28th July 2026

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
Scrip code: 532343
NCRPS Scrip code: 717506

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

Dear Sir(s)/ Madam,

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

In continuation to our intimations dated 15th July 2026 and 21st July 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 June 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/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: 2026.07.28 14:14:24 +05'30'

K S Srinivasan
Company Secretary

Encl.:a/a

"TVS Motor Company Limited

Q1 FY27 Earnings Conference Call"

July 21, 2026

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

MODERATOR: **MR. ANNAMALAI JAYARAJ – 360 ONE CAPITAL MARKET RESEARCH**

Moderator: Ladies and gentlemen, good day, and welcome to the TVS Motor Company Limited Q1 FY27 Earnings Conference Call hosted by 36O ONE Capital Market Research. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Annamalai Jayaraj from 36O ONE Capital Market Research. Thank you, and over to you, sir.

Annamalai Jayaraj: Thanks, Manav. Good evening, all the participants. On behalf of 36O ONE Capital Market Research, welcome to Q1 FY27 Post Research Conference Call of TVS Motor Company Limited. I also take this opportunity to welcome the management team of TVS Motor Company. We have with us today Mr. K.N. Radhakrishnan, Director and Chief Executive Officer; Mr. K. Gopala Desikan, Chief Financial Officer.

I will now invite Mr. K.N. Radhakrishnan for the opening remarks to be followed by question-and-answer session. Over to you, sir.

K.N. Radhakrishnan: Good evening, everyone, and thanks for joining us today. We are delighted to share the Q1 performance of this financial year. As you know, the Q1 comparing the last year Q1, the overall sales volume has grown to 1.63 million from last year's 1.28 million of the same quarter, 28% growth. The revenue is at INR13,896 crores, a growth of 38%. Last year's number was INR 10,081 crores.

Operating EBITDA grew from INR 1,260 crores to INR1,779 crores, 41% growth. Operating PBT grew from INR 1,015 crores to INR 1,439 crores, 41% growth. And profit after tax grew from INR 776 crores to INR 1,174, 51% growth.

So once again, thanks to the entire customers because this has been possible only because of our customer centricity approach and strong brands across all brands and our sustained focus on cost reduction initiatives taken up by the company. Once again, we would like to thank our customers for this significant milestone.

I'll give you more details about the Q1 sales, '26-'27. The 2-wheeler domestic ICE sales grew by 21% compared to last year Q1 of -- against, the industry growth of 13%. The 2-wheeler international market ICE grew by 31% and 2-wheeler overall, the ICE sales grew by 23% compared to last -- against the industry growth of 21%. 2-wheeler EV sales grew by 86%. All of us know that in the first quarter, the EV industry has significantly grown in India.

We raised the volume of 130,000 in Q1 this year as against 70,000 during the last quarter of last year. Total sales of 3-wheeler also grew by 48%. We are at 67,000 units this quarter as against last year's 45,000.

On financial performance, as I said, the company posted its highest operating EBITDA of INR 1,779 crores, a growth of 41% for the first quarter and gained INR 1,260 crores first quarter last year, '25-'26. The company's operating EBITDA margin improved by 30 basis points at 12.8% during the first quarter and this is against 12.5% last year first quarter.

Company posted highest PBT, INR 1,589 crores, recording a growth of 51% for the first quarter as INR 1,050 crores in the first quarter of last year. PBT for the quarter -- this quarter includes fair valuation gain of investments held by the company amounting to about INR 150 crores as against fair valuation gain of about INR 28 crores during last year first quarter.

Current quarter, company's profit after tax grew by 51% at INR 1,174 crores as against INR 776 crores during first quarter of '25-'26. We're also proud to announce that recently, our long-term facility credit rating has been upgraded from CARE AA+ to AAA.

The highest level of creditworthiness awarded by CARE rating, is a direct reflection of our consistent performance and the trust we have earned and the deep responsibility we carry as we shape the future of mobility. This recognition further strengthens our ability to invest for long term, expand our global footprint, accelerate innovation and create sustainable value for our stakeholders.

TVS credit performance has been outstanding. TVS Credit Services reported a sustained growth in disbursement supported by improved consumption demand, traction across key retail financing segment consumer durable financing growth was driven by higher discretionary spending and premiumization, increased reach and penetration.

The 2-wheeler category witnessed strong demand due to steady semi-urban and rural participation and Marriage Season buying alone and along with increase in electric vehicle growth.

