

COMPANY ANALYSIS ON TVS MOTORS

Company Analysis report in partial fulfillment of the requirements for the award of the
degree of

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DECLARATION

I hereby declare that the company analysis report "*Company analysis on TVS Motors*" Submitted to the department of Business administration, Don Bosco College, Davangere University, is an original record of an original work done by me under the Guidance of *Mrs. Shilpa.P, Mcom PGDBA* Assistant Professor In Commerce And Management, and this company Analysis report is submitted in partial fulfillment of requirements for the award bachelor of Business administration by Davangere University

I also declare that this report is the outcome of my own efforts and that is has not been Submitted to any other university or institute for the award of any other degree or diploma or Certificates

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CERTIFICATE OF ORIGINALITY

This is to certify that the company analysis report of *TVS Motors* is an original work of *Mr. Sathvik.S* bearing university registration number – *U13DO21M0038* and being submitted in Partial fulfillment for the award of the bachelor degree in management by Davangere University. The report has not been submitted earlier either to this university / institution for the fulfillment of the requirement of a course of study

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CHAPTER 1

INTRODUCTION

OVERVIEW OF THE COMPANY

TVS Motor Company is a part of the TVS Group and was founded in 1978 as a joint venture between Sundaram -Clayton and Suzuki Motor Corporation. It initially produced mopeds and later expanded into motorcycles and scooters.

- **Products:** A TVS motor manufactures a wide range of two wheelers, including motorcycles, scooters, and mopeds. Some popular models include TVS Apache, TVs Jupiter, TVS Ntorq, and many more.
- **Global Presence:** While its primary market is India, TVS Motor Company has a presence in over 60 countries across Asia, Africa, and South America. They have manufacturing facilities in India, Indonesia, and Bangladesh.
- **Technological Innovations:** TVS is known for its technological innovations in the two-wheeler industry. They have developed features like SmartXconnect technology for real time connectivity in their scooters.
- **Sustainability:** TVS motor company has been actively involved in promoting sustainability and green initiatives. They have introduced Electric and Hybrid vehicles and are committed to reducing their environmental footprint.
- **Racing and sports:** TVS is also involved in motorsport, with its TVS racing division participating in various and international racing events. They have a strong presence in the Indian racing circuit.
- **Awards and recognition:** TVS Company has received numerous awards for its products and innovations, including the prestigious Deming prize for quality.
- **Community initiatives:** TVS motor company has also engaged in various social and community initiatives, including education and healthcare programs in the areas where they operate.

In 2023 TVS has launched some unique products such as TVS Jupiter 125, TVS raider, and newer version of TVS Ntorq 125, these product launch has increased the sales for TVS motor company. Even they launched an Electric scooter named I-Qube which increased the sales in EV market as well. In 2021 TVS was one of the leading two-wheeler manufacturers in India, with consistent financial growth and a strong market presence. And mainly known for their

reliability, quality of their products, Performance of their motorcycles and scooters. TVS motor company is gradually working on their products to improve and maintain the reliability, quality, mileage of their scooters and motorcycles.

- Financial performance: TVS is producing 4.95 million two wheelers every year and 120,000 three wheelers every year, TVS is earning a consolidated revenue of about 319.7 billion.

TVS motors deliver total customer satisfaction by anticipating customer need and presenting quality vehicles at the right time and at the right price. And they provide products that suit everybody's requirements. More than 50+ million customers have brought a TVS motors products till date. The company has four manufacturing plants, three located in India (Hosur in Tamilnadu, Mysore in Karnataka, and nalagarh in Himachal Pradesh) and one in Indonesia at Karawang.

INCEPTION OF THE COMPANY

TVS Motor Company (commonly known as TVS) is an Indian multinational motorcycle manufacturer headquartered in Chennai. It is the third-largest motorcycle company in India in terms of revenue. The company has annual sales of three million units and an annual production capacity of over four million vehicles. TVS Motor Company is also the second largest two-wheeler exporter in India with exports to over 60 countries. TVS Motor Company is the flagship company of the TVS Group, being the largest company of the group in terms of valuation and turnover. The logo for TVS Motor Company features a red horse.

T. V. Sundram Iyengar began with Madurai's first bus service in 1911 and founded TVS, a company in the transportation business with a large fleet of trucks and buses under the name of Southern Roadways.

Early history: Sundaram Clayton was founded in 1962 in collaboration with Clayton Dewandre Holdings, United Kingdom. It manufactured brakes, exhausts, compressors and various other automotive parts. The company set up a plant at Hosur in 1976, to manufacture mopeds as part of their new division. In 1980, TVS 50, India's first two-seater moped rolled out of the factory at Hosur in Tamil Nadu, India. A technical collaboration with the Japanese auto giant Suzuki Ltd. resulted in the joint-venture between Sundaram Clayton Ltd and Suzuki Motor Corporation, in 1987. Commercial production of motorcycles began in 1989.

Suzuki relationship: TVS and Suzuki shared a one-year-long relationship that was aimed at technology transfer for design and manufacture of two-wheelers specifically for the Indian market. Re-christened TVS-Suzuki, the company brought out several models such as the

Suzuki Supra, Suzuki Samurai, Suzuki Shogun and Suzuki Shaolin. In 2001, after separating ways with Suzuki, the company was renamed TVS Motor, relinquishing its rights to use the Suzuki name. There was also a 30-month moratorium period during which Suzuki promised not to enter the Indian market with competing two-wheelers.

Recent launches include the flagship model TVS Apache RR 310, the TVS Apache RTR 200, TVS Victor, and TVS XL 100. TVS has recently won 4 top awards at J.D. Power Asia Pacific Awards 2016, 3 top awards at J.D. Power Asia Pacific Awards 2015 and Two-Wheeler Manufacturer of the Year at NDTV Car & Bike Awards (2014–15).

In early 2015, TVS Racing became the first Indian factory team to take part in the Dakar Rally, the world's longest and most dangerous rally. TVS Racing partnered with French motorcycle manufacturer Sherco, and named the team Sherco TVS Rally Factory Team. TVS Racing also won the Raid de Himalaya and the FOX Hill Super Cross held at Sri Lanka. In three decades of its racing history, TVS Racing has won over 90% of the races it participates in.

In 2016, TVS started manufacturing the BMW G310R, a model co-developed with BMW Motorrad after their strategic partnership in April 2013. In December 2018, the Hosur plant where the motorcycle is manufactured rolled out its 50,000th G310R series unit.

On 6 December 2017, TVS launched their most-awaited motorcycle, the Apache RR 310 in an event at Chennai. The 310 cc motorcycle with an engine which was co-developed with BMW features the first ever full fairing on a TVS bike, dual-channel ABS, EFI, KYB suspension kits, etc. It is expected to rival bikes like KTM RC 390, Kawasaki Ninja 250SL, Bajaj Pulsar and Dominar and Honda CBR 250R after hitting the market. The Apache RR 310 is designed and realised entirely in India.

On 17 April 2020, it has been reported that TVS Motor Company acquired Norton Motorcycle Company in an all cash deal. In the short term, they will continue the production of motorcycles at Donington Park using the same staff.

It was the first Indian company to deploy a catalytic converter in a 100 cc motorcycle and the first to indigenously produce a four stroke motorcycle. The list of firsts from the firm includes:

- India's first 2-seater moped – TVS 50
- India's first Digital Ignition – TVS Champ
- India's first fully indigenous motorcycle – TVS Victor
- India's first company to launch ABS in a motorcycle - Apache RTR Series

- India's first connected scooter which claims to be India's first Bluetooth Connected Scooter with features like Call Assistance, Navigation and Engine Kill switch - TVS NTORQ
- India's First 125cc bike with 3 Valve Engine, Inverted TFT display with Gear Shift Indicator, Underneath Storage - TVS Raider 125.
- Indonesia's first dual-tone exhaust noise technology – TVS Tormax

Awards and recognitions: TVS Motor won the Deming Application Prize in 2002. In the same year, the work done for the TVS Victor motorcycle made TVS Motor win the National Award for successful commercialization of indigenous technology from the Technology Development Board, Ministry of Science & Technology, Government of India.[10] In 2004, TVS Scooty Pep won the 'Outstanding Design Excellence Award' from Business World magazine and the National Institute of Design, Ahmedabad.

The effective implementation of Total Productivity Maintenance practices gave TVS Motor the TPM Excellence Award, given by the Japan Institute of Plant Maintenance in 2008. The company's Chairman Emeritus, Venu Srinivasan, was conferred with an honorary Doctorate of Science degree by the University of Warwick, United Kingdom in 2004, while the Government of India honoured him with Padma Shri, one of India's highest civilian distinctions in 2010.

Innovative implementation of Information Technology has won TVS Motor the Ace Award for Most Innovative Net Weaver Implementation in 2007, awarded by technology major SAP AG, and the Team Tech 2007 Award of Excellence for Integrated use of Computer-aided engineering Technologies.

Himalayan Highs, an initiative launched by TVS Motor Company has been included in the India Book of Records when Anam Hashim became the first woman on a 110 cc scooter to complete the trip to Khardung La, the world's highest motorable stretch.

NATURE OF THE BUSINESS CARRIED

TVS Motor Company is an Indian multinational motorcycle and the scooter manufacturer. They are primarily engaged in the business of designing their products in unique and attractive way, manufacturing products with perfection and with high quality, and selling two wheeler vehicles, including mopeds, motorcycles, and scooters. TVS Motor Company produces wide range of two wheeled vehicles for both domestic and international markets, and they are known for their focus on their innovation and technological advancements in automotive industry.

MISSION OF TVS MOTOR COMPANY

To be one of the leading companies globally in our chosen business segments, providing the

Most compelling mobility solutions through:

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

VISION OF TVS MOTOR COMPANY

To transform the quality of life of people across the world by providing mobility solutions that are exciting, responsible, sustainable and safe.

- Driven by the customer: TVS Motor will be responsive to customer requirements consonant with its Core competence and profitability. Their main vision is to provide total customer satisfaction by giving the customer the right product, at the right price, at the right time.
- The Industry Leader: TVS Motor will be among the top two two-wheeler manufacturers in India and one among the top five two-wheeler manufacturers in Asia.
- Global Overview: TVS Motor will have profitable operations overseas especially in Asian markets, capitalizing on the expertise developed in the areas of manufacturing, technology and marketing. The thrust will be to achieve a significant share for international business in the total turnover.
- At The Cutting Edge: TVS Motor will hone and sustain its cutting edge of technology by constant benchmarking against international leaders.
- Committed to Total Quality: TVS Motor is committed to achieving a self-reviewing organization in perpetuity by adopting TQM as a way of life. TVS Motor believes in the importance of the process. People and projects will be evaluated both by their end results and the process adopted.
- Environment, occupational health and safety policy: We at TVS Motor Company, a leading manufacturer of personal transportation products firmly believe in the integration of Environment, Occupational Health and Safety aspects with all business activities and ensure the well-being of employees and society.
- The Human Factor: TVS Motor believes that people make an organization and that its well-being is dependent on the commitment and growth of its people. There will be a sustained effort through systematic training and planning career growth to develop employees' talents and enhance job satisfaction. TVS Motor will create an enabling ambience where the

maximum self-actualisation of every employee is achieved. TVS Motor will support and encourage the process of self-renewal in all its employees and nurture their sense of self-worth.

- **Responsible Corporate Citizen:** TVS Motor firmly believes in the integration of Safety, Health and Environmental aspects with all business activities and ensures the protection of employees and environment including development of surrounding communities. TVS Motor strives for long-term relationships of mutual trust and interdependence with its customers, employees, dealers, and suppliers.

