safety, 30 suppliers were audited for their safety compliance and supported in identifying around 800 improvements
- Plant Safety Rating System'- PSRS score, lead measure of safety performance among plants have improved by 12%

Shot in Hosur Plant

Champion Award

Received for TVSM Hosur plant in the Occupational Health, Safety and Environment Awards Assessment 2023 for Efforts on Safety, in 'National Safety Council – Tamil Nadu chapter'

Continuing the efforts on safety improvement, 624 proactive hazard control measures have been implemented across plants viz., equipment safety features for Robots and COBOTs conforming to ISO standards, 'Advanced Water Mist Fire Protection' for battery assembly and cell storage areas.

The overall 'Plant Safety Rating System' - PSRS score, which is a lead measure of safety performance among plants, has improved by 12%.

During FY 2023-24, the Company was recognised with 'Excellence' level in the biodiversity category under CII-ITC Sustainability Awards, in addition to the earlier declaration of OECM - other effective area-based conservation measures, based on its exemplary promotion of biodiversity within the campus. Three species of birds, hitherto not seen, have been reported and photographically documented viz. white-bellied sea eagle, cinnamon bittern, and garganey teal. The appearance of the sea eagle is of particular interest because this is a shore-hugging bird, rarely seen far from the coast, yet here it appeared on the Hosur campus.

The Company's policy of maintaining 15% of its factory site area for wild and native forest has yielded a few incredible occurrences, the entry of some of India's largest and most prominent predators into its Mysuru Plant campus viz. leopard, wild dog (dhole), and tiger. While the leopard has made its entrance into the campus earlier, the dhole and tiger are new arrivals. All these exciting 'invaders' have clearly demonstrated that the Mysuru Plant green cover area, which is wholly 'company manufactured', is as good as any natural habitat. These potentially dangerous animals came and left silently and unobtrusively, as observed through recordings from CCTV camera traps at appropriate spots.

In pursuance of furthering its biodiversity conservation endeavours, naturalists have been enrolled to observe, analyse, and implement counter measures to improve its natural richness. At the Hosur Plant location, the obsolete solar pond was converted into a wetland with open water, marsh, and wader habitat. This has proved a success beyond expectation with new records of birds mentioned earlier arriving at the location.

Continuing the efforts on imparting nature education to school children in 6 schools at Mysuru yielded awareness creation and ownership of environment to a larger badge of 130 young student minds as a part of the TVS Greening Minds Initiative. The Centre for Environment Education, Bangalore has been engaged with the responsibility of running this programme at the Mysuru location.

As a part of horizontal deployment of TVS Greening Minds Initiative at Hosur, 5 schools were inducted into the programme covering 157 students from Class 6. Bhoomi College, Hosur has been engaged with the responsibility of running this programme at the Hosur location. Efforts are on towards increasing the number of schools at both locations under this programme.

624

Proactive hazard control measures implanted in plants

9,500

Employees attended safety trainings

3.6.7. Human Resource Development

Towards the long-term vision of the Company, the people strategy has pivoted towards building a high performance, future-ready organisation. The Company recognises that business thrives on the contributions of people, and investing in their development is crucial for continued success.

The Company has been recognised among the “Best Company for Women in India”, ranking 11th across all companies and industries; also certified as a 'Great Place to Work in Manufacturing, Top 50' by GPTW.

TVSM has received the prestigious Helen Keller Award for the esteemed work done towards creating equal opportunities for Persons with Disabilities (PwD). Today, PwD are 2% of the employees. Policies have been created to upskill and improve retainment of PwD on merit basis.

In the journey of building a future-ready organisation, the Company adopted a multi- pronged approach for building people capability. Initiatives have been launched to embrace the reinstated TVS values and leadership competencies at all levels. Leadership building through current and future competency development is done through in-house programmes and partnership with globally acclaimed institutions. In addition to continuing education, challenging project assignments and job rotations.

Online learning on a variety of topics and skills has been made available to all employees through launch of learning platform – Pathways. The Company has been able to successfully integrate new capabilities like EV, software, data analytics and AI into the current teams. Sustainability has also been recognised as a key pillar in the future organisation and is being embedded in all processes.

TVS Institute of Quality and Leadership (IQL) focuses on building cultural capabilities, collective capabilities, supporting strategy delivery and enhancing sustainability. IQL initiated key learning solutions such as courses for future mobility, Communities of Practice (CoPs) for business impact in strategic areas, leveraging digital technologies for skill training, dojo centre for collective capability and Conferences to enhance momentum for learning as a community.

The information on no. of persons employed have been provided in BRSR report (Annexure no. VII)

Best Overall Corporate University – Bronze

Received by TVS Institute of Quality and Leadership (IQL) at the 2023 Global Council of Corporate Universities (GlobalCCU) Awards

3.6.8. Corporate Social Responsibility

Committed to social responsibility, the Company works to drive positive change in rural communities through the Srinivasan Services Trust (SST). SST prioritises health, education, environmental well-being, and economic empowerment in these areas. The core approach centres around total community involvement, ensuring all stakeholders participate and that projects are sustainable in the long run.

This participation is central to SST's success. SST has developed a mature model that emphasises community involvement in every project, even adapting best practices from Total Quality Management (TQM) to the rural development landscape. This results in programmes and structures that foster not only growth but also long-term sustainability for these communities.

SST fosters integrated, holistic, and participatory village development, working together with both communities and the Government. This collaborative approach ensures sustainable progress in the villages supported. Over the past 28 years, SST has empowered over 60,000 women by organising them into Self Help Groups (SHGs). Furthermore, SST has implemented over 350 water conservation projects, including desilting tanks and irrigation channels, and has repaired and renovated over 2,600 pieces of rural government infrastructure. Looking ahead, SST is committed to continuous improvement.

60,000

Women empowered by SST

350

Water conservation projects undertaken by SST

2,600+

Rural government infrastructure renovated by SST

In the last few years, SST has stitched partnerships with several NGOs and foundations to work on specific areas of water, health and hygiene, capacity building of SHGs, quality education and livelihoods through effective livestock management and entrepreneurship.

Awards Won by Srinivasan Services Trust (SST) in FY 2023-24

- Best CSR and Sustainability Practices Award 2022-23 (awarded in 2023-24) by Asian Centre for Corporate Governance & Sustainability
- Economic Times Human Capital Awards 2023 – Winner (Gold) in Change Management
- CSR Journal Excellence Award 2023 – Special commendation for water conservation work in Tiruvannamalai
- Maharashtra CSR Awards 2023 by India CSR for Silage: Livestock Development
- CII National HR Circle Award for Best practices – Winners in two platinum in Change Management and Digitisation
- NHRD 12th showcase Best Corporate HR Practice – Runner-up

CSR activities have already been textured into the Company's value system through Srinivasan Services Trust (SST), established in 1996 with the vision of building self reliant rural community.

Over 28 years of service, SST has played a pivotal role in changing lives of people in rural India by creating self-reliant communities that are models of sustainable development.

The Committee formulated and recommended a CSR Policy in terms of Section 135 of the Companies Act, 2013 along with a list of projects/programmes to be undertaken for CSR spending in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The projects/ programmes undertaken by SST and other eligible Trusts are falling within the CSR activities as specified under Schedule VII to the Act, 2013.

Based on the recommendation of the CSR Committee, the Board has approved the projects/programmes carried out as CSR for an amount of ₹ 30 crore for undertaking similar projects/programmes constituting more than 2% of the average net profits of the Company, made during the three immediately preceding financial years, towards CSR spending for FY 2023-24 and the Company has met the CSR spending through SST. CFO of the Company has also ensured the spending through SST for FY 2023-24.

The work, SST has been doing, has matured into a model centered on community participation in all its projects. SST's focus is to bring about sustainable development in villages. The key focus areas are women empowerment, repairing and renovating the village government infrastructure like the balwadis, primary schools, health centres and veterinary centres, creation of water conservation structures, desilting of water bodies and preserving the environment. SST encourages the community to alter their attitudes and take ownership of changes that bring about lasting development.

To bring in expertise in specific intervention areas like education, health and hygiene and livelihoods through livestock, SST is working in collaboration with organisations like Agastya International Foundation, Villmart, Navsahyog Foundation, Sankara Eye Foundation, Gramalaya and Shreeja Mahila Milk Producers Company Limited.

All of the projects undertaken through SST, are within the limit of ₹ 1 crore individually and do not require impact assessment.

However, SST is working with Tata Institute of Social Sciences (TISS) and Deloitte to carry out social impact studies. TISS is working to study the impact created on livelihoods by SST in the rural Pabal area in Pune district, Maharashtra. Deloitte is working to study the impact created on livelihoods by NABARD's Wadi programme. This was implemented by SST in Javadhu hills in Tamil Nadu.

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 the FY 2023-24 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 2024-25, 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, as required under the Companies Amendment Act, 2020.

4. 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 make a difference to the Company's operations include, amongst others, economic conditions affecting demand/ supply and price conditions in the domestic and overseas market in which the Company operates, changes in the Government Regulations, Tax Laws and Other Statues and incidental factors.

5. 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 -

i. that in the preparation of annual accounts for the financial year ended 31st March 2024, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

ii. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

iii. 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;

iv. that the Directors had prepared the annual accounts for the financial year ended 31st March 2024 on a "going concern basis";

v. 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

vi. 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.

6. Financial Performance of Subsidiaries & Associates

Acquisitions

During the year under review the Company has:

a) acquired additional stake of 25% in Swiss E-Mobility Group (Holding) AG ("SEMG"), Switzerland through its overseas subsidiary viz., TVS Motor (Singapore) Pte Limited on 9th June 2023 from the existing shareholders, thereby SEMG has become a wholly owned subsidiary of TVS Motor (Singapore) Pte Ltd. and the Company.

SEMG is a fully integrated e-bike platform with its core business consisting of the purchase and re-sale of own branded e-bikes, third-party branded e-bikes and spare parts through retail and online stores in Switzerland and Germany.

d) subscribed to 28.57% stake in Indian Foundation for Quality Management ("IFQM") by way of newly issued shares of IFQM on 15th February 2024, a not-for-profit Company, registered under Section 8 of the Companies Act, 2013 that aims to bridge the significant gap in quality & perception of Indian-made goods and bring a positive change in the perception of the 'Made in India' brand.

b) acquired additional stake of 9.40% in ION Mobility Pte. Ltd. (ION Mobility) on 14th March 2024 by way of subscription of shares through TVS Motor (Singapore) Pte Limited, a wholly owned subsidiary and thereby ION Mobility has become an associate of TVS Motor (Singapore) Pte Limited as well as the Company. TVS Motor (Singapore) Pte Limited holds 25.64% of the paid-up share capital of Ion Mobility.

ION Mobility, a tech and automotive OEM startup, which aims to create and deliver aspirational and sustainable mobility and energy solutions to customers across South-East Asia.

d) acquired additional stake of 24% in Killwatt GmbH, in two tranches viz. on 15th November 2023 and 20th March 2024, through TVS Motor (Singapore) Pte Limited, a wholly owned subsidiary by way of subscription of shares and thereby TVS Motor (Singapore) Pte Limited holds 49% of the paid-up share capital of Killwatt GmbH, associate company.

Killwatt GmbH, carrying on development, design, manufacture, sale and distribution of high-tech products and components in the field of, inter alia, electric two-wheeler and three-wheeler vehicles.

Disinvestments

a) During the year under review, the Company has divested the entire shareholding of 43.54% in Emerald Haven Realty Limited (EHRL), an associate on 14th June 2023 and thereby EHRL & its subsidiaries ceased as associates of the Company effective that date.

b) The Company had sold its entire stake of 23.50% in Tagbox Solutions Private Limited ("Tagbox India") on 30th March 2024 and thereby Tagbox India ceased as an associate of the Company effective that date.

As on 31st March 2024, the following companies and bodies corporate are the subsidiaries/associates of the Company:

Subsidiaries

1. TVS Credit Services Limited (TVS CS), Chennai
2. Sundaram Auto Components Limited, Chennai
3. TVS Digital Limited (Formerly known as TVS Housing Limited), Chennai
4. TVS Motor Services Limited, Chennai
5. TVS Electric Mobility Ltd., Chennai
6. PT TVS Motor Company Indonesia, Jakarta
7. TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)
8. TVS Motor Company (Europe) B.V., Amsterdam

Subsidiaries of TVS CS

1. Harita ARC Private Limited, Chennai
2. TVS Housing Finance Private Limited, Chennai
3. Harita Two-wheeler Mall Private Limited, Chennai

Subsidiaries of TVSM Singapore Pte. Limited

1. The Norton Motorcycle Co Limited, UK
2. Swiss E-Mobility Group (Holding) AG, Switzerland
3. The GO Corporation, Switzerland
4. TVS Digital Pte Ltd., Singapore
5. EBCO Limited, UK
6. Celerity Motor GmbH, Germany

Subsidiaries of GO AG

1. EGO Movement, Stuttgart GmbH, Germany

Subsidiaries of SEMG

1. Swiss E-Mobility Group (Schweiz), Switzerland
2. Colag E-Mobility GmbH, Germany
3. Alexand'Ro Edouard'O Passion Vélo Sàrl

Associates

1. Ultraviolette Automotive Private Limited, Bengaluru
2. DriveX Mobility Private Limited, Coimbatore
3. Indian Foundation for Quality Management, Bengaluru (w.e.f 15.02.2024)
4. Tagbox Solutions Private Limited, Bengaluru (upto 30.03.2024)
5. Emerald Haven Realty Limited, Chennai and its subsidiaries (upto 14.06.2023)

Associates of TVSM Singapore Pte. Limited

1. Killwatt GmbH, Germany
2. ION Mobility Limited, Singapore (w.e.f. 14.03.2024)

Associates of TVS Digital Pte Ltd.

1. Tagbox Pte Limited, Singapore
2. Predictronics Corp., USA
3. Scienaptic Systems Inc., USA
4. Altizon Inc, USA

SUBSIDIARIES PERFORMANCE

TVS Credit Services Limited (TVS CS)

TVS CS is the retail finance arm of the Company for financing of two wheelers, used cars, used and new tractors, used commercial vehicles, consumer durables, digital finance products, emerging and corporate business loans and personal loans. Along with these, it started offering gold loans during this FY. TVS CS primarily caters to self-employed, new to credit borrowers in the semi-urban and rural areas in India.

During FY 2023-24, TVS CS's overall disbursements registered at ₹ 25,018 crore as compared to ₹ 21,652 crore in the previous year registering growth of 16%.

The book size of TVS CS registered a robust growth of 26% and is presently at around ₹ 25,900 crore. Total income during FY24 grew by 40% at ₹ 5,796 crore from ₹ 4,152 crore during FY23. The PBT grew by 49% at ₹ 763 crore as against ₹ 512 crore during the previous year.

TVS CS raised ₹ 380 crore from PI Opportunities Fund I Scheme II, an alternative investment fund controlled by Premji Invest Limited. PI Opportunities Fund had made an aggregate investment of ₹ 828.52 crore in TVS CS as a combination of primary and secondary investment.

The following companies are the subsidiaries of TVS CS:

1. Harita ARC Private Limited, Chennai
2. TVS Housing Finance Private Limited, Chennai
3. Harita Two-wheeler Mall Private Limited, Chennai

All the above subsidiaries are yet to commence their operations.

Sundaram Auto Components Limited (SACL)

SACL is a wholly owned subsidiary of the Company. SACL manufactures plastics components used in the automobile industry. It has manufacturing plants located at Chennai and Hosur in Tamil Nadu, Mysore in Karnataka, Bhiwadi in Rajasthan, Nalagarh in Himachal Pradesh, and Sanand in Gujarat.

The total income of SACL was ₹ 765 crore in the current year as against ₹ 787 crore in the previous year 2022-23.

SACL earned a profit before tax of ₹ 29 crore after incurring a NIL exceptional cost during FY 2023-24 as against profit of ₹ 24 crore in the previous year after exceptional cost of ₹ 1.9 crore. Exceptional cost includes separation cost.

During the year under review, SACL has distributed a sum of ₹ 310 crore to the Company towards extinguishment of 3,26,31,578 equity shares held by the Company, consequent to the reduction of share capital under Section 66 of the Companies Act, 2013 as approved by the Hon'ble National Company Law Tribunal, Chennai.

SACL declared a dividend of ₹ 1.64 per share on the equity shares for the year ended 31st March 2024 absorbing a sum of ₹ 1.96 crore.

TVS Digital Limited (TVS Digital)

TVS Digital Limited (formerly known as TVS Housing Limited) is a wholly owned subsidiary of the Company.

The name and the main objects of the Company was changed during FY 2023-24 from TVS Housing Limited to TVS Digital Limited to reflect its new objects and carry on the business activities relating to Digital Information Technology and other related services.

TVS Motor Services Limited (TVS MS)

TVS MS was initially the investment SPV of the Company, for funding TVS Credit Services Limited (TVS CS).

TVS MS now holds 0.48% only in TVS CS and TVS MS continues to be a wholly owned subsidiary of the Company.

TVS Electric Mobility Ltd., Chennai (TVSEM)

The Company was incorporated on 13.12.2021 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. Ltd.

TVS Motor (Singapore) Pte Limited, is a wholly owned subsidiary of the Company.

During the year, the Company has invested a sum of SGD 199.50 million in the ordinary shares of SGD 1/- each of TVS Motor (Singapore) Pte Limited.

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

TVS Digital Pte Ltd., Singapore

TVS Digital Pte Limited, Singapore is a wholly owned subsidiary of TVS Motor Company. The Digital start-up offers a range of solutions across their Auto-tech and Fintech platforms and has secured clients in Bangladesh, Bolivia, India, Indonesia, Nepal, Philippines and Singapore. The product offerings centre around AI Driven Credit Decisioning and Collections in Fintech and a suite of Sales acceleration and Consumer Experience enhancements apps in the Auto-tech platform that is also finding applicability in Real Estate and B2B businesses. Revenue streams have commenced, and the team is now focused on scaled profitable growth to help deliver focused unit economics objectives. The Company has recently established an entity in India as well which is focused on IT professional services and is also scaling rapidly.

PT. TVS Motor Company Indonesia (PT TVS)

During the financial year, PT TVS two-wheeler sales grew by 37%, standing at 0.11 million units as against 0.08 million units during the previous financial year, and three-wheeler sales is at 7,000 units as against 19,000 units during the previous financial year. During the year PT TVS reported Operating EBITDA of $8 million as against $8.3 million during the last year.

Swiss E-Mobility Group (Holding) AG (SEMG)

The Swiss E-Mobility Group (SEMG), along with its subsidiaries Swiss E-Mobility Group (Schweiz) and Colag E-Mobility GmbH, Germany and Alexand'Ro Edouard'O Passion Vélo Sàrl, operates under the full ownership of TVS Motor (Singapore) Pte Ltd. This organisational structure supports SEMG's strategic initiatives across the European markets, particularly focusing on the e-bike segment.

SEMG is strategically expanding its footprint in Europe, aiming to capitalise on the region's status as the second-largest e-bike market after China. The Company is enhancing its presence through a portfolio of both premium and technologically advanced brands. As a leading provider in the DACH region (Germany, Austria, and Switzerland), SEMG operates the largest pure-play e-bike retail chain, m-way, with new expansions including two stores in Austria, bringing their total to 35 physical stores across Switzerland and Austria. Additionally, SEMG maintains a robust online presence through two e-commerce platforms.


Swiss E-Mobility Group (SEMG)

With a diverse e-bike brand portfolio like Cilo, Simpel, Allegro, and Zenith-Bikes, SEMG has developed a strong omnichannel distribution network. This not only enhances its market presence but also aligns with consumer aspirations within the e-mobility sector.

In FY 2023-24, SEMG reported revenues of $76.6 million, yet faced a loss of $25.4 million, mainly due to challenging conditions in the European e-bike market. Holding a dominant position with approximately 20% market share in Switzerland, SEMG stands as the region's leading provider. For 2024, the Company is strategically focusing on reaching profitability by improving operational efficiencies and expanding its B2C (both offline and online) and B2B segments. SEMG is currently piloting the B2C offline model in Germany and Austria and is investing in the introduction of a B2B e-bike brand portfolio. The revenue goal for 2024 is set at $105 million.

SEMG is leveraging emerging trends in the personal mobility sector by focusing on various e-bike categories, including e-city, e-urban, e-trekking, e-mountain, and e-cargo bikes. As e-bikes gain recognition for their sustainability and user-friendliness, the European market is experiencing increased regulatory backing and consumer uptake. E-bikes currently make up about 17% of all bicycles in Europe, with an expected annual growth rate of approximately 8%, signalling significant market opportunities. The global e-bike industry is projected to reach $25 billion within the next five years.

In conclusion, SEMG's strong market presence and strategic initiatives highlight its capability to carve out a distinct niche in the European e-bike industry. By concentrating on enhancing operational efficiencies and expanding its market reach, SEMG is well-positioned to transform into a profitable entity, all while contributing to the advancement of sustainable transportation solutions.

The GO Corporation, Switzerland (the GO AG))

In September 2021, the Company acquired majority stake in the GO AG, Switzerland and its subsidiary EGO Movement through TVS Motor (Singapore) Pte Ltd. EGO Movement is a Swiss technology company providing innovative mobility solutions through a portfolio of e-bikes, e-cargo bikes and matching accessories. The Company has a strong presence in Switzerland, Austria and Germany with customer-centric products, a unique omnichannel network and a visionary team at its helm.

The GO Corporation and its subsidiaries have a strong presence in Europe with customer-centric products and a unique omnichannel network. In CY23, the GO Corporation group reported a revenue of CHF 4.9 million as against CHF 4.6 million during CY22. With the further expansion/upgrade of retail networks, and expansion of e-commerce channels along with the recovery in the economy we expect GO Corporation to do better in the year 2024.

Over the past decade, the personal mobility landscape has evolved significantly with the global sustainability agenda, increasing urbanisation and advancement in battery technology.

EGO Movement's product portfolio focuses on delivering sustainable products with the latest technology and stylish designs. A powerful battery is blended harmoniously into the frame, whose ergonomic design allows for a comfortable upright sitting position. In addition, EGO Movement's connectivity platform is enhancing security and convenience for the vehicle's user with smart features such as keyless go, GPS location with theft alarm and access-sharing. The unique and innovative design philosophy has earned the Company multiple awards, including the prestigious Red Dot Award and in 2022 the German Brand Award.

This acquisition is in line with the Company's commitment towards electrification and the broader sustainability agenda for building an aspirational product portfolio while nurturing sustainable and scalable brands. EGO Movement is a Swiss technology company providing innovative mobility solutions through a portfolio of e-bikes, e-cargo bikes, and matching accessories.

EBCO

In April 2022, the Company acquired a 70% share in EBCO Ltd., 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 region. During FY24, EBCO reported a revenue of GBP 0.8 million as against GBP 0.5 million during FY23.

EBCO Street 2

2023 saw a complete revamp of the range to update and modernise the offering providing a premium quality product at affordable pricing to hit the volume market. A new sales team was onboarded in Q3. The UK market was impacted on account of overall market sentiments and huge accumulation of stock in the market.

2024 will be the first full trading period with products available ready for the season's start. There was a small existing network of retail partners in place, and the addition and expansion of retail partnerships is developing to obtain national coverage, whilst working and developing the omnichannel also.

With the new products and strong dealerships planned, EBCO is placed in a good position to obtain good market share.

The Norton Motorcycle Co Limited, UK

Since the acquisition of Norton in 2020, the Company has built a strong foundation by setting up a state-of-the-art facility and a new engineering and design centre to further the growth of Norton. During FY24, Norton has launched special editions to celebrate 125 years of brand legacy.

Overall, the premium and super-premium markets are expected to grow consistently, and Norton is preparing its portfolio to become a strong player with a series of products getting closer to market readiness. The Company will continue to invest during the upcoming 8 quarters. The Company’s engineering, design & development and supply chain capabilities will be leveraged to ensure high quality products are delivered in a cost-efficient and timely manner.

Norton Factory

Ultraviolette Automotive Private Limited (UV)

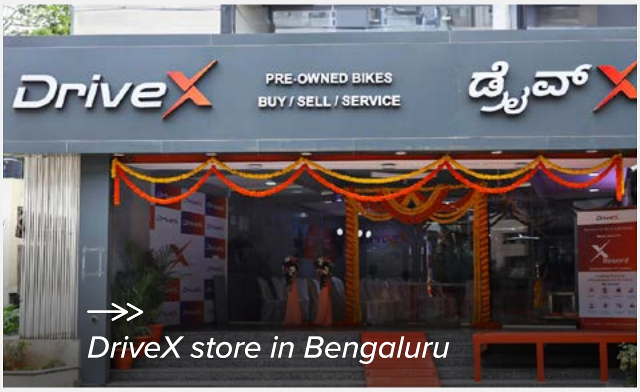
UV incurred a loss of ₹ 59.52 crore in the year 2023-24 as against loss of ₹ 9.03 crore in the previous year 2022-23. UV is a start-up company engaged in developing electric mobility solutions.

Tagbox Solutions Pvt. Ltd., India/Tagbox Pte Ltd., Singapore (Tagbox)

Tagbox is a start-up company which provides an IoT-based monitoring solution to predict and prevent unfavourable events, optimise reefer fleet and routes and manage inventory. On 30th March 2024, the Company sold its entire shareholding of 4,29,693 shares (consisting of 45,710 equity shares and 3,83,983 compulsorily convertible preference shares) constituting 23.50% in Tagbox Solutions Private Limited ('Tagbox India'), an associate company and thereby it ceased as an Associate Company

DriveX Mobility Private Limited (DriveX)

DriveX Mobility Pvt. Ltd. is engaged in the business of procurement, refurbishment and retailing of the pre-owned multi-brand two-wheeler motorcycles and scooters through its own stores (COCO) or through its franchisee dealers (FOFO). The Company is also engaged in trading of spare parts, accessories and engine oils for two-wheelers. The Company presently has 4 COCOs and around 50 FOFOs. The Company has a presence across India through its FOFOs but predominantly operates in the Southern part of India spreading Karnataka, Tamil Nadu and Kerala.



DriveX store in Bengaluru

During FY 2023-24, the Company earned revenue of ₹ 36.61 crore against revenue of ₹ 9.72 crore for FY 2022-23. The Company has incurred a Net loss of ₹ 30.98 crore as against the Net loss of ₹ 11.12 crore incurred during FY 2022-23.

Predictronics Corp, (Predictronics) USA

Predictronics 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 at ₹ 4.7 crore in 2023-24 as against ₹ 4.9 crore in the previous year 2022-23 with the y-o-y reduction driven by lower spending by the US Public Sector which is their major clientele. Predictronics made a loss of ₹ 4.4 crore in the year 2023-24 as against a loss of ₹ 4.9 crore in the previous year 2022-23 but has since transformed its business model and Go-to-Market approach and also streamlined its solution offerings to help facilitate a more profitable business in 2024-2025.

Scienaptic System Inc (Scienaptic), USA

Scienaptic is a start-up company engaged in explainable AI-powered Advanced underwriting decisioning platform. They have 137 clients currently and have established a niche market with SME Credit Unions in the US. They are now profitable as part of their focused efforts around unit economics. Total income of Scienaptic was at ₹ 62.5 crore in 2023-24 as against ₹ 36.1 crore in the previous year 2022-23. Scienaptic delivered a profit of ₹ 1.2 crore in the year 2023-24 as against a loss of ₹ 17.1 crore in the previous year 2022-23.

Altizon Inc, (Altizon) USA

Altizon is a start-up company which provides industrial IoT solutions and helps enterprises use machine data to drive business decisions. Featured in the top 10 IoT platform's globally and in the Gartner Magic Quadrant consistently, they are now profitable as part of their focused efforts around unit economics. Total income of Altizon was at ₹ 7.2 crore in 2023-24 as against ₹ 7.2 crore in the previous year 2022-23. Altizon delivered a profit of ₹ 0.4 crore in the year 2023-24 as against loss of ₹ 2.3 crore in the previous year 2022-2023.

7. Key Financial Ratios

As required under Regulation 34 of the Listing Regulations, there was a significant change in Debt Service Coverage ratio and Return on Net worth. Details of changes are:

Ratios	UOM	Standalone		Consolidated	
		2023-24	2022-23	2023-24	2022-23
Debt Service Coverage Ratio*	Times	2.50	5.40	1.50	3.10
Return on Net worth	%	30.23	27.43	27.45	26.83

*Reflects the repayment of borrowings during the year which results variance in debt service coverage ratio is more than 25%

8. Debentures

(a) NON-CONVERTIBLE DEBENTURES (NCDs)

The Company had earlier issued and allotted 5,000 Listed, unsecured, redeemable, non-convertible debentures (NCD) of face value of ₹ 10 lakh each on 15th May 2020 aggregating to ₹ 500 crore at 7.5% pa and the same was redeemed on 15th May 2023.

The Company 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) on 14th March 2023 and the same were listed on the National Stock Exchange of India Limited on 15th March 2023. The above NCDs were issued at a coupon rate i.e. sum of Benchmark Rate (Repo Rate as declared by RBI) and spread of 140 basis points and the same redeemable at the end of the third year.

(b) ZERO COUPON DEBENTURES (ZCDs)

The Company had allotted 310 nos. of Unlisted, Unsecured, Redeemable, Non-Convertible Zero Coupon Debentures having a face value of ₹ 1,00,00,000/- each (Rupees One Crore only) on 7th December 2022 on a private placement basis.

During the year, the ZCDs were fully redeemed.

9. Employees Stock Option Plan

The Board at its meeting held on 20th March 2024, based on the recommendation of the Nomination and Remuneration Committee, approved the adoption of 'TVS Motor Company Employee Stock Option Plan' ('ESOP Plan') by way of secondary acquisition of fully paid-up equity shares of the Company having face value of ₹ 1/- ('Equity Shares') through TVSM Employees Stock Option Trust ('Trust') to be set up as per the provisions of all Applicable Laws.

The Company intends to implement the ESOP Plan with an objective to achieve sustained growth of the Company and to create shareholder value by aligning the interests of the employees with the long-term interests of the Company; to attract, incentivise and retain key talent and as well as to motivate the employees to contribute to its growth and profitability; and to recognise and reward the efforts of employees and their continued association with the Company.

The total pool of maximum number of Equity Shares that could be granted under the ESOP Plan to the Eligible Employees shall not exceed 0.25% of the total paid-up equity share capital of the Company as on 31st December 2023 i.e. 11,87,717 Nos. of equity shares of ₹ 1/- each, which may be adjusted for any corporate action(s) in terms of the ESOP Plan.

Board also approved to grant an interest free unsecured loan to TVSM Employees Stock Option Trust 'Trust' for an amount not exceeding ₹ 250 crore (Rupees Two Hundred and Fifty Crore Only) for the purpose of purchasing the equity shares of the Company through secondary acquisition, in one or more tranches which shall not exceed 0.25% of the total paid-up equity share capital of the Company.

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 Trust.

The Company has sought approval of the shareholders by way for the purpose of issue of Employees Stock Option Plan and secondary acquisition of equity shares by way of Special Resolutions through Postal Ballot and the same is pending.

The details of the including terms of reference, and the requirement specified under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be made available on the Company's website post approval.

10. Issue of Bonus Redeemable Preference Shares

The Company has built up substantial surplus reserves, from its retained profits. The surplus reserves are well above the Company's current and likely future business needs. Overall reserves position is expected to improve further even after considering cash requirements for Company's capex programme and working capital requirements.

Accordingly, the Company is of the view that these excess funds can be optimally utilised to reward its shareholders. At the same time, in keeping with Company's tradition of conventional cash management and being mindful of the challenging business environment, the Company is of the view that it would be prudent to retain liquidity as well. Accordingly, the Company has proposed, inter alia, to distribute such funds amongst its shareholders, by issuing fully paid up listed non-convertible redeemable preference shares by way of bonus.

Upon approval of the Scheme of Arrangement in terms of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 by National Company Law Tribunal (NCLT), Chennai Bench, the Company shall issue 4 NCRPS of face value of INR 10 each fully paid up, for every 1 equity share of ₹ 10/- each fully paid up held by equity shareholder of the Company, which will be listed on both the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited. The issue size is ₹1,900.35 crore. The NCRPS shall be redeemed on the expiry of 12 months from the date of allotment, and these NCRPS will carry a coupon rate of 6% per annum and payable at the time of redemption.

The Company has made an application to both the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited for obtaining No Objection Certificate (NOC). Post receipt of NOC, the Company will file necessary application with NCLT, Chennai for its approval.

11. 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 Regulation 33 of 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 ₹ 2,703 crore for FY 2023-24 as compared to ₹ 1,936 crore in the previous year.

12. Directors & Key Managerial Personnel

Special Recognition to Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

During the year under review, Mr. Venu Srinivasan, was conferred with an “Outstanding Institution Builder” Award at the 13th Managing India Awards – recognising his exceptional vision and leadership in building an organisation and who has been the driving force of an organisation.

Mr. Venu Srinivasan also received the 'Lifetime Achievement Award' at the EY Entrepreneur of the Year 2023 in recognition of his visionary leadership and for his decades of entrepreneurial excellence in revolutionising the two-wheeler industry in India.

Special Recognition to Mr. Sudarshan Venu, Managing Director

Mr. Sudarshan Venu received 'Next Gen Leader' award at the Indian Family Business Awards 2022. This remarkable recognition was a testament to his visionary leadership and unwavering commitment to innovation in the automotive industry.

Directors' Appointment/Re-appointment/Cessation

During the year under review, Dr. Lakshmi Venu, Director, expressed her unwillingness for re-appointment at the ensuing Annual General Meeting (AGM), due to her pressing commitments in Tractors and Farm Equipment Limited (TAFE) and Sundaram Clayton Limited (SCL) and hence, would not be re-appointed. The vacancy of the retiring director was not filled up by the shareholders.

The Directors recorded their appreciation for Dr. Lakshmi Venu’s insightful contributions in discussions, particularly within her areas of expertise by adding immense value to deliberations on account of her diverse expertise and exposure to other businesses.

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act, 2013, two-thirds 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. K N Radhakrishnan, Director & Chief Executive Officer, is liable to retire by rotation, at the ensuing AGM.

The Directors have recommended their re-appointment for the approval of shareholders. Brief resume of the Director is furnished in the Notice convening the AGM of the Company.

Independent Directors (IDs)

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

Appointments

(a) During the year under review, the Board appointed Dr. Deepali Pant Joshi, as Non-Executive Independent Director (NE-ID) on the board at its meeting held on 11th September 2023, on the recommendation of the Nomination and Remuneration Committee, for a term of five consecutive years effective 11th September 2023. The shareholders have approved her appointment by way of special resolution through postal ballot on 20th October 2023.

(b) Further, the Board at its meeting held on 20th March 2024 had appointed Mr. Vijay Sankar and Mr Shailesh Haribhakti, as Non- Executive Independent Directors (NE-ID) on the board, on the recommendation of the Nomination and Remuneration Committee, for a term of five consecutive years effective 20th March 2024 and 1st April 2024 respectively. The approval of the shareholders for the appointment have been sought by way of a special resolution through Postal Ballot and the results will be declared post completion of e-voting on 10th May 2024.

The appointment of new directors is recommended by the Nomination and Remuneration Committee (‘NRC’) on the basis of requisite qualifications, skills, proficiency, experience, expertise in industry knowledge and competencies as identified and finalised by the Board considering the industry and sector in which the Company operates.

The Board, on the recommendation of the NRC, independently evaluates and recommends to the shareholders. In the opinion of the Board, the Independent Directors appointed during the year are persons of high repute, integrity and possesses the relevant expertise and experience in the respective fields

Cessation

(a) Mr. T Kannan, Independent Director upon demise on 23rd May 2023.

(b) Mrs. Lalita D. Gupte, Independent Director had completed her tenure on 22nd October 2023 and she had ceased to be Director effective that date.

(c) Mr. R Gopalan, Independent Director had resigned from his position as Independent Director of the Company effective 2nd March 2024 due to his personal reasons and confirmed that there are no other material reasons other than those provided. He thereby ceased to be a Director effective that date.

(d) Mr. Kuok Meng Xiong, Independent Director has expressed his inability to continue as a Director on the Board due to his increasing business commitments & personal reasons and submitted his resignation from the Board effective close of the business hours of the ensuing Annual General Meeting 2024 viz., 6th August 2024.

On 5th March 2019, the IDs viz. M/s. C R Dua and Hemant Krishan Singh were reappointed for the second term of 5 consecutive years from 14th July 2019 and their tenure will be get completed on 13th July 2024.

The Directors appreciated and placed on record the valuable contribution, support and insight provided by the Independent Directors during their tenure.

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 appointment 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 meet 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 is disclosed on the Company's website in the link as provided in page no 186 of this Annual Report.

All the IDs have 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/life time, as the case may be.

Separate meeting of Independent Directors

During the year under review, a separate meeting of IDs was held on 11th March 2024.

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 evaluation of Non-IDs and Executive Directors viz., M/s Venu Srinivasan, Sudarshan Venu, K N Radhakrishnan and Non-IDs Non Executive Directors viz. Prof. Sir Ralf D Speth and Dr. Lakshmi Venu, and also of Chairman of the Board and the Board as a whole, for the year 2023-24.

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 year 2023-24 and products launched, major acquisitions & strategic partnerships and awards & accolades received and the comparative data on financial/market cap for the year 2023-24.

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 organisational structure, and 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.

IDs appreciated and recorded that:

Mr. Venu Srinivasan, Chairman Emeritus and Managing Director's vision is a driving force that facilitated the Company to emerge as third largest two-wheeler manufacturer in India and has also made major contribution to the automotive industry and nation building at large for the last four decades;

His experience and innovative excellence that helped the Company in broadening its product portfolio and market presence in more than 80 countries across the globe and his dedication to the transformation of rural India by empowering women in the rural areas can be seen through his passion towards setting up the Srinivasan Services Trust which has touched the lives of 1.6 million people in 2500 villages across the country in the last 28 years

Mr. Sudarshan Venu, Managing Director's vision of transforming the Company into a leading global mobility player which paved the way for launch of various new products in EV segment. His leadership drove the e-mobility initiative, resulting in significant market share gains, and the Company recently crossing 25% in the EV market.

His focus on investing in future technologies and acquiring talent in software electronics and digital analytics was notable, and he was positioned to lead TVS Motor to even greater global success and he is also a pivotal role in expanding international business into markets in Africa, Southeast Asia, LATAM, and Europe;

His global experience and leadership skills that helped the Company in various acquisitions across the globe and strategic partnerships with major automotive distributors.

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

b) Chairman

IDs reviewed the performance of the Chairman of the Board.

IDs also placed on record, their appreciation of the Chairman's exemplary leadership skills, exceptional vision, and unwavering dedication, Instrumental in leading the Company through a period of significant transformation, providing both strategic guidance and strong leadership to the Board of Directors and leverages his extensive experience to steer board discussions and decisions that maximise value for the Company and its shareholders.

IDs also noted that his vast experience to bear on steer Board discussions and decisions for the benefit of the Company and Shareholders.

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, so as to improve governance and enhance the personal effectiveness of Directors.

The evaluation process focused on Board Dynamics. 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 domestic and international experience and also from new industries

The Company's management is well-guided by the Non-Executive Directors; and Board benchmarks well in terms of its overall composition and the value it adds to the business.

As far as shareholders' interest is concerned, IDs noted that a proper system has been established to ensure that the Company is prompt, relevant and transparent.

They 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 compliance with the SEBI Listing Regulations and ahead of the benchmark as per the Corporate Governance Scorecard in overall position.

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 also that the relationship between the top management and Board is smooth and seamless.

The Company is in compliance with 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. Venu Srinivasan, Chairman Emeritus and Managing Director, Mr. Sudarshan Venu, 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 as on date of this Report.

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 was initially approved by the Board at its meeting held on 23rd September 2014 and was recently amended by the Board at its meeting held on 20th March 2024 to maintain consistency with statutory amendments to make it up to date and more comprehensive.

The objective of such policy is 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.

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

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 Independent Directors of the Company (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.

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

Independent Directors

The performance of all IDs was assessed against a range of criteria such as contribution to the development of business strategy and performance of the Company, understanding the major risks affecting the Company, clear direction to the management and contribution to the Board cohesion. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

The IDs were always kept informed of the constitution of robust framework for the Company and group companies against cyber threats and mitigation plans against cyber-attacks for business continuity.

They also kept abreast of risk mitigation plans viz., financial impact on roll back of FAME II subsidy by March 2024 and International Business Industry Risk on account of forex shortage and currency depreciation.

The Board noted that all IDs have understood the opportunities and risks to the Company's strategy and are supportive of the direction articulated by the management team towards consistent improvement.

On the basis of 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

Board delegates specific mandates to its committees, to optimise 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 has 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 financial year under review.

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

Number of Board meetings held

During the financial year 2023-24, the Board met eight times and details of the meetings are provided as part of Corporate Governance Report prepared in terms of the Listing Regulations.

13. 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 conclusion of the 31st AGM (AGM 2023) till the conclusion of 36th AGM at a Statutory Audit fees of ₹ 85 lakh for the financial year 2023-24 in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Statutory Auditors will continue to hold office for the second year in the first term of five consecutive years, from the conclusion of this AGM.

The Company has obtained necessary certificate under section 141 of the Act, 2013 conveying their eligibility for being the Statutory Auditors of the Company for the year 2024-25.

The Auditors' Report for the financial year 2023-24 does not contain any disclaimer, qualification, reservation or other remarks 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.

The Secretarial Audit Report for the financial year 2023-24, given by M/s S Krishnamurthy & Co., Company Secretaries, Chennai is attached to this Report.

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

The Board at its meeting held on 8th May 2024 has re-appointed M/s S Krishnamurthy & Co., Company Secretaries, Chennai having Firm registration Number P1994TN045300 allotted by the Institute of Company Secretaries of India as Secretarial Auditors for the financial year 2024-25.

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 specified 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 re-appointed as Cost Auditor of the Company for the FY 2024-25 for conducting the cost audit at the same remuneration of ₹ 8 lakh as paid in previous year as remuneration in addition to reimbursement of applicable taxes, out-of-pocket expenses, travelling and other expenses payable to them.

The Company has filed the Cost Audit Report of 2022-23 on 22nd August 2023 in XBRL format.

14. 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 VIII 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 financial year ended 31st March 2024.

15. Business Responsibility and Sustainability Report

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').

As per the SEBI Circulars, effective from the financial year 2023-24, filing of BRSR is mandatory for the top 1,000 listed companies by market capitalisation. Accordingly, for the financial year ended 31st March 2024, Company has published BRSR, in the prescribed format is given as Annexure VII to this Report and is available on the Company's website in the link as provided in page no. 186 of this Annual Report.

16 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 Policy is disclosed on the Company's website in the link as provided in page no. 186 of this Annual Report.

17. 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 31st March 2024.

18. 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 financial year 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. 186 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.

Employee's 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 details of loans and guarantees under Section 186 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the financial year 2023-24 are given as Annexure VI to this Annual Report. On loans granted to the Employees, the Company has charged interest as per its policy, in compliance with Section 186 of the Act, 2013.

Reference to the details of investments made by the Company is available in the Notes on accounts

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:

a. issue of equity shares with differential rights as to dividend, voting or otherwise;

b. issue of shares (including sweat equity shares) to employees of the Company under any scheme;

c. pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016; and

d. instance of one-time settlement with any bank or financial institution.

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 external member who has an extensive experience in the field.

In the year 2023, 1 case of sexual harassment was reported, and enquiry is in progress.

During the year 2023-24, 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 also run for the employees to enhance awareness and knowledge.

19. 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 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

Prof. Sir Ralf Dieter Speth
Chairman
DIN: 03318908

Chennai
8th May 2024

Annexure - I

to Directors' Report to the Shareholders

Information pursuant to Section 134(3)(m) of the Companies Act, 2013

A CONSERVATION OF ENERGY

1. Measures taken in the year 2023-24:

i. Optimal utilisation of plant and equipment.

ii. Alternate source of power (Solar and Wind)

iii. Implementation of planned fixed load consumption reduction by energy efficient projects.

iv. Maximise Green power purchase from Indian Energy Exchange (IEX)

Above measures have resulted in an annual saving of ₹ 7 Cr.

2. Proposed measures during the year 2024-25:

i. Improve process plant utilization and equipment efficiency.

ii. Alternate fuel for process heating

iii. Implementation of Electronically Commutated fan and heat pumps.

iv. Green Power purchase from IEX

v. Implementation of other identified energy efficient projects.

Above measures are expected to yield an annual saving of ₹ 6.4 Cr. (Approx.)

3. Steps taken for utilizing alternate sources of energy - 2023-24:

The renewable power contributes to 93.1 % of overall power. In that, 70.5% of energy from Wind, 6.7% from Hydel, 5.7% from IEX green power and 10.2% of energy sourced from roof top solar power plant..

4. Capital investment in energy conservation equipment:

During 2023-24, the Company had focused on utilization improvement of process plants, implementation of energy efficient projects such as compressor heat recovery systems, Compressor air optimisation projects, conversion of pneumatic to electrical operation, Electronically Commutated fan etc. and reduction of fixed consumption as well as carbon footprint.

The Company is planning to invest around ₹ 8.1 crore during 2024-25 towards implementing heat pumps, alternate fuel conversion and implementation of planned energy efficient projects and process utilisation improvement projects

B Technology Absorption for 2023-24 & Future plan of action

The year 2023-24 stands out as a year of delivery of Next Generation products for the Company, that are embedded with cutting-edge technologies. Each product brought advanced features and technologies that give them a competitive edge as well as serves to deliver disruptive and differentiated value to our esteemed customers.

During the year 2023-24, 'TVS X' was launched which is an electric-native smart electric scooter born of the Company's vision of future. This product is designed and engineered with high performance capabilities, innovative & lean design, convenient charging and start of art connectivity. Several individual technology development projects were integrated to bundle into TVS X as a wholesome futuristic product for our customers.

Another key product TVS Apache RTR310 was launched during the year. The TVS Apache RTR 310 comes loaded with several world leading technology features in the areas of Intelligent assist, aerodynamically efficient design, state of art connectivity and climatic controlled seat. The intelligent assist is a bouquet of advanced features not offered in any other global product of its class, the features enhancing fun and joy of riding/providing assist/enhancing safety under various conditions of ride.

Product refreshes and upgrades were launched in TVS Jupiter and TVS Raider with advanced connectivity features. Specific new variants have been developed for international markets, enhancing the competitiveness of our offerings, and supporting growth in our market share.

Company launched a world-class SmartXonnect accessory for making any rider helmet a smart helmet. This technology driven accessory was aimed at enhancing the riding experience, safety and staying connected while on the ride.

Towards the continued journey of excellence, our R&D team stays focused on high value creation, globally competitive products, overall carbon footprint reduction, contributing to sustainability and enhancement of safety. With the in-house Electronics and software team growing in their capabilities, we aspire to continuously raise the bar of excellence around Electric mobility, Smart connected vehicles, product experience and safety.

C. DATA RELATING TO IMPORTED TECHNOLOGY

Technology imported during the last 3 years reckoned from the beginning of the financial year – NIL

Expenditure on Research & Development – ₹ 644.66 crore

D. FOREIGN EXCHANGE ACTUAL EARNINGS AND OUTGO

1. Export activities:

During the year, export of two-wheeler was 8.88 lakh units and three-wheeler was 1.25 lakh units. The Company continued export of components and subassemblies to its subsidiary in Indonesia.

2. Total foreign exchange earned and used:

	Rupees in Crore
Foreign exchange used	3,797.89
Foreign exchange earned	7,271.20

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

Chennai
8th May 2024

Annexure - IV

to Directors' Report to the shareholders

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Companies Act, 2013

1. Brief outline on CSR Policy of the Company:

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.

2. Composition of CSR Committee:

Sl. No.	Name of the Director (M/s.)	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Venu Srinivasan	Chairman	1	1
2.	R Gopalan*	Member	1	1
3.	T Kannan$	Member	1	1
4.	Sudarshan Venu#	Member	1	-
5.	Vijay Sankar@	Member	1	-

* Ceased as a Member effective 2nd March 2024;

$ Ceased as a Member effective 23rd May 2023;

Appointed as a Member effective 7th July 2023; and

@ Appointed as a Member effective 20th March 2024.

3.		Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.	www.tvsmotor.com Web-link is provided in page no. 186 of this Annual Report.
4.		Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable
5.	(a)	Average net profit of the company as per section 135(5) of the Companies Act, 2013	₹ 1,319.44 Cr
	(b)	Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013.	₹ 26.39 Cr
	(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(d)	Amount required to be set off for the financial year, if any	Nil
	(e)	Total CSR obligation for the financial year (5b+5c-5d).	₹ 26.39 Cr
6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 30 Cr
	(b)	Amount spent in Administrative Overheads	Nil
	(c)	Amount spent on Impact Assessment, if applicable	Not Applicable
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 30 Cr

(e) CSR amount spent or unspent for the Financial Year:

Total AmountSpent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act, 2013		Amount transferred to any fund specified underSchedule VII as per second proviso to section 135(5) of the Act, 2013		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
30.00 Cr	Not Applicable				

(f) Excess amount for set off, if any

Sl. No.	Particulars	(Amount in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	26.39 Cr
(ii)	Total amount spent for the financial year	30.00 Cr
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.61 Cr
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.61 Cr

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135: Not Applicable

For and on behalf of the Board of Directors

VENU SRINIVASAN

Chairman Emeritus & Managing Director
Chairman of the CSR Committee
DIN: 00051523

Chennai
8th May 2024

Annexure - V

to Directors' Report to the Shareholders

COMPARATIVE ANALYSIS OF REMUNERATION PAID TO DIRECTORS AND EMPLOYEES WITH THE COMPANY'S PERFORMANCE

1	Name of the Director (M/s.)	Designation	Ratio to Median Remuneration	% increase/Decrease in remuneration
	Prof. Sir Ralf Dieter Speth	Chaiman	-	-
	Venu Srinivasan	CE & MD	1:7	
	Sudarshan Venu	MD	1:312	8%
	K N Radhakrishnan	D & CEO	1:174	38%
	C R Dua	NE-ID	1:3	-
	Dr. Deepali Pant Joshi *(effective 11.09.2023)*	NE-ID	NA	-
	Kuok Meng Xiong	NE-ID	1:3	-
	Vijay Sankar *(effective 20.03.2024)*	NE-ID	NA	-
	Hemant Krishan Singh	NE-ID	1:3	-
	B Sriram	NE-ID	1:3	-
	Dr. Lakshmi Venu	NE-NID	NA	-
	K Gopala Desikan	CFO	NA	12%
	K S Srinivasan	CS	NA	7%
	CE & MD - Chairman Emeritus and Managing Director	MD - Managing Director		
	D&CEO - Director & Chief Executive Officer	CFO- Chief Financial officer CS - Company Secretary		
	NE-NID - Non Executive Non Independent Director	NE-ID - Non Executive Independent Director		
2	The percentage increase in the median remuneration of employees in the financial year		13%	
3	The number of permanent employees on the rolls of company;		5980	
4	a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2023-24		13%	
	b. Average percentile increase in the managerial remuneration in the financial year 2023-24		17%	
	There are no exceptional circumstances for increase in the managerial remuneration.			
5	Affirmation that the remuneration is as per the remuneration policy of the company.		Remuneration paid during the year 2023-24 is as per the Remuneration Policy of the Company	

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH
CHAIRMAN
DIN: 03318908

Chennai
8th May 2024

ANNEXURE - VI

to Directors' Report to the shareholders

DETAILS OF LOANS AND GUARANTEES UNDER SECTION 186 OF THE ACT 2013 FOR THE FINANCIAL YEAR 2023-24

S. No	Name of the body corporate	Nature of relationship	Purpose of loan/ acquisition/guarantee/ security	Amount of loan/ security/guarantee (₹ In Cr)	Purpose for which the loan/guarantee utilized by the recipient
1.	TVS Motor (Singapore) Pte Ltd.	Wholly owned Subsidiary	Guarantee	83.41	Business Purpose

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH
CHAIRMAN
DIN: 03318908

Chennai
8th May 2024

Annexure - VII

to Directors' Report to the shareholders

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING FOR FY 2023-24

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	L35921TN1992PLC022845	
2	Name of the Listed Entity	TVS Motor Company Limited	
3	Year of incorporation	10-06-1992	
4	Registered office address	"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006	
5	Corporate address	"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006	
6	E-mail	contactus@tvsmotor.com	
7	Telephone	044-28332115	
8	Website	www.tvsmotor.com	
9	Financial year for which reporting is being done	Start Date	End Date
	Financial Year	01-04-2023	31-03-2024
	Previous Financial Year	01-04-2022	31-03-2023
	Prior to Previous Financial Year	01-04-2021	31-03-2022
10	Name of the Stock Exchange(s) where shares are listed		
	1 BSE Limited, Mumbai		
	2 National Stock Exchange of India Limited, Mumbai		
11	Paid-up Capital	₹ 47,50,87,114	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report		
	Name of contact person	Thakur Pherwani	
	Contact number of contact person	+91 7418772111	
	Email Of Contact Person	thakur.pherwani@tvsmotor.com	
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken, together).	Standalone basis	
14	Name of assurance provider	Bureau Veritas India (Private) Limited	
15	Type of assurance obtained	Reasonable for BRSR CORE	

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the entity's Turnover)

S. No.	Description of main activity	Description of business activity	% of turnover
1	Manufacturing	Motor vehicles, trailers, semi trailers and other Transport Vehicles	99

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Motorcycle, Scooters, Mopeds	30911	83
2	Three-wheelers	30912	6
3	Parts & Accessories	30913	10

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated[1]:

Location	Number of plants	Number of offices	Total
National	3	3	6
International	-	3	3

Note:

1. The three plants include our production sites in Hosur, Mysuru, and Nalagarh, as well as offices that serve as part of our corporate headquarters in Chennai the other two includes training centre and test tracking.

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	22
International (No. of Countries)	91

b. What is the contribution of exports as a percentage of the total turnover of the entity?

24% of the total turnover of the Company is contributed through exports.

c. A brief on types of customers

TVS Motor Company Limited (TVSM), is the third largest two-wheeler manufacturer by market capitalisation, excels in creating diverse mobility solutions. The Company offers an extensive range of mobility solutions from mopeds, bikes, petrol & electric scooters to premium & super premium motorcycles, impacting the lives of customers who are of legal riding age globally. As a rapidly growing Indian OEM, the Company has a presence in over 80 countries, showcasing our global reach.

The Company's strength lies in innovative research and development, leading to high success rates in launching new-age products. TVSM has developed a proprietary connected solution, enhancing vehicle telemetry and connectivity, tailored to various customer needs. Whether it's the thrill of the track, practicality for daily commutes, or sophistication for urban life, TVSM vehicles touch the lives of varied audiences, embodying innovation, and customer-centricity at every turn.