During this quarter, TVS Credit continued to enhance its capabilities in AI, data analytics and technology to drive better risk assessment, customer experience and operational efficiency. Now credit further expanded its presence across semi-urban and rural India, including its network to nearly 62,000 touch points across countries.

TVS Credit disbursed loans over 14 lakh new customers, bringing the total customer base to nearly 2.6 crores. The book size of TVS Credit grew by 19%. Now it is at INR 32,053 crores as against INR 26,898 crores last year. Profit before tax for the quarter grew by 16%, INR 283 crores as against INR 243 crores during first quarter of last year.

On international business, in Q1, we have recorded highest ever international business sales of 4.68 lakh units, a growth of 33% year-on-year growth. The performance was driven by sustained demand across the key international markets and continued strengthening of our distribution.

In fact, the demand is much more. We are enhancing the capacity to meet the demand. It is a very, very positive news. The HLX series has got a huge pull from the market, and we are very happy that this segment is doing extremely well, that all the other product ranges are also doing extremely well in the international market.

We are investing behind capacity, and we are confident that we will be able to significantly improve these numbers quarter after quarter on 2-wheelers, equally on 3-wheelers. Africa continues to be a key driver of export growth, supported by robust demand for 2-wheelers and 3-wheelers.

Here, specifically, I want to thank all the HLX customers in Africa and 3-wheeler customers. LATAM region also started doing well for us. We have grown ahead of the industry. We have just started our journey in LATAM, and I'm pretty confident this is one market is also very important for us.

And the growth momentum of the industry is very good. We are now present in most of the countries in LATAM, and we will start investing in marketing products in this market. I'm pretty confident that we will continue to grow ahead of the industry, leveraging our products from India and Indonesia.

Asia performance has been pretty good. And we are growing here also very well, and we will continue to grow ahead of the industry in this market as well. We remain focused on strengthening our international footprint through market expansion, product portfolio enhancement and deeper channel engagement by continuing to capitalize on growth opportunities across emerging export markets.

And we are investing on premium products and also, we are putting a lot of investments again brand-building initiatives, and I'm very sure our products like Apache, is going to do extremely well along with Ronin. And some of the key highlights, if I look at it during this quarter, our TVS HLX has crossed 5 million, 13 years back we started this journey on TVS HLX series.

Today, we have HLX 100, 125, 150. And all these brands are doing extremely well in many markets. And what is more delighting for us is the last 1 million has happened in the last 1 year. So, the speed has gone up. The demand has gone up and HLX brand stands for its customer durability, reliability and in terms of low maintenance costs across Africa, Middle East and LATAM.

We have also launched TVS Apache 160 4V in some more markets this quarter. We also unleashed the Ronin Monotone and Agonda variants in many international markets. I'm pretty sure that Ronin is one brand. It is going to do extremely well in the international market as well. As you know, domestic market, Ronin is doing very well.

Now we are also now expanding multi-products into these markets in addition to HLX, now RTR, 180, 200, 310, all are getting launched in various markets. The Raider, TVS Raider is also getting introduced in Egypt. I'm very sure this is going to help us in strengthening our North African region. They have launched King EV MAX in Nepal, strengthening EV portfolio starting in the international markets.

Now coming to Norton. Norton Motorcycles, we have very clearly highlighted -- you have seen, Manx R and Manx, the Superbike and the naked and Sports and also the Atlas and Atlas GT. Solihull is getting ready. Production has started for Manx and Atlas has started production in Hosur.

And I'm very sure that Norton models, the highest and super premium motorbikes are taken with utmost focus on design, quality and performance. These 4 models, which are first Norton models are made under the TVS Motor ownership, we launched in U.K., France, Italy, Germany, Spain and India and later this year in the U.S.

Norton motorcycles have marked the rollout of first Atlas models at TVS Motor Company's Hosur manufacturing facility in June, and it has started moving into Europe and very confident that you will see this product in the next quarter.

Atlas is one of the most significant addition to Norton range, the modern era engineered for sales across every Norton market, both present and future. Atlas and Atlas GT models return the storied marks to adventure-touring expense, respectively. And these categories that account together a substantial part of the growing share of global motorcycle sales.

I'm very sure that TVS Motor and Norton, the British design, engineering capability with Indian manufacturing excellence and our focus on customers, shared commitment to quality for customers worldwide. And it is going to be making a grand impact in many of the markets where we are planning to launch.

You would have all seen our premium bespoke experience channel TVS Paddock. We have recently announced this, and we are going to experience this in India soon. And Paddock is our strategic commitment to redefining premium ownership by bringing together innovation, personalization, immersive engagement to build deeper customer connections.

