TVS MOTOR COMPANY
TVS Motor Company Limited, Registered Office : "Chaitanya" No.12, Khader Nawaz Khan Road,
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4th November 2026

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
Scrip code: 532343

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.
Scrip code: TVSMOTOR

Dear Sir(s)/ Madam,

Reg : Compliance under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In continuation to our intimations dated 21st October 2026 and 28th October 2026 with respect to the schedule of a conference call with 360 ONE Capital Market Private Limited (Formerly Batlivala & Karani Securities India Pvt Ltd) post results for the quarter ended 30th September 2026 and intimation on the audio recording, respectively, we wish to inform that the transcript of the said recording is enclosed and the same has been hosted on the website of the Company and is available at:

https://www.tvsmotor.com/en/Investors/Communication

We also enclose the said transcript for your reference.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

For **TVS MOTOR COMPANY LIMITED**

KELLIYA SUBRAMANIAN SRINIVASAN
Digitally signed by KELLIYA SUBRAMANIAN SRINIVASAN
Date: 2026.11.04 17:19:12 +05'30'

K S Srinivasan
Company Secretary

Encl.:a/a

“TVS Motor Company Limited
Q2 FY27 Earnings Conference Call”
October 28, 2026

MANAGEMENT: **MR. K.N. RADHAKRISHNAN – DIRECTOR AND CHIEF EXECUTIVE OFFICER**
MR. K. GOPALA DESIKAN – CHIEF FINANCIAL OFFICER

MODERATOR: **MR. ANNAMALAI JAYARAJ – 36O ONE CAPITAL MARKET RESEARCH**

Moderator: Ladies and gentlemen, good day, and welcome to TVS Motor Company Limited Q2 FY '27 Earnings Conference Call hosted by 360 ONE Capital Market Research. As a reminder, all participants line will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Annamalai Jayaraj from 360 ONE Capital Market Research. Thank you, and over to you, sir.

Annamalai Jayaraj: Thank you. Welcome to TVS Motor Company Q2 FY '27 Post Results Conference Call. From TVS Motor management, we have with us today Mr. K. N. Radhakrishnan, Director and Chief Executive Officer; and Mr. K. Gopala Desikan, Chief Financial Officer. We start the proceedings with the opening remarks by Mr. K. N. Radhakrishnan to be followed by the question-and-answer session. Over to you, sir.

K. N. Radhakrishnan: Good evening. Good evening, everyone, and thanks for joining us today. First of all, festive season, greetings to all of you, all family members and everyone present. We are delighted to share that during this quarter, we achieved the highest ever sales volume, revenue and profits. The sales volume grew from 1.5 million units to 1.9 million units, 27% growth.

Revenue grew from INR11,905 crores to INR17,103 crores, 44% growth. EBITDA grew from INR1,507 crores to INR2,219 crores 47% growth. PBT grew from INR1,224 crores to INR1,865 crores, 52% growth. Profit after tax grew from INR 904 crores to INR 1,377 crores, again, 52% growth. We sincerely thank all our customers for this significant achievement and milestone.

Before I get into details of second quarter results, I would like to recollect that during the last AGM, our Chairman addressed to the shareholders highlighting the sustained investments made by the company in building and nurturing consumer finance and related businesses and that the company may at appropriate time, guided by the long-term strategic considerations, evaluate alternatives, including a possible separation of the business to further strengthen and unlock shareholder value.

In this regard, I'm delighted to share that the Board of Directors of TVS Motor today have approved a scheme of demerger of the consumer finance and the related business undertaking from TVS Motor. This will help unlock significant shareholder value through a focused platform for the group's consumer finance and related businesses.

It also provides greater strategic autonomy, sharper capital allocation and enhanced flexibility to pursue sector opportunities. The shareholders will participate in the future growth of both mobility and financial services businesses. The demerged businesses will benefit from India's rapidly expanding financial services sector.

Now let me get into more details about the second quarter of this financial year. Q2, when we look at the 2-wheeler demand, domestic ICE grew by 16% compared to last year and against an industry growth of 10%. The 2-wheeler international market ICE sales grew by 33% over last year as against industry growth of 27%. Total 2-wheeler ICE sales grew by 20% compared to Q2 of last year.

This is against an industry growth of 14%. 2-wheeler domestic EV sales grew by 129% compared to Q2 of last year, and this is against the industry growth of 84% the sales of 3-wheelers grew by 47% compared to Q2 of last year and against an industry growth of 26%. So, all sectors, TVS has done much better than the industry in Q2.

And in terms of financial performance during the quarter, company posted its highest EBITDA of INR2,219 crores with a growth of 47% from the second quarter '26-'27 as against EBITDA of INR1,507 crores in the second quarter of '25-'26. Company's EBITDA margin improved by 30 basis points.

Now it's at 13% during the quarter ended September 2026 as against 12.7% in the quarter ended September 2025. Company posted highest PBT, INR1,865 crores, recording a growth of 52% for the second quarter of '26-'27 as against INR1,224 crores in the second quarter of '25-'26. During the current quarter, the company's profit after tax grew by 52%, and it is at INR1,377 crores as against INR904 crores during the second quarter of last year.