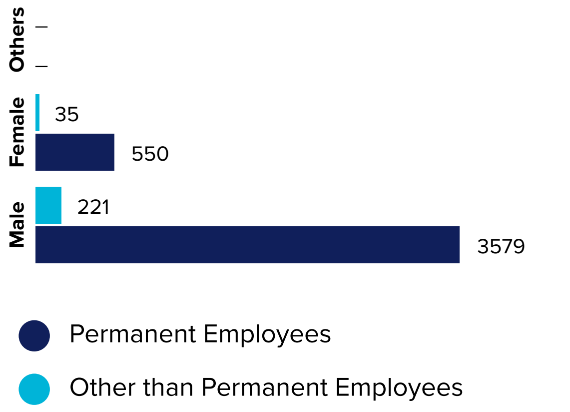
IV. EMPLOYEES

20. Details as at the end of Financial Year:

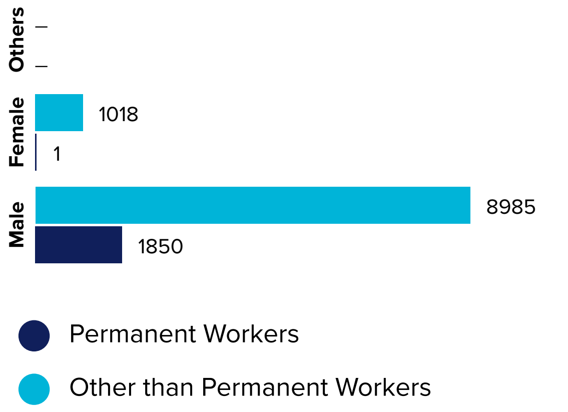
a. Employees and Workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
EMPLOYEES								
1.	Permanent (D)	4129	3579	86.68	550	13.32	0	0.00
2.	Other than Permanent (E)	256	221	86.33	35	13.67	0	0.00
3.	Total employees (D + E)	4385	3800	86.65	585	13.35	0	0.00
WORKERS								
4.	Permanent (F)	1851	1850	99.94	1	0.06	0	0.00
5.	Other than Permanent (G)	10003	8985	89.82	1018	10.18	0	0.00
6.	Total workers (F + G)	11854	10835	91.40	1019	8.60	0	0.00

Details of Employees



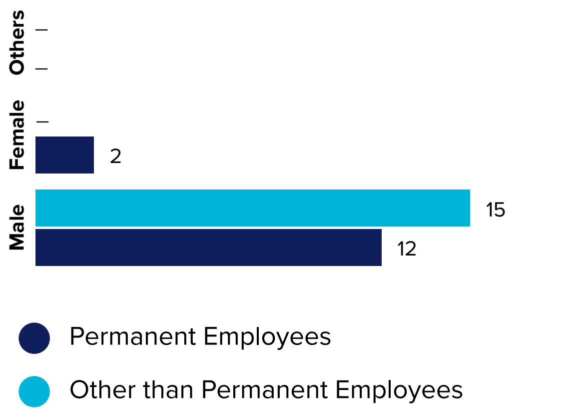
Details of Workers



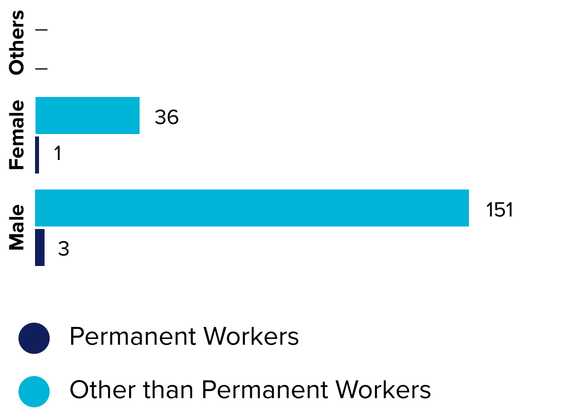
b. **Differently abled Employees and workers:**

S. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
DIFFERENTLY ABLED EMPLOYEES								
1.	Permanent (D)	14	12	85.71	2	14.29	0	0.00
2.	Other than Permanent (E)	15	15	100.00	0	0	0	0.00
3.	Total differently abled employees (D + E)	29	27	93.10	2	6.90	0	0.00
DIFFERENTLY ABLED WORKERS								
4.	Permanent (F)	4	3	75.00	1	25.00	0	0.00
5.	Other than Permanent (G)	187	151	80.75	36	19.25	0	0.00
6.	Total differently abled workers (F + G)	191	154	80.63	37	19.37	0	0.00

Differently Abled Employee Breakup



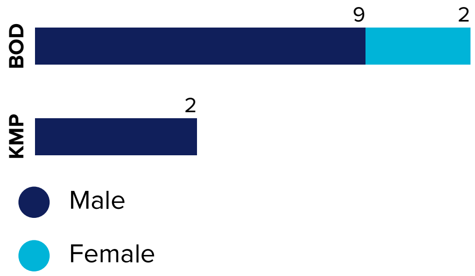
Differently Abled Workers Breakup



21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	11	2	18.18
Key Management Personnel	2	0	0.00

Representation of Women



22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY) [values in %]				FY 2022-23 (Turnover rate in previous FY) [values in %]				FY 2021-22 (Turnover rate in the year prior to the previous FY) [values in %]			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees	8.74	5.19	0.00	8.26	11.29	11.08	0.00	11.26	11.71	9.70	0.00	11.48
Permanent Workers	2.58	0.00	0.00	2.58	2.76	0.00	0.00	2.76	2.65	0.00	0.00	2.65

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S.No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	TVS Holdings Limited (formerly known as Sundaram- Clayton Limited)	Holding	50.26	No
2	Sundaram Auto Components Limited	Subsidiary	100	No
3	TVS Digital Limited (formerly known as TVS Housing Limited)	Subsidiary	100	No
4	TVS Motor Services Limited	Subsidiary	100	No
5	TVS Electric Mobility Limited	Subsidiary	100	No
6	TVS Credit Services Limited	Subsidiary	80.53	No
7	TVS Motor Company (Europe) B.V.	Subsidiary	100	No
8	TVS Motor (Singapore) Pte Limited	Subsidiary	100	No
9	PT TVS Motor Company Indonesia	Subsidiary	51.20	No
10	Harita ARC Private Limited	Subsidiary	0	No
11	TVS Housing Finance Private Limited	Subsidiary	0	No
12	Harita Two-wheeler Mall Private Limited	Subsidiary	0	No
13	The Norton Motorcycle Co Limited, UK	Subsidiary	0	No
14	TVS Digital Pte Limited, Singapore	Subsidiary	0	No
15	The GO Corporation, Switzerland	Subsidiary	0	No
16	Swiss E-mobility Group (Holding) AG, Switzerland	Subsidiary	0	No
17	EBCO Limited, UK	Subsidiary	0	No
18	Celerity Motor GmbH, Germany	Subsidiary	0	No
19	EGO Movement, Stuttgart GmbH, Germany	Subsidiary	0	No
20	Swiss E-mobility Group (Schweiz), AG, Switzerland	Subsidiary	0	No
21	Colag E-mobility GmbH, Germany	Subsidiary	0	No
22	Alexand'RoEdouard'O Passion VeloSarl, Switzerland	Subsidiary	0	No

S.No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
23	Ultraviolette Automotive Private Limited	Associate	30.83	No
24	DriveX Mobility Private Limited	Associate	48.27	No
25	Indian Foundation for Quality Management	Associate	28.57	No
26	Killwatt GmbH, Germany	Associate	0	No
27	ION Mobility Pte. Ltd.	Associate	0	No
28	Predictronics Corp, USA	Associate	0	No
29	Tagbox Pte Ltd., Singapore	Associate	0	No
30	Altizon Inc, USA	Associate	0	No
31	Scienaptic Systems Inc., USA	Associate	0	No

24. CSR Details

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover 2023-24	₹ 31,776.37 Cr
Net worth 2023-24	₹ 7725.95 Cr

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	if yes, then provide web-link for grievance redress policy*	FY 2023-24			FY 2022-23			If NA, then provide the reason
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	
Communities	Yes		0	0	Nil	0	0	Nil	-
Investors (other than shareholders)	Yes		0	0	Nil	0	0	Nil	-
Shareholders	Yes		6	0	Closed	5	0	Resolved	-
Employees and workers	Yes		273	16	Pending concerns are in progress and will be closed	294	5	Resolution is under Progress	-
Customers	Yes		57871	107	Pending concerns are in progress and will be closed	47228	849	Pending Complaints Resolved in 2023-24	-
Value Chain Partners	Yes		90	12	Pending concerns are in progress and will be closed	203	19	Pending Complaints Resolved in 2023-24	-

*The Company has established a framework for addressing specific grievances for all its stakeholders. Code of Business Conduct and Ethics, Whistle Blower Mechanism, Supplier Sustainability Code of Conduct and Human Rights Policy provides sufficient guidance for reporting and resolving grievances. Web-links to such policies are available on the Company's website as provided in Page No. 186 of this Annual Report.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water	R	**Unpredictable Rainfall:** Changing weather patterns, including phenomena like El Nino, can lead to unreliable rainfall patterns, impacting water supplies. - **Groundwater Depletion:** Overexploitation of groundwater resources is causing the water table to recede, making access to freshwater increasingly difficult. - **Stricter Regulations:** Evolving regulations around water usage might impose limitations on TVSM's water consumption, potentially impacting production processes.	- **Business Continuity Risk:** Water shortages can disrupt operations, leading to production downtime and reduced overall productivity. - **Community Relations Challenge:** Water is a shared resource, and competition for limited supplies can lead to tensions with local communities. - **Operational Constraints:** Stricter regulations on groundwater extraction could significantly limit TVSM's access to water, impacting core operations. - **Increased Reliance on External Sources:** TVSM's might need to rely more heavily on third-party water suppliers, potentially at higher costs and with less control over availability.	Negative Implications
2	Waste & Recycling	R	**Addressing Manufacturing Waste Challenges:** - Growing Waste Volume: The increasing amount of waste generated by our production processes creates logistical and environmental hurdles. - **Inefficient Recycling:** Current recycling practices by our partners are inadequate, leading to wasted resources and potential environmental harm. - **Stricter EPR Regulations:** Evolving Extended Producer Responsibility (EPR) requirements pose new challenges for responsible waste management. - **Co-processing Challenges:** Identifying suitable partners for co-processing hazardous waste remains an ongoing task. - **Landfill Reliance:** The current system diverts a significant portion of waste to landfills, which is an unsustainable solution. - **Policy and Guidance Gaps:** The lack of a robust legal framework and practical guidelines hinders efforts to improve material recovery rates and minimise greenhouse gas emissions.	- **Financial impact:** The anticipated high cost of meeting Extended Producer Responsibility (EPR) requirements for batteries and other regulated waste streams could significantly impact on our budget. - **Compliance risk:** Failure to comply with EPR regulations can lead to hefty environmental compensation charges. This, along with potential reputational damage, could negatively impact TVSM's brand image.	Negative Implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Living Wages	R	**The national minimum wage, unchanged since 2017:** enforcement is not consistent across, which has led to unfair variations in worker pay. - **Aligning with Global Standards:** The government is proposing a new definition of wages that adheres to international labour standards set by the International Labour Organization (ILO). - **Living Wage Focus:** The new approach will consider a "living wage" that considers both national income and the ability of industries to pay.	- Implementing living wage increases will directly impact on production costs due to higher employee salaries. - A possibility that some suppliers, particularly small and medium-sized enterprises (SMEs), may struggle to comply with the wage hike which can lead to disruptions in the supply chain. - Suppliers might raise their prices for components or services to offset their own increased labor costs. This could further inflate overall production expenses	Negative Implications
4	Occupational Health & Safety and Road Safety	R	**Manufacturing:** - Improper storage of battery cells within production facilities posing fire hazards. Infrastructure: - **Fire incidents within the paint shop. Logistics**: - Road accidents involving employees and logistic partners. **Compliance:** - Partial non-adherence to TVSM's safety standards by contractors.	**Financial Impact:** - Property damage from accidents or incidents. Disruptions in operations leading to production downtime and lost revenue. - Increased insurance costs due to higher risk profile. **Human Cost:** - Potential increase in employee and workers injuries or casualties	Negative Implications
5	Alternative Fuel Technology	R	**Govt. Policies:** The Ministry of Petroleum and Natural Gas has notified National Policy on Biofuels (2018) and series of notification in connection to this policy. Under this policy, Ethanol Blended Petrol Program was launched. The Ministry of Petroleum and Natural Gas has notified the roadmap of Ethanol Blending. By 2025, there will be dispense of min. E20 across the country and there will be availability of flex fuel at select locations. **Technology Challenges:** The calorific value of the ethanol is lower than that of gasoline. Also, the ethanol is aggressive when compared to gasoline.	TVSM's is aligned with the roadmap introduced by the MoPNG. All the ICE products manufactured in FY24 are E20 material compliant. TVSM showcased Raider 125 with Flex Fuel Technology at the Bharat Mobility 2024, New Delhi. This vehicle can run on any blend of fuel from E20 to E85 petrol. TVSM has carried out series of testing and tuned the vehicles to incorporate the changes in the properties of the fuel used in the vehicles. Few parts were also developed to meet the material compatibility of the E20 as well as Flex fuel vehicle. TVS has collaborated external agencies like ARAI, IOCL and other academic institutes to develop alternate fuel based vehicles	Negative Implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Electric Vehicle	R	**Govt. Policies:** India is a signatory to Paris Agreement and India has committed to be carbon neutral by 2070. India is dependent on import of crude oil. GoI has notified CAFE norms to curb the emissions from the automotive sector. **Investment:** EV requires huge CAPEX investments, R&D, testing and manufacturing requirements. **Supply chain:** Requires development of new supply chain as existing suppliers may be equipped with the components used for ICE products. **Customer acceptance:** Due to lack of charging infrastructure, longer charging time and lower range, the acceptance and adoption are influenced.	1. Govt. is providing incentives to the OEMs (PLI schemes) as well as to the customers (FAME subsidies), to lower the investment cost and cost of the vehicle to the customer. 2. Supply chain: TVSM has adopted to the EV and identified and developed the suppliers accordingly to manufacture the EVs smoothly. 3. Customer acceptance: TVSM has tied up Tata power and Jio-BP to create charging infrastructure using renewable energy. TVSM has introduced fast charger option with the EVs which takes shorter time for the charging the vehicle. Further, TVSM has also introduces iQube ST with higher range addressing the low range anxiety of the customers.	Negative Implications
7	Climate Change impacts of products	R	There are increasing number of regulations across geographies in relation to emissions and fuel use/efficiency. Evolving stringent standards require suitable modifications in design and production process, potentially impacting margins. Climate change also impacts availability of resources such as water.	TVSM has been proactively working towards making our products more fuel and resource efficient. The company has also introduced (and continues to expand) a rage of EV options.	Negative Implications
8	Climate Change impacts of products	O	Shifting consumer preferences towards more eco-friendly vehicles creates an opportunity for our products. Products such as EVs are also (currently) being supported by government subsidies.	Revenue from new eco-friendly products, access to incentives such as subsidies and improved operational efficiency.	Positive Implications
9	Energy & emissions Management (in operations)	R	TVSM has proactively acted upon and reduced our direct energy consumption and resultant emissions. However, automobile manufacturing is resource intensive, and the Company relies on a multitude of suppliers for component parts and raw materials, resulting in substantial indirect energy consumption and emissions, over which the Company has limited control. There is also a trend of increasing regulations that require management and reporting of indirect emissions (and other impacts).	The Company's operations have significantly reduced fuel consumption and increase renewable energy consumption. TVSM has initiated programs aimed at managing indirect emissions and building supplier capacity.	Negative Implications
10	Resource Management	R	The scarcity and fluctuating price dynamics of raw materials can impact production schedules and profit margins.	TVSM enters into long-term supply contracts, progressively uses more sustainable materials and implements recycling programs	Negative Implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Human rights	O	Respecting human rights along our value chain can promote a positive organizational culture and strengthen brand loyalty amongst consumers and employees alike.	Regular review and site audit mechanism	Positive Implications
12	Diversity & inclusion	O	Cultivating a diverse workforce strengthens decision-making processes and broadens market reach to cater to a wider array of customer needs	Regular Employee Survey, New Initiatives promoting diversity and measuring employee satisfaction score	Positive Implications
13	Skill enhancement (learning & talent management)	O	Investment in employee development can lead to a more competent and motivated workforce, driving productivity and offering competitive advantages.		Positive Implications
14	Community Welfare	O	A commitment to enhancing community welfare can cement a company's reputation as a responsible business, leading to smoother operations		Positive Implications
15	Governance	O	Demonstrating a strong governance framework can attract investments and improve the company's standing in the marketplace		Positive Implications
16	Supply Chain Management	R	Supply chain disruptions can severely impact operations.	TVSM has established strong relationships with suppliers and has also undertaken focused programs on supply chain diversification, localization and optimization.	Negative Implications
17	Market/Product Competition	R	A failure to stay innovative and competitive can lead to a decline in market share and profits, as well as a loss of relevance in the sector.	Investment in research and development; monitoring market trends and customer preferences	Negative Implications
18	Market/Product Competition	O	Innovative and efficient products can also help the company differentiate itself and capture newer markets/opportunities.		Positive Implications
19	Customer Satisfaction	O	High levels of customer satisfaction can result in loyal customers, increased sales through referrals, and an enhanced corporate reputation		Positive Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

THIS SECTION IS AIMED AT HELPING BUSINESSES DEMONSTRATE THE STRUCTURES, POLICIES AND PROCESSES PUT IN PLACE TOWARDS ADOPTING THE NGRBC PRINCIPLES AND CORE ELEMENTS.

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Question		Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Has the policy been approved by the Board? (Yes/No)	Web Link of the Policies, if available
Policy and management processes				
P1	Ethics & Transparency	Yes	Yes	https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Whistle-Blower-Policy-Apr2020.pdf https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf
P2	Product Responsibility	Yes	Yes	https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf
P3	Human Resources	Yes	Yes	Various policies for well being of the employee are published on the intranet.
P4	Responsiveness to Stakeholders	Yes	Yes	Refer to the Policy on Prevention of Sexual Harassment
P5	Respect for Human Rights	Yes	Yes	Policies on the human rights, safety are published on the intranet
P6	Efforts to restore the Environment	Yes	Yes	Refer to the Environment, Occupational Health and Safety Policy on the Company's website
P7	Public Policy Advocacy	Yes	Yes	Refer web-link provided under essential indicators of this principle
P8	Inclusive Growth	Yes	Yes	https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Corporate-Social-Responsibility-Policy-Apr2020.pdf
P9	Customer Engagement	Yes	Yes	https://www.tvsmotor.com/privacy-policy
Yes, the ESG Policy, which is an overarching policy of the Company contains the guiding principles of the Company. The ESG Policy covers all the aforesaid 9 Principles				

Disclosure Question		Whether the entity has translated the policy into procedures. (Yes/No)	Do the enlisted policies extend to your value chain partners? (Yes/No)	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.
Policy and management processes				
P1	Ethics & Transparency	Yes, the Company has translated the policies as applicable into procedures and practices in all spheres of activities that the Company does. Ex.- To ensure adherence to the Company's Code of Business Conduct & Ethics Committee has been constituted to investigate the violations. Further, the Company has well defined SOPs to handle the stakeholders' grievances	Yes, TVSM, a leading mobility solution provider believe that the supplier partners play a pivotal role in realizing the Company's vision 'To enhance the quality of life worldwide by delivering mobility solutions that are safe, sustainable & responsible. Aligned with the foundational principles, vision, and values of TVSM, Supplier Sustainability Code of Conduct ("Code") outlines the fundamental expectations for companies with whom the Company collaborate, emphasizing environmental, social, and governance considerations. By aligning to the standards of SDG's, Science Based Target (SBTi) & United National Global Compact, TVSM highlights its commitment to sustainable growth and positive societal impact.	TVSM's Code of Business Conduct & Ethics of the Company, which forms the pillar of the Company is based on ISO 11469; AIS 129, 156: EC 1907/2006; CMV Rules, ISO 45001 & SA 8000, ISO 14001 including Integrated Management System- ISO14001:2015 & ISO45001:2018
P2	Product Responsibility			
P3	Human Resources			
P4	Responsiveness to Stakeholders			
P5	Respect for Human Rights			
P6	Efforts to restore the Environment			
P7	Public Policy Advocacy			
P8	Inclusive Growth			
P9	Customer Engagement			

Disclosure Question		Specific commitments, goals and targets set by the entity with defined timelines, if any.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.
Policy and management processes			
P1	Ethics & Transparency	TVSM highlights its commitment to sustainability and environmental responsibility. The Company has taken initiative around use of renewable energy, green cover conservation, rainwater harvesting, carbon emission reduction, water intensity, and waste recycling. TVSM also emphasizes its social responsibility efforts through the Srinivasan Services Trust (SST), which empowers women and uplifts communities.	Performance on specific parameters is as under: 93% of our Energy requirements are met through renewable energy resource 43% Green Cover having Home for 972+ Fauna & 932+ Flora species. 230% giving back through rainwater conservation to become water positive. 100% Hazardous waste co-processed 1.6 million beneficiaries' impact under CSR through SST
P2	Product Responsibility		
P3	Human Resources		
P4	Responsiveness to Stakeholders		
P5	Respect for Human Rights		
P6	Efforts to restore the Environment		
P7	Public Policy Advocacy		
P8	Inclusive Growth		
P9	Customer Engagement		

Governance, leadership, and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	TVS Motors recognizes the importance of Environmental, Social, and Governance (ESG) principles for all its stakeholders. This commitment isn't just limited to their internal operations; it extends to their customers, the communities they operate in, their employees, suppliers, and dealer network. Through a comprehensive analysis, TVS Motors has identified its most critical ESG issues. They've then established a clear roadmap with measurable targets aligned with the United Nations Sustainable Development Goals (UNSDGs). These goals are not only ambitious but also meticulously crafted to adhere to both national and international ESG frameworks and guidelines. This ensures that TVS Motors' ESG efforts are impactful, responsible, and aligned with globally recognized sustainability standards.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	At the highest level, the Board of Directors of your Company, led by the Chairman Emeritus and Managing Director, has the primary role to protect and assess the Business Responsibility (BR) performance of your Company.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No).	Yes
If yes, provide details.	Chairman, Chairman Emeritus & Managing Director, Managing Director and Director & Chief Executive Officer

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action and Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee	Committee of the Board								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances and Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee	Committee of the Board								
Subject for Review	**Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)**								
Performance against above policies and follow up action Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)	Annually								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, Bureau Veritas India (Private) Limited								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	No	No	No	No	No	No	No	No	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No	No	No	No	No	No	No	No	No
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No	No	No	No	No	No	No	No	No
It is planned to be done in the next financial year (Yes/No)	No	No	No	No	No	No	No	No	No
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	6	P1, P2, P6	100.00
Key Managerial Personnel	6	P1, P2, P6	100.00
Employees other than BoD and KMPs	167	Covering All principles	100.00
Workers	62	Covering All principles	100.00

2. Details of fines/penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

In terms of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015, no fines/penalties /punishment/ award/ compounding fees/ settlement amount is paid in proceedings by the entity or by directors/KMPs with regulators/ law enforcement agencies/ judicial institutions, during the financial year.

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy?

Yes

If yes, provide details in brief.

TVSM sets a high bar for ethical conduct. Our Code of Conduct unequivocally forbids bribery and corruption, underscoring our unwavering commitment to integrity in all business dealings.

if available, provide a web-link to the policy.

https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL

8. Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	50	49

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY 2023-24	FY 2022-23
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	0	0
	b.	Number of trading houses where purchases are made from	0	0
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a.	Sales to dealers/distributors as % of total sales	100%	100%
	b.	Number of dealers/distributors to whom sales are made	1084	1056
	c.	Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors	4.9%	4.9%
Share of RPTs in	a.	Purchases* (Purchases with related parties/Total Purchases)	9616.4	8611.8
	b.	Sales* (Sales to related parties/Total Sales)	8448.9	8418.4
	c.	Loans & advances (Loans & advances given to related parties/Total loans & advances)	0	0
	d.	Investments* (Investments in related parties/Total Investments made)	13593.4	11037.2

* All units above are in crore.

LEADERSHIP INDICATORS

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

Sr.no	Total number of awareness programs held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
1	25	P2, P3, P6	47%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)

Yes

If yes, provide details of the same.

The Company has in place a 'Policy on Related Party Transactions', conformance with the Company's Code of Conduct for Business and Ethics which provides that all Directors and Senior Management Personnel are required to disclose all potential or actual conflict of interest, which may be against the interest of the Company and take actions to eliminate such conflict, if so required.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. Percentage of R&D spent on revenue expenditure and capital expenditure (capex investments in specific technologies) to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
Revex	423.27*	384.59	TVSM is continuously working on improving the environmental and social impacts from the products. In the previous year, TVSM has worked in the following area. • Flex fuel Technology – Developed and showcased Flex Fuel Technology • E20 – All the IC Engine products are E20 (Ethanol blended fuel) material compliant. • OBD II – Investments have been done on the improvement in the tail pipe emissions in line with the regulatory norms. • CNG – Company has invested in CNG products (3W) • Electric Vehicle – The Company has launched TVS X, a smart electric scooter. • Creation of sustainable charging infrastructure – TVSM has tied up with Tata power and Jio BP for charging infrastructure for the EV segment. • IMDS – Company has invested in identifying, tracking, and quantifying the hazardous substances, in line with the national & international regulations using IMDS tool
Capex	221.39	110.03	Capex investments are made accordingly as mentioned in the above projects/ areas.

* All units above are in crore.

* (1.33 % of revenue is spent on FY 23-24 R&D)

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, TVSM, is committed to providing mobility solutions and upholding sustainability principles, has taken the initiative and expects its supply chain partners to comply with the requirements defined in the "Sustainable Procurement Policy" and encourages them to adopt best practices to reduce their environment and social footprint.

The policy aims to foster collaboration with TVSM's supply chain partners. This collaborative approach aims to achieve two key objectives:

- Enhance supply chain sustainability: By working together, TVSM and its suppliers can identify and implement practices that minimize the environmental and social impact of their combined activities.
- Minimize adverse environmental impacts: The policy seeks to reduce the negative environmental footprint associated with TVSM's operations throughout the supply chain.

TVSM's commitment to ESG principles is evident in this initiative. The policy encourages suppliers to adopt best practices that align with Environmental, Social, and Governance (ESG) considerations. This reflects TVSM's broader role as a responsible corporate entity.

By working collaboratively with its suppliers, TVSM strives to create a mutually beneficial relationship. This partnership aims to generate value across the entire value chain, potentially leading to improvements in social, environmental, and economic performance for all stakeholders involved.

b. If yes, what percentage of inputs were sourced sustainably?

In terms of the "Sustainable Procurement Policy" of the Company, the Company is committed to handhold its value chain partners to implement relevant policies and processes to enhance their sustainability performance.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)

- Recyclability symbol marking on the plastic parts (more than 100g component) for easy identification during recycling.
- The packaging plastic materials are managed as per Extended Producer Responsibility requirements.

(b) Battery Recycling Practices

Lithium-Ion Batteries (Electric Vehicles):

- TVSM is registered on the Central Pollution Control Board (CPCB) portal as a producer for lithium-ion batteries used in electric vehicles.
- Upon reaching their end-of-life (EOL), these batteries are collected from customers through our network of dealers and service centers.
- Collected EOL batteries are sent to authorized CPCB-registered recyclers for environmentally friendly disposal, adhering to Extended Producer Responsibility (EPR) regulations. Battery Waste Management Rules, 2022.

Lead-Acid Batteries:

- Lead-acid batteries used in TVSM products comply with recycling symbol marking requirements.
- At EOL, these batteries are channelled to recyclers through our dealer and partner network, following the EPR guidelines established by the respective battery manufacturers.

(c) Hazardous waste

- Used Oil: Oil waste generated during vehicle servicing at stations is safely collected and sold to authorized oil recyclers. TVSM has implemented a framework for Extended Producer Responsibility (EPR) Hazardous and Other Waste (Management and Transboundary Movement) Second Amendment Rules, 2023 ('Amendment') in accordance with relevant regulations.
- Used Tires: Company's domestic tire supplier-manufacturers, registered on the CPCB portal, collect used tires following EPR regulations. These tires are processed in an environmentally friendly manner to create products like reclaimed rubber, crumb rubber, carbon black, and pyrolysis oil.
- Hazardous Chemicals in Products: TVSM restricts the use of hazardous chemicals in product components. An internal standard has been established that considers various national and international regulations on hazardous substances.
- Chemical Monitoring and Tracking: TVSM utilizes the International Material Data System (IMDS) to monitor, track, and quantify the chemicals used in products. This industry-standard tool facilitates compliance with regulations.

(d) Other waste

Product Design for Circularity

- Recyclability and Recoverability: Products are designed to maximize recyclability and recoverability at end-of-life, promoting resource efficiency. Achieved targets includes:
  - Reusability & Recyclability Rate: 85-90%
  - Reusability & Recoverability Rate: 90-95%
- Circular Economy Approach: High recyclability rates contribute to a circular economy where materials are recovered and reused in new products.
- End-of-Life Management: The Company is developing a framework for:
  - Collection of End-of-Life Products
  - Dismantling Products
  - Reclaiming Recyclable Materials
  - Reusing Recovered Materials in New Components

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).

Yes

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Demonstrating our commitment to environmental responsibility, the Company fulfilled its our ERP requirements. During FY 24, 935 metric tons of single-use plastic waste were collected, thereby meeting the target set by the Plastic Waste Management Rules, 2016. The same was reported to the CPCB as per our role as a Brand Owner.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Life Cycle Assessments (LCAs) have been conducted for Apache RTR 310 (launched in FY24) and six other products in previous fiscal years.

If yes, provide details in the following format:

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	If yes, provide the web-link.
29	Apache RTR 310	Revenue yet To be realised	Cradle to Grave	No	NA	NA

Life Cycle Assessments (LCAs) are conducted in-house using GaBi software and the Ecoinvent database. The resulting data undergoes periodic evaluation to identify areas for improvement, and corresponding actions are implemented across product models to minimize environmental impact.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/ Service	Description of the risk/ concern	Action Taken
Apache RTR 310, iQube, NTorq, Jupiter 125, Raider, Ronin	Complying with the international regulations for the hazardous substances	IMDS has been implemented to track, monitor, and quantify the use of substances. This enables to comply with the regulatory requirements.
All Products	Depletion of fossil fuel	All ICE products are material compliant for E20 (Ethanol 20% + Gasoline 80%). The ethanol in India is produced from the bio-based sources, which is renewable and carbon-neutral. All ICE products are pasted with E20 Sticker, to inform the customers about the use of fuel in the vehicles
TVS X	Depletion of crude oil/ increased air pollution at urban areas	TVS X is an electric vehicle that was launched in FY2024, which runs on the electricity.
Raider 125 - Flex fuel	Depletion of fossil fuel	TVSM has showcased the Raider 125 motorcycle equipped with Flex-Fuel Technology (FFT). This technology allows the Raider 125 to operate on a blend of ethanol and gasoline, ranging from E20 (20% ethanol) to E85 (85% ethanol). The introduction of the Flex-Fuel Raider 125 aligns with the Government of India's Ethanol Blending Program, led by the Ministry of Petroleum and Natural Gas. This program aims to achieve several potential benefits: • Increased Energy Security: By promoting biofuels like ethanol, India could lessen its reliance on imported oil, potentially strengthening its energy independence. • Reduced Emissions: Ethanol generally burns cleaner than gasoline, potentially leading to lower emissions and improved air quality. • Job Creation: Increased ethanol production could stimulate the biofuel sector, potentially creating new employment opportunities.
All IC Engine Products	Tailpipe emissions	All the products comply with the OBD IIA regulatory requirements
3W	Climate change	The Company is continuously working on the improvement of CNG based vehicles. TVSM launched King Duramax Plus (CNG variant) in FY2024.

Through continuous efforts, the Company is constantly working on improving fuel efficiency (fuel conservation), lightweighting (resource conservation) and reducing the tailpipe emissions. These actions contribute to reduce the emissions during various stages of product life cycle.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

11-13% of recycled or reused input material is used to the total material (by value) in production

	FY 2023-24	FY 2022-23
Indicate input to total material	12%	10%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)		935			494	
E-waste		NA			NA	
Hazardous waste		NA			NA	

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Reclaimed product and their packaging material under EPR which is collected with the help of M/s Rapidue Technologies Private Ltd.

Indicate Input Material	Recycled or re-used input material to total material FY 23-24
Category 2: Flexible plastic packaging (Single layer or Multilayer having more than one layer with different types of plastic)	924 MT
Category 3: Multilayered plastic packaging (at least one layer of plastic and at least one layer of material other than plastic)	11 MT

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	3579	3579	100.00	3579	100.00	0	0.00	3579	100.00	3579	100.00
Female	550	550	100.00	550	100.00	550	100.00	0	0.00	550	100.00
Total	4129	4129	100.00	4129	100.00	550	13.32	3579	86.68	4129	100.00
Other than Permanent employees											
Male	221	221	100.00	221	100.00	0	0.00	221	100.00	221	100.00
Female	35	35	100.00	35	100.00	35	100.00	0	0.00	35	100.00
Total	256	256	100.00	256	100.00	35	13.67	221	86.33	256	100.00

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1850	1850	100.00	1850	100.00	0	0.00	1850	100.00	1850	100.00
Female	1	1	100.00	1	100.00	1	100.00	0	0.00	1	100.00
Total	1851	1851	100.00	1851	100.00	1	0.05	1850	99.95	1851	100.00
Other than Permanent workers											
Male	8985	8985	100.00	8985	100.00	0	0.00	8985	100.00	8985	100.00
Female	1018	1018	100.00	1018	100.00	1018	100.00	0	0.00	1018	100.00
Total	10003	10003	100.00	10003	100.00	1018	100.00	8985	100.00	10003	100.00

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY 2023-24	FY 2022-23
c. Cost incurred on well- being measures as a % of total revenue of the company	0.44%	0.39%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
Employees' State Insurance Benefits (ESI)	2%	100	Yes	3%	100	Yes

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Recognizing the diverse nature of the automotive industry workforce, TVSM champions inclusion through a dedicated set of practices and initiatives for Persons with Disabilities (PwD). This commitment is driven from the top, with senior leadership actively promoting Diversity and Inclusion (D&I) efforts. TVSM focuses on several key areas to create a more inclusive work environment for PwD:

- Accessible Infrastructure: All common areas across TVSM facilities are wheelchair-friendly, ensuring ease of movement for employees.
- Strategic Hiring: The Company establishes hiring partnerships to create opportunities for PwD candidates.
- Role Mapping: Roles are mapped to identify suitable opportunities for PwD applicants based on their skills and qualifications.
- Continuous Learning: Leaders, managers, and teams undergo ongoing sensitization training to foster a more inclusive workplace culture for PwD colleagues.
- Communication Accessibility: Pioneering initiatives like Sign Language Training and technology-enabled translation tools bridge communication gaps.
- Support Services: TVSM provides assistive devices, modified washrooms & toilets, and reasonable accommodations to empower PwD employees.
- Career Development: The Company supports the career progression of PwD employees by offering equal opportunities for growth and advancement.
- Recognition and Achievements: TVSM acknowledges and celebrates the achievements of its PwD workforce.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, policies as per Rights of Persons with Disabilities Act, 2016 are published on the intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	95.16%	98.40%	100%	100%
Female	76.92%	100%	0.00%	0.00%
Total	**93.97%**	**98.56%**	**100%**	**100%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?

Yes

If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)	Remark
Permanent Workers	Yes	TVSM has various Committees within the plants that include representation from both management and worker representatives to address and manage grievances, such as the POSH Committee, the Ethics Committee, and so on. Depending on the nature and severity of the issue, the committee will escalate a grievance to the appropriate level of authority, such as the HOD, ER Head, or Plant HR Head, if it remains unresolved. The Company's whistleblower policy provides a formal platform for sharing grievances on a variety of topics. The employee induction program also sensitizes new recruits to the various mechanisms.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	Company has various redressal mechanisms in place for addressing grievances. Policies such as prevention, prohibition, and redressal of sexual harassment of women at the workplace have a POSH Internal Committee (PIC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy on the same is placed on the Company's website. Members of the Company's PIC are responsible for conducting inquiries pertaining to such complaints. The Company, on a regular basis sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programs which are held on a regular basis. The Company also has an Ethics committee to deal with Code of Business Conduct & Ethics violation incidents.
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	4129	0	0.00	3559	0	0.00
- Male	3579	0	0.00	3134	0	0.00
- Female	550	0	0.00	425	0	0.00
- Others	0	0	0.00	0	0	0.00
Total Permanent Workers	1851	1851	100.00	1897	1897	100.00
- Male	1850	1850	100.00	1896	1896	100.00
- Female	1	1	100.00	1	1	100.00
- Others	0	0	0.00	0	0	0.00

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	3579	3579	100.00	3579	100.00	3321	3321	100.00	3321	100.00
Female	550	550	100.00	550	100.00	452	452	100.00	452	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	4129	4129	100.00	4129	100.00	3773	3773	100.00	3773	100.00
Workers										
Male	1850	1847	99.84	1847	99.84	1896	1896	100.00	1896	100.00
Female	1	1	100.00	1	100.00	1	1	100.00	1	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	1851	1848	99.84	1848	99.84	1897	1897	100.00	1897	100.00

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24[2]			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	3579	3579	100.00	3134	3134	100.00
Female	550	550	100.00	425	425	100.00
Others	0	0	0.00	0	0	0.00
Total	4129	4129	100.00	3559	3559	100.00
Workers						
Male	1850	1850	100.00	1896	1896	100.00
Female	1	1	100.00	1	1	100.00
Others	0	0	0.00	0	0	0.00
Total	1851	1851	100.00	1897	1897	100.00

Note:

[2]The percentage calculated is based on the data between April'23 to Dec'23

10. Health and Safety Management System.

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

Yes

If yes, the coverage of such a system?

TVSM prioritizes the well-being of its employees through a comprehensive Occupational Health and Safety (OH&S) management system. This system incorporates global best practices and encompasses both occupational health and environmental management.

100% TVSM manufacturing units are ISO 45001:2018 certified, demonstrating our commitment to the highest standards in OH&S. This certification ensures that all categories of employees working in these units are covered by the system's protocols and safeguards.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard identification and risk assessment (HIRA) system exists for this purpose. Regular health and safety audits, safety surveys, periodic occupational health surveillance are conducted.

This is formed as a part of ISO 45001: 2018 standard implementation. It involves identifying potential hazards, assessing their likelihood and severity of harm, and developing control measures to mitigate risks.

The activities include both routine and non-routine activities.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes. TVSM encourages employees to report unsafe or unhealthy conditions at the workplace to their immediate supervisor or directly to the safety department. The safety department will promptly investigate the situation, take appropriate corrective action, and update the HIRA document accordingly.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. TVSM Occupational Health Centre (OHC) is accessible 24/7 to all categories of employees, including contract workers. The OHC provides treatments for work-related and beyond injuries and illnesses.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24[3]	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.11
	Workers	0.39	0.12
Total recordable work-related injuries	Employees	0.00	0.00
	Workers	4	0.00
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health[4] (excluding fatalities)	Employees	0	0
	Workers	11	0

Note:

3: The inclusion of contract workers in the data, alongside employees and regular workers, has led to a discrepancy in the overall incident rate compared to fiscal year 22-23.

4: Recordable work-related injuries and illnesses are those that result in one or more of the following: medical treatment beyond first aid, for more than 48 hours.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

TVSM prioritizes a safe and healthy work environment for all employees through a multi-layered approach. This proactive strategy focuses on preventing accidents and injuries before they occur. Key elements of the program include:

Risk Management:

- HIRA: This comprehensive process identifies and mitigates potential hazards throughout the workplace.
- Ergonomic Surveys: These surveys ensure workstations are designed to promote employee well-being and prevent musculoskeletal disorders.
- Industrial Hygiene Audits: Regular audits assess and address potential health risks associated with environmental factors in the workplace.

Compliance and Best Practices:

- ISO 45001:2018 Certification: TVSM adheres to the rigorous standards of this internationally recognized occupational health and safety management system.
- Statutory Compliance: The Company maintains full compliance with all relevant health and safety regulations.

Employee Training and Engagement:

- Training: Employees receive comprehensive training on safety topics including behavioural safety, fire safety, and process safety.
- Safety Committees and Meetings: Employee-led safety committees and regular safety meetings foster a culture of safety awareness and participation.
- Feedback and Reporting: A robust system encourages employees to report safety concerns, near misses, and provide feedback for continuous improvement.
- Regular internal and external audits ensure the ongoing effectiveness of the program and compliance with all health and safety regulations.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil		Nil	Nil	
Health & Safety	Nil	Nil		Nil	Nil	

14. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

TVSM engaged with Dupont Safety System (dss+), to roll out a comprehensive safety culture transformation program across its four manufacturing sites. This collaborative effort aims to:

- Establish and Continuously Improve Safety Systems and Programs: The partnership focuses on creating best-in-class safety systems and programs to create a significant positive impact on safety culture within the organization.
- Integrated Approach: Adopt an integrated approach designed to foster a robust safety ecosystem across all four manufacturing sites.

LEADERSHIP INDICATORS

1. **Does the entity extend any life insurance or any compensatory package in the event of death of**

   a. **Employees (Yes/No)** Yes.

   The Company provides a comprehensive employee benefits package, including a death benefit scheme, group personal accident coverage, and all statutory benefits.

   b. **Workers (Y/N).** Yes

   The Company provided benefit like Family relief fund, group personal accident coverage and all other benefits in line with statutory provisions.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   No such incidents report in FY 23-24

3. **Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	Not Applicable	Not Applicable
Workers	11	0	0	Not Applicable

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   No

5. Details on assessments of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed[5]
Health and safety practices	27%
Working Conditions	27%

Note:

5: Detailed break-up: 19% suppliers and 8% Dealers.

TVS actively collaborates with its value chain partners. This commitment is demonstrated through social accountability audits conducted at supplier facilities to identify and address potential issues related to health, safety, and working conditions, as well as by integrating cutting-edge technology into TVSM products.

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

TVSM is committed to promote safe and healthy working conditions throughout our supply chain. The Company actively identifies and addresses potential risks through assessments of its value chain partners' health and safety practices. Key risks identified and corrective actions rolled out are:

- Machine Guarding: The Company identified a concern regarding machine safety guarding at high-risk operations in some supplier facilities. To address this, the suppliers were advised to implement appropriate machine safety guards to protect workers from potential hazards.
- Fire Safety for EV Dealers: The Company recognizes the importance of fire safety for electric vehicle (EV) dealerships. The dealers are required to install fire and smoke detection systems to mitigate potential risks.
- Road Safety: The company conducts awareness programs to sensitize its logistics and transportation partners on best practices for safe driving.

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company continuously expands its proactive engagement with all the stakeholder groups. The Company prioritises engagement as an integral part of partnership building and aims to institutionalize a structured approach through a formal process of Stakeholder Engagement. This is a detailed process of engagement with them identifying their risks, concern, challenges and future prospective.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, SMS, Newspapers and Advertisements, showroom enquiries, customer satisfaction surveys, after-sale services	Monthly	Regular engagement with customers, satisfaction assessments, and various market studies help identify principal concerns. These concerns encompass product and service excellence, prompt delivery, competitive pricing, and the fuel economy of vehicles

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Dealers	No	E-mail	Monthly	The ambit covers managing dealer systems, organizing dealer and cluster gatherings, providing training on the latest products and Company guidelines, conducting facility tours, and maintaining regular communication. Primary issues involve product quality, pricing and margins, product management, technological advancements, catering to varied customer needs, and the availability of skilled personnel
Employees	No	Email, SMS, Notice board, policies, codes and procedures	Monthly, quarterly, and annual as applicable	The scope encompasses conducting performance evaluations, employee engagement, managing grievance procedures, and facilitating trainings and workshops. Central issues include strategies for career development and effectively communicating policies related to employees.
Workers	No	Notice Board, Forums, Committee meetings, consultative collective bargaining process	Monthly	The activities include internal forums, sessions with the Director and CEO, and meetings of the plant safety Committee. Principal issues cover resolving grievances, addressing occupational health and safety matters, along with additional employee benefits.
Community	No	Community Meetings	Continuous	The focus is on evaluating community requirements, engaging in village events, attending gram sabha meetings, and executing community programs by the SST. Chief concerns include public health and sanitation, infrastructure development, employment opportunities, and educational enhancement
Policy Makers	No	Email, meetings	As-needed basis	Involvement in policy advocacy and collaboration with industry associations.
Regulatory Bodies	No	Email, meetings	As-needed basis	The process involves submitting reports, conducting inspection tours, and holding meetings as required by directives. The main issues concern adherence to regulations and maintaining clarity in reporting.
Shareholders/ Investors	No	Email, Website, Meetings, AGMs, Analyst calls etc	Quarterly and annual	The scope encompasses participating in investor forums, managing corporate communications, conducting annual general meetings, and producing annual reports. Key issues include the Company's strategic direction and performance, future objectives & ESG performance, and shareholder returns.
Vendors, Transporters and Suppliers/Service Providers	No	Email, Meetings	Monthly	Initiatives by the supplier development group, such as supplier encounters, visits and assessments, are underway. The main issues being addressed include enhancing communication within the supply chain about strategic planning and updates on rejected financial transactions; coordinating schedules; coping with variable order quantities; securing proactive participation from suppliers in achieving new product development goals; as well as implementing a system for supplier performance recognition and rewards

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the Board.**

   Respective business/functional heads engage with the stakeholders on various ESG topics and the relevant feedback from such consultation is shared with the Board, wherever applicable.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No).**

Yes, TVSM has a structured approach to stakeholder engagement, focusing on environmental, social, and governance (ESG) topics. This process facilitates communication between stakeholders and the Board of Directors.

Engagement Activities:

- Regular Meetings and Discussions: Business and functional heads engage with stakeholders through regular meetings and open dialogues.
- Surveys and Feedback Mechanisms: TVSM utilizes surveys and other feedback mechanisms to gather stakeholder perspectives.

Utilizing Stakeholder Input:

- Data Analysis and Insights: Feedback from these engagements is compiled, analysed, and transformed into actionable insights and recommendations.
- Informing Board Decisions: Relevant stakeholder insights are presented to the Board to inform decision-making processes, promoting consideration of stakeholder interests and concerns.

If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into policies and activities of the entity.

Stakeholder consultation is indeed used to support the identification and management of environmental, and social topics at TVSM. In FY 23-24, TVS conducted an internal materiality assessment to identify its ESG (Environmental, Social & Governance) focus areas. Some of the topics identified through this process were:

- Climate Change
- Energy & Emissions Management
- Water and Wastewater Management
- Resource Management
- Biodiversity
- Product Stewardship (Innovation, Product Safety and Life Cycle Emissions)

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

TVSM prioritizes social responsibility and actively collaborates with local communities. Through direct engagement and third-party assessments, the Company gathers feedback from the communities to tailor its Corporate Social Responsibility (CSR) initiatives. Delivered in partnership with SST, its CSR arm, these initiatives address current and future community needs, fostering a sustainable and positive impact. SST's "Inclusive Change" program focuses on the following areas for development:

- Environment: SST raises awareness about environmental issues like soil erosion and deforestation while promoting tree plantation and sustainable agricultural practices. It engages and encourages farmers to promote sustainable agriculture and climate resilience.
- Preventive healthcare programs prioritize maternal and child health, promoting better nutrition and access to essential care. Simple solutions like building toilets, providing clean water, and encouraging hygiene practices help prevent disease.
- SST empowers individuals and self-help groups to access government programs designed to lift them out of poverty. The goal is to foster self-sufficiency and enable communities to leverage government support for long-term success.
- Social Development: SST supports initiatives that enhance overall social well-being within the communities.
- Education: SST works to ensure children have access to quality education.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	4129	4129	100.00	3559	3559	100.00
Other than permanent	256	256	100.00	214	214	100.00
Total Employees	4385	4385	100.00	3773	3773	100.00
Workers						
Permanent	1850	1850	100.00	1896	1896	100.00
Other than permanent	1	1	100.00	1	1	100.00
Total Workers	1851	1851	100.00	1897	1897	100.00

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	4129	0	0.00	4129	100.00	3559	0	0.00	3559	100.00
Male	3579		0.00	3579	100.00	3134		0.00	3134	100.00
Female	550		0.00	550	100.00	425		0.00	425	100.00
Others			0.00		0.00			0.00		0.00
Other than permanent	256	0	0.00	256	100.00	214	0	0.00	214	100.00
Male	221		0.00	221	100.00	187		0.00	187	100.00
Female	35		0.00	35	100.00	27		0.00	27	100.00
Others			0.00		0.00			0.00		0.00
Workers										
Permanent	1851	0	0.00	1851	100.00	1897	0	0.00	1897	100.00
Male	1850	0	0.00	1850	100.00	1896	0	0.00	1896	100.00
Female	1	0	0.00	1	100.00	1	0	0.00	1	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Other than permanent	10003	0	0.00	10003	100.00	6186	0	0.00	6186	100.00
Male	8985	0	0.00	8985	100.00	5569	0	0.00	5569	100.00
Female	1018	0	0.00	1018	100.00	617	0	0.00	617	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	9	40,20,000	2	11,12,000
Key Managerial Personnel	2	2,60,90,000	-	-
Employees other than BoD and KMP	3649	16,00,000	559	13,00,000
Workers	1850	8,00,000	1	7,00,000

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	5.75%	4.51%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, At the plant level, TVSM has committees that deal with human rights impacts or issues. International human rights conventions such as the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights align the Company's human rights policy.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

TVSM prioritizes a workplace culture that fosters respect for human rights and promotes fair and ethical business and employment practices. This commitment extends to all individuals, regardless of their ethnicity, religion, caste, gender, sexual orientation, race, disability, employment classification, or any other factor. The Company strives to create a safe and inclusive work environment where everyone feels valued and respected.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	1	Enquiry in Progress	0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees/workers	0.17	0
Complaints on POSH upheld	1	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Company assures confidentiality and protection to the complainant in furtherance, any attempts to intimidate the complainant would be treated as a violation of code of conduct. All complaints are handled in time bound manner.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes. Agreements obligate the service provider to comply with all statutory and regulatory rules, such as the human right to a safe working environment and timely payment of dues.

10. **Assessment for the year 2023-24**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)[6]
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

Note:

6: In FY 23-24, all plants and offices underwent statutory audits, ensuring complete compliance with statutory laws, regulatory requirements, and labour laws and rules

11. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.**

    Not Applicable

LEADERSHIP INDICATORS

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

   In FY24, TVSM hasn't received any human rights complaints. The Company has established a process to monitor and ensure the protection of human rights within the organization. As part of its learning and development efforts, the Company works on a variety of compliance regulations, such as a code of conduct, sexual harassment prevention, and a Fair Practices Policy. TVSM has an annual certification system to ensure that staff continue to receive this training to raise awareness and sensitize them.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   TVSM places a high value on social responsibility and is dedicated to maintaining human rights across all its operations. The Company's plants are all SA 8000: 2014 certified, which is a testament to its commitment to principles of social accountability. Moreover, TVSM's position among the top 50 in the Great Place to Work (GPTW) survey underscores its emphasis on the well-being of its employees.

   The Company also acknowledges the significance of Human Rights Due Diligence (HRDD) as an essential instrument for detecting and alleviating potential human rights risks within its operations and supply chain. Currently, the Company is refining its approach to address human rights issues. Concurrently, it is seeking a reputable agency partner skilled in conducting Human Rights assessments in accordance with globally accepted frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs).

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes

4. **Details on assessment of value chain partners:**

   TVSM is committed to upholding social accountability principles and has demonstrated this commitment by obtaining SA8000: 2014 certification for all its plants. This certification is a testament to the Company’s dedication to maintaining human rights and social responsibility throughout its operations.

As part of its commitment to social accountability, TVSM conducts various awareness programs for its value chain partners. These programs aim to educate and inform partners about the principles of social accountability and the importance of adhering to them. In FY 23-24, 52 of its suppliers are assessed under SA 8000

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

Following SA8000 audits, TVSM categorizes suppliers based on their risk profile:

- Green: Low-risk suppliers demonstrate strong adherence to social accountability principles.
- Amber: Medium-risk suppliers have identified areas for improvement
- Red: High-risk suppliers require significant improvement in their social accountability practices.

The Company allows adequate time for suppliers under high risk and medium risk categories to implement corrective actions.

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy, in the following format:

Parameter	Please specify unit	FY 2023-24[8]	FY 2022-23
From renewable sources			
Total electricity consumption (A)	Gigajoules	306833.17	296430.00
Total fuel consumption (B)	Gigajoules	0	0
Energy consumption through other sources (C)	Gigajoules	0	0
Total energy consumed from renewable sources (A+B+C)	Gigajoules	306833.17	296430.00
From non-renewable sources			
Total electricity consumption (D)	Gigajoules	22,499.84	40913.92
Total fuel consumption (E)	Gigajoules	299342.59	290369.94
Energy consumption through other sources (F)	Gigajoules	0	0
Total energy consumed from non-renewable sources (D+E+F)	Gigajoules	3,21,842.43	331283.86
Total energy consumed (A+B+C+D+E+F)	Gigajoules	6,28,675.60	627713.86
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	Gigajoules	19.78	23.8
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP))	Gigajoules	588.65	744.15
Energy intensity in terms of physical output {Goods sold: (GJ/No of goods)}	Gigajoules	0.15	0.17
Energy intensity (optional) the relevant metric may be selected by the entity. {Employee (GJ/No of employees)}	Gigajoules	38.71	48.66

Note:

8: For FY 23-24, the reporting scope was expanded to encompass the corporate office, test tracks, and the Institute of Quality Learning and Development (IQL)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Bureau Veritas India (Private) Limited

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any**

   Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)			
(i) Surface water	kilolitres	16329	27497
(ii) Groundwater	kilolitres	540422	500024
(iii) Third party water	kilolitres	18533[9]	2058
(iv) Seawater/desalinated water	kilolitres	0	0
(v) Others	kilolitres	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	575284	529579
Total volume of water consumption (in kilolitres)	kilolitres	751457	746550
Water intensity per rupee of turnover (Water consumed/turnover)	kilolitres	23.65	28.30
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	kilolitres	703.33	885.03
Water intensity in terms of physical output {Goods sold: (KL/No of goods)}	kilolitres	0.17	0.20
Water intensity (optional) - the relevant metric may be selected by the entity {Employee (KL/No of employees)}	kilolitres	46.27	57.84

Note:

9: Re-classification of water supply from Kabini water reservoir in Mysuru under Third party water

10: Value chain water footprint: Dealers (downstream)- 1840643 kiloliters

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)

Yes

If yes, name of the external agency.

Bureau Veritas India (Private) Limited

4. **Provide the following details related to water discharged:**

Water discharge by destination and level of treatment (in kilolitres)	UoM	2023-24	2022-23
(i) To Surface water	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(ii) To Groundwater	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iii) To Seawater	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iv) Sent to third parties	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(v) Others	kilolitres	326112.00	286312.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment (Tertiary treatment inhouse zero liquid discharge)[11]	kilolitres	326112	286312
Total water discharged (in kilolitres)	kilolitres	**326112.00**	**286312.00**

Note:

11: The quantity reported in others is majorly tertiary treated sewage which is used for green belt development inside the factory premises.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)

Yes

If yes, name of the external agency.

Bureau Veritas India (Private) Limited

5. **Has the entity implemented a mechanism for Zero Liquid Discharge?**

   Yes

   If yes, provide details of its coverage and implementation.

   TVSM prioritizes water conservation and responsible wastewater management across its manufacturing facilities.

   - Hosur and Mysuru Plants: These facilities utilize a cutting-edge Zero Liquid Discharge (ZLD) system. This multi-stage system effectively treats wastewater, minimizing environmental impact. The ZLD system incorporates pre-treatment, followed by a combination of spiral and plate-tube Reverse Osmosis (RO) membranes, and finally a multi-effect evaporator to ensure minimal liquid waste discharge.
   - Nalagarh Plant: This plant employs a multi-stage RO-based effluent treatment plant. The treated wastewater is then recycled and reused back into the production process, further reducing freshwater consumption.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	MT	55.08[12]	44.41
Sox	MT	78.51	90.32
Particulate matter (PM)	MT	111.92[13]	89.39
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)	PMP	4.3	4.0
Hazardous air pollutants (HAP)		0	0

Note:

12 and 13: Increase in PM & NOx due to revalidation of emission load calculations at Mysuru site and inclusion of point emission sources that were not considered in FY 22-23. Data for FY22-23 has been revised and updated by re-evaluating the accurate figures.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)

If yes, name of the external agency.

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7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit (Metric tonnes of CO_2 equivalent)	FY 2023-24[14]	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available[15])	tCO_2e	22693.34 (CO_2 – 0.85) (CH_4 – 11.83) (N_2O – 1987.26) (HFCs-22 – 171.42) (ODS – 313.73)	19046
Total Scope 2 emissions[16] (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	4437.47	9584.32
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2e/ INR Mn	0.85	1.09
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)		28.28	33.94
Total Scope 1 and Scope 2 emission intensity in terms of physical output {Goods sold (tCO_2e/No of goods)}	(tCO_2e/No of goods	0.01	0.01
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity {Employee (tCO_2e/No of employees)}	tCO_2e/No of employees	1.67	2.22

Note:

14: Redefined the boundary to include corporate office, test tracks and Institute of Quality and Leadership

15: Emissions from Ozone Depleting Substances (ODS), Refrigerants and CO_2 have been accounted in scope 1 emissions

16: Grid emission factor revised as per the Central Electricity Authority (CEA) grid emission factor published in December 2023

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)

If yes, name of the external agency.

Bureau Veritas India (Private) Limited

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes

TVSM is committed to reducing its environmental footprint and conserving energy resources. The Company implements several key initiatives to achieve this goal:

- Expanding Renewable Energy Use: TVSM is actively increasing its reliance on renewable energy sources. This includes augmenting its solar energy capacity and procuring green power through the Indian Energy Exchange. These efforts help to reduce dependence on fossil fuels and associated emissions.
- Waste Heat Recovery: The Company utilizes innovative technologies like Regenerative Thermal Oxidizers (RTOs) and heat recovery systems from air compressors. These systems capture waste heat and re-use it within the production process, improving overall energy efficiency.
- Energy Efficiency Upgrades: TVSM implements ongoing projects to optimize energy consumption. For example, converting traditional induction motor-based blowers to more energy-efficient DC blowers demonstrates this commitment.

9. Provide details related to waste management by the entity, in the following format:

Parameter	Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)			
Plastic waste (A)	metric tonnes	504.31	407.3
E-waste (B)	metric tonnes	29.33	24.35
Bio-medical waste (C)	metric tonnes	0.39	0.37
Construction and demolition waste (D)	metric tonnes	0	0
Battery waste (E)	metric tonnes	114.17	62.5
Radioactive waste (F)	metric tonnes	0	0
Other Hazardous waste. Please specify, if any. (G) – Used Oil, Waste containing traces of oil, Phosphate Sludge, Spent Solvents, Used Containers, Chemical Sludge, Paints Sludge, ATFD salt	metric tonnes	4190.03	4326.98
Other Non-hazardous waste generated (H) – Metallic waste, Plastic Waste, Composite Fibre, Paper, Wood, Cardboard, Thermocol, Rubber	metric tonnes	12344.60	8485.68
Total (A+B + C + D + E + F + G + H)	metric tonnes	17182.82	13307.18
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	metric tonnes	0.00000004	0.00000005
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	metric tonnes	15.49	15.78
Waste intensity in terms of physical output {Goods sold (Tonne/No of goods)}		0.0041	0.004
Waste intensity (optional) the relevant metric may be selected by the entity {Employee (Tonne/No of employees)}		1.06	1.03
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	metric tonnes	14186.21	10158.86
(ii) Re-used	metric tonnes	0	0
(iii) Other recovery operations	metric tonnes	0	0
Total	metric tonnes	14186.21	10158.86
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration- BioMedical Waste	metric tonnes	0.41	0.37
(ii) Landfilling- Hazardous waste was disposed to TSDF facility at Nalagarh from Apr'23 till Dec'23	metric tonnes	80.09	81.32
(iii) Other disposal operations- The remaining hazardous waste disposed to cement industry for Co-Processing	metric tonnes	2902.035	3066.62
Total	metric tonnes	**2982.53**	**3148.31**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

TVSM implements a strict internal standard that limits the use of hazardous chemicals in all processes and products. This standard is developed to align with various national and international regulations on hazardous substances.

The Company has established a responsible hazardous waste management system. For the past eighteen years, hazardous waste generated at their facilities, including paint sludge, chemical sludge, phosphate sludge, and waste containing oil traces, has been co-processed in cement industries. This co-processing is assumed to meet relevant environmental regulations. For all other waste categories, TVSM utilizes authorized waste management agencies for disposal.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)	If no, the reasons there of and corrective action taken, if any.
Not Applicable				

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/No). Yes

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

LEADERSHIP INDICATORS

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

TVSM does not operate in water stress areas.