VALUES OF TVS MOTOR COMPANY

TVS Motors is an Indian motorcycle and scooter manufacturer that produces a range of two-wheelers. The Company is known for its commitment to quality, innovation, and a strong presence in the domestic and

International markets. Some of the core values and principles associated with TVS Motors include:

- **Customer-Centric:** TVS Motors places a strong emphasis on understanding and meeting the needs and preferences of its customers. They aim to provide products and services that cater to a wide range of customer segments.
- **Quality:** TVS Motors is dedicated to delivering high-quality products that are reliable and durable. Quality control and continuous improvement are essential components of their manufacturing.
- **Innovation:** The Company believes in innovation and constantly strives to introduce new and advanced technologies in its vehicles. They invest in research and development to enhance performance, safety, and environmental sustainability.
- **Integrity:** TVS Motors values honesty and ethical conduct in all its dealings, including interactions with customers, employees, suppliers, and the wider community.
- **Sustainability:** TVS Motors is committed to sustainability and environmental responsibility. They work on producing vehicles with lower emissions and are actively involved in environmental conservation efforts.
- **Employee Welfare:** The Company places significant importance on the well-being and professional development of its employees. It fosters a supportive work environment and invests in employee training and growth.

- **Social Responsibility:** TVS Motors is involved in various corporate social responsibility (CSR) initiatives that focus on education, healthcare, and community development, particularly in the regions where they operate.
- **Transparency:** TVS Motors believes in transparency in its business operations, including financial reporting, to build trust among stakeholders.
- **Growth and Expansion:** TVS Motors aims for continuous growth and expansion into new markets both domestically and internationally.
- **Safety:** Safety is a fundamental value for TVS Motors. They focus on enhancing the safety features of their vehicles to protect the riders and other road users.

These values reflect TVS Motors' commitment to providing high-quality products, ethical business practices, and a strong focus on the welfare of its customers, employees, and the environment.

GOALS AND OBJECTIVES OF TVS MOTOR COMPANY

TVS Motor Company, as a prominent two-wheeler manufacturer, typically sets strategic goals and objectives to guide its business operations and long-term vision. These goals may evolve over time in response to changing market dynamics and industry trends. As of my last knowledge update in September 2021, here are some common goals associated with TVS Motor Company:

- **Market Leadership:** TVS Motor Company aims to maintain or achieve leadership positions in key markets, particularly in India, by increasing market share through a diversified range of products and services.
- **Innovation and Technology:** The Company focuses on continuous innovation and technology integration, including the development of electric vehicles (EVs), advanced safety features, and connected mobility solutions.
- **Customer Satisfaction:** TVS Motor Company is committed to delivering high-quality products and services that meet or exceed customer expectations, with an emphasis on after-sales support and customer satisfaction.
- **Global Expansion:** The Company seeks to expand its presence in international markets by exporting products and establishing a strong global brand identity.
- **Environmental Sustainability:** TVS Motor Company often sets goals related to reducing the

Environmental impact of its products, such as reducing emissions, improving fuel efficiency, and developing electric and hybrid vehicles.

- **Safety:** Ensuring the safety of riders and other road users is a core goal. TVS Motor Company works on enhancing the safety features of its two-wheelers.
- **Financial Performance:** As a business, TVS Motor Company aims for financial growth and stability, including revenue growth, profitability, and cost management.
- **Employee Development:** The Company typically sets goals related to employee development, including training, career advancement, and maintaining a supportive work environment.
- **Corporate Social Responsibility (CSR):** TVS Motor Company is often involved in various CSR initiatives, aligning with social and ethical goals, which may include education, healthcare, and community development.
- **Quality Control:** Maintaining high-quality standards in manufacturing processes and product lines, along with a focus on continuous improvement and quality control, is a fundamental goal.

Please note that specific goals and objectives and priorities may change over time as the company adapts to market conditions and industry trends.

QUALITY POLICY OF TVS MOTORS COMPANY

"At TVS Motors, we are committed to delivering exceptional products and services to our customers. Our quality policy is designed to guide our actions and decisions, ensuring that we consistently meet and exceed our customers' expectations. We are dedicated to the following principles:

- **Customer Satisfaction:** We prioritize the satisfaction of our customers by delivering products and services that meet or exceed their requirements and expectations.
- **Continuous Improvement:** We are committed to an environment of continuous improvement in all Aspects of our business. This includes processes, products, and the skills of our employees.
- **Quality Excellence:** We maintain a focus on quality excellence through rigorous quality control and testing, ensuring that our products are reliable, safe, and durable.

- **Compliance:** We adhere to all relevant quality and regulatory standards, both internally and externally. We take our responsibility for safety and environmental concerns seriously.
- **Innovation:** We encourage and support innovation at all levels of our organization to enhance our products and services.
- **Teamwork:** We foster a culture of collaboration and teamwork, recognizing that our employees are our most valuable assets.
- **Sustainability:** We are committed to sustainable practices and responsible business operations that minimize our impact on the environment.
- **Ethical Conduct:** We conduct our business with the highest ethical standards and integrity.

This quality policy serves as the foundation of our quality management system and is communicated, understood, and practiced throughout the organization. By upholding these principles, we aim to be a respected and trusted brand in the automotive industry."

PRODUCTS\ SERVICE PROFILE OF TVS MOTORS COMPANY

TVS Motor Company is an Indian multinational motorcycle and scooter manufacturer headquartered in Chennai, India. Founded in 1978, the company has established itself as one of the leading two-wheeler manufacturers in India and has a global presence with operations in over 60 countries. Here's a product and service profile of TVS Motor Company:

- **Motorcycles and Scooters:** TVS Motor Company offers a wide range of motorcycles and scooters catering to various customer segments. These include:
 - **Commuter Motorcycles:** These are designed for everyday commuting and include models like the TVS Star City Plus and TVS Sport.
 - **Performance Motorcycles:** TVS offers performance-oriented bikes like the TVS Apache series, known for their sporty designs and powerful engines.
 - **Scooters:** TVS produces scooters, including the popular TVS Jupiter and TVS Ntorq 125. These scooters are known for their features, comfort, and style.
- **Electric Vehicles (EVs):** TVS has ventured into the electric vehicle market with the TVS iQube, an Electric scooter designed for urban mobility. This move aligns with the growing demand for eco- friendly transportation.

- **Racing:** TVS has a strong presence in motorcycle racing and sponsors racing events, such as the TVS Racing Championship. They also have a team that participates in international racing events, showcasing their commitment to engineering and performance.
- **Customer Services:** TVS provides comprehensive customer support and service through its network of authorized service centers. They offer maintenance and repair services to ensure the longevity and performance of their vehicles.
- **Innovation and Technology:** TVS focuses on continuous innovation and uses cutting-edge technology in their products. Their motorcycles and scooters often feature advanced features like Bluetooth connectivity, LED lighting, and digital instrument clusters. And technology likes increasing the mileage of the scooter or motorcycles.
- **Export and Global Presence:** TVS exports its two-wheelers to various international markets, contributing to India's reputation as a hub for motorcycle manufacturing.
- **Sustainability Initiatives:** TVS Motor Company is committed to sustainability and has implemented various eco-friendly manufacturing processes and practices in their facilities. They also emphasize fuel efficiency and reduced emissions in their products.
- **Corporate Social Responsibility (CSR):** TVS actively engages in CSR activities, focusing on education, healthcare, and community development.
- **Research and Development (R&D):** The Company invests heavily in R&D to develop new and improved products, ensuring that they remain competitive and responsive to changing consumer preferences and regulatory requirements.
- **Customization and Accessories:** TVS offers a range of genuine accessories and customization options for their vehicles, allowing customers to personalize their bikes and scooters to suit their preferences.

TVS Motor Company has a strong brand presence in India and abroad, with a commitment to quality, innovation, and customer satisfaction. Their diverse product range caters to a wide spectrum of customers, from daily commuters to performance enthusiasts, making them a significant player in the global two-wheeler industry.

GLOBAL AREA OF OPERATION

TVS Motor Company primarily operates in India, where it is headquartered. However, they also have a significant international presence with operations in various countries, including but not limited to:

- Southeast Asia: TVS has a substantial presence in countries like Indonesia, where they manufacture and sell motorcycles and scooters.
- South America: The Company has been expanding its presence in South American markets, such as Peru and Colombia.
- Africa: TVS has a presence in African countries, including Kenya, Nigeria, and others.
- Middle East: They have a presence in countries like the United Arab Emirates, Iraq, and others in the Middle East.
- Europe: TVS also exports their products to European markets, including the United Kingdom.

NATIONAL AREA OF OPERATION

TVS Motor Company primarily operates in India as its national area of operation. The company is headquartered in Chennai, Tamil Nadu, and has a significant presence in the Indian two-wheeler market. TVS Motor Company manufactures and sells motorcycles, scooters, and other two-wheeled vehicles in various segments, catering to the needs of Indian consumers.

In addition to their manufacturing and sales operations in India, TVS Motor Company has a wide network of dealers, service centres, and distribution channels across the country to serve its domestic customers. Their national operations in India are a core part of their business, and they have a strong market share in the Indian two-wheeler industry.

REGIONAL AREA OF OPERATION

TVS Motor Company's regional area of operation extends beyond India. While the company is headquartered in India and has a strong presence in the Indian market, it also operates in various regions around the world, serving international customers. As of my last knowledge update in September 2021, TVS Motor Company's regional areas of operation include:

- Southeast Asia: TVS has a substantial presence in Southeast Asian markets, with manufacturing and sales operations in countries like Indonesia.
- South America: The Company has been expanding its presence in South American markets, including countries like Peru and Colombia.
- Africa: TVS Motor Company has a presence in several African countries, such as Kenya, Nigeria, and others.

- Middle East: They have operations and a distribution network in Middle Eastern countries like the United Arab Emirates, Iraq, and more.
- Europe: TVS also exports their products to European markets, including the United Kingdom.

OWNERSHIP PATTERN OF TVS MOTORS COMPANY

TVS Motor Company, a leading two-wheeler and three-wheeler manufacturer in India, was primarily owned and controlled by the TVS family. Here is a general breakdown of the ownership pattern:

- TVS Group: The Company was founded by T.V. Sundaram Iyengar in 1911, and it has remained under the control and ownership of the TVS Group, which is a prominent and well-established business group in India. The TVS family has had a significant role in managing and owning the company.
- Promoter Shareholding: Members of the TVS family, including Venu Srinivasan and others, held a significant stake in the company as of my last update.
- Public Shareholding: A portion of TVS Motor Company's shares was held by public shareholders, including institutional and retail investors.

COMPETITORS OF TVS MOTORS COMPANY

TVS Motor Company, an Indian two-wheeler and three-wheeler manufacturer, had several competitors in the Indian and global markets. Please keep in mind that the competitive landscape in the automotive industry is dynamic, and the list of competitors may have changed since then. Here are some of the key competitors of TVS Motor Company:

- Hero MotoCorp: Hero MotoCorp is one of the largest two-wheeler manufacturers in India and is known for its extensive range of motorcycles and scooters.
- Bajaj Auto: Bajaj Auto is another major Indian two-wheeler manufacturer with a strong presence in the motorcycle segment.
- Honda Motorcycle & Scooter India Pvt. Ltd.: Honda is a global motorcycle and scooter manufacturer with a significant presence in the Indian market.
- Yamaha Motor Co., Ltd.: Yamaha is a Japanese motorcycle manufacturer with a range of motorcycles and scooters in India.

- Suzuki Motorcycle India Private Limited: Suzuki is another Japanese motorcycle manufacturer with a growing presence in the Indian market.
- Royal Enfield: Known for its iconic retro-style motorcycles, Royal Enfield is a division of Eicher Motors and competes in a niche segment.
- KTM: KTM, a brand owned by Austrian motorcycle manufacturer KTM AG, has gained popularity in India, especially in the sports and performance motorcycle segment.
- Mahindra Two Wheelers: Part of the Mahindra Group, this company manufactures scooters and motorcycles in India.
- Benelli: An Italian motorcycle manufacturer, Benelli has a presence in the premium motorcycle segment in India.
- Harley-Davidson: Although primarily known for its heavyweight cruisers, Harley-Davidson had a presence in the premium motorcycle market in India before exiting the market. Its status may have changed since then.
- BMW Motorrad: BMW Motorrad, the motorcycle division of BMW, competes in the premium and luxury motorcycle segment in India.