Now coming to -- when we look at Q2. Q2 industry is likely to do very well and 2-wheeler industry. I'm very sure it will maintain the same momentum, double-digit growth is minimum what we are expecting in the market, very healthy ICE demand and EV could be similar to the growth what we have witnessed in Q1.

Overall, the outlook remains very, very strong. We are looking at -- While there are challenges on monsoon progression and some elevation in terms of the food and energy prices, the demand looks very, very strong.

The domestic demand supported by the GST rationalization and some of the releases coming from the income tax and also affordability is going to help us. And we are pretty confident that you will see July, August, September same momentum, a slightly better momentum than Q1 to continue.

On international market, we are expecting the same growth rate to continue or slightly better growth rate. And we are also investing behind capacity. That is going to help us. You would have seen you know the overall growth in Q1 was very good. And we are expecting the growth in the industry is slightly better in Q2. And the EV growth, we saw about 67% in the first quarter. I'm expecting the growth to continue in Q2.

Overall, you know there are many, many factors, structural demand drivers replacement demand, affordability, continued EV adoption, all these are going to be supportive. And I'm pretty confident that TVS will do much better than the industry growth. In Q1 because of the West Asia conflict, there was a volatility in commodity prices, including steel, aluminium.

There are some sharp increases in our material cost and this translated into improved cost pressure and intermittent supply chain disruptions affected availability, especially in the month of April, the supply were affected for us. We have recovered in May, June was much better, and we will continue the momentum in July, August, September.

We are also investing behind capacity, like I said last time. What is most important is, we are also able to mitigate these cost increases through top line growth, also some price adjustments in quarter 1. And we are also closely watching, and we will do appropriate opportunity driven right price increases in Q2.

Cost optimization and management scale benefits will continue in Q2. Despite you know all these uncertainties, I think we are very happy that we had a healthy growth, and we are also focusing on continued growth going forward.

The EV side, I think we would have seen in Q1, the penetration in the month of June alone, if you look at it is over 10.6%, which is a big change. And we continue to lead the Indian 2-wheeler market, and we have grown ahead of the industry, thanks to our portfolios of iQube and Orbiter.

And we are extremely happy and thankful we have crossed 1 million iQube. It has played a key role in the journey of electric mobility adoption in India. Thanks to government for all the support given in the early adoption of EV. And TVS iQube has grown into one of the most preferred electric scooter brands and country's favourite family EV.

The milestone marks an important chapter in India electric mobility journey and underscores the company's progress towards sustainable smart, self-reliant and mobility future. On commercial mobility, when we look at it on the 3-wheeler, EV penetration, first time has crossed 40%, significant growth.

And here also, we have grown ahead of the industry, and we want to continue to invest and grow in this segment. And we have also announced our strategic partnership with IOC to strengthen the last mine LPG cylinder distribution to sustainable commercial mobility solutions like cargo. And we will continue to invest behind overall capacity for our 3-wheeler both in domestic as well as in international markets.

I already highlighted there was commodity prices sharp upward trend during Q1. But we have -- we are closely watching and we are also appropriately looking at opportunities to rightly give price increases equally leverage the cost benefits, product mix, geography mix, and this journey will continue.

And I'm very confident that during this quarter Q2 because we will be getting ready for our season, which is November -- this year, October and November. And there are planned launches during that time, which is going to delight any of the Indian customers.

Our complete product portfolio, unwavering focus on consumers, our quality, new product and very clear focus on attractive quality, features and technologies. TVS Motor is confident about outperforming the industry, both in domestic and international market. We continue to navigate cost pressures and supply chain constraints during Q2.

As we speak, the customer retail demand across both 2-wheeler and 3-wheeler are very robust and we are trying to capture this increased capacity both in domestic and international markets. During the first quarter, you would have seen EBITDA of 12.8% despite all the pressures and we will continue to leverage scale benefit, better product mix, sustained effort and cost reduction, which will enable us to further improve our EBITDA journey. Thank you.

Moderator: Thank you sir. We will now begin the question-and-answer session. We have a first question from the line of Nitin Arora from Axis Mutual Fund.

Nitin Arora: Sir, just one question on the EV. If you can throw some light, what is our capacity? How much that capacity we are ramping up over the next 1, 2 years? And second, if you can throw some light on the EV penetration, which you are talking about even the last 2 quarters that industry will see surprise industry growth will be very good in EV? Any specific consumer insights if you can share what is leading to it? And just on the capacity side, how much is the current one? And how much you're building up for the next 2 years?