For each facility/plant located in areas of water stress, provide the following information

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)			
Surface water	kilolitres	Not applicable	Not applicable
Groundwater	kilolitres	Not applicable	Not applicable
Third party water	kilolitres	Not applicable	Not applicable
Seawater/desalinated water	kilolitres	Not applicable	Not applicable
Others	kilolitres	Not applicable	Not applicable
Total volume of water withdrawal (in kilolitres)	kilolitres	Not applicable	Not applicable
Total volume of water consumption (in kilolitres)	kilolitres	Not applicable	Not applicable
Water intensity per rupee of turnover (Water consumed/turnover)	kilolitres	Not applicable	Not applicable
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	Not applicable	Not applicable
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water			
- No treatment	kilolitres	Not applicable	Not applicable
- With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable
(ii) Into Groundwater			
- No treatment	kilolitres	Not applicable	Not applicable
- With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable

Parameter		Please specify unit	FY 2023-24	FY 2022-23
(iii)	Into Seawater			
	- No treatment	kilolitres	Not applicable	Not applicable
	- With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable
(iv)	Sent to third parties			
	- No treatment	kilolitres	Not applicable	Not applicable
	- With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable
(v)	Others			
-	No treatment	kilolitres	Not applicable	Not applicable
-	With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable
Total water discharged (in kilolitres)		kilolitres	Not applicable	Not applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format: (In progress)

Parameter	Unit	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO 2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	2,27,00,763.36
Total Scope 3 emissions per rupee of turnover	tCO_2 e/ INR Mn	713.41
Total Scope 3 emission intensity {Goods sold (tCO_2e/No of goods)}	tCO_2e/No of goods	5.41
Total Scope 3 emission intensity {Employee (tCO_2e/No of employees)}	tCO_2e/No. of employees	1396.25

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - No

If yes, name of the external agency.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Zero Hazardous Waste to Landfill at Nalagarh Plant	Nalagarh plant achieved the status of zero hazardous waste to landfill in Q4 of FY 24 by sending chemical sludge for co-processing at cement kiln.	All the manufacturing sites have achieved the status of zero hazardous waste to landfill
2	Repurposing of RO reject water	Reject water from RO plant is directly used for flushing in washrooms at Nalagarh Plant	Approx. 10,000 Litres of freshwater saving per day
3	Energy Saving	Conversion of conventional air supply unit blowers into energy efficient electronically commutated fans at Hosur Plant.	35% reduction in power consumption
		Implementation of Energy Efficient Filters in paint booth	35% reduction in power consumption
4	Energy Saving	Conversion of vertical milling machine doors from pneumatic to electrically operated at Hosur plant	Elimination of compressed air requirement which resulted in saving 25000Kwh/Yr
5	Energy Saving	Implementation of Heat pump system to pretreatment process at Hosur Plant.	Fuel Saving (21000 Kg/Yr of Propane)
6	Heat Recovery	Introduction of compressor waste heat recovery system powder coating process at Hosur Plant. Waste heat recovered from compressor is utilized in place of burner at Hosur Plant.	Fuel Saving (18000 Kg/Yr of Propane)
7	Energy Efficiency initiative	Integration of PLC timer logic at Mysuru Plant reduced heating process power usage in through component washing machine.	Power consumption reduction (90140 Kwh/Yr)

5. Does the entity have a business continuity and disaster management plan?

Yes

Yes. TVSM has a robust business continuity and disaster management plan in place. This plan includes strategies for identifying potential risks, maintaining critical operations during disruptions, and facilitating swift recovery processes. It includes protocols for data backup and recovery, alternative communication methods, and designated response teams. Regular drills and simulations ensure readiness, while continuous review and updates keep the plan aligned with evolving threats and organizational needs. The plan aims to minimize downtime, protect assets, and safeguard the entity's reputation, ensuring resilience in the face of various disruptions.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

In FY 25, TVSM will be undertaking a comprehensive double materiality assessment. The outcome will allow the company to identify both the environmental impacts of its value chain and the ways in which environmental factors affect the business. The insights gained from this assessment will then be used to refine and strengthen TVSM's environmental strategy and actions.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/ associations.**

10

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	BCIC Bangalore Chamber of Industry and Commerce	National
2	IMTMA Indian Machine Tool Manufacturers Association	National
3	SIAM - Society of Automotive Manufacturers	National
4	CII - Confederation of Indian Industry	National
5	EFI - Employers Federation of India	National
6	EFSI - Employers Federation of South India	State
7	HIA - Hosur Industries Association	State
8	KEA - Karnataka Employers Association	State
9	BBNIA - Baddi Barotiwala Nalagarh Industries Association	State
10	IMA - Indian Management Association	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not applicable

ESSENTIAL INDICATORS

1. **Details of public policy positions advocated by the entity:**

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1	Biofuel - Ethanol blending	Expo/Exhibition, through SIAM, Social Media	Yes	Half yearly SIAM	https://www.siam.in/
2	Flex Fuel Vehicle Program	Expo/Exhibition, through SIAM, Social Media	Yes	Half yearly SIAM	https://www.siam.in/

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year -** Not Applicable

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

Village Development Officers (VDOs) play a crucial role in bridging the gap between government programs and rural communities. Their physical presence within villages allows for:

Firsthand understanding of community needs: VDOs can directly observe and interact with residents, gaining a clear picture of local challenges and priorities.

Immediate feedback mechanisms: VDOs can gather community feedback on existing programs and identify areas for improvement.

VDOs facilitate effective program implementation through ongoing interaction:

- SHG meetings: Regular engagement with Self-Help Groups (SHGs) fosters community participation and ensures program alignment with local needs.
- Collaboration with community organizations: VDOs work alongside local organizations, leveraging their expertise and connections.
- Feedback from government officials: VDOs actively seek input from officials at various levels (panchayat, block, district) to assess program implementation and identify potential gaps.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	6.62	6.65
Directly from within India	93	90.5

5. **Job creation in smaller towns and disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	75.82	79.24
Semi-urban	0.00	0.00
Urban	2.41	2.06
Metropolitan	1.40	1.63

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   TVSM adheres to the practice of conducting Social Impact Assessments (SIAs) for all greenfield projects. However, during the fiscal year 2023-24, no SIAs were conducted.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   TVSM does not operate in any aspirational districts.

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) - No**

   (b) From which marginalized /vulnerable groups do you procure?

   (c) What percentage of total procurement (by value) does it constitute?

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Nil**

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. Nil**

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Holistic rural development in tribal habitations of Tamil Nadu, Karnataka, and Andhra Pradesh	80000	100
2	Renovation of Anganwadi's, schools, hostel, health centres, veterinary centres and other rural community infrastructure	25000	85
3	Medical consultations conducting general health camps, dental camps and eye camps in schools, simple diagnostics, and medicines free of cost at medical centres & Mobile medical units	250000	80
4	Desilting of water storage bodies and channels	4500	70
5	Livelihood projects for women in Self-Help Groups	20000	80
6	Providing a platform for sales of women self-help group products	900	75
7	Improving learning outcomes of children in primary and middle schools	6500	95
8	Improving life-skills among children	1000	90

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

TVSM has a two-tiered complaint redressal system:

- Tier 1: General Complaints:
  - Channels: Customers can submit general complaints related to sales or service online or via email to customercare@tvsmotor.com
  - Resolution: A dedicated team within the sales or service department addresses these complaints.
- Tier 2: Escalated Complaints:
  - Scope: This tier handles unresolved complaints, disputes, and privacy-related concerns.
  - Process: The legal department manages these escalated issues, ensuring adherence to legal due process.

Customer Focus: TVSM has a company-wide policy of prioritizing customer satisfaction This principle applies to the handling of all complaints at both tiers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	5

3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	2	2	Resolved in next year
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	
Forced recalls	0	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web-link of the policy. https://www.tvsmotor.com/privacy-policy

TVSM prioritizes information security and maintains a robust cybersecurity posture. This commitment is demonstrated by:

- ISO 27001 Certification: TVSM has held ISO 27001 certification, a recognized international standard for information security management systems, for the past 15 years. This ongoing certification signifies the company's adherence to rigorous information security best practices.
- Regular Audits: In addition to the initial certification process, TVSM undergoes annual internal audits to identify and address any potential vulnerabilities in its cybersecurity measures.
- External Cybersecurity Council: The Company leverages the expertise of an external cybersecurity council comprised of independent specialists. This council provides guidance and recommendations on best practices for managing cyber threats.
- External Security Audits: TVSM supplements its internal efforts with periodic external security audits. These audits provide an objective assessment of the company's cybersecurity posture from a third-party perspective.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

TVSM implements a multi-faceted approach to address potential data privacy and security concerns. This approach includes:

- Enhanced Detection and Monitoring: Improved advertising monitoring systems aim to ensure all ad practices comply with relevant regulations.
- Process Optimization: Streamlined service delivery processes aim to improve efficiency and potentially mitigate security risks associated with complex workflows.
- Advanced Cybersecurity Measures: TVSM deploys robust cybersecurity measures, including:
  - Frequent Security Audits: Regular audits identify and address vulnerabilities in the Company's cybersecurity infrastructure.
  - Ongoing Personnel Training: Employee training programs ensure personnel are trained to recognize and prevent cyber threats.
- Strengthened Data Privacy Measures: The Company actively strengthens its data privacy practices through:
- Updated Privacy Policies: TVSM regularly reviews and updates its privacy policies to reflect the latest regulations and best practices.
- Enhanced Data Encryption: Implementation of stronger encryption methods helps safeguard sensitive data.
- Continuous Monitoring and Improvement: TVSM maintains ongoing monitoring processes to ensure compliance with data privacy regulations and identify areas for further improvement.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

b. Percentage of data breaches involving personally identifiable information of customers

c. Impact, if any, of the data breaches

LEADERSHIP INDICATORS

1 Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on various products & services of the Company is available on your website: https://www.tvsmotor.com/our-products/vehicles

Additionally, the information regarding the entity and its products is also conveyed through user manual and social media.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company complies with all disclosure requirements relating to its services, as per SEBI guidelines on product/ services labelling within risk and disclosure categories. The Company has a comprehensive user manual to educate its customers on responsible usage of products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

TVSM employs multiple communication channels, including email alerts, SMS notifications, website announcements, and social media updates, to promptly inform consumers of any potential risk of disruption or discontinuation of essential services. These mechanisms ensure transparency and allow consumers to take necessary precautions or alternative measures.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) - Yes

If yes, provide details in brief. Did your entity carry out any survey regarding consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) - yes

TVSM is committed to providing customers with clear and accessible information. This commitment extends beyond legal requirements and includes:

- Comprehensive Brochures and Leaflets: TVSM offers informative brochures and leaflets that detail its services, exceeding mandated legal disclosures.
- Website Transparency: The Company website provides comprehensive information about its products and services.
- Mobile App Access: Customers can conveniently access loan-related information through the TVS Motor Company mobile app.
- Understanding Customer Needs: TVSM regularly conducts market research to gauge customer sentiment and satisfaction levels. This research informs product development, service improvements, and grievance redressal processes.

Every year, TVSM conducts a customer satisfaction survey to gauge customer sentiments. In the fiscal year 2023-24, TVSM achieved impressive rankings in the automotive industry:

- Premium Segment: TVSM secured the 2nd position in customer satisfaction.
- Commuter and Scooter Segment: TVSM proudly claimed the 1st position, demonstrating excellence in meeting customer expectations according to the JD Power Satisfaction Index

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

Chennai
8th May 2024

INDEPENDENT

ASSURANCE STATEMENT

To,

TVS Motor Company Limited

Post Box No. 4 Harita,
Hosur - 635 109

1. INTRODUCTION AND OBJECTIVES OF WORK

Bureau Veritas (India) Pvt. Ltd. has been engaged by TVS Motor Company Limited (hereinafter abbreviated as "TVS") to conduct an independent assurance of the Non-Financial Parameters of its Business Responsibility & Sustainability Report (BRSR) for the reporting period from 01.04.2023 to 31.03.2024 (i.e., F.Y. 2023-24). TVS has prepared document as per BRSR with stated parameters for the period (F.Y 2023-24), based on which this overall assessment has been carried out. This Assurance Statement applies to the related information included within the scope of work described below.

The selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, selection of datapoints/information, preparation, and presentation of information in the BRSR and the supporting documentation for the BRSR is the sole responsibility of the management of "TVS". Bureau Veritas was not involved in the drafting or preparation, back-up or presentation of the BRSR. Our sole responsibility was to provide independent assurance on its content.

2. INTENDED USER

The assurance statement is made solely for 'TVS' as per the governing contractual terms and conditions of the assurance engagement contract between "TVS" and Bureau Veritas. To the extent that the law permits, we owe no responsibility and do not accept any liability to any other party other than "TVS' for the work we have performed for this assurance report or for our conclusions stated in the paragraphs below.

3. SCOPE OF WORK

The scope of work for the assurance included.

- Checking that the data and information included in the BRSR for the reporting period from 01.04.2023 to 31.03.2024 was fairly presented without material misrepresentation.
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze, and review the information reported.
- Reporting period: 01/04/2023 to 31/03/2024
- Sustainability Assurance (Reasonable Assurance) based on BRSR Framework (Utilizing ISAE 3000 Assurance Standards)

Level of assurance:

- **Reasonable**

Methodology used to conduct the assurance: As part of its independent assurance, Bureau Veritas undertook the following activities:

- Verification was done on site as well as by remote (desktop) mode at the sites and interviewed relevant personnel of TVS.
- TVS initially submitted the "Draft report: BRSR FY 2023-24" as prepared, for the units under the reporting boundary
- The data management systems and procedures were assessed on a sampling basis. Data on the various BRSR disclosures were verified.
- The work was planned and carried out to provide a "Reasonable" level of assurance and we believe it provides an appropriate basis for our conclusions.

The **reporting boundaries considered** for **this reporting** period are as follows:

2 and 3 wheeler Manufacturing:

i) TVS Motor Company, Post Box No:4, Harita,
Hosur 635109 (Tamil Nadu)

ii) TVS Motor Company , Post Box:1, Byathahalli village, Kadakola Post,
Mysuru (Karnataka) PIN-571311

iii) TVS Motor Company, Village Bhatian, Bharatgarh Road,
Teh. Nalagarh, District - Solan (Himachal Pradesh), PIN-174101

The assessment team from Bureau Veritas, for this verification, included the following member/s	Mr. Nagabhushan, Lead Verifier Mr. C.D. Prakash. Team Guide

The personnel with whom the Bureau Veritas team interacted during this assessment are as :-

Attendees	Designation	Department	Location
Thakur Pherwani	Chief Sustainability Officer	Sustainability	Hosur
Shirin Kujur	Sr. Program Manager	Sustainability	Hosur
Swati Chaurasia	Program Manager	Sustainability	Hosur
Kirti Vashishth	Program Manager	Sustainability	Hosur
TN Sriramkumar	Head-safety	Safety	Hosur
D Saravana	Senior Manager	Safety	Hosur
Ravindra Payal	Manager	OPNS	Nalagarh
Yashpal Chaudhary	Senior Manager	OPNS	Nalagarh
KB Madhusudan	Manager	Sustainability	Hosur
Sooraj	Manager	OPNS	Mysore
B Dayanand	Manager	ERM	Mysore
K Siddaramappa	Manager	Finance	Mysore
T Mahesha	Executive	HR	Hosur
Vivek Swaminathan	Deputy Manager	Central Utilities	Hosur
T Anand	Senior Manager	ERM	Hosur
V R Seshadri	Deputy Manager	ERM	Hosur

Bureau Veritas conducted Physical as well as remote assessment of the sites as mentioned in the table below:

Name of Site/Activity	Mode
Hosur Plant Site	Physical
Review of documents	Remote

The assessment was carried out, of the submitted BRSR and the supporting evidence verified during the site visits and remote activities, based on a sampling exercise, to verify the data and computations that were prepared by TVS. The assessment was carried out only for the reported parameters that have been considered by TVS in the BRSR for FY 2023-24.

Some of the parameters **verified** for the units under the **reporting boundary include:**

- Employee details
- Participation / Representation of women
- Turnover rate for employees & workers
- CSR details
- Environmental monitoring parameters including water, wastewater, air emissions, solid waste, GHG emissions etc.
- Welfare and OHS data
- All the parameters in BRSR core

The data values for all reported BRSR core parameters were verified by Bureau Veritas through an auditing process based on sampling of data records. Sampling was conducted by considering the contribution of the individual parameter to the overall organizational sustainability levels. A separate verification checklist was also utilized during the assessment. Gaps in data values (GHG related) or any other error identified during the data assessment was reported these were then corrected along with response by the client and subsequently the reported findings were verified and closed.

Bureau Veritas has assessed the quantification methodology used by TVS for the monitoring and calculations of the various BRSR parameters from its different sources and confirms the same to be in line with accepted practice of standard practice. The materiality threshold of 5% has been considered in this assessment process.

The details of the breakdown of data were verified by Bureau Veritas during the physical site visits conducted to verify the data. Samples of data were verified during the process to confirm the correctness of values considered in the calculations. The primary activity data values used to report in the BRSR can be regarded as conservatively considered.

Our work was conducted against the requirements defined in the guidance document of BRSR along with Bureau Veritas' internal standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The Bureau Veritas assurance process has also involved an Independent Technical Review (ITR) to check for correctness and accuracy of the assurance conclusions as well as adherence to Bureau Veritas Internal procedures and/or assurance standard requirements.

4. OUR CONCLUSION

On the basis of our methodology and the activities described above, it is our opinion that the BRSR for FY 2023-24 of "TVS", containing its BRSR Core parameters from the operations within the reporting boundary and the reporting period, as described above, is prepared in all material respects in line with the applicable criteria here before stated. The reviewed statements within the scope of our verification are transparent and the information included therein are fairly stated. A separate report (Management report) has been generated and forwarded to TVS regarding internal processes (as in practice) and opportunities for improvement, may be considered for the subsequent reporting period.

5.LIMITATIONS AND EXCLUSION

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period stated here in above.
- Positional statements, expressions of opinion, belief, aim or future intention by “TVS” and statements of future commitment.
- Competitive claims in the report claiming “first in India”, “first time in India' , ’ first of its kind” etc. if any;
- Our assurance does not extend to the activities and operations of “TVS” outside of the scope and geographical boundaries mentioned in this report as well as the operations undertaken by any other entity that may be associated with or have a business relationship with “TVS”
- Our assurance of the various BRSR parameters covers only those parameter and sites, that have been reported in the BRSR for FY 2023-24.
- Our assurance on economic and financial performance data or information of TVS is based only on TVS's annual audited statement of accounts for the Financial Year 2023-24 and our conclusions rest solely upon that audited report.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the BRSR or the supporting documentation.

Inclusivity	TVS has processes in place for engaging with its key stakeholders including socially responsible investors, Government officials, local community representatives and has undertaken stakeholder engagement activities. The entity is also involved in many CSR projects for the local community.
Materiality	The BRSR addresses the range of environmental, social and economic issues of concern that TVS has identified as being of highest material importance. The material issues were identified by a process of stakeholder engagement and interaction. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.
Responsiveness	TVS is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The company has taken various initiatives towards delivering environmentally friendly services along with occupational health and safety, appropriate measures for emergency handling, control and risk management in its operations.
Impact	There is no finding from our assessment that TVS has not monitored, measured or has not been accountable for its actions related to its material topics.
Uncertainty	The reliability of assurance is subject to uncertainty(ies) that are inherent in the assurance process. Uncertainties stem from limitations in the accounting and quantification models used for various parameters or emission factors used or may be present in the estimation of data used to arrive at conclusions or results. Our conclusions in respect of this assurance are naturally subject to any inherent uncertainty(ies) involved in the assurance process.

6. STATEMENT OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with almost 190 years history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with "TVS", its Directors, Managers or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reporting.

Restriction on use of Our Report

Our Reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

Bureau Veritas (India) Pvt. Ltd.
ARTISANE GREEN SPACE.
No.165/5, Krishnaraju Layout,
Dorsanipalya, Bangalore 560076.

Nagabhushan
Lead Verifier

Ramamohan Rao
Technical Reviewer

BUREAU VERITAS

Annexure VIII

to Directors' Report to the shareholders

Report on Corporate Governance

1. The Company's Commitment to Responsible Governance

The Company has a strong legacy of fair, transparent and ethical governance practices. Company's businesses seek enhancement of shareholder value within this framework. The Company's philosophy on corporate governance is founded on the fundamental ideologies viz., Trust, Value, Exactness and Passion for Customers.

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built.

The Company would constantly endeavour to improve on these aspects.

Good corporate governance, acting in accordance with the principles of responsible management which aimed at increasing enterprise value on a sustainable basis, is an essential requirement for the Group.

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business Conduct and Ethics, Whistle Blower Mechanism, Code of Conduct to Regulate, Monitor and

Report trading by Insiders for prevention of insider trading by the Directors and Designated Persons and Code of practices for fair disclosure of unpublished price sensitive information.

2. Board of Directors

The Company has a distinguished Board of Directors (the Board) and comprised of highly respected individuals possessing extensive professional experience and expertise. The Board provides strategic direction and oversight to the management team. This ensures the Company operates in the best interests of all stakeholders, ultimately maximizing long-term value.

2.1 Composition and category of Directors:

The Board recognizes the importance of fostering a balanced composition. Board leverages the following strengths through long-standing directors contribute institutional knowledge and a deep understanding of the Company's history and strategic direction. Their experience provides valuable context for informed decision-making and newer appointees bring external insights and diverse viewpoints, challenging assumptions and sparking innovation. This nurtures a dynamic and forward-thinking Board culture.

By implementing a gradual refreshment process, the Board benefits from a continuous exchange of knowledge and ideas. This ensures long-term effectiveness and ultimately drives sustainable value creation for all stakeholders.

As per the amended Articles of Association of the Company, periodic shareholders' approval is required for all the Directors including Promoter Directors, thereby, the Company ensures that all directors serving on the Board or appointed to the Board is put up to shareholders for approval on regular intervals.

On 5th March 2019, the Independent Directors (IDs) viz., M/s. C R Dua and Hemant Krishan Singh were reappointed for the second term of 5 consecutive years effective 14th July 2019 and their tenure will get completed on 13th July 2024.

Mr. Kuok Meng Xiong, Independent Director, had expressed his inability to continue as a Director on the Board due to his increasing business commitments & personal reasons and submitted his resignation from the Board effective close of the business hours of the ensuing Annual General Meeting viz., 6th August 2024.

Mr B Sriram, was appointed on the board as Non-Executive Independent Director, effective 24th January 2023 for a term of 5 consecutive years and the same was approved by the shareholders through Postal Ballot on 9th March 2023.

The following changes have been effected during the year on the composition of Board in respect of Independent Directors

Name of the ID (M/s.)	Nature	Date of approval		Tenure	Effective date
		Board	Shareholders		
T Kannan	Demise	-	-		23.05.2023
Dr. Deepali Pant Joshi	Appointment	11.09.2023	20.10.2023	5 years	11.09.2023
Lalita D Gupte	Completion of Tenure	-	-	-	22.10.2023
R Gopalan	Resignation	-	-	-	02.03.2024
Vijay Sankar	Appointment	20.03.2024	*	5 years	20.03.2024
Shailesh Haribhakti	Appointment	20.03.2024	*	5 years	01.04.2024

* Their appointments have been placed for the approval of the shareholders through postal ballot and their results will be declared on or after 10th May 2024.

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

As on 31st March 2024, the total strength of the board was Eleven. Prof. Sir Ralf Dieter Speth, Non- Executive Director, being Chairman, the required composition of the Board with one-third of its directors as Independent Directors and also to have at least one Woman Independent Director in terms of the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) was complied with.

As on 31st March 2024, the Board has six Independent Directors (ID) viz., M/s C R Dua, Hemant Krishan Singh, Kuok Meng Xiong, B Sriram, Dr. Deepali Pant Joshi and Vijay Sankar.

Mr Venu Srinivasan, Chairman Emeritus & Managing Director (CE&MD), Mr Sudarshan Venu, Managing Director (MD) and Mr K N Radhakrishnan, Director & CEO (D&CEO) are Executive Directors. Thus, the composition of the Company's Board is in conformity with the Listing Regulations.

The Board of Directors is comprised of highly qualified Non-Executive Directors possessing a diversified range of industry backgrounds. This composition fosters a Board with the following strengths:

- **Deep Industry Knowledge:** Directors bring expertise from a multitude of industries, including financial services. Their experience in navigating complex organizational environments translates to valuable insights for the Company. This promotes a keen understanding of the industry's unique challenges and opportunities, enabling the Board to make informed strategic decisions.
- **Commitment to Board Diversity:** The Company prioritizes cultivating a diverse Boardroom, recognizing the significant benefits of a variety of perspectives in driving effective decision-making and fostering innovation.

By leveraging this combination of industry expertise, long-term industry understanding, and a commitment to diversity, the Board is well-positioned to provide effective leadership and strategic guidance, ensuring the Company's continued success.

As required under Regulation 16 of the Listing Regulations, it is also ensured that Independent Directors do not hold non-independent directorship position in another company, where any non-independent director of the Company is an independent director.

In accordance with the provisions of the Companies Act, 2013 (the Act, 2013) and the Articles of Association of the Company and to comply with the minimum level of having 2/3rd Directors liable to retire by rotation, Mr K N Radhakrishnan, Director & CEO, who has been the longest in office, is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment and has been recommended for such re-appointment by the Nomination and Remuneration Committee and the Board.

Dr. Lakshmi Venu had expressed her intention for not seeking re-appointment at the ensuing Annual General Meeting due to her increased responsibilities and commitments in Tractors and Farm Equipment Limited (TAFE) and Sundaram Clayton Limited (SCL).

The resolutions seeking approval of the members for the re-appointment of Director retiring by rotation has been included in the Notice of AGM along with brief details.

2.2 Board Meetings:

The Company is committed to ensuring a well-informed and engaged Board of Directors.

- **Advanced Planning and Scheduling:** In consultation with the Directors, a tentative annual calendar for Board and Committee meetings is prepared and circulated well in advance. This enables Directors to effectively plan their schedules and maximize participation.
- **Accessibility Through Technology:** Recognizing the diverse needs of our Directors, we offer participation in all Board and Committee meetings via video conferencing also. This flexibility promotes broader participation and informed decision-making.
- **Comprehensive Information Sharing:** The Company adheres to the highest standards of transparency by regularly presenting the Board with all information mandated by Part A of Schedule II to the Listing Regulations. This includes critical data such as annual operating plans, capital expenditure budgets with quarterly updates, quarterly results and committee minutes. Additionally, the Board receives information on significant developments in human resources, industrial relations, legal matters, foreign exchange exposures, risk management strategies, and legal compliance.

- **In-depth Materials and Discussions:** To facilitate well-informed decision-making, comprehensive notes and pre-agenda materials are circulated well in advance of each meeting. This allows Directors to delve deeper into agenda items, contribute meaningfully, and exercise sound business judgment during discussions.
- **Engaging Presentations:** Business unit leaders present on the Company's operations, risk management practices, and internal financial controls during Board and Audit Committee meetings. External experts are also invited to provide specialized insights wherever necessary. Furthermore, CEOs of subsidiaries present quarterly performance updates to the Audit Committee and Board.
- **Digital Agenda and Materials:** The Company prioritizes environmental friendly practices by utilizing a digital application installed on iPads for circulating meeting agendas. Additionally, all supporting materials and notes for Board and Committee meetings are uploaded electronically well in advance, ensuring easy access and promoting a paperless environment.

These practices combined create a dynamic and informative environment for Board and Committee meetings, fostering effective governance and informed decision-making that ultimately benefits all stakeholders.

During the year 2023-24, the board met eight (8) times viz., 4th May 2023, 9th June 2023, 24th July 2023, 11th September 2023, 30th October 2023, 24th January 2024, 11th March 2024 and 20th March 2024 and the gap between two meetings did not exceed one hundred and twenty days. Besides the IDs held a separate meeting on 11th March 2024 in compliance with the provisions of the Act, 2013 and Regulation 25(3) of the Listing Regulations.

2.3 Attendance and other directorships:

The details of attendance of the Directors at the board meetings during the year and at the last AGM held on 24th July 2023 and other directorships and committee memberships/chairmanships as on 31st March 2024 are as follows:

Name of the Director (M/s)		Category	Attendance Particulars		Number of other directorships and committee memberships/chairmanships		
			Board meetings	Last AGM	Other directorships*	Committee memberships**	Committee Chairmanships**
Prof. Sir Ralf Dieter Speth	(DIN 03318908)	NED	8	Yes	10	-	-
Venu Srinivasan	(DIN 00051523)	ED	6	No	23	1	-
Sudarshan Venu	(DIN 03601690)	ED	8	Yes	17	2	1
K N Radhakrishnan	(DIN 02599393)	ED	8	Yes	5	2	1
C R Dua	(DIN 00036080)	ID	7	Yes	13	5	2
Kuok Meng Xiong	(DIN 09117910)	ID	4	Yes	13	-	-
Dr. Deepali Pant Joshi *(Appointed on 11.09.2023)*	(DIN 07139051)	ID	5	NA	7	6	4
Vijay Sankar *(Appointed on 20.03.2024)*	(DIN 00007875)	ID	1	NA	20	5	-
Hemant Krishan Singh	(DIN 06467315)	ID	8	Yes	-	1	1
B Sriram	(DIN 02993708)	ID	8	Yes	7	6	1
Dr. Lakshmi Venu	(DIN 02702020)	NED	5	Yes	13	1	-
T Kannan *(Demise on 23.05.2023)*	(DIN 00040674)	ID	1	NA	-	-	-
Lalita D Gupte *(completion of tenure on 22.10.2023)*	(DIN 00043559)	ID	4	Yes	-	-	-
R Gopalan *(Resigned on 02.03.2024)*	(DIN 01624555)	ID	6	Yes	-	-	-

NED: Non Executive Director ED: Executive Director ID: Independent Director

NA: Not Applicable

* includes private companies Section 8 Companies and Companies incorporated outside India.

** includes committees where the director holds the position of chairman. Details of Directorship and Committee membership/ chairmanship are not disclosed for the ceased/resigned directors.

For the membership and chairpersonship in Committees only Audit Committee and Stakeholder Relationship Committee have been considered as per Regulation 26 of the Listing Regulations. Also, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been excluded.

None of the Directors on the Board is a member of more than ten committees or chairman of more than five committees across all the companies in which they are Directors. Mr Venu Srinivasan, Mr Sudarshan Venu and Dr. Lakshmi Venu are related to each other. None of the other Directors on the Board is related to any other Director on the Board. The number of Directorships, Committee Memberships/Chairmanships of all Directors are within the respective limits prescribed under the Act, 2013 and the Listing Regulations.

2.4 Listed entities in which the directors hold position as director other than the Company and category of Directorship:

Name of the Director (M/s.)	Name of the company	Category of directorship*
Prof. Sir Ralf Dieter Speth	–	–
Venu Srinivasan	TVS Holdings Limited	Non-Executive Director, Chairman
	Sundaram - Clayton Limited	Executive Director
Sudarshan Venu	TVS Holdings Limited	Executive Director
	Coromandel International Limited	Independent Director
K N Radhakrishnan	–	–
C R Dua	TVS Holdings Limited	Independent Director
	Sundaram-Clayton Limited	
	Gillette India Limited	
	Pearl Global Industries Limited	
	Procter & Gamble Hygiene & Health Care Limited	Independent Director - Chairman
Kuok Meng Xiong	–	–
Dr. Deepali Pant Joshi	Coromandel International Limited	Independent Director
	Aurobindo Pharma Ltd.	
Vijay Sankar	Chemplast Sanmar Ltd.	Non- Executive Director, Chairman
	Transport Corporation of India Ltd.	Independent Director
	Oriental Hotels Limited	
	The KCP Limited	
Hemant Krishan Singh	–	–
B Sriram	ICICI Bank Limited	Independent Director
	Nippon Life India Asset Management Limited	
	TVS Supply Chain Solutions Limited	
Dr. Lakshmi Venu	Sundaram-Clayton Limited	Executive Director

* for the purpose of Independent Directorship, directorships in debt listed entities not included.

None of the non-executive directors holds directorships in more than seven listed entities and serves as an independent director. As far as, Managing Director/Whole-Time Director in the Company are concerned, they do not serve as an Independent Director in more than three listed entities.

2.5 Access to information and updation to Directors:

The Board of Directors actively engages with the information presented during meetings. All materials provided are meticulously reviewed in accordance with Listing Regulations. Functional heads are invited to attend and present relevant information to the Board and Audit Committee as needed.

- Observations from internal audits are presented for discussion and addressed with functional heads by the Committee/Board.
- The Statutory Auditors' compliance report on payment of statutory liabilities is reviewed and discussed with relevant functional heads.
- The Board reviews quarterly declarations submitted by the Director & CEO and the Chief Financial Officer regarding adherence to all applicable laws.
- Decisions reached during Board and Committee meetings are promptly communicated to the functional heads responsible for implementation.
- Action taken reports detailing progress on previous meeting decisions are presented at each subsequent Board and Committee meeting, ensuring accountability and continuous improvement.

These practices ensure a thorough and transparent review process during Board and Committee meetings.

2.6 Familiarization program

The Company is dedicated to ensuring all new Directors are well-equipped to contribute effectively from day one. We achieve this through a comprehensive induction program that covers the following key areas:

- **Board Fundamentals:** New Directors gain a thorough understanding of the Board's role, composition, conduct, and associated risks and responsibilities. This ensures they are fully informed on current governance best practices.
- **Company's Culture:** The program delves into the Company's culture, values, and business model. Directors receive briefings on the roles and responsibilities of senior executives, along with the Company's financial, strategic, operational, and risk management landscape.
- **Hands-on Experience:** To gain a deeper understanding of the Company's operations, new Directors participate in a plant visit. This firsthand experience provides valuable insights into the manufacturing process and overall Company activities. Additionally, a plant visit allowed the new Directors to observe the Company's initiatives in the EV space firsthand.

For more detailed information on the Director induction program, please refer to the dedicated section on the Company website, accessible through the link provided on page 186 of this Annual Report.

2.7 Chart setting out the skills/expertise/competence of the Board of Directors:

While evaluating the Board as a whole, it was ensured that the existing board members have relevant core skills/ expertise/competencies as required in the context of its business(es) and sector(s) to function effectively.

Skill	Description
Leadership/ Strategy	Experience of playing leadership roles in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration/operations and Organisations and people management.
Automotive Experience	Strong knowledge and experience in automotive industry and in managing business operations of a sizeable organization in the business of manufacture and sale of automobiles.
Financial	Practical knowledge and experience in Finance, accounting and reporting and internal financial controls, including strong ability to asses financial impact of decision making and ensure profitable and sustainable growth.
Governance	Board level experience in reputed organisations, with strong understanding of and experience in directing the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.
Regulatory	Strong expertise and experience in corporate law and regulatory compliance in India and overseas (including industry specific laws).

The Company's Board of Directors is highly structured to ensure a high degree of diversity by age, gender, education/ qualifications, professional background, sector expertise and special skills (classification). This is reflected in Company's skills and diversity grid disclosed here.

Board comprises a range and balance of skills, experience, knowledge, gender, social-economic backgrounds and independence. This needs to be backed by a diversity of personal attributes, including sound judgement, honesty and courage.

Professional Background & Skills/expertise/competency of Directors

Name of the directors	Brief description of special skills
Prof. Sir Ralf Dieter Speth	• Sir Ralf holds a Doctorate Degree in Engineering and is a Professor at the University of Warwick, United Kingdom; • Sir Ralf started his professional career with BMW where he stayed for 20 years before joining Ford Motor Company's Premier Automotive Group (PAG) and later Linde Group, the international gases, materials handling and engineering company; • In early 2010, Prof. Dr Ralf D Speth became Chief Executive Officer, Jaguar Land Rover(JLR), and a member on Tata Motors' Board later that year; • In 2016, he was appointed as a member of the Supervisory Board of Tata Sons Ltd. Sir Ralf was nominated as a Non-Executive Director and Vice-Chairman of the JLR Board following his retirement in September, 2020; • He has been a member of the Royal Academy of Engineering since 2014. In 2015, he was appointed Honorary Knight of the British Empire (KBE) and in 2019 as Additional Knight Commander of the Most Excellent Order of the British Empire. In 2020, Sir Ralf was elected a Fellow of the Royal Society; • Sir Ralf has been bestowed with many awards and has spearheaded noteworthy initiatives in the automobile industry; and • In January 2023, Sir Ralf Speth, was conferred with an Honorary Doctorate in the field of Science (Doctor of Science, honoris causa) from the University of Warwick, United Kingdom.
Mr Venu Srinivasan	• Mr Venu Srinivasan's vision facilitated the Company to emerge as third largest two-wheeler manufacturer in India and has also made major contribution to the automotive industry and nation building at large for over four decades; • Strengthened the TQM processes within the Company which facilitated making bikes for BMW Motorrad through a strategic partnership; • His experience and innovative excellence that helped the company in broadening its product portfolio from time to time and Company's market presence across the globe; • His dedication to the transformation of rural India by empowering women in the rural areas that can be seen through his passion towards setting up the Srinivasan Services Trust (SST), which has touched the lives of 1.6 million people in 2500 villages across the country in the last 28 years • He was conferred the Padma Bhushan Award, the third Highest civilian award in India, in January 2020; • He is the recipient of Deming Distinguished Service Award, granted to individuals who have made outstanding contributions in the dissemination and promotion (overseas award 2019); • He was conferred with "Order of Diplomatic Merit" (Heung- In Medal) by the President of Korea; • He was presented with an "Outstanding Institution Builder" Award at the 13th Managing India Awards by AIMA (All India Management Association) for displaying exceptional vision and leadership in building an institution in 2023; • Conferred with lifetime achievement award by CNBC – TV18's India Business Leadership Awards (IBLA) in 2023 and in 2024 Ernst & Young recognized him with the Life time Achievement award for his decades of entrepreneurial excellence in revolutionizing the two wheeler industry in India; • He is also Chairman in TVS Holdings Limited and Chairman Emeritus and Managing Director of Sundaram- Clayton Limited. He also serves on the board of T V Sundram Iyengar & Sons Private Limited, Tata Sons Private Ltd., (Tata Sons) the holding company of the conglomerate Tata Group; • He is also a Director on the Central Board of Reserve Bank of India; and • He is also the vice chairman of various Tata Trusts, India's most respected and largest philanthropic foundation.

Name of the directors	Brief description of special skills
Mr Sudarshan Venu	• Over the last few years, Mr Sudarshan Venu has been charting the future of one of India's leading two-wheeler manufacturer, TVS Motor Company, and has made it the most awarded two-wheeler company. It is a testimony to Sudarshan's focus, that TVS Motor has been voted No. 1 in Customer Satisfaction for four years in a row by the prestigious J. D. Power Awards. • With his extraordinary efforts, the Company has acquired UK's iconic motorcycle brand Norton Motorcycles and has also setup a completely new manufacturing facility in UK. • He strongly believes in staying ahead of the emerging trends – electrification and personal mobility are two big areas of focus and is looking to build a strategic personal e-mobility ecosystem by scaling unique brands, and recently led TVS to acquire European e-bike brand EGO Movement and Switzerland's largest e-bike Company, Swiss E-Mobility Group. • His vision of transforming the Company into a leading global mobility player, paved the way for launch of various new products in EV segment; • His leadership drove the e-mobility initiative, resulting in significant market share gains, and the Company crossed 25% in the EV market; • His focus on investing in future technologies and acquiring talent in software electronics and digital analytics was notable, and he has positioned TVS Motor for even greater global success; • He has been a pivotal role in expanding international business into markets in Africa, Middle East, Southeast Asia, LATAM, and Europe and market presence in more than 80 countries across the globe; • His global experience and leadership skills helped the Company in various acquisitions and strategic partnerships across the globe; • He also has been instrumental in setting up and in the success of Emerald Haven Realty Ltd., the real estate subsidiary and TVS Digital, a subsidiary of TVSM incorporated in Singapore, focused on providing technology solutions for digital transformation. • He is also the Chairman of TVS Credit Services, a non-deposit Non-Banking Finance Company and Managing Director of TVS Holdings Limited, a Core Investment Company. • He received the "Next Gen Leader" award at the Indian Family Business Awards 2022, a testament to his visionary leadership and unwavering commitment to innovation in the automotive industry.
Mr K N Radhakrishnan	• An eminent leader in the automobile industry, Radhakrishnan is well known for his strategic planning, focus on quality, passion for customers and eye for technology in shaping the Company's journey of becoming a global manufacturer boasting of superior quality products. • With decades of leadership skills, he has played a crucial role in transforming the Company from a local favourite company to the third largest two-wheeler manufacturer in India, respected for quality globally; • His relentless efforts and commitments helped the Company to improve profitability and expand its business across the globe; • Solution orientation in audit findings and its implementations is one of his key qualities; and • He has a vast experience in automotive industry and having successfully handled all activities of the Company including sales & marketing, business administration/operations.
Mr C R Dua	• Mr Dua is honours graduate of St. Stephen's College and also holds a Master's degree in Economics from the Delhi School of Economics; • His experience covers a broad range of areas relating to Corporate, Finance, Securities, Infrastructure and aspects of Public Policy and Administration, Governance and Ethics, both in India and abroad; • He is the Founder of and currently the Chairman of Dua Associates, one of India's prominent law firms, serving a wide spectrum of clients drawn from several Fortune 500 companies, listed companies, public-sector enterprises, privately-owned businesses, as well as entrepreneurial start-ups; • Mr Dua has been the recipient of several awards as a leading lawyer in the areas of M & A, General Corporate and Corporate Restructuring. He has been recognized as being "The Most-Influential & Significant Lawyer" by The Legal 500, and for the last four consecutive years has been recognized as a legal icon by India Business Law Journal's A-List of top Indian lawyers. He has also been recognized by Forbes India in its Legal Powerlist of Top Managing Partners every year since 2020; • Through his active engagement, the firm continues to retain its leadership position in uncertain and challenging environment nationally and internationally; • He holds Directorships in both listed and major multinational corporations primarily representing the interests of foreign collaborators and investors; • He is one of the Senior Vice Presidents of the Society of Indian Law Firms of Confederation of Indian Industry (CII) Task Force on Legal Services. He joined the Board of Governors of IILM Law School, IILM University, Gurugram in 2023.

Name of the directors	Brief description of special skills
	• An avid tennis player Mr Dua's interest in promoting sports are pursued as a special invitee to the Executive Committee of the International Lawn Tennis Club of India and Vice President of the Delhi Lawn Tennis. • He also received the prestigious Lifetime Achievement Award for Outstanding Contribution and Excellence in the field of Law in 2020. In 2021 he was also conferred the India Legal -Lifetime Achievement Award - Law Firms. He was also recognized as Corporate Lawyer of the Year in India - 2023 by Global Law Experts.
Dr. Deepali Pant Joshi	• Dr. Deepali Pant Joshi has more than four decades of experience in the formulation of macro-economic policies in Reserve Bank of India (RBI) and headed various departments including the Department of Rural Planning and Credit and Financial Inclusion Department and Customer Service & Financial Education Department. • Her core competencies include Finance, Regulation and Supervision, Foreign Exchange, Payment system and Currency management. • Post doctoral work in Finance and Economics from the University of Harvard on secondment from the RBI • She has received many awards for her Professional achievements including Skoch Challenger award for contribution to Financial Inclusion, Chancellors medal at the University of Allahabad for academic proficiency and Amarnath Jha Gold Medal, University of Allahabad. She has authored seven books on Economics, Financial Inclusion and Sustainable Development • Dr. Joshi is Chancellors Nominee on the Executive Council, University of Allahabad, The Outstanding Speaker Bureau and has served as a nominee on behalf of RBI on the Board of Andhra Bank, North East Institute of Bank Management, Institute of Banking Personnel Selection I.B.P.S., Bhartiya Reserve Bank Note Mudran Private Ltd. (RBI Currency Pass). • She also serves as an Independent Director on the board of several companies.
Mr Kuok Meng Xiong	• MX Kuok is the Founder & Managing Partner of K3 Ventures, a Singapore-based venture capital investment firm; • In the last 11 years, he has invested in and partnered with visionary founders of category-leading companies that drive innovation in today's world; • He has rich experience and knowledge in the fields of digital technology for investments by the Company in digital start-ups; and • He has a unique mix of strong corporate values and a clear vision of the future digital world.
Mr Vijay Sankar	• Mr Vijay Sankar holds Master's in Business Administration from the J L Kellogg Graduate School of Management, Northwestern University, and is also a qualified Chartered Accountant. • Vijay Sankar is the Chairman of The Sanmar Group, headquartered in Chennai, India, with manufacturing facilities in the Mexico, Egypt, and several locations across South India. • Mr Sankar is an Independent Director on the Boards of several listed entities. • He also serves as a Vice President of the Tamil Nadu Tennis Association, Trustee of The Childs Trust Hospital and the Voluntary Health Services (VHS) and on the Board of Governors of the Medical Research Foundation (Sankara Nethralaya) and CPR Environment Education Centre. • Vijay Sankar is the Honorary Consul General of Denmark in Chennai.
Mr Hemant Krishan Singh	• Mr Singh is a distinguished former career diplomat with extensive experience in geo-strategic and geo-economic issues as well as multilateral institutions which underpin international law and commerce. • He has been India's longest serving Ambassador to Japan (2006- 2010), Ambassador to Indonesia and Timor Leste (2003- 2006), Ambassador to Colombia, Ecuador and Costa Rica (1999-2002), and India's Deputy Permanent Representative to the UN in Geneva (1995- 1999). He has held several significant assignments during his career, dealing with the United States, West Europe and the European Union and India's immediate neighbours; • He has contributed to the forging of the India-Japan strategic and global partnership, the intensification of India's relations with Indonesia and ASEAN, the evolution of India's revitalized Act East Policy and the shaping of India's policy towards key neighbours and strategic partners; • Since 2016, he has been the Director General of the Delhi Policy Group, a leading independent and non-partisan think tank focused on issues of critical national interest; and • He has wide experience in the global economy and best practices to address the challenges and risks in international business.

Name of the directors	Brief description of special skills
B Sriram	• He has held several key executive positions in his career including Managing Director & CEO, IDBI Bank Ltd.; Managing Director, State Bank of India and Managing Director, State Bank of Bikaner & Jaipur; • He has held various key assignments in the State Bank Group in Credit and Risk, Retail, Operations, IT, Treasury, Investment Banking, International Operations, Payment and Settlement Systems and Small Scale Industry; • He was a part-time member of the Insolvency & Bankruptcy Board of India. He is also an External Investment Committee member of British International Investment, UK; and • His vast and rich experience in banking sector would help the Company in handling its finance function significantly
Dr. Lakshmi Venu	• Involved in all spheres of management of Sundaram-Clayton Limited, and handles wider responsibilities for exploring new business opportunities; • She is the Managing Director of Sundaram-Clayton Limited and also the Deputy Managing Director of TAFE Motors and Tractors Limited. She holds directorship in various other companies; • Played a key role in establishment of overseas manufacturing facility for Sundaram Holding USA Inc, in the United States of America; • She was recognised as "Corporate India's fastest rising women leader" by Economic Times in 2017; and • She has a rich experience in business strategy, product design and in- depth knowledge of automotive business.

2.8 Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel:

The Company has in place a Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel (the Code) approved by the Board.

The Company's Code of Conduct embodies its values and expectations to which its corporate standards and employee policies are aligned.

The Code has been communicated to Directors and the Senior Management Personnel.

The updated version of the Code has also been displayed on the Company's website in the following link provided in the page no. 186 of this Annual Report.

All the Members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March 2024. The Annual Report contains a declaration to this effect signed by the Director & Chief Executive Officer.

2.9 Appointment/Re-appointment of Directors:

In terms of Regulation 36(3) of the Listing Regulations, a brief resume of Directors proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, other directorships and committee memberships, shareholdings and relationships, if any, with other Directors alongwith listed entities from which the Director has resigned in the past three years are provided in the Notice convening AGM of the Company.

2.10 Committees of the Board:

The Board of Directors is committed to strong corporate governance and has established the following committees to provide focused oversight and enhance accountability:

Mandatory Committees:

- Audit Committee: Responsible for overseeing the integrity of the Company's financial reporting process.
- Risk Management Committee: Identifies, assesses, and mitigates potential risks facing the Company.
- Stakeholders' Relationship Committee: Facilitates communication, redressal of grievances and fosters positive relationships with all stakeholders.
- Nomination and Remuneration Committee: Recommends qualified candidates for Board positions and oversees executive compensation practices.
- Corporate Social Responsibility Committee: Develops and implements the Company's social responsibility initiatives.

Non-Mandatory Committee:

- Administrative Committee: Handles administrative matters as delegated by the Board.

The Board establishes the terms of reference for each committee and regularly reviews their performance. Committee meetings are chaired by designated members who report key discussions and decisions to the full Board. Minutes of all Committee meetings are presented at subsequent Board meetings for comprehensive oversight.

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. It also helps the Board in meeting its responsibilities for the effectiveness of risk management system.

3.1 Brief description of terms of reference:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and *inter alia* performs the following functions:

a. Overviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;

c. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement in terms of clause (c) of sub-section (3) of Section 134 of the Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Modified opinions, if any, in the draft audit report.

d. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

e. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

f. Approving or subsequently modifying any transactions of the Company with related parties;

g. Scrutinizing the inter-corporate loans and investments;

h. Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary;

i. Evaluating internal financial controls and risk management systems;

j. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

k. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

l. Discussing with internal auditors of any significant findings and follow up thereon;

m. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or any failure of internal control systems of a material nature and reporting the matter to the Board;

n. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

o. Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

p. Reviewing the functioning of the Whistle Blower Mechanism. Regular reports on significant matters raised through the programme and the actions taken to address them are received;

q. Approving the appointment of CFO after assessing the qualifications, experience and background of the candidate; and

r. reviewing the utilisation of loans and/or advances from/investments/by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

In addition, reviewing of such other functions as envisaged under Section 177 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 18 of the Listing Regulations.

The subjects reviewed and recommended in the meetings of the Audit Committee were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by the Committee during the year under review, were accepted by the Board.

3.2 Composition, name of the Chairman and Members:

As of 31st March 2024, the Committee consists of the following Independent Director's viz., Mr C R Dua and Dr. Deepali Pant Joshi and Mr K N Radhakrishnan, Director & CEO.

During the year under review, Mr T Kannan, Independent Director demise on 23rd May 2023 and Mr R Gopalan, Chairman of the Committee resigned from the Directorship on 2nd March 2024 and thereby both the Directors ceased as members of the Audit Committee.

Mr K N Radhakrishnan, Director and CEO and Dr. Deepali Pant Joshi, Independent Director were appointed as members of the Committee effective 7th July 2023 and 2nd March 2024 respectively through a circular resolution by the Board of Directors.

Mr R Gopalan, erstwhile Chairman of the Committee was present at the last AGM held on 24th July 2023 to answer the Shareholder queries.

Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

3.3 The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the Meetings	Members present (M/s)				
	CRD	KNR	DPJ	RG	TK
24-04-2023	✓	NA	NA	✓	✓
04-05-2023	LOA	NA	NA	✓	✓
24-07-2023	✓	✓	NA	✓	-
30-10-2023	✓	✓	NA	✓	-
24-01-2024	✓	✓	NA	✓	-
20-03-2024	✓	✓	✓	-	-

"✓"- Attended the meeting; "LOA" – Leave of absence; "NA" – Not applicable

[CRD – Mr C R Dua, KNR – Mr K N Radhakrishnan, DPJ – Dr. Deepali Pant Joshi, RG – Mr R Gopalan (upto 2nd March 2024) and TK – Mr T Kannan (upto 23rd May 2023)]

4. Subsidiary companies

The Company has four wholly owned subsidiaries viz., Sundaram Auto Components Limited, TVS Digital Limited [formerly known as TVS Housing Limited], TVS Motor Services Limited and TVS Electric Mobility Limited.

It also has other subsidiaries viz., TVS Credit Services Limited and its three wholly owned subsidiaries viz., Harita ARC Private Limited, Harita Two-wheeler Mall Private Limited and TVS Housing Finance Private Limited.

During the year under review, the Company has acquired additional stake of 25% in Swiss E-Mobility Group (Holding) AG ("SEMG"), Switzerland through its overseas subsidiary viz., TVS Motor (Singapore) Pte. Limited on 9th June 2023 from the existing shareholders, thereby SEMG has become a wholly owned subsidiary of TVS Motor (Singapore) Pte Ltd. and the Company.

The foreign subsidiaries are TVS Motor (Singapore) Pte. Limited, TVS Digital Pte Ltd.; TVS Motor Company (Europe) B.V., PT. TVS Motor Company Indonesia, The Norton Motorcycle Co Limited, UK, EBCO Limited, UK; Swiss E-Mobility Group (SEMG), its subsidiaries viz., Swiss E-Mobility Group (Schweiz) AG, Switzerland, Colag E-Mobility GmbH, Germany, Alexandr'RoEdouard'O Passion VeloSarl, Switzerland, The GO Corporation and its subsidiary viz., EGO Movement Stuttgart GmbH, Germany and Celerity Motor GmbH, Germany.

The Audit Committee reviews the financial statements and in particular the investments made by the said unlisted subsidiaries. The minutes of the Board meetings of the said unlisted subsidiaries, wherever applicable, are periodically placed before the Board.

The Committee is periodically informed about all significant transactions and arrangements entered into by all these unlisted subsidiaries.

Material Subsidiaries Policy

The Board has duly formulated a policy for determining 'material subsidiaries'. As per the amended Listing Regulations 2015, material subsidiary means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As of 31st March 2024, the Company's Indian subsidiary, viz., TVS Credit Services Limited and overseas subsidiary viz., TVS Motor (Singapore) Pte Limited are covered within the definition of "unlisted material subsidiary" in terms of the Regulation 16(1)(c) of the Listing Regulations.

For the purpose of complying with the requirement of Regulation 24 of the Listing Regulations, the Company nominated one of the ID of the Company on the Board of TVS Credit Services Limited and TVS Motor (Singapore) Pte Limited, whose income/net worth exceeds of 20% of the consolidated income or net worth.

The Company has ensured that all the identified material subsidiaries incorporated in India have obtained secretarial audit report from a Company Secretary in Practice for FY 2023-24 and annexed with the annual report of the Company.

Copy of the Material Subsidiary policy is available on the Company's website in the link provided in page no. 186 of this Annual Report.

5. Disclosures

5.1 Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act, 2013 and the Listing Regulations during the financial year 2023-24 were in the ordinary course of business and at arm's length and do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder.

There were no materially significant transactions with the related parties during the year, which were in conflict of interest, and hence no approval of the Company was required in terms of the Listing Regulations.

The transactions with the related parties, namely its promoters, its holding, subsidiary and associate companies etc., of routine nature have been reported in the Annual Report, as per Indian Accounting Standard 24 (IND AS 24) notified vide the Companies (Indian Accounting Standard) Rules, 2015.

Details of material related party transactions are enclosed as part of accounts for the year ended 31st March 2024.

Related Party Transaction Policy

The Board has formulated a policy on related party transactions. The Audit Committee reviews and approves transactions between the Company and related parties, as defined under the Listing Regulations, to ensure that the terms of such RPTs would reasonably be expected of transactions negotiated or at arm's length and in the ordinary course of business. The audit committee meets prior to each scheduled board meeting to review all RPTs of the Company on a quarterly basis.

In terms of Regulation 23 of the Listing Regulations, all RPTs for the succeeding financial year, with clear threshold limit, are regularly placed before the Audit Committee meeting convened in last quarter of the financial year for its approval and recommendation to the Board for its approval, wherever required. RPTs entered upto that period are reviewed at the meeting for any upward revision in the threshold limit.

It is also ensured that none of RPTs involving payments with respect to brand usage or royalty during the financial year, exceed five percent of the annual consolidated turnover of the Company as per the previous audited financial statements of the Company.

As per the Companies Act 2013, any unforeseen RPT involving amount not exceeding ₹ 1 crore per transaction is entered into by a Director or Officer of the Company without obtaining prior approval of the Audit Committee and such RPTs can be ratified by the Audit Committee within three months from the date of such transaction.

Copy of the said Policy is available on the Company's website in the link as provided in page no. 186 of this Annual Report.

The Company has engaged an Independent Audit firm for ensuring correctness of the approach in complying with the criteria on arm’s length price and ordinary course of business for all RPTs entered into by the Company from time to time.

5.2 Disclosure of accounting treatment:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS" with effect from 1st April 2016. Accordingly, the financial statements for the year 2023-24 have been prepared in compliance with the said Rules.

5.3 Risk Management:

a) The Committee plays a crucial role in overseeing the Company's risk appetite, tolerance, and strategy.

This function is complemented by a well-established Risk Management Policy, which formalizes the Company's approach to managing material business risks. The policy leverages a combined top-down and bottom-up approach to comprehensively identify, assess, monitor, and manage key risks across all business units.

b) **A robust risk management framework ensures regular internal reviews and reporting to the Board.**

This process involves identifying and prioritizing business risks based on their severity, likelihood of occurrence, and the effectiveness of current detection methods. The framework also monitors ongoing and potential risk exposures, the effectiveness of the risk management system itself, and adherence to Board-approved risk policies. Senior Management reviews these risks on a quarterly basis. Additionally, process owners are assigned for each risk, and metrics are developed to track and evaluate the effectiveness of mitigation strategies.

The Board is confident that the Company has adequate systems and procedures in place to effectively identify, assess, monitor, and manage risks. This confidence is further bolstered by the Company's Audit Committee, which reviews reports from management and recommends appropriate actions when necessary.

Risk Management Committee:

As of 31st March 2024, the Committee consists of the following Executive/Independent director/Officer viz., Mr K N Radhakrishnan, Director & CEO, Mr Sudarshan Venu, MD, Mr K Gopala Desikan, Chief Financial Officer and Mr Hemant Krishan Singh, Independent Director.

During the year under review, Mr T Kannan, Independent Director, Chairman of the Committee upon demise on 23rd May 2023 and Mrs. Lalita D Gupte, Independent Director completed her tenure of office on 22nd October 2023 and thereby both the Directors ceased as members of the Committee.

Mr K N Radhakrishnan, Director and CEO was appointed as Chairman of the Committee effective 7th July 2023.

The composition of the Committee is in accordance with the requirements of Regulation 21 of the Listing Regulation. Mr K N Radhakrishnan, Director and CEO is the Chairman and Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

As per the Risk matrix - prioritization, financial impact on roll back of FAME II subsidy by March 2024, International Business Industry Risk on account of forex shortage, and currency depreciation, geo political issues and non-achievement of planned market share were reviewed including the mitigation plans for those critical risks.