The competitive landscape in the motorcycle industry can change due to new product launches, market dynamics, and evolving consumer preferences.

INFRASTRUCTURAL FACILITIES OF TVS MOTOR COMPANY

TVS Motor Company had several manufacturing facilities and infrastructure to support its production and operations. TVS Motor Company is headquartered in Chennai, Tamil Nadu, India. Here are some of the key infrastructural facilities of TVS Motor Company:

- Manufacturing Plants: TVS Motor Company had manufacturing plants in various locations in India, including:
 - Hosur, Tamil Nadu: The Hosur facility is the company's primary manufacturing plant and serves as its headquarters. It produces a wide range of two-wheelers, including motorcycles and scooters.
 - Mysuru, Karnataka: TVS Motor also had a manufacturing facility in Mysuru, Karnataka.
 - Nalagarh, Himachal Pradesh: TVS Motor Company had another manufacturing plant in Nalagarh.

- Karawang, Indonesia: The Company has an overseas manufacturing facility in Karawang, Indonesia, to serve international markets.
- Research and Development (R&D) Centers: TVS Motor Company invested in R&D centers to develop and innovate its products. Some of these centers include the TVS Motor Research Center (TMRC) in Hosur, India, and the TVS Motor Company R&D Center in Bengaluru, Karnataka.
- Dealerships and Service Centers: TVS Motor Company had an extensive network of dealerships and service centers across India and in various international markets to support the sale and after-sales service of its two-wheelers
- Distribution Network: The Company had a well-established distribution network to ensure that products reached consumers efficiently.
- Testing Facilities: TVS Motor Company had testing facilities to ensure the quality and safety of its products. These facilities are crucial in the development and testing of new models.

ACHIEVEMENTS AND AWARDS

TVS Motor Company has received numerous awards and accolades over the years for its contributions to the automotive industry, product innovations, sustainability initiatives, and corporate governance. Here are some notable achievements and awards received by TVS Motor Company

- Deming Prize: TVS Motor Company became the first two-wheeler manufacturer in the world to receive the prestigious Deming Prize for excellence in Total Quality Management in 2002.
- JD Power Awards: The company has received several JD Power awards for customer satisfaction and product quality in India.
- NDTV Car and Bike Awards: TVS Motor Company's motorcycles and scooters have received recognition and awards at the NDTV Car and Bike Awards in various categories.
- India Design Mark: TVS Motor Company received the India Design Mark, which recognizes outstanding product design, for some of its models.
- Frost & Sullivan Awards: The company has been honored with Frost & Sullivan awards for its excellence in various aspects of the two-wheeler industry.
- CII Design Excellence Award: TVS Motor Company's design and innovation efforts have been acknowledged with awards from the Confederation of Indian Industry (CII).

- National Safety Awards: The company has been recognized for its safety practices and awarded National Safety Awards by the Ministry of Labour and Employment, Government of India.
- Green Era Award: TVS Motor Company has received the Green Era Award for its commitment to sustainable practices and environmental responsibility.
- Golden Peacock Award for Sustainability: The Company has been honored with the Golden Peacock Award for its sustainability initiatives and corporate responsibility.
- Indian Motorcycle of the Year (IMOTY) Awards: TVS Motor Company has had some of its motorcycle models win the IMOTY award, which recognizes the best two-wheelers in India.
- International Corporate Social Responsibility (CSR) Excellence Awards: The company has been recognized for its CSR initiatives and contributions to the community.

And the company has received many more awards like best motorcycle\ scooter awards for many of their products for example TVS Ntorq 125 has received.

CHAPTER 2

FINANCIAL AND MARKET ANALYSIS

FINANCIAL ANALYSIS

Financial analysis is the process of evaluating the financial performance and health of a company by examining its financial statements, ratios, and other relevant metrics. The goal of financial analysis is to gain insights into the company's profitability, liquidity, solvency, and overall efficiency, providing a basis for informed decision-making by investors, creditors, management, and other stakeholders.

TVS MOTOR COMPANY STATEMENTS

1. Financial Statements:

- **Income Statement (Profit and Loss Statement):** Summarizes revenues, expenses, and profits over a specific period.
- **Balance Sheet:** Provides a snapshot of a company's financial position at a specific point in time, showing assets, liabilities, and equity.
- **Cash Flow Statement:** Tracks the inflow and outflow of cash over a specific period.

2. Ratio Analysis:

- **Liquidity Ratios (e.g., Current Ratio, Quick Ratio):** Measure a company's ability to meet short-term obligations.
- **Profitability Ratios (e.g., Net Profit Margin, Return on Equity):** Assess a company's ability to generate profits relative to its revenue and equity.
- **Efficiency Ratios (e.g., Inventory Turnover, Receivables Turnover):** Evaluate how well a company utilizes its assets to generate sales.

3. Trend Analysis:

Examining financial data over multiple periods to identify patterns and trends. This helps in understanding the direction in which a company is heading.

4. Comparative Analysis:

Benchmarking a company's performance against industry peers or competitors to gain insights into its relative standing and performance

5. Budget vs. Actual Analysis:

Comparing the budgeted financial figures with the actual results to assess the accuracy of

Financial forecasts and identify areas that need attention.

6. Cash Flow Analysis:

Examining the sources and uses of cash to understand a company's ability to generate cash and meet its short-term and long-term obligations.

7. Risk Analysis:

Identifying and assessing potential financial risks that could impact a company's performance, such as market risks, credit risks, and operational risks.

8. Valuation Models:

Using various valuation methods (e.g., discounted cash flow, comparable company analysis) to estimate the intrinsic value of a company or investment.

9. DuPont Analysis:

Breaking down the Return on Equity (ROE) into its component parts to understand the factors driving a company's profitability.

10. SWOT Analysis:

Evaluating a company's Strengths, Weaknesses, Opportunities, and Threats to gain a comprehensive understanding of its internal and external factors.

11. Revenue Segmentation:

If available, analyse revenue by business segment to understand which areas contribute the most to the company's overall revenue.

12. Footnotes and Management Discussion and Analysis (MD&A):

Pay attention to footnotes in financial statements for additional context and details. Regarding its financial performance and outlook.

13. Comparisons and Trends:

Compare financial metrics over multiple periods to identify trends. Benchmark the company's performance against industry peers to assess its relative position

14. Events After the Reporting Period:

Check for any subsequent events or developments that occurred after the reporting period.

1.1 Comparative Profit and loss account for the year ending 2022-23

| Particulars | 31-3-2022 | 31-3-2023 | Change in Value | Percentage % |
|---|------------------|------------------|-----------------|-----------------|
| I. Revenue from operations | 24,355.31 | 31,973.99 | 7,618.68 | 31.28139 |
| II. Other income | 32.87 | 138.00 | 105.13 | 319.8357 |
| III. Total Income (I +II) | 24,388.18 | 32,111.99 | 7,723.81 | 31.6703 |
| IV. Expenses: | | | | |
| • Cost of material consumed | 15,938.65 | 20,093.26 | 4,154.61 | 26.06626 |
| • Purchase of stock in trade | 579.04 | 890.95 | 311.91 | 53.86674 |
| • Changes in inventories of finished goods, Stock-in –trade and work-in-progress | (260.40) | (140.93) | (119.47) | 45.87942 |
| • Employee benefits expense | 2,124.62 | 2,890.25 | 765.63 | 36.03609 |
| • Finance costs | 940.22 | 1,367.89 | 427.67 | 45.48616 |
| • Depreciation and amortisation expense | 742.86 | 858.86 | 116 | 15.61532 |
| • Other expenses | 3,218.77 | 4,173.08 | 954.31 | 29.64828 |
| • Total expenses | 23,283.76 | 30,133.36 | 6,849.6 | 79.15557 |
| V. Profit before exceptional items, share of net profit / (loss) from associates and tax (III - IV) | 1,104.42 | 1,978.63 | 874.21 | 1535.743 |
| VI. Share of net profit / (loss) from associates using equity method | 2.49 | (40.73) | 38.24 | 75.07295 |
| VII. Profit before exceptional items and tax (V + VI) | 1,106.91 | 1,937.90 | 830.99 | 95.33898 |
| VIII. Exceptional items | (40.12) | (1.87) | (38.25) | 81.48183 |
| IX. Profit before tax (VII + VIII) | 1,066.79 | 1,936.03 | 869.24 | 81.0131 |
| X. Tax expense | | | | |
| • Current tax | 364.55 | 703.46 | 338.91 | 92.96667 |
| • Deferred tax | (28.64) | (76.89) | (48.25) | 168.4707 |
| Total tax expenses (i + ii) | 335.91 | 626.57 | 290.66 | 86.52913 |
| XI. Profit for the year (IX - X) | 730.88 | 1,309.46 | 578.58 | 79.16211 |
| XII. (Profit) / Loss attributable to non-controlling Interest | 25.94 | 19.21 | (6.73) | (25.9445) |
| XIII. Profit for the year attributable to owners (XI + XII) | 756.82 | 1,328.67 | 571.85 | 75.55958 |
| XIV. Other comprehensive income | | | | |
| A. Items that will not be reclassified to profit or loss: | | | | |
| Remeasurements of post-employment benefit obligations | (85.33) | (27.62) | 57.71 | (67.6315) |
| Change in fair value of equity instruments | 0.72 | (13.49) | 12.77 | 1773.611 |
| Share of other comprehensive income of an associate | (0.29) | (0.03) | (0.26) | 89.65517 |
| Income tax relating to these items | 18.53 | 10.38 | (8.15) | (43.9828) |
| B. Items that will be reclassified to profit or loss: | | | | |
| Fair value changes on cash flow hedges | 43.26 | 16.85 | (26.41) | (61.0495) |

| | | | | |
|--|---------------|-----------------|---------------|-----------------|
| Foreign currency translation adjustments | 36.87 | 78.17 | 41.3 | 112.0152 |
| Income tax relating to these items | (10.87) | (4.98) | (5.89) | 54.18583 |
| Other comprehensive income for the year, net of tax (XIV) | 2.89 | 59.28 | 56.39 | 1951.211 |
| XV. Other comprehensive income attributable to non-controlling interest | 14.66 | 23.29 | 8.63 | 58.86767 |
| XVI. Other comprehensive income attributable to owners (XIV - XV) | (11.77) | 35.99 | 24.22 | (205.777) |
| XVII. Total comprehensive income attributable to owners (XIII +XVI) | 745.05 | 1,364.66 | 619.61 | 83.16355 |

ANALYSIS OF PROFIT AND LOSS ACCOUNT:

Analysing a profit and loss account, also known as an income statement, is crucial for understanding a company's financial performance over a specific period. This financial statement summarizes the revenues, costs, and expenses incurred by a business during a particular timeframe, usually a quarter or a year. Here's a breakdown of key components and considerations when analysing a profit and loss account:

1. Revenue:

- Identify the sources of revenue, such as sales of goods or services, interest, royalties, etc.
- Assess the overall trend in revenue over multiple periods to identify growth or decline.
- Analyse the contribution of each revenue stream to the total revenue.

2. Cost of Goods Sold (COGS):

- Evaluate the direct costs associated with producing goods or services.
- Calculate the gross profit margin by subtracting COGS from total revenue. A higher gross profit margin indicates better efficiency in production.

3. Gross Profit:

- Assess the gross profit margin as a percentage of total revenue.
- Compare the gross profit margin with industry benchmarks to evaluate competitiveness and efficiency.

4. Operating Expenses:

- Break down operating expenses into categories such as selling, general and administrative

Expenses (SG&A).

- Analyse trends in operating expenses to identify areas of cost control or potential inefficiencies.

5. Operating Income:

- Calculate operating income by subtracting total operating expenses from gross profit.
- Evaluate the operating margin as a percentage of total revenue.