Now coming to H1 financial performance. The first half of this year, the operating revenue grew by 41% and is almost INR30,999 crores as against INR21,986 crores during last year first half. Profit before tax for the first half of the year grew by 52%, and it is at INR3,454 crores as against INR2,274 crores during the first half of last year.

Profit after tax grew by 52% and it is at INR2,551 crores during the first half of the year against INR1,679 crores during the first half of last year. On international business, we have recorded highest ever international business sales of 5.39 lakh units, reflecting 35% year-on-year growth. The performance was driven by sustained demand across key international markets and continued strengthening our distribution.

Africa continues to be a key driver, supported by other markets like LATAM, also Asia. So every market has done well, and we have grown ahead of the industry in every market. 3-wheeler also international market has done extremely well. And 3-wheeler, we are also ramping up much faster. You will see much higher growth from TVS in quarter 3 and quarter 4.

As you know, we remain focused on strengthening our international footprint through market expansion, product portfolio enhancement and deeper channel engagement while continuing to capitalize on the growth opportunities across emerging export markets. We also started EV in the international market, and we started last year, and it is doing extremely well. Now in Q2, we have done about 6,930 units.

And when you compare with last year, last year, of course, was the beginning. We have done last year about 1,726 units. And I'm very sure EV 2-wheeler will do extremely well in the international market. We are also now commencing EV 3-wheeler in the international market. Now recently, in this quarter, we have also launched TVS Orbiter and TVS NTORQ 150 in Nepal, TVS King EV Max and TVS Orbiter in Sri Lanka.

We have also brought the next generation of Apache performance to Sri Lanka. whole range of Apache series launched RTR 160 4V, RTR 200 4V. All these are TFT versions and RTR 310

and RR 310 in Sri Lanka. Apache RR 310 and TVS iQube is launched in Kenya and TVS Raider is launched in Egypt. And the new Callisto 110 in Jakarta. This is in Indonesia.

So quite a lot of introduction of products, new products into many of the international markets that was done in Q2. And this momentum will continue. We are expecting the 2-wheeler and 3-wheeler momentum will continue, and we will also do better than the industry. On commercial vehicles, the domestic 3-wheeler ICE plus EV, we grew by 65%.

We have done about 26,300 units as against 16,000 units last year quarter 2. Industry has grown 23%. All of us know that EV is growing much faster in the domestic market. And we are also focusing on EV and our EV numbers have also grown much faster than the industry. As you know, in Q2, EV penetration of 3-wheelers has come to almost 44%. In fact, in the month of September is almost 48%. So from last year, it is moving much faster, I think reflecting faster adoption and it is moving much, much faster.

The industry itself is moving much faster on the EV side. Dussehra has gone well. Now we are all waiting for Diwali season. And we have done many, many variants and new ranges of products in the domestic market. TVS Jupiter dual-tone spectral range, okay. As you know, including EV, the overall market share has gone to almost category share has gone to almost 41% in India now.

This is including EV. And actually, ICE has not come down. Actually, the market category has grown up in scooter, as we have said in the past. We have also done 9 million milestone achievement of TVS Jupiter, 1 million milestone of TVS iQube during the quarter. And this is very, very important in the journey and thanks to every customer, reinforcing our focus in the scooter segment and especially for many of the Indian families and customers. TVS Jupiter has always been delivering more and more to our customers.

"Zyada Ka Fayda" philosophy, which we have started as a brand Ascent. With that new dual-tone spectral range, I think this is extremely accepted well in the market. For over 13 years, the brand has evolved and understood the changing needs of the Indian consumers, and it is consistently raising the benchmark through meaningful innovation. There are 2 new colours in this dual-tone spectral range, Spectral Blue and Spectral Copper, and it is really delighting the customers of the 110cc scooter segment.

And this is also first in the segment. And the new variant further enhances everyday comfort and convenience. It has got a premium long seat featuring an integrated backrest for the rider and the pillion, introduces the segment-first sequential turn signal lamps offering a distinctive lighting signature while enhancing visibility, also USB Type-C charging port for convenient charging on the move.

And this scooter, as you know, it has got the best-in-class 33-liter under-seat storage, and it can accommodate 2 helmets along with SmartXconnect and this is one of the best in the market today. Together, these enhancements reaffirm TVS Jupiter's commitment to being preferred choice of mobility for today's new age and modern families.

We are extremely happy and thankful to every customer of iQube, okay We have crossed that 1 million mark, and there is a MillionR special edition. As you remember, during this quarter, TVS iQube joins the legacy of its own MillionR edition as its community reaches 1 million. It builds on the confidence of the customers, the customer milestone with an enhanced expression of India's favorite family EV, bringing together distinctive design, technology, everyday convenience.

As you know, TVS iQube has been instrumental in strengthening the company's leadership in the electric 2-wheeler category. And we thank each and every customer for their trust and helping us to grow this. On Norton, as you know, Manx R, Atlas is already in the process of launching in many markets in Europe. The media and the customer feedbacks are very encouraging. Now we are setting up a very strong network in many countries in Europe.