Cyber Threats:

The Committee received regular updates on the key risk associated with technology, including notable incidents, regulatory developments, governance and strategy, as well as developments in the global cybersecurity threat landscape such as the risk in prominence of ransomware, and the progress of cyber-attack simulation exercises with senior executives and readiness training across all the Companies in the Group.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the Meetings	Members present (M/s)				
	HKS	SV	LDG	KNR	KGD
07.07.2023	✓	LOA	✓	✓	✓
30.10.2023	✓	LOA	-	✓	LOA

"✓"- Attended the meeting ; "LOA" – Leave of absence

[HKS - Mr Hemant Krishan Singh, SV – Mr Sudarshan Venu, LDG – Mrs Lalita D Gupte (upto 22nd Oct 2023), KNR – Mr K N Radhakrishnan, KGD – Mr K Gopala Desikan]

Scope:

(a) Overseeing and approving the Company's enterprise-wide risk management framework;

(b) Overseeing/identifying/assessing of all risks that the Organization faces such as strategic, financial, credit, marketing, liquidity, security, property, IT, legal, regulatory, reputational;

(c) Evaluating that adequate risk management infrastructure is in place and capable of addressing those risks; and

(d) Monitoring/overseeing the implementation of the risk management policy and reviewing the policy periodically

Role:

(a) To identify, evaluate and mitigate the existing as well as potential risks to the Company and to recommend the strategies to the Board to overcome them;

(b) To develop and implement action plans to mitigate the risks;

(c) To oversee at such intervals as may be necessary, the adequacy of Company's resources, to perform its risk management responsibilities and achieve its objectives;

(d) To review the risk management framework for the operations of the Company that are deemed necessary and Company's performance against the identified risks of the Company;

(e) To formulate the strategies towards identifying any areas that may materially affect the Company's overall risk exposure and to review the risk management plan;

(f) To adequately transmit necessary information with respect to material risks to Senior Executives/ Board/relevant Committees;

(g) To check if Cyber security cover has been adopted by Information systems department; and

(h) Such other items as may be prescribed by regulatory or by the Board, from time to time.

5.4 Instances of non-compliances, if any:

There were no instances of non-compliance by the Company or penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during the last three years.

5.5 Disclosure by Senior Management Personnel:

The Senior Management Personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have personal interest that could result in conflict of interest with the Company at large.

Particulars of senior management personnel of the Company:

S.no	Name of the Senior Management Personnel (M/s.)	Category
1.	K Gopala Desikan	Chief Financial Officer
2.	Sharad Mohan Mishra	President – Group Strategy
3.	Bernhard Heiming	Chief Technology Officer
4.	R Anandakrishnan	Group Head - ERM, HR & IT
5.	K S Srinivasan	Company Secretary

5.6 CEO and CFO Certification:

The Director & Chief Executive Officer and Chief Financial Officer of the Company have certified to the Board on financial and other matters in accordance with Regulation 33 of the Listing Regulations for the financial year ended 31st March 2024.

5.7 Compliance with mandatory/non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of the Listing Regulations. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed in this Report.

5.8 Code of Conduct for Prevention of Insider Trading:

In compliance with SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has a comprehensive Code of Conduct for Prevention of Insider Trading and the same is being strictly adhered to by the Designated persons (DPs) while dealing in Company's securities in excess of the threshold limit as defined under this Code.

The Company also has in place a Code of Practices and Procedures for fair disclosure of "Unpublished Price Sensitive Information" (UPSI) and a Code of Conduct to regulate, monitor and report trading by insiders.

The Company follows closure of trading window from the end of every quarter till 48 hours the UPSI made public. The Company has been advising the DPs covered by the Code not to trade in Company's securities during the closure of trading window period. The Company has set up a mechanism for daily tracking of the dealings of equity shares of the Company by the DPs and their immediate relatives having access to unpublished price sensitive information. In addition, the Company is also closing the trading window for considering the UPSI at the Board meeting and advising the DPs connected with the UPSI.

The Audit Committee also reviewed the Institutional Mechanism for Prevention of Insider trading and the systems for internal control as per Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations 2015 and declarations from DPs affirming their compliance with the Code for the year 2023-24.

The Company has installed necessary software for maintaining a Structured Digital Database as per the circulars issued by the SEBI. The Company regularly shares the importance of recording the UPSI to the DPs concerned. All DPs have been requested to share emails or any communication containing UPSI with others only for legitimate purposes. Wherever it is required, DPs are requested to record sharing of UPSI details with other employees, Auditors, Consultants within or outside the Company, marking a copy to a dedicated email ID. Emails marked to the specific mail ID can be accessed only by the intended users, till it is made public.

5.9 Management Discussion and Analysis Report, Familiarization Programme and Whistle Blower Policy:

All the above Report/Policies form part of the Directors' Report.

5.10 Whistle Blower Policy

The Company has cultivated a strong reputation over the years for conducting business with the utmost integrity. This commitment is reflected in our zero-tolerance policy for unethical behaviour. To uphold this standard, we have established a robust vigil mechanism that allows for the reporting of concerns in compliance with the Act and Listing Regulations. The Board's Audit Committee diligently oversees the functioning of this mechanism.

Whistleblowers are empowered to make protected disclosures through various channels. This system facilitates the reporting of actual or suspected instances of fraud or violations of the Company's Code of Conduct.

Copy of the said Policy is available in the Company's website in the following link is available in page no. 186 of this Annual Report.

6. Nomination and Remuneration Committee (NRC)

The NRC assists the Board in its oversight of Board composition and the maintenance of an effective framework for succession planning. It is also assists with the implementation of the Remuneration Policy, including the fixing of remuneration of the Executive Directors, Key Managerial Personnel (KMPs) (other than Directors) and Senior Managerial Personnel(SMPs)

6.1 Composition of the Committee:

As of 31st March 2024, NRC consists of the following Independent Directors viz., M/s C R Dua, Kuok Meng Xiong and B Sriram.

During the year under review, Mr T Kannan, Independent Director, ceased as a member of the Committee upon demise on 23rd May 2023.

Mrs Lalita D Gupte, Independent Director was appointed as a member of the Committee effective 25th May 2023 through a circular resolution and ceased wef 22nd October 2023 on completion of her tenure of Independent Directorship.

Mr B Sriram, Independent Director was appointed as a member of the Committee effective 7th July 2023 through a circular resolution.

Mr C R Dua, the Chairman of the Committee was present at the last AGM held on 24th July 2023 to answer the Shareholder queries.

Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

6.2 The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the Meetings	Members present (M/s)				
	CRD	BS	MX	LDG	TK
04.05.2023	LOA	NA	✓	NA	✓
31.05.2023	✓	NA	✓	✓	-
11.09.2023	✓	✓	✓	✓	-
24.01.2024	✓	✓	✓	-	-
20.03.2024	✓	✓	✓	-	-

"✓"- Attended the meeting ; "LOA" – Leave of absence; "NA" – Not Applicable;

[CRD – Mr C R Dua, BS – Mr B Sriram, MX – Mr Kuok Meng Xiong, LDG – Mrs Lalita D Gupte (upto 22nd Oct 2023) and TK – Mr T Kannan (upto 23rd May 2023)]

6.3 The broad terms of reference of the NRC are as under:

- Guiding the Board for laying down the terms and conditions in relation to the appointment and removal of Director(s), Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company.
- Evaluating the performance of the Director(s) and providing necessary report to the Board for its further evaluation and consideration.

- Recommending to the Board on remuneration payable to the Director(s), KMP and SMP of the Company based on (i) the Company's structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across the automobile industry.
- Retaining, motivating and promoting talent amongst the employees and ensuring long term sustainability of talented SMP by creation of competitive advantage through a structured talent review.

6.4 The role/scope of NRC is as follows:

- To make recommendations to the Board with respect to incentive compensation plans for the Executive Director(s) and remuneration of Non-Executive Director(s) of the Company.
- To identify persons who are qualified to become Director(s), KMP and SMP of the Company.
- To recommend to the Board for the appointment/removal of Director(s), KMP and SMP of the Company.
- To formulate criteria for determining qualification, positive attributes and independence of a Director of the Company.
- To recommend to the Board a Policy for remuneration of Director(s), KMP and SMP of the Company.

6.5 Board and Committee Performance Evaluation

The NRC laid down the criteria for evaluating the performance of every Director, Committees of the Board and the Board as a whole and also the performance of KMP and SMP.

Board Performance Evaluation

- **Composition, Size, and Expertise:** The Board's composition, size, and mix of skills and experience are assessed. The effectiveness of Board meetings is evaluated considering factors such as meeting frequency, discussion quality, decision-making processes, and follow-up actions.
- **Information Quality and Governance:** The quality of information provided to the Board and its adherence to good governance practices are reviewed.
- **Committee Performance:** The performance of various Board committees established for specific purposes is assessed.

Evaluation Methodology

The NRC prescribed a peer evaluation methodology using a set of questionnaires to assess the performance of individual directors, Board committees, the Chairman, and the Board as a whole. The Board conducted the evaluation following this prescribed methodology.

Individual Director Evaluation

The performance of individual directors is evaluated based on their:

- Commitment to their role and fiduciary responsibilities as Board members.
- Attendance and active participation in Board meetings.
- Strategic and lateral thinking abilities.
- Professional contributions and recommendations provided to the Board.
- Leadership or participation in various Board committees.

Senior Management Performance

The performance of SMP is measured against their achievement of business plans approved by the Board throughout the financial year and their annual performance incentives tied to those achievements. All SMP evaluations are conducted consistently following the established criteria.

NRC has the overall responsibility for evaluating and approving the compensation plans, policies and programmes applicable to SMP. NRC also delegated its authority to the Executive Directors, wherever appropriate, for this purpose.

6.6 Remuneration Policy

The Nomination and Remuneration Policy has been placed on the website of the Company. The details of the website link is available on the Company's website as provided in page no. 186 of this Annual Report. The salient features of the policy are as follows:

NRC formulates policy to ensure that –

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Director(s) of the quality required to run the Company successfully;
- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- the remuneration to Director(s), KMP and SMP of the Company involve a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the Company and its goals.

6.7 Remuneration to Directors:

Executive Directors:

The remuneration payable to Managing Director (MD) and Director & CEO is fixed by the Board and are within the limits approved by the Shareholders in terms of the relevant provisions of the Act, 2013 read with Regulation 17 of the Listing Regulations.

Particulars of remuneration to Executive Directors for the financial year 2023-24:

(₹ In Cr)

Name of the Directors	Salary & Perks	Commission	Total
CE & MD	0.84	-	0.84
MD	6.70	30.00	36.70
Director & CEO	4.70	15.80	20.50

There is no separate provision for payment of severance fees. The notice period is mutually agreed between these Directors and the Board. The tenure of office of Executive Directors is for five years from their respective dates of appointment/re-appointment.

Commission paid to the Directors are within the permissible limits approved by the Members and determined by the Board every year depending upon the performance of the Company.

Non-Executive Directors:

Sitting fees

The Board at its meeting held on 5th May 2022 fixed the payment of sitting fees of ₹ 40,000/- each to the Non-Executive Directors for each of the Board and/or Committee meeting thereof attended by them, which is within the limits, prescribed under the Act, 2013, effective that date.

Commission

The Company benefits from the expertise, advice and inputs provided by IDs. IDs devote their valuable time in deliberating on strategic and critical issues in the course of Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the Company, from time to time and hence IDs are being paid by way of sitting fees and commission.

NRC Committee, in its meeting held on 8th May 2024, recommended the payment of commission to IDs within the permissible limit, in terms of the provisions of Sections 197/198 of the Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and as approved by the shareholders at the general meetings held on 11th August 2017.

A Commission of ₹ 30 lakh to all IDs; additionally, ₹ 5 lakh to those IDs serving as a Member of the Audit Committee; and ₹ 3 lakh and ₹ 2 lakh each to those IDs serving as a Member of the Risk Management Committee and other Committees respectively for the year 2023-24, as approved by the board at its meeting held on 8th May 2024. The amount of commission for every financial year will be decided by the Board, as approved by the shareholders at AGM held on 11th August 2017, subject to the limit of 1% of net profits of the Company, in aggregate, as calculated pursuant to Section 198 of the Act, 2013. The above compensation structure is commensurate with the best practices in terms of remunerating IDs and adequately compensates for the time and contribution made by IDs.

The remuneration was determined by NRC considering the varying demands of the business, time commitment and other requirements of the role of Non-Executive Directors.

In terms of the amended Listing Regulations, it has also been ensured that the remuneration payable to one non-executive director does not exceed 50% of the total annual remuneration payable to all non- executive directors of the Company.

The Board at its meeting held on 20th March 2024, approved the adoption of TVS Motor Company Employee Stock Option Plan ("ESOP Plan") by way of secondary acquisition of fully paid up equity shares of the Company through TVSM Employees Stock Option Trust. The approval of the shareholders for the implementation of ESOP Plan and secondary acquisition of equity shares are being sought by way of special resolutions through postal ballot and the voting results will be published post completion of voting period i.e. 10th May 2024.

6.8 Particulars of sitting fees/commission paid to the Non-Executive and Independent/Non-Independent Directors during the financial year 2023-24 are as follows:

(₹ in Lakh)

Name of the Directors (M/s)	Sitting Fees	Commission	Total
Prof. Sir Ralf Dieter Speth	3.20	-	3.20
C R Dua	7.60	39.00	46.60
Kuok Meng Xiong	4.40	32.00	36.40
Dr. Deepali Pant Joshi *(From 11.09.2023)*	3.20	17.05	20.25
Vijay Sankar *(From 20.03.2024)*	0.40	1.05	1.45
H K Singh	5.20	35.00	40.20
B Sriram	6.80	31.47	38.57
Dr. Lakshmi Venu	2.00	-	2.00
T Kannan *(Upto 23.05.2023)*	2.00	5.96	7.96
R Gopalan *(Upto 02.03.2024)*	6.00	34.07	40.07
Lalita D. Gupte *(Upto 22.10.2023)*	2.80	20.43	23.23
Total	**43.60**	**216.03**	**259.63**

6.9 None of the Non-Executive Directors hold shares of the Company as on 31st March 2024.

7. Stakeholders' Relationship Committee (SRC):

7.1 As of 31st March 2024, the Committee consists of the following Executive Directors viz., M/s Venu Srinivasan, Chairman Emeritus & Managing Director (CE & MD) and Sudarshan Venu, Managing Director (MD) and Independent Directors viz., M/s. Hemant Krishan Singh and C R Dua.

During the year under review, Mrs Lalita D Gupte, Independent Director completed her tenure of office on 22nd October 2023 and thereby she ceased as a member of the Committee.

Mr Hemant Krishan Singh, Chairman of the Committee was present at the last AGM held on 24th July 2023 to answer the Shareholder queries.

Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

7.2 During the year, the SRC Committee met on 30th October 2023. Except CE & MD, all other members attended the meeting.

7.3 As required by Listing Regulations, Mr K S Srinivasan, Company Secretary is the Compliance Officer of the Company, who oversees the redressal of investor grievances.

For any clarification/complaint, the Shareholders may contact the Company Secretary.

7.4 SRC oversees and reviews all the matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. SRC also looks into various aspects of interests:

- Resolving the grievances of the security holders relating to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Company, in order to expedite the process of share transfers delegated the power of share transfers to an officer of the Share Transfer Agent (STA). The Company, as a matter of policy, disposes of investors' complaints within a span of seven days.

7.5 Complaints received and redressed during the year 2023-24:

Nature of complaints	No. of complaints received and redressed
Non-receipt of Annual Report	1
Transmission of shares	2
Non receipt of demand draft in lieu of unclaimed dividend warrant	2
Non-receipt of IEPF Entitlement Letter	1
TOTAL	**6**

7.6 All the queries and complaints received during the financial year ended 31st March 2024, were duly redressed and no queries pending at the year end.

All requests for dematerialization of shares were carried out within the stipulated time period and no request for dematerializing the share certificates was pending.

7.7 Reconciliation of Share Capital Audit:

A firm of Practising Company Secretary carries out Reconciliation of Share Capital (RSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The reports are being regularly placed before the board for its perusal.

The RSC audit reports confirmed that the total issued and listed capital was in agreement with the total number of shares in physical form and in dematerialized form held with NSDL and CDSL.

8. Corporate Social Responsibility Committee:

As on 31st March 2024, the Corporate Social Responsibility Committee consists of three Directors viz., M/s Venu Srinivasan, Sudarshan Venu and Vijay Sankar. Mr Venu Srinivasan is the Chairman of the Committee.

During the year under review, Mr T Kannan, Independent Director demise on 23rd May 2023 and Mr R Gopalan, member of the Committee resigned on 2nd March 2024 and ceased as members of the Committee.

Mr Vijay Sankar, Independent Director was appointed as a member of the Committee effective 20th March 2024.

The details of CSR Policy, initiatives and spending are disclosed in the Annexure - IV to the Directors Report.

During the year, the Committee met on 4th May 2023 and all the members were present at the meeting.

Amendment to various policies

The Board at its meeting held on 20th March 2024, has reviewed all the policies and amendments were made to the following policies in accordance with the requirements under the Companies Act,2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 to ensure their continued compliance with the latest regulatory amendments.

a) Code of conduct to Regulate, Monitor and Report Trading by Insiders

b) Corporate Social Responsibility Policy

c) Determination of materiality of an event Policy

d) Dividend Distribution Policy

e) Forex Policy

f) Material Subsidiary Policy

g) Nomination and Remuneration Policy

h) Related Party Transaction Policy

The changes relate to the following:

- Compliance with law – pursuant to the recent amendments in the applicable law, adequate revisions have been carried out in the policies to ensure these changes are being reflected in the policies and are up to date with the rules and regulations in accordance with which the Company has formulated these policies. Further, the Company has attempted to expressly include the provisions under applicable law to make the policies more comprehensive.
- Structural changes – with an intention to bring out more clarity and to make the policies easier to interpret, the Company has carried out certain structural changes in certain policies. This increases the readability of the policies and ensures that the intention behind the provisions are laid out clearly.

9. Administrative Committee:

The Administrative Committee consist of two directors viz., M/s K N Radhakrishnan and B Sriram.

During the year under review, Mr T Kannan, Independent Director demise on 23rd May 2023, Mr R Gopalan, Chairman of the Committee resigned from the Directorship on 2nd March 2024 and Mr Venu Srinivasan, resigned as Chairman & Member of the Committee effective 7th July 2023, thereby the aforesaid Directors ceased as members of the Committee.

The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the Meetings	Members present (M/s)				
	CE	BS	KNR	RG	TK
12.04.2023	✓	NA	✓	NA	LOA
24.07.2023	NA	✓	LOA	✓	-
30.10.2023	NA	✓	✓	✓	-
26.12.2023	NA	✓	LOA	✓	-
20.03.2024	NA	✓	✓	NA	-

✓- Attended the meeting LOA – Leave of absence NA – Not Applicable

[CE- Mr Venu Srinivasan (upto 07.07.2023), BS – Mr B Sriram KNR – Mr K N Radhakrishnan, RG – Mr R Gopalan (upto 02.03.2024), TK– Mr T Kannan (demise on 23.05.2023)]

10. General body meeting:

10.1 Location and time where AGMs were held during the last three years

Year	Venue of the meeting	Date	Time
2020-21	Through VC/OAVM	29.07.2021	01.30 PM
2021-22	Through VC/OAVM	27.06.2022	02.00 PM
2022-23	Through VC/OAVM	24.07.2023	03.30 PM

10.2 Special resolutions passed in the previous three AGMs:

During the last three years, namely 2020-21 to 2022-23 none of approvals were obtained by passing special resolutions.

10.3 Postal Ballot:

None of the subjects placed before the shareholders in the last/ensuing AGM required/requires approval by Postal Ballot. However, in terms of the Regulation 44 of the Listing Regulations and Section 108 of the Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company facilitated its members to exercise their right to vote through Remote e-Voting and e-Voting at the meeting for all the items approved at the AGM held on 24th July 2023.

During the year, the consent of the shareholders were sought for the by way of Ordinary/Special Resolution through Postal Ballot for the below items:

S.no	Date of notice	Items transacted	% of Votes cast in favour of the resolution	% of Votes cast against the resolution	Effective date of Passing of resolution
1.	11.09.2023	Re-appointment of Dr. Deepali Pant Joshi as a Non- Executive Independent Director for a term of five years (Special Resolution)	99.93%	0.07%	20.10.2023
		Re-appointment of Mr K N Radhakrishnan as a Director & Chief Executive Officer of the Company for a period of 5 years (Ordinary Resolution)	87.55%	12.45%	
2.	24.01.2024	Re-appointment of Mr R Gopalan (DIN : 01624555) as an Independent Director of the Company (Special Resolution)	Postal Ballot withdrawn due to resignation of Mr R Gopalan wef 2nd March 2024.		
3.	20.03.2024 (Special Resolutions)	Appointment of Mr Vijay Sankar (DIN: 00007875) as a Non-Executive Independent Director for a term of 5 (five) years	Results are expected to be announced on or after 10th May 2024		
		Appointment of Mr Shailesh Haribhakti (DIN: 00007347) as a Non-Executive Independent Director for a term of 5 (five) years			
		Approval of 'TVS Motor Company Employee Stock Option Plan ("TVSM ESOP Plan" or "Plan") to the eligible employees of the Company			
		Authorisation for secondary acquisition of equity shares of TVS Motor Company Limited by TVSM Employees Stock Option Trust for implementation of 'TVS Motor Company Employee Stock Option Plan' ("Plan") and providing financial assistance in this regard			

In accordance with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated 25th September 2023 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations, 2015), the above resolutions were passed by means of Postal Ballot including e-Voting.

All the above said Ordinary/Special Resolutions were passed with requisite majority of the shareholders on the last date of e-Voting. Voting results of Postal Ballot is available on the website of the Stock Exchanges and website of the Company.

10.4 Person who conducted the Postal Ballot exercise:

Mr K Sriram, Practising Company Secretary (Membership no. F6312 and CP No. 2215), Chennai was appointed to act as the scrutinizer for conducting the above Postal Ballots and E-voting in a fair and transparent manner.

10.5 Procedure for Postal Ballot:

1. The Board of Directors, vide resolution dated 11th September 2023, 24th January 2024 and 20th March 2024 respectively, had appointed Mr K Sriram, Practising Company Secretary as the scrutinizer.
2. The details of the dispatch of the Postal Ballot Notice together with Statement was completed on as per the below mentioned table along with forms and postage prepaid business envelopes to all the shareholders whose name(s) appeared on the Registers of Members/list of beneficiaries as on the 'Cut-off Date(s)'.
3. The said notice(s) of Postal Ballot(s) have been sent in electronic mode to the Members, whose e-mail IDs were registered with the Company or the Depository Participants. Physical Ballot Forms were sent to (i) Members whose e-mail IDs are not registered with the Company or the Depository Participants and (ii) Members holding shares in physical form.
4. Particulars of Postal Ballot forms received from the members using the electronic platform of NSDL were entered in a register separately maintained for the purpose.
5. The Postal Ballot forms were kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
6. All Postal Ballot forms received by the scrutinizer up to 5.00 p.m. on the last date of e-voting have been considered for scrutiny.
7. The Scrutinizer had submitted his report on after scrutiny and the results were announced as tabled below:

S.no	Postal Ballot (Board Meeting approved date)	Dispatch date	Cut-off Date	e-Voting period (9.00 a.m – 5.00 p.m.)
1.	11.09.2023	18.09.2023	14.09.2023	21.09.2023 to 20.10.2023
2.	24.01.2024	02.02.2024	31.01.2024	05.02.2024 to 05.03.2024
3.	20.03.2024	10.04.2024	05.04.2024	11.04.2024 to 10.05.2024

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

11. Means of communication to shareholders

The board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

During the quarterly results, Director & CEO and CFO, make presentations to institutional investors, analysts and other investors. The presentations are made available on the Company's website.

11.1 Quarterly results:

The Company's quarterly/half-yearly/annual financial results were sent to the Stock Exchanges and were published in English and Regional newspapers. They are also available on the website of the Company.

11.2 Newspapers wherein results are normally published:

The results are normally published in English Newspapers viz., The Hindu, Business Line, The Times of India, Economic Times, Business Standard, The New Indian Express and Regional Newspaper viz., Dinamani and are also available on the website of the Company.

11.3 Website:

The Company is maintaining a functional website www.tvsmotor.com. This website contains all the information and other details as may be required under the Regulation 46 of Listing Regulations. The Company ensures that the contents of this website are periodically updated.

11.4 Press Release & Investor/ Analysts meet:

In addition, the Company makes use of this website for publishing official news release and presentations, if any, made to institutional investors/analysts, transcripts etc. No unpublished price sensitive information is discussed in the meeting with institutional investors and financial analysts.

12. General shareholder information:

12.1 Annual general meeting :

Date and time	:	Tuesday, 6th August 2024 at 2.45 P.M. (IST), through Video Conferencing

12.2	Financial year	:	1st April to 31st March
	Financial calendar	:	2024-25
	Financial reporting	:	Financial calendar against for the quarter ending
	30th June, 2024	:	Before 14th August, 2024
	30th September, 2024	:	Before 14th November, 2024
	31st December, 2024	:	Before 14th February 2025
	31st March, 2025	:	Before 30th May, 2025

12.3 Particulars of dividend payment:

Particulars of dividend declaration/payment are disclosed in the Directors' Report. Dividends were declared in compliance with the Dividend Distribution Policy of the Company.

Dividend distribution policy

SEBI vide its circular No. SEBI/ LAD-NRO/ GN/ 2016-17/008 dated 8th July 2016 mandated the top 500 listed companies based on the market capitalization to formulate Dividend Distribution Policy which shall be disclosed in their annual reports and on their websites.

Accordingly, the Board at its meeting held on 24th January 2017 had formulated a Dividend Distribution Policy, the details of which are available on the Company's website in the link as provided in page no. 186 of this Annual Report.

12.4 Listing on Stock Exchanges:

Name and address of the Stock Exchange	Stock Code/Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001. India Tel.: 91 22 2272 1233 Fax: 91 22 2272 1919	532343
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. India Tel.: 91 22 2659 8100 Fax: 91 22 2659 8120	TVSMOTOR
ISIN allotted by Depositories (Company ID Number) Equity Non- Convertible Debentures (NCD) listed with NSE	 INE494B01023 INE494B08036

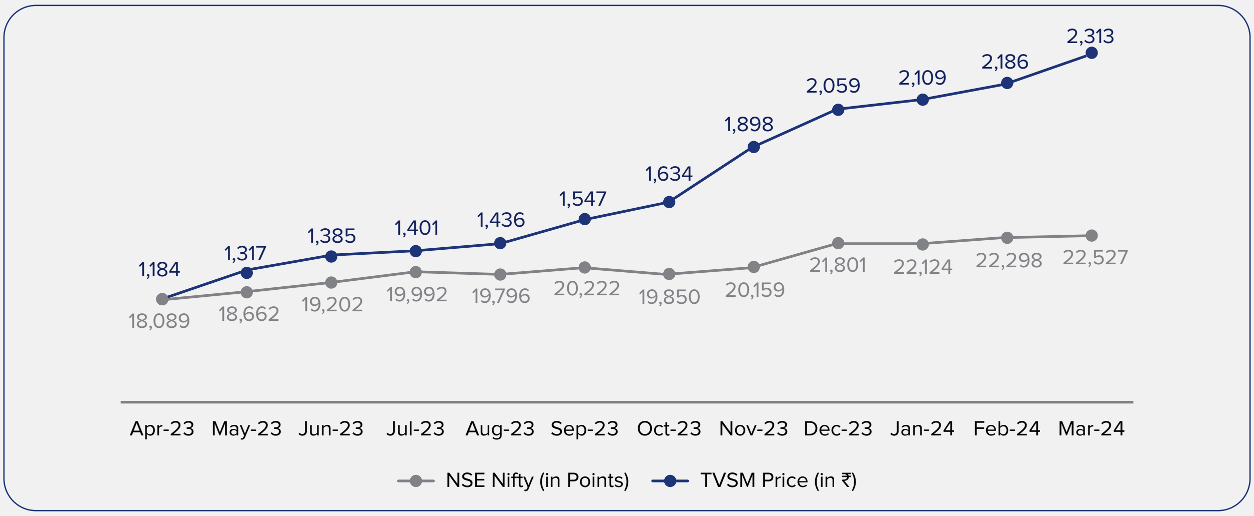
(Note: Annual listing fees and custodial charges for the year 2023-24 were duly paid to the above Stock Exchanges and Depositories)

12.5 Market Price Data:

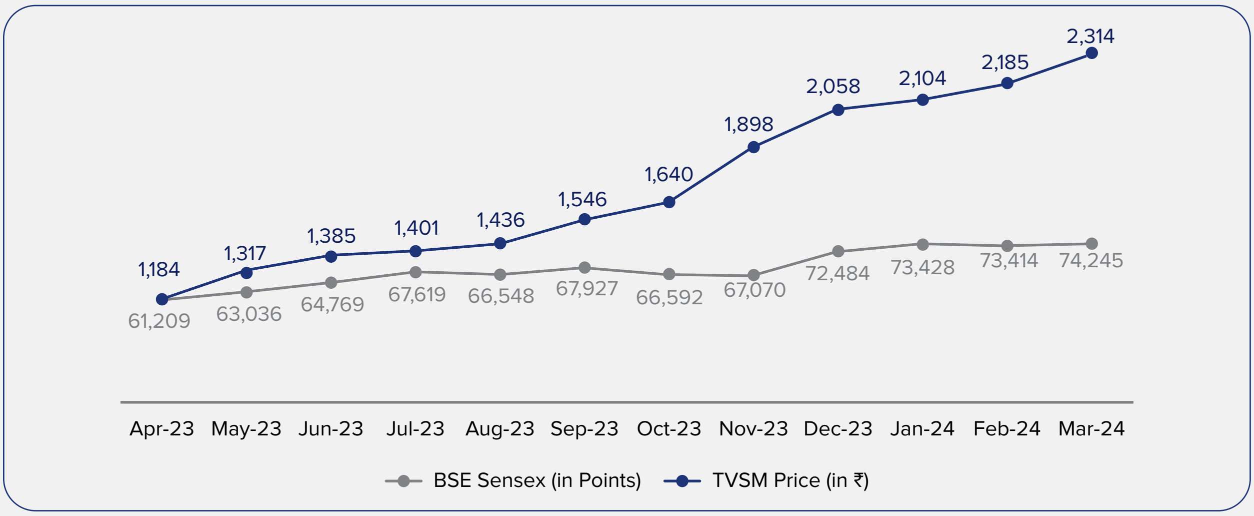
Month	NSE (Monthly) (In ₹)		BSE (Monthly) (In ₹)	
	High Price	Low Price	High Price	Low Price
April 2023	1184.40	1073.00	1184.45	1075.00
May 2023	1317.00	1137.05	1316.80	1138.55
June 2023	1384.80	1270.00	1384.55	1269.40
July 2023	1400.90	1293.50	1400.55	1294.00
August 2023	1436.40	1317.00	1436.00	1317.10
September 2023	1546.60	1414.05	1546.20	1410.05
October 2023	1634.00	1489.45	1640.00	1489.30
November 2023	1898.00	1554.50	1898.00	1555.00
December 2023	2058.50	1867.70	2058.05	1868.20
January 2024	2108.95	1923.05	2104.00	1923.75
February 2024	2186.00	1985.00	2185.00	1985.60
March 2024	2313.45	2005.80	2313.90	2006.45

12.6 Share price performance in comparison to broad based indices - NSE Nifty and BSE Sensex:

SHARE PRICE MOVEMENT - NSE (HIGH)



SHARE PRICE MOVEMENT - BSE (HIGH)



12.7 Share Transfer Agents and Share Transfer System:

a. The Company has appointed Integrated Registry Management Services Limited, which has been registered with SEBI as Category-I Registrar & Transfer Agent (RTA) with Regn. No. INR000000544, as the Share Transfer Agent of the Company (STA) with a view to rendering prompt and efficient service to the investors and in compliance with the Regulation 7 of the Listing Regulations. The Shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company.

b. All matters connected with the share transfer, transmission, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies, dividends and other matters are being handled by STA located at the address mentioned in this report.

c. Shares lodged for transfers are normally processed within the prescribed time from the date of lodgement, if the documents are clear in all respects.

d. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within the prescribed time. Grievances received from investors and other miscellaneous correspondence relating to change of addresses, mandates etc., is processed by STA within the prescribed time.

e. Certificates are being obtained and submitted to the Stock Exchanges, on yearly basis, from a company secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) of the Listing Regulations.

f. Certificates have also been received from a company secretary-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996.

g. The Company, as required under the Regulation 6(2)(d) of Listing Regulations, has designated the following e-mail IDs, namely einward@integratedindia.in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

incontactus@tvsmotor.com

h. A certificate signed by the Compliance Officer of STA and the Company Secretary towards maintenance of share transfer facility by STA in compliance with the Regulation 7(3) of the Listing Regulations have been obtained and the same have been submitted to the Stock Exchanges.

i. Shareholders are, therefore, requested to correspond with STA for transfer/transmission of shares, change of address and queries pertaining to their shareholding, dividend, etc., at their address given in this Report.

12.8 Shareholding pattern of the Company as on 31st March 2024:

Category of Shareholder	No. of shares held	%
Promoter and Promoter Group		
Individual	30,000	0.01
Bodies Corporate	23,87,82,786	50.26
Total (A)	**23,88,12,786**	**50.27**
Public Shareholding		
Mutual Funds	7,89,95,597	16.63
Banks/Financial Institutions/NBFCs	3,86,237	0.08
Insurance Companies	1,30,22,698	2.74
Foreign Institutional Investors/Foreign Portfolio Investors	9,89,45,232	20.83
Alternative Investment Funds	14,74,069	0.31
Public Provident Fund	23,62,110	0.50
Total Institutions (B)	**19,51,85,943**	**41.09**
Bodies Corporate	29,09,097	0.61
Individuals holding nominal capital in excess of ₹ 2 lakh	2,73,440	0.06
Individuals holding nominal capital up to ₹ 2 lakh	3,34,69,254	7.04
NRI	16,44,686	0.35
Foreign National (IND)	1,000	0.00
Directors & their relatives	53,380	0.01

Category of Shareholder	No. of shares held	%
Clearing members	53,991	0.01
Investor Education Protection Fund	16,24,574	0.34
Others	10,58,963	0.22
Total Non-Institutions (C)	**4,10,88,385**	**8.64**
Total Public Shareholding (D) = (B+C)	**23,62,74,328**	**49.73**
Grand Total (A+D)	**47,50,87,114**	**100.00**

12.9 Distribution of Shareholding as on 31st March 2024:

Shareholding (Range)	No. of Members	%	No. of Shares	%
Upto 5000	2,66,312	99.416	2,90,45,847	6.114
5001-10000	604	0.225	43,87,441	0.924
10001-20000	307	0.115	44,41,236	0.935
20001-50000	238	0.089	75,81,541	1.596
50001-100000	148	0.055	1,11,43,565	2.346
100001 & above	268	0.100	41,84,87,484	88.085
	2,67,877	**100.000**	**47,50,87,114**	**100.000**

12.10 Dematerialization of shares and liquidity:

The promoter and promoter group holding consisting of 23,88,12,786 Equity shares of ₹ 1/- each has been fully dematerialized. Out of 23,62,74,328 Equity Shares of ₹ 1/- each held by persons other than promoters, 23,44,82,897 Equity Shares have been dematerialized as on 31st March 2024 accounting for 99.24%.

12.11 The Company has not issued any Global Depository Receipt/American Depository Receipt/Warrant or any convertible instrument, which is likely to have impact on the Company's Equity.

12.12 Other Disclosures

a) Pecuniary relationships or transactions with IDs vis-a-vis the Company during the year under review, do not exceed the threshold limit as laid down under the Listing Regulations.

b) During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large.

c) Company is a net exporter. Company has a forex hedging policy and covers are appropriately taken to cover the currency risk. The exposure and cover taken are reviewed by the Audit Committee on regular basis.

d) Company is not a dealer in Commodities. Prices payable to vendors for raw materials and components are negotiated based on internationally available data. Cost of manufacture of all products are reviewed at regular intervals and wherever required suitable price changes in two-wheeler and three-wheeler are done based on market conditions.

e) Loans and advances in the nature of loans to firms/companies in which Directors are interests by name and amount – Nil

f) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). - Not Applicable

The Company has not entered into any commodity derivatives with any of the bankers and hence the disclosure of exposure in commodity risks faced by the company does not required, as directed in the SEBI Circular dated 15th November 2018.

12.13 Plant Locations:

Hosur	: Post Box No. 4, Harita Hosur - 635 109, Tamilnadu Tel: 04344-276780 Fax: 04344-276878 Email: knr@tvsmotor.com
Mysuru	: Post Box No.1 Byathahalli Village, Kadakola Post, Mysore - 571 311, Karnataka. Tel: 0821 – 2596561 Fax: 0821 – 2596550/2596551 Email: knr@tvsmotor.com
Himachal Pradesh	: Village & Post Office Bhatian, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh – 174 101 Tel: 01795 – 220493 Fax: 01795 – 220496 Email: knr@tvsmotor.com

12.14 Address for investor correspondence:

(i)	For transfer/dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company	: Integrated Registry Management Services Limited, Share Transfer Agent (STA) Unit: TVS Motor Company Limited Chennai – 600 006
(ii)	For non-receipt of annual report	: Email: einward@integratedindia.in
(iii)	For investors' grievance & general correspondence	: Email: einward@integratedindia.in contactus@tvsmotor.com
(iii)	Debenture Trustee	: Beacon Trusteeship Limited Address: 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East (E), Mumbai – 400051 E-mail: compliance@beacontrustee.co.in

12.15 List of Credit Rating:

The Company is maintaining the existing credit rating viz., CARE AA+ for long term borrowings and Non- Convertible Debentures and CARE A1+ for short term borrowings and Commercial Papers.

12.16 Certificate from Practicing Company Secretary:

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

12.17 Fees paid to Statutory Auditor on a consolidated basis:

During the year, the Company has paid ₹1.46 crore to the statutory Auditors for all services received by the listed entity and its subsidiaries, on a consolidated basis.

12.18 Sexual Harassment at workplace:

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. In the year 2023-24, 1 case of sexual harassment was reported, and enquiry is in progress.

An Internal Committee (IC) is constituted by the Company in all its plants and Corporate Office to consider and resolve the sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the committee includes external members from NGOs or with relevant experience.

12.19 Disclosure on compliance with the issue of Debt securities for incremental borrowings by Large Corporates.

The Company has been considered as a "Large Corporate" (LC) and is required to raise not less than 25% of its incremental borrowings, during the financial year, by way of issuance of debt securities.

SEBI vide its circular no. SEBI/HO/DDHS/DDHSRACPOD1/P/CIR/2023/172 dated 19 October 2023, revised the criteria for identifying LCs. The new threshold is on outstanding long-term borrowing of ₹ 1,000 crore or above compared to the previous limit of ₹ 100 crore or above. This revised framework came into effect on 1st April 2024 and the Company continues to be a LC as per the revised circular also.

However, the LCs identified as per the erstwhile circular, shall endeavour to comply with the requirement of raising 25% of their incremental borrowings done during FY 2022, FY 2023 and FY 2024 respectively by way of issuance of debt securities till March 31, 2024, failing which, such LCs are permitted to provide a one-time explanation in their Annual Report for FY 2024.

Considering the cash flow situation and a reduced need for additional borrowings post June 23, coupled with limited time frame provided by the circular, the Company has not pursued further issuance of listed debt securities during the year under review.

12.20 Disclosure of agreements:

Pursuant to Regulations 30A of the SEBI Listing Regulations an agreement entered on March 2024 was disclosed to the Stock Exchanges. This agreement does not adversely impact the Company's business in any way. The Company's ability to continue its current operations remains unaffected.

12.21 Details of material subsidiaries of the listed entity

Particulars	**TVS Credit Services Limited**	**TVS Motor (Singapore) Pte Limited**
Date of Incorporation	05.11.2008	19.02.2002
Place of Incorporation	Chennai, Tamil Nadu, India	Singapore
Name of the Auditor	Sundaram & Srinivasan (S&S)	Rama & Co LLP
Date of Appointment	12.11.2021	01.03.2004
Name of Joint Auditor	CNGSN & Associates LLP	-
Date of Appointment	25.11.2022	-

13 Non-mandatory disclosures

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

13.1 The Board:

Prof. Sir Ralf Dieter Speth, Non-Executive Director is the Chairman of the Company as on 31st March 2024 and is liable to retire by rotation as per the provisions of the Companies Act, 2013.

13.2 Shareholder rights:

The half-yearly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded in the Company's website namely www.tvsmotor.com The results are not sent to the shareholders individually.

13.3 Audit qualifications:

The Auditor's report on the financial statements of the Company are unmodified..

14. Request to the Shareholders

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order for the Company to serve them efficiently and avoid risks while dealing in the securities of the Company.

14.1 Demat of Shares:

Shareholders are requested to convert their physical holding to demat/ electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

14.2 Registration of Electronic Clearing Service (ECS) mandate:

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Members who wish to change such bank account details are therefore requested to advise their DPs about such change, with complete details of bank account.

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

14.3 Transfer of shares:

In terms Listing Regulations securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019. In view of the above, members are advised to dematerialise equity shares held by them in physical form. The Securities and Exchange Board of India (SEBI) has also, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25.01.2022, mandated listed Companies to issue the securities in dematerialized form only, while processing the following service request viz., Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Subdivision/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Members holding shares in physical form are requested to submit such service request in Form ISR 4 along with necessary documents/details specified therein, as prescribed by SEBI.

14.4 Non furnishing of PAN, KYC details and Nomination

SEBI has mandated submission of PAN, KYC and nomination details by holders of physical securities by September 30, 2023, and linking PAN with Aadhaar by March 31, 2023 vide its Circulars dated November 3, 2021, December 14, 2021 March 16, 2023 and November 17,2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA.

The forms for updating the same are available at the Company's website at www.tvsmotor.com. Members holding shares in electronic form are requested to submit the said details to their depository participant(s). The folios of holders of physical securities, wherein any one of the aforesaid document/details are not available on or after October 01, 2023 shall not be processed by our Registrar and Share Transfer Agent (RTA).

The securities in the frozen folios shall be:

a) eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents/details as aforesaid.

b) eligible for any payment including dividend, interest or redemption payment only through electronic mode and an intimation from the RTA to the holder that the aforesaid payment is due and shall be made electronically upon complying with the aforesaid requirements.

If KYC details were not provided to us earlier, you are requested to send duly filled in Form ISR-1, ISR-2, ISR-3 (or) SH-13 along with Self Attested proofs, in support of your Application for Duplicate share certificate. These forms can be downloaded from https://www.integratedindia.in and by clicking on "RTA/STA".

14.5 Registration of Nomination/opt out facility:

Under the provisions of Section 72 of the Companies Act, 2013 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021 shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility may submit nomination in the prescribed Form SH-13 with the Company/RTA and any member who desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14, as the case may be, to the Company/RTA. The said forms are available at the Company's website at www.tvsmotor.com. In respect of shares held in dematerialized form, members may submit their nomination forms with their respective Depository Participants.

14.6 Updation of KYC details:

Members are requested to note that in case of deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of self-attested photocopy of PAN Card of the claimant(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for transmission/transposition, is mandatory.

As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 124(6) of the Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Accordingly, a sum of ₹ 62,58,811 being unclaimed dividend, was transferred to IEPF during the year 2023-24.

Shareholders, who have not encashed their dividend warrants, in respect of 1st Interim dividend declared for the year ended 31st March, 2018 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Information in respect of unclaimed dividends due for remittance into IEPF is given below:

Particulars of unclaimed dividend of the Company.

Financial Year	Date of declaration	Date of transfer to special account	Due date for transfer to the IEPF
2016-2017 2nd Interim	06.03.2017	05.04.2017	05.04.2024
2017-2018 1st Interim	01.11.2017	01.12.2017	01.12.2024
2017-2018 2nd Interim	26.02.2018	28.03.2018	28.03.2025
2018-2019 1st Interim	23.10.2017	22.11.2018	22.11.2025
2018-2019 2nd Interim	11.03.2019	10.04.2019	10.04.2026
2019-2020 1st Interim	04.02.2020	05.03.2020	05.03.2027
2019-2020 2nd Interim	10.03.2020	09.04.2020	09.04.2027
2020-2021 1st Interim	28.01.2021	27.02.2021	27.02.2028
2020-2021 2nd Interim	24.03.2021	23.04.2021	23.04.2028
2021-2022 Interim	18.03.2022	17.04.2022	17.04.2029
2022-2023 Interim	24.01.2023	23.02.2023	23.02.2030
2023-2024 Interim	11.03.2024	10.04.2024	10.04.2031

In terms of SEBI circular dated 25th January 2022, the Company has issued letter of confirmations (LoC) in lieu of the original share certificates reported lost. The shareholders were requested to submit the LoC to the Depository Participant where they have opened Demat Account for getting the credit of shares in electronic form. However, one of shareholder holding 1,000 shares has failed to submit the LoC to his/her respective depository participant within 120 days from the date of issue.

Hence, the Company transferred such unclaimed shares entitled to the LoC in the suspense escrow account opened in compliance with SEBI guidelines dated 30th December 2022.

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owners claims the shares.

The dividend on the shares in the unclaimed suspense account will be remitted to the shareholders on their claiming the shares, till which time, the dividend will be available in the unpaid dividend bank account for a period of 7 years from date of transfer to respective accounts.

15. Transfer of Shares to Investor Education and Protection Fund (IEPF) authority

As per Section 124(6) of the Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, all the shares in respect of which dividend remain unpaid/unclaimed for seven consecutive years or more are required to be transferred to a Demat Account opened in the name of IEPF Authority with Punjab National Bank by the Ministry of Corporate Affairs.

During the year, the Company has sent individual notices to all the shareholders whose dividends are lying unpaid/unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. The lists of such shareholders were also displayed on the website of the Company.

In compliance with the aforesaid provisions, the Company transferred 23,853 shares on 12/05/2023 and 27,870 shares on 04/01/2024 to IEPF account bearing Demat Account No. 10656671 and DPID IN300708 which is opened with Punjab National Bank.

Necessary steps will be initiated by the Company to transfer shares held by the members to IEPF, if they the shareholders have not claimed their dividends within the due date(s) mentioned above. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. As required under the said provisions, all subsequent corporate benefits that accrues in relation to the above shares will also be credited to the said IEPF Account.

In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed web based e-Form IEPF-5 available on the MCA website and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5, as per the following procedures:

1. Register yourself on MCA website and login to website of MCA at https://www.mca.gov.in.

2. After login, click on 'Investor Services' tab under 'MCA Services' section for filing the web-based form IEPF-5.
3. Fill the details in the web based e-form and attach the requisite documents in it. Save a copy of uploaded e-form and acknowledgement receipt generated with SRN. Take print of auto generated indemnity bond, IEPF Form IEPF-5, SRN and attachments.
4. Submit self-attested copy of e- form, copy of acknowledgement, Indemnity Bond in original along with other documents (cancelled cheque leaf, client master list, PAN card, Aadhar card, original share certificate, entitlement letter) as mentioned in the form to Nodal Officer (IEPF) of the company in an envelope marked "Claim for refund from IEPF Authority.
5. After scrutinizing the documents received, Nodal Officer of the company to verify the claim and furnish the e-verification report to the IEPF Authority within 15 days from the date of filing the claim.
6. On the basis of verification report refund will be released by the IEPF Authority in favour of claimant's Bank or Demat account through electronic transfer.

In the process, general information about the Company which have to be provided are as under.

(a) Corporate Identification Number (CIN) of Company:- L35921TN1992PLC022845

(b) Name of the company:- TVS Motor Company Limited

(c) Address of registered office of the company: "Chaitanya" No. 12 Khader Nawaz Khan Road, Chennai 600 006.

(d) email ID of the company:- contactus@tvsmotor.com

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide/host the required details of unclaimed dividend amount referred in relevant sections of the Act, 2013 on its website and also in the Ministry of Corporate Affairs (MCA) website in the relevant form every year.

Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account

Pursuant to the requirement of Regulation 34(3) and Schedule V Part F of Listing Regulations, the following table provides the details in respect of the equity shares lying in the suspense account. During the year, the Company has already sent remainders to the shareholders for claiming those shares at their latest available address(es) with the Company or Depository, as the case may be.

All the corporate benefits in terms of securities accruing on those shares like bonus shares, split etc would also be credited to unclaimed suspense account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

Details	No. of Shareholders	No. of Shares
No. of shares in the Unclaimed suspense account as on 1st April 2023.	96	65664
Add: No. of shares credited pursuant to Regulation 39(4) of Listing Regulation.	-	-
Less: No. of shares Transferred to the Shareholders on request during the year	4	2032
Less: No. of Shares transferred to IEPF A/c during the year.	4	2428
No. of shares in the Unclaimed suspense account as on 31st March 2024.	88	61204

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

Chennai
8th May 2024

LINKS TO COMPANY'S POLICIES

1. **TERMS OF APPOINTMENT OF IDS**

   https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Terms-of-Appointment-of-IDs-Apr2020.pdf

2. **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

   https://www.tvsmotor.com/investors/financial-reports

3. **POLICY ON VIGIL MECHANISM/WHISTLE BLOWER POLICY**

   https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Whistle-Blower-Policy-Apr2020.pdf

4. **ANNUAL RETURN**

   https://www.tvsmotor.com/annual-return

5. **CSR POLICY**

   https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Corporate-Social-Responsibility-Policy-Mar2024.pdf

6. **DIRECTORS FAMILIARIZATION PROGRAM**

   https://www.tvsmotor.com/familiarisation-programme

7. **CODE OF BUSINESS CONDUCT AND ETHICS**

   https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf

8. **MATERIAL SUBSIDIARIES POLICY**

   https://www.tvsmotor.com/-/media/Feature//Investors/Communication/Files/Material-Subsidiary-Policy-Mar2024.pdf

9. **RELATED PARTY TRANSACTION POLICY**

   https://www.tvsmotor.com/-/media/Feature//Investors/Communication/Files/Related-Party-Transactions-Policy-Mar2024.pdf

10. **NOMINATION AND REMUNERATION POLICY**

    https://www.tvsmotor.com/-/media/Feature//Investors/Communication/Files/Nomination-and-Remuneration-Policy-Mar2024.pdf

11. **DIVIDEND DISTRIBUTION POLICY**

    https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Dividend-Policy-Mar2024.pdf

AUDITOR'S CERTIFICATE ON COMPLIANCE OF THE PROVISIONS OF THE CODE OF CORPORATE GOVERNANCE

To

The Shareholders of TVS Motor Company Limited,
Chennai

We have examined the compliance of conditions of Corporate Governance by TVS Motor Company Limited, Chennai - 600006 ('the Company') for the year ended 31st March 2024 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn. No.: 004207S

S. USHA
Partner
Membership Number: 211785
UDIN: 24211785BKCSLO3839

Chennai
8th May 2024

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

To,

The shareholders of TVS Motor Company Limited,
Chennai

On the basis of the written declarations received from members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, it is hereby certified that both the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31st March 2024.

K N Radhakrishnan
Director & Chief Executive Officer
DIN: 02599393

Place: Chennai
Date: 8th May 2024

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

Dear Sirs/Madam,

We certify that we have reviewed the financial statements prepared based on the Indian Accounting Standards for the year ended 31st March 2024 and to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with applicable Indian Accounting Standards, Laws and Regulations.

(3) no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.

(4) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(5) We have indicated to the Auditors and the Audit Committee:

   a) significant changes, if any, in internal control over financial reporting during the year;

   b) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and

   c) that there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Chennai

Date: 8th May 2024

K N Radhakrishnan
Director &
Chief Executive Officer
DIN: 02599393

K Gopala Desikan
Chief Financial Officer

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34 (3) read with Schedule V Para C (10) (i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of
TVS Motor Company Limited, [CIN: L35921TN1992PLC022845]
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006, Tamil Nadu, India.

We hereby certify that, in our opinion, none of the below named Directors who are on the Board of Directors of TVS MOTOR COMPANY LIMITED ("the Company") as on 31st March 2024 have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl.No.	Name of the Directors	Nature of Directorship	Director Identification Number (DIN)
1.	Prof. Sir Ralf Dieter Speth	Non-Executive Director	03318908
2.	Mr Venu Srinivasan	Executive Director	00051523
3.	Mr Sudarshan Venu		03601690
4.	Mr K N Radhakrishnan		02599393
5.	Mr C R Dua	Independent Director	00036080
6.	Dr. Deepali Pant Joshi		07139051
7.	Mr Kuok Meng Xiong		09117910
8.	Mr Vijay Sankar		00007875
9.	Mr Hemant Krishan Singh		06467315
10.	Mr B Sriram		02993708
11.	Dr. Lakshmi Venu	Non-Executive Director	02702020

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Information relating to the directors available in the official web site of MCA;
2. Disclosures/declarations/confirmations provided by the said directors to the Company;
3. Registers, records, forms and returns filed/ maintained by the Company; and
4. Information, explanation and representations provided by the Company, its officers and agents.

Management's responsibility

The management of the Company is responsible to ensure the eligibility of a person for appointment/continuation as a Director on the Board of the Company.

Our responsibility

Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment/continuation of a person as a Director of the Company.

For **S Krishnamurthy & Co**
Company Secretaries
Firm Unique Identification No. P1994TN045300
(Peer Review Certificate No.739/2020)

K. SRIRAM
Partner
Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312F000332308

Chennai
8th May 2024

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members of

TVS Motor Company Limited
[CIN: L35921TN1992PLC022845]
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai – 600 006.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **TVS MOTOR COMPANY LIMITED** ('the Company') **during the financial year from 1st April 2023 to 31st March 2024** ('the year'/ 'audit period'/ 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our **verification** of the books, papers, minute books and other records maintained by the Company and furnished to us and scanned copies of some of them provided to us through electronic form for our verification, forms and returns filed, and compliance related action taken by the Company during the financial year as well as after 31st March 2024 but before the issue of this audit report;

(ii) **Compliance certificates** confirming compliance with all laws applicable to the Company, given by the key managerial personnel of the Company and taken on record by the Board of Directors; and

(iii) **Representations** made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, **during the audit period covering the financial year ended on 31st March 2024**, the Company:

(i) has complied with the statutory provisions listed hereunder; and

(ii) has Board processes and compliance mechanism in place,

to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

1. Compliance with specific statutory provisions

We further report that:

1.1 We have examined the books, papers, Minute books and other records maintained by the Company, and the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable provisions/clauses of:

(i) The Companies Act, 2013, and the rules made thereunder ('the Act').

(ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.

(iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder ('FEMA'), to the extent of Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR');

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and

(d) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;

(vi) The listing agreements ('Agreements') entered into by the Company with the:

(a) National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) in relation to listing of its Equity shares;

(b) NSE in relation to listing of its Non-Convertible Debentures; and

(vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').

1.2 During the period under review, and also considering the compliance related actions taken by the Company after 31st March 2024, but before the issue of this report, **we hereby report that,** to the best of our knowledge and belief, and based on the records, information, explanations and representations furnished to us, the Company has generally complied with:

(i) The applicable provisions of the Act, Rules and Regulations mentioned in paragraphs 1.1 (i) to 1.1 (iii) above.

(ii) The applicable provisions of FEMA in respect of the ODI and ECB, mentioned in paragraph 1.1 (iv) above.

(iii) The applicable provisions of SEBI Regulations and Agreements mentioned in paragraphs 1.1 (v) and (vi) above.

(iv) The following Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards):

(a) On Meetings of the Board of Directors (SS-1) to the extent applicable to Board meetings; and

(b) On General Meetings (SS-2) to the extent applicable to the Annual General Meeting held on 24th July 2023, the Postal Ballot processes which concluded on 20th October 2023 and for a Postal Ballot process with respect to the re- appointment of an independent director which was withdrawn by the Company on 2nd March 2024, even before completion of the e-voting period, in view of the said independent director's resignation due to personal reasons before the expiry of his first term on 29th April 2024.

The Company has not adopted the Secretarial Standards on Dividend (SS-3) and the Secretarial Standards on Board's Report (SS-4) issued by the Institute of Company Secretaries of India, since they are not mandatory.

1.3 We are informed that, during/in respect of the year:

I. The Company was not required to comply with the following on account of the non- occurrence of compliance - triggering events during the year:

(i) FEMA, to the extent of Foreign Direct Investment;

(ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;

(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

(vi) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

II. There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws under paragraph 1.2 does not arise.

2. Board processes

We further report that:

2.1 The constitution of the Board of Directors of the Company during the year was generally in compliance with the applicable provisions of the Act.

2.2 As on 31st March 2024, the Board has:

(i) 3 (three) Executive Directors;

(ii) 2 (two) Non-Executive Directors (including 1 (one) Non-Executive Woman Director); and

(iii) 6 (Six) Independent Directors (including 1 (one) Independent Woman Director).

2.3 The processes relating to changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the applicable provisions of the Act.

2.4 Adequate notice was given to all the directors to enable them plan their schedule for the Board meetings. Notice of Board meetings were sent atleast 7 (seven) days in advance, except for 1 (one) meeting which was held at a shorter notice, in compliance with Section 173(3) of the Act.

2.5 Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings (except for some of the meetings which were held at a shorter notice) other than the following items, which were either circulated separately or at the Board meetings, and consent of the Board for so circulating them was duly obtained as required under SS-1:

(a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/results, unaudited financial results and connected papers; and

(b) Additional subjects/information/presentations and supplementary notes.

2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.7 We are informed that, at the Board meetings held during the year:

(i) Majority decisions were carried through; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

3. Compliance mechanism

We further report that:

There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events/actions

We further report that:

The specific events and actions during the year, having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations and standards were:

(a) Direct/ indirect investments in subsidiaries, new acquisitions and associate companies (Indian/ Foreign) as disclosed in the audited financial statement for the financial year ended 31st March 2024. This includes the following:

(i) Swiss E-Mobility Group AG, Switzerland (SEMG) alongwith its three subsidiaries have become step-down as well as wholly-owned subsidiaries of the Company from 9th June 2023, through TVS Motor (Singapore) Pte Limited (TVSMS), a material wholly-owned subsidiary of the Company.

(ii) Killwatt GmbH, Germany has become an Associate of TVSMS from 14th April 2023.

(iii) ION Mobility Pte. Ltd. has become an Associate of TVSMS from 14th March 2024.

(b) The name of TVS Housing Limited, a wholly-owned subsidiary of the Company was changed to TVS Digital Limited with effect from 15th December 2023.

(c) Emerald Haven Realty Limited (EHRL), ceased to be an Associate of the Company with effect from 14th June 2023 consequent to the sale by the Company of its entire holding in EHRL.