6. Non-Operating Income and Expenses:

- Consider any non-operating income or expenses, such as interest income, interest expenses, or gains/losses from investments.
- These items can significantly impact net income.

7. Net Income:

- Evaluate the bottom line, which is the net income.
- Compare net income with previous periods to identify trends.

8. Earnings Per Share (EPS):

- Calculate EPS by dividing net income by the average number of outstanding shares.
- EPS is essential for assessing a company's profitability on a per-share basis.

9. Taxes:

- Understand the impact of income taxes on net income.
- Analyse the effective tax rate to identify the proportion of income paid in taxes.

10. Comparative Analysis:

- Compare the current profit and loss statement with previous periods to identify trends and changes.
- Benchmark the financial performance against industry peers for a broader perspective.

11. Cash Flow Implications:

- Consider the cash flow implications of the profit and loss statement, especially if there are discrepancies between net income and actual cash flow.

12. Seasonal or Cyclical Factors:

- Consider whether the business operates in a seasonal or cyclical industry, as this can affect the interpretation of financial results.

In summary, a thorough analysis of a profit and loss account involves examining various components to gain insights into a company's revenue generation, cost structure, and overall profitability.

1.2 Comparative Balance Sheet of TVS Motors for the year 2022-23

| Particulars | 31-03-2022 | 31-03-2023 | Change in Value | Percentage % |
|---|------------------|------------------|-----------------|-----------------|
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 47.51 | 47.51 | 0 | - |
| Other equity | 4,351.94 | 5,457.49 | 1105.55 | 25.40361 |
| Equity attributable to owners | 4,399.45 | 5,505.00 | 1105.55 | 25.12928 |
| Non-Controlling interest | 653.56 | 404.85 | (248.71) | (38.0547) |
| | 5,053.01 | 5,909.85 | 856.84 | 16.95702 |
| Liabilities | | | | |
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| • Borrowings | 7,305.77 | 9,064.08 | 1758.31 | 24.06742 |
| • Lease Liabilities | 403.05 | 563.51 | 160.46 | 39.81144 |
| • Others | 9.85 | - | 9.85 | 100 |
| Provisions | 196.24 | 231.26 | 35.02 | 17.8455 |
| Deferred Tax Liability (net) | 207.56 | 208.37 | 0.81 | 0.39024 |
| Other Non-Current Liabilities | 44.88 | 37.14 | (7.74) | (17.246) |
| | 8,167.35 | 10,104.36 | 1937.01 | 23.71651 |
| Current Liabilities | | | | |
| Financial Liabilities | | | | |
| • Borrowings | 7,991.51 | 12,562.15 | 4,570.64 | 57.1937 |
| • Lease Liabilities | 126.88 | 185.84 | 58.96 | 46.4691 |
| • Trade Payables | | | | |
| a) Total Outstanding dues of micro and small enterprise | 69.78 | 75.83 | 6.05 | 8.67010 |
| b) Total Outstanding dues of other than 3,(a) above | 4,593.35 | 5,020.84 | 427.49 | 9.30671 |
| • Other Financial Liabilities | 325.71 | 355.60 | 29.89 | 9.17687 |
| Other Current Liabilities | 691.65 | 886.65 | 195 | 9.30671 |
| Provisions | 107.42 | 115.74 | 8.32 | 9.17687 |
| Current tax Liabilities (net) | | 16.05 | 16.05 | 28.19345 |
| | 13,906.30 | 19,218.70 | 5,312.4 | 7.745299 |
| Total liabilities | 22,073.65 | 29,323.06 | 7,249.41 | 32.84192 |
| Total Equity and liabilities | 27,126.66 | 35,232.91 | 8,106.25 | 29.88296 |

| ASSETS | | | | |
|--|------------------|------------------|-----------------|-----------------|
| Non-Current Assets | | | | |
| Property, plant and equipment | 4,377.98 | 4,177.40 | (200.58) | (4.58157) |
| Capital work-in-progress | 320.18 | 315.81 | (4.37) | (1.36486) |
| Investment Properties | 137.70 | 137.70 | 0 | 0 |
| Goodwill on Consolidation | 569.47 | 597.05 | 27.58 | 4.8431 |
| Other intangible assets | 889.49 | 835.88 | (53.61) | (6.02705) |
| Intangible assets under development | 231.35 | 427.64 | 196.29 | 84.84547 |
| Financial assets | | | | |
| • Investments | 109.51 | 364.10 | 254.59 | 232.4811 |
| • Loans(receivable from financing activity) | 6,716.45 | 10,321.42 | 3,604.97 | 53.67374 |
| • Other financial assets | 124.14 | 192.93 | 68.79 | |
| Investments accounted using equity method | 364.82 | 411.23 | 46.41 | 12.72134 |
| Non-Current tax assets (Net) | 49.60 | 27.60 | (22) | (44.3548) |
| Deferred tax assets | 217.88 | 305.73 | 87.85 | 40.32036 |
| Other non-current assets | 130.46 | 111.19 | (19.27) | (44.3548) |
| | 14,239.03 | 18,225.68 | 3,986.65 | 27.99804 |
| Current Assets | | | | |
| Inventories | 1,642.36 | 1,921.51 | 279.15 | 16.99688 |
| Financial assets | | | | |
| • Investments | 130.23 | 191.92 | 61.69 | 47.37004 |
| • Trade receivables | 1,177.30 | 1,232.20 | 54.9 | 4.663212 |
| • Loans (receivable from financing activity) | 7,299.25 | 10,225.16 | 2,925.91 | 40.08508 |
| • Cash and cash equivalents | 1,445.68 | 1,851.19 | 405.51 | 28.04978 |
| • Bank balances other than (iii) above | 89.93 | 27.92 | (62.01) | (68.9536) |
| • Other financial assets | 131.62 | 224.21 | 92.59 | 70.34645 |
| Current tax assets (Net) | 1.42 | 4.56 | 3.14 | 221.1268 |
| Other current assets | 969.84 | 1,328.56 | 358.72 | 36.98754 |
| | 12,887.63 | 17,007.23 | 4,119.6 | 31.96554 |
| Total assets | 27,126.66 | 35,232.91 | 8,106.25 | 29.88296 |

ASSESS KEY FINANCIAL RATIOS [LIQUIDITY, PROFITABILITY & TURNOVER]

1. LIQUIDITY RATIOS:

Liquidity refers to the firm's ability to meet its current liability. Liquidity ratios indicate the firm's ability to meet its current obligations out of the current ratios.

$$1. \text{ Current ratio} = \frac{\text{CURRENT ASSEST}}{\text{CURRENT LIABILITY}} = 0.61$$

$$2. \text{ Quick ratio} = \frac{\text{LIQUID ASSESTS}}{\text{CURRENT LIABILITIES}} = 0.40$$

3. Inventory turnover ratio = $\frac{\text{COST OF GOODS SOLD}}{\text{AVERAGE INVENTORY}} = 16.9$
4. Dividend Pay-out Ratio (NP) = $\frac{\text{EARNINGS PER SHARE}}{\text{DIVIDENDS PER SHARE}} \times 100 = 15.93$
5. Dividend Pay-out Ratio (CP) = $\frac{\text{TOTAL DIVIDENDS}}{\text{NET INCOME}} \times 100 = 11.19$
6. Earnings Retention Ratio = $\frac{\text{RETAINED EARNINGS}}{\text{NET INCOME}} \times 100 = 84.07$
7. Cash Earnings Retention Ratio = $\frac{\text{CASH RETAINED FOR BUSINESS}}{\text{TOTAL CASH EARNINGS}} \times 100 = 88.81$

2. PROFITABILITY RATIOS:

The profit earned by the company measures the efficiency of any business. Profitability ratios include:

1. Gross profit ratio = $\frac{\text{GROSS PROFIT}}{\text{NET REVENUE FROM OPERATIONS}} \times 100 = 10.52$
2. Operating profit ratios = $\frac{\text{OPERATING PROFIT}}{\text{NET SALES}} \times 100 = 8.12$
3. Net profit ratio (Before Tax) = $\frac{\text{NET PROFIT BEFORE TAX}}{\text{NET SALES}} \times 100 = 7.59$
4. Net profit ratio (After Tax) = $\frac{\text{NET PROFIT AFTER TAX}}{\text{NET SALES}} \times 100 = 5.65$
5. Net Profit margin = $\frac{\text{NET PROFIT}}{\text{REVENUE}} \times 100 = 5.65$
6. Return on Equity = $\frac{\text{NET INCOME}}{\text{AVERAGE TOTAL EQUITY}} \times 100 = 24.65$
7. Return on capital employed = $\frac{\text{EBIT}}{\text{TOTAL ASSETS} - \text{TOTAL CURRENT LIABILITIES}} \times 100 = 26.85$
8. Return on assets = $\frac{\text{NET INCOME}}{\text{AVERAGE TOTAL ASSETS}} \times 100 = 10.65$
9. Total debt/ equity = $\frac{\text{TOTAL LIABILITIES}}{\text{TOTAL ASSETS}} = 0.37$

$$10. \text{ Asset turnover ratio} = \frac{\text{NET SALES}}{\text{AVERAGE TOTAL ASSETS}} \times 100 = 2.04$$

3. PER SHARE RATIOS:

$$1. \text{ Basic EPS (Rs.)} = \frac{\text{NET INCOME} - \text{PREFERRED DIVIDEND}}{\text{WEIGHTED AVERAGE OF COMMON SHARES OUTSTANDING}} = 31.38$$

$$2. \text{ Diluted EPS (Rs.)} = \frac{\text{NET INCOME} - \text{PREFERRED DIVIDEND}}{\text{WEIGHTED AVERAGE OF DILUTED COMMON SHARES OUTSTANDING}} = 31.38$$

$$3. \text{ Cash EPS (Rs.)} = \frac{\text{OPERATING CASH FLOW}}{\text{TOTAL OUTSTANDING SHARES}} = 44.67$$

$$4. \text{ Book Value / Share (Rs.)} = \frac{\text{SHAREHOLDERS EQUITY} - \text{PREFERRED EQUITY}}{\text{AVERAGE NUMBER OF COMMON SHARES}} = 127.30$$

$$5. \text{ Dividend / Share (Rs.)} = \frac{\text{ANNUAL DIVIDEND}}{\text{NUMBER OF SHARES}} = 5.00$$

$$6. \text{ Revenue from Operations per Share} = \frac{\text{TOTAL NUMBER OF SHARES OUTSTANDING}}{\text{TOTAL REVENUE FROM OPERATIONS}} = 555.21$$

$$7. \text{ Gross profit ratio / Share (Rs.)} = \frac{\text{GROSS PROFIT}}{\text{NET REVENUE FROM OPERATIONS}} \times 100 = 58.41$$

$$8. \text{ Operating profit ratios / Share (Rs.)} = \frac{\text{OPERATING PROFIT}}{\text{NET SALES}} \times 100 = 45.31$$

$$9. \text{ Net profit ratio (Before Tax) / Share (Rs.)} = \frac{\text{NET PROFIT BEFORE TAX}}{\text{NET SALES}} \times 100 = 42.17$$

$$10. \text{ Net profit ratio (After Tax) / Share (Rs.)} = \frac{\text{NET PROFIT AFTER TAX}}{\text{NET SALES}} \times 100 = 31.38$$

MARKET ANALYSIS

Market analysis is the process of evaluating the dynamics, trends, and characteristics of a specific market or industry to gain insights that can inform decision-making. This comprehensive examination involves studying various factors that influence the market, including economic, social, technological, and regulatory aspects

1.3 Company's Position within the Industry:

| | |
|----------|---------------------------|
| 1 | Hero MotoCorp |
| 2 | Bajaj Auto |
| 3 | TVS Motors Company |
| 4 | Royal Enfield |
| 5 | KTM India |
| 6 | Yamaha Motors |
| 7 | Suzuki Motorcycles |
| 8 | Piaggio India |
| 9 | Honda Motorcycles |
| 10 | Mahindra Two Wheelers |

TVS Motor Company is an Indian multinational motorcycle company headquartered in Chennai, India. TVS Motor Company is a significant player in the two-wheeler industry and operates in the manufacturing and sale of motorcycles, scooters, and mopeds.