India launch is expected to be in the forthcoming months. There are many initiatives we have started in India. You will see that very shortly. There are also further new models that are getting developed. Some of them will be announced in EICMA next week. As you know, Norton has been investing on building brand, the media launches, launches in many countries in Europe, and we are also setting up network and this is happening concurrently. More products, both variants of Manx R and Atlas series, along with new products are also under development. Last year, if you remember, Norton's resurgence was showcased in EICMA and making an important milestone on the brand's transformation, including all new brand identity.

At that time, 4 new generation products were unveiled, Manx R, Manx, Atlas, Atlas GT, okay, all this you will see shortly. As we discuss, as we progress, we have now dealers in U.K., Italy, France, and you will see them in Germany, Spain, and you will see in India as well. And I'm very sure Norton’s commitment to modern, productive design. It was very well appreciated. And this approach has also been recognized through the International Design Awards with Manx R receiving accolades from IDEA and Red Dot.

And preparations for launch in the new markets, including U.S., is also underway. More details, I'll be able to share with you closer to the launch in these markets. On TVS Credit, TVS Credit has reported growth in disbursements supported by sustained demand across 3 retail financing segments. The 2-wheeler category witnessed healthy demand in semi-urban and rural markets and growing adoption of electric vehicles.

The consumer durables, the 3-wheeler categories witnessed strong demand supported by increased financing penetration and festive-led purchases. During this quarter, TVS Credit continued to enhance its capabilities in AI, data and analytics and technology to drive better risk assessment, customer experience and operational efficiency.

The company further expanded its presence across semi-urban and rural India, increasing its network to over 65,000 touch points across the country. During this quarter, TVS Credit disbursed loans to over 14 lakh new customers, bringing the total customer base to almost 2.7 crores. The book size of TVS Credit grew by 22% at INR33,818 crores as against last year's INR27,807 crores. The profit before tax for the quarter grew by 19%, and it is at INR330 crores as against last year's INR277 crores.

Now coming to industry outlook. I think industry you know that post GST, we saw a significant growth in 2-wheeler industry. We saw 3-wheeler industry. We saw a good healthy growth in ICE. We also saw accelerated EV adoption. Overall, the outlook is still positive, okay. There are some challenges because the base effect is going to play because last year's September end, you saw the GST getting corrected.

But we should all remember that from October, November, the numbers have significantly the industry numbers have significantly gone up. On top of it, we are expecting that there will be growth. The growth will be single digit, okay, based on overall activities, overall GDP growth. Based on that, we are expecting that you will see the ICE segment both in 2-wheeler and 3-wheeler to grow single digit. On the EV, EV will continue to keep up the momentum, and you will see very good growth, okay. You have seen in quarter 1, significant growth and momentum will continue.

But again, we should remember that the base is going up even in EV. As far as TVS is concerned, we are having excellent brands, and we are very confident that, that is going to help us. I just want to highlight the EV penetration in 2-wheelers in September, it has reached 11.6%, okay. And this is only if you look at total 2-wheelers. If you look at only scooters, it is almost 22%.

So 2-wheelers is moving very well and 3-wheeler EV is also almost 47%. So these are the 2 segments which are moving much faster on the EV. And this momentum is likely to continue even in Q3. Now as I said, we will continue to grow much ahead of the market in domestic and the industry in international, both on 2-wheeler and 3-wheeler is likely to also hold on.

It will grow and TVS with the kind of portfolios what we have and the capacity what we are enhancing, we are very confident that we will be ahead of the industry in the forthcoming quarter and in Q4 now before I conclude, I just wanted to once again explain the demerger in detail. The consumer finance-related business undertaking of TVS Motor will be demerged into a separate holding company.

The shareholders of TVS Motor will receive equal number of shares in the resulting company as in TVS Motor, enabling them to participate in future growth of both the mobility business and consumer finance business, okay. As you know, the scheme is subject to requisite statutory, regulatory shareholder and other approvals as applicable. Thank you. Thank you once again for your confidence in TVS Motor.

Moderator: Yes sir, shall we begin with the question and answer session?

Management: Yes, please.

Moderator: Okay. Thank you very much. The first question is from the line of Pramod Kumar from UBS Securities please go ahead. Since there is no response, we'll move to the next participant. The next question is from the line of Nitin from Axis Mutual Fund.

Nitin: Best wishes for the results. Just first on the EV side, you've been building this conversation since many calls, and you've been very clearly telling that demand is something very robust. And what

we understand is the supply constraint is still there. So demand is actually way higher than what you are reporting the numbers.

How are you thinking about building capacities here on the EV side going ahead? That's my first part. Second, on the Ronin specifically, I wanted your comment because that product really created a new benchmark, which you articulated in a few calls. From here on, how is the customer response? Can this product can double here in terms of volume? Do you see that happening? These 2 are the questions.