(d) Tagbox Solutions Private Limited (TSPL), a Company incorporated in India, ceased to be an Associate of the Company with effect from 30th March 2024, consequent to the sale by the Company of its entire holding in TSPL.

(e) Redeemed 310 (Three Hundred and Ten) Unlisted, Unsecured, Zero Coupon Debentures (ZCDs), having face value of ₹ 1 crore each, amounting to ₹ 310 crore on 26th December 2023, which was issued to Sundaram Auto Components Limited (SACL), a wholly-owned subsidiary of the Company.

(f) Reduction of capital held in SACL, a wholly-owned subsidiary to the extent of 3,26,31,578 equity shares at a price ₹ 95/- per share, amounting to ₹ 310 crore, on 26th December 2023, with the approval of the National Company Law Tribunal, Chennai Bench.

(g) The Board of Directors at the meeting held on 20th March 2024, has approved the Scheme of Arrangement between the Company and its shareholders under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), which, inter-alia, provides for issuance and allotment of cumulative

Non-Convertible Redeemable Preference Shares (NCRPS) by way of bonus (4 NCRPS of ₹ 10/- each fully paid up of the Company for every 1 equity share of ₹ 1/- each fully paid up). The scheme is, inter-alia, subject to receipt of approval from the statutory, regulatory and customary approvals, including approvals from stock exchanges, jurisdictional National Company Law Tribunal ("NCLT"), and the shareholders and creditors (as applicable) of the Company.

(h) The Board of Directors at the meeting held on 20th March 2024, has approved implementation of the 'TVS Motor Company Employee Stock Option Plan', through the secondary acquisition of shares of the Company by TVSM Employee Stock Option Trust; and (ii) the provision of a loan to TVSM Employee Stock Option Trust to enable it to purchase the shares of the Company, in furtherance of the Plan. Approval of the shareholders through postal ballot has been initiated on 20th March 2024 and the e- voting period is from 11th April 2024 to 10th May 2024.

(i) The Company has disinvested 31,69,773 Compulsorily Convertible Preference Shares (CCPS) held in TVS Credit Services Limited, a subsidiary of the Company on 27th September 2023 for a consideration of ₹ 100 crore.

For **S. KRISHNAMURTHY & CO.,**
Company Secretaries
(Peer Review Certificate No.739/2020)

K SRIRAM
Partner
Membership No.: F6312
Certificate of Practice No.: 2215
UDIN: F006312F000331989

Place: Chennai
Date: 8th May 2024

Annexure – A to Secretarial Audit Report of even date

To the Members of

TVS Motor Company Limited
[CIN: L35921TN1992PLC022845]
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai – 600 006.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2024, is to be read along with this letter.

1. Management's Responsibility:

The Company's management is responsible for maintenance of secretarial records, making the statutory/ regulatory disclosures/ filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. Secretarial Auditors' Responsibility:

Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and the audit was conducted in accordance with applicable auditing standards issued by The Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

4. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2024 but before the issue of this report. This report may be read in conjunction with the annual secretarial compliance report required to be issued under the listing regulations.

5. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.

6. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

7. We have not verified the correctness and appropriateness of financial statements, financial records and books of accounts of the Company.

8. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

9. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

For **S. KRISHNAMURTHY & CO.,**
Company Secretaries
(Peer Review Certificate No.739/2020)

K SRIRAM
Partner
Membership No.: F6312
Certificate of Practice No.: 2215
UDIN: F006312F000331989

Place: Chennai
Date: 8th May 2024

Secretarial Audit Report of TVS Credit Services Limited, a material subsidiary.

To

The Members
TVS CREDIT SERVICES LIMITED
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai - 600 006

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

B CHANDRA
Company Secretary
Membership No. ACS 20879
Certificate of Practice No. 7859
UDIN: A020879F00031805
Peer Review Number 602/2019

Place: Chennai
Date: 8th May 2024

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

the Members

TVS CREDIT SERVICES LIMITED
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai – 600 006.

Dear Sirs

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practice by TVS Credit Services Limited, (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliance and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iii) The provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iv) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to high value debt listed entities.

v) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

vi) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable to debt listed companies;

Besides this, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company viz.,

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) The Securities and Exchange Board of India (Share based employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August 2021;

d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

The Company has complied with the provisions of the other laws as applicable to the Company which inter alia includes:

(a) Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 effective from October 2023 and other directions/ regulations issued by Reserve Bank of India applicable for Middle Layer NBFC;

(b) Compliance under Prevention of Money Laundering Act, (PMLA) 2002 for the purpose of compliance with the obligations under Know your Customer Norms/ Anti-Money Laundering (AMC) standards & Fair Pricing Code (FPC) and Combating of Finance of Terrorism (CFT) obligations under PMLA,2002;

(c) Labour laws & Contract Labour (Regulations & Abolition) Act, 1970 as applicable;

(d) Indian Stamp Act and Rules;

(e) Motor Vehicles Act, 1938;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation

Further, during the year under review, the Company has listed its Non-Convertible Debentures with National Stock Exchange of India Ltd.

I have also examined compliance with the applicable clauses of the following:

i) The Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India in terms of Sub-Section 10 of Section 118 of the Companies Act, 2013, for the financial year under review;

ii) The Company has listed its Commercial papers with National Stock Exchange of India Ltd. (NSE) pursuant to SEBI circular dated 22nd October, 2019. The Company has duly complied with the compliances as prescribed in the above-mentioned circular.

From the verification of records and as per the information and explanation furnished to me, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, wherever applicable.

I further report that: -

1) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors.

2) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case where meeting was held on shorter notice, necessary compliances as per the act and standards have been complied with and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3) Majority decision is carried through while passing all the resolutions of the Board/ Committees. However, on perusal of the minutes of the Board or Audit Committee or Nomination & Remuneration Committee, or Asset Liability Management Committee, or Corporate Social Responsibility Committee meetings or Risk Management Committee, it was observed that there was no dissenting note made by any of the member.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period of audit, the Company made issue of securities as per the following particulars:

S No	Type of Security	No X Face Value each	Allotted on
1	Non convertible Debentures	22500 X 100000	28/06/2023
2	Non convertible Debentures	500 X 10000000	27/12/2023
3	Compulsorily Convertible Preference Shares	63,39,546 X 10	26/06/2023
4	Compulsorily Convertible Preference Shares	12045138 X 10	22/09/2023

Consequent to a restructuring of the group Companies duly approved by the Hon'Ble National company law Tribunal, Division Bench at Chennai, the name of the ultimate Holding Company is changed to TVS Holdings Limited.

B CHANDRA
Company Secretary
Membership No. 20879
Certificate of Practice No. 7859

Place: Chennai
UDIN: A020879F000331761

Date: 8th May 2024
PEER REVIEW NUMBER 602/2019

Independent Auditors' Report

for the year ended 31st March 2024

To the members of TVS Motor Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of TVS Motor Company Limited ("the Company"), which comprise the balance sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit, Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Key Audit Matter Principal Audit Procedures

Key Audit matter	Principal Audit Procedure
1. Government Grants Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that. The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant. The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements.	Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard; Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected. Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants. Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received. Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards.

Key Audit matter	Principal Audit Procedure
2. Investments The Company has significant investments in its subsidiaries and associates. Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets". For investments where impairment indicators exist, significant judgments are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc. Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter.	Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments. Considered the independence, competence and objectivity of the management specialist involved in determination of valuation. Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books. Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc. Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards.
3. Evaluation of Uncertain Direct tax and Indirect Tax positions: The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax). These matters involve significant judgment to determine the possible outcome of these disputes	We obtained details of demands relating to Direct Tax and indirect tax, as on 31st March 2024. We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions. Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability

Information Other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and analysis, Board's Report including annexures to Board's Report, Business Responsibility and Sustainability report, Corporate Governance and Shareholder's Information but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure, and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit.

    c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.;

    d. In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March

2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. The remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Act and the same is not in excess of the limit laid down under Section 197 of the Act

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 40 (a) to the standalone financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer Note 30 (D) to the Standalone financial statements.

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. a. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no 42 (xii), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   b. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no 42 (xiii)), no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

   c. Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (a) and (b) above, contain any material misstatement.

   v. The dividends declared and paid by the Company during the year are in accordance with section 123 of the Companies Act 2013.

   vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

   As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

S. USHA
Partner
Place: Chennai
Membership No.: 211785
Date: 8th May 2024
UDIN: 24211785BKCSLO3839

Annexure A

to Independent Auditors' Report - 31st March 2024

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of TVS Motor Company Limited on the Standalone Financial Statements for the year ended 31 March 2024, we report that:

i. a. A) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars of Intangible assets.

b. The Company has a regular program of physically verifying all the Property, Plant and Equipment at its plants/ offices in a phased manner over a period of 3 years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.

c. According to the information and explanations given to us and the records of the Company examined by us, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year.

e. According to the information and explanations given to us and the records of the Company examined by us, there are no proceedings initiated or are pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. a. As informed to us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. The discrepancies arising out of such physical verification did not exceed 10% or more in aggregate for each class of inventory and they have been properly dealt with in the books of accounts.

b. According to the information and explanations given to us and the records of the Company examined by us, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company.

The quarterly returns and statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

iii. a. (A) The Company had provided guarantee to its Subsidiaries in earlier years.

(B) The balance outstanding as on 31st March 2024 is ₹ 83.41 crores.

No guarantee was provided during the year.

b. According to the information and explanations given to us and the records of the Company examined by us, the investments made, and guarantee provided are not prejudicial to the Company's interest.

c. The company has not provided loans, advances in the nature of loans, and security to Companies, Firms, Limited Liability Partnerships or any other parties. Therefore, the requirement to report under clauses (iii) (d) to (f) of para 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, in respect of Investments made and Guarantee provided .

v. According to the information and explanations given to us and the records of the Company examined by us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Therefore, the clause (v) of para 3 of the order is not applicable to the Company.

vi. According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by the Company.

We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148 (1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty, duty of excise and Cess and other material statutory dues as applicable to the Company with the appropriate authorities.

b. According to the information and explanations given to us and the records of the Company examined by us, details of disputed taxes not deposited are as follows:

Rupees in Crores

Name of the Statute / (Nature of dues)	Period of dues	Amount in ₹	Forum where dispute is pending
Central Excise Act, 1944 (Cenvat / Excise Duty)	1999-00 to 2004-05, 2011-12 and 2015-16	23.61	Central Excise and Service Tax Appellate Tribunal, Chennai/ Bangalore
Finance Act, 1994 (Service Tax)	2002-2014	0.91	Central Excise and Service Tax Appellate Tribunal, Chennai / Bangalore
Sales Tax / VAT Laws (Sales Tax)	1998 to 2016	0.26	Sales Tax Appellate Tribunal - Madhya Pradesh & Jharkand
		0.79	Assessing officer - Tamilnadu, Jharkhand & Delhi
		0.37	Assistant/Joint Commissioner (Appeals) - Bihar, Madhya Pradesh, Uttar Pradesh and West Bengal
Goods and Service Tax Act	2017-18 to 2020-21	7.21	Commissioner (Appeals) - GST - Telangana, Rajasthan, Madhya pradesh, Delhi, Chattisgarh, Bihar & Andhra pradesh
Income Tax	AY 2016-17	3.58	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. On the basis of verification of records, the procedures performed by us, on an overall examination of the financial statements of the Company and according to the information and explanations given to us,

a. the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. the Company is not declared wilful defaulter by any bank or financial institution or any Lender.

c. the term loans were applied for the purpose for which the loans were obtained.

d. the Company has not utilized funds raised on short-term basis for long-term purposes.

e. the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries or associates.

f. the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

x. a. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

b. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year.

xi. a. During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the Standalone financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the Management, no fraud by the Company or no material fraud on the Company have been noticed or reported during the year.

b. During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, based on verification of the records and approvals of the Audit Committee, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

xiv. a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b. The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with the directors during the year and hence provisions of Section 192 of the Act are not applicable.

xvi. According to the information and explanations given to us and based on the information given to us and records verified by us,

a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities, accordingly, reporting under clause 3(xvi)(b) of the order is not applicable

c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on Clause (xvi)(c) of the Order is not applicable to the Company.

d. The Group does not have more than one Core Investment Company, as defined under Core Investment Companies (Reserve Bank) Directions 2016.

xvii. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 32 to the Standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act.

There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act.

xxi. On the basis of review of Companies (Auditor's Report) Order (CARO) reports of the Companies incorporated in India and included in the consolidated financial statement, we report that there are no qualifications or adverse remarks by the respective auditors in their CARO reports.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

S. USHA
Partner
Place: Chennai
Membership No.: 211785
Date: 8th May 2024
UDIN: 24211785BKCSLO3839

Annexure B

to the Independent Auditors' Report - 31st March 2024

[Referred to in paragraph 2(f) of our "Report on Other legal and Regulatory Requirements" section of our report of even date]

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of TVS Motor Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

S. USHA
Partner
Place: Chennai
Membership No.: 211785
Date: 8th May 2024
UDIN: 24211785BKCSLO3839

Balance Sheet

as at 31st March 2024

Rupees in crores

	Notes	As at 31-03-2024	As at 31-03-2023
ASSETS			
Non-current assets			
Property, plant and equipment	2	3,442.18	3,260.17
Capital work-in-progress	2	329.73	274.12
Other intangible assets	2	329.67	335.72
Intangible assets under development	2	600.41	353.61
Financial assets			
i. Investments	3	6,828.07	5,491.95
ii. Other financial assets	4	152.69	482.54
Non-Current tax assets (Net)		22.34	26.72
Other non-current assets	5	139.33	83.01
		11,844.42	**10,307.84**
Current assets			
Inventories	6	1,370.80	1,236.36
Financial assets			
i. Investments	3	163.19	191.92
ii. Trade receivables	7	1,302.14	979.29
iii. Cash and cash equivalents	8	485.83	234.35
iv. Bank balances other than (iii) above	9	45.13	7.61
v. Other financial assets	10	77.25	62.83
Other current assets	11	773.48	972.19
		4,217.82	**3,684.55**
Total assets		**16,062.24**	**13,992.39**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	47.51	47.51
Other equity	13	7,683.53	6,000.34
		7,731.04	**6,047.85**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	986.91	1,211.54
ii. Lease liabilities		313.07	313.24
Provisions	15	205.87	175.88
Deferred tax liabilities (Net)	16	187.05	198.20
Other Non current liabilities		31.50	37.13
		1,724.40	**1,935.99**
Current liabilities			
Financial liabilities			
i. Borrowings	17	526.53	1,033.04
ii. Lease liabilities		137.11	105.54
iii. Trade payables	18		
a. Total outstanding dues of micro and small enterprises		34.80	45.42
b. Total outstanding dues of other than (iii) (a) above		5,077.37	4,085.14
iv. Other financial liabilities	19	126.95	121.65
Other current liabilities	20	526.63	513.29
Provisions	15	143.60	98.54
Current Tax Liabilities (net)		33.81	5.93
		6,606.80	**6,008.55**
Total liabilities		**8,331.20**	**7,944.54**
Total equity and liabilities		**16,062.24**	**13,992.39**
Material accounting policies	1		

See the accompanying notes to the financial statements

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N. RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place: Chennai
Date: 8th May 2024

K. GOPALA DESIKAN
Chief Financial Officer

K.S.SRINIVASAN
Company Secretary

S USHA
Partner
Membership No.:211785

Statement of Profit and Loss

for the period ended 31st March 2024

Rupees in crores

		Notes	Year Ended 31-03-2024	Year Ended 31-03-2023
I	Revenue from operations	21	31,776.37	26,378.09
II	Other income	22	148.53	100.57
III	**Total income (I + II)**		**31,924.90**	**26,478.66**
IV	Expenses:			
	Cost of materials consumed	23	23,244.16	19,612.59
	Purchase of stock-in-trade	23	389.37	378.00
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(204.56)	5.21
	Employee benefits expense	24	1,595.87	1,345.09
	Finance costs	25	181.63	140.66
	Depreciation and amortisation expense	26	700.35	631.23
	Other expenses	27	3,237.42	2,362.51
	Total expenses		**29,144.24**	**24,475.29**
V	**Profit before exceptional items and tax (III - IV)**		**2,780.66**	**2,003.37**
VI	Exceptional items		-	-
VII	**Profit before tax (V + VI)**		**2,780.66**	**2,003.37**
VIII	Tax expense / (credit)	28		
	i. Current tax		702.08	503.65
	ii. Deferred tax		(4.42)	8.69
	Total Tax expense (i+ii)		**697.66**	**512.34**
IX	**Profit for the year (VII - VIII)**		**2,083.00**	**1,491.03**
X	Other comprehensive income			
	A. Items that will not be reclassified to profit or loss:			
	Remeasurements of post employment benefit obligations		(20.48)	(26.39)
	Fair value changes of equity instruments		0.84	(13.66)
	Income tax relating to the above items		5.02	9.37
	B. Items that will be reclassified to profit or loss:			
	Fair value changes on cash flow hedges		(6.84)	4.01
	Income tax relating to the above item		1.72	(1.01)
	Other comprehensive income for the year, net of tax		**(19.74)**	**(27.68)**
XI	**Total comprehensive income for the year (IX + X)**		**2,063.26**	**1,463.35**
XII	Earnings per equity share (Face value of ₹ 1/- each)			
	Basic & Diluted earnings per share (in rupees)	36	43.84	31.38
	Material accounting policies	1		

See the accompanying notes to the financial statements

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N. RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place: Chennai
Date: 8th May 2024

K. GOPALA DESIKAN
Chief Financial Officer

K.S.SRINIVASAN
Company Secretary

S USHA
Partner
Membership No.:211785

Statement of Changes in Equity

a Equity Share Capital

Rupees in crores

As at 01-04-2022	47.51
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	47.51
Changes in equity share capital during the year	-
As at 31-03-2023	**47.51**
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	47.51
Changes in equity share capital during the year	-
As at 31-03-2024	**47.51**

b Other Equity

Rupees in crores

Particulars	Reserves & Surplus			Other Reserves		Total
	General reserve	Capital reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income (FVTOCI)	Hedging reserve	
Balance as at 01-04-2022	865.64	6.43	3,891.46	12.65	(1.65)	4,774.53
Add: Profit for the year 2022-23	-	-	1,491.03	-	-	1,491.03
Add: Other comprehensive income for the year 2022-23	-	-	(19.75)	(10.93)	-	(30.68)
Less: Reclassification to profit or loss, net of tax	-	-	-	-	(1.65)	(1.65)
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	(1.35)	(1.35)
Less: Distribution to shareholders:						
2022-23 Interim dividend paid	-	-	237.54	-	-	237.54
Balance as at 31-03-2023	**865.64**	**6.43**	**5,125.20**	**1.72**	**1.35**	**6,000.34**
Add: Profit for the period ended 31-03-2024	-	-	2,083.00	-	-	2,083.00
Add: Other comprehensive income for the year 2023-24	-	-	(15.33)	0.71	-	(14.62)
Less: Reclassification to profit or loss, net of tax	-	-	-	-	1.35	1.35
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	3.77	3.77
Less: Distribution to shareholders:						
2023-24 Interim dividend paid	-	-	380.07	-	-	380.07
Balance as at 31-03-2024	**865.64**	**6.43**	**6,812.80**	**2.43**	**(3.77)**	**7,683.53**

Nature and purpose of Other Reserves

1. General reserve is available for distribution to shareholders.

2. Capital reserve

		Rupees in crores
i.	On Shares forfeited (₹ 55,200/-)	-
ii.	On surplus arising out of amalgamation	6.43
		6.43

3. Hedging Reserve - Refer Note No. 30 (D)

   It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge

4. FVTOCI reserve

   The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity.

See the accompanying notes to the financial statements

PROF. SIR RALF DIETER SPETH	**SUDARSHAN VENU**	**K.N. RADHAKRISHNAN**	As per our report annexed
Chairman	Managing Director	Director & Chief Executive Officer	For **Sundaram & Srinivasan**
DIN: 03318908	DIN: 03601690	DIN: 02599393	Chartered Accountants
			Firm Regn. No.004207S
			S USHA
Place: Chennai	**K. GOPALA DESIKAN**	**K.S.SRINIVASAN**	Partner
Date: 8th May 2024	Chief Financial Officer	Company Secretary	Membership No.:211785

Cash Flow Statement

for the year ended 31st March 2024

Rupees in crores

		Year ended 31-03-2024		Year ended 31-03-2023	
A.	**Cash flow from operating activities:**				
	Profit before tax		2,780.66		2,003.37
	Add:				
	Depreciation and amortisation for the year	700.35		631.23	
	(Profit) / loss on sale of property, plant and equipment (Net)	(2.63)		(2.82)	
	(Profit) on sale of investments (Net)	(145.39)		(22.01)	
	Loss / (Gain) on valuation of investment (Net)	26.93		(61.69)	
	(Gain) on lease preclosure (Net)	(4.75)		(0.01)	
	Unrealised exchange loss / (Gain) (Net)	10.82		0.63	
	Dividend income	(2.61)		(2.25)	
	Interest income	(18.88)		(6.21)	
	Finance cost	181.63		140.66	
	Provisions	52.98		2.60	
			798.45		680.13
	Operating profit before working capital changes		**3,579.11**		2,683.50
	Adjustments for:				
	Trade receivables	(329.85)		(11.01)	
	Inventories	(134.44)		(113.68)	
	Other current assets	198.71		(248.24)	
	Other financial assets	(24.68)		(23.23)	
	Trade payables	977.79		104.82	
	Other financial liabilities	5.14		(3.72)	
	Other current liabilities	15.46		79.64	
	Other non - current assets	(53.76)		7.39	
			654.37		(208.03)
	Cash generated from operations		**4,233.48**		**2,475.47**
	Direct taxes paid (Net of refunds)		(616.19)		(482.61)
	Net cash from operating activities	(A)	**3,617.29**		**1,992.86**
B.	**Cash flow from investing activities:**				
	Purchase of property, plant and equipment, intangible assets, including capital advances	(1,088.81)		(1,015.56)	
	Proceeds from sale of property, plant and equipment	33.31		18.74	
	Share application money paid	(121.19)		(445.41)	
	Investments in subsidiaries/Associates	(1,338.15)		(745.48)	
	Purchase of Other investments	(31.65)		(131.26)	
	Sale of Investments in subsidiaries/Associates	576.82		-	
	Sale / redemption of investments	54.06		-	
	Interest received	17.37		4.92	
	Dividends received	1.98		2.25	
			(1,896.26)		(2,311.80)
	Net cash used in investing activities	(B)	**(1,896.26)**		**(2,311.80)**

Rupees in crores

		Year ended 31-03-2024		Year ended 31-03-2023	
C.	**Cash flow from financing activities:**				
	Borrowings:				
	Non-current borrowings availed	(289.49)		347.59	
	Current borrowings availed / (Repaid)	(440.00)		310.00	
	Other bank balances	(39.47)		65.03	
	Finance cost paid	(213.73)		(137.10)	
	Repayment of lease liabilities	(106.79)		(69.17)	
	Dividend paid	(380.07)		(291.81)	
			(1,469.55)		224.54
	Net cash from financing activities	(C)	**(1,469.55)**		**224.54**
	Total (A+B+C)		**251.48**		**(94.40)**
	Cash and cash equivalents at the beginning of the year		234.35		328.75
	Cash and cash equivalents at the end of the year (Refer Note No 8)		485.83		234.35
D.	**Net decrease in cash and cash equivalents**		**251.48**		**(94.40)**

Note: The above statement of cash flow is prepared using indirect method.

Change in liability arising from financing activities:

Particulars	As at 01-04-2023	Cash flow	Foreign exchange movement	Amortisation	As at 31-03-2024
Non-current borrowings (Including current maturities)	1,804.58	(289.49)	(3.25)	1.60	1,513.44
Current borrowings	440.00	(440.00)	-	-	-

Non-cash investing activities:

Particulars	2023-24	2022-23
Acquisition of right-of-use assets	160.55	125.85
Acquisition of investment	-	45.00

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N. RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

S USHA
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

K. GOPALA DESIKAN
Chief Financial Officer

K.S.SRINIVASAN
Company Secretary

Notes to the Financial Statements

1. Material Accounting Policies

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

a) Brief description of the Company

TVS Motor Company Limited ('the Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006, Tamil Nadu, India.

The Company manufactures two wheelers, three wheelers, parts and accessories thereof. The Company has manufacturing plants located at Hosur in Tamil Nadu, Mysuru in Karnataka and Nalagarh in Himachal Pradesh.

b) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"), and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

These financial statements for the year ended 31st March 2024 have been approved and authorized for issue by the board of directors at its meeting on 8th May 2024.

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. The estimates and underlying assumptions are reviewed on an ongoing basis.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments are included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d) Significant Estimates and judgments

The areas involving critical estimates or judgments are:

i) Estimation of fair value of unlisted securities - Refer Note 29

ii) Defined benefit obligation - Refer Note 33

iii) Estimation of useful life of Property, Plant and Equipment – Refer Note 1(f) and 1(g)

iv) Estimation and evaluation of provisions and contingencies relating to tax litigations – Refer Note 40(a).

e) Revenue recognition

Performance obligation: The revenue is recognized on fulfilment of performance obligation. Revenue excludes taxes or duties collected on behalf of the government.

Sale of products

The Company earns revenue primarily from sale of automotive vehicles, parts and accessories.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision. (Refer Note 37)

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Company has objective evidence that all criteria for acceptance have been satisfied.

Sale of services

The Company also earns revenue from providing Technical / IT services and Royalty on usage of Company's technical knowhow.

In respect of Technical / IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Company's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

Warranty Obligations:

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Significant judgements:

There are no significant judgements made by the Company in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract.

f) Property, Plant and Equipment

Property, plant and equipment (including land, building, furniture and fixtures, office equipment, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation /amortisation, and impairment if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use net of cost reimbursed if any. However, cost excludes Goods and Services Tax to the extent credit of the tax is availed of.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use. Property, plant and equipment not ready for the intended use, on the date of Balance sheet, are disclosed as “Capital work-in progress”.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to Profit and Loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss with in other income /expenses.

g) Depreciation and amortisation

i) Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering the required number of shifts in use) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013. The useful life of the Property, plant and equipment are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis.

ii) Keeping in mind the rigorous and periodic maintenance program followed by the Company, the estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Company is given below:

Description	Years
Factory building and other buildings	5 to 61
Plant and machinery	5 to 29
Electrical equipment	15
Furniture and fixtures	10
Computers and information systems	3 to 4
Material handling equipment	5
Mobile phone	2
Vehicles	3 to 6

iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years.

iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

vi) Depreciation in respect of tangible assets costing less than ₹ 5,000/- is provided at 100%.

Notes to the Financial Statements (Contd.)

h) Intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

Internally-generated intangible assets -:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 38 – Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

The intangible assets are amortised on straight line basis over its useful life, viz., 2-3 years in the case of software and 6 to 10 years in the case of Design, Development and Technical knowhow. The useful life of the Intangible assets are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised as profit or loss with in other income /expenses.

i) Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for, the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e., in Indian rupee (INR) and all values are rounded off to nearest crores except otherwise indicated.

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

ii) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.

iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

k) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

Notes to the Financial Statements (Contd.)

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 29. Movements in the hedging reserve in shareholders' equity are shown in Note 30 (D). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss.

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit and loss.

l) Inventories

Inventories are valued at the lower of cost and net realisable value.

i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.

ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

iii) Provision for slow and Obsolete inventory:

The company has a policy for identifying slow/non-moving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

m) Employee benefits

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long term employee benefit:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured at the present value of the expected future payments to be made in respect of services provided by employee upto the end of

Notes to the Financial Statements (Contd.)

reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are charged to Profit and Loss account.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) **Post-employment obligation:**

The Company operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its eligible senior managers; and

b) Defined contribution plans such as provident fund.

Pension and gratuity obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated- at the end of each reporting period by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service cost.

Provident fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

iv) **Bonus plans:**

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

n) Taxes on income

Tax expense comprises of current and deferred taxes.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit and or loss. Deferred income

Notes to the Financial Statements (Contd.)

tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

o) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit and loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected lives of the related assets.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognized in statement of profit and loss on positive evidence of completion of export obligation as approved by the Regulatory Authorities.

The benefit of a government loan at a below market-rate of interest is treated as government grant and is measured as the difference between proceeds received and fair value of the loan.

p) Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

q) Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability, are considered as contingent liabilities. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

Notes to the Financial Statements (Contd.)

iii) Warranty:

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

s) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of buildings, for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the Company as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

the Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e. lease payments net off finance cost).

Variable lease payments that depend on sales are recognised in profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

t) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

u) Trade receivables

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less allowance for expected credit loss.

v) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration is received. Contract liabilities are recognised as revenue when the Company performs under the contract.

w) Investments and Other financial assets

i) Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Fair Value Through Other Comprehensive Income (FVOCI), or Fair Value Through Profit or Loss (FVTPL)), and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement

At Initial recognition, the Company measures a financial asset at its fair value plus transaction cost (in the case of a financial asset not at FVTPL) that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

Debt Instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

Fair Value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit and loss and presented in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all investments in equity (except of the subsidiaries / associates) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent

Notes to the Financial Statements (Contd.)

reclassification of fair value gains and losses to profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately.

Where the Company elects to measure fair value through profit or loss, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

Investment in subsidiaries / associates:

Investment in subsidiaries / associates are measured at cost less provision for impairment.

iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 30 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when:

a) the Company has transferred the rights to receive cash flows from the financial asset or

b) the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred a financial asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest Income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

x) Financial Liabilities:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the Financial Statements (Contd.)

y) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

z) Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

In respect of other assets, it is treated as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

aa) Earnings Per Share (EPS):

Basic earnings per share is computed by dividing the 'profit attributable to ordinary equity shareholders' by the weighted average number of equity shares outstanding during the year/period. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

ab) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Financial Statements (Contd.)

2 Property, Plant & Equipment and Other Intangible Assets - 31st March 2024

Rupees In crores

Description	Property, Plant & Equipment								Other Intangible		
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use Asset	Total	Software	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2023	397.56	959.46	4,867.15	111.28	52.22	227.09	579.77	7,194.53	177.35	616.04	793.39
Additions	56.21	101.96	380.45	43.27	13.74	42.32	160.55	798.50	21.79	105.05	126.84
Sub-total	**453.77**	**1,061.42**	**5,247.60**	**154.55**	**65.96**	**269.41**	**740.32**	**7,993.03**	**199.14**	**721.09**	**920.23**
Sales / deletion	-	3.90	132.97	0.01	5.93	3.99	40.13	186.93	-	-	-
Total	**453.77**	**1,057.52**	**5,114.63**	**154.54**	**60.03**	**265.42**	**700.19**	**7,806.10**	**199.14**	**721.09**	**920.23**
Depreciation / Amortisation											
Upto 31-03-2023	-	313.66	3,149.17	76.41	32.77	166.29	196.06	3,934.36	133.42	324.25	457.67
For the year	-	38.49	350.66	12.15	9.00	32.68	124.48	567.46	36.59	96.30	132.89
Sub-total	**-**	**352.15**	**3,499.83**	**88.56**	**41.77**	**198.97**	**320.54**	**4,501.82**	**170.01**	**420.55**	**590.56**
Withdrawn on assets sold / deleted	-	2.93	103.75	-	4.70	3.99	22.53	137.90	-	-	-
Total	**-**	**349.22**	**3,396.08**	**88.56**	**37.07**	**194.98**	**298.01**	**4,363.92**	**170.01**	**420.55**	590.56
Carrying value											
As at 31-03-2024	453.77	708.30	1,718.55	65.98	22.96	70.44	402.18	3,442.18	29.13	300.54	329.67

a) Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - 1.78 crores

Capital work-in-progress (at cost) as at 31-03-2024

Rupees in crores

(a) Building	58.44
(b) Plant & equipment	271.29
Total	**329.73**

Ageing of Capital work-in-progress as at 31-03-2024:

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	219.43	33.17	61.97	15.16	329.73

Intangible assets under development (at cost) as at 31-03-2024

Ageing of Intangible assets under development as at 31-03-2024

Particulars	Amount in Intangible assets under development for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	345.38	168.61	64.86	21.56	600.41

Capital work-in-progress and Intangible asset under development:

There is no Capital work in progress and Intangible asset under development whose completion is overdue or has exceeded its cost compared to its original plan.

Notes to the Financial Statements (Contd.)

2 Property, Plant & Equipment and Other Intangible Assets - 31st March 2023

Rupees In crores

Description	Property, Plant & Equipment								Other Intangible		
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use Asset	Total	Software	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2022	226.17	870.30	4,600.48	95.08	40.01	197.20	453.96	6,483.20	156.18	567.06	723.24
Additions	171.39	90.27	391.70	16.86	13.78	36.18	125.85	846.03	40.96	50.44	91.40
Sub-total	**397.56**	**960.57**	**4,992.18**	**111.94**	**53.79**	**233.38**	**579.81**	**7,329.23**	**197.14**	**617.50**	**814.64**
Sales / deletion	-	1.11	125.03	0.66	1.57	6.29	0.04	134.70	19.79	1.46	21.25
Total	**397.56**	**959.46**	**4,867.15**	**111.28**	**52.22**	**227.09**	**579.77**	**7,194.53**	**177.35**	**616.04**	**793.39**
Depreciation / Amortisation											
Upto 31-03-2022	-	278.05	2,908.92	68.62	27.21	145.61	114.99	3,543.40	119.89	236.53	356.42
For the year	-	35.86	350.04	8.17	6.85	26.74	81.07	508.73	33.32	89.18	122.50
Sub-total	**-**	**313.91**	**3,258.96**	**76.79**	**34.06**	**172.35**	**196.06**	**4,052.13**	**153.21**	**325.71**	**478.92**
Withdrawn on assets sold / deleted	-	0.25	109.79	0.38	1.29	6.06	-	117.77	19.79	1.46	21.25
Total	**-**	**313.66**	**3,149.17**	**76.41**	**32.77**	**166.29**	**196.06**	**3,934.36**	**133.42**	**324.25**	**457.67**
Carrying value											
As at 31-03-2023	397.56	645.80	1,717.98	34.87	19.45	60.80	383.71	3,260.17	43.93	291.79	335.72

a) Cost of buildings includes ₹ 35.11 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil

Capital work-in-progress (at cost) as at 31-03-2023

	Rupees in crores
(a) Building	62.37
(b) Plant & equipment	211.75
Total	**274.12**

Ageing of Capital work-in-progress as at 31-03-2023

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	153.06	83.82	20.58	16.66	274.12

Intangible assets under development (at cost) as at 31-03-2023

Ageing of Intangible assets under development as at 31-03-2023

Particulars	Amount in Intangible assets under development for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	216.68	109.39	22.93	4.61	353.61

Capital work-in-progress and Intangible asset under development:

There is no Capital work in progress and Intangible asset under development whose completion is overdue or has exceeded its cost compared to its original plan.

Notes to the Financial Statements (Contd.)

3 Investments

3A Non Current Investments

Sl. No.	Particulars		Subsidiary / Associate	No. of shares / units		Face Value	Currency	Rupees in crores	
				As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)
(a)	**Investment in Equity Instruments:**								
	Fair valued through OCI:								
	Quoted:								
	(i)	Ucal Fuel Systems Limited, Chennai		91,760	91,760	10.00	INR	1.33	1.00
	Unquoted:								
	(ii)	Green Infra BTV Limited, New Delhi		32,50,000	32,50,000	10.00	INR	1.89	1.75
	(iii)	TVS Lanka (Private) Limited, Colombo		50,00,000	50,00,000	10.00	LKR	4.48	4.38
	(iv)	Green Infra Wind Power Projects Limited, New Delhi		1,11,600	1,11,600	10.00	INR	0.08	0.08
	(v)	Green Infra Wind Power Generation Limited, New Delhi		2,16,000	2,16,000	10.00	INR	0.18	0.17
	(vi)	Condivision Solutions Pvt. Limited, Bengaluru		6,760	6,760	10.00	INR	-	-
	(vii)	Mulanur Renewable Energy Pvt. Limited, Chennai		15,000	15,000	10.00	INR	0.02	0.02
	(viii)	Atria Wind Power Bijapur 1 Limited, Bengaluru		1,01,217	1,01,217	10.00	INR	2.00	2.00
	(ix)	Altizon Systems Private Limited, Pune		10	10	10.00	INR	0.01	0.01
	(x)	Roppen Transportation Services Private Limited, Hyderabad		10	10	1.00	INR	0.05	0.05
	(xi)	Roppen Transportation Services Private Limited, Hyderabad$		23,985	23,985	10.00	INR	119.73	113.93
	(xii)	Green Infra Wind Energy Generation Limited, Gurugram		28,45,000	23,45,000	10.00	INR	2.85	2.35
	Valued at Cost (Unquoted):								
	(i)	Sundaram Auto Components Limited, Chennai	Subsidiary	1,19,37,422	4,45,69,000	10.00	INR	108.46	336.20
	(ii)	TVS Motor Company (Europe) B.V., Amsterdam	Subsidiary	2,25,301	2,25,301	100.00	EUR	1.80	1.80
	(iii)	TVS Motor (Singapore) Pte. Limited, Singapore	Subsidiary	67,16,85,616	42,01,55,810	1.00	SGD	3,576.68	2,021.12
	(iv)	PT.TVS Motor Company Indonesia, Jakarta	Subsidiary	85,97,000	85,97,000	97,400.00	IDR	389.06	389.06
	(v)	TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited)	Subsidiary	30,50,000	50,000	10.00	INR	3.05	0.05
	(vi)	TVS Motor Services Limited, Chennai	Subsidiary	14,96,33,814	14,96,33,814	10.00	INR	148.68	148.68
	(vii)	TVS Credit Services Limited, Chennai	Subsidiary	19,54,24,754	19,54,24,754	10.00	INR	1,960.99	1,960.99
	(viii)	TVS Credit Services Limited, Chennai$	Subsidiary	31,69,773	-	10.00	INR	100.00	-
	(ix)	TVS Electric Mobility Limited, Chennai	Subsidiary	10,00,000	10,00,000	10.00	INR	1.00	1.00
	(x)	Emerald Haven Realty Limited, Chennai	Associate	-	11,12,19,512	10.00	INR	-	111.22
	(xi)	Ultraviolette Automotive Private Limited, Bengaluru	Associate	14,850	14,850	10.00	INR	11.00	11.00

Sl. No.	Particulars	Subsidiary / Associate	No. of shares / units		Face Value	Currency	Rupees in crores	
			As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
	(xii) Ultraviolette Automotive Private Limited, Bengaluru$	Associate	12,316	12,316	*	INR	110.00	110.00
	(xiii) Tagbox Solutions Private Limited, Bengaluru	Associate	-	45,710	1.00	INR	-	1.19
	(xiv) Tagbox Solutions Private Limited, Bengaluru$	Associate	-	3,83,983	16.00	INR	-	9.99
	(xv) DriveX Mobility Pvt Ltd., Coimbatore	Associate	9,766	9,766	10.00	INR	87.17	87.17
	(xvi) Indian Foundation for Quality Management, Bengaluru	Associate	2,50,00,000	-	10.00	INR	25.00	-
	Total value of Equity Instruments (a)						**6,655.51**	**5,315.21**
(b)	**Investments in Preference Shares (Unquoted):**							
	Fair valued through OCI:							
	(i) Axiom Research Labs Private Limited, Delhi		82	82	10.00	INR	-	-
	(ii) Pinnacle Engines Inc., USA (face value 0.01 cent)		24,09,638	24,09,638	0.0001	USD	-	-
	Fair valued through Profit and Loss:							
	(iii) TVS Motor Services Limited, Chennai	Subsidiary	5,00,00,000	5,00,00,000	10.00	INR	50.00	50.00
	Total value of Preference shares (b)						**50.00**	**50.00**
(c)	**Investment in Debt Instruments (unquoted):**							
	Valued at Amortised Cost:							
	(i) Fabric IOT Private Limited, Bengaluru					INR	17.79	16.28
	Pension Funds / Government Securities							
	(ii) ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai					INR	6.63	6.39
	(iii) Life Insurance Corporation Pension Policy, Mumbai					INR	20.35	19.00
	Fair valued through Profit and Loss:							
	(iv) Fabric IOT Private Limited, Bengaluru					INR	45.00	45.00
	Total value of Debt instruments (c)						**89.77**	**86.67**
(d)	**Other non-current Investments (Unquoted):**							
	Fair valued through OCI:							
	(i) Autotech Fund I, L.P., USA					USD	32.79	40.07
	Total value of other non-current investments (d)						**32.79**	**40.07**
	Total (a) + (b) + (c) + (d)						**6,828.07**	**5,491.95**
	Aggregate amount of quoted investments and market value thereof						1.33	1.00
	Aggregate amount of unquoted investments						6,826.74	5,490.95
	Total						**6,828.07**	**5,491.95**

All investments are fully paid up.

$ Preference shares in the nature of equity instruments

Notes to the Financial Statements (Contd.)

*Particulars of preference shares held in Ultraviolette Automotive Private Limited, Bengaluru	No. of shares / units		Face Value (in ₹)
	As at 31-03-2024	As at 31-03-2023	
Series A2 Preference Shares	990	990	50,545
Series B Preference Shares	7,387	7,387	40,616
Series C Preference Shares	3,939	3,939	1,90,384
Total	**12,316**	**12,316**	

3B Current Investments

Sl. No.	Particulars	Subsidiary / associate	No. of shares / units		Face Value (in ₹)	Currency	Rupees in crores	
			As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(a)	**Investment in Equity Instruments Fair valued through Profit or Loss**							
	Quoted:							
(i)	TVS Supply Chain Solutions Limited, Chennai		1,05,62,200	1,06,62,200	1.00	INR	163.19	191.92
	Total (a)						**163.19**	**191.92**
	Aggregate amount of Quoted investments						163.19	191.92
	Total						**163.19**	**191.92**

All investments are fully paid up.

4 Other Financial Assets - Non Current

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Claims receivable Non Current	31.50	37.13
Share application money paid (pending allotment)	121.19	445.41
	152.69	**482.54**

5 Other Non-Current Assets

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Capital advances	125.91	69.70
Advances other than capital advances:		
Deposits made	13.42	13.31
	139.33	**83.01**

6 Inventories

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Raw materials and components	650.11	655.57
Goods-in-transit - Raw materials and components	44.99	107.41
Work-in-progress	48.89	46.06
Finished goods	466.13	255.24
Stock-in-trade	104.70	113.86
Stores and spares	55.98	58.22
	1,370.80	**1,236.36**

Notes to the Financial Statements (Contd.)

7 Trade Receivables

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Secured, considered good	14.13	11.53
Unsecured, considered good*	1,288.01	967.76
Receivables which have significant increase in credit risk	28.13	26.93
	1,330.27	**1,006.22**
Less: Loss allowance	28.13	26.93
	1,302.14	**979.29**

* Includes balances with related parties [Refer Note 34 (c)(i)]

(i) Ageing for trade receivable as on 31.03.2024

Rupees in Crores

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,009.64	279.69	7.12	4.11	1.58	1,302.14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	1.08	1.31	25.74	28.13
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**1,009.64**	**279.69**	**8.20**	**5.42**	**27.32**	**1,330.27**

(ii) Ageing for trade receivable as on 31.03.2023

Rupees in Crores

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	724.77	224.44	14.47	15.34	0.27	979.29
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	1.08	1.31	24.54	26.93
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**724.77**	**224.44**	**15.55**	**16.65**	**24.81**	**1,006.22**

8 Cash and Cash Equivalents

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with banks	235.62	234.20
Cash on hand	0.21	0.15
Cash equivalents:		
Deposits with maturity of less than three month from the date of deposit.	250.00	-
	485.83	**234.35**
Cash and cash equivalents for the purpose of cash flow statement	**485.83**	**234.35**

Notes to the Financial Statements (Contd.)

9 Other Bank Balances

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Earmarked balances with banks	45.02	7.51
Deposits with maturity of more than three month and less than	0.11	0.10
one year from the date of deposit		
	45.13	**7.61**

10 Other Financial Assets - Current

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Unsecured, considered good:		
- Employee advances	11.75	11.16
- Other bank balances (Bank deposit)	2.09	0.14
- Security deposits	37.72	21.80
- Claims receivable	25.69	23.82
- Hedge asset - receivable	-	5.91
	77.25	**62.83**

11 Other Current Assets

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with tax authorities	424.99	370.72
Prepaid expense	71.44	50.50
Vendor advance*	109.94	73.01
Trade deposits	0.89	0.67
Incentive receivable from government^	182.61	472.10
Employee benefit assets (Refer Note 33)	4.77	7.42
	794.64	**974.42**
Less: Loss allowance	21.16	2.23
	773.48	**972.19**

* Includes balances with related parties [Refer Note 34(c)(i)]

^ Includes EV subsidy receivable of ₹ 148.62 crores (Previous Year ₹ 448.40 crores)

12 Equity Share Capital

(a) Authorised, issued, subscribed and fully paid up

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Authorised:				
Equity shares of ₹ 1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 1/- each	47,50,87,114	47.51	47,50,87,114	47.51
	47,50,87,114	**47.51**	**47,50,87,114**	**47.51**

Notes to the Financial Statements (Contd.)

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**47,50,87,114**	**47.51**	**47,50,87,114**	**47.51**

(c) (i) Rights and preferences attached to equity share:

Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act,2013.

(ii) There are no restrictions attached to equity shares.

(d) Shares held by Holding company at the end of the year

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26

(e) Shareholders holding more than five percent at the end of the year (other than (d))

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
ICICI Prudential Mutual Fund	Equity	3,75,37,940	7.90	4,67,41,798	9.35

(f) Shares held by Promoters at the end of the year 31-03-2024

Promoter name	Class of share	As at 31-03-2024		As at 31-03-2023		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited)(Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

Shares held by Promoters at the end of the year 31-03-2023

Promoter name	Class of share	As at 31-03-2023		As at 31-03-2022		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

Notes to the Financial Statements (Contd.)

13 Other Equity

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
General reserve	865.64	865.64
Capital reserve	6.43	6.43
Retained earnings	6,812.80	5,125.20
Other Reserves	(1.34)	3.07
	7,683.53	**6,000.34**

14 Non-Current Liabilities - Financial Liabilities - Borrowings

Rupees in Crores

Description	Frequency	No. of instal-ments due	Maturity	As at 31-03-2024	As at 31-03-2023
Secured:					
State owned corporation	Specific Period	2	Apr 2030	9.68	84.68
Unsecured:					
Non Convertible Debentures - I	-	-	-	-	499.93
Non Convertible Debentures - II	End of Tenure	1	Mar 2026	124.87	124.81
Non-Convertible Zero Coupon Debentures #	-	-	-	-	310.00
Term loan from Bank - I	Quarterly	12	Mar 2027	429.96	479.93
Term loan from Bank - II	Quarterly	8	Mar 2026	199.56	199.20
Term loan from Bank - III	Quarterly	10	July 2026	187.38	-
Term loan from Bank - IV	Quarterly	8	May 2026	499.08	-
ECB Loan from Bank	-	-	-	-	27.39
Sales Tax Deferral	Yearly	4	Jun 2027	62.91	78.64
Total Long-term Borrowings:				**1,513.44**	**1,804.58**
Less: Current Maturities of Long-term Borrowings				526.53	593.04
Total Long-term Borrowings (net)				**986.91**	**1,211.54**

Details of securities created:

(i) Soft loan - State owned corporation viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.

due to related parties [Refer Note 34 (b)(xii)].

Amount payable in each instalment:

Description	Currency	Amount*	Rate of Interest
State owned corporation	INR	₹ 4.45 crores and ₹ 5.22 crores	0.10%
		(Two instalments between April 2026 and April 2030)	
Non Convertible Debentures - II (12500 numbers, face value of ₹ 1 lakh each)	INR	₹ 125 crores at the end of the term - March 2026	Repo Rate plus Margin
Term Loan from Bank - I	INR	12 quarterly unequated instalments from 28th June 2024	6.30%
Term Loan from Bank - II	INR	8 quarterly equated instalments beginning from 30th June 2024	Repo Rate plus Margin
Term loan from Bank - III	INR	10 quarterly unequated instalments from 30th June 2024	Repo Rate plus Margin
Term loan from Bank - IV	INR	8 quarterly equated instalments beginning from 31st August 2024	Repo Rate plus Margin
Sales tax deferral	INR	₹ 15.73 crores per annum from June - 2024 to June - 2027	Nil

* undiscounted cash outflows

Notes to the Financial Statements (Contd.)

15 PROVISIONS

Rupees in Crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Current	Non-current	Current	Non-current
Provision for employee benefits:				
(a) Pension	65.85	100.25	48.39	94.44
(b) Leave salary	11.51	83.54	8.82	67.66
Others:				
(a) Warranty	66.24	22.08	41.33	13.78
	143.60	**205.87**	**98.54**	**175.88**

16 Deferred Tax Liabilities (NET)

The balance comprises temporary differences attributable to:

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Deferred tax liability consists of tax impact on:		
- Depreciation	324.87	290.80
- Others	19.49	33.81
Total deferred tax liability (A)	**344.36**	**324.61**
Deferred tax asset consists of tax impact on:		
- Employee Benefits expense	49.14	42.82
- Warranty provision	23.95	15.59
- Others	84.22	68.00
Total deferred tax assets (B)	**157.31**	**126.41**
Net deferred tax liability (A)-(B)	**187.05**	**198.20**

Movement in deferred tax:

Rupees in Crores

Particulars	Depreciation	Others	Total
As at 31-03-2022			197.87
Charged/(credited):			
- to profit or loss	(4.68)	13.37	8.69
- to other comprehensive income	-	(8.36)	(8.36)
As at 31-03-2023			198.20
Charged/(credited):			
- to profit or loss	34.07	(38.49)	(4.42)
- to other comprehensive income	-	(6.73)	(6.73)
As at 31-03-2024			**187.05**

17 Financial Liabilities - Borrowings - Current

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Borrowings repayable on demand from banks:		
Unsecured	-	440.00
Current Maturities of long term borrowings:		
Unsecured	526.53	593.04
	526.53	**1,033.04**

Notes to the Financial Statements (Contd.)

18 Trade Payables

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Dues to Micro and Small Enterprises**	34.80	45.42
Dues to enterprises other than Micro and Small Enterprises#	5,077.37	4,085.14
	5,112.17	**4,130.56**

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises. There is no principal or interest due thereon and remaining unpaid at the end of the year. (Refer Note 38)

Includes balances due to related parties [Refer Note 34 (c)(ii)].

Ageing for trade payables as on 31-03-2024

Rupees in Crores

Particulars	Not due	Outstanding for following periods from due date of payment				
		<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises (MSME)	34.80	-	-	-	-	34.80
(ii) Others	3,181.44	309.99	29.46	19.48	20.25	3,560.62
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total (i) to (iv)	**3,216.24**	**309.99**	**29.46**	**19.48**	**20.25**	**3,595.42**
Accrued expenses						1,516.75
Total						**5,112.17**

Ageing for trade payables as on 31-03-2023

Rupees in Crores

Particulars	Not due	Outstanding for following periods from due date of payment				
		<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises (MSME)	45.42	-	-	-	-	45.42
(ii) Others	2,632.07	567.60	19.46	8.25	16.69	3,244.07
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total (i) to (iv)	**2,677.49**	**567.60**	**19.46**	**8.25**	**16.69**	**3,289.49**
Accrued expenses						841.07
Total						**4,130.56**

19 Other Financial Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Interest accrued but not due on loans	4.26	37.96
Trade deposits received	32.33	32.76
Unclaimed dividends	4.07	3.88
(Not due for transfer to Investor Education and Protection Fund)		
Payables against capital goods	80.91	47.05
Hedge liability (Net)	5.38	-
	126.95	**121.65**

20 Other Current Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Statutory dues	164.78	117.70
Employee related	157.37	159.74
Advance received from customers	198.85	228.10
Deferred income	5.63	7.75
	526.63	**513.29**

Notes to the Financial Statements (Contd.)

21 Revenue from Operations

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Sale of products	31,449.57	25,938.78
Sale of services	52.92	69.28
Other operating revenue#	273.88	370.03
	31,776.37	**26,378.09**

Includes Government Grants of ₹ 237.02 crores (Last year ₹ 234.10 crores)

22 Other Income

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Dividend income from:		
(i) Subsidiaries	1.96	2.23
(ii) Other investments designated as Fair Value through OCI	0.65	0.02
Interest income	18.88	6.21
Profit on sale of investments - (Net)	145.39	22.01
Profit on sale of property, plant and equipment (Net)	2.63	2.82
(Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net)	(26.93)	61.69
Other non-operating income	5.95	5.59
	148.53	**100.57**

23 Material Cost

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Cost of materials consumed:		
Opening stock of raw materials and components	655.57	625.26
Add: Purchases	23,238.70	19,642.90
	23,894.27	**20,268.16**
Less: Closing stock of raw materials and components	650.11	655.57
	23,244.16	**19,612.59**
Purchases of stock-in-trade:		
Spare parts	211.35	202.53
Engine oil	178.02	175.47
	389.37	**378.00**
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Opening stock:		
Work-in-progress	46.06	43.07
Stock-in-trade	113.86	98.58
Finished goods	255.24	278.72
(A)	**415.16**	**420.37**
Closing stock:		
Work-in-progress	48.89	46.06
Stock-in-trade	104.70	113.86
Finished goods	466.13	255.24
(B)	**619.72**	**415.16**
(A)-(B)	**(204.56)**	**5.21**

Notes to the Financial Statements (Contd.)

24 Employee Benefits Expense

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Salaries, wages and bonus	1,334.59	1,149.19
Contribution to provident and other funds	121.12	92.85
Staff welfare expenses	140.16	103.05
	1,595.87	**1,345.09**

25 Finance Costs

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Interest on borrowings	137.39	109.16
Interest on lease liabilities	44.75	31.26
Exchange differences	(0.51)	0.24
	181.63	**140.66**

26 Depreciation and Amortisation Expense

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Depreciation on property, plant and equipment	442.98	427.66
Amortisation on right of use asset	124.48	81.07
Amortisation on intangible assets	132.89	122.50
	700.35	**631.23**

27 Other Expenses

Rupees in Crores

Particulars		Year Ended 31-03-2024	Year Ended 31-03-2023
(a)	Consumption of stores, spares and tools	52.96	52.43
(b)	Power and fuel	102.80	101.93
(c)	Repairs - buildings	35.08	21.62
(d)	Repairs - plant and equipment	81.40	74.68
(e)	Insurance	43.78	35.04
(f)	Rates and taxes (excluding taxes on income)	5.96	5.59
(g)	Audit fees#	1.15	1.15
(h)	Cost audit fees	0.08	0.08
(i)	Packing and freight charges	524.74	499.72
(j)	Advertisement and publicity	536.78	328.56
(k)	Other marketing expenses	567.52	340.83
(l)	Foreign exchange loss (Net)	1.35	-
(m)	Corporate Social Responsibility expenditure*	30.00	19.00
(n)	Contributions to Electoral Trust	40.00	5.00
(o)	Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakh, whichever is higher)	1,213.82	876.88
		3,237.42	**2,362.51**

#Refer Note No. 39 for details on Audit fees.

* Refer Note No. 45 for details on Corporate Social Responsibility expenditure.

Notes to the Financial Statements (Contd.)

28 Tax Expense and Reconciliation

Rupees in Crores

Particulars		Year Ended 31-03-2024	Year Ended 31-03-2023
(a)	**Tax expense**		
	Current tax:		
	On profits for the year	702.08	504.82
	Adjustments for prior periods	-	(1.17)
	(A)	**702.08**	**503.65**
	Deferred tax:		
	Decrease / (increase) in deferred tax assets	(82.78)	(54.04)
	(Decrease) / increase in deferred tax liabilities	78.36	62.73
	(B)	**(4.42)**	**8.69**
	(A + B)	**697.66**	**512.34**
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**		
	Profit before income tax expense	**2,780.66**	**2,003.37**
	Tax expense at 25.168%	699.84	504.21
	Add / (Less): Tax Impact on		
	Tax on income chargeable at lower rates	(39.40)	-
	Capital receipts	-	(1.63)
	Expenses not admissible for deduction	37.06	10.93
	Others	0.17	-
	Tax relating to earlier years	-	(1.17)
	Tax expense	**697.66**	**512.34**

29 Fair Value Measurements

Rupees in crores

Particulars	As at 31-03-2024			As at 31-03-2023		
	FVTPL$	FVTOCI *	Amortised cost	FVTPL$	FVTOCI *	Amortised cost
Financial assets						
Investments						
- Equity instruments	163.19	132.62	-	191.92	125.74	-
- Preference shares	50.00	-	-	50.00	-	-
- Other non-current investments	-	32.79	-	-	40.07	-
- Debt Instruments	45.00	-	44.77	45.00	-	41.67
Trade receivables	-	-	1,302.14	-	-	979.29
Derivative financial asset	-	-	-	-	5.91	-
Cash and cash equivalents	-	-	485.83	-	-	234.35
Other bank balances - Bank deposit	-	-	2.20	-	-	0.24
Earmarked balances with banks	-	-	45.02	-	-	7.51
Other financial assets	-	-	106.66	-	-	93.91
	-					
	258.19	**165.41**	**1,986.62**	**286.92**	**171.72**	**1,356.97**
Financial liabilities						
Borrowings	-	-	1,513.44	-	-	2,244.58
Trade payables	-	-	5,112.17	-	-	4,130.56
Lease liability	-	-	450.18	-	-	418.78
Derivative financial liability	-	5.38	-	-	-	-
Other financial liability	-	-	121.57	-	-	121.65
	-					
	-	**5.38**	**7,197.36**	**-**	**-**	**6,915.57**

* FVTOCI - Fair Valued Through Other Comprehensive Income $ FVTPL- Fair Value Through Profit or Loss

Notes to the Financial Statements (Contd.)