K.N. Radhakrishnan: See, we had about 40,000 capacity. We are now moving to 50,000 plus. Now we are also constantly reviewing what is the next set of capacities required. And at this point of time, it has to be very closely watched, and we are investing behind that. Same way on the EV side, 3-wheeler side also, we are looking at capacity. Like I said, we had about 20,000 capacity. Now we are moving to about 30,000 capacities in 3-wheelers., okay?

And a good proportion will be on the EV side as well in 3-wheelers. So, there is an opportunity to grow further. And as you know, capacity can be taken step by step because it takes about 3 to 4 months to increase the capacity. So, we are not so much worried about expansion. And we also significantly increased our overall 2-wheeler capacity, like I said to 8.3 million this year, but it will happen over a period of quarter after quarter.

On EV, if you look at it, I think initially started with urban. And we used our network current main dealer network. Now we have started also supplying to the semi urban. And progressively, we will also start moving to the rural India. As it says is iQube when we look at it, it is a scooter and customers are agnostic to the technology.

They love iQube. So, we have to look at it. And today, common man has started buying definitely common man started buying. Initially, it was more of people working at innovation, new technology. But as we progress now month after month, we are able to see that there are many customers who are otherwise, would have bought an ICE scooter or a motorcycle. In fact, some of the people from the motorcycle and the categories are also moving into scooter.

Moderator: We have our next question from the line of Pramod Kumar from UBS Securities.

Pramod Kumar: And my question is something different related to what's happening in the marketplace, sir. Because while the industry is grappling with a significant cost hike. We've seen one of your major rival is actually on a discounting spree in the scooter category. And which effectively puts your product at a substantial premium versus what the competitor is offering the product at.

So, if you can just and even with that, you've been gaining market share, both on wholesale and on the retail front. So, can just help us understand what's happening? And where are we in terms of supply versus demand on our scooter franchise. And because I see that on wholesale, you have already closed the gap with the market leader or category leaders to single digit.

So, what is driving this kind of brand momentum for you where customers are willing to pay a reasonable premium, if not substantial, a reasonable premium over competitive models and that will the segment leader? So, if you can share your thoughts there. And then any implication of all this in terms of is the positive rub-off also helping your electric scooter franchise as well?

K.N. Radhakrishnan: See, overall, we have an excellent range in scooters. If you look at it, the whole Scooty, of course, we have stopped the Pep, but the other Scooty is still there. The 100CC scooter is still there. We started Jupiter 110. We also then did Ntorq 125. Then we did Jupiter 125. Now we have done Ntorq 150.

So, I think all the brands are positioned on customer segments very, very carefully. And these customer loves this product, they're really love it, okay? And if you look at -- if I look at -- and we are always constantly believing that category of scooter will grow substantially. And it is happening. If I now include ICE plus EV the scooter category share in India is almost 40% And it is going to grow, okay? It's going to grow. This is number one.

Number two, in -- when you look at Jupiter 110 or Jupiter 125 or Ntorq 125 or Ntorq 150 we constantly upgrade and give new technologies, new features to our customers because we believe in giving something new every time to the customer because that's very, very important. This is on top of best-in-class durability and reliability, okay?

So, this is something JD Power, if you look at the scores, we have scored very high scores number 1 position, number 2 positions in scooter category. So, this is what is most important. And we always maintain less than 30 days of stocks with the dealers, okay?

We don't want to lose the retail, but all cash and carry dealers, they have to keep the right stock, right colour, right models. And we are very clear, and we invest behind -- you would have seen during the IPL session also now very good brand awareness and creating why our scooters are good.

So and I have a lot of respect for all our competitors because each one has got their own strategy. Okay. With now retail financing coming in. There is a greater opportunity to grow this segment. In India, I'm of the view that scooter category share will go up substantially. And we need to learn from our consumer and customer requirement, what opportunity we can do further increases.

So overall, it is a focused, customer-driven approach of giving them the best-in-class attractive quality with features, technology and also consistently delivering new products and refreshes for the season and looking at the right spaces. I think that is what has helped us to grow ahead of the industry.

Pramod Kumar: Sir, second question, what is the dealer inventory what you're carrying right now, included transit. And what's the target number of days you would like to have before the start of the festive season because we see that, you've been upping production and dispatches month after month, but your inventory numbers are not kind of ramping up reasonably because of the strong retail.

So, if you can just help us understand where would you like to be for a comfortable inventory position so that you don't lose out on the retail demand in the festive. Also, along with that, if you can just share the export revenue number for the quarter, sir?