K. N. Radhakrishnan: The first on the capacity of EV, I think definitely, Q1, we were expecting healthy growth in the industry, but the industry actually grew by you know that industry grew by almost 75% in the first half. So fortunately, we had capacity planned. Now we are also enhancing the capacity. We are now operating around 60,000 to 65,000, and we are also exporting, okay.This includes both domestic plus exports, what we are doing, India market plus exports.

And fortunately, you know we have already planned for the next level of capacity expansion to about 80,000. And many of the activities are already going on towards that. The customers are extremely happy on iQube and Orbiter. So this is something we are closely watching, and we are also working closely with our supply chain. And fortunately, we have a very good network.

We have started also in the rural market. And it is good to see rural market is also growing very fast on EV. So India, that way, the transformation journey. If I just look at the data, H1 actually rural is slightly higher than urban on EV growth in 2-wheeler, okay. So it is amazing.

The second question, what you asked is about Ronin. Ronin, I think it's the first time the company came up with this classic brand, and it was unique. And we are extremely happy that the customer demand here also is very good and the customers are liking it. They enjoy the bike, and we have also come up with certain new variants in the product. and it will grow to the next level, okay. Last time I told you, we are now confident that it will go beyond 15,000. We are getting ready for that.

And we will constantly review because any capacity expansion, the time required is about 3 months, not beyond that because these are the products we always look at what is happening, which markets are doing well. So we will systematically look at it, and we will enhance the capacity. Anyway, we have taken a big capacity expansion investment this year as a plan, and that is underway.

Moderator: The next question is from the line of Amyn Pirani from JPMorgan.

Amyn Pirani: Since this is the first conference call after the announcement, which happened during the quarter, I also wanted to wish you all the best in your future roles within the company as well as outside the company. My first question was just on this demerger that you've announced. So just for my understanding, right now, TVS Credit is already a separate entity, which is a subsidiary. And the consumer finance businesses are being demerged in a separate holding company. And but will this business be then part of TVS Credit at some point of time? I'm just trying to understand that.

K. Gopala Desikan: Yes. Let me try to explain the scheme. The whole objective is you would have seen in the balance sheet of TVS Motor we have been reporting as a separate undertaking, this consumer-related finance business as finance undertaking would have seen that. Now even in the AGM speech, Chairman's speech, he made a reference that a merger is being announced for consolidating the NBFCs.

And this is towards a demerger indicated in the AGM speech. So, this action is only a continuation of what was said in the AGM speech, the first statement. Second is what is being demerged is the financial this undertaking, consumer business-related undertaking, which includes the investment in TVS Credit Services and a few other non-core investments of TVS Motor is getting demerged into a separate company and that company will mirror image the shareholding of TVS Motor Company. And both companies will be listed in the same stock exchanges where TVS Motor is now listed today.

So this is what the whole purpose of the scheme. Your question of whether this business will be transferred to TVS Credit Services is not contemplated in the scheme. The scheme envisages this transfer of business to a new company where the shares will be allotted to the existing shareholders mirror imaging the shares.

Amyn Pirani: Okay. So after all this process is done, TVS Motor will not own any stake in these entities. But if we are shareholders of TVS Motor, we will get a proportionate share?

K. Gopala Desikan: Absolutely, absolutely.

K. N. Radhakrishnan: Thank you for your good wishes, and it has been a great journey, and I'll continue to be associated with TVS, and there is a strong operating team here where one of the key roles is to also make sure that there is a succession planning and there is a smooth transition. So all of you can be rest assured that the future leadership will do better than what the current leadership is doing.

Amyn Pirani: That's all the best to you, sir. And sir, just going back on the consumer financing, you haven't as of now, are you giving any timeline of by when the listing will happen?

K. Gopala Desikan: Which one this demerged. No, no, I think the process will take time because post shareholders' approval and then NCLT process is there. It will take another 8 to 10 months' time. The process is there We have to get all the approvals, regulatory approvals, shareholders and the NCLT. So that's how it is.

Amyn Pirani: Sure. And sir, just one question on the revenue beat and the strong ASP. Can you also highlight how much is the PLI that you're getting right now? And has there been an enhancement in the level or percentage of PLI benefit that you're getting because of the growth in the EVs, if you can share that?

K. N. Radhakrishnan: Yes. I think it's about 1.3%, 1.4% of the turnover. And we have also crossed the 10,000 cumulative. So we are also getting that I think what is it called, that 2%.

Amyn Pirani: Boost rate, I think.

K. N. Radhakrishnan: And I think they have certain slabs every quarter, certain numbers. I think we are on course. We are on course because our EV proportion is also growing. Numbers are growing on 2-wheeler, numbers are growing in 3-wheelers. So it is a good journey. Thanks to government here.

Moderator: The next question is from the line of Kapil Singh from Nomura.

Kapil R. Singh: Best wishes for the future. My first question was also on EVs. Just wanted to understand how are we tracking on the EV profitability for both 2-wheelers and 3-wheelers ex of PLI? Any direction here would be helpful.

K. N. Radhakrishnan: Quarter after quarter, it is improving. I think we focus on the margin and margin is improving. I think same strategy overall, we are looking at increasing the scale. We are also coming up with certain variants.