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values to be disclosed in the financial instruments that are recognised and measured at fair value and that are measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Rupees in crores

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL	3A & 3B	163.19	-	95.00	258.19
Financial investments at FVTOCI	3A	1.33	32.79	131.29	165.41
		164.52	32.79	226.29	423.60
Financial liabilities					
Derivatives	19	-	5.38	-	5.38
		-	5.38	-	5.38

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Rupees in crores

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Debt instruments	3A	-	-	44.77	44.77
		-	**-**	**44.77**	**44.77**
Financial liabilities					
Borrowings	14 & 17	-	-	1,513.44	1,513.44
		-	**-**	**1,513.44**	**1,513.44**

Financial assets and liabilities measured at fair value - recurring fair value measurements

Rupees in crores

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	3A & 3B	-	-	286.92	286.92
Financial Investments at FVTOCI	3A	1.00	40.07	124.74	165.81
Derivatives	10	-	5.91	-	5.91
		1.00	**45.98**	**411.66**	**458.64**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Rupees in crores

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Debt instruments	3A	-	-	41.67	41.67
		-	**-**	**41.67**	**41.67**
Financial liabilities					
Borrowings	14 & 17	-	-	2,244.58	2,244.58
		-	**-**	**2,244.58**	**2,244.58**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges are valued using the closing price as at the end of the reporting period. The mutual funds are valued using the closing NAV.

Notes to the Financial Statements (Contd.)

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and other non current investments included in level 3.

The company's policy is to recognise transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

During the reporting period, there are no transfers among the three levels.

(ii) Valuation technique used to determine fair value (Level 2)

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

Rupees in crores

Particulars	Unlisted Equity Shares	Unlisted Preference Shares	Debt Instruments	Total
As at 01-04-2022	139.87	-	-	139.87
Additions / (Deletions)	116.41	50.00	45.00	211.41
Gains/(losses) recognised in profit or loss	61.69	-	-	61.69
Gains/(losses) recognised in other comprehensive income	(1.31)	-	-	(1.31)
As at 31-03-2023	316.66	50.00	45.00	411.66
Additions / (Deletions)	0.50	-	-	0.50
Reclassified from level 3 to Level 1	(191.92)	-	-	(191.92)
Gains/(losses) recognised in other comprehensive income	6.05	-	-	6.05
As at 31-03-2024	**131.29**	**50.00**	**45.00**	**226.29**

(iv) Valuation inputs and relationships to fair value

Rupees in crores

Particulars	Fair value as at		Significant unobservable input		Probability weighted range for the year ended		Sensitivity
	31-03-2024	31-03-2023			31-03-2024	31-03-2023	
Preference Share	50.00	50.00	a)	Earnings growth rate	1-3%	1-3%	Not significant
			b)	Risk adjusted discount rate	8%	8%	
Debt Instrument	45.00	45.00	a)	Earnings growth rate	1-3%	1-3%	Not significant
			b)	Risk adjusted discount rate	8%	8%	
Unquoted Equity shares	131.29	316.66	a)	Earnings growth rate	1-3%	1-3%	Not significant
			b)	Risk adjusted discount rate	8%	8%	

(v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar type of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

Notes to the Financial Statements (Contd.)

(vi) Fair value of financial assets and liabilities measured at amortised cost

Rupees in crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments:				
Preference shares	-	-	-	-
Debt instruments	44.77	44.77	41.67	41.67
	44.77	**44.77**	**41.67**	**41.67**
Financial liabilities				
Borrowings	1,513.44	1,513.44	2,244.58	2,244.58
	1,513.44	**1,513.44**	**2,244.58**	**2,244.58**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for preference shares and other debt instruments are calculated based on cash flows discounted using effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

30 Financial Risk Management

The Company's activities exposes it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit risk	Cash, Cash equivalents and Trade receivables	Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward-looking information (more specifically described below). In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.
	a. Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
	b. Domestic Trade Receivables	Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings.
	c. Export Trade Receivables	The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited.
Liquidity risk	INR denominated borrowings [other than soft loans given by Govt. Authorities]	The company's liquidity management policy involves projecting cash flows in major currencies by considering the level of liquid assets necessary to meet the same, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized.

Risk	Exposure arising from	Risk Parameters and Mitigation
Market risk	(i) Foreign exchange	The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecasted transactions.
	a. Export trade receivables and Import payables	The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.
	b. Foreign currency denominated borrowings	The Company has hedged its borrowings by covering the principal repayments.
	(ii) Interest rate - Foreign currency denominated borrowings	The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(A) Credit risk

Basis of recognition of expected credit loss provision

Rating	Category	Description of category	Investments	Loans and deposits	Trade receivables
1	High Quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			
3	Standard Assets, moderate credit risk	Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.			
4	Substandard Assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition.	Life time expected credit losses		
5	Low quality assets, very high credit risk	Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.			
6	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off		

Notes to the Financial Statements (Contd.)

As at 31-03-2024

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

Particulars	Internal rating	Asset/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	44.77	0%	-	44.77
	1	Other financial assets	106.66	0%	-	106.66

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	1,009.64	320.63	1,330.27
Expected loss rate	-	9%	
Expected credit losses	-	28.13	28.13
Carrying amount of trade receivables	1,009.64	292.50	1,302.14

As at 31-03-2023

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

Particulars	Internal rating	Asset/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	41.67	0%	-	41.67
	1	Other financial assets	93.91	0%	-	93.91

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	724.77	281.45	1,006.22
Expected loss rate	-	10%	
Expected credit losses	-	26.93	26.93
Carrying amount of trade receivables	724.77	254.52	979.29

Reconciliation of loss allowance provision - Trade receivables

Rupees in crores

Loss allowance on 01-04-2022	28.23
Changes in loss allowance	(1.30)
Loss allowance on 31-03-2023	26.93
Changes in loss allowance	1.20
Loss allowance on 31-03-2024	28.13

(B) Liquidity risk

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	1,920.54	1,779.58
- Expiring beyond one year (bank loans)	-	-

Notes to the Financial Statements (Contd.)

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity ranging 30 to 180 days.

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

As at 31-03-2024

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	96.55	143.33	286.65	983.36	5.23	1,515.12
Lease liabilities	35.35	34.68	67.08	363.92	27.60	528.63
Trade payables	5,112.17	-	-	-	-	5,112.17
Other financial liabilities	126.95	-	-	-	-	126.95

As at 31-03-2023

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	968.15	12.50	52.39	907.00	310.00	2,250.04
Lease liabilities	27.43	26.10	52.01	379.90	11.81	497.25
Trade payables	4,130.56	-	-	-	-	4,130.56
Other financial liabilities	121.65	-	-	-	-	121.65

The amounts disclosed in the above table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(C) Market risk

i) Foreign exchange risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at 31-03-2024		As at 31-03-2023	
Exposure in foreign currency	USD	EUR	USD	EUR
Financial assets:				
Trade receivables	888.20	87.45	740.28	66.88
Investments	32.79	-	40.07	-
Derivative assets				
Foreign exchange forward contracts				
Sell foreign currency	(888.20)	(87.45)	(847.89)	(62.75)
Financial liabilities:				
Foreign currency loan	-	-	27.39	-
Trade payables	108.88	15.22	176.24	7.53
Derivative liabilities				
Foreign exchange forward contracts				
Buy foreign currency	-	-	-	-
Principal swap				
Buy foreign currency	-	-	(27.39)	-

Notes to the Financial Statements (Contd.)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Particulars	Impact on profit after tax*		Impact on other components of equity*	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
USD sensitivity				
INR/USD increases by 10%	58.38	41.98	(64.08)	(60.12)
INR/USD decreases by 10%	(58.38)	(41.98)	64.08	60.12
EURO sensitivity				
INR/EURO increases by 10%	5.41	4.42	(6.55)	(4.67)
INR/EURO decreases by 10%	(5.41)	(4.42)	6.55	4.67

* Holding all other variables constant

ii) Interest rate risk

For short term borrowings, interest rates are based on central bank approved benchmark rates plus margin. Whenever the Company resorts to short term borrowings through Commercial Paper, the rate of interest is fixed in advance. In respect of long term foreign currency borrowings, the interest rates are covered through interest rate swaps (IRS)

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Variable rate borrowings	1,012.53	792.39
Fixed rate borrowings	502.59	1,457.73

The Amount disclosed in the table are the contractual undiscounted cash flows.

Rupees in Crores

Sensitivity	Impact on profit after tax	
	As at 31-03-2024	As at 31-03-2023
Increase in interest rates by 100 bps	(7.58)	(5.90)
Decrease in interest rates by 100 bps	7.58	5.90

iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

(D) Impact of hedging activities

i) Disclosure of effects of hedge accounting on financial position

a Disclosure of effects of hedge accounting on financial position as at 31-03-2024

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument since inception of hedge	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contracts	975.65	-	-	5.38	Apr'24 to Dec'24	5.38	(5.38)

Notes to the Financial Statements (Contd.)

b) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument since inception of hedge	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contract	910.64	-	2.74	-	Apr'23 to Dec'23	2.74	(2.74)
Foreign currency loan:							
Principal swap	-	27.39	2.91	-	Sep'23	2.91	(2.91)
Interest rate swap	-	27.39	0.26	-		0.26	(0.26)

ii) Disclosure of effects of hedge accounting on financial performance:

for the year ended 31-03-2024:

Rupees in Crores

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge:				
Foreign exchange risk/ POS/ IRS	(3.77)	-	1.35	Revenue and Borrowing cost

for the year ended 31-03-2023:

Rupees in Crores

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge:				
Foreign exchange risk/ POS/ IRS	1.35	-	(1.65)	Revenue and Borrowing cost

31 Capital Management

(a) Risk management

The Company's objectives when managing capital are to

- safeguard our ability to continue as a going concern, so that we can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet). The company's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Net debt	1,027.61	2,010.23
Total equity	7,731.04	6,047.85
Net debt to equity ratio (times)	**0.1**	**0.3**

Notes to the Financial Statements (Contd.)

The company also monitors Interest coverage ratio:

Company's earnings before interest, taxes and exceptional items (EBIT) divided by Interest

The Company's strategy is to maintain an optimum interest coverage ratio.

The Interest coverage ratio were as follows:

Rupees in Crores

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
EBIT	2,962.29	2,144.03
Interest	136.88	109.40
Interest coverage ratio (times)	**21.6**	**19.6**

(b) Dividends

Rupees in Crores

	Particulars	Year ended 31-03-2024	Year ended 31-03-2023
(i)	Equity shares		
	Interim dividend for the year ended 31-03-2024 of ₹ 8.00 (31-03-2023 of ₹ 5.00) per fully paid share	380.07	237.54
(ii)	Dividends not recognised at the end of the reporting period	-	-

32 Key Financial Ratios

Sl. No.	Particulars	As at 31-03-2024	As at 31-03-2023	Variance
1	Current ratios (times) [Current Assets / Current Liabilities]	0.6	0.6	0.0%
2	Net Debt / Equity Ratio (times) [(Total borrowing - Cash) / Equity] - Note 1	0.1	0.3	66.7%
3	Debt Service Coverage Ratio (times) [Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)] - Note 1	2.5	5.4	(53.3%)
4	Return on Equity (%) [Net Profit after tax/Average shareholders equity]	30.2%	29.2%	3.6%
5	Inventory Turnover Ratio (times) [Annualised Cost of goods sold / Average Inventory]	18.0	17.0	(6.0%)
6	Debtors Turnover ratio (times) [Annualised Turnover / Average Debtors]	27.9	27.0	(3.1%)
7	Trade Payable turnover ratio (times) [(Cost of Goods sold + Other expenses) /Average Trade payable]	5.8	5.6	(4.0%)
8	Net Capital Turnover ratio (times) [Net Sales /(Current Asset - Current Liabilities excluding current maturities of long term borrowing)]	NA	NA	NA
9	Net Profit ratio (%) [Profit after tax / Turnover]	6.6%	5.7%	16.0%
10	Return on Capital Employed (%) [Earnings before Interest, Tax and Exceptional Items / Capital Employed]	31.4%	25.3%	24.4%
11	Return on Investment (%) [Income generated from invested funds/Average invested funds.] - Note 2	NA	NA	NA

1. Reflects repayment of borrowings during the year.
2. Significant investments held by the Company is for strategic purposes. Benchmarking the return on annual basis will not reflect yield from such investments.

Notes to the Financial Statements (Contd.)

33 Employee Benefit Obligations

Defined benefit plans as per actuarial valuation

Rupees in Crores

	Funded Plan			Unfunded Plans
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
As at 01-04-2022	**160.92**	**(157.48)**	**3.44**	**141.56**
Current service cost	29.53	-	29.53	-
Interest expense/(income)	12.46	(11.59)	0.87	9.03
Total amount recognised in profit or loss	**41.99**	**(11.59)**	**30.40**	**9.03**
Remeasurements				
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.10	0.10	-
(Gain)/loss from change in financial assumptions	4.87	-	4.87	(18.65)
Experience (gains)/losses	(2.65)	-	(2.65)	14.89
Total amount recognised in other comprehensive income	**2.22**	**0.10**	**2.32**	**(3.76)**
Employer contributions	-	(43.58)	(43.58)	-
Benefit payments	(18.87)	18.87	-	(4.00)
As at 31-03-2023	**186.26**	**(193.68)**	**(7.42)**	**142.83**
Current service cost	36.01	-	36.01	-
Interest expense/(income)	14.52	(13.78)	0.74	10.85
Total amount recognised in profit or loss	**50.53**	**(13.78)**	**36.75**	**10.85**
Remeasurements				
Return on plan assets, excluding amounts included in interest expense/(income)	-	6.10	6.10	-
(Gain)/loss from change in financial assumptions	4.28	-	4.28	0.92
Experience (gains)/losses	(7.03)	-	(7.03)	16.21
Total amount recognised in other comprehensive income	**(2.75)**	**6.10**	**3.35**	**17.13**
Employer contributions	-	(37.45)	(37.45)	-
Benefit payments	(12.89)	12.89	-	(4.72)
As at 31-03-2024	**221.15**	**(225.92)**	**(4.77)**	**166.09**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

The defined benefit obligations maturing after year ended March 31, 2024 are as follows

Rupees in Crores

Year ending March 31,	Defined Benefit Obligations
2025	24.55
2026	19.46
2027	14.71
2028	16.4
2029	18.98
2030-2034	82.68

Notes to the Financial Statements (Contd.)

The significant actuarial assumptions were as follows:

Particulars	As at 31-03-2024	As at 31-03-2023
Discount rate (Gratuity)	7.0%	7.2%
Discount rate (Pension)	7.0%	7.0%
Salary growth rate	5.5%	5.5%
Pre-retirement Mortality rate	IALM (2006-08) Ultimate	
Post-retirement Mortality rate	LIC Ann (1996-98)	
Attrition rate (For Gratuity)	3.0%	3.0%
Attrition rate (For Pension)	0.0%	0.0%

Assumptions regarding future mortality for pension are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 58.

(i) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Discount rate	0.50%	0.50%	211.96	178.57	231.03	194.53
Salary growth rate	0.50%	0.50%	231.13	194.63	211.79	178.42
Mortality	5.00%	5.00%	221.18	186.30	221.10	186.22

	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Discount rate	1.00%	1.00%	150.75	129.49	184.21	159.40
Salary growth rate	1.00%	1.00%	185.21	160.28	149.74	128.60
Mortality	5.00%	5.00%	164.70	142.02	167.55	144.38

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(ii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

Changes in bond: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yield increase in the value of the plans' bond holdings.

Inflation risks: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

(iii) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 44.73 crores (previous year ₹ 36.63 crores) has been recognised in the Statement of Profit and Loss.

Notes to the Financial Statements (Contd.)

34 Related Party Disclosure

(a) (i) Related parties and their relationship where control exists

Holding company:

TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited)

Subsidiaries:

Sundaram Auto Components Limited, Chennai

TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai)

TVS Motor Services Limited, Chennai

TVS Credit Services Limited, Chennai

TVS Electric Mobility Ltd., Chennai

TVS Motor Company (Europe) B.V., Amsterdam

TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)

PT TVS Motor Company Indonesia, Jakarta

Harita ARC Services Private Limited, Chennai

Harita Two Wheeler Mall Private Limited, Chennai (Formerly known as TVS Two Wheeler Mall Private Limited, Chennai)

TVS Housing Finance Private Limited, Chennai

The GO Corporation, Switzerland (GO AG),

Swiss E-Mobility Group (Holding) AG, Switzerland (SEMG)

The Norton Motorcycle Co Limited, UK

TVS Digital Pte Ltd., Singapore

EBCO Limited, UK

Celerity Motor GmbH, Germany

EGO Movement Stuttgart, GmbH, Germany (Subsidiary of GO AG)

Swiss E-Mobility Group (Schweiz) AG Switzerland

Colag E-Mobility GmBH, Germany, Zurich

Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland

Associate company:

Ultraviolette Automotive Private Limited, Bengaluru

Tagbox Solutions Private Limited, Bengaluru [Upto 30th March 2024]

DriveX Mobility Private Limited, Coimbatore

Indian Foundation for Quality Management, Bengaluru [From 15th Feb 2024]

Emerald Haven Realty Ltd., Chennai (Upto 14th June 2023)

(ii) Other related parties and their relationship where transaction exists

Associate / Joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company:

Predictronics Corp, USA

Emerald Haven Realty Ltd., Chennai (From 16th June 2023)

Emerald Haven Development Limited, Chennai

ION Mobility Private Limited, Singapore [From 14th March 2024]

Notes to the Financial Statements (Contd.)

(iii) Enterprises under Common control

Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)

Enterprises in which directors are interested:

Dua Associates, Delhi

Dua Consulting Private Limited, Delhi

McCann-Erickson (India) Private Limited, Delhi

Trichur Sundaram Santhanam & Family Private Limited, Chennai

T.V Sundram Iyengar & Sons Private Limited, Madurai

Lakshmi Energy and Environment Design Private Limited, Coimbatore

TVS Organics Private Limited, Chennai

Adwaith Lakshmi Industries Private Limited, Coimbatore (From 01st April 2023)

Key Management personnel

Executive Directors:

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

Mr Sudarshan Venu, Managing Director

Mr K N Radhakrishnan, Director & Chief Executive Officer

Non-Executive Directors:-

Independent Directors:

Mr. C R Dua

Mr. R Gopalan (Upto 2nd March 2024)

Dr. Deepali Pant Joshi (From 11th September 2023)

Mrs. Lalita D Gupte (Upto 22nd October 2023)

Mr. T Kannan (Upto 23rd May 2023)

Mr. Kuok Meng Xiong

Mr. Vijay Sankar (From 20th March 2024)

Mr. Hemant Krishan Singh

Mr. B Sriram

Non-Independent Directors:

Sir Ralf Dieter Speth

Dr. Lakshmi Venu

Chief Financial Officer

K. Gopala Desikan

Company Secretary

K.S. Srinivasan

Post Employment benefit plans:

TVS Motor Company Employees' Gratuity Fund

TVS Motor Company Employees' Provident Fund

Notes to the Financial Statements (Contd.)

(b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)

Rupees in Crores

		As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
(i)	**Purchase of goods (Including sales reversal)**		
	- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	126.75	-
	- Subsidiary companies		
	Sundaram Auto Components Limited, Chennai	398.38	377.46
	PT.TVS Motor Company Indonesia, Jakarta	0.09	0.35
	Swiss E-Mobility Group (Schweiz) AG Switzerland	0.13	0.08
	- Associate / joint venture		
	Tagbox Solutions Private Limited, Bengaluru	0.73	1.43
	- Enterprises under Common control		
	Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	255.24	412.62
	- Enterprises in which directors are interested		
	T.V Sundram Iyengar & Sons Private Limited, Madurai	-	0.23
	TVS Organics Private Limited, Chennai	0.69	0.19
	Adwaith Lakshmi Industries Pvt Ltd., Coimbatore	0.01	-
(ii)	**Sale of goods**		
	- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	471.96	420.09
	- Subsidiary companies		
	Sundaram Auto Components Limited, Chennai	-	0.11
	PT.TVS Motor Company Indonesia, Jakarta	354.27	405.02
	The Norton Motorcycle Co. Ltd., UK	0.72	-
	Celerity Motor GmbH, Germany	0.06	-
	- Associate company		
	DriveX Mobility Private Limited, Coimbatore	0.06	-
	- Enterprises under Common control		
	Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	9.60	19.52
	- Enterprises in which directors are interested		
	T.V Sundram Iyengar & Sons Private Limited, Madurai	-	-
(iii)	**Purchase of assets**		
	- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	39.00	-
	- Associate / joint venture		
	Ultraviolette Automotive Private Limited, Bengaluru	-	3.00
	Tagbox Solutions Private Limited, Bengaluru	0.61	-
	- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
	Predictronics Corporation, USA	-	0.07
(iv)	**Sale of assets**		
	- Subsidiary companies		
	Sundaram Auto Components Limited, Chennai	0.02	-
	- Enterprises under Common control		
	Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.29	-
(v)	**Rendering of services**		
	- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	0.45	1.79
	- Subsidiary companies		
	Sundaram Auto Components Limited, Chennai	0.11	0.11
	PT. TVS Motor Company Indonesia, Jakarta	0.55	0.55
	TVS Credit Services Limited, Chennai	5.43	8.61
	The Norton Motorcycle Co. Ltd., UK	8.58	4.23
	- Enterprises under Common control		
	Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	1.34	-
	- Associate / Joint Venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
	Emerald Haven Realty Limited, Chennai	1.05	-

Notes to the Financial Statements (Contd.)

Rupees in Crores

		As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
(vi)	**Availing of services (includes sub-contract charges paid)**		
	- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	118.03	62.15
	- Subsidiary company		
	Sundaram Auto Components Limited, Chennai	2.84	0.87
	TVS Credit Services Limited, Chennai	6.10	5.17
	TVS Digital Pte Limited, Singapore	0.34	0.26
	- Associate / joint venture(Tagbox Solutions Private Limited, Bengaluru)	-	0.16
	- Enterprises under Common control		
	Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	3.35	-
	- Enterprises in which directors are interested		
	Dua Associates, Delhi	0.35	0.70
	Dua Consulting Private Limited, Delhi	4.57	4.33
	McCann-Erickson (India) Private Limited, Delhi	3.59	3.47
	Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.20	0.20
	Harita Techserv Limited, Chennai (upto 27th Jun 2022)	-	0.90
	T.V Sundram Iyengar & Sons Private Limited, Madurai	-	0.83
	Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.65	0.12
(vii)	**Investments made / (Redemption) during the year**		
	- Subsidiary companies		
	TVS Motor (Singapore) Pte. Limited, Singapore	1,231.34	108.31
	TVS Motor Services Limited, Chennai	-	50.00
	TVS Credit Services Limited, Chennai	100.00	500.00
	Sundaram Auto Components Limited, Chennai (Reduction of share capital)	(310.00)	-
	TVS Digital Limited, Chennai	3.00	-
	- Associate / Joint venture		
	Ultraviolette Automotive Private Limited, Bengaluru		-
	DriveX Mobility Private Limited, Coimbatore	-	87.17
	Indian Foundation for Quality Management, Bengaluru [From 15.02.2024]	25.00	-
(viii)	**Share application money pending allotment**		
	- Subsidiary companies		
	TVS Motor (Singapore) Pte Limited, Singapore	121.19	445.41
(ix)	**Remuneration to key management personnel:**		
	Short-term employee benefits	64.74	84.24
	Post-employment benefits	0.65	0.47
(x)	**Obligation arising out of agreements facilitating credit / payment to service provider**		
	- Subsidiary companies		
	PT. TVS Motor Company Indonesia, Jakarta	-	41.09
	TVS Motor (Singapore) Pte. Limited, Singapore	83.41	82.17
(xi)	**Contributions to post employment benefit plans:**		
	TVS Motor Company Employees' Gratuity Fund	38.51	43.71
	TVS Motor Company Employees' Provident Fund	114.30	92.25
	(Including Employee and Employer Contributions)		
(xii)	**Loan and Advances**		
	- Issue / (Redemption) of Non convertible zero coupon debentures		
	Sundaram Auto Components Limited, Chennai	(310.00)	310.00
(xiii)	**Dividend received from**		
	Subsidiary Company (Sundaram Auto Components Limited, chennai)	1.96	2.23
(xiv)	**Dividend paid to**		
	- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	191.03	119.39

Notes to the Financial Statements (Contd.)

(c) Balances with related parties:

Rupees in Crores

			As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
(i)	**Trade receivables / Other current assets**			
	-	Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	74.23	17.36
	-	Subsidiary companies		
		Sundaram Auto Components Limited, Chennai	0.75	0.14
		PT. TVS Motor Company Indonesia, Jakarta	412.13	376.93
		TVS Credit Services Limited, Chennai	8.17	4.72
		The Norton Motorcycle Co. Ltd., UK	18.99	6.61
		TVS Digital Pte Limited, Singapore	8.03	6.66
		Swiss E-Mobility Group (Schweiz) AG Switzerland	0.98	-
		Celerity Motor GmbH, Germany	0.06	-
	-	Associate / joint venture		
		Tagbox Solutions Private Limited, Bengaluru	-	0.16
	-	Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
		Emerald Haven Development Limited, Chennai	0.09	-
		Emerald Haven Realty Limited, Chennai	11.96	5.78
	-	Enterprises under Common control		
		Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.93	-
	-	Enterprises in which directors are interested		
		Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.52	-
		McCann-Erickson (India) Private Limited, Delhi	0.02	-
(ii)	**Trade payables**			
	-	Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	1.25	-
	-	Subsidiary companies		
		Sundaram Auto Components Limited, Chennai	5.54	-
		TVS Motor (Singapore) Pte Limited, Singapore	1.52	4.03
		TVS Credit Services Limited, Chennai	1.81	-
		PT. TVS Motor Company Indonesia, Jakarta	0.11	-
	-	Associate / joint venture		
		DriveX Mobility Private Limited, Coimbatore	0.04	-
	-	Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
		Predictronics Corporation, USA	0.07	0.07
	-	Enterprises under Common control		
		Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	20.98	7.97
	-	Enterprises in which directors are interested		
		Dua Consulting Private Limited, Delhi	0.32	0.32
		McCann-Erickson (India) Private Limited, Delhi	-	0.32
		T.V Sundram Iyengar & Sons Private Limited, Madurai	0.07	0.03
		Lakshmi Energy and Environment Design Private Limited, Coimbatore	-	0.06
		TVS Organics Private Limited, Chennai	0.03	-
(iii)	**Guarantees issued**		83.41	123.26

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

Notes to the Financial Statements (Contd.)

35 Revenue from Contract with Customers

A Disaggregated revenue

Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company identifies the product lines, amongst others to indicate the factors as mentioned above. The details of revenue from contracts with customers on the basis of various product lines are as under:

Rupees in crores

Sl. No.	Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(a)	Type of goods and service		
	(i) Two wheelers	26,388.94	21,243.75
	(ii) Three wheelers	1,890.10	1,989.90
	(iii) Parts and accessories	3,170.53	2,705.13
	(iv) Technical / IT Services	39.65	61.26
	(v) Royalty	13.27	8.02
		31,502.49	**26,008.06**
(b)	Geographical markets		
	(i) Domestic	24,072.51	18,862.57
	(ii) Exports	7,429.98	7,145.49
		31,502.49	**26,008.06**

B The above operating revenue of the Company relates to only one segment viz., automotive vehicle and parts. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

Rupees in Crores

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
Contract Liabilities at the beginning of the period	154.70	147.64
Add / (Less):		
Consideration received during the year as advance	265.58	154.70
Revenue recognized from contract liability	(154.70)	(147.64)
Contract Liabilities at the end of the period	**265.58**	**154.70**

Payment is received in advance towards contracts entered with customers, and is recognised as a contract liability. As and when the performance obligation is met, the same is recognized as revenue.

D Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short term (i.e., the performance obligations are expected to be met within one year or less).Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

E Reconciliation of revenue with contract price

Rupees in crores

Sl. No.	Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(i)	Contract price	30,270.38	25,144.29
(ii)	Adjustments:		
	Incentive schemes	705.62	450.97
	Transport cost	526.49	412.80
(iii)	Revenue from sale of products/services (refer note no: 21)	31,502.49	26,008.06

Notes to the Financial Statements (Contd.)

36 Earnings Per Share

Rupees in Crores

Particulars	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
Profit attributable to ordinary shareholders	2,083.00	1,491.03
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in rupees)	1.00	1.00
Weighted average number of equity shares outstanding during the year	47,50,87,114	47,50,87,114
Basic and diluted earnings per share for continued operations (in rupees)	43.84	31.38
Basic and diluted earnings per share for discontinued operations (in rupees)	-	-
Basic and diluted earnings per share for continued and discontinued operations (in rupees)	43.84	31.38

37 Warranty Provision

Rupees in Crores

Particulars	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
Opening balance	55.11	41.32
Add: Provision for the year (net)	88.32	55.11
	143.43	**96.43**
Less: Payments / debits (net)	55.11	41.32
Closing balance	**88.32**	**55.11**

38 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006.

Rupees in Crores

Particulars	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
Trade Payables pertaining to dues to Micro and Small Enterprises (all are within agreed credit period and not due for payment) [Refer note 18]	34.80	45.42
(i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

39 Payment to Auditors Comprises

Rupees in Crores

Particulars	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
As statutory auditors	0.85	0.85
Taxation matters	0.20	0.20
Certification matters	0.10	0.10
	1.15	**1.15**
Miscellaneous expenses include travel and stay expenses of auditors	0.03	0.05
	1.18	**1.20**

Notes to the Financial Statements (Contd.)

40 Contingent Liabilities and Commitments not Provided for

Rupees in Crores

Particulars		As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
(a)	**Claims against the company not acknowledged as debts:**		
	(i) Excise	31.14	52.44
	(ii) Service tax	0.95	0.95
	(iii) Customs	-	39.27
	(iv) Sales tax	2.00	2.00
	(v) Guarantees given to bank/others for credit facility granted to subsidiary Companies	83.41	123.26
	(vi) Income tax	46.85	53.24
	The future cash flows on the above items are determinable only on receipt of the decisions / judgments that are pending at various forums / authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
(b)	**Other money for which the company is contingently liable:**		
	On bills discounted with banks	250.99	146.91
(c)	**Commitments:**		
	(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	229.94	259.85
	(ii) On Investments	1.88	3.90

41 Leases

Company as a Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹ 78.46 Cr (Previous year: ₹ 45.34 Cr)

Payment made towards Low value assets during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset is ₹ NIL (Previous year: ₹ 7.47 Cr)

42 Additional Regulatory Disclosures as Per Schedule iii of Companies Act, 2013

(i) The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(ii) The Company does not have any investment property.

(iii) As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

Notes to the Financial Statements (Contd.)

(iv) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

(v) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(vi) The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(vii) The company has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

(viii) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024.

(ix) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2024.

(x) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(xi) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(xii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary.

(xiii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xiv) The Company has not operated in any crypto currency or Virtual Currency transactions.

(xv) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

Notes to the Financial Statements (Contd.)

43 Disclosure Made in Terms Of Regulation 34(3) of Listing Regulations

Rupees in Crores

Sl. No.	Particulars	Name of the company		Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023
(a)	Investments by the company				
	(i) In subsidiary companies	**Sundaram Auto Components Limited, Chennai**		108.46	336.20
		[1,19,37,422 (last year-4,45,69,000) Equity shares of ₹10/- each fully paid up]	108.46		
		Maximum amount held at any time			
		During the year			
		During the previous year	336.20		
		TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited)		3.05	0.05
		[30,50,000 (last year - 50,000) Equity shares of ₹10/- each fully paid up]	3.05		
		Maximum amount held at any time			
		During the year			
		During the previous year	0.05		
		TVS Motor Services Limited, Chennai		148.68	148.68
		[14,96,33,814 (last year -14,96,33,814) Equity shares of ₹10/- each fully paid up]	148.68		
		Maximum amount held at any time			
		During the year			
		During the previous year	148.68		
		TVS Motor Services Limited, Chennai			
		[5,00,00,000 (last year - 5,00,00,000) Preference shares of ₹ 10/- each fully paid up]		50.00	50.00
		Maximum amount held at any time			
		During the year	50.00		
		During the previous year	50.00		
		TVS Credit Services Limited, Chennai		1,960.99	1,960.99
		[19,54,24,754 (last year - 19,54,24,754) Equity shares of ₹10/- each fully paid up]			
		Maximum amount held at any time			
		During the year	1960.99		
		During the previous year	1960.99		
		TVS Credit Services Limited, Chennai		100.00	-
		[31,69,773 (last year - Nil) Preference shares of ₹ 10/- each fully paid up]			
		Maximum amount held at any time			
		During the year	200		
		During the previous year	-		
		TVS Motor Company (Europe) B.V., Amsterdam		1.80	1.80
		[2,25,301 (last year- 2,25,301) Ordinary shares of Euro 100/- each fully paid up]			
		Maximum amount held at any time			
		During the year	1.80		
		During the previous year	1.80		
		TVS Motor (Singapore) Pte. Limited, Singapore		3,697.87*	2,466.53*
		[67,16,85,616 (last year 42,01,55,810) Ordinary shares of Singapore $ 1/- each fully paid up]			
		Maximum amount held at any time			
		During the year	3,697.87		
		During the previous year	2,466.53		
		(* - Including share application money pending allotment)			

Notes to the Financial Statements (Contd.)

Rupees in Crores

Sl. No.	Particulars	Name of the company		Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023
		PT. TVS Motor Company Indonesia, Jakarta		389.06	389.06
		[85,97,000 (last year - 85,97,000) Equity shares of Indonesian Rp.97,400/- each fully paid up]			
		Maximum amount held at any time			
		During the year	389.06		
		During the previous year	389.06		
		TVS Electric Mobility Ltd., Chennai		1.00	1.00
		[10,00,000 (last year -10,00,000) Equity shares of ₹ 10/- each fully paid up]			
		Maximum amount held at any time			
		During the year	1.00		
		During the previous year	1.00		
	(ii) in associate companies	**Emerald Haven Realty Limited, Chennai,**		-	111.22
		Nil (last year - 11,12,19,512) Equity shares of ₹ 10/- each fully paid up]			
		Maximum amount held at any time			
		During the year	111.22		
		During the previous year	111.22		
		Ultraviolette Automotive Private Limited, Bengaluru		11.00	11.00
		[14,850 (last year-14,850) Equity shares of ₹ 10/- each fully paid up]			
		Maximum amount held at any time			
		During the year	11.00		
		During the previous year	11.00		
		Ultraviolette Automotive Private Limited, Bengaluru		5.00	5.00
		[990 (last year - 990) Preference shares of ₹ 50,545/- each fully paid up]			
		Maximum amount held at any time			
		During the year	5.00		
		During the previous year	5.00		
		(7387 (last year - 7387) Preference shares of ₹ 40,616/- each fully paid up]		30.00	30.00
		Maximum amount held at any time			
		During the year	30.00		
		During the previous year	30.00		
		[3939 (last year - 3939) Preference shares of ₹ 1,90,384/- each fully paid up]		75.00	75.00
		Maximum amount held at any time			
		During the year	75.00		
		During the previous year	75.00		
		Tagbox Solutions Private Limited, Bengaluru		-	1.19
		[Nil (last year - 45,710) Equity shares of ₹ 1 each fully paid]			
		Maximum amount held at any time			
		During the year	1.19		
		During the previous year	1.19		
		Tagbox Solutions Private Limited, Bengaluru		-	9.99
		[Nil (last year - 383,983) Preference shares of ₹ 16 each fully paid]			
		Maximum amount held at any time			
		During the year	9.99		
		During the previous year	9.99		

Notes to the Financial Statements (Contd.)

Rupees in Crores

Sl. No.	Particulars	Name of the company		Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023
		DriveX Mobility Private Limited, Coimbatore		87.17	87.17
		[9766 (last year - 9766) Equity shares of ₹ 10 each fully paid]			
		Maximum amount held at any time			
		During the year	87.17		
		During the previous year	87.17		
		Indian Foundation for Quality Management, Bengaluru		25.00	-
		[2,50,00,000 (last year - Nil) Equity shares of ₹ 10 each fully paid]			
		Maximum amount held at any time			
		During the year	25.00		
		During the previous year	-		
(b)	**Investments by the holding company**	TVS Holdings Limited (formerly Sundaram-Clayton Limited)		17.15	17.15
		Chennai holds,			
		23,87,82,786 (last year 23,87,82,786) Equity shares of ₹ 1/- each fully paid up			
		Maximum amount held at any time			
		During the year	17.15		
		During the previous year	17.15		

44 Details of Loans given, Investments Made and Guarantees given

(DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013)

(a) Investments made - Refer Note No.3

(b) Guarantee issued towards credit facility / business purpose - Refer 34 b (x)

Notes to the Financial Statements (Contd.)

45 Corporate Social Responsibility

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is ₹ 26.39 crores (Previous Year ₹ 18.61 crores)

(b) Amount spent during the year:

Rupees in Crores

Sl. No.	Particulars	In cash	Yet to be paid in cash	Year ended 31-03-2024	Year ended 31-03-2023
1	Construction/acquisition of any asset	-	-	-	-
2	Other than above	-	-	30.00	19.00

Sl. No.	Particulars	Year ended 31-03-2024	Year ended 31-03-2023
1	Amount required to be spent by the Company during the year	26.39	18.61
2	Amount of expenditure incurred	30.00	19.00
3	Shortfall at the end of the year	-	-
4	Total of previous years shortfall	-	-
5	Reasons for shortfall	- NOT APPLICABLE -	
6	Details of related party transactions	-	-
7	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in position	-	-
	Nature of CSR Activities: Rural development, economic development, Women empowerment, health care, education, environment sustainability, social empowerment, infrastructure development and conservation of natural resources.		

46 Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

PROF. SIR RALF DIETER SPETH	**SUDARSHAN VENU**	**K.N. RADHAKRISHNAN**	As per our report annexed
Chairman	Managing Director	Director & Chief Executive Officer	For **Sundaram & Srinivasan**
DIN: 03318908	DIN: 03601690	DIN: 02599393	Chartered Accountants
			Firm Regn. No.004207S
			S USHA
Place: Chennai	**K. GOPALA DESIKAN**	**K.S.SRINIVASAN**	Partner
Date: 8th May 2024	Chief Financial Officer	Company Secretary	Membership No.:211785

Independent Auditors' Report

for the year ended 31st March 2024

To the members of TVS Motor Company Limited

Report on the Audit of Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of TVS Motor Company Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated statement of Profit and Loss,(including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated Ind AS financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates as at March 31, 2024, and its consolidated profit, its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements" section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit matter	Principal Audit Procedure
1. Carrying Value of Goodwill Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method.	Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method. We gained an understanding of the key assumptions used to forecast the cash flows and the discount. rates applied Weighted Average Cost of Capital (WACC) as well as the Comparable Companies considered in arriving at the fair value. We consider that the management conclusions concerning the absence of impairment in the goodwill are. adequately supported and consistent with the information currently available.
2. Government Grants Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that. The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant. The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements.	Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard; Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected. Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants. Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received. Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards.

Key Audit matter		Principal Audit Procedure
3.	**Investments** The Company has significant investments in its subsidiaries and associates. Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets". For investments where impairment indicators exist, significant judgements are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc. Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter.	Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments. Considered the independence, competence and objectivity of the management specialist involved in determination of valuation. Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books. Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc. Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards.
4.	**Evaluation of Uncertain Direct tax and Indirect Tax positions:** The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax). These matters involve significant judgment to determine the possible outcome of these disputes	We obtained details of demands relating to Direct Tax and indirect tax, for the year ended 31st March 2024. We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions. Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability

Information other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (Financial Highlights, Board's Report, Management Discussion and Analysis and Report on Corporate Governance) report but does not include the consolidated Ind AS financial statements and our auditors' report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated Changes in Equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always.

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risk of material misstatement of consolidated Ind AS financial statements, whether due to fraud or error, design, and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusions, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may significantly doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current periods and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Ind AS financial statement include the audited financial statements of 11 subsidiaries, whose Ind AS financial statement reflect total asset of ₹ 6,235.23 crores as at 31st March 2024 and total revenues of ₹ 1,795.38 Crores, total net loss after tax of ₹ 382.93 Crores and total comprehensive loss of ₹ 376.44 Crores, for the year ended 31st March 2024 and cash flow of ₹ 40.04 crores for the period from 1st April 2023 to 31st March 2024. The consolidated audited Ind AS financial statement also include the Group's share of net loss of ₹ 3.65 crores and total comprehensive Loss of ₹ 3.65 for the year ended 31st March 2024, as considered in the consolidated audited Ind AS financial Statement, in respect of 1 associate company, whose Ind AS financial statement have not been audited by us. This financial Statement have been audited by other auditor's whose report has been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and one associate, is based solely on the report of the other auditors.

We have audited the Ind AS financial Statement of 1 subsidiary along with another firm of Chartered Accountants as Joint Auditors whose financial Statement is included in the consolidated audited Ind AS financial Statement which reflect total assets of ₹ 28,141.01 crores as at 31st March 2024 and total revenues of ₹ 5,796.01 Crores and total net profit after tax of ₹ 572.56 Crores and total comprehensive income of ₹ 551.85 Crores, for the year ended 31st March 2024 and cash flow of ₹ 221.56 crores for the period from 01st April 2023 to 31st March 2024. Our opinion on the Ind AS Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on our Joint opinion on the audit of Ind AS financial Statement of the said subsidiary.

The consolidated annual Ind AS financial Statement include the unaudited Ind AS financial Statement of 9 subsidiaries which have not been audited by their auditors and are based solely on management certified accounts, whose Ind AS financial Statement reflect total asset of ₹ 1,159.39 crores as at 31st March 2024 and total revenue of ₹ 716.67 Crores and total net loss after tax of ₹ 364.43 Crores and total comprehensive Loss of ₹ 364.43 Crores for the year ended 31st March 2024 and cash flow of ₹ (4.58) crores for the period from 1st April 2023 to 31st March 2024 as considered in the consolidated Ind AS audited financial Statement. The consolidated Ind AS audited financial Statement also include the Group's share of net loss after tax of ₹ 39.82 Crores and total comprehensive Loss of ₹ 39.82 Crores for the year ended 31st March 2024, as considered in the consolidated Ind AS audited financial Statement, in respect of 10 associates based on their financial statement which have not been audited by their auditors and are based solely on management certified accounts.

The financial information of subsidiaries and associates located outside India have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted this financial information from accounting principles generally accepted in their respective countries, to Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's Management. Our opinion in so far as it relates to such subsidiaries and associates located outside India is based on the aforesaid conversion adjustments report prepared by the Parent Company's Management.

This financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion, on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to this associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statement / financial information is not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate companies, incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.

g. (i) The remuneration paid / provided by the group and its associates to the directors during the year is in accordance with the Section 197 read with Schedule V of the Act.

   (ii) This clause is not applicable to the overseas subsidiary companies and associate companies incorporated outside India.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (refer note no. 43).

   ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, and required to be transferred, to the Investor Education Protection Fund by the Group, its associates incorporated in India.

   iv. a) The respective Managements of the Company, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (viii), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries or associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. This clause is not applicable to company incorporated outside India.

   b) The respective Managements of the Company its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (ix) no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries or associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. This clause is not applicable to the companies incorporated outside India.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividends declared and paid during the year by the Group, are in accordance with Section 123 of the Companies Act 2013.

vi. Based on our examination, which included test checks, and that performed by the respective auditors of the group and associates and which are companies incorporated in India whose financial statements have been audited under the Act the Group and associates have used accounting software for maintaining books of account for the financial year ended 31st March 2024 which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of performing the procedures, we, and the respective auditors of such group and its associates, did not notice any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

The reporting requirement under this clause is not applicable to subsidiary companies and associate companies incorporated outside India.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

S. USHA
Partner
Place: Chennai
Membership No.: 211785
Date: 8th May 2024
UDIN: 24211785BKCSLP3972

Annexure

to the Independent Auditors' Report for the year ended 31st March 2024 To the members of TVS Motor Company Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of TVS Motor Company Ltd. ("the Holding Company"), the subsidiary companies and its associate companies incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Holding Company, its subsidiary companies and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to seven subsidiary companies and one associate company, which companies are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which company is incorporated in India, is based on the corresponding report issued by us along with the other firm as joint auditors of such company incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to five associate companies, which companies are incorporated in India, is based on the management certificate of such companies incorporated in India.

The reporting under section 143(3)(i) of the Act is not applicable to thirteen subsidiary companies and five associate companies, which companies are incorporated outside India.

Our opinion is not modified in respect of this matter.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No. 004207S

S. USHA
Partner
Membership No.: 211785
UDIN: 24211785BKCSLP3972

Place: Chennai
Date: 8th May 2024

Balance Sheet

as at 31st March 2024

Rupees in crores

	Notes	As at 31-03-2024	As at 31-03-2023
ASSETS			
Non-current assets			
Property, plant and equipment	2	4,294.12	4,177.40
Capital work-in-progress	2	338.01	315.81
Investment properties	3	137.70	137.70
Goodwill on consolidation		597.05	597.05
Other intangible assets	2	861.95	835.88
Intangible assets under development		694.94	427.64
Financial assets			
i. Investments	4	482.75	364.10
ii. Loans (receivable from financing activity)	5	12,054.55	10,321.42
iii. Other Financial Assets	6	195.52	192.93
Investments accounted using equity method	7	477.25	411.23
Non-current tax assets (Net)		23.55	27.60
Deferred tax assets	8	394.28	305.73
Other non-current assets	9	148.78	94.14
		20,700.45	**18,208.63**
Current assets			
Inventories	10	2,248.40	1,921.51
Financial assets			
i. Trade receivables	11	1,839.42	1,256.42
ii. Investments	4	163.19	191.92
iii. Loans (receivable from financing activity)	5	13,417.26	10,225.16
iv. Cash and cash equivalents	12	2,355.80	1,851.19
v. Bank balances other than (iv) above	13	69.93	27.92
vi. Other financial assets	14	202.66	241.26
Current tax assets (Net)		23.89	4.56
Other current assets	15	1,199.46	1,304.34
		21,520.01	**17,024.28**
Total assets		**42,220.46**	**35,232.91**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	47.51	47.51
Other equity	17	6,736.00	5,457.49
Equity attributable to owners		**6,783.51**	**5,505.00**
Non-controlling interest		727.60	404.85
		7,511.11	**5,909.85**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	18	12,629.32	9,064.08
ii. Lease Liabilities		503.68	563.51
Provisions	19	270.18	231.26
Deferred tax liabilities (Net)	20	196.46	208.37
Other non current liabilities		31.50	37.14
		13,631.14	**10,104.36**
Current liabilities			
Financial liabilities			
i. Borrowings	21	12,657.30	12,562.15
ii. Lease Liabilities		215.40	185.84
iii. Trade payables	22		
a. Total outstanding dues of micro and small enterprises		62.38	75.83
b. Total outstanding dues of other than (iii) (a) above		6,575.84	5,020.84
iv. Other financial liabilities	23	459.58	355.60
Provisions	19	166.64	115.74
Current tax liabilities		34.58	16.05
Other current liabilities	24	906.49	886.65
		21,078.21	**19,218.70**
Total liabilities		**34,709.35**	**29,323.06**
Total equity and liabilities		**42,220.46**	**35,232.91**
Material accounting policies	1		

See the accompanying notes to the financial statements

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N. RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

S USHA
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

K. GOPALA DESIKAN
Chief Financial Officer

K.S.SRINIVASAN
Company Secretary

Statement of Profit and Loss

for the year ended 31st March 2024

Rupees in crores

		Notes	Year Ended 31-03-2024	Year Ended 31-03-2023
I	Revenue from operations	25	39,144.74	31,973.99
II	Other income	26	105.82	138.00
III	**Total Income (I +II)**		**39,250.56**	**32,111.99**
IV	Expenses:			
	Cost of material consumed	27	23,717.91	20,096.24
	Purchase of stock in trade	27	1,011.69	890.95
	Changes in inventories of finished goods, Stock-in -trade and work-in-progress	27	(324.35)	(140.93)
	Employee benefits expense	28	3,385.19	2,890.25
	Finance costs	29	1,927.72	1,367.89
	Depreciation and amortisation expense	30	975.12	858.86
	Other expenses	31	5,810.89	4,170.10
	Total expenses		**36,504.17**	**30,133.36**
V	**Profit before exceptional items, share of net profit/(loss) from associates and tax (III - IV)**		**2,746.39**	**1,978.63**
VI	Share of net profit / (loss) from associates using equity method		(43.47)	(40.73)
VII	**Profit before exceptional items and tax (V + VI)**		**2,702.92**	**1,937.90**
VIII	Exceptional items		-	(1.87)
IX	**Profit before tax (VII + VIII)**		**2,702.92**	1,936.03
X	Tax expense	32		
	i) Current tax		1,012.63	703.46
	ii) Deferred tax		(88.25)	(76.89)
	Total Tax expense (i+ii)		**924.38**	**626.57**
XI	**Profit for the year (IX - X)**		**1,778.54**	**1,309.46**
XII	(Profit) / Loss attributable to non-controlling Interest		(92.17)	19.21
XIII	**Profit for the year attributable to owners (XI + XII)**		**1,686.37**	**1,328.67**
XIV	Other comprehensive income			
	A. Items that will not be reclassified to profit or loss:			
	Remeasurements of post employment benefit obligations		(28.42)	(27.62)
	Change in fair value of equity instruments		0.32	(13.49)
	Share of other comprehensive income of an associate		0.01	(0.03)
	Income tax relating to the above items		3.93	10.38
	B. Items that will be reclassified to profit or loss:			
	Fair value changes on cash flow hedges		(27.47)	16.85
	Foreign currency translation adjustments		(8.08)	78.17
	Income tax relating to the above items		6.24	(4.98)
	Other comprehensive income for the year, net of tax (XIV)		**(53.47)**	**59.28**
XV	Other comprehensive income attributable to non-controlling interest		(5.93)	23.29
XVI	**Other comprehensive income attributable to owners (XIV - XV)**		**(47.54)**	**35.99**
XVII	**Total comprehensive income attributable to owners (XIII +XVI)**		**1,638.83**	**1,364.66**
XVIII	Earnings per equity share (Face value of ₹ 1/- each)			
	Basic & Diluted earnings per share (in rupees)	41	35.50	27.97
	Material accounting policies	1		

See the accompanying notes to the financial statements

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N. RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

S USHA
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

K. GOPALA DESIKAN
Chief Financial Officer

K.S.SRINIVASAN
Company Secretary

Statement of Changes in Equity

a Equity Share Capital

Rupees in crores

As at 01-04-2022	47.51
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	**47.51**
Changes in equity share capital during the year	-
As at 31-03-2023	**47.51**
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	47.51
Changes in equity share capital during the year	-
As at 31-03-2024	**47.51**

b Other Equity

Rupees in crores

Particulars	Reserves & Surplus				Other Reserves			Non Controlling Interest	Total
	General reserve	Capital reserve	Statutory Reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income	Foreign currency translation reserve	Hedging reserve		
Balance as at 31-03-2022	876.24	6.51	116.66	3,284.51	12.71	52.33	2.98	653.56	5,005.50
Add: Profit for the year 2022-23	-	-	-	1,328.67	-	-	-	(19.21)	1,309.46
Add: Other comprehensive income for the year 2022-23	-	-	-	(19.88)	(10.76)	55.70	-	24.20	49.26
Add: Share of OCI from associates, net of tax	-	-	-	(0.03)	-	-	-	-	(0.03)
Less: Reclassification to profit or loss, net of tax	-	-	-	-	-	-	6.02	-	6.02
Less: Reclassification to retained earnings, net of tax	-	-	-	(0.41)	-	-	0.41	-	-
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	-	-	(16.98)	0.91	(16.07)
Add: Transfer from Retained earnings to Statutory reserve	-	-	77.73	(77.73)	-	-	-	-	-
Less: Non-controlling interests on sale of subsidiary	-	-	-	(65.48)	-	47.78	-	325.01	307.31
Add: Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	(1.33)	(1.33)
Transaction in capacity of owners									
Add: Transactions with non-controlling interest	-	-	(10.80)	(28.47)	-	-	-	73.55	34.28
Less: Distribution to shareholders:									
2022-23 Interim dividend paid	-	-	-	237.54	-	-	-	-	237.54
Balance as at 31-03-2023	**876.24**	**6.51**	**183.59**	**4,315.42**	**1.95**	**60.25**	**13.53**	**404.85**	**5,862.34**
Add: Profit for the year 2023-24	-	-	-	1,686.37	-	-	-	92.17	1,778.54
Add: Other comprehensive income for the year 2023-24	-	-	-	(22.98)	0.19	(6.09)	-	(5.93)	(34.81)
Add: Share of OCI of an associate, net of tax	-	-	-	0.01	-	-	-	-	0.01
Less: Reclassification to profit or loss, net of tax	-	-	-	-	-	-	1.35	-	1.35
Less: Issue expense taken to reserve	-	-	-	18.94	-	-	-	4.45	23.39
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	-	-	17.32	-	17.32
Add: Transfer from Retained earnings to Statutory reserve	-	-	114.37	(114.37)	-	-		-	-

Rupees in crores

Particulars	Reserves & Surplus				Other Reserves			Non Controlling Interest	Total
	General reserve	Capital reserve	Statutory Reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income	Foreign currency translation reserve	Hedging reserve		
Transaction in capacity of owners									
Add: Transactions with non-controlling interest	-	-	-	63.92	(9.11)	(17.97)	1.85	240.96	279.65
Less: Distribution to shareholders:									
2023-24 Interim dividend paid	-	-	-	380.07	-	-	-	-	380.07
Balance as at 31-03-2024	**876.24**	**6.51**	**297.96**	**5,529.37**	**(6.97)**	**36.19**	**(3.29)**	**727.60**	**7,463.60**

Nature and purpose of Other Reserves

1. General reserve is available for distribution to share holders.

2. Capital reserve

Rupees in crores

i.	On shares forfeited (₹55,200)	-
ii.	On surplus arising out of amalgamation	6.51
		6.51

3. Statutory Reserve has been created pursuant to section 45 - IC of the RBI Act,1934. Owners portion of Statutory Reserve created in subsidiary shown above after becoming subsidiary.

4. Hedging Reserve - Refer Note No. 35(D)

   It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge

5. FVTOCI reserve

   The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity.

See the accompanying notes to the financial statements

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N. RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

S USHA
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

K. GOPALA DESIKAN
Chief Financial Officer

K.S.SRINIVASAN
Company Secretary

Cash Flow Statement

for the year ended 31st March 2024

Rupees in crores

	Year ended 31-03-2024		Year ended 31-03-2023	
A. Cash flow from operating activities:				
Net profit before tax		2,702.92		1,936.03
Add:				
Depreciation and amortisation for the year	975.12		858.86	
(Profit) on sale of property, plant and equipment (Net)	(3.38)		(2.65)	
Loss / (Gain) on valuation of investment (Net)	26.93		(61.84)	
(Profit) on sale of investments (Net)	(89.47)		(45.56)	
(Gain) on lease preclosure	(4.75)		(0.01)	
Unrealised exchange (gain) / loss	10.82		0.63	
Net (profit)/ loss from associates using equity method	43.47		40.73	
Dividend income	(0.65)		(0.02)	
Interest income	(22.10)		(10.99)	
Finance cost [excluding relatable to financial enterprise]	274.08		199.61	
Provisions	61.40		15.74	
		1,271.47		994.50
Operating profit before working capital changes		**3,974.39**		**2,930.53**
Adjustments for:				
Loans given by a financial enterprise (Net)	(4,925.23)		(6,530.88)	
Trade receivables	(590.00)		(95.16)	
Inventories	(326.89)		(313.99)	
Other current assets	104.88		(334.61)	
Other financial assets	15.54		(155.08)	
Trade payables	1,537.73		517.35	
Other financial liabilities	49.00		(11.55)	
Other current liabilities	36.88		161.07	
Other non - current assets	(169.55)		35.38	
		(4,267.64)		(6,727.47)
Cash generated from operations		**(293.25)**		**(3,796.94)**
Direct taxes paid		(959.42)		(607.87)
Net cash from operating activities	(A)	**(1,252.67)**		**(4,404.81)**
B. Cash flow from investing activities:				
Purchase of property, plant and equipment, intangible assets, capital work-in-progress, intangibles under development, net of capital advances	(1,145.17)		(1,340.77)	
Sale of fixed assets	34.63		21.94	
Purchase of investments	(223.25)		(265.58)	
Purchase of Investments in associates/Subsidiaries	(387.59)		(87.17)	
Sale of Investments in subsidiaries/Associates	168.59		-	
Sale / redemption of investments	47.82		-	
Loss of control	-		317.01	
Contribution from non-controlling Interest	480.00		68.80	
Consideration paid towards business combination	-		(34.63)	
Interest received	23.61		12.64	
		(1,001.36)		(1,307.76)
Net cash from / (used in) investing activities	(B)	**(1,001.36)**		**(1,307.76)**

Rupees in crores

		Year ended 31-03-2024		Year ended 31-03-2023	
C.	**Cash flow from financing activities:**				
	Borrowings:				
	Non-current borrowings availed / (repaid)	3,844.07		5,467.90	
	Current borrowings availed / (repaid)	(182.03)		1,119.78	
	Other bank balances	(43.96)		62.27	
	Finance cost paid	(283.67)		(112.08)	
	Lease liabilities paid	(195.70)		(127.98)	
	Dividend paid	(380.07)		(291.81)	
			2,758.64		6,118.08
	Net cash from / (used in) financing activities	(C)	**2,758.64**		**6,118.08**
	Total (A)+(B)+(C)		**504.61**		**405.51**
	Cash and cash equivalents at the beginning of the year		1,851.19		1,445.68
	Cash and cash equivalents at the end of the year		2,355.80		1,851.19
D.	**Net increase/(decrease) in cash and cash equivalents**		**504.61**		**405.51**

Note: The above statement of cash flow is prepared using indirect method.

Change in liability arising from financing activities

Particulars	As at 31-03-2023	Cash flow	Foreign exchange movement	As at 31-03-2024
Non-current borrowings	16,816.86	3,844.07	(3.25)	20,657.68
Current borrowings (Excluding overdraft utilisation)	4,809.37	(182.03)	1.60	4,628.94

Non-cash financing and investing activities

Particulars	2023-24	2022-23
Acquisition of right-of-use assets	160.55	328.48
Acquisition of investment	-	45.00

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N. RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

S USHA
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

K. GOPALA DESIKAN
Chief Financial Officer

K.S.SRINIVASAN
Company Secretary

Notes to the Consolidated Financial Statements

1 Material Accounting Policies

The accounting policies mentioned herein are relating to the consolidated financial statements of TVS Motor Company Limited and its subsidiaries and associates.

a) Brief description of the Group

TVS Motor Company Limited (the Company) is a public limited company, incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in a wide range of activities such as manufacturing of automotive vehicles, automotive components, spare parts & accessories thereof, housing development and financial services.

b) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statement has been prepared on the historical cost convention under accrual basis of accounting except for certain assets and liabilities (as per the accounting policy below), which have been measured at fair value. These financial statements for the year ended 31st March 2024 have been approved and authorised for issue by the Board of Directors at its meeting held on 8th May 2024.