Within the Indian two-wheeler industry, TVS Motor Company is considered one of the major players, competing with other prominent companies like Hero MotoCorp, Bajaj Auto, and Honda Motorcycle & Scooter India. The company has a strong presence in both domestic and international markets.

TVS Motor Company is known for its innovative products, technological advancements, and a diverse product portfolio catering to various segments of the market. The company has been focusing on research and development to introduce new models and improve existing ones, aiming to stay competitive and meet customer preferences.

It's important to note that the competitive landscape of the automotive industry, including the two-wheeler segment, can change over time due to various factors such as market trends, consumer preferences, economic conditions, and regulatory developments.

Market Trends of TVS Motor Company

1. Electric Vehicles (EVs):

The automotive industry, including two-wheeler manufacturers, has been witnessing a growing interest in electric vehicles. Governments and consumers around the world are increasingly focusing on sustainable and eco-friendly transportation solutions. TVS Motor Company, like other players in the industry, may be exploring or investing in electric vehicle technology

2. Digitalization and Connectivity:

The integration of digital features and connectivity in vehicles has been a prominent trend. Consumers are increasingly looking for smart features, such as Bluetooth connectivity, GPS, and other digital enhancements in their two-wheelers. TVS Motor Company may be adapting to these trends by incorporating advanced technology into its products.

3. Changing Consumer Preferences:

Consumer preferences in the two-wheeler market can shift based on factors like design, fuel efficiency, performance, and pricing. TVS Motor Company may be adjusting its product strategy to align with changing consumer demands.

4. Global Expansion:

Many automotive companies, including TVS Motor Company, have been exploring opportunities for international expansion. Entering new markets or strengthening existing international operations can be a part of the company's growth strategy.

5. Regulatory Changes:

Changes in emission standards and other regulatory requirements can significantly impact the automotive industry. Companies need to adapt their products to comply with new regulations, which may affect production costs and product offerings.

Competition of TVS Motors Company

TVS Motor Company faces competition from various domestic and international players in the two-wheeler industry. Here are some of the key competitors:

1. Hero MotoCorp:

Hero MotoCorp is one of the largest two-wheeler manufacturers in the world and a major competitor for TVS Motor Company in the Indian market. They produce a wide range of motorcycles and scooters.

2. Bajaj Auto:

Bajaj Auto is another prominent player in the Indian two-wheeler market. They are known for producing motorcycles, scooters, and three-wheelers. Bajaj Auto is also involved in Collaborations with international brands.

3. **Honda Motorcycle & Scooter India (HMSI):**

Honda is a global giant in the motorcycle industry and has a significant presence in India. HMSI competes with TVS in various segments, offering both motorcycles and scooters.

4. **Yamaha Motor Company:**

Yamaha is a Japanese motorcycle manufacturer with a strong presence in the Indian market. They compete with TVS Motor Company in the sports bike and commuter bike segments.

5. **Suzuki Motorcycle India:**

Suzuki is another international player in the Indian two-wheeler market, manufacturing motorcycles and scooters. They are a competitor for TVS in various segments.

6. **Royal Enfield:**

Known for its classic and cruiser motorcycles, Royal Enfield is a niche player in the market. While TVS may not directly compete in the same segments, the overall motorcycle market dynamics can still impact each other.

7. **KTM:**

TVS faces competition in the sports bike segment from KTM, a brand known for its high-performance motorcycles. KTM has a significant presence in the premium motorcycle segment.

Potential growth opportunities for TVS Motor Company:

1. **Electric Vehicles (EVs):**

The global trend towards electric vehicles represents a significant growth opportunity. TVS Motors could invest in research and development to create electric two-wheelers and participate in the growing market for sustainable mobility.

2. **Smart and Connected Vehicles:**

With the increasing demand for connectivity and digital features in vehicles, investing in smart and connected technologies can be a growth area. TVS Motors could explore incorporating IoT (Internet of Things) capabilities, GPS, and other digital innovations into their products.

3. **Global Expansion:**

Exploring and expanding into new international markets can provide growth opportunities. This could involve adapting products to meet the preferences and regulatory requirements of

different regions.

4. **Diversification of Product Portfolio:**

Introducing new models or expanding product lines to cater to a broader range of consumers can stimulate growth. This may include entering new segments or niches within the two-wheeler market.

5. **Aftermarket Services:**

Enhancing and expanding aftermarket services, such as spare parts, accessories, and maintenance services, can contribute to revenue growth. Building a strong aftermarket presence can also enhance customer loyalty.

6. **Partnerships and Collaborations:**

Forming strategic partnerships or collaborations with other companies can provide access to new technologies, markets, or distribution channels. This can be a strategic move to stay competitive and tap into synergies.

7. **Focus on Premium Segment:**

The premium motorcycle and scooter segments have seen growth in various markets. Developing and marketing premium and high-performance vehicles can attract a different segment of consumers.

8. **Innovation in Design and Technology:**

Continuous innovation in design, features, and technology can set TVS Motors apart in a crowded market. This could involve investing in research and development to create cutting-edge and aesthetically appealing products.

9. **Sustainable and Eco-Friendly Initiatives:**

Given the increasing focus on sustainability, TVS Motors could explore initiatives such as green manufacturing practices, eco-friendly materials, and environmentally conscious marketing to appeal to environmentally conscious consumers.

10. **Adapting to Regulatory Changes:**

Staying ahead of or adapting quickly to changes in emission standards, safety regulations, and other industry-specific regulations is crucial. This proactive approach can position TVS Motors favourably and ensure compliance.

It's essential for companies like TVS Motors to conduct thorough market research, monitor industry trends, and stay agile to capitalize on emerging opportunities.

CHAPTER 3**MANAGEMENT AND LEADERSHIP****LEADERSHIP TEAM OF TVS MOTORS****Venu Srinivasan**

Chairman Emeritus, TVS Motor Company
Padma Bhushan, Padma Shri
Former President of Confederation of Indian Industry (CII) (2009)

Venu Srinivasan is an engineer and an MBA from Purdue University (USA) and took over as the CEO of Sundaram-Clayton, the holding Company of TVS Motor, in 1979. In the same year, TVS Motor Company was born and under Venu Srinivasan's persistent and diligent work grew to be the third largest two-wheeler manufacturing unit in India. He is also the Managing Director of the Company.

Prof Sir Ralf Dieter Speth

Chairman, TVS Motor Company

Prof Sir Ralf Dieter Speth, holds a Dipl. Wirt. Ing (FH) from the University of Rosenheim and a Doctorate in Engineering from the University of Warwick.

He began his career in BMW and did his PhD at Warwick Manufacturing Group, University of Warwick. Later, he joined Ford Motor Company's Premier Automotive Group (PAG) where he was responsible for product planning and quality.

Sudarshan Venu

Managing Director, TVS Motor Company

Sudarshan Venu holds a Graduate Degree with Honors in the Jerome Fisher Program in Management and Technology from the University of Pennsylvania. He also obtained a B.S. in Mechanical Engineering from

the School of Engineering and a B.S. in Economics from the Wharton School. Mr. Venu completed his M.Sc. in International Technology Management from the Warwick Manufacturing Group attached to the University of Warwick in U.K.

K N Radhakrishnan



Director and CEO, TVS Motor Company

K N Radhakrishnan, holds a Master's degree from the Indian Institute of Technology, Chennai and has also undertaken a Management Education Program from the Indian Institute of Management, Ahmedabad.

He started his career as Management Trainee in Sundaram-Clayton Limited, the holding Company. Mr Radhakrishnan held the position of Executive Vice President (India operations) followed by President & CEO, TVS Motor Company before assuming his current role.

C R Dua



Mr Dua is an honours graduate of St. Stephen's College with a Master's degree in Economics from the Delhi School of Economics. He founded Dua Associates, Advocates & Solicitors over thirty years ago. He is currently the Chairman of the firm and engaged in providing strategic advice and direction for its further

growth and development.

R Gopalan



Mr R Gopalan holds a Master's Degree in Economics from Boston University and a Master's Degree in Public Administration and Management from the John F. Kennedy School of Government, Harvard University. He served till April 2016 as a member of the Public Enterprises Selection Board (PESB) under the control

of the Prime Minister. Served as Secretary, Department of Economic Affairs, Ministry of Finance, and Government of India till 31st July, 2012 before retirement.

Lalita D Gupte



Mrs Lalita D. Gupte holds a Bachelor's Degree in Economics (Hons) and a Master's degree in Management Studies. She is currently the Chairperson of India Infra debt Ltd and ICICI Lombard General Insurance Co Ltd. She retired at the end of October 2006 as Joint Managing Director and Member of the Board of ICICI Bank Limited. Mrs. Gupte was responsible for setting up the International business of ICICI Bank since 2001.

Kuok Meng Xiong



Mr Meng Xiong is the Founder & Managing Partner of K3 Ventures, a Singapore-based venture capital investment firm. In the last 8 years, he has invested in and partnered with visionary founders of category-leading companies that drive innovation in today's world. The K3 Ventures portfolio comprises 70 companies including ByteDance, Grab, Palantir, Planet, Perfect Day, Aspiration, Genki Forest, SpaceX, Airbnb and Next Gen Foods.

H K Singh



Ambassador Hemant Krishan Singh, holds an M.A. degree from the University of Delhi and served in the Indian Foreign Service from 1974-2010 and is a distinguished former career diplomat with extensive experience of geo-strategic and geo-economic issues as well as multilateral institutions which underpin international law and commerce.

He has been India's longest serving Ambassador to Japan (2006-2010), Ambassador to Indonesia and Timor Leste (2003-2006), Ambassador to Colombia, Ecuador and Costa Rica (1999-2002), and India's Deputy Permanent Representative to the UN in Geneva (1995-1999).

Dr. Lakshmi Venu



Dr. Lakshmi Venu, is a graduate of Yale University, and holds a Doctorate in Engineering Management from the University of Warwick. She underwent her initial training in Sundaram Auto Components Limited, a subsidiary of the Company. Thereafter, she underwent an extensive in-depth induction at the Company. She

had worked in the areas of business strategy, corporate affairs, product design and sales & marketing of the Company, and has been the Joint Managing Director of Sundaram – Clayton Limited, the holding Company from 2010.

B Sriram



Mr. B. Sriram is an Honours Graduate and a Master's Degree holder in Physics from St Stephen's College, Delhi University. He is also a Certificated Associate of the Indian Institute of Banking & Finance (formerly The Indian Institute of Bankers), Mumbai. He holds a Diploma in International Law & Diplomacy from the

Indian Academy of International Law & Diplomacy, New Delhi and an AIMA Diploma in Management from the All India Management Association, New Delhi. Mr Sriram has held several key executive positions in his career including the following:-

- Managing Director & CEO, IDBI Bank Ltd from June 30, 2018 to September 29, 2018.
- Managing Director, State Bank of India from July 2014 to June 2018.
- Managing Director, State Bank of Bikaner & Jaipur from March 2013 to July 2014.

Dr. Deepali Pant Joshi



Dr. Deepali Pant Joshi, aged 65 years, holding DIN 07139051, is a doctorate, holds a Master's Degree in Arts from the University of Allahabad, law graduate from the University of Lucknow and also completed the Harvard University Harvard Asia Centre Post-doctoral work in Finance and Economics (on secondment from

the RBI).