So I think the same strategy, whatever I explained on the ICE, we are using here, and we are in the right direction because ultimately, we have to improve along with the top line, we want to also improve the bottom line. So very full focused work is going on, on EV, and we are happy on the journey so far.

Kapil R. Singh: Sir, any colour where are we right now in terms of gross profit, profitability or EBITDA profitability for both?

K. N. Radhakrishnan: See, I told you, overall, you are able to see the number for the company. We first look at as an overall company, are we growing the top line? and are we growing the EBITDA and the bottom line because we believe in investment in the right technology and which we are doing. We came up with iQube, then we came up with the variants in iQube, then we came up with Orbiter.

We are also planning new products. And on the other side, 3-wheeler we came up, we came up with the cargo. So this is a journey, and we keep investing, and we want to delight the customers, both in domestic and international. So this journey will continue. And overall, we want to take a healthy portfolio growth in the contribution to the gross margin. And along with it, we want to also grow our EBITDA and PBT.

Kapil R. Singh: Okay. Sir, what is just a question on the margins as well. What is the pricing we have taken in this quarter so far in the October to December quarter? And what are you seeing on the cost outlook?

K. N. Radhakrishnan: October to December also, we have taken some small increases at the beginning. We are also very closely monitoring. There are some increases this quarter also expected, but may not be huge. If you look at Q1 to Q2 itself, you would have seen we have not there is only a small increase in the material cost.

But price increases, we are also very close so for example, Q1 to Q2, the material cost increase was almost 1.9%, and we have increased selling prices by 1.6%.

Now early part of Q3, we are also small increases we have done, but we will be reviewing very closely this month. Post Diwali, we will be reviewing. So this is a journey, both in domestic,

international, 2-wheeler, 3-wheeler, we'll be very closely monitoring and like I said last time, this time, the material cost increases are unprecedented, but we also look at the ability of the customer.

So we are prudent on both sides balancing. And we also have a strong material cost reduction focus and product mix. And wherever we are able to price it appropriately, we come up with higher prices. And we also certain variants, we are able to get better prices. So it's a combination of top line growth, mix, selling price increase, also material cost reduction. I think it is a combination of the portfolio is what we always look at.

Moderator: The next question is from the line of Chandramouli from Goldman Sachs.

Chandramouli: First, congrats to you on a phenomenal journey managing TVS Motor over the past couple of decades. My first question is just around the comment you made on industry growth. I think you mentioned good single-digit growth at the start of the call for the back half. So I just want to understand, do you think this is low single digit, high single digit given the wide range? That's the first question.

K. N. Radhakrishnan: I think the most important for anybody in any company is all our customers. So I want to again and again thank all my customers, all TVS Motor customers. I think they have made us come here. So again and again, I want to thank the customers. Now coming to this industry growth, if you ask me in a couple of weeks, we will get a better view because we have seen the season. Now the most important Dussehra, we are all waiting on November 6. I'm eagerly looking forward to that.

But I'm of the view that the momentum, while whatever you saw in the first half, we saw almost 15% growth. Q1, we saw only the total growth was almost 15.8%. I'm saying only 2-wheeler ICE, okay, not including EV here. So we saw 10% in the first quarter, but we saw almost double in the second quarter, okay. So and even the season on a higher base, it is good according to me.

So that is the kind of momentum we can expect in Q3. But we'll have to wait. If you ask me, I'll wait for a couple of weeks just to see how things pan out. Definitely, the customer needs are there. But equally, I see there is a pressure in the market because the industry last year in the month of November, December, we saw a huge growth. So the base effect will be there. That is the reason I said single-digit growth, okay.

I'm optimistic, but we have to be very cautious because you know expecting the similar 15.8% growth what you saw in H1, okay, we have to be a little cautious. That is the reason I said good single-digit growth can be expected in Q3. Again, end of Q3, we can look at Q4, how is it going to pan out. Last year, Q4 was also extremely good for ICE. So that is the way I would like to summarize.

Chandramouli: And you speak to your commentary that TVS should be able to outgrow the industry during this period.

K. N. Radhakrishnan: Surely. I'm pretty confident about that because I think we keep right stocks in the market. Everything is cash and carry. I think even now, I don't think we have more than possibly maximum 30 days of stock. Many dealers are less than 21 days of stock, okay.

And thanks to customers, they have many pull models in the market. So that is going to definitely help TVS in the month of November and December, and we will continue our momentum, not only November, December, even last quarter and thereon because we definitely believe in keeping the right stock and keeping this band of 21 to 30 days of stock with the dealers. Same principle we use in the international. And we want to look at the pull models, like I said, we are also enhancing capacity, okay. And we are very mindful about the total supply chain health. So I'm pretty confident that our products will do very well even the next year, financial year.

Chandramouli: Got it. That's helpful. Second question is just around the Orbiters. I know you're getting PLI scheme incentive on the Orbiters. And when we've seen higher oil prices over the past 6 months, there's been a big spike in electric 2-wheeler penetration. Orbiter looks like it's coming up to about 20% of your domestic electric 2-wheeler sales mix in less than a year since launch.