Principles of Consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an investment accounted under equity method equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of investees accounted under equity method have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of investments accounted under equity method are tested for impairment in accordance with the policy described in note 1(k) below.

Notes to the Consolidated Financial Statements (Contd.)

The subsidiary companies and associates considered in consolidated financial statements are:

Sl. No.	Name of the Company	Country of incorporation	Proportion of ownership (interest/voting power -%)		Reporting date
			2023-24	2022-23	
1	**Subsidiary Companies:**				
a.	Sundaram Auto Components Limited, Chennai	India	100	100	31-03-2024
b	TVS Motor Company (Europe) B.V. Amsterdam	Netherlands	100	100	31-03-2024
c.	PT. TVS Motor Company Indonesia, Jakarta	Indonesia	51.20% direct holding, 31.71% by (d) and 17.09% by (b)	51.20% direct holding, 31.71% by (d) and 17.09% by (b)	31-03-2024
d.	TVS Motor (Singapore) Pte. Limited, Singapore	Singapore	100	100	31-03-2024
e.	TVS Digital Limited (Formerly known as TVS Housing Limited)	India	100	100	31-03-2024
f.	TVS Motor Services Limited, Chennai	India	100	100	31-03-2024
g.	TVS Credit Services Limited, Chennai	India	80.53 % direct holding and 0.44% by (f)	85.63 % direct holding and 0.48% by (f)	31-03-2024
h.	Harita ARC Services Private Limited, Chennai	India	100% by (g)	100% by (g)	31-03-2024
i.	Harita Two Wheeler Mall Private Limited, Chennai	India	100% by (g)	100% by (g)	31-03-2024
j.	TVS Housing Finance Private Limited, Chennai	India	100% by (g)	100% by (g)	31-03-2024
k.	The Norton Motorcycle Co. Limited, London	United Kingdom	100% by (d)	100% by (d)	31-03-2024
l.	TVS Digital Pte Limited, Singapore	Singapore	100% by (d)	100% by (d)	31-03-2024
m.	The GO Corporation, Switzerland (GO AG)	Switzerland	87.82% by (d)	81.90% by (d)	31-03-2024
n.	EGO Movement Stuttgart, GmbH	Germany	100% by (m)	100% by (m)	31-03-2024
o.	TVS Electric Mobility Ltd., Chennai	India	100	100	31-03-2024
p.	Swiss E-Mobility Group (Holding) AG	Switzerland	100% by (d)	75% by (d)	31-03-2024
q.	Swiss E-Mobility Group (Schweiz) AG	Switzerland	100% by (p)	100% by (p)	31-03-2024
r.	Colag E-Mobility GmbH, Germany	Germany	100% by (p)	100% by (p)	31-03-2024
s.	Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Neuchatel, Switzerland	Switzerland	100% by (p)	100% by (p)	31-03-2024
t.	EBCO Limited, Warwickshire, England	United Kingdom	70% by (d)	70% by (d)	31-03-2024
u.	Celerity Motor GmbH, Germany	Germany	100% by (d)	100% by (d)	31-03-2024
2.	**Associate Companies:**				
aa.	Emerald Haven Realty Limited, Chennai	India	-	43.54	31-03-2024
ab.	Ultraviolette Automotive Private Limited, Bengaluru	India	30.83	28.66	31-03-2024
ac.	Tagbox Solutions Private Limited, Bengaluru	India	-	23.5	31-03-2024
ad.	Tagbox Pte Ltd., Singapore	Singapore	24.32% by (l)	24.32% by (l)	31-03-2024
ae.	Predictronics Corp, USA	USA	23.49% by (l)	23.49% by (l)	31-03-2024
af.	Scienaptic Systems Inc., USA	USA	21.03% by (l)	21.72% by (l)	31-03-2024
ag.	Altizon Inc, USA	USA	20.0% by (l)	20.0% by (l)	31-03-2024
ah.	DriveX Mobility private Limited, Coimbatore (Formerly known as Nkars Mobility Millennial Solutions Private Limited)	India	48.27	48.27	31-03-2024
ai.	Indian foundation for Quality Management	India	28.57	-	31-03-2024
aj.	Kilwatt Gmbh	Germany	49.00 by (d)	-	31-03-2024
ak.	ION Mobility Pte Ltd.	Singapore	25.64 by (d)	-	31-03-2024

Notes to the Consolidated Financial Statements (Contd.)

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. The estimates and underlying assumptions are reviewed on an ongoing basis.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements

d) Significant Estimates and judgements

The areas involving critical estimates or judgements are:

i) Estimation of useful life of Property, Plant and Equipment - Refer Note 1(f) and 1(g).

ii) Estimation of fair value of unlisted securities - (Refer Note 33).

iii) Estimation of impairment of goodwill. (Refer Note 37)

iv) Defined benefit obligation - (Refer Note 38).

v) Estimation of provision (Refer Note 42).

vi) Estimation and evaluation of provisions and contingencies relating to tax litigations (Refer Note 43(a))

e) Revenue recognition

Sale of automotive vehicles, parts and automotive components

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time, the Group has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Group has objective evidence that all criteria for acceptance have been satisfied.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Group's contracts with customers does not provide for any right to returns, refunds or similar obligations. The Group's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision (Refer Note 42).

Sale of services

The Group also earns revenue from providing Technical/IT services and Royalty on usage of Group's technical knowhow. In respect of Technical/IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Group's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

Revenue from financing

Interest income for loans [other than Purchase of Originally Credit Impaired (POCI)] is recognised using the Effective Interest Rate (EIR) method.

For financial assets that are not "POCI" but have subsequently become credit-impaired (or 'stage-3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Income in the nature of overdue interest, and bounce charges are recognized on realization, due to uncertainty of collection.

Warranty Obligations:

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

Significant judgements

There are no significant judgements made by the Group in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, the Group uses the adjusted market assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

f) Property, Plant and Equipment

Property, plant and equipment (including land, building, furniture, fixtures, vehicles, etc.) are held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment, if any. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intend use. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes Goods and Services Tax to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss with in other income /expenses.

g) Depreciation and amortisation

i) Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/ triple shift) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

ii) Keeping in mind the rigorous and periodic maintenance programme followed by the Group, the estimated useful life of the property, plant and equipment as assessed by the Chartered Engineer and followed by the Group is given below:

Description	Years
Factory building and other buildings	5 to 61
Plant and machinery	4 to 29
Electrical equipment	15
Furniture and fixtures	4 to10
Computers and information systems	3 to 4
Material handling equipment	5
Mobile phone	2
Vehicles	3 to 6

iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years

iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

vi) Depreciation in respect of property, plant and equipment costing less than ₹ 5,000/- is provided at 100%.

h) Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the group is classified as investment property. Investment Property is measured initially at its cost including related transaction cost where applicable, borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item is measured reliably.

i) Intangible assets

Goodwill

Goodwill on acquisition of business is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses, if any.

Notes to the Consolidated Financial Statements (Contd.)

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the cash generating units.

Other intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 38 – Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

The intangible assets are amortised on straight line basis over its useful life, viz., 2 years in the case of software, 8 years in case of acquired brand and trademark and 6 to 10 years in the case of Design, Development and Technical knowhow.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised as profit or loss with in other income /expenses.

j) Loans (receivable from financing activity)

The Loans (receivable from financing activity) are stated at the contract value plus transaction costs less origination income that are directly attributable to the acquisition of the loan. Interest income is recognised using the Effective Interest Rate (EIR) method. Loans are stated at carrying value less impairment loss.

k) Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are prepared in INR and all values are rounded off to nearest crore.

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

ii) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.

iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency in the following manner:

a) assets and liabilities are translated at the closing rate at the date of that balance sheet;

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

c) all resulting exchange differences are recognised in other comprehensive income.

m) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. Movements in the hedging reserve in shareholders' equity are shown in Note 34. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that is designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss.

When forward contracts are used to hedge forecasted transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecasted transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the statement of profit and loss.

n) Inventories

Inventories are valued at the lower of cost and net realisable value.

i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.

ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of

Notes to the Consolidated Financial Statements (Contd.)

weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location after deducting rebates and discounts. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.

iii) Provision for slow and Obsolete inventory:

The company has a policy for identifying slow/ non-moving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

iv) Land held for development / sale by the real estate subsidiary is valued at the lower of cost and net realisable value. Cost includes cost of acquisition and all related costs.

o) Employee benefits

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long term obligations:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured at the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligation:

The Group operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its eligible senior managers; and

b) Defined contribution plans such as provident fund.

Pension and gratuity obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually at the end of each reporting period by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service cost.

Provident fund:

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by the Company or to the Regional Provident Fund Commissioner. Where irrevocable trust exists, the Group is generally liable for contributions and any shortfall in the fund assets based on the Government specified minimum rates of return. The Group recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

(iv) Bonus plans:

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

p) Taxes on income

Tax expense comprises of current and deferred taxes. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred Tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to Income Taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Where the Group is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Group accounts for such allowances as tax credits, which means that the allowances reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

q) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit and loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit

Notes to the Consolidated Financial Statements (Contd.)

and loss on a straight-line basis over the expected lives of the related assets.

The benefit of a government loan at a below market-rate of interest is treated as government grant and is measured as the difference between proceeds received and fair value of the loan.

In case of waiver of duty under EPCG licence, such grant is considered as revenue grant and recognized in statement of profit and loss on based on positive evidence of completion of export obligation as approved by Regulatory Authorities.

r) Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

s) Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. When products are sold, the estimated liability for product warranties is recorded based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability, are considered as contingent liabilities. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

iii) Warranty:

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

t) Segment reporting

The Group has identified the operating segments on the basis of individual companies operations as reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Group has identified the following business segments as reportable segments viz., (1) Automotive vehicles and parts, (2) Automotive components, (3) Financial services and (4) Others.

u) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of buildings for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Notes to the Consolidated Financial Statements (Contd.)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the respective Company:

- where possible, uses recent third-party financing received by the Company as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group if exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e., lease payments net off finance cost).

Variable lease payments are recognised in profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

v) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

w) Trade receivables

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less allowance for expected credit loss.

x) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the consideration is received. Contract liabilities are recognised as revenue when the Group performs under the contract.

y) Investments and Other financial assets

i) Classification

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value [either through Fair Value Through Other Comprehensive Income (FVTOCI), or Fair Value Through Profit and Loss (FVTPL)], and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

Notes to the Consolidated Financial Statements (Contd.)

ii) Measurement

At Initial recognition, the Group measures a financial asset at its fair value plus transaction cost (in the case of a financial asset not a FVTPL) that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit and loss.

Debt Instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

- *Amortised Cost:*

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- *Fair value through other comprehensive income:*

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

- *Fair Value through profit or loss:*

  Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Group subsequently measures all its investments in equity at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately.

Where the Group elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note no. 34 and Note no. 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

For loans given by financial enterprise the impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

iv) Derecognition of financial assets

A financial asset is derecognised only when:

a) the Group has transferred the rights to receive cash flows from the financial asset or

b) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income recognition

Interest Income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends:

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

z) Financial Liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

aa) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

ab) Current and Non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle

Notes to the Consolidated Financial Statements (Contd.)

- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle for all entities within the group other than real estate. The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realisation of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, assets and liabilities have been classified into current and non-current based on operating cycle.

ac) Earnings Per Share (EPS):

Basic earnings per share is computed by dividing the profit after tax (attributable to the owners) by the weighted average number of equity shares outstanding during the year / period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

ad) Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Consolidated Financial Statements (Contd.)

2 Property, Plant & Equipment and Intangible Assets

Rupees in crores

Description	Property, Plant & Equipment								Other Intangible			
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use	Total	Software	Design Development	Trade Mark	Total
	1	2	3	4	5	6	7	8	9	10	11	12
Cost of assets												
Gross carrying value as at 01-04-2023	511.73	1,158.94	5,410.93	170.71	99.15	311.42	1,026.23	8,689.11	217.56	681.14	497.24	1,395.94
Acquired in business combination	-	-	-	-	-	-	-	-				-
Additions	56.21	109.43	437.24	67.72	31.61	62.64	177.96	942.80	73.13	179.35	2.41	254.89
Foreign exchange translation reserve adjustments	(5.02)	(0.27)	(3.74)	0.71	0.54	0.02	-	(7.76)	0.50	(2.90)	12.63	10.23
Sub-total	**562.92**	**1,268.10**	**5,844.43**	**239.14**	**131.30**	**374.08**	**1,204.19**	**9,624.15**	**291.19**	**857.59**	**512.28**	**1,661.06**
Sales / deletion	-	3.90	161.79	0.97	10.60	14.97	40.12	232.36	-	26.79	-	26.79
Total	**562.92**	**1,264.20**	**5,682.63**	**238.17**	**120.69**	**359.11**	**1,164.07**	**9,391.79**	**291.19**	**830.80**	**512.28**	**1,634.27**
Depreciation / Amortisation												
Upto 31-03-2023	-	386.52	3,443.74	110.28	58.35	217.60	295.22	4,511.71	166.80	335.49	57.77	560.06
For the year	-	51.91	384.75	30.44	15.51	52.95	217.84	753.40	53.05	104.59	64.08	221.72
Foreign exchange translation reserve adjustments	-	(0.74)	(3.86)	0.35	0.14	(0.11)	(8.12)	(12.34)	(7.90)	(0.09)	(1.47)	(9.45)
Sub-total	**-**	**437.69**	**3,824.63**	**141.07**	**74.00**	**270.44**	**504.94**	**5,252.77**	**211.95**	**440.00**	**120.38**	**772.33**
Withdrawn on assets sold / deleted	-	2.93	108.02	1.09	5.62	14.92	22.52	155.10	0.01	-	-	0.01
Total	**-**	**434.76**	**3,716.61**	**139.98**	**68.38**	**255.52**	**482.42**	**5,097.67**	**211.94**	**440.00**	**120.38**	**772.32**
Carrying value												
As at 31-03-2024	562.92	829.44	1,966.02	98.19	52.31	103.59	681.65	4,294.12	79.25	390.80	391.90	861.95

a) Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - ₹1.78 crores.

Capital work-in-progress (at cost) as at 31-03-2024

Rupees in crores

(a) Building	60.45
(b) Plant & equipment	277.56
Total	**338.01**

(i) Ageing of Capital work-in-progress as at 31-03-2024:

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	220.96	34.22	61.97	20.86	338.01

(ii) Ageing of Intangible assets under development as at 31-03-2024:

Particulars	Amount in Intangible assets under development for a period of				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	439.91	168.61	64.86	21.56	694.94

Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

Description	Property, Plant & Equipment								Other Intangible			
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use	Total	Software	Design Development	Trade Mark	Total
	1	2	3	4	5	6	7	8	9	10	11	12
Cost of assets												
Gross carrying value as at 01-04-2022	358.12	1,356.43	5,541.84	151.34	85.18	284.15	698.60	8,475.66	211.83	583.61	490.38	1,285.82
Acquired in business combination	-	-	0.09	-	0.04	0.05	-	0.18	-	-	0.39	0.39
Additions	171.39	102.04	443.99	23.75	38.21	45.10	328.48	1,152.96	46.31	98.99	1.23	146.53
Foreign exchange translation reserve adjustments	4.46	2.87	4.94	0.50	0.41	(3.50)	-	9.68	-	-	5.24	5.24
Sub-total	533.97	1,461.34	5,990.86	175.59	123.84	325.80	1,027.08	9,638.48	258.14	682.60	497.24	1,437.98
Sales / deletion	22.24	302.40	579.93	4.88	24.69	14.38	0.85	949.37	40.58	1.46	-	42.04
Total	**511.73**	**1,158.94**	**5,410.93**	**170.71**	**99.15**	**311.42**	**1,026.23**	**8,689.11**	**217.56**	**681.14**	**497.24**	**1,395.94**
Depreciation / Amortisation												
Upto 31-03-2022	-	343.29	3,215.01	94.31	57.93	194.89	192.25	4,097.68	146.70	237.49	12.14	396.33
For the year	-	50.88	393.13	18.77	26.48	31.26	137.77	658.29	50.07	99.47	51.03	200.57
Foreign exchange translation reserve adjustments	-	1.54	3.19	(0.35)	0.36	(0.16)	(34.80)	(30.22)	(5.87)	(0.01)	(5.40)	(11.28)
Sub-total	**-**	**395.71**	**3,611.33**	**112.73**	**84.77**	**225.99**	**295.22**	**4,725.75**	**190.90**	**336.95**	**57.77**	**585.62**
Withdrawn on assets sold / deleted	-	9.19	167.59	2.45	26.42	8.39	-	214.04	24.10	1.46	-	25.56
Total	**-**	**386.52**	**3,443.74**	**110.28**	**58.35**	**217.60**	**295.22**	**4,511.71**	**166.80**	**335.49**	**57.77**	**560.06**
Carrying value												
As at 31-03-2023	511.73	772.42	1,967.19	60.43	40.80	93.82	731.01	4,177.40	50.76	345.65	439.47	835.88

a) Cost of buildings includes ₹ 35.11 crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil.

Capital work-in-progress (at cost) as at 31-03-2023

	Rupees in crores
(a) Building	63.42
(b) Plant & equipment	223.32
(c) Pre-operative expenses	29.07
Total	**315.81**

(i) Ageing of Capital work-in-progress as at 31-03-2023:

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	189.05	83.82	20.58	22.36	315.81

(ii) Ageing of Intangible assets under development as at 31-03-2023:

Particulars	Amount in Intangible assets under development for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	290.71	109.39	22.93	4.61	427.64

Notes to the Consolidated Financial Statements (Contd.)

3 Investment Properties

Rupees in crores

Particulars	As at 31-03-2024	As at 31-03-2023
Gross carrying amount	137.70	137.70
Additions		-
Deletions	-	-
Closing gross carrying amount (A)	**137.70**	**137.70**
Opening accumulated depreciation	-	
Additions	-	-
Deletions	-	-
Closing accumulated depreciation (B)	**-**	**-**
Total investment properties (A)-(B)	**137.70**	**137.70**

4 Investments

A. Non Current Investments

Sl. No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(a)	**Investment in Equity Instruments:**						
	Fair valued through OCI:						
	Quoted:						
	(i) Ucal Fuel Systems Limited, Chennai	91,760	91,760	10.00	INR	1.33	1.00
	Unquoted:						
	(ii) Green Infra BTV Limited, New Delhi	32,50,000	32,50,000	10.00	INR	1.89	1.75
	(iii) TVS Lanka (Private) Limited, Colombo	50,00,000	50,00,000	10.00	LKR	4.48	4.38
	(iv) Green Infra Wind Power Projects Limited, New Delhi	1,11,600	1,11,600	10.00	INR	0.08	0.08
	(v) Green Infra Wind Energy Theni Limited, New Delhi	34,34,477	34,34,477	10.00	INR	2.14	1.86
	(vi) Green Infra Wind Power Generation Limited, New Delhi	2,16,000	2,16,000	10.00	INR	0.18	0.17
	(vii) Condivision Solutions Pvt. Limited, Bengaluru	6,760	6,760	10.00	INR	-	-
	(viii) Mulanur Renewable Energy Pvt. Limited, Chennai	15,000	15,000	10.00	INR	0.02	0.02
	(ix) PHI Research Pvt. Limited, Chennai	3,50,000	3,50,000	10.00	INR	3.36	3.36
	(x) Atria Wind Power Bijapur 1 Limited, Bengaluru	85,788	85,788	10.00	INR	2.00	2.00
	(xi) Atria wind power (Chitradurga) P Ltd., Bengaluru	80,948	80,948	100.00	INR	0.51	0.47
	(xii) Altizon Systems Private Limited, Pune	10	10	10.00	INR	0.01	0.01
	(xiii) Roppen Transportation Services Private Limited, Hyderabad	10	10	1.00	INR	0.05	0.05
	(xiv) Roppen Transportation Services Private Limited, Hyderabad$	23,985	23,985	10.00	INR	119.73	113.93
	(xv) Green Infra Wind Energy Generation Limited, Gurugram	28,45,000	23,45,000	10.00	INR	2.85	2.35
	(xvi) Eight Innovate Fund	40,000	-	1,000.00	INR	4.00	-
	(xvii) ARC Ride Limited. UK	575	575	0.01	GBP	8.46	8.47
	(xvil) ION Mobility Pte Limited, Singapore	-	31,44,198		USD	-	76.58
	Total value of Equity Instruments (a)					**151.09**	**216.48**

Notes to the Consolidated Financial Statements (Contd.)

Sl. No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(b)	**Investments in Preference Shares:**						
	Unquoted:						
	Fair valued through OCI:						
	(i) Mottu Holdings Ltd., USA	2,19,514	70,344	0.001	USD	73.63	16.33
	(ii) Quadrant Esports Ltd.	12,547	-	0.001	Euro	1.04	-
	(iii) Pinnacle Engines Inc., USA (face value 0.01 cent)	24,09,638	24,09,638	0.0001	USD	-	-
	(iv) Axiom Research Labs Private Limited, Delhi	82	82	10.00	INR	-	-
	Total value of Preference shares (b)					**74.67**	**16.33**
(C)	**Investment in Debt Instruments (unquoted):**						
	Valued at Amortised Cost:						
	(i) Fabric IOT Private Limited, Bengaluru				INR	17.79	16.28
	Pension Funds / Government Securities:						
	(ii) ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai				INR	6.63	6.39
	(iii) Life Insurance Corporation Pension Policy, Mumbai				INR	20.82	19.43
	(iv) Investment in Government Securities				INR	93.46	-
	(v) Hyper Grocers Private Limited	25	-	1,00,000.00	INR	0.25	-
	(vi) TVS CO. PHILIPPINE				USD	0.07	-
	Fair valued through Profit and Loss:						
	(viii) Fabric IOT Private Limited, Bengaluru				INR	45.00	45.00
	(ix) Investment in 6% Non Cumulative Redeemable Preference shares				INR	-	-
	(x) DAT Bike, Singapore				USD	4.16	4.12
	(xi) Zapata Group B.V, Singapore				USD	36.02	-
	Total value of Debt instruments (c)					**224.20**	**91.22**
(d)	**Other non-current Investments (Unquoted):**						
	Fair valued through OCI:						
	(i) Autotech Fund I L.P., USA				USD	32.79	40.07
	Total value of other non-current investments (d)					**32.79**	**40.07**
	Total (a) + (b) + (c) + (d)					**482.75**	**364.10**
	Aggregate amount of quoted investments and market value thereof					1.33	1.00
	Aggregate amount of unquoted investments					481.42	363.10
	Total					482.75	364.10

All Investments are fully paid up.

$ Preference shares in the nature of equity instruments

Notes to the Consolidated Financial Statements (Contd.)

4B Current Investments

Sl. No.	Particulars	No. of shares / units As at 31-03-2024	No. of shares / units As at 31-03-2023	Face Value	Currency	Rupees in crores As at 31-03-2024	Rupees in crores As at 31-03-2023
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(a)	**Investment in Equity Instruments Fair valued through Profit or Loss:**						
	Quoted:						
(i)	TVS Supply Chain Solutions Limited, Chennai	1,05,62,200	1,06,62,200	1.00	INR	163.19	191.92
	Total					**163.19**	**191.92**
	Aggregate amount of quoted investments					163.19	191.92
	Total					**163.19**	**191.92**

All investments are fully paid up.

5 Loans (Receivable from Financing Activity)

Rupees in Crores

Particulars	As at 31-03-2024 Current	As at 31-03-2024 Non-current	As at 31-03-2023 Current	As at 31-03-2023 Non-current
Secured:				
Automobile financing				
Considered good	10,438.49	9,801.72	7,034.93	8,398.18
Considered doubtful	423.30	233.50	290.57	170.75
Less: Loss allowance	-	-	-	-
Provision for expected credit loss (Refer Note 35)	(331.45)	(347.99)	(255.21)	(225.68)
Unsecured:				
Financing (Others)				
Considered good	2,757.32	2,447.16	2,955.17	2,024.62
Considered doubtful	59.54	21.71	57.67	40.57
Less: Loss allowance	-	-	-	-
Provision for expected credit loss (Refer Note 35)	(147.43)	(103.12)	(124.70)	(88.52)
Unsecured				
Trade advance and term loan				
Considered good	218.81	1.57	268.54	1.50
Considered doubtful	4.75	-	14.15	-
Provision for expected credit loss (Refer Note 35)	(6.07)	-	(15.96)	-
	13,417.26	**12,054.55**	**10,225.16**	**10,321.42**

6 Non-Current Assets - Other Financial Assets

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Deposits	68.89	62.47
Loans given to employees	4.46	3.09
Claim receivable	31.50	37.13
Share application money pending allotment	-	1.34
Hedge asset	90.67	88.90
	195.52	**192.93**

Notes to the Consolidated Financial Statements (Contd.)

7 Investments Accounted Using Equity Method

Rupees in Crores

	As at 31-03-2024	As at 31-03-2023
Emerald Haven Realty Limited, Chennai	-	89.63
[Nil (last year - 11,12,19,512) Equity shares]		
Ultraviolette Automotive Private Limited, Bengaluru	7.29	7.29
[14,850 (last year - 14,850) Equity shares]		
Ultraviolette Automotive Private Limited, Bengaluru	91.65	110.00
[12,316 (last year - 12,316) Preference shares]		
Predictronics Corp, USA	17.85	18.89
[24,827 (last year - 24,827) Equity shares]		
Tagbox Solutions Private Limited, Bengaluru	-	0.42
[Nil (last year - 45,710) Equity shares]		
Tagbox Solutions Private Limited, Bengaluru	-	9.99
[Nil (last year - 3,83,983) Preference shares]		
Tagbox Pte Limited, Singapore	0.98	14.22
2,43,243 (last year - 2,43,243) Preference shares]		
Scienaptic Systems Inc., USA	54.07	53.83
[28,05,357 (last year - 28,05,357) Equity shares]		
Altizon Inc., USA	23.27	23.35
[8,06,429 (last year - 8,06,429) Equity shares]		
DriveX Mobility Private Limited, Coimbatore	68.65	83.61
[9,766 (last year - Nil) Equity shares]		
ION Mobility Pte Ltd, Singapore	121.81	-
[49,64,524 (last year - Nil) Preference shares]		
Killwatt GmbH, Germany	66.68	-
[24,500 (last year - Nil) Equity shares]		
Indian Foundation for Quality Management, Bengaluru	25.00	-
[2,50,00,000 (last year - Nil) Equity shares]		
	477.25	**411.23**

8 Deferred Tax Assets

Rupees in Crores

Particulars	**As at 31-03-2024**	**As at 31-03-2023**
The balance comprises temporary differences attributable to:		
Deferred tax asset consists of:		
- Depreciation	4.88	4.84
- tax on employee benefit expenses	20.96	16.71
- tax on expected credit losses provision	228.12	180.02
- tax on investment property	14.72	14.72
- tax on carried forward loss	42.28	75.35
- tax on others	99.35	32.45
Total deferred tax assets (A)	**410.31**	**324.09**
Deferred tax liability on other item (B)	**16.03**	**18.36**
Net deferred tax assset (A)-(B)	**394.28**	**305.73**

Notes to the Consolidated Financial Statements (Contd.)

Movement in deferred tax:

Rupees in Crores

Particulars	Depreciation	Others	Total
As at 31-03-2022			217.88
Charged/(credited):			
- to profit or loss	0.40	85.15	85.55
- on sale of subsidiary		(0.98)	(0.98)
- to foreign currency translation		5.73	5.73
- to other comprehensive income	-	(2.45)	(2.45)
As at 31-03-2023			305.73
Charged/(credited):			
- to profit or loss	(0.04)	83.13	83.09
- to foreign currency translation	-	1.52	1.52
- to other comprehensive income	-	(3.94)	3.94
As at 31-03-2024			**394.28**

9 Other Non-Current Assets

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Capital advances	126.39	71.56
Advances other than capital advances:		
Prepaid expenses	4.05	3.70
Deposits made	18.34	17.29
Employee benefit assets (Refer Note 38)	-	1.59
	148.78	**94.14**

10 Inventories

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Raw materials and components	990.02	925.40
Goods-in-transit - Raw materials and components	48.16	107.85
Work-in-progress	64.23	62.48
Finished goods	532.60	295.35
Stock-in-trade	555.72	470.37
Stores and spares	57.67	60.06
	2,248.40	**1,921.51**

11 Trade Receivables

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Secured, considered good	14.13	11.53
Unsecured, considered good *	1,825.29	1,244.89
Receivables which have significant increase in credit risk	48.34	49.49
	1,887.76	**1,305.91**
Less: Loss allowance	48.34	49.49
	1,839.42	**1,256.42**

* Include balance with related parties [Refer Note 39(c)(i)].

Notes to the Consolidated Financial Statements (Contd.)

(i) Ageing for trade receivable as on 31.03.2024

Rupees in Crores

	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	160.57	1,045.97	548.07	65.16	4.24	12.16	1,836.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	3.25	-	-	-	-	3.25
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	20.00	1.17	1.39	25.78	48.34
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**160.57**	**1,049.22**	**568.07**	**66.33**	**5.63**	**37.94**	**1,887.76**

(ii) Ageing for trade receivable as on 31.03.2023

Rupees in Crores

	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	160.57	1,045.97	548.07	65.16	4.24	12.16	1,836.17
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	3.25	-	-	-	-	3.25
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	20.00	1.17	1.39	25.78	48.34
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**160.57**	**1,049.22**	**568.07**	**66.33**	**5.63**	**37.94**	**1,887.76**

12 Cash and Cash Equivalents

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with banks	2,099.94	1,846.52
Cash on hand	5.86	4.67
Cash equivalents		
Deposits with maturity of less than three month from the date		
of deposit.	250.00	-
	2,355.80	**1,851.19**
Cash and cash equivalents for the purpose of cash flow statement	**2,355.80**	**1,851.19**

13 Bank Balances Other than Cash and Cash Equivalents

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Earmarked balances with banks (for unpaid dividend)	45.02	7.51
Fixed deposits (maturing between 3 to 12 months)	24.91	20.41
	69.93	**27.92**

Notes to the Consolidated Financial Statements (Contd.)

14 Other Financial Assets - (Current)

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Unsecured, considered good:		
- Employee advances	18.65	15.50
- Bank deposit	2.09	0.14
- Security deposits	39.47	28.10
- Claims receivable	34.42	27.65
- Loans and advances - Non Related Parties	41.60	16.44
- Interest accrued on Fixed deposit	-	-
- Receivable towards sale of fixed assets	66.43	65.55
- Hedge asset	-	87.88
	202.66	**241.26**

15 Other Current Assets

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with tax authorities	523.46	504.61
Prepaid expense	138.20	104.05
Vendor advance*	298.67	190.35
Trade deposits	70.71	22.86
Incentive receivable from Government^	182.63	472.11
Employee benefit assets (Refer Note 38)	4.77	8.24
Others	3.96	4.95
	1,222.40	**1,307.17**
Less: loss allowance	**22.94**	**2.83**
	1,199.46	**1,304.34**

* Balances include balance with related parties [Refer Note 39(c)(i)].

^ Includes EV subsidy receivable of ₹148.62 crores (Previous Year ₹ 448.40 crores)

16 Equity Share Capital

(a) Authorised, issued, subscribed and fully paid up

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Authorised:				
Equity shares of ₹ 1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 1/- each	47,50,87,114	47.51	47,50,87,114	47.51
	47,50,87,114	**47.51**	**47,50,87,114**	**47.51**

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	47,50,87,114	47.51	47,50,87,114	47.51

Notes to the Consolidated Financial Statements (Contd.)

(c) (i) Rights and preferences attached to equity share:

Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

(ii) There are no restrictions attached to equity shares.

(d) Shares held by holding company at the end of the year

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26

(e) Shareholders holding more than five percent at the end of the year (other than (d))

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
ICICI Prudential Mutual Fund	Equity	3,75,37,940	7.90	4,67,41,798	9.35

(f) Shares held by Promoters at the end of the year 31.03.2024

Promoter name	Class of share	As at 31-03-2024		As at 31-03-2023		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

Shares held by Promoters at the end of the year 31.03.2023

Promoter name	Class of share	As at 31-03-2023		As at 31-03-2022		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

17 Other Equity

Rupees in Crores

	As at 31-03-2024	As at 31-03-2023
General reserve	876.24	876.24
Capital reserve	6.51	6.51
Statutory reserve	297.96	183.59
Retained earnings	5,529.37	4,315.42
Other Reserves	25.93	75.73
	6,736.00	**5,457.49**

Notes to the Consolidated Financial Statements (Contd.)

18. Non Current Liabilities - Financial Liabilities - Borrowings

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Secured Borrowings:							
ECB Loan 1	Bank	-	410.43	-	-	-	-
ECB Loan 2	Bank	-	385.94	-	-	-	-
ECB Loan 3	Bank	833.00	818.90	6.9%	Bullet	1	Dec-2024
Term Loan 1	Bank	-	4.58	-	-	-	-
Term Loan 2	Bank	-	1.25	-	-	-	-
Term Loan 3	Bank	-	9.38	-	-	-	-
Term Loan 4	Bank	47.56	41.92	8.5%	Quarterly	12	Nov-2027
Term Loan 5	Bank	249.44	197.20	SOFR + 2.60% p.a	Quarterly	8	Dec-2027
Term Loan 6	Bank	175.58	337.77	5.60%	Monthly	13	Apr-2025
Term Loan 7	Bank	62.49	187.47	6.30%	Quarterly	2	Sep-2024
Term Loan 8	Bank	125.00	250.00	6.30%	Quarterly	4	Feb-2025
Term Loan 9	Bank	324.30	567.53	6.35%	Monthly	16	Jul-2025
Term Loan 10	Bank	200.00	200.00	7.00%	Bullet	1	Oct-2024
Term Loan 11	Bank	299.95	499.92	7.00%	Quarterly	6	Jul-2025
Term Loan 12	Bank	-	180.00	-	-	-	-
Term Loan 13	Bank	291.18	457.58	7.25%	Quarterly	7	Feb-2026
Term Loan 14	Bank	249.45	374.18	7.25%	Quarterly	8	Apr-2026
Term Loan 15	Bank	-	24.99	-	-	-	-
Term Loan 16	Bank	-	300.00	-	-	-	-
Term Loan 17	Bank	83.34	250.00	7.50%	Monthly	6	Sep-2024
Term Loan 18	Bank	-	499.82	-	-	-	-
Term Loan 19	Bank	-	249.95	-	-	-	-
Term Loan 20	Bank	489.08	698.56	7.59%	Quarterly	7	Oct-2025
Term Loan 21	Bank	-	249.86	-	-	-	-
Term Loan 22	Bank	-	250.00	-	-	-	-
Term Loan 23	Bank	59.33	91.74	7.60%	Monthly	22	Jan-2026
Term Loan 24	Bank	-	499.91	-	-	-	-
Term Loan 25	Bank	-	416.63	-	-	-	-
Term Loan 26	Bank	41.67	208.31	7.75%	Monthly	15	Jun-2024
Term Loan 27	Bank	40.00	60.00	7.75%	Quarterly	12	Mar-2026
Term Loan 28	Bank	58.38	87.57	7.75%	Monthly	36	Mar-2026
Term Loan 29	Bank	-	100.00	-	-	-	-
Term Loan 30	Bank	-	399.91	-	-	-	-
Term Loan 31	Bank	-	249.84	-	-	-	-
Term Loan 32	Bank	-	149.98	-	-	-	-
Term Loan 33	Bank	-	149.91	-	-	-	-
Term Loan 34	Bank	-	166.53	-	-	-	-
Term Loan 35	Bank	-	199.97	-	-	-	-
Term Loan 36	Bank	-	199.91	-	-	-	-
Term Loan 37	Bank	329.95	300.00	8.03%	Quarterly	7	Oct-2025
Term Loan 38	Bank	-	499.90	-	-	-	-
Term Loan 39	Bank	62.53	145.80	8.37%	Monthly	9	Dec-2024
Term Loan 40	Bank	-	74.99	-	-	-	-
Term Loan 41	Bank	-	41.67	-	-	-	-
Term Loan 42	Bank	-	33.32	-	-	-	-

Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Term Loan 43	Bank	-	120.00	-	-	-	-
Term Loan 44	Bank	-	120.00	-	-	-	-
Term Loan 45	Bank	-	50.00	-	-	-	-
Term Loan 46	Bank	-	99.98	-	-	-	-
Term Loan 47	Bank	-	50.00	-	-	-	-
Term Loan 48	Bank	-	150.00	-	-	-	-
Term Loan 49	Bank	456.44	-	7.10%	Quarterly	13	Jun-2027
Term Loan 50	Bank	151.61	-	7.10%	Quarterly	13	Jun-2027
Term Loan 51	Bank	335.70	-	7.10%	Quarterly	14	Sep-2027
Term Loan 52	Bank	749.18	-	7.10%	Monthly	39	Jun-2027
Term Loan 53	Bank	100.00	-	7.10%	Quarterly	13	Jun-2027
Term Loan 54	Bank	374.60	-	7.15%	Quarterly	12	Feb-2027
Term Loan 55	Bank	93.65	-	7.15%	Quarterly	12	Mar-2027
Term Loan 56	Bank	100.00	-	7.28%	Quarterly	5	Apr-2025
Term Loan 57	Bank	100.63	-	7.54%	Quarterly	14	Sep-2027
Term Loan 58	Bank	99.22	-	7.70%	Monthly	39	Sep-2027
Term Loan 59	Bank	249.98	-	8.08%	Quarterly	10	Jul-2026
Term Loan 60	Bank	400.00	-	8.10%	Bullet	1	May-2026
Term Loan 61	Bank	300.00	-	8.10%	Quarterly	8	Dec-2026
Term Loan 62	Bank	249.98	-	8.20%	Quarterly	10	Oct-2026
Term Loan 63	Bank	499.95	-	8.25%	Quarterly	11	Apr-2027
Term Loan 64	Bank	249.97	-	8.25%	Bullet	1	Sep-2025
Term Loan 65	Bank	249.92	-	8.25%	Bullet	1	Jun-2026
Term Loan 66	Bank	999.73	-	8.25%	Quarterly	11	Feb-2027
Term Loan 67	Bank	299.73	-	8.25%	Bullet	1	Feb-2025
Term Loan 68	Bank	124.97	-	8.26%	Half Yearly	5	Aug-2025
Term Loan 69	Bank	281.22	-	8.30%	Quarterly	15	Dec-2027
Term Loan 70	Bank	124.99	-	8.30%	Quarterly	2	Aug-2024
Term Loan 71	Bank	49.96	-	8.30%	Quarterly	12	Mar-2027
Term Loan 72	Bank	746.10	-	8.34%	Quarterly	14	Sep-2027
Term Loan 73	Bank	299.90	-	8.35%	Quarterly	14	Nov-2027
Term Loan 74	Bank	919.84	-	8.35%	Quarterly	8	Jul-2026
Term Loan 75	Bank	458.23	-	8.35%	Quarterly	11	Nov-2026
Term Loan 76	Bank	124.93	-	8.40%	Quarterly	4	Mar-2025
Term Loan 77	Bank	156.25	-	8.40%	Quarterly	5	Apr-2025
Term Loan 78	Bank	333.20	-	8.40%	Quarterly	8	Feb-2026
Term Loan 79	Bank	299.95	-	8.50%	Quarterly	6	Sep-2025
Term Loan 80	Bank	299.95	-	8.50%	Quarterly	6	Oct-2025
Term Loan 81	Bank	349.94	-	8.65%	Quarterly	7	Dec-2025
Soft Loan	State owned corporation - I	3.33	3.08	0.1%	Bullet	1	Apr-2029
Soft Loan	State owned corporation -II	9.68	84.68	0.1%	Specific period	2	Apr-2030
Debentures	8.15% Secured Non Convertible Debenture	425.00	425.00	8.3%	Bullet	1	Oct-2024
Debentures	8.30% Secured Non Convertible Debenture	800.00	800.00	8.3%	Bullet	1	Sep-2025

Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Debentures	8.40% Secured Non Convertible Debenture	225.00	-	8.4%	Bullet	1	Jun-2026
Unsecured Borrowings:							
Debentures	Non Convertible Debenture - I	-	499.93	-	-	-	-
Debentures	Non Convertible Debentures - II	124.87	124.81	Repo Rate plus Margin	End of Tenure	1	Mar-2026
ECB Loan	Bank	-	27.39	-	-	-	-
Term Loan	Bank	429.96	479.93	6.3%	Quarterly	12	Mar-2027
Term Loan	Bank	17.49	17.02	2.2%	Yearly	5	Dec-2029
Term Loan	Bank	20.35	3.13	SONIA + Margin	Bullet	1	Apr-2024
Term Loan	Others	14.73	16.12	0.8%	Annual	8	Nov-2031
Term Loan	Others	299.94	-	8.0%	Monthly	43	Dec-2027
Term Loan	Others	499.84	-	8,25%	Quarterly	12	Mar-2027
Term Loan	Others	40.00	200.00	7.6%	Quarterly	1	Jun-2024
Sub Debt	Bank	-	50.00	-	-	-	-
Sub Debt	Bank	-	50.00	-	-	-	-
Sub Debt	Others	99.90	99.60	10.9%	Bullet	1	Aug-2024
Sub Debt	Others	64.38	64.20	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	34.67	34.60	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	19.85	19.76	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	49.52	49.39	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	129.02	128.40	9.4%	Bullet	1	Aug-2026
Sub Debt	Others	99.00	99.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	35.00	35.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	35.00	35.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	30.00	30.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	200.00	200.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	50.00	50.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	100.00	100.00	10.0%	Bullet	1	Jul-2026
Sub Debt	Others	95.00	95.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	80.00	80.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	115.00	115.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	110.00	110.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	25.02	-	9.3%	Bullet	1	Jun-2029
Sub Debt	Others	100.08	-	9.3%	Bullet	1	Jun-2029
Sub Debt	Others	175.13	-	9.3%	Bullet	1	Jun-2029
Sub Debt	Others	200.15	-	9.3%	Bullet	1	Jun-2029
Perpetual Debt	Others	99.91	99.88	11.5%	Bullet	1	Nov-2027
Term loan	Bank	199.56	199.20	8.3%	Quarterly	8	Mar-2026
Term loan	Bank	187.38	-	Repo Rate plus Margin	Quarterly	10	Jul-2026
Term loan	Bank	499.08	-	Repo Rate plus Margin	Quarterly	8	May-2026

Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Sales Tax Deferral	Others	62.91	78.64	Nil	Yearly	4	Jun-2027
Total non current borrowings		20,657.68	16,816.86				
Less: Current Maturities of non current borrowings		8,028.36	7,752.78				
Total non current financial liabilities (borrowings)		**12,629.32**	**9,064.08**				

Details of securities created:

- ECB Loan 1-3 hypothecation of receivables under the financing activity of the company.
- Term loan 1-4 received from bank of ₹ 47.56 crores (Previous year ₹ 57.13 crores) - charge created on land and building and paripasu charge on plant and machinery.
- Term Loan 5 received from bank of ₹ 249.44 Crores is to be secured by a charge over the subsidiary's plant and machinery. At 31st March 2024, the subsidiary is in the process of creating this charge against the security
- Term Loans received from Banks of ₹ 13,521.95 crores (Previous Year: ₹10,243.50 Crores) is secured against hypothecation of receivables under the financing activity of the Group.
- Loan from State owned corporation - I viz., SIPCOT - First charge on the specific plant and equipment.
- Loan from State owned corporation - II viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.
- Debentures of ₹1,450.00 crores (Previous Year: ₹1,225 crores) secured against hypothecation of receivables under the financing activity of the group.

19 Provisions

Rupees in Crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Current	Non-current	Current	Non-current
Provision for employee benefits:				
(a) Pension	67.05	126.60	49.47	118.52
(b) Leave salary	32.37	120.64	24.94	96.30
(c) Gratuity	0.17	0.86	-	2.66
Others:				
(a) Warranty	67.05	22.08	41.33	13.78
	166.64	**270.18**	**115.74**	**231.26**

20 Deferred Tax Liabilities (Net)

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
The balance comprises temporary differences attributable to:		
- Depreciation	351.61	316.51
- others	19.49	33.81
Total deferred tax liability (A)	**371.10**	**350.32**
Deferred tax asset consists of:		
- tax on employee benefits expense	54.46	48.35
- tax on warranty provision	23.95	15.59
- tax on others	96.23	78.01
Total deferred tax assets (B)	**174.64**	**141.95**
Net deferred tax liability (B)-(A)	**196.46**	**208.37**

Movement in deferred tax:

Particulars	Depreciation	Others	Total
As at 31-03-2022			207.56
Charged/(credited):			
- to profit or loss	(3.08)	11.74	8.66
- to other comprehensive income	-	(7.85)	(7.85)
As at 31-03-2023			**208.37**
Charged/(credited):			
- to profit or loss	35.10	(40.80)	(5.70)
- to other comprehensive income	-	(6.21)	(6.21)
As at 31-03-2024			**196.46**

21 Financial Liabilities - Borrowings (Current)

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Borrowings repayable on demand from banks		
Secured	3,618.07	2,450.43
Unsecured	486.18	738.60
Short term loans:		
From banks:	-	-
Secured	524.69	238.30
Unsecured	-	1,382.04
From others (unsecured)		
Current Maturities of long term borrowings	8,028.36	7,752.78
	12,657.30	**12,562.15**

Secured short term borrowings from banks are related to subsidiaries and details of securities created are as follows:

a) A loan of ₹31.78 crores in USD obtained from a bank, secured by a letter of credit issued by a bank in India.

b) A loan of ₹8.25 crores in USD and ₹8.21 crores in IDR obtained from a bank, partly secured (80%) by a credit guarantee issued by the EXIM bank of Indonesia

c) Working capital loan and cash credit of ₹3,372.08 crores obtained are secured by hypothecation of receivables under the financing activity of the Subsidiary.

d) Cash credit and working capital loan of ₹197.75 crores obtained are secured by hypothecation of receivables and inventories of the Subsidiary, both present and future

22 Trade Payables

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Dues to Micro and Small Enterprises **	62.38	75.83
Dues to enterprises other than Micro and Small Enterprises #	6,575.84	5,020.84
	6,638.22	**5,096.67**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises and there is no principal and interest, due thereon and remaining unpaid as at end of the year"

Balances include balances due to related parties [Refer Note 40(c)(ii)].

Notes to the Consolidated Financial Statements (Contd.)

(i) Ageing for trade payable as on 31.03.2024

Rupees in Crores

Particulars	Outstanding for following periods from due date of payment					
	Not Due	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises (MSME)	62.38	-	-	-	-	62.38
(ii) Others	3,258.68	1,703.42	29.87	19.53	22.31	5,033.82
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total (i) to (iv)	**3,321.06**	**1,703.42**	**29.87**	**19.53**	**22.31**	**5,096.20**
Accrued expenses						1,542.02
Total						**6,638.22**

(ii) Ageing for trade payable as on 31.03.2023

Rupees in Crores

Particulars	Outstanding for following periods from due date of payment					
	Not Due	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises (MSME)	75.83	-	-	-	-	75.83
(ii) Others	2,772.32	1,348.33	19.67	9.96	24.37	4,174.65
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total (i) to (iv)	**2,848.15**	**1,348.33**	**19.67**	**9.96**	**24.37**	**4,250.49**
Accrued expenses						846.18
Total						**5,096.67**

23 Other Financial Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Interest accrued but not due on loans	186.76	196.07
Interest accrued and due on loans *	0.44	0.72
Trade deposits received	170.71	98.57
Unclaimed dividends	4.07	3.88
(Not due for transfer to Investor Education and Protection Fund)		
Payables against capital goods	80.91	47.06
Hedge liability	15.29	5.94
Others	1.40	3.36
	459.58	**355.60**

* Subsidiary has made funds available with the banks and the same has been appropriated subsequently

24 Other Current Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Statutory dues	275.01	191.01
Employee related	343.31	310.71
Advance received from customers	258.28	338.00
Deferred income	29.89	46.93
	906.49	**886.65**

Notes to the Consolidated Financial Statements (Contd.)

25 Revenue from Operations

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Sale of products	32,956.91	27,354.05
Sale of services	77.47	79.63
Interest income of financial enterprise	5,111.07	3,755.51
Other operating revenue#	999.29	784.80
	39,144.74	**31,973.99**

Includes Government Grants of ₹237.77 crores (Last year ₹ 280.87 crores)

26 Other Income

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Dividend income - from other investments designated as Fair Valued through OCI	0.65	0.02
Interest income	22.10	10.99
(Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net)	(26.93)	61.84
Profit on sale of fixed assets (Net)	3.38	2.65
Profit on sale of investment (Net)	89.47	45.56
Other non-operating income	17.15	16.94
	105.82	**138.00**

27 Material Cost:

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Cost of materials consumed		
Opening stock of raw materials and components	925.40	874.87
Add: Purchases	23,759.70	20,146.77
	24,685.10	**21,021.64**
Less: Closing stock of raw materials and components	967.19	925.40
	23,717.91	**20,096.24**
Purchases of stock-in-trade	**1,011.69**	**890.95**
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Opening stock:		
Work-in-progress	62.48	65.17
Stock-in-trade	295.35	345.32
Finished goods	470.37	276.78
(A)	**828.20**	**687.27**
Closing stock:		
Work-in-progress	64.23	62.48
Stock-in-trade	555.72	295.35
Finished goods	532.60	470.37
(B)	**1,152.55**	**828.20**
(A)-(B)	**(324.35)**	**(140.93)**

Notes to the Consolidated Financial Statements (Contd.)

28 Employee Benefits Expense

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Salaries, wages and bonus	2,904.67	2,516.73
Contribution to provident and other funds	219.37	177.53
Staff welfare expenses	261.15	195.99
	3,385.19	**2,890.25**

29 Finance Costs

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Interest	1,855.88	1,311.74
Other borrowing cost	11.60	11.80
Interest on lease liabilities	60.75	44.11
Exchange differences	(0.51)	0.24
	1,927.72	**1,367.89**

30 Depreciation and Amortisation Expense

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Depreciation on property plant and equipment	535.56	523.37
Amortisation on right of use asset	217.84	137.77
Amortisation on intangible assets	221.72	197.72
	975.12	**858.86**

31 OTHER EXPENSES

Rupees in Crores

Particulars		Year Ended 31-03-2024	Year Ended 31-03-2023
(a)	Consumption of stores, spares and tools	59.35	59.40
(b)	Power and fuel	129.98	133.47
(c)	Repairs - buildings	39.52	26.66
(d)	Repairs - plant and equipment	160.31	123.44
(e)	Insurance	49.20	39.58
(f)	Rates and taxes (excluding taxes on income)	17.17	17.68
(g)	Audit fees	3.31	2.71
(h)	Cost audit fees	0.08	0.08
(i)	Packing and freight charges	571.20	550.20
(j)	Advertisement and publicity	596.37	384.75
(k)	Other marketing expenses	590.95	358.75
(m)	Foreign exchange loss (Net)	8.06	-
(n)	Loss allowance for expected credit losses relating to loans	1127.04	629.14
(o)	Corporate social responsibility expenditure	40.15	19.00
(p)	Contributions to electoral trust	40.00	5.00
(q)	Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹10 lakh, whichever is higher)	2378.20	1820.24
		5,810.89	**4170.10**

Notes to the Consolidated Financial Statements (Contd.)

32 Tax Expense and Reconciliation

(a) Tax expense

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Current tax:		
Current tax on profits for the year	1,012.63	704.65
Adjustments for current tax of prior periods	-	(1.19)
(A)	**1,012.63**	**703.46**
Deferred tax:		
Decrease / (increase) in deferred tax assets	(107.50)	(79.45)
(Decrease) / increase in deferred tax liabilities	19.25	2.56
(B)	**(88.25)**	**(76.89)**
(A + B)	**924.38**	**626.57**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Rupees in Crores

	Year Ended 31-03-2024	Year Ended 31-03-2023
Profit before income tax expense	**2702.92**	**1,936.03**
Tax expense at 25.168% (Previous year 25.168%)	680.27	487.26
Add/(Less): Taxes impact on		
Capital receipts	-	(1.63)
Tax on income chargeable at lower rates	(39.40)	-
Expenses not admissible for deduction	34.64	4.85
Timing and Tax rate difference on subsidiaries losses	234.49	125.34
Tax relating to earlier years		(1.19)
Others	14.39	11.94
	924.38	**626.57**

33 Fair Value Measurements

Rupees in Crores

Particulars	As at 31-03-2024			As at 31-03-2023		
	FVTPL*	FVOCI *	Amortised cost	FVTPL*	FVOCI *	Amortised cost
Financial assets						
Investments						
- Equity instruments	163.19	151.09	-	191.92	216.48	-
- Preference shares	-	74.67	-	-	16.33	-
- Other non current investments	-	32.79	-	-	40.07	-
- Debt Instruments	85.18	-	139.02	49.12	-	42.10
Trade receivables	-	-	1,839.42	-	-	1,256.42
Loans (receivable from financing activity)	-	-	25,471.81	-	-	20,546.58
Fixed deposit with banks	-	-	27.00	-	-	20.55
Cash and cash equivalents	-	-	2,355.80	-	-	1,851.19
Earmarked balances with banks	-	-	45.02	-	-	7.51
Derivative financial asset	-	90.67	-	-	176.78	-
Other financial assets	-	-	305.42	-	-	238.88
Total financial assets	**248.37**	**349.22**	**30,183.49**	**241.04**	**449.66**	**23,963.23**

Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Particulars	As at 31-03-2024			As at 31-03-2023		
	FVTPL*	FVOCI *	Amortised cost	FVTPL*	FVOCI *	Amortised cost
Financial liabilities						
Borrowings	-	-	25,286.62	-	-	21,626.23
Trade payables	-	-	6,638.22	-	-	5,096.67
Derivative financial liability	-	15.29	-	-	5.94	-
Lease liability	-	-	719.08	-	-	749.35
Other financial liability	-	-	444.29	-	-	349.66
Total financial liabilities	**-**	**15.29**	**33,088.21**	**-**	**5.94**	**27,821.91**

* FVTPL - Fair Valued Through Profit and Loss FVOCI - Fair Valued Through Other Comprehensive Income

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and that are measured at amortised cost, for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Rupees in Crores

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	5	163.19	-	85.18	248.37
Financial Investments at FVOCI	5	1.33	32.79	224.43	258.55
Derivatives	16	-	90.67	-	90.67
		164.52	**123.46**	**309.61**	**597.59**
Financial liabilities					
Derivatives	23	-	15.29	-	15.29
		-	**15.29**	**-**	**15.29**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Rupees in Crores

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Debt instruments	5	-	-	139.02	139.02
		-	**-**	**139.02**	**139.02**
Borrowings	18,21			25,286.62	25,286.62
		-	**-**	**25,286.62**	**25,286.62**

Financial assets and liabilities measured at fair value - recurring fair value measurements

Rupees in Crores

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	4	-	-	241.04	241.04
Financial Investments at FVOCI	4	1.00	40.07	231.81	272.88
Derivatives	6,14	-	176.78	-	176.78
		1.00	**216.85**	**472.85**	**690.70**
Financial liabilities					
Derivatives	23	-	5.94	-	5.94
		-	**5.94**	**-**	**5.94**

Notes to the Consolidated Financial Statements (Contd.)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Rupees in Crores

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Debt instruments	4	-	-	42.10	42.10
		-	**-**	**42.10**	**42.10**
Financial liabilities					
Borrowings	18,21	-	-	21,626.23	21,626.23
				21,626.23	**21,626.23**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the end of the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and other non current investments included in level 3.

There are no transfers among three levels.

The Company's policy is to recognise transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value (Level 2)

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

Rupees in Crores

Particulars	Unlisted Equity Shares	Preference shares	Debt instruments	Total
As at 31-03-2022	145.39	14.79	-	160.18
Additions / (deletions)	201.46	-	49.12	250.58
Gains/(losses) recognised in profit or loss	61.69	-	-	61.69
Gains/(losses) recognised in other comprehensive income	(1.14)	1.54	-	0.40
As at 31-03-2023	**407.40**	**16.33**	**49.12**	**472.85**
Additions / (deletions)	4.50	94.36	-	98.86
Investment in associate - accounted using equity method	(76.58)	-	-	(76.58)
Reclassified from level 3 to Level 1	(191.92)	-		(191.92)
Gains/(losses) recognised in other comprehensive income	6.40	-	-	6.40
As at 31-03-2024	**149.80**	**110.69**	**49.12**	**309.61**

Notes to the Consolidated Financial Statements (Contd.)

(iv) Valuation inputs and relationships to fair value

Rupees in Crores

Particulars	Fair value as at		Significant unobservable input		Probability weighted range for the year ended	
	31-03-2024	31-03-2023			31-03-2024	31-03-2023
Preference Shares	74.67	16.33	a)	Earnings growth rate	1-3%	1-3%
			b)	Risk adjusted discount rate	8%	8%
Debt Instruments	85.18	49.12	a)	Earnings growth rate	1-3%	1-3%
			b)	Risk adjusted discount rate	8%	8%
Unquoted Equity shares*	312.95	407.40	a)	Earnings growth rate	1-3%	1-3%
			b)	Risk adjusted discount rate	8%	8%

* Sensitivity is not significant.

(v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar types of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

(vi) Fair value of financial assets and liabilities measured at amortised cost

Rupees in Crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Preference shares	-	-	-	-
Debt instruments	139.02	139.02	42.10	42.10
	139.02	**139.02**	**42.10**	**42.10**
Financial liabilities				
Borrowings	25,286.62	25,286.62	21,626.23	21,626.23
	25,286.62	**25,286.62**	**21,626.23**	**21,626.23**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for preference shares and other debt instruments were calculated based on cash flows discounted using a current lending rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

34 Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit risk	Cash, Cash equivalents and Trade receivables	Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward-looking information (more specifically described below). In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.
	a. Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
	b. Domestic Trade Receivables	Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings.
	c. Export Trade Receivables	The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited.
Liquidity risk	INR denominated borrowings [other than soft loans given by Govt. Authorities]	The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized.
Market risk	(i) Foreign exchange	The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions.
	a. Export trade receivables and Import Payables	The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.
	b. Foreign currency denominated borrowings	The Company has hedged its borrowings by covering the principal repayments.
	(ii) Interest rate Foreign currency denominated borrowings	The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to the Consolidated Financial Statements (Contd.)