K.N. Radhakrishnan: The inventory target maximum 25 to 30 days with the dealers, that is the number we always keep. Maybe during season 30 days because Dhanteras, one day, you know how the hike happens on the whole huge increases.

So maybe at that time, maybe another four, five days more. Otherwise, month after month, always below 30 days, okay? The optimum is we should not lose the retail. So, this has to be calibrated model-wise, colour wise. So that is the way we work. And looking at overall this quarter, IV revenue is at INR 3,634 crores.

Moderator: The next question from the line of Binay from Morgan Stanley.

Binay: My first question is on your EBITDA margin. In the last call, we talked about 3% to 5% commodity headwind, and you highlighted that 30% of it is passed on. Is it fair to say that the worst of commodity headwind is already there in this margin?

K.N. Radhakrishnan: Commodity, the significant proportion has happened in Q1, there may be another marginal one because this time also, the war situation is up and down and especially on aluminium and some of the plastic and some other parts, which are related to oil is also moving up and down. So, this is something we have to closely watch.

But according to me, we always focus on the top line. We look at the product mix, we look at our journey, and all this has happened in one quarter as the first day. Even if you increase prices, it will take time to come back. So that's why we said we have taken about 1.5% in the first quarter. progressively, we have looked at in Q2 also 0.5%. So, it's a journey.

And we look at from the customer point of view. And appropriately, we will price it. It is very important that we have to continue from the customer point of view, the growth momentum. So, I'm pretty confident that a combination of the product mix plus the growth and scale benefit and cost reduction. We have a very strong cost reduction team, is going to help us in EBITDA journey.

Binay: Right, right. And my second question will be on the electric vehicle side. If you could talk about now that the IQube platform volumes are rising quite sharply. How is the profitability of that? Is that improving? How closer is it to ICE now, if any comments on EV profitability?

K.N. Radhakrishnan: So, I'm extremely happy that we have crossed 1 million and our hit rate is going month after month. I completely agree with you. Contribution is becoming better and better quarter after quarter. And I'm pretty confident that we'll be a little bit patient, we will reach contributions of whatever we are looking at as a company. But at this point of time, quarter after quarter, our contribution is going up. And we look at overall portfolio, how it is yielding results. And I'm very confident that the direction is the right way.

Binay: Right, right. Sir, the PLI incentive number, if you could share that?

K.N. Radhakrishnan: PLI incentive number. Give me a minute. It is about 0.6%, 0.7% of the turnover.

Moderator: We have our next question from the line of Gunjan Prithyani from Bank of America.

Gunjan Prithyani: I just wanted to follow up on the growth guidance that you gave for the domestic and the export that you expect the similar momentum. Is it fair that you are essentially saying 20%, 30% growth should continue in quarter 2 as well? And if you can just give us some sense on how to think about the full year because with the second half GST last year, we did see a huge bump up post GST. So, on a full year basis, how are you looking at growth outlook for both the segments, domestic as well as export?

K.N. Radhakrishnan: The Q2 is also going to be good in terms of the growth Okay. And in my opinion, ICE could be slightly better than Q1, okay? And EV can keep up the same momentum or slightly better, okay? In terms of the overall year, I think this year is going to be an extremely good year. The only important thing we have to all watch is the Q3 because the El Nino plus the base effect, GST, the benefits started coming end of September.

And this year, the season is going to be October, November. But when I look at from the Customer point of view, I think if there are a little bit of all this West Asia issues, settling down, hopefully, I think that will give much more confidence. Now LPG is available, okay? And prices are not growing as we think. So Q2 will put a good base for that. So overall, as a year, we should estimate an industry growth of double digit.

Gunjan Prithyani: Okay. Got it. And similarly strong performance in the export as well like...

K.N. Radhakrishnan: IB will be very, very strong. I can tell you. And EV, the growth momentum will continue. Definitely, growth momentum will continue. And you have seen already I told you, EV is 40% penetration and 2-wheeler ICE is about 10.6%. I'm not taking the average 9% to 10%, kind of taking just to 10.6% of June itself is a good indication that consumers are considering EV in a big way.

Gunjan Prithyani: Got it. And sir, just two very quick follow-ups. One, on the EV revenues that if you can share what the number for this quarter was? And secondly, export has very strong momentum. Can you give us a little bit more colour on what's really happening? Is it Africa recovering from the lows? Is it expansion of new markets?