So I just want to understand over the next 1 or 2 years, where you see urban electric scooter penetration right now and where that can move in your view? And what role you think Orbiter has to play? Is there sort of mix that you think Orbiter can reach within your electric 2-wheeler portfolio from the current 20%?

K. N. Radhakrishnan: See Orbiter to be very honest, we had we gave higher priority for iQube initially to take it to the next level. Now Orbiter, we are now focusing to support every market. So orbiter availability has gone up. Orbiter also, we have started exporting. Orbiter is unique in its design and customer segment. I think iQube is a typical scooter for the family.

And Orbiter is a little different. And you can see the characteristic of Orbiter. And I'm very sure orbiter will also grow. More and more orbiter, you will see in the market, you will see. And fortunately, capacity-wise, we are also enhancing the capacity in Q4. That is also going to help. Now when you talk about next 3 years, I'm of the view that I think we have to look at together scooters.

ICE plus EV, as I speak, the category share of scooters have gone up to 41%. If you recollect my discussions in the past quarters, there was a worry or an anxiety or a risk, which was that ICE scooters will come down, EV scooters as we come. Actually, what has happened is ICE has maintained. ICE not lost market share.

I think ICE is at around 32%, 33%, healthy. On top of it, you are saying 9%, 10% so what has happened is scooter as a category, I can let you know that it is going to further grow, okay. I won't be surprised next year, you will see 45% scooters, and it can even go up to 50% in a couple of years.

So this is because the customers love it. It has got its own convenience; it has got its own benefit. And we have seen it is affecting the other commuting class. So fortunately, TVS has got the right products in both ICE, Jupiter and on one side and on the other side, Orbiter and iQube. So that is the way I would like to answer your question.

Chandramouli: Got it. Just lastly, a housekeeping question on export and spares revenue, if you could share for the quarter, please?

K. N. Radhakrishnan: Just give me a minute. You want export revenue and spare parts revenue, right?

Chandramouli: That's right.

K. N. Radhakrishnan: Parts revenue is about INR1,314 crores. And export revenue is about INR4,378 crores.

Moderator: The next question is from the line of Pramod Kumar from UBS Securities.

Pramod Kumar: Best wishes for your future journey. Sir, my first question is on the margin front. Though your margins came in stronger than what everyone expected, but I count 20% employee cost up like 33% Y-o-Y. Is this a normal rate, sir? Because with this kind of inflationary impact, your margins really stand up, the underlying margins. So if you can just help us understand, is it something just bunching up or timing impact? Or is it the new run rate which we should expect on the commodity side going forward the cost going forward?

And in that context and the commodity headwinds, what's your degree of confidence on continuing this last 4-year trend of expanding margins sequentially and Y-o-Y basis? If you can just help us understand the cost element, sir?

K. N. Radhakrishnan: Before coming to cost first, I want to say, like I answered that still the demand for TVS products in the market is extremely good and positive. And even now, we are operating maybe between 21 days to 30 days of stock for most of the models in the market, okay?

So we have to consistently deliver what the market wants, and we are also investing behind capacity. This is applicable both in domestic, international, 3-wheeler, 3-wheeler ICE, 3-wheeler EV everywhere. So I'm pretty confident that we will continue to maintain the revenue growth, again, here only because of customer.

The moment you are able to grow your revenue and your total volume ahead of the industry, that gives you a lot of flexibility in terms of looking at variance, product mix, and we can also look at what can be done better, okay. And please remember, the material cost this year, Q1, Q2, whatever we have seen, I don't think the kind of increases you will see in Q3 and Q4.

We have always seen this is a cycle. When the cost goes up, it goes up for maybe 2 quarters, 3 quarters, then it will a little bit soften or it will remain same, okay. So the cost increases happen on the first day of every month. Price increases doesn't happen and cost reduction also doesn't happen. So we have to give a little bit of time. So we have to very closely look at and evaluate how the customers are looking at it, how the demand is happening in the market.

So we are always we always look at the top line growth and the customer satisfaction most important, leading to these changes. So I'm of the view that Q3 and Q4 the kind of cost increases, whatever you have seen in Q1 and Q2, further increases are unlikely. Maybe small increases may be there, okay? Q4, definitely, I'm hopeful that things should stabilize or even you will see some small softening, okay?

This is on the cost increases. Now coming to I think you highlighted about some of the employee costs, marketing costs. Please understand we are looking at a long-term journey. Marketing, you for example, Ronin, we started with 1,000 numbers and 2,000 numbers, Now I'm confident that we'll come to 15,000 numbers. We are not disproportionately increasing our marketing costs, but we need to invest in the brand..

And when you invest in the brand, you are definitely likely to get better and better results in the future quarters. Whatever revenue I'm getting today is all because of the good things, whatever we have done a couple of years back or last year.

So this journey will continue. And on employees, please understand we have added quite a lot of capability on software, electronics, digital analytics because we have set up this because when we look at future, future is going to be all going to be digitally connected, connected vehicles in the future, not only in EV, you will see that in ICE, you will see in 3-wheeler, you will see it everywhere.