CORPORATE GOVERNANCE OF TVS MOTORS COMPANY

1. Company's philosophy on code of governance:

The Company has a strong legacy of fair, transparent and ethical governance practices. Company's businesses seek enhancement of shareholder value within this framework. The Company's philosophy on corporate governance is founded on the fundamental ideologies viz., Trust, Value, Exactness and Passion for Customers. The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavour to improve on these aspects. Good corporate governance, acting in accordance with the principles of responsible management which aimed at increasing enterprise value on a sustainable basis, is an essential requirement for the Group. The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business Conduct and Ethics, Whistle Blower Mechanism, Code of Conduct to Regulate, Monitor and Report trading by Insiders for prevention of insider trading by the Directors and Designated Persons and Code of practices for fair disclosure of unpublished price sensitive information.

2. Board of Directors:

The Board of Directors (the Board), which consists of eminent persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing Stakeholders' value.

- Composition and category of Directors
- Board Meetings
- Attendance and other directorships
- Familiarization program
- Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel
- Appointment / Re-appointment of Directors

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. It also helps the Board in meeting its responsibilities for the effectiveness of risk management system.

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approving or subsequently modifying any transactions of the Company with related parties; g. Scrutinizing the inter-corporate loans and investments;
- Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary; i. Evaluating internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussing with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or any failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower Mechanism. Regular reports on significant matters raised through the programme and the actions taken to address them are received;
- Approving the appointment of CFO after assessing the qualifications, experience and background of the candidate; and reviewing the utilisation of loans and / or advances from / investments / by the holding company in the subsidiary exceeding \$ 100 Cr or 10% of the asset size of the subsidiary, whichever is lower.

4. Subsidiary companies:

The Company has four wholly owned subsidiaries viz., Sundaram Auto Components Limited, TVS Housing Limited, TVS Motor Services Limited and TVS Electric Mobility Limited. It also has other subsidiaries viz., TVS Credit Services Limited and its three subsidiaries viz., Harita ARC Private Limited, Harita Two-wheeler Mall Private Limited and TVS Housing Finance Private Limited. During the year under review, the Company acquired majority stake in the following companies through its overseas subsidiary TVS Motor (Singapore) Pte Limited and thereby those companies have become subsidiaries of the Company

(1) EBCO Limited, UK, dedicated for producing and distributing electric bikes designed for the rapidly expanding British e-bike market, acquired through TVS Motor (Singapore) Pte Limited.

(2) Alexand'Ro Edouard'O Passion Vélo Sàrl, primarily engaged in the sale of e-bikes as well as e-bike accessories acquired through Swiss E-Mobility Group (Holding) AG.

(3) Celerity Motor GmbH, Germany for undertaking activities related to two-wheeler & three-wheeler vehicles, including Research, Development, Engineering, sales and service thereof, through TVS Motor (Singapore) Pte Ltd.

5. Disclosures

- Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act, 2013 and the Listing Regulations during the financial year 2022- 23 were in the ordinary course of business and at arm's length and do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder. There were no materially significant transactions with the related parties during the year, which were in conflict of interest, and hence no approval of the Company was required in terms of the Listing Regulations

- Disclosure of accounting treatment:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS" with effect from 1st April 2016. Accordingly, the financial statements for the year 2022-23 have been prepared in compliance with the said Rules.

- Risk Management:

The Committee assists with the oversight of the Company's risk appetite, tolerance and strategy. The Company has an established Risk Management Policy which formalizes its approach to the oversight and management of material business risks. The policy is

implemented through a top down and bottom-up approach for identifying, assessing, monitoring and managing key risks across the Company's business units.

6. Nomination and Remuneration Committee (NRC) :

The NRC assists the Board in its oversight of Board composition and the maintenance of an effective framework for succession planning. It also assists with the implementation of the Remuneration Policy, including the fixing of remuneration of the Executive and Non Executive Directors, Key Managerial Personnel (KMPs)(other than Directors) and Senior Managerial Personnel (SMPs).

- Composition of the Committee
- Evaluation Criteria
- Remuneration Policy
- Remuneration to Directors

7. Stakeholders' Relationship Committee (SRC):

As at 31st March 2023, the Committee consists of the following Executive Directors viz., M/s. Venu Srinivasan, Chairman Emeritus & Managing Director (CE & MD) and Sudarshan Venu, Managing Director (MD) and Independent Directors viz., M/s. Hemant Krishan Singh, C R Dua and Lalita D Gupte. Mr Hemant Krishan Singh, Chairman of the Committee was present at the last AGM held on 27th June 2022 to answer the Shareholder queries. Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

SRC oversees and reviews all the matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. SRC also looks into various aspects of interests.

8. Corporate Social Responsibility Committee:

As on 31st March 2023, the Corporate Social Responsibility Committee consists of three Directors viz., M/s. Venu Srinivasan, T Kannan and R Gopalan. Mr Venu Srinivasan is the Chairman of the Committee. During the year, Mr H Lakshmanan, Non-Executive NonIndependent Director ceased as a member of the Committee effective 27th June 2022. The Board at its meeting held on 28th July 2022 appointed Mr T Kannan, Independent Director as a Member of the Committee effective that date to comply with the requirements under Section 135 of the Act, 2013. The details of CSR Policy, initiatives and spending are spelt as Annexure - IV to the Directors Report. During the year, the Committee met on 4th May 2023 and all the members were present at the meeting.

9. Administrative Committee:

The Administrative Committee consist of three directors viz., M/s. Venu Srinivasan, T Kannan and K N Radhakrishnan. Mr H Lakshmanan retired from the Board effective 27th June 2022 and thereby he ceased as a member of the Administrative Committee. The Board at its meeting held on 28th July 2022 appointed Mr K N Radhakrishnan, Director & CEO as a Member of the Committee effective that date. Mr Venu Srinivasan, is the Chairman of the Committee.

10. General body meeting:

- **Postal Ballot:**

None of the subjects placed before the shareholders in the last / ensuing AGM required / requires approval by Postal Ballot. However, in terms of the Regulation 44 of the Listing Regulations and Section 108 of the Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company facilitated its members to exercise their right to vote through Remote e-Voting and e-Voting at the meeting for all the items at the AGM held on 27th June 2022. Mr K Sriram, Practising Company Secretary (Membership no. F6312 and CP No. 2215), Chennai was appointed

to act as the scrutinizer for conducting the above Postal Ballots and E-voting in a fair and transparent manner.

11. Means of communication to shareholders:

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed. During the quarterly results, Director & CEO and CFO, make presentations to institutional investors, analysts and other investors. The presentations are made available on the Company's website.

- **Quarterly results:** The Company's quarterly/half-yearly/annual financial results were sent to the Stock Exchanges and were published in English and Regional newspapers. They are also available on the website of the Company.
- **Newspapers wherein results are normally published:** The results are normally published in English Newspapers viz., The Hindu, Business Line, The Times of India, Economic Times, Business Standard, The New Indian Express and Regional Newspaper viz., Dinamani and are also available on the website of the Company.

- Website: The Company is maintaining a functional website a website www.tvsmotor.com. This website contains all the information and other details as may be required under the Regulation 46 of Listing Regulations. The Company ensures that the contents of this website are periodically updated.
- Press Release & Investor/ Analysts meet: In addition, the Company makes use of this website for publishing official news release and presentations, if any, made to institutional investors / analysts, transcripts etc. No unpublished price sensitive information is discussed in the meeting with institutional investors and financial analysts

12. General shareholder information

- Annual General Meeting: Day, Date and time : Monday, 24th July 2023 at 3.30 P.M. (IST), through Video Conferencing.
- Financial year : 1st April to 31st March Financial calendar : 2023-24 Financial reporting : Financial calendar against for the quarter ending 30th June, 2023 : Before 14th August, 2023 30th September, 2023 : Before 14th November, 2023 31st December, 2023 : Before 14th February 2024 31st March, 2024 : Before 30th May, 2024.
- Particulars of dividend payment: Particulars of dividend declaration / payment are disclosed in the Directors' Report. Dividends were declared in compliance with the Dividend Distribution Policy of the Company.
- Share Transfer Agents and Share Transfer System: a. The Company has appointed Integrated Registry Management Services Limited, which has been registered with SEBI as Category-I Registrar & Transfer Agent (RTA) with Regn. No. INR000000544, as the Share Transfer Agent of the Company (STA) with a view to rendering prompt and efficient service to the investors and in compliance with Regulation 7 of the Listing Regulations. The Shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company.
- Dematerialization of shares and liquidity: The promoter and promoter group holding consisting of 23,88,12,786 Equity shares of \$ 1/- each has been fully dematerialized. Out of 23,62,74,328 Equity Shares of \$ 1/- each held by persons other than promoters, 23,41,47,844 Equity Shares have been dematerialized as on 31st March 2023 accounting for 99.10%. 12.11.
- The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's Equity.
- Plant Locations:
- Address for investor correspondence

- List of Credit Rating
- Certificate from Practicing Company Secretary
- Fees paid to Statutory Auditor on a consolidated basis
- Sexual Harassment at workplace
- Disclosure on compliance with the issue of Debt securities for incremental borrowings by Large Corporates.

13. Non-mandatory disclosures

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

- The Board: Prof. Sir Ralf Dieter Speth, Non-Executive Director is the Chairman of the Company as on 31st March 2023 and is liable to retire by rotation as per the provisions of the Companies Act, 2013.
- Shareholder rights: The half-yearly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded in the Company's website namely www.tvsmotor.com. The results are not sent to the shareholders individually.
- Audit qualifications: The financial statements of the Company are unmodified.

14. Request to shareholders:

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder for the Company to serve them efficiently and avoid risks while dealing in the securities of the Company.

- Demat of Shares
- Registration of Electronic Clearing Service (ECS)
- Freezing of Securities
- Registration of Nomination / opt out facility
- Updation of KYC details

15. Transfer Of Shares To Investor Education and Protection fund (IEPF) Authority:

As per Section 124(6) of the Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, all the shares in respect of which dividend remain unpaid/unclaimed for seven consecutive years or more are required to be transferred to a Demat Account opened in the name of IEPF Authority with Punjab National Bank by the Ministry of Corporate Affairs. During the year, the Company has sent individual notices to all the shareholders whose

dividends are lying unpaid / unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. The lists of such shareholders were also displayed on the website of the Company. In compliance with the aforesaid provisions, the Company transferred 39,368 shares on 28/06/2022 and 43,953 shares on 21/03/2023 to IEPF account bearing Demat Account No. 10656671 and DPID IN300708 which is opened with Punjab National Bank. Necessary steps will be initiated by the Company to transfer shares held by the members to IEPF, if they the shareholders have not claimed their dividends within the due date(s) mentioned above. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. As required under the said provisions, all subsequent corporate benefits that accrues in relation to the above shares will also be credited to the said IEPF Account. In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed web based e-Form IEPF-5 available on the MCA website and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5, as per the following procedures:

- Register yourself on MCA website and login to website of MCA at <https://www.mca.gov.in/mcafoportal/login.do>.
- After login, click on 'Investor Services' tab under 'MCA Services' section for filing the web-based form IEPF5.
- Fill the details in the web based e-form and attach the requisite documents in it. Save a copy of uploaded e-form and acknowledgement receipt generated with SRN. Take print of auto generated indemnity bond, IEPF Form IEPF-5, SRN and attachments.
- Submit self-attested copy of e- form, copy of acknowledgement, Indemnity Bond in original along with other documents (cancelled cheque leaf, client master list, PAN card, Aadhaar card, original share certificate, entitlement letter) as mentioned in the form to Nodal Officer (IEPF) of the company in an envelope marked "Claim for refund from IEPF Authority.
- After scrutinizing the documents received, Nodal Officer of the Company to verify the claim and furnish the e-verification report to the IEPF Authority within 15 days from the date of filing the claim.
- On the basis of verification report refund will be released by the IEPF Authority in favour of claimant's Bank or Demat account through electronic transfer.
- In the process, general information about the Company which have to be provided are as under.
 - Corporate Identification Number (CIN) of Company:- L35921TN1992PLC022845
 - Name of the Company:-TVS Motor Company Limited

- Address of registered office of the Company: "Chaitanya" No. 12 Khader Nawaz Khan Road, Chennai 600 006.
- email ID of the company:- contactus@tvsmotor.co

DECISION MAKING PROCESS:

The decision-making processes within a company like TVS Motors typically follow a structured approach involving various levels of management and key stakeholders.