Like what really is driving this sort of 20%, 30% growth in the export market despite the headwinds that we're seeing on the West Asia front because some of these markets have actually seen 50%, 60% increase in petrol prices, right? So, it doesn't seem to have impacted the sentiment in those markets. So just trying to understand what's driving the growth momentum there?

K.N. Radhakrishnan: I think you asked 2, 3 questions. So let me digest one by one. The EV total is about INR 1,780 crores, somewhere around. INR 1,780 crores, approximately something around that. Second is on IB growth. I think definitely Africa, you remember I said last year, the bad is over, the worst is over, the base effect is over.

So definitely, there is predominantly is the taxi market. Of course, the other commuting classes also slowly going with the infrastructure, roads available in these markets. So that is definitely helping. And now people are investing and the industry is growing significantly, and this momentum will continue. And interestingly, LATAM markets are also doing well.

Asia is doing very well. So, if you look at these markets where we are very good. Even in LATAM, we have started doing well better than the industry because we are present every country we have a distributor, and we are also leveraging our product range. So, it's a combination of a pull in the market going up, plus our product range.

Moderator: We have our next question from the line of Kapil Singh from Nomura.

Kapil Singh: Just on the capacity, overall capacity, can you just update where are we today? And what is the plan for capacity expansion?

K.N. Radhakrishnan: I think last time I highlighted, we are going for 8.3 million from the current capacity of about 6.8 million. And in 3-wheeler, we are going from 0.25 million capacity to about 0.42 million. So this is a big, big increase, and that's why we are also investing somewhere around, including our new products, we are investing about INR 3,500 crores, new products plus all the capacity expansion, which is going to come over the last, next one quarter is over second quarter, third quarter. By fourth quarter, we will reach is 8.3 million capacity.

Kapil Singh: And also on the cost increase, can you quantify how much was the cost increase that commodity cost increase we saw in Q1?

K.N. Radhakrishnan: Commodity cost, I think, is about 3.5% and maybe another 0.5% this quarter because there is a quarterly adjustments. So overall, you can take about 3.5% or 0.5%, so about 4%.

Kapil Singh: Okay. And sir, just last question, you mentioned on...

Moderator: Sorry, so the participant got disconnected. We have our next question from line of Deep Vakil.

Deep Vakil: Sir, only one question. Congratulations on a good set of numbers. Sir, can you just give some guidance on the gearing? I think you've raised INR 500 crores lately at INR 730 crores. Sir, you have a preference share redemption on 1st of September. Any plans, sir, to raise similar, I mean, to raise funds through debt in near term?

K.N. Radhakrishnan: Lost s communication and noise, can you repeat the question?

Deep Vakil: Sure, sir. Sir, what I'm saying is that, I think you have some share redemption. Sir, I'll join the queue again, no problem. I'll join the queue.

Moderator: Yes, sir, he said he will join the queue again. We have our next question from the line of Chandramouli Muthiah from Goldman Sachs.

Chandramouli Muthiah: My first question is just around the draft Delhi EV policy looking to ban sale of ICE 2-wheelers possibly starting in calendar year 2028. So, I just want to understand how you're thinking about potential offsets to the policy, how the industry is thinking about the policy at this stage? And also, is it going to be necessary to have electric motorcycle models in the market to potentially give customers the option to replace motorcycle format from ICE to EV in that micro market?

K.N. Radhakrishnan: See, these are all transitions we have to embrace, and we have to look at, for example, when electric penetration was not there, I think we went through a certain journey. But one thing I can tell you is that today, the BS6 or the new technologies, what we are talking about the EV, also the flex fuel, all are green.

So, I think the way we will look at it is how do we make sure that we give green vehicles for the future. So, this is going to be the journey. And we will embrace these changes as an industry, and we will also work on new technologies.

Chandramouli Muthiah: Got it. That's helpful. Second question is just around, as you build out the northern presence in more and more countries. Just wanted to get your sense on how you're thinking about the go-to-market strategy? Is it going to be more place the product in multi-brand outlet or are you looking at doing it in single brand outlets?

Will these be with local partners is TVS looking to own some of the stores to get early learning. So, this is Norton strategy? And related to that, what is the rough volume you think the Norton motorcycles will need to hit to be able to achieve EBITDA breakage at some point in the future?

K.N. Radhakrishnan: I think what is the most important is, these products are ready now, okay? We have started now establishing. It's a combination of independent dealers and multi-brand outlets in the premium category. So, it will be a combination. And we are, like I said, first is U.K. and Europe and U.S. and India is very, very important in this journey.