So I'm very sure that the growth momentum, these are the key inputs for the future growth. And while we are looking at quarter, we should look at maybe next several years of the company and several years of TVS brand being successful, not only in domestic market, international market, maybe every market in the world.

Pramod Kumar: Sir, on the margin bit?

K. N. Radhakrishnan: Margin will continue to grow because when the top line is growing, I'm very sure that is going to also fall through into EBITDA journey. It is going into PBT journey. Okay, I don't want to repeat. You look at the absolute, you look at how it is moving. You look at the percentages, everything is in the right direction.

Pramod Kumar: I hear you, sir. And I think this long-term thinking is what got the company here, thanks to the vision of the promoter and you. So congratulations on that stellar journey what you had. My second question is on the capacity side. Then I have one clarification question for Desikan sir, on this financing demerger on the demerger.

So on the capacity side, sir, if you can just help us understand because what we understand from the feedback from the market and also you said your inventories are much lower than where they should be ideally. What is the next phase of capacity unlock we'll see? And where are we today on monthly run rate and where the numbers will be, say, by the year-end and what's the plan for next year, sir?

Because I do notice that you haven't had much of a very strong launch plan this year because we've been busy taking care of the demand. But with the launches coming, what kind of capacity preparation are we making for next year as well, sir?

K. N. Radhakrishnan: I think this work will happen now. I think as I told you, we will cross more than 8 million 2-wheeler capacity. And 3-wheeler, we will come to almost 0.4 million, soon. I think these are the areas. And we also said that we will be investing behind that. Definitely, we have to look at capacities for next year because market pull in the market is pretty good. That work will happen

now because many times, some of the capacities require a little longer-range planning. So that work is going on. So it's a constant journey. That is the way I look at it.

Pramod Kumar: And sir, on the demerger, if you can just there are some doubts which even I have some messages. So the 2 entities will be TVS Credit and TVS Consumer Finance. Is that understanding right, sir? And what is the holding of TVS Motor Limited, the company in these 2 entities after the proposed demerger, sir?

K. Gopala Desikan: In fact, I again want to reiterate and explain the scheme. The scheme, in fact, the whole the scheme envisages 2 listed entities, one TVS Motor and another one is this consumer finance-related entity. These 2 entities will be listed and the existing shareholders of TVS Motor will have the same mirror image shareholding in both entities.

That is the first part. The consumer-related assets, which are going to be demerged includes TVS Credit Service investments. Therefore, the TVS Credit Service investments will get moved to this consumer finance-related company. And TVS Motor will not have any shares in the consumer finance related because it will be directly held by the shareholders and it's mirroring the shareholding pattern of TVS Motor.

Pramod Kumar: Okay. So neither the company nor the promoters will have any play there and only the and when you say the promoter will have the stake, right? They are the shareholders as well.

K. Gopala Desikan: Mirror Imaging. TVS Motor existing shareholders will become the shareholders of this new entity. That includes promoters and public.

Pramod Kumar: And what about this, sir, what about the last valuation, what you've done the transaction for TVS Credit, just the TVS Credit piece of the business. There are other business also, I understand. But just to get a reference as to what could be the starting valuation here, if you can just help us understand that.

K. Gopala Desikan: There's no valuation here. In a demerger, all the shareholders are going to get the same number of shares as what you hold today. It's not a merger.

Pramod Kumar: No, I understand that, sir. I understand that, but there is an underlying value, right? Or rather, let me put this, what's the current updated book value of TVS Credit and with the proposed equity infusion, what you're planning to do, what will be the expected book value what this entity will have by this year-end, sir?

K. Gopala Desikan: We have to see because the appointed date is going to be July. And on that date, whatever the assets will be the value. Otherwise, the current net worth of TVS Credit Services, I can just tell you one second. On TVS Credit Services, I think the book size is anyway, KNR has said INR33,818 crores.

Pramod Kumar: And also the RO return ratios, if you have them handy, sir?

K. Gopala Desikan: Those things I can't go into so much details now.

K. N. Radhakrishnan: But one thing I can tell you, TVS Credit Services has been one of the managed pretty well, and it has been growing year after year, and it is also generating very good profits.

K. Gopala Desikan: Yes. The net worth is INR6,500 crores.

Pramod Kumar: INR6,500 crores. And this is before the equity infusion of proposed equity infusion of INR1,200 crores ?

K. Gopala Desikan: **Yes**

Moderator: The next question is from the line of Kumar Rakesh from BNP Paribas.

Kumar Rakesh: My first question was around the subsidiary losses, which has increased in this quarter. I understand that once Norton products are launched, this should hopefully start improving. But more specifically around the e-bike business.

So over the last 4, 5 years, that business has cumulative losses of around INR1,300 crores, and it doesn't seem to be coming down as well, those losses. So what is the strategy there? And is there any fair value assessment which has been done of those investments?