(A) Credit risk (except Loans from financing activity covered under Note: 35)

Basis of recognition of expected credit loss provision

<table>
<tr><th>Rating</th><th>Category</th><th>Description of category</th><th>Investments</th><th>Loans and deposits</th><th>Trade receivables</th></tr>
<tr><td>1</td><td>High Quality assets, negligible credit risk</td><td>Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.</td><td rowspan="3">12 month expected credit losses</td><td rowspan="3">12 month expected credit losses</td><td rowspan="5">Life time expected credit losses (simplified approach)</td></tr>
<tr><td>2</td><td>Quality assets, low credit risk</td><td>Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past</td></tr>
<tr><td>3</td><td>Standard Assets, moderate credit risk</td><td>Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.</td></tr>
<tr><td>4</td><td>Substandard Assets, relatively high credit risk</td><td>Assets where there has been a significant increase in credit risk since initial recognition.</td><td colspan="2" rowspan="2">Life time expected credit losses</td></tr>
<tr><td>5</td><td>Low quality assets, very high credit risk</td><td>Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.</td></tr>
<tr><td>6</td><td>Doubtful assets, credit impaired</td><td>Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.</td><td colspan="3">Asset is written off</td></tr>
</table>

As at 31-03-2024

a) Expected credit loss for investments, loans and other financial assets

Rupees in Crores

Particulars	Internal rating	Assets/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	139.02	0%	-	139.02
	1	Other financial assets	305.42	0%	-	305.42

b) Expected credit loss for trade receivables under simplified approach

Rupees in Crores

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	1,243.54	644.22	1,887.76
Expected loss rate	-	8%	
Expected credit losses	-	48.34	48.34
Carrying amount of trade receivables	1,243.54	595.88	1,839.42

Notes to the Consolidated Financial Statements (Contd.)

As at 31-03-2023

a) Expected credit loss for investments, loans and other financial assets

Rupees in Crores

Particulars	Internal rating	Assets/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	42.10	0%	-	42.10
	1	Other financial assets	238.88	0%	-	238.88

b) Expected credit loss for trade receivables under simplified approach

Rupees in Crores

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	781.93	523.98	1,305.91
Expected loss rate	-	9%	
Expected credit losses	-	49.49	49.49
Carrying amount of trade receivables	781.93	474.49	1,256.42

Reconciliation of loss allowance provision - Trade receivables

Loss allowance 01-04-2022	52.63
Changes in loss allowance	(3.14)
Loss allowance 31-03-2023	49.49
Changes in loss allowance	(1.15)
Loss allowance 31-03-2024	48.34

(B) Liquidity risk

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	6016.41	4,370.28
- Expiring beyond one year (bank loans)	43.63	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR except for one subsidiary in USD and have an average maturity ranging from 30 to 180 days.

Notes to the Consolidated Financial Statements (Contd.)

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

As at 31-03-2024

Rupees in Crores

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2563.72	2,402.25	7,691.33	1,2094.42	536.61	25,288.33
Lease Liabilities	54.93	54.25	106.22	545.25	58.95	819.60
Trade payables	6,198.42	252.94	185.68	1.18	-	6,638.22
Other financial liabilities	444.29	-	-	-	-	444.29
Derivatives	15.29	-	-	-	-	15.29

As at 31-03-2023

Rupees in Crores

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	3,709.49	1,732.78	7,119.88	8,861.09	208.45	21,631.69
Lease Liabilities	48.80	46.42	90.62	596.77	75.28	857.89
Trade payables	4,514.69	290.86	291.12	-	-	5,096.67
Other financial liabilities	349.66	-	-	-	-	349.66
Derivatives	5.94	-	-	-	-	5.94

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(C) Market risk

i) Foreign exchange risk

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Rupees in Crores

	31-03-2024		31-03-2023	
Exposure in foreign currency	USD	EUR	USD	EUR
Financial assets				
Trade receivables	1,544.44	87.45	1,275.23	66.88
Investments	146.67	8.46	137.10	8.47
Derivative assets				
Foreign exchange forward contracts				
Sell foreign currency	(888.20)	(87.45)	(847.89)	(62.75)
Financial liabilities				
Foreign currency loan	1123.61	-	2931.78	-
Trade payables	135.70	15.25	560.91	7.54
Derivative liabilities				
Foreign exchange forward contracts				
Buy foreign currency	8.46	-	4.14	-
Principal swap				
Buy foreign currency	(833)	-	(2669.98)	-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Rupees in Crores

	Impact on profit after tax*		Impact on other components of equity*	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
USD sensitivity				
INR/USD increases by 10%	60.04	37.87	(56.84)	(54.92)
INR/USD decreases by 10%	(60.04)	(37.87)	56.84	54.92
SGD/USD increases by 10%	11.72	3.40	4.85	6.28
SGD/USD decreases by 10%	(11.72)	(3.40)	(4.85)	(6.28)
IDR/USD increases by 10%	13.54	(10.38)	-	-
IDR/USD decreases by 10%	(13.54)	10.38	-	-
EURO sensitivity				
INR/EURO increases by 10%	4.95	4.01	(5.76)	(4.25)
INR/EURO decreases by 10%	(4.95)	(4.01)	5.76	4.25
SGD/EURO increases by 10%	-	-	0.56	0.57
SGD/EURO decreases by 10%	-	-	(0.56)	(0.57)

*Holding all other variables constant

ii) Interest Rate risk

Domestic INR borrowings are based on fixed rate of interest. Normally for short term borrowings the marginal cost of lending rate of the bank is followed. Whenever, Company resorts to short term borrowing through Commercial Paper the rate of interest is fixed in advance. In respect of foreign currency borrowings for longer period the interest rates are covered through interest rate swaps (IRS).

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Variable rate borrowings	15,522.78	9,772.10
Fixed rate borrowings	9,765.53	11,859.68

Rupees in Crores

Sensitivity	Impact on profit after tax	
	As at 31-03-2024	As at 31-03-2023
Increase in interest rates by 100 bps	(102.14)	(66.10)
Decrease in interest rates by 100 bps	102.14	66.10

iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

Notes to the Consolidated Financial Statements (Contd.)

(D) Impact of hedging activities

i) Disclosure of effects of hedge accounting on financial position

a) Disclosure of effects of hedge accounting on financial position as at 31-03-2024

Rupees in Crores

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contracts, PCFC	975.65	8.46	-	15.29	Apr'24 to Dec'24	(15.29)	15.29
Foreign currency loan							-
Principal swap	-	833.00	90.67	-	Jun'24 to Dec'24	90.67	(90.67)
Interest rate swap	-	833.00	-	-		-	-

b) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

Rupees in Crores

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge:							
Foreign exchange forward contracts, PCFC	910.64	(4.14)	4.45		Apr'23 to June'23	4.45	(4.45)
Foreign currency loan							
Principal swap	-	2669.98	167.84	-	Jun'23 to Dec'27	167.84	(167.84)
Interest rate swap	-	2669.98	0.26	-		0.26	(0.26)

ii) Disclosure of effects of hedge accounting on financial performance:

a) for the year ended 31-03-2024

Rupees in Crores

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge:				Revenue and Borrowing cost
Foreign exchange risk/ POS/ IRS	(17.32)	-	(1.35)	

b) for the year ended 31-03-2023

Rupees in Crores

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge:				Revenue and Borrowing cost
Foreign exchange risk/ POS/ IRS	(6.02)	-	(16.98)	

35 Financial Risk Management Relating to Loan Receivable from Financing Activity

(A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Group monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Group does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on Number of Days past due information. The amount represents gross carrying amount.

Rupees in Crores

Particulars	March 31, 2024	March 31, 2023
Gross Carrying value of Loans		
Stage-1 (Less than 30 Days)	24,359.13	19,694.90
Stage-2 (30-90 Days)#	1305.94	989.54
Stage-3 (More than 90 Days)*	742.80	573.71
Total Gross Carrying value on Reporting Date	**26,407.87**	**21,258.15**

#Includes restructured contracts under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR. STR.REC.11 /21.04.048/2021-22 dated 5th May 2021 even though days past due is less than and equal to 30 days on the reporting date.

*Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP. BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to other financial assets are extremely low except 'Other Financial Assets - Non Related Parties'. Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for Other financial Assets except full provision on "Other Financial Assets - Non Related Parties".

Credit Quality

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

Notes to the Consolidated Financial Statements (Contd.)

The Company categorises loan assets into stages based on the Days Past Due status:

- Stage 1: 30 Days Past Due
- Stage 2: 31-90 Days Past Due
- Stage 3: More than 90 Days Past Due

Assumptions considered in the ECL model

The financial services business has made the following assumptions in the ECL Model:

- "Loss given default" (LGD) is common for all three stages and is based on loss in past portfolio. Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as discount rate for all loans

Estimation Technique

The financial services business has applied the following estimation technique in its ECL model:

- "Probability of default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.
- Probability of default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenor.
- Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals. There is no change in estimation techniques or significant assumptions during the reporting period.

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the financial services business considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The financial services business considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Group has offered moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. The Group has extended One-Time Resolution framework as for COVID-19-related Stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Group has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5 May 2021 in Stage 2 irrespective of days past due status on the reporting date.

Group's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Group's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

Definition of default

The Company considers a financial instrument is in defaulted when the borrower becomes 90 days past due on its contractual payments. The financial services business considers Loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

Notes to the Consolidated Financial Statements (Contd.)

Impairment loss

The expected credit loss allowance provision is determined as follows:

Rupees in Crores

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at March 31, 2024	24,359.13	1,305.94	742.80	26,407.87
Expected Credit Loss	289.49	253.53	393.04	936.06
Expected Credit Loss Rate	1.19%	19.41%	52.91%	3.54%
Net of Impairment Provision	24,069.64	1,052.41	349.76	25,471.81

Rupees in Crores

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at March 31, 2023	19,693.40	989.54	573.71	21,256.65
Expected Credit Loss	264.75	138.78	306.54	710.07
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,428.65	850.76	267.17	20,546.58

Reconciliation of Expected Credit Loss

Rupees in Crores

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Balance as at April 01, 2022	**87.82**	**33.25**	**267.61**	**388.68**
Transfer from Stage 1	(6.38)	3.96	2.42	-
Transfer from Stage 2	2.16	(8.41)	6.25	-
Transfer from Stage 3	11.64	2.96	(14.60)	-
Loans that have derecognised during the period	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
Balance as at March 31, 2023	**264.75**	**138.78**	**306.54**	**710.07**
Transfer from Stage 1	(15.17)	8.74	18.25	11.82
Transfer from Stage 2	13.19	(55.32)	41.91	(0.22)
Transfer from Stage 3	8.78	4.45	(13.17)	0.06
Loan that have derecognised during the period	(39.36)	(48.01)	(113.34)	(200.71)
New Loans originated during the year	114.54	59.15	49.21	222.90
Net Remeasurement of Loss Allowance	(57.24)	145.74	103.64	192.14
Balance as at March 31, 2024	**289.49**	**253.53**	**393.04**	**936.06**

Concentration of Credit Risk

The business manages concentration of risk primarily by geoghraphical region. The following details show the geographical concentrations of the loans at the year end:

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Carrying value		
Concentration by geographical region in India		
South	10,637.99	8,472.49
West	7,256.11	5,917.79
East	4,252.84	3,307.58
North	4,260.93	3,558.79
Total Loans as at reporting period	**26,407.87**	**21,256.65**

Notes to the Consolidated Financial Statements (Contd.)

36 Capital management

(a) Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The group's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Net debt	22,930.82	19,775.04
Total equity	6,783.51	5,505.00
Net debt to equity ratio	**3.4**	**3.6**

The company also monitors Interest coverage ratio:

Company's earnings before interest and taxes (EBIT) divided by Interest

The Company's strategy is to maintain an optimum interest coverage ratio. The Interest coverage ratio are as follows:

Rupees in Crores

	As at 31-03-2024	As at 31-03-2023
EBIT (before exceptional item)	2,211.35	1,628.52
Interest	210.00	155.50
Interest coverage ratio (times)	**10.5**	**10.5**

(b) Dividends

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
(i) Equity shares		
Interim dividends for the year ended 31-03-2024 of ₹8.00 (31-03-2023 of ₹5.00) per fully paid share	380.07	237.54
(iii) Dividends not recognised at the end of the reporting period	-	-

37 Business Combination

On 1st October 2015, our Subsidiary Sundaram Auto Components Limited (SACL) acquired an automobile seat manufacturing business at Nalagarh, Himachal Pradesh to expand its business"

On 7th September 2017, the Company acquired 16,20,000 (81%) equity shares of M/s. TVS Motor Services Limited, Chennai. This would further strengthen the retail financing for the customers of the Company through its subsidiaries.

During the year ended March 31, 2022, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to establish its presence in e-personal mobility space.

On 16th September 2021, 91,20,858 (80%) equity shares of The GO Corporation (The GO AG) and on 27th January 2022, 1,14,658 (75%) equity shares of Swiss E-Mobility Group (Holding) AG (SEMG) were acquired.

During the year ended March 31, 2023, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to further strengthen its presence in e-personal mobility space.

Notes to the Consolidated Financial Statements (Contd.)

On 1st April 2022, 70 (70%) equity shares of EBCO Limited, UK were acquired. Further on 12th April 2022, (100%) equity shares of Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany were acquired through its subsidiary Swiss E-Mobility Group (Holding) AG (SEMG).

Details of the purchase consideration and goodwill are follows:

Rupees in Crores

Particulars	Business acquired by SACL	TVS Motor Services	GO AG	SEMG	EBCO	Passion Velo
Consideration transferred	9.00	1.62	131.46	488.60	11.64	23.96
Non-controlling interest in the acquired entity	-	136.05	(1.12)	55.52	(1.32)	-
Acquisition date fair value of previously held equity interest	-	0.38	-	-	-	-
Less: Net identifiable assets acquired	6.80	(48.06)	71.23	222.07	(4.40)	11.10
Goodwill on consolidation	**2.20**	**186.11**	**59.11**	**322.05**	**14.72**	**12.86**
Total goodwill recognised in books						**597.05**

The goodwill is attributable to the expected synergies on acquisition of the financial services business and e-personal mobility business.

"Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rate on the basis of carrying amount of each asset in CGU. An impairment loss on goodwill is recognized in net profit in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period."

Company assessed impairment of goodwill based on the expected earnings growth of the acquired business.

38 Employee Benefit Obligations

Defined benefit plans as per actuarial valuation

Rupees in Crores

Particulars	Funded Plan			Unfunded Plans
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
As at 01-04-2022	**194.92**	**(191.47)**	**3.45**	**158.49**
Balance from Incumbent subsidiary:	-	-	-	-
Current service cost	34.70	-	34.70	-
Interest expense/(income)	14.88	(14.10)	0.74	10.01
Total amount recognised in profit or loss	**49.58**	**(14.10)**	**35.48**	**10.01**
Remeasurements				
Return on plan assets, excluding amounts included in interest expense/(income)	-	3.17	3.17	-
(Gain)/loss from change in financial assumptions	3.66	-	3.66	(20.49)
Sale of subsidiary	(0.62)		(0.62)	
Experience (gains)/losses	3.42	-	3.42	12.32
Total amount recognised in other comprehensive income	**6.46**	**3.17**	**9.63**	**(8.17)**

Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Particulars	Funded Plan			Unfunded Plans
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
Employer contributions	-	(53.15)	(53.15)	-
Benefit payments	(23.48)	21.04	(2.44)	(4.01)
As at 31-03-2023	**227.44**	**(234.51)**	**(7.07)**	**156.32**
Current service cost	42.30	-	42.30	-
Interest expense/(income)	17.53	(17.04)	0.49	11.87
Total amount recognised in profit or loss	**59.82**	**(17.04)**	**42.79**	**11.87**
Remeasurements				
Return on plan assets, excluding amounts included in interest expense/(income)	-	6.84	6.84	-
(Gain)/loss from change in financial/ demographic assumptions	4.61	-	4.61	1.34
Experience (gains)/losses	(0.41)	-	(0.41)	16.63
Total amount recognised in other comprehensive income	**4.20**	**6.84**	**11.04**	**17.97**
Employer contributions	-	(50.48)	(50.48)	-
Benefit payments	(18.62)	18.62	-	(4.72)
As at 31-03-2024	**272.84**	**(276.57)**	**(3.73)**	**181.44**

Certain Companies in the group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees and have created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

The significant actuarial assumptions were as follows:

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Discount rate (Gratuity)	6.95% to 7.0%	5.3% to 7.3%
Discount rate (Pension)	6.95% to 7.0%	5.7% to 6.1%
Salary growth rate	5.5% to 6%	5.5% to 10%
Pre-retirement Mortality rate	IALM (2006-08) Ultimate	
Post-retirement Mortality rate	LIC Ann (1996-98)	

Assumptions regarding future mortality for pension are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 58.

(i) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rupees in Crores

Particulars	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended					
	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Discount rate	0.50%	0.50%	262.44	218.66	283.24	236.10
Salary growth rate	0.50%	0.50%	283.33	236.19	262.27	218.50
Mortality	5.00%	5.00%	272.51	227.11	272.42	227.03

Rupees in Crores

Particulars	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended					
	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Discount rate	1.00%	1.00%	164.38	141.38	201.63	174.82
Salary growth rate	1.00%	1.00%	202.73	175.80	163.27	140.40
Mortality	5.00%	5.00%	179.95	155.42	183.02	157.98

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(ii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

Changes in bond: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yield increase in the value of the plans' bond holdings.

Inflation risks: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

(iii) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 86.15 crores (previous year ₹68.79 crores) has been recognised in the Statement of Profit and Loss.

39 Related Party Disclosure

(a) (i) Related parties and their relationship where control exists

Holding company:

TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited, Chennai)

Subsidiaries:

Sundaram Auto Components Limited, Chennai

TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai)

TVS Motor Services Limited, Chennai

TVS Credit Services Limited, Chennai

TVS Electric Mobility Ltd., Chennai

TVS Motor Company (Europe) B.V., Amsterdam

TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)

PT TVS Motor Company Indonesia, Jakarta

Harita ARC Services Private Limited, Chennai

Notes to the Consolidated Financial Statements (Contd.)

Harita Two Wheeler Mall Private Limited, Chennai (Formerly known as TVS Two Wheeler Mall Private Limited, Chennai)

TVS Housing Finance Private Limited, Chennai

The GO Corporation, Switzerland (GO AG),

Swiss E-Mobility Group (Holding) AG, Switzerland (SEMG)

The Norton Motorcycle Co. Limited, UK

TVS Digital Pte Ltd., Singapore

EBCO Limited, UK

Celerity Motor GmbH, Germany

EGO Movement Stuttgart, GmbH, Germany (Subsidiary of GO AG)

Swiss E-Mobility Group (Schweiz) AG, Switzerland

Colag E-Mobility GmBH, Germany

Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland

Associate company:

Ultraviolette Automotive Private Limited, Bengaluru

Tagbox Solutions Private Limited, Bengaluru [upto 30th March 2024]

DriveX Mobility Private Limited, Coimbatore

Indian Foundation for Quality Management, Bengaluru [From 15th Feb 2024]

Emerald Haven Realty Ltd., Chennai (Upto 14th June 2023)

(ii) Other related parties and their relationship where transaction exists

Associate / Joint venture of holding / subsidiary / fellow subsidiary company:

Predictronics Corp, USA

Emerald Haven Realty Ltd., Chennai (from 16th June 2023)

Emerald Haven Development Limited, Chennai

ION Mobility Pte. Ltd., Singapore [From 14.03.2024]

(iii) Enterprises under Common control

Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)

Enterprises in which directors are interested:

Dua Associates, Delhi

Dua Consulting Private Limited, Delhi

McCann-Erickson (India) Private Limited, Delhi

Trichur Sundaram Santhanam & Family Private Limited, Chennai

T.V Sundram Iyengar & Sons Private Limited, Madurai

Lakshmi Energy and Environment Design Private Limited, Coimbatore

TVS Organics Private Limited, Chennai

Adwaith Lakshmi Industries Private Limited, Coimbatore (From 01st April 2023)

Notes to the Consolidated Financial Statements (Contd.)

Key Management personnel

Executive Directors:

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

Mr Sudarshan Venu, Managing Director

Mr K N Radhakrishnan, Director & Chief Executive Officer

Non-Executive Directors:-

Independent Directors:

Mr. C R Dua

Mr. R Gopalan (upto 2nd Mar 2024)

Dr. Deepali Pant Joshi (from 11th September 2023)

Mrs. Lalita D Gupte (upto 22nd October 2023)

Mr. T Kannan (upto 23rd May 2023)

Mr. Kuok Meng Xiong

Mr. Vijay Sankar (from 20th March 2024)

Mr. Hemant Krishan SIngh

Mr. B Sriram

Non-Independent Directors:

Sir Ralf Dieter Speth

Dr. Lakshmi Venu

Chief Financial Officer

K. Gopala Desikan

Company Secretary

K.S. Srinivasan

Post Employment benefit plans:

TVS Motor Company Employees' Gratuity Fund

TVS Motor Company Employees' Provident Fund

Notes to the Consolidated Financial Statements (Contd.)

(b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)

Rupees in Crores

	Particulars	As at / Year ended 31-03-2024	As at / Year Ended 31-03-2023
(i)	**Purchase of goods (Including sales reversal)**		
	Holding company		
	TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	126.75	412.62
	- **Associate / joint venture**		
	Tagbox Solutions Private Limited, Bengaluru	0.73	1.43
	Ultraviolette Automotive Private Limited, Bengaluru	0.67	-
	- **Enterprises under Common control**		
	Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	255.24	-
	- **Enterprises in which directors are interested**		
	T.V Sundram Iyengar & Sons Private Limited, Madurai	-	0.23
	TVS Organics Private Limited, Chennai	0.69	0.19
	Adwaith Lakshmi Industries Private Limited, Coimbatore	0.01	-
(ii)	**Sale of goods**		
	Holding company		
	TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	471.96	439.61
	Associate company		
	DriveX Mobility Private Limited, Coimbatore	0.06	-
	- **Enterprises under Common control**		
	Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	9.60	-
(iii)	**Purchase of assets**		
	Holding company		
	TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	39.00	-
	- **Associate / joint venture**		
	Ultraviolette Automotive Private Limited, Bengaluru	-	3.00
	Tagbox Solutions Private Limited, Bengaluru	0.61	-
	- **Associate / joint venture of holding / subsidiary / fellow subsidiary company**		
	Predictronics Corporation, USA	-	0.07
(iv)	**Sale of assets**		
	- **Associate / Joint venture of holding / subsidiary / fellow subsidiary company**		
	Emerald Haven Realty Limited, Chennai	2.58	-
	- **Enterprises under Common control**		
	Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.29	-
	- **Key Management personnel**	-	0.12
(v)	**Rendering of services**		
	Holding company		
	TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	2.72	8.58
	- **Associate / joint venture**		
	DriveX Mobility Private Limited, Coimbatore	-	0.66
	- **Associate / joint venture of holding / subsidiary / fellow subsidiary company**		
	Emerald Haven Realty Limited, Chennai	1.34	0.07
	- **Enterprises under Common control**		
	Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	6.74	-

Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

	Particulars	As at / Year ended 31-03-2024	As at / Year Ended 31-03-2023
(vi)	**Availing of services (includes sub-contract charges paid)**		
	Holding company		
	TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	139.93	68.94
	- **Associate / joint venture**		
	Tagbox Solutions Private Limited, Bengaluru	-	0.16
	- **Associate / joint venture of holding / subsidiary / fellow subsidiary company**		
	Scienaptic Systems Inc., USA	-	3.03
	Emerald Haven Realty Limited, Chennai	-	0.01
	- **Enterprises under Common control**		
	Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	4.81	-
	- **Enterprises in which directors are interested**		
	Dua Associates. Delhi	0.35	0.70
	Dua Consulting Private Limited, Delhi	4.57	4.33
	McCann-Erickson (India) Private Limited, Delhi	3.59	3.47
	Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.20	0.20
	T.V Sundram Iyengar & Sons Private Limited, Madurai	-	0.83
	Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.65	0.12
(vii)	**Investments made during the year**		
	- **Associate / joint venture**		
	DriveX Mobility Private Limited, Coimbatore	-	87.17
	- **Associate / joint venture of holding / subsidiary / fellow subsidiary company**		
	Indian Foundation for Quality Management, Bengaluru [From 15.02.2024]	25.00	-
	Killwatt GmbH, Germany [From 14.04.2023]	71.50	-
	ION Mobility Ltd., Singapore [From 14.03.2024]	45.38	-
(viii)	**Remuneration to key management personnel:**		
	Short-term employee benefits	68.21	104.92
	Post-employment benefits	0.65	1.08
(ix)	**Contributions to post employment benefit plans:**		
	TVS Motor Company Employees' Gratuity Fund	98.51	43.71
	TVS Motor Company Employees' Provident Fund	114.30	92.25
	(Including Employee and Employer Contributions)		
(x)	**Loan and Advances given**		
	- **Associate / joint venture of holding / subsidiary / fellow subsidiary company**		
	Emerald Haven Realty Limited, Chennai	-	3.00
(xi)	**Loan and Advances repaid (incl interest)**		
	- **Associate / Joint venture of holding / subsidiary / fellow subsidiary company**		
	Emerald Haven Realty Limited, Chennai	-	3.06

Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

	Particulars	As at / Year ended 31-03-2024	As at / Year Ended 31-03-2023
(c)	**Balances with related parties: (Balances of parties as at March 31st 2024, who are ceased to be related parties are not furnished)**		
(i)	**Trade receivables / Other current assets**		
	Holding company		
	TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	74.23	17.36
	- **Associate company**		
	Tagbox Solutions Private Limited, Bengaluru	-	0.16
	DriveX Mobility Private Limited, Coimbatore	-	0.44
	Ultraviolette Automotive Private Limited, Bengaluru	0.18	
	- **Associate / joint venture of holding / subsidiary / fellow subsidiary company**		
	Emerald Haven Realty Limited, Chennai	11.91	4.31
	- **Enterprises in which directors are interested**		
	Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.52	-
	McCann-Erickson (India) Private Limited, Delhi	0.02	-
	- **Enterprises under Common control**		
	Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	1.25	-
(ii)	**Trade payables**		
	Holding		
	TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	7.89	-
	- **Associate / joint venture**		
	Predictronics Corporation, USA	0.07	0.07
	DriveX Mobility Private Limited, Coimbatore	0.04	-
	- **Associate / joint venture of holding / subsidiary / fellow subsidiary company**		
	Scienaptic Systems Inc., USA	-	0.45
	- **Enterprises under Common control**		
	Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.27	-
	- **Enterprises in which directors are interested**		
	Dua Consulting Private Limited, Delhi	0.32	0.32
	McCann-Erickson (India) Private Limited, Delhi	-	0.32
	T.V Sundram Iyengar & Sons Private Limited, Madurai	0.07	0.03
	Lakshmi Energy and Environment Design Private Limited, Coimbatore	-	0.06
	TVS Organics Private Limited, Chennai	0.03	-

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

Notes to the Consolidated Financial Statements (Contd.)

40 Revenue From Contract With Customers

A Disaggregated revenue

Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group identifies the product lines, amongst others to indicate the factors as mentioned above. The details of revenue from contracts with customers on the basis of various product lines are as under:

Rupees in Crores

Particulars		For the year ended 31-03-2024	For the year ended 31-03-2023
A.	**Type of goods or service**		
1.	Automobiles	29,493.96	24,232.76
2.	Parts and accessories	3,170.53	2,705.13
3.	Automotive components	333.89	439.45
4.	Services - IT Services	24.98	50.55
5.	Services - Royalty	13.27	8.01
6.	Others	5,108.82	3,753.29
		38,145.45	**31,189.19**
B.	**Geographical markets**		
1.	Domestic	30,329.44	23,660.58
2.	Exports	7,816.01	7,528.61
		38,145.45	**31,189.19**

B The Group operates in the segments of automotive vehicle and its parts, Automotive components and financial services. The information provided above is in line with the segmental information provided under Ind AS 108 in Note. 46

C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

Rupees in Crores

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
Contract Liabilities at the beginning of the period	338.00	277.57
Add / (Less):		
Consideration received during the year as advance	265.58	338.00
Revenue recognized from contract liability	(338.00)	(277.57)
Contract Liabilities at the end of the period	265.58	338.00

Payment is received in advance towards contracts entered with customers, and is recognised as a contract liability. As and when the performance obligation is met the same is recognized as revenue.

D Transaction price allocated to the remaining performance obligations

The Group's contracts with customers are short term(i.e., the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

E Reconciliation of revenue with contract price

Rupees in Crores

Sl. No.	Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(i)	Contract price	39,377.56	32,052.96
(ii)	Adjustments:		
	Incentive schemes	705.62	450.97
	Transport cost	526.49	412.80
(iii)	Revenue from sale of products and services	38,145.45	31,189.19

Notes to the Consolidated Financial Statements (Contd.)

41 Earnings Per Share

Rupees in Crores

Particulars	As at / Year ended 31-03-2024	As at / Year ended 31-03-2023
Profit after tax	1,686.37	1,328.67
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in rupees)	1.00	1.00
Weighted average number of equity shares	47,50,87,114	47,50,87,114
Basic and diluted earnings per share for continued operations (in rupees)	35.50	27.97
Basic and diluted earnings per share for discontinued operations (in rupees)	-	-
Basic and diluted earnings per share for continued and discontinued operations (in rupees)	35.50	27.97

42 Warranty Provision

Rupees in Crores

Particulars	As at / Year ended 31-03-2024	As at / Year ended 31-03-2023
Opening balance	55.11	41.32
Add: Provision for the year (Net)	88.32	55.11
	143.43	**96.43**
Less: Payments / debits (Net)	55.11	41.32
Closing balance	**88.32**	**55.11**

43 Contingent Liabilities and Commitments not Provided for

Rupees in Crores

Particulars			As at / Year ended 31-03-2024	As at / Year ended 31-03-2023
(a)	Claims against the company not acknowledged as debts:			
	(i)	Excise	31.14	52.44
	(ii)	Service tax	8.08	8.65
	(iii)	Customs	-	39.67
	(iv)	Sales tax	2.00	2.74
	(v)	Income tax	517.86	73.67
	(vi)	GST	9.03	3.46
	(vii)	Legal cases filed by customers	-	4.04
	(viii)	Legal cases filed by borrowers against the Company	6.15	-
		The future cash flows on the above items are determinable only on receipt of the decisions / judgements that are pending at various forums / authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
(b)	Other money for which the company is contingently liable:			
	(i)	On bills discounted with banks	250.99	146.91
(c)	Commitments:			
	(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	252.41	281.43
	(ii)	On Investments	1.88	3.90
	(iii)	Undrawn loans sanctioned to customers by financial enterprises	63.47	43.58
	(iv)	Estimated Indemnity amount on account of tax paid due to interpretational difference in GST tax rate	15.94	-
			1,158.95	**244.72**

44 Company As A Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹121.76 Cr (Previous year: ₹95.11 Cr)

Payment made towards low value asset leases during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset ₹ NIL (Previous year: ₹ 7.47 Cr.)

45 Additional Regulatory Disclosures as per Schedule III of Companies Act, 2013

(i) As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply

(ii) The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

(iii) No proceedings have been initiated or pending against any Company in the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iv) The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(v) All the Companies in the Group has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply

(vi) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024.

(vii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

(ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(x) The Group has not operated in any crypto currency or Virtual Currency transactions

(xi) During the year no Company in the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

Notes to the Consolidated Financial Statements (Contd.)

46 Segment Information

For the Year ended 31-03-2024

Rupees in Crores

Particulars	Business Segment				
	Automotive vehicles & parts	Automotive components	Financial Services	Others	Total
Revenue					
External sales - domestic	24,958.15	365.40	5,784.40	3.85	31,111.80
- exports	8,032.94	-	-	-	8,032.94
Inter segment sales	5.55	398.39	6.10	-	410.04
Total sales	32,996.64	763.79	5,790.50	3.85	39,554.78
Less: Inter segment sales	5.55	398.39	6.10	-	410.04
Net revenue	32,991.09	365.40	5,784.40	3.85	39,144.74
Segment-wise results before interest and tax	2,221.94	40.06	758.10	0.37	3,020.47
Less: interest	259.42	11.33	3.33	-	274.08
Profit before tax	1,962.52	28.73	754.77	0.37	2,746.39
Less: Tax expenses	724.38	9.58	190.32	0.10	924.38
Profit after tax	1,238.14	19.15	564.45	0.27	1,822.01
Share of profit of Associates	(43.47)	-	-	-	(43.47)
Profit / Loss for the period	1,194.67	19.15	564.45	0.27	1,778.54
Segment assets	13,135.45	395.41	28,683.77	5.83	42,220.46
Segment liabilities	10,175.22	255.12	24,277.32	1.69	34,709.35
Segment depreciation / amortisation	925.18	22.55	27.39	-	975.12

For the Year ended 31-03-2023

Rupees in Crores

Particulars	Business Segment				
	Automotive vehicles & parts	Automotive components	Financial Services	Others	Total
Revenue					
External sales - domestic	19,532.65	460.09	4,150.31	3.82	24,146.88
- exports	7,825.38	1.74	-	-	7,827.11
Inter segment sales	10.28	364.38	6.04	-	380.70
Total sales	27,368.31	826.21	4,156.35	3.82	32,354.69
Less: Inter segment sales	10.28	364.38	6.04	-	380.70
Net revenue	27,358.03	461.83	4,150.31	3.82	31,973.99
Segment-wise results before interest and tax	1,617.77	(15.39)	570.69	3.30	2,176.37
Less: interest	182.37	17.21	-	0.03	199.61
Profit before tax	1,435.40	(32.60)	570.69	3.27	1,976.76
Less: Tax expenses	496.00	8.58	121.98	0.01	626.57
Profit after tax	939.40	(41.18)	448.71	3.26	1,350.19
Share of profit of Associates	(40.73)	-	-	-	(40.73)
Profit / Loss for the period	898.67	(41.18)	448.71	3.26	1,309.46
Segment assets	11,461.49	433.70	23,335.33	2.39	35,232.91
Segment liabilities	9,035.62	283.97	20,001.98	1.49	29,323.06
Segment depreciation / amortisation	793.82	43.48	21.43	0.13	858.86

The Company on standalone basis is having operations in (a) Automotive Undertaking – Automotive Vehicles & Parts and related investments and (b) Financial Undertaking - Financial Services and Investments.

Accordingly, the Company operates in three verticals viz., (a) Automotive Vehicles & Parts business and related investments, (b) Investments held in Automotive Components business and (c) Investments held in financial services.

The same is reflected in the above segmental reporting.

Notes to the Consolidated Financial Statements (Contd.)

47 Additional Information on Net Assets and Share of Profits and Other Comprehensive Income for the year ended 31-03-2024

Rupees in Crores

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
1	2	3	4	5	6	7	8	9
Parent								
TVS Motor Company Limited, Chennai	7.92%	594.56	114.00%	2,027.56	36.92%	(19.74)	116.39%	2,007.82
Subsidiaries - Indian								
Sundaram Auto Components Limited, Chennai	1.87%	140.29	1.08%	19.15	-0.26%	0.14	1.12%	19.29
TVS Credit Services Limited, Chennai	41.82%	3,140.88	26.07%	463.59	31.34%	(16.76)	25.90%	446.83
TVS Motor Services Limited, Chennai	4.42%	332.06	-0.03%	(0.55)	5.39%	(2.88)	-0.20%	(3.43)
TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai)	0.06%	4.14	0.02%	0.27	0.00%	-	0.02%	0.27
Intellicar Telematics private limited, Bengaluru	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TVS Electric Mobility ltd, Chennai	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
Subsidiaries - Foreign								
TVS Motor (Singapore) Pte Limited, Singapore	5.88%	441.30	-0.52%	(9.31)	-12.51%	6.69	-0.15%	(2.62)
TVS Motor Company Europe B.V. Amsterdam	0.00%	(0.23)	-0.06%	(1.06)	0.11%	(0.06)	-0.06%	(1.12)
PT. TVS Motor Company Indonesia, Jakarta	9.21%	691.44	0.85%	15.05	18.87%	(10.09)	0.29%	4.96
Sundaram Holdings USA Inc.Delaware, USA	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Norton Motorcycle Co.Limited, UK	3.73%	280.07	-22.15%	(393.88)	-17.75%	9.49	-22.28%	(384.39)
TVS Digital Pte Limited, Singapore	-1.41%	(105.67)	-3.73%	(66.42)	0.32%	(0.17)	-3.86%	(66.59)
The GO AG, Germany	1.86%	139.64	-3.28%	(58.34)	25.12%	(13.43)	-4.16%	(71.77)
Swiss E-Mobility Group (Holding) AG, Switzerland	7.81%	586.53	-13.54%	(240.73)	-8.70%	4.65	-13.69%	(236.08)
Celerity Motor GmbH, Germany	0.40%	29.91	-0.88%	(15.57)	9.43%	(5.04)	-1.19%	(20.61)
EBCO Limited, UK	0.40%	30.34	-0.56%	(9.91)	0.65%	(0.35)	-0.59%	(10.26)
Non-controlling Interest in all subsidiaries	9.69%	727.60	5.18%	92.17	11.09%	(5.93)	5.00%	86.24

Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
1	2	3	4	5	6	7	8	9
Associates - Indian								
(Investment as per the equity method)								
Emerald Haven Realty Limited, Chennai	0.00%	0.00	-0.21%	(3.65)			-0.21%	(3.65)
Ultraviolette Automotive Private Limited, Bengaluru	1.32%	98.94	-1.03%	(18.35)			-1.06%	(18.35)
Tag Box Solutions Private Limited, Bengaluru	0.00%	0.00	-0.02%	(0.34)			-0.02%	(0.34)
Drivex Mobility Private Limited, Coimbatore	0.91%	68.65	-0.84%	(14.96)	-0.02%	0.01	-0.87%	(14.95)
Indian Foundation for Quality Management, Bengaluru	0.33%	25.00	0.00%	-			0.00%	-
Associates - Foreign								
Predictronics Corp, USA	0.24%	17.85	-0.06%	(1.04)			-0.06%	(1.04)
Tag Box Pte limited, Singapore	0.01%	0.98	-0.02%	(0.32)			-0.02%	(0.32)
Scienaptics Systems Inc., USA	0.72%	54.07	0.01%	0.24			0.01%	0.24
Altizon Inc, USA	0.31%	23.27	0.00%	(0.08)			0.00%	(0.08)
Killwatt GmbH	0.89%	66.68	-0.27%	(4.82)			-0.28%	(4.82)
ION Mobility	1.62%	121.81	-0.01%	(0.15)			-0.01%	(0.15)
Total	**1.00**	**7,511.11**	**1.00**	**1,778.54**	**100.00%**	**(53.47)**	**100.00%**	**1,725.07**

Previous year's figures have been regrouped wherever necessary to conform to the current year's classification

48 Previous Year's Figures have been regrouped wherever necessary to conform to The Current Year's classification.

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N. RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

S USHA
Partner
Membership No.:211785

Place: Chennai
Date: 8th May 2024

K. GOPALA DESIKAN
Chief Financial Officer

K.S.SRINIVASAN
Company Secretary

Annexure

Form AOC-I

Statement containing salient features of the financial statement of subsidiaries / associate companies.

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A - Subsidiaries

Information in respect of each subsidiary

Rupees in Crores

S.No	Particulars	Indian Subsidiaries							
		Sundaram Auto Components Limited	TVS Digital Limited (Formerly known as TVS Housing Limited)	TVS Motor Services Limited	TVS Credit Services Limited	TVS Two-Wheeler Mall Private Limited	Harita ARC Private Limited	TVS Housing Finance Private Limited	TVS Electric Mobility Ltd.
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Date on which subsidiary was acquired	01-04-2003	21-06-2010	07-09-2017	07-09-2017	07-09-2017	07-09-2017	08-09-2017	13-12-2021
2	Reporting period	01-04-2023 to 31-03-2024							
3	Reporting currency	Indian Rupees							
	Closing Exchange rate	Not applicable.							
4	Share capital	11.94	3.05	149.63	246.60	^	^	12.00	1.00
5	Reserves & Surplus	133.85	1.09	19.13	3618.88	(0.02)	(0.02)	3.49	-
6	Total assets	400.95	5.83	224.72	28,137.55	-	-	15.72	1.00
7	Total Liabilities	255.16	1.69	55.96	24272.06	0.02	0.02	0.24	-
8	Investments	3.12	-	30.96	109.71	-	-	-	-
9	Turnover	764.72	3.85	3.41	5789.57	-	-	0.96	-
10	Profit before taxation	28.83	0.37	(0.55)	761.94	-	-	0.96	-
11	Provision for taxation	9.58	0.10	-	190.11	-	-	0.23	-
12	Profit after taxation	19.25	0.27	(0.55)	571.83	-	-	0.73	-
13	Proposed Dividend	-	-	-	-	-	-	-	-
14	% of shareholding	100	100	100	80.97	80.97	80.97	80.97	100

^ Share capital of ₹ 25,000.

Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

S.No	Particulars	Foreign Subsidiaries								
		TVS Motor Company (Europe) B.V.*	PT TVS Motor Company Indonesia	TVS Motor (Singapore) Pte. Ltd.	The Norton Motorcycle Co. Limited	TVS Digital Pte Limited	The GO Corporation*	Swiss E-Mobility Group (Holding) AG *	Celerity Motor Gmbh*	EBCO Ltd.
		(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1	Date on which subsidiary was acquired	21-07-2005	05-09-2005	21-10-2005	03-04-2020	24-05-2021	16-09-2021	27-01-2022	06-12-2022	01-04-2022
2	Reporting period	01-04-2023 to 31-03-2024								
3	Reporting currency	USD	IDR	SGD	GBP	SGD	CHF	CHF	EUR	GBP
	Closing Exchange rate	₹ 83.41/USD	₹ 0.53/ IDR 100	₹ 61.74/SGD	₹ 105.03/ GBP	₹ 61.74/SGD	₹ 92.04/CHF	₹ 92.04/CHF	₹ 89.88/EUR	₹ 105.03/ GBP
4	Share capital	126.52	906.08	3,689.66	1091.44	138.78	1.75	1.23	0.22	^
5	Reserves & Surplus	(128.23)	(632.06)	(181.32)	(846.91)	(141.65)	(10.20)	(165.11)	(23.30)	(25.30)
6	Total assets	0.08	1062.46	3861.11	648.97	138.71	105.63	886.70	29.52	33.38
7	Total Liabilities	1.79	788.44	352.77	404.44	141.59	114.08	1050.58	52.60	58.68
8	Investments	-	-	2,554.52	-	-	-	-	-	-
9	Turnover	(0.01)	818.70	151.79	45.18	15.15	48.75	648.79	4.19	6.66
10	Profit before taxation	(1.06)	26.50	(9.55)	(397.85)	(66.42)	(55.50)	(200.07)	(15.57)	(14.16)
11	Provision for taxation	-	11.45	(0.24)	(3.97)	-	(0.01)	(24.56)	-	-
12	Profit after taxation	(1.06)	15.05	(9.31)	(393.88)	(66.42)	(55.49)	(224.63)	(15.57)	(14.16)
13	Proposed Dividend	-	-	-	-	-	-	-	-	-
14	% of shareholding	100	100	100	100	100	82.82	100	100	70

* Unaudited financial statement.

^ Share capital of GBP 100.

1. The GO AG, Switzerland includes the consolidation of its subsidiary viz, EGO Movement Stuttgart, GmbH, Germany.

2. Swiss E-Mobility Group (Holding) AG include the consolidation of its subsidiaries viz, Swiss E-Mobility Group (Schweiz) AG, Zurich, Switzerland, Colag E-Mobility GmBH, Nuremberg, Germany and Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany.

Notes:

1. Subsidiaries which are yet to commence operations: (1) TVS Two Wheeler Mall Private Ltd., (2) Harita ARC Private Ltd., (3) TVS Electric Mobility Ltd.

Part B – Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Rupees in Crores

S.No	Name of Associate	Ultraviolette Automotive Private Limited*	DriveX Mobility Pvt. Ltd.	Indian foundation for Quality Management	Predictronics Corp*	Tagbox Pte Limited*	Scienaptic Systems Inc.*	Altizon Inc*	Kilwatt Gmbh*	ION Mobility
1.	Latest audited Balance Sheet Date	31-03-2023	31-03-2024	NA	31-12-2022	31-03-2023	**	**	**	31-03-2022
2.	Date on which the Associate was acquired	09-08-2018	15-10-2022	15-02-2024	17-08-2019	08-05-2019	28-09-2020	01-02-2021	04-04-2023	02-02-2024
3.	Shares of Associate held by the company on the year end									
	(i) No. of shares	27,166	9,766	2,50,00,000	24,827	2,43,243	28,05,357	8,06,429	24,500	49,64,524
	(ii) Amount of investment in Associates/Joint Venture	121.00	87.17	25.00	22.36	15.42	64.81	25.34	71.50	121.96
	(iii) Extent of holding %	30.83	48.27	28.57	23.49	24.32	21.03	20.00	49.00	25.64
4.	Description of how there is significant influence.	Holding more than 20% of share capital			Subsidiary holding more than or equal to 20% of share capital					
5.	Reason why the associate/ joint venture is not consolidated	Not applicable								
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	106.84	20.90	25.00	1.59	2.91	(0.55)	0.87	27.56	18.89
7.	Profit / Loss for the year:									
	(i) Considered in consolidation	(18.35)	(14.96)	-	1.04	(0.32)	0.24	(0.08)	(4.82)	(0.15)
	(ii) Not considered in consolidation	Not Applicable								

* Unaudited financial statements up to 31-03-2024 has been consolidated.

** Audit of financial statements are not mandated by the regulations of the respective country in which the Company is incorporated.

Notes:

1. Associates which have been liquidated or sold during the year – Tagbox Solutions Private Limited and Emerald Haven Realty Limited

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N. RADHAKRISHNAN
Director & Chief Executive Officer
DIN: 02599393

As per our report annexed
For **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No.004207S

Place: Chennai
Date: 8th May 2024

K. GOPALA DESIKAN
Chief Financial Officer

K.S.SRINIVASAN
Company Secretary

S USHA
Partner
Membership No.:211785

Notice of Annual General Meeting

NOTICE is hereby given that the 32nd Annual General Meeting of the Company (AGM) will be held on Tuesday, the 6th August 2024 at 2.45 PM [Indian Standard Time (IST)] through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To consider passing the following resolution as an ordinary resolution:

   “RESOLVED THAT the standalone and consolidated audited financial statements for the year ended 31st March 2024, together with the Board's Report and the Auditors' Report thereon as circulated to the Members and presented to the meeting be and are hereby approved and adopted."

2. To consider passing the following resolution as an ordinary resolution:

   “RESOLVED THAT Mr K N Radhakrishnan (holding DIN 02599393), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

SPECIAL BUSINESS:

3. To consider passing the following resolution as an ordinary resolution:

   "RESOLVED THAT the vacancy caused by retirement by rotation of Dr. Lakshmi Venu (DIN 02702020) Director, who does not offer herself for re-appointment, be not filled up."

4. To consider passing the following resolution as an ordinary resolution:

   “RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) remuneration of ₹ 8,00,000 (Rupees eight lakhs only) plus applicable taxes and reimbursement of travelling and other out of pocket expenses incurred by them, payable to M/s C S Adawadkar & Co, Practicing Cost Accountants, having Firm Registration No. 100401 allotted by The Institute of Cost Accountants of India, who were appointed as Cost Auditors of the Company for the financial year ending 31st March 2025 by the Board of Directors of the Company, as recommended by the Audit Committee be and is hereby ratified.”

By order of the Board of Directors

Chennai
8th May 2024

K S Srinivasan
Company Secretary

Notes:

A Statement pursuant to Section 102 of the Companies Act, 2013 (the Act, 2013), setting out the material facts in respect of the special business to be transacted at the Annual General Meeting (AGM), as listed out in the Notice, is annexed hereto.

1. Pursuant to the MCA Circular No. 09/2023 dated: 25th September 2023 read with MCA Circulars No. 10/2022, 2/2022 and 20/2020 dated 28th December 2022, 5th May 2022 and 5th May 2020 respectively, issued by the Ministry of Corporate Affairs (MCA) and all other relevant circulars issued from time to time, and SEBI Circulars No. SEBI/HO/CFD/PoD-2/ P/CIR/2023/167 dated 7th October 2023, issued by the Securities and Exchange Board of India (SEBI) and in compliance with the provisions of the Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), physical attendance of the Members is not required at a common venue and AGM can be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM.

2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives as Members to attend the AGM through VC/OAVM and participate and cast their votes through e- Voting.

3. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of "first come first served" basis.

4. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.

5. Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, and the Circulars issued by the Ministry of Corporate Affairs dated 5th May, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business as to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.

6. In line with MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.tvsmotor.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC / OAVM in compliance with applicable provisions of the Act, 2013, read with Circulars issued by MCA and SEBI from time to time and the Company will provide one-way live webcast of the proceedings of the AGM, in terms of Regulation 44 of the Listing Regulations, being one of the top 100 listed Companies as at 31st March 2024.

Unclaimed Dividend

8. In terms of Section 124 of the Act, 2013, the dividend declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report.

9. Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the un-encashed warrants immediately to the Company.

   Pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is providing / hosting the required details of unclaimed amount referred to under Section 124 of the Act, 2013 on its website and also on the website of MCA viz., www.iepf.gov.in.

General

10. With a view to serve the Members better and for administrative convenience, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings into one folio.

11. Members may also note that the Annual Report will also be available on the Company's website viz., www.tvsmotor.com for their download.

Members holding shares in electronic form

12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their PAN to the Depository Participant(s) ("DP") with whom they are maintaining their demat accounts.

13. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC, Mandates, Nominations, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., to their DP.

14. Electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.

Members holding shares in physical form

15. Members can submit their PAN details to the Company/ Share Transfer Agent ("STA").

16. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC, Mandates, Nomination as per Section 72 of the Act, 2013 by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., with the Company / STA. Blank forms (SH-13) will be sent by e-mail.

17. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.

Voting

18. The businesses set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Members may cast their votes using electronic voting system from a place other than the venue of the meeting ('remote e-Voting').

19. In case of joint holders attending AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company / Register of Beneficial Owners maintained by Depositories will be entitled to vote.

20. In terms of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, ('the Rules') and Regulation 44 of the Listing Regulations, the Company has provided facility to exercise votes through electronic voting system to the Members holding shares as on Tuesday, 30th July 2024 being the "Cut-off Date" ("Cut- Off" for the purpose of Rule 20(4)(vii) of the Rules) fixed for determining voting rights of the Members entitled to participate in the remote e-Voting process through the platform provided by NSDL viz., www.evoting.nsdl.com.

    The voting rights of the Members / Beneficial Owners will be reckoned on the Equity Shares held by them as on Cut-off date. Members as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the meeting.

    The instructions for remote e-Voting and voting at the meeting are as under:

    The remote e-Voting period begins on 3rd August 2024 at 9:00 A.M. (IST) and ends on 5th August 2024 at 5:00 P.M. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Members who have not cast their vote on any of the resolutions using the remote e- Voting facility can vote on those resolutions during the AGM. Once the vote on a resolution is cast by the Member, the member shall not be allowed to change it subsequently.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** Download on the App Store GET IT ON Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

   c) How to retrieve your ‘initial password’?

      (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

   a Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sriram.krishnamurthy@rediffmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL official at evoting@nsdl.co.in

Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of e mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to einward@integratedindia.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to einward@integratedindia.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user ID and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

ii. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

i. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, Members can see link of "VC/OAVM link" placed under "Join General meeting" menu against the Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in shareholder / members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

ii. Members are encouraged to join the Meeting through Laptops for better experience.

iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that Participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email ID, mobile number at srinivasan.ks@tvsmotor.com from 1st August 2024 (9.00 A.M. (IST)) to 3rd August 2024 (5.00 P.M. (IST))

vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

vii. Members can submit questions with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address srinivasan.ks@tvsmotor.com atleast 48 hours in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail sriram.krishnamurthy@rediffmail.com with a copy marked to evoting@nsdl.co.in

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.

4. Mr K Sriram, Practicing Company Secretary (Membership No. 2215), has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

5. In case of any queries, Members may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 2244 30 and send a request to NSDL official, Ms. Pallavi Mhatre Manager at evoting@nsdl.co.in.

6. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

7. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.tvsmotor.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately

forwarded to BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.

8. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies of the Notice of the AGM and the Annual Report for the year 2023-24, the said documents are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the year 2023-24 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:

   a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by email to the Company's email address einward@integratedindia.in.

   b) For Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

   Further, as per Regulation 36 (1) (c) of the Listing Regulations, hard copy of the full annual report will be given to those shareholders who request for the same.

9. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at rates prescribed in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address einward@integratedindia.in alongwith the documents as stated in Para No. 8.

10. In order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details / documents by email to reach the Company's email ID srinivasan.ks@tvsmotor.com or the email ID of STA einward@integratedindia.in.

    a. a signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

       i. Name and Branch of Bank and Bank Account type;

       ii. Bank Account Number allotted by your bank after implementation of Core Banking Solutions;

       iii. 11 digit IFSC Code;

       iv. Self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

       v. Self-attested scanned copy of the PAN Card; and

       vi. Self-attested scanned copy of any document (such as AADHAAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

    b. For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

11. In accordance with the provisions of Article 66 of the Articles of Association of the Company, Mr K N Radhakrishnan, Director is liable for reappointment; and

12. In terms of the Regulation 36(3) of the Listing Regulations, read with Secretarial Standards on General Meeting, brief profile of the Director, who is proposed to be re-appointed in this AGM, nature of his expertise in specific functional areas, other Directorships and Committee Memberships, his shareholding and relationship with other Directors of the Company along with listed entities from which the Director has resigned in the past three years are provided below:

Profile of Mr K N Radhakrishnan

K N Radhakrishnan is an eminent leader in the automobile industry, K N Radhakrishnan (DIN: 02599393) is well known for his strategic planning, focus on quality, passion for customers and eye for technology.

In his previous role, he held the position of President & Chief Executive Officer, TVS Motor Company. He started his career in Sundaram-Clayton Automotive Brakes Division and became the head of Business Planning and HR & TQM of Sundaram-Clayton - Brakes Division and all the component divisions such as aluminium die cast.

Before assuming the position of President & CEO, he held the position of Executive Vice President (India operations), TVS Motor Company. During his tenure in SCL - Business Development, company won the Deming prize in 1998 and won the coveted Japan Quality Medal in 2002.

With decades of leadership skills, he has played a crucial role in transforming TVS Motor from a local favourite Company to the third largest two-wheeler manufacturer in India, respected for quality globally. His relentless efforts and commitment have helped the Company won the prestigious Deming Application Prize in 2002 from the Union of Japanese Scientists and Engineers, Japan and the prestigious TPM Excellence Award from Japan institute of Plant Maintenance in 2004.

KN Radhakrishnan holds a Master's degree from the Indian Institute of Technology, Chennai and has also undergone Management Education Programme from the Indian Institute of Management, Ahmedabad.

He is Executive Committee Member of Society of Indian Automobile Manufacturers and leading the two-wheeler CEO Council.

He holds 3255 no. of equity shares in the Company. He received remuneration of ₹ 20.50 Cr during the year 2023-24. He was appointed as a Director on 23rd October 2018. He is not related to any Directors and Key Managerial Personnel of the Board. He has attended all the eight Board Meetings held during the year 2023-24.

He has not resigned from the Directorship of any listed companies in the past 3 years.

Details of his Directorships and Committee memberships / chairmanships are given below:

S No.	Names of companies	Nature of Interest	Committee position held
1.	TVS Motor Company Limited	Director & CEO	Audit Committee
			Risk Management Committee
			Administrative Committee
2.	TVS Credit Services Limited	Director	Stakeholders' Relationship Committee*
			Risk Management Committee*
			Corporate Social Responsibility Committee
			IT Strategy Committee
3.	TVS Motor Services Limited	Director	-
4.	PT TVS Motor Company Indonesia	Director	-
5.	TVS Lanka Private Limited, Sri Lanka	Director	-
6.	The Norton Motorcycle Co Limited, UK	Director	-

* indicates Committee in which he holds the position as Chairman.

Statement of material facts pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to the ordinary / special businesses mentioned in the accompanying Notice dated 8th May 2024 and shall be taken as forming part of the Notice.

Item No. 3

Born in 1983, Dr. Lakshmi Venu has been a Director on the Board since 10th September 2014.

She is liable to retire by rotation and due for re-appointment at the ensuing AGM, in terms of the applicable provisions of the Companies Act, 2013.

Dr. Lakshmi Venu has expressed her intention not to seek re-appointment at the AGM, due to her increased responsibilities and commitments in Tractors and Farm Equipment Limited (TAFE) and Sundaram Clayton Limited (SCL). The Directors place on record her outstanding service, significant contributions, and commitment to the Company. The Board does not propose filling the vacancy arising from the retirement of Dr. Lakshmi Venu.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out in Item No.3 of this Notice.

Accordingly, the Board recommends the ordinary resolution as set out in Item No.3 for approval of the members.

Item No. 4

As recommended by the Audit Committee, the Board at its meeting held on 8th May 2024, re-appointed M/s C S Adawadkar & Co, Practicing Cost Accountants, having Firm Registration No. 100401, as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act,2013) to carry out an audit of cost records maintained for the production of goods covered under the specific Customs Tariff Act headings specified under Table B "Non-regulated sector" of Section 3 of the Companies (Cost Records and Audit) Rules, 2014, and fixed a sum of ₹ 8,00,000 (Rupees eight lakhs only) as remuneration payable to them for the financial year 2024-25, subject to ratification by the shareholders of the Company.

In terms of Section 148 (3) of the Act, 2013, read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the shareholders of the Company at the ensuing AGM of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out in Item No.4 of this Notice.

The Directors, therefore, recommend the ordinary resolution, as set out in Item No.4 of this Notice for ratification of remuneration payable to the Cost Auditor of the Company.

By order of the Board of Directors

K S Srinivasan
Company Secretary

Chennai
8th May 2024
Registered Office:
"Chaitanya"
No. 12, Khader Nawaz Khan Road,
Nungambakkam, Chennai - 600 006.

Notes

TVS X launch, Dubai, 24th August 2023

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