So, we will look at first getting the product range fully, two into two, which is four products are getting ready now is getting into the market, and there is going to be a very clear positioning of these brand super premium bikes, which are going to be very, very attractive.

And overall, I think it is going to delight the super-premium customers. This is number one. Number two, as a company, we believe in delighting the customer first. Then we grow the top line because when the top line comes every line will come, okay? And that has been the consistent strategy of the company.

And I'm pretty confident that Norton, the way TVS has taken the ownership to drive it and pretty confident between Solihull and Hosur. I am very confident it will drive and delight the customers first. Then we will start of course, there is a very clear plan number, how do we achieve number by number. But this is an internal completely and internal strategy.

And both the market will depend upon the consumer, country specific. That itself will take -- if I have the answer here, it will take so much of time. That's why I broadly said it is going to be through premium experience. It is going to delight the customer. And this product itself, you would have seen many of the articles from the media, the specialists have driven it.

They have seen it, and you will see also, Atlas, the feedback from the magazines are likely to come in a couple of days. So, I'm pretty confident that these are all very clearly identified the very specific super premium category positioning. And we are also now expanding the network.

So, the most important part is getting the products and customer loving it. I'm pretty confident given the kind of products, what we are seeing and the feedback initially what we are getting is going to be very good.

Chandramouli Muthiah: If you could share spares revenue and I'll just go back in the queue.

K.N. Radhakrishnan: Spare parts revenue. Give me a minute. Spare part is INR 1,173 crores.

Chandramouli Muthiah: Got it.

Moderator: We have our next question from the line of Amit Hiranandani from PhillipCapital.

Amit Hiranandani: Sir, my question is broadly strategic in nature and relative to export opportunities. I'm just combining these three questions into one for you to answer. First, how do you see exports evolving for the company over the next 5 years in light of the free trade agreements Secondly, which products and segments are likely to be key export drivers? And lastly, what will be the critical success factor for winning in global markets?

K.N. Radhakrishnan: Brilliant question. Today, as we speak, the contribution from exports is about 26%. I am saying just from my memory overall turnover, okay? And this will grow as we speak, it will grow. The reason behind this growth is the kind of product range what we have from India and also from PT TVS Indonesia. I would say that we have the best range in the industry.

Second, market by market, we are very confident that the segment-wise, we are also looking at what products we need for the future, and we are also investing behind that. Areas where we can significantly leverage this premium and super premium category, Apache is very good. Ronin can be leveraged very well in many markets. And the new products, whatever like, including RTX. I think these are products, country specific, we can leverage it, take them and then grow them.

On the other side, scooters. There are specific markets where scooters do very well. Here I am not including HLX as a category. HLX as a category, as I said, 100, 125, 150, four speeds, five speed. I think this is something which is growing very fast. And on PT TVS, if we look at the Skubek and Bebek, they are doing extremely well in many markets, and we are now further expanding the capacity in Indonesia that is also going to help us.

So, the growth ambition we want to grow this 26%, much, much higher level going forward, okay? We have started our EV journey in the international. iQube has started, Orbiter has started. And I'm very confident that soon we will start with our 3-wheelers.

So, the most important thing is our presence in this market. We have very strong distributors and we focus on three S as a capability. Sales, services, spare parts. From day 1 we look at giving the best quality, best durability, best liability to our customers, and we make sure that the service is given utmost importance. So, these strategies are enablers for making sure that we grow disproportionately our international footprint.

And like I said, Africa has become very strong. Asia is very strong for us. Now the entire focus is on Middle East and LatAm. Including how do we grow their faster, what kind of spaces we have, customer segments we need to do, okay? And we prioritize and take this journey. I hope I have answered you. Of course, with Norton and some of the brands from India, especially on the super-premium category, we are now getting into the developed market as well.

Amit Hiranandani: Yes. This is very helpful, sir. Sir, just one clarification on the domestic growth guidance which you have given. Can you please let us know what is the full year target you have given for the industry?

K.N. Radhakrishnan: I said it could be double digits in ICE. EV can be well above the penetration is about 10.6%. I think quarter-after-quarter, this will strengthen. The growth can be very, very good this year.

Moderator: We have our next question from the line of Arvind Sharma from Citibank.

Arvind Sharma: The first question is on Norton. What's the target segment and the competitors that you're looking at when launching these four models? And what will be the key differentiator for Norton? If it is comparable, what was the peak volume for Norton historically? And sir, your investments there? That's the first question.