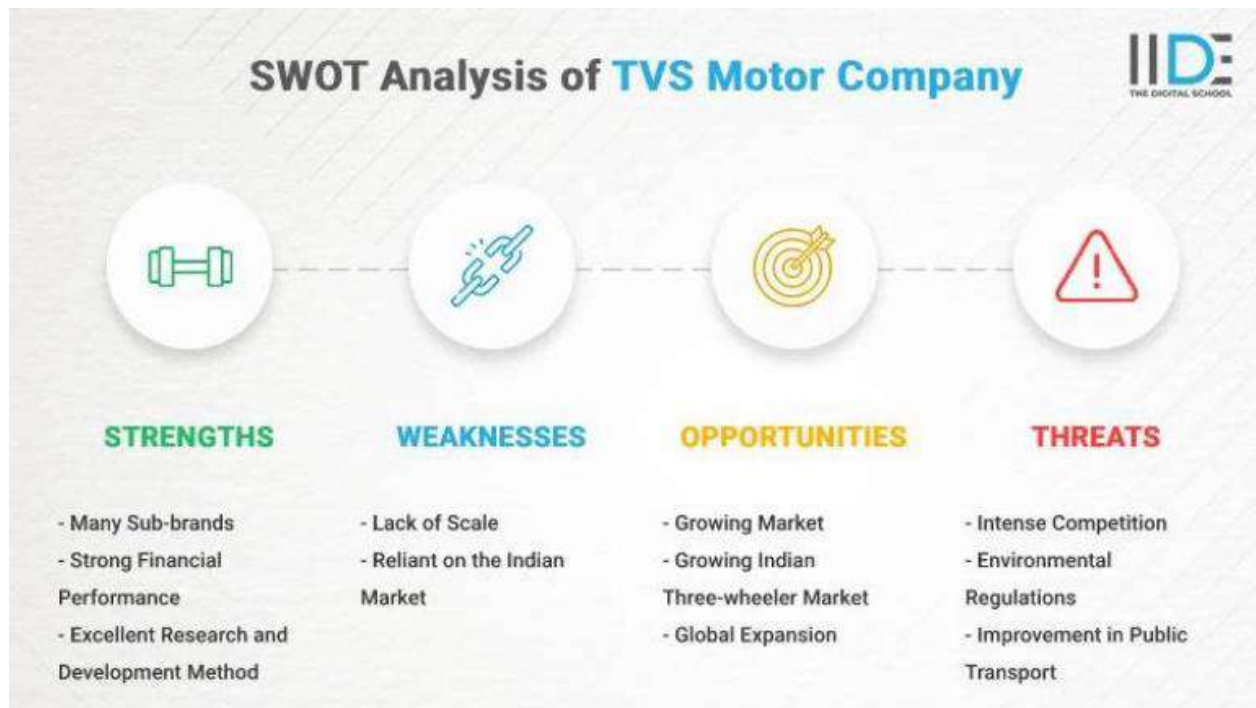
- **Strategic Planning:** High-level decisions related to the company's long-term goals, vision, mission, and strategic direction are typically made by the board of directors and top executives. This involves setting the company's strategic priorities and overall business objectives.
- **Product Development:** Decisions regarding the development of new vehicles, enhancements to existing models, and the introduction of new technologies are typically made by cross-functional product development teams. This process involves market research, engineering, design, and studies.
- **Manufacturing and Operations:** Decisions related to manufacturing processes, production capacity, quality control, and supply chain management are made by the operations and production management teams. This includes decisions about plant locations, production methods, and procurement strategies.
- **Marketing and Sales:** Decisions regarding how to market and sell TVS Motors' products, including pricing, branding, advertising, and distribution strategies, are typically made by the marketing and sales teams. These decisions aim to reach and attract the target customer base.
- **Financial Decisions:** The finance and accounting departments are responsible for making financial decisions. This includes budgeting, investment strategies, cost management, and financial performance evaluation.
- **Human Resources:** Decisions related to hiring, training, talent management, and employee relations are made by the human resources department. This involves ensuring a skilled and motivated workforce.
- **Quality Control:** Ensuring the quality and safety of the products is a critical aspect of decision-making. Quality control decisions are made to meet industry standards and exceed customer expectations.

- **Research and Development (R&D):** Decisions about R&D investments and innovation strategies are typically made by R&D teams. These decisions aim to keep the company competitive and technologically advanced.
- **Environmental and Sustainability Initiatives:** As sustainability and environmental concerns become more critical, decisions related to environmental practices, sustainability initiatives, and compliance with environmental regulations are made by dedicated teams or departments.
- **Compliance and Legal Matters:** Legal and compliance decisions, such as regulatory compliance, contracts, and risk management, are typically handled by legal and compliance departments.
- **Supply Chain and Procurement:** Decisions related to sourcing, procurement, and supplier relationships are made by supply chain and procurement teams. This includes decisions about sourcing components and materials.
- **Customer Service and Support:** Decisions about how to provide effective customer service and support are made by the customer service and support departments. This may involve customer feedback and service quality improvement.

It's important to note that decision-making within TVS Motors, as with any large organization, is a complex and collaborative process. Various departments and levels of management are involved, and decisions are often informed by data, market research, and analysis.

CHAPTER 4

SWOT ANALYSIS

**STRENGTHS**

TVS Motor Company is an Indian motorcycle manufacturer known for its innovation, high-quality products, and commitment to customer satisfaction. Some of its key strengths include:

- **Product Range:** TVS Motor Company offers a wide range of two-wheelers, including motorcycles, scooters, and mopeds, catering to various segments and customer preferences. This diverse product portfolio allows them to reach a broad customer base.
- **Innovation:** TVS is known for its innovative products and technologies. They have a history of introducing new features and technologies in their vehicles, such as the TVS Apache RTR series with features like race-inspired design and performance.
- **Quality:** TVS is committed to producing high-quality vehicles. Their motorcycles and scooters are known for their durability, reliability, and build quality. They have a reputation for using quality materials and manufacturing processes.
- **Fuel Efficiency:** TVS motorcycles and scooters are often praised for their fuel efficiency. This is an important factor in many markets, particularly in developing countries where fuel costs are a significant concern.

- **Racing Heritage:** TVS has a strong racing heritage and actively participates in various motorsport events. This not only provides a platform for testing and improving their products but also enhances their brand image.
- **Global Presence:** TVS has a presence in many international markets, including Asia, Africa, and Latin America. Their global reach allows them to tap into diverse markets and expand their customer base.
- **Strong Dealer Network:** TVS has an extensive dealer and service network, which ensures that customers have easy access to sales, service, and spare parts. This is crucial for customer satisfaction and support.
- **Corporate Social Responsibility (CSR):** The company is involved in various CSR initiatives, focusing on areas like education, healthcare, and environment conservation. This contributes to their positive image and community engagement.
- **Financial Stability:** TVS Motor Company has a strong financial foundation, which is crucial for long-term sustainability and investment in research and development.
- **Customer Focus:** The company places a strong emphasis on understanding and meeting customer needs. They regularly gather customer feedback and incorporate it into their product development process.
- **Sustainability Initiatives:** TVS has taken steps to reduce its environmental impact by developing eco-friendly vehicles and adopting sustainable manufacturing practices.
- **Brand Reputation:** TVS has built a strong brand reputation over the years. This reputation for quality and innovation helps them attract and retain customers.

While TVS Motor Company has many strengths, it also faces challenges and competition in the highly competitive two-wheeler industry. However, their commitment to quality, innovation, and customer satisfaction positions them as a prominent player in the market.

WEAKNESSES

TVS Motor Company, like any other company, has its share of weaknesses and challenges. Some of the weaknesses of TVS Motor Company may include:

- **Market Competition:** The two-wheeler industry is highly competitive, and TVS faces stiff competition from both domestic and international manufacturers. This competition can put pressure on market share and profitability.

- **Brand Recognition:** While TVS has a strong brand reputation in certain markets, it may not have the same level of brand recognition as some of its larger competitors, which can affect its ability to attract customers.
- **Limited Global Presence:** Although TVS has a presence in several international markets, it may not have as extensive a global reach as some of its competitors, limiting its potential for growth in certain regions.
- **Economic Sensitivity:** The demand for two-wheelers is often sensitive to economic conditions. Economic downturns can lead to reduced consumer spending and, subsequently, lower sales for TVS.
- **Dependency on Certain Markets:** TVS is heavily dependent on the Indian market for sales. While India is a large market, this dependency can make the company vulnerable to economic and regulatory changes within the country.
- **R&D Investments:** To remain competitive and innovative, TVS must continue to invest in research and development. The cost of R&D can be significant and might strain the company's resources.
- **Foreign Exchange Risk:** As an international company, TVS may be exposed to foreign exchange risk, which can impact its financial performance, especially if there are currency fluctuations.
- **Changing Regulatory Environment:** The two-wheeler industry is subject to various government regulations, emission standards, and safety requirements. Complying with these evolving regulations can be costly and require continuous adaptation.
- **Supply Chain Vulnerabilities:** Disruptions in the supply chain, such as raw material shortages or logistical challenges, can impact production and product availability.
- **Environmental Concerns:** As environmental awareness grows, there may be increasing pressure on TVS to develop more eco-friendly vehicles and sustainable manufacturing practices.
- **Labour Relations:** Like many manufacturing companies, labour relations and workforce disputes can pose a challenge and disrupt production.
- **Technological Advancements:** Rapid advancements in electric vehicles and alternative transportation technologies could pose a challenge to traditional two-wheeler manufacturers.

It's important to note that these weaknesses are not unique to TVS Motor Company and are common challenges in the two-wheeler industry. The company's ability to address these weaknesses and capitalize on its strengths will determine its long-term success in the market.

OPPORTUNITIES

TVS Motor Company, like any other company in the automotive industry, faces various opportunities for growth and development. Some of the opportunities for TVS Motor Company may include:

- **Electric Vehicles (EVs):** The shift toward electric vehicles is a significant opportunity for TVS. Developing and marketing electric scooters and motorcycles can help the company tap into the growing demand for clean and sustainable transportation.
- **Alternative Mobility Solutions:** TVS can explore opportunities in alternative mobility solutions, such as e-bikes, e-rickshaws, and other micro-mobility options, to cater to urban transportation needs and reduce congestion.
- **Global Expansion:** Expanding into new international markets or strengthening its presence in existing ones can open up new customer bases and revenue streams for TVS.
- **Strategic Alliances and Partnerships:** Collaborating with technology companies, battery manufacturers, or mobility service providers can help TVS access new technologies and markets.
- **Customization and Personalization:** Offering customization options for motorcycles and scooters can attract consumers looking for unique and personalized vehicles.
- **Upgrading Technology:** Continuously investing in R&D to develop and incorporate the latest technologies, such as connectivity features and advanced safety systems, can make TVS products more appealing to tech-savvy customers.
- **Servicing and Aftermarket:** Expanding the servicing and aftermarket support network can enhance customer satisfaction and loyalty.
- **Export Opportunities:** Leveraging international demand for cost-effective, reliable two-wheelers, especially in emerging markets, can lead to increased export opportunities.
- **Environmental Sustainability:** Emphasizing eco-friendly and sustainable manufacturing practices can help TVS align with growing environmental concerns and consumer preferences.