K. N. Radhakrishnan: See Norton, I gave you the full explanation. I think the products are getting launched in many markets. The dealerships are getting set up. We are also coming up with certain new models, which some of them will get you will see them in the EICMA next week. So it's a journey, and we are pretty confident the media, the customer feedback, everything has been very positive, both on Manx R and Atlas. And we are pretty confident that this brand is going to definitely be one of the best brands in the super premium category, okay? So I would like to talk about that.

K. Gopala Desikan: Just to on the e-bike again, see, the current quarter loss is lower than the previous quarter loss. That's the first statement. The loss is again because of the brand-related expenses incurred for Norton and the launch-related costs have slightly gone up from the previous reported quarter. It is the reason for...

K. N. Radhakrishnan: Actually, I would say these are all investments behind Norton. Last year, we started the journey with EICMA and then we had network. We invested behind the launches. We had the media rights, the feedback and also setting up facilities in Solihull, in TVS Motor. And also now it is I told you about many markets in Europe. Now you will see in India. Then after that, we are looking at many markets in U.S. So it's a journey. You will see these are investments. I would say these are all investments.

Kumar Rakesh: I got that on the Norton side, but my question was more around outside of Norton, the rest of the e-bike portfolio which you have, specifically say with e-mobility, the group, some of those businesses which have been reporting losses from this.

K. N. Radhakrishnan: For those businesses, we have curtailed losses, and we will continue to curtail losses going forward.

Kumar Rakesh: So for the last 2 years, the losses have been quite high and they haven't come down. So you are seeing that this year, the losses have started coming down.

K. N. Radhakrishnan: Yes, yes.

Kumar Rakesh: Okay. Just one final question on the investments which you are doing in the Singapore entity in this quarter. Can you just give us some understanding of where that is going? Is it also for entirely Norton?

K. N. Radhakrishnan: Yes, it is all entirely for Norton. The additional investment, what we said about INR1,200 crores is on TVS Credit Services. Can we have the last question, please?

Moderator: The next question is from the line of Viraj Kacharia from SiMPL.

Viraj Kacharia: I just have 3 questions and that's largely on the consumer finance demerger, which we have announced. First is this investment of INR711 crores which we made in the quarter, what is the valuation at which we infuse money in TVS Credit Services? and just for clarification, in addition to that, we'll be infusing another INR1,200 crores, uh, in TVS Credit Services before the demerger.

Will that be right? So that is one. Second is, at the holding level at the promoter holding TVS Holding, they also have another NBFC and as per the RBI directive, both the NBFCs have to be merged into a combined entity. So if we are looking at 8 to 10 months window for this demerger, then how does the process work for the next, which is one combined entity? So that is the second question.

K. Gopala Desikan: Yes. Let me try to answer the second first. The consolidation of NBFCs, which is mandated by RBI is already on the way. It is in the process. We have already got the requisite approvals from the Board. We are awaiting approvals from the regulatory authorities, and that will get over by March 2027 or April 2027. And this appointed date of demerger is subsequent to that, namely July 2027.

Therefore, the process of consolidation will happen and then this demerger happen. I think I have answered your second question. Coming back to the first question on the subsequent investment on INR1,200 crores, depending upon the capital requirement, this will be infused. And the demerger-related ratio, I explained earlier, all the shareholders will get the same number of shares as what they have today.

Viraj Kacharia: No, what I meant is the INR711 crores, which we infused in the quarter gone by, what is the valuation which we invested in TVS Credit Services?

K. Gopala Desikan: Valuation, it is I have to see that multiple and all. I have to check on that. We did, I think we bought from the existing shareholders. It was not an infusion done in TVS Credit Services. We bought from the other shareholder. It is a secondary purchase of INR711 crores, if I remember right, invested in that.

Viraj Kacharia: Okay. And last question, going into 2028 because now TVS Credit Services, consumer finance different entity altogether, how should we look at the investment spend for TVS Motors going into 2028?

K. N. Radhakrishnan: I think the investments, please understand investment will be predominantly in the area of new product development, if I look at TVS Motor. And Norton, I think it is based on the product plan we have to look at what kind of investments we have to do. Otherwise, any new opportunities we will be constantly evaluating and we you know that we have always looked at new product, new technology and also we have always looked at areas where there is an opportunity.

So I think that work is going on now. So possibly next quarter, we'll be able to give you some guidelines on '28, '29, what is the likely kind of numbers. Thank you.

So before I close, once again, festival greetings and a happy Diwali to all of you. While there were commodity prices increases in Q1 and Q2, we were able to take up some prices.

We are able to partially mitigate through the cost reduction, also optimization initiatives on product mix. And most importantly, we were able to drive the top line, especially in Q2 a complete portfolio, our unwavering focus on consumers, quality, the new products and the attractive quality technology with features whatever we have given, company is confident about outperforming the industry, both in domestic and international market.

And I am pretty confident that going forward, the customer demand for TVS's products are extremely positive and good and both in 2-wheelers, 3-wheelers and many markets in India as well as in abroad. And we are confident that we will continue the momentum on our EBITDA journey going forward. Thank you. Thank you for all the investors and all the analysts for joining today.

Moderator: Thank you. On behalf of 360 ONE Capital Market Research, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.