K.N. Radhakrishnan: On Norton, I answered you, I think we are looking at certain segments and the product will be both Manx and also Manx R and also Atlas and Atlas GT. We are very clearly focused on one is a super bike another one is naked and sport, and another one is adventure and sport touring. We respect all the competitors there; they are all very strong.

They have been there for a long time. But anything you give something new, and you can because if I take answering what are the unique features and technology, what we are offering, it will take another 10 minutes to explain to you. It's already published documents that are available. You can go through that.

There are many things which are unique in starting from the design itself. So, there are many things which are unique in Norton. And the important we look at the customer segment and give the best-in-class product, the performance itself.

So, I'm pretty confident and like I said, we are focusing on the customer first and then looking at establishing distribution network, service and making sure that market by market, in this strategy, creating the awareness and the consideration significantly investing behind brand because Norton is a super-premium brand, okay? And that will translate into good volumes.

Arvind Sharma: Sure, sir. What would be the investment you've made till now?

K.N. Radhakrishnan: So far, we have invested about INR 2,000 crores, about INR 2,500 crores in the last 4, 5 years.

Arvind Sharma: The second question would be on the other expenses. There was a marked decline in other expenses. Are these sustainable and what were the key specific areas where this decline came from?

K.N. Radhakrishnan: The other expenses includes marketing, it includes logistics and includes many packing. If you recollect in the month of April, there was a loss of production due to certain challenges because of this war situation and sudden availability of supplier parts. So, the conscious effort to look at some of these costs but in May and June, we are very happy that the production has come back to the normal level.

We have not reduced anything. We looked at in terms of investing behind brand, we have looked at in terms of as a percentage, I don't think you will see a marked difference going forward. Whenever a new product launch is there, definitely, you will see the costs going up because there is a launch cost. But in this quarter, there was no launch from our side.

Arvind Sharma: Got it, sir.

K.N. Radhakrishnan: Can we go to the last question, please?

Moderator: Sure, sir. The last question will be from the line of Pramod Amthe from InCred Capital.

Pramod Amthe: Sir, if I have to look at your annual report, you indicated that you have got a government incentive of almost INR 1,100 crores. First question regarding the same is what's the split between PLI and the other export incentive of the same one?

Second, against that, you are showing almost pending receivable of around INR 700 crores, which is almost around if I look at 12 months sales, it's almost like 7, 8 months. How confident you are where is it stuck? What is happening there?

K.N. Radhakrishnan: These are all PLI. If you look at many of the receivables are once in a year, and we are confident that all this will come. There is nothing which is going to be affecting us going forward. And I already told you about 0.6%, 0.7% related to PLI last year. The remaining are all other incentives from exports.

Pramod Amthe: So, in that calculation, INR1,100 crores is like almost like a 2.4% of your sales. Right? The incentive. You are saying 0.6% is PLI, remaining should be almost around 1.8%?

K.N. Radhakrishnan: Our exports has done last year also pretty well.

Pramod Amthe: Right. So, then there is also a receivable bit pending from even export incentives? Because it looks like one-fourth is PLI, which is like just a INR 150 crores, INR 300 crores?

K.N. Radhakrishnan: No, I don't want to get into mathematics here. There is no concern in that area. Some are quarterly, some are annually. PLI is annually.

Pramod Amthe: Yes. But I was just asking if I split it up, just around INR 350 crores is PLI, versus that, the INR 750 crores is a receivable. If you're saying the large part is PLI receivable?

K.N. Radhakrishnan: Yes, INR 600 crores is about PLI, that's a receivable.

Pramod Amthe: And you are confident you will get it?

K.N. Radhakrishnan: 100%. Government has always supported. There's absolutely nothing to worry about it.

Pramod Amthe: Okay, sure.

K.N. Radhakrishnan: And finally, I just wanted to you have seen the Q1. You have seen the recorded highest revenue, EBITDA and PBT. And I'm very sure that with our unwavering focus on consumer quality, we'll continue to grow ahead of the industry.

The best range TVS has got Apache, Jupiter, Jupiter 125, iQube, Orbiter, Raider, Ntorq, HLX, Radeon, Ronin, TVS King, TVS King Kargo, and EV. And we will continue to leverage the scale benefits, focus premiumization, Material cost reduction, and I'm pretty confident that we will continue to have this journey on EBITDA as well as the top line growth.

And thanks to our customers for helping us to cross HLX 5 million and 1 million iQube. And I'm confident that Q2 will be a much better quarter than Q1. Thank you.

Moderator: Thank you so much, sir. On behalf of 36O ONE Capital Market Research, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.