- **Financing and Leasing Services:** Offering attractive financing and leasing options can make TVS vehicles more accessible to a wider range of customers.
- **Government Initiatives:** Leveraging government incentives and subsidies for EVs and sustainable transportation can boost sales and market share.
- **Changing Consumer Preferences:** Understanding and responding to evolving consumer Preferences and lifestyle trends can lead to the development of new, more appealing products.
- **Digital Marketing and E-commerce:** Utilizing digital marketing and e-commerce channels can enhance the reach and accessibility of TVS products, especially to younger, tech-savvy consumers.
- **Ride-Hailing and Sharing Services:** Partnering with ride-hailing and sharing platforms to provide vehicles for short-term use can create additional revenue streams.
- **Smart Cities Initiatives:** Collaborating with smart city projects to provide vehicles and solutions that align with the evolving urban mobility landscape.

By identifying and capitalizing on these opportunities, TVS Motor Company can further strengthen its position in the two-wheeler market and adapt to changing consumer and industry trends.

THREATS

TVS Motor Company, like any other company in the automotive industry, faces various threats and challenges that can impact its business. Some of the threats to TVS Motor Company may include:

- **Competition:** Intense competition from both domestic and international manufacturers can lead to price wars and reduced profit margins.
- **Economic Downturns:** Economic recessions or slowdowns can reduce consumer spending on non-essential items like motorcycles and scooters.
- **Government Regulations:** Evolving government regulations, emission standards, and safety requirements can require significant investments in compliance and may affect product development.
- **Rising Input Costs:** Fluctuations in the prices of raw materials, such as steel and aluminium, can impact production costs and profitability.

- **Exchange Rate Volatility:** Currency fluctuations can affect import costs, export revenues, and overall financial stability, especially for international operations.
- **Rising Fuel Prices:** Increases in fuel prices can influence consumer preferences toward more fuel-efficient vehicles, potentially impacting the demand for certain models.
- **Technological Disruption:** Rapid advancements in electric vehicles and autonomous technologies could disrupt the traditional two-wheeler market and require substantial investments in new technologies.
- **Environmental Concerns:** Increasing environmental awareness may result in more stringent regulations and consumer demand for eco-friendly products.
- **Supply Chain Disruptions:** Disruptions in the supply chain due to factors like natural disasters, geopolitical tensions, or logistic challenges can affect production and product availability.
- **Labour Strikes:** Labour disputes and strikes can disrupt production and impact the timely delivery of products.
- **Health Crises:** Events like pandemics can lead to supply chain disruptions, lower consumer demand, and challenges in maintaining manufacturing operations.
- **Consumer Preferences:** Shifts in consumer preferences and lifestyle choices, such as urbanization and changing mobility needs, may impact demand for certain types of two-wheelers.
- **Safety and Quality Issues:** Recalls or safety concerns related to products can damage the brand's reputation and lead to financial losses.
- **Cyber security Threats:** With the increasing use of connected technologies in vehicles, there's a risk of cyber-attacks that could compromise customer data and vehicle safety.
- **Geopolitical Issues:** Political instability and trade tensions can affect international operations, including exports and imports.
- **Changing Mobility Trends:** Emerging trends in shared mobility and ride-hailing services can impact individual vehicle ownership patterns.

To address these threats, TVS Motor Company must remain adaptable, continue to innovate, diversify its product portfolio, and keep a close eye on industry trends and changing customer

preferences. Building resilience and a strong corporate strategy can help mitigate these potential challenges.

CHAPTER 5

SUMMARY FINDINGS, SUGGESTIONS AND CONCLUSION

KEY FINDINGS OF THE ANALYSIS ON TVS MOTORS

The key findings of an analysis on TVS Motors might include:

Financial Performance:

1. **Revenue Trends:** Evaluation of revenue growth over recent years, identifying patterns and fluctuations.
2. **Profitability:** Analysis of profit margins, operating expenses, and net income to gauge financial health.
3. **Debt Levels:** Assessment of debt-to-equity ratio and debt servicing capabilities.

Market Positioning:

1. **Market Share:** Understanding the company's position compared to competitors in domestic and international markets.
2. **Product Portfolio:** Assessment of product diversification, strengths, and weaknesses in different segments.
3. **Customer Perception:** Surveys or analysis of customer feedback and satisfaction levels.

Operational Efficiency:

1. **Production Efficiency:** Evaluation of manufacturing processes, production capacity utilization, and wastage levels.
2. **Supply Chain Management:** Assessment of supply chain effectiveness, vendor relationships, and inventory turnover.
3. **Technology Integration:** Review of technology adoption and its impact on operational efficiency.

Innovation and R&D:

1. **Research & Development Investments:** Understanding the company's investment in new technologies and innovation.

2. **Patents and Intellectual Property:** Analysis of patents, proprietary technologies, and their significance in the industry.
3. **New Product Development:** Assessment of the frequency and success rate of new product launches.

Corporate Governance and Strategy:

1. **Leadership and Management:** Evaluation of the management team's strategies and execution capabilities.
2. **Corporate Social Responsibility:** Analysis of initiatives related to social and environmental responsibility.
3. **Long-term Strategy:** Assessment of strategic initiatives, future plans, and their alignment with market trends.

Risk Analysis:

1. **Market Risks:** Identification of market-specific risks such as regulatory changes, economic fluctuations, or geopolitical issues.
2. **Operational Risks:** Assessment of risks related to operations, supply chain disruptions, or technological challenges.
3. **Financial Risks:** Evaluation of financial risks like liquidity concerns, debt maturity, or currency fluctuations.

These findings provide a comprehensive overview of TVS Motors' current standing in the industry, enabling stakeholders to make informed decisions about the company's future direction and strategies.

RECOMMENDATIONS FOR ENHANCING ITS PERFORMANCE AND COMPETITIVENESS

Enhancing performance and competitiveness in the automotive industry involves various strategies and approaches. Here are some recommendations for TVS Motors to boost their performance and competitiveness:

Product Innovation and Development:

1. **R&D Investment:** Allocate resources to extensive research and development for innovative technologies, especially in electric vehicles (EVs) and alternative fuels.

2. **New Product Lines:** Introduce new and diverse product lines catering to different customer segments and global markets.
3. **Quality Improvement:** Focus on enhancing product quality and reliability to gain customer trust and satisfaction.

Market Expansion:

1. **Global Presence:** Strengthen the international market presence by entering emerging markets and establishing partnerships or joint ventures for local production.
2. **Diversification:** Explore adjacent markets such as electric bicycles, scooters, or higher-capacity motorcycles to diversify the product portfolio.
3. **Localized Offerings:** Customize products according to regional preferences and requirements for better market penetration.

Technology Integration:

1. **Smart Features:** Integrate advanced technology like IoT, AI, and connectivity in vehicles to enhance user experience and offer futuristic features.
2. **Digital Platforms:** Develop user-friendly digital platforms for sales, service, and customer engagement, enhancing convenience and accessibility.
3. **Battery Technology:** Invest in battery technology for EVs to improve range, charging speed, and durability.

Operational Efficiency:

1. **Supply Chain Optimization:** Streamline supply chains, reduce costs, and improve efficiency by embracing technology like AI-driven predictive analytics.
2. **Lean Manufacturing:** Implement lean principles to reduce waste and improve production efficiency.
3. **Agile Operations:** Adapt quickly to market changes by adopting agile methodologies in both product development and business operations.

Branding and Marketing:

1. **Brand Positioning:** Strengthen the brand image through effective marketing campaigns highlighting innovation, reliability, and sustainability.

2. **Customer Engagement:** Foster a community by engaging customers through social media, forums, and events, creating brand loyalty.
3. **Sustainability Focus:** Emphasize environmental responsibility in manufacturing processes and products to appeal to eco-conscious consumers.

Talent and Culture:

1. **Skill Development:** Invest in employee training programs to ensure a skilled and adaptable workforce capable of driving innovation.
2. **Innovation Culture:** Foster a culture that encourages and rewards innovation, allowing employees to contribute ideas and initiatives.
3. **Diversity and Inclusion:** Embrace diversity to bring in different perspectives, fostering creativity and inclusivity within the organization.

Implementing these strategies can significantly enhance TVS Motors' performance and competitiveness in the automotive industry, allowing them to meet evolving market demands and stay ahead of the competition.

OVERALL OUTLOOK OF THE TVS MOTORS:

TVS Motors showcased a promising outlook within the automotive industry. Here are the key points of its overall outlook:

Market Position:

- **Domestic Presence:** TVS Motors held a significant market share in India, particularly in the two-wheeler segment.
- **Global Expansion:** The Company had been actively expanding its presence in international markets, focusing on Southeast Asia, Africa, and Latin America.

Product Portfolio:

- **Diversification:** TVS Motors had a diverse range of products across motorcycles, scooters, and three-wheelers, catering to various customer segments.
- **Focus on Innovation:** The company had been investing in innovation, especially in electric vehicles and smart technologies.

Financial Performance:

- **Stability:** Generally, the company maintained stable financial performance with consistent revenue growth.
- **Profitability:** Profits were impacted by industry-wide factors like regulatory changes, input costs, and competitive pressures.

Innovation and Technology:

- **EV Focus:** TVS Motors was making strides in the electric vehicle sector, with plans to expand its electric vehicle offerings.
- **Smart Features:** Integration of smart features in vehicles for enhanced customer experience and competitiveness.

Competitive Landscape:

- **Rising Competition:** Faced competition from both domestic and international players, prompting a need for continuous innovation and market strategies.
- **Adaptation to Regulations:** Compliance with changing regulatory norms in emission standards and safety requirements.

Long-term Strategy:

- **Global Ambitions:** Pursuing a global strategy to expand its footprint in key markets while ensuring a strong domestic presence.
- **Sustainability:** Emphasis on sustainable practices and environmentally friendly technologies in line with global trends.

Challenges:

- **Market Volatility:** Subject to market fluctuations, particularly regarding raw material costs and currency exchange rates.
- **Transition to EVs:** The shift towards electric vehicles posed both an opportunity and a challenge, requiring substantial investment and adaptation.

Given the automotive industry's constant evolution, TVS Motors was likely focusing on strategies to maintain its market position, innovate, and adapt to changing consumer demands and industry trends.

Learning Experience

Industry Insight:

Exploring the automotive industry and its trends, including shifts toward electric vehicles, emerging markets, and changing consumer preferences, provides insights into TVS Motors' competitive landscape.

Financial Analysis:

Assessing TVS Motors' financial statements—balance sheets, income statements, cash flow statements—helps in understanding its financial health, revenue streams, profitability, margins, growth patterns, and debt structures.

Product and Market Evaluation:

Evaluating TVS Motors' product portfolio, market positioning, innovation strategies, and geographical presence helps understand its competitive advantage and growth prospects.

Comparative Analysis:

Comparing TVS Motors against competitors in the automotive sector (like Hero MotoCorp, Bajaj Auto) aids in understanding relative strengths, weaknesses, market share, and strategic positioning.

Risk Assessment:

Identifying and assessing risks within TVS Motors' operations, including technological advancements, regulatory changes, and market competition, helps in developing risk management skills.

Corporate Governance and Sustainability:

Evaluating TVS Motors' corporate governance practices, adherence to ethical standards, sustainability initiatives, and societal impact offers insights into its commitment to responsible business practices.

Decision-Making and Communication:

Drawing conclusions and making informed decisions or recommendations about TVS Motors' future direction develops decision-making skills. Communicating complex information to stakeholders is crucial.

Continuous Learning and Adaptability:

The automotive industry is dynamic, with technological advancements and changing consumer preferences. Engaging in company analysis fosters adaptability, requiring continuous learning and staying updated with industry shifts.

Ethical Considerations:

Analysing TVS Motors' practices prompts considerations of ethical leadership, corporate social responsibility, and its impact on society and the environment.

Holistic Perspective:

Understanding TVS Motors involves more than financial analysis—it's about the company's culture, leadership, corporate governance, and societal impact. This holistic view is essential for a comprehensive evaluation.

Analysing TVS Motors provides a multi-faceted learning experience that encompasses financial analysis, industry understanding, strategic evaluation, risk assessment, ethical considerations, and communication skills. It's an opportunity to gain insights into a dynamic industry and a significant player within it.

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