“Tube Investments Of India Limited”
Q3 FY2026 Earnings Conference Call”

February 4, 2026

MANAGEMENT: **MR. M.A.M. ARUNACHALAM - EXECUTIVE CHAIRMAN - TUBE INVESTMENTS OF INDIA LIMITED**
MR. VELLAYAN SUBBIAH - VICE CHAIRMAN - TUBE INVESTMENTS OF INDIA LIMITED
MR. MUKESH AHUJA – MANAGING DIRECTOR - TUBE INVESTMENTS OF INDIA LIMITED
MR. AN. MEYYAPPAN – CHIEF FINANCIAL OFFICER - TUBE INVESTMENTS OF INDIA LIMITED
MR. SHIVDEEP SINGH JAMMU – DIVISION HEAD – TPI
MR. M. SIVAKUMAR – DIVISION HEAD – MFPD
MR. U. RAJAGOPAL – DIVISION HEAD – TI CYCLES OF INDIA
MR. JALAJ GUPTA – MANAGING DIRECTOR, TI CLEAN MOBILITY PRIVATE LIMITED (TICMPL)
MR. S. GOPALAKRISHNAN, CFO, TICMPL
MR. N. GOVINDARAJAN - CEO, 3XPER INNOVENTURE LIMITED

ANALYST: **MR. JOSEPH GEORGE – IIFL SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Tube Investments Q3 FY2026 earnings call hosted by IIFL Capital Services Limited. All participants are currently in listen-only mode. There will be an opportunity to ask questions following the conclusion of the management's opening remarks. Please note that this call is being recorded. I now hand the conference over to Mr. Joseph George from IIFL Capital. Thank you and over to you, sir.

Joseph George: Thank you, Inba. On behalf of IIFL Capital, I welcome you all to the 3Q FY2026 Results Conference Call of Tube Investments of India Limited. From the management, we have with us Mr. M. A. M. Arunachalam, Executive Chairman, Mr. Vellayan Subbiah, Vice Chairman, Mr. Mukesh Ahuja, Managing Director, Mr. A. N. Meyyappan, Chief Financial Officer, Mr. Shivdeep Singh Jammu, Division Head, TPI. Mr. M. Sivakumar, Division Head, MFPD. Mr. U. Rajagopal, Division Head, TI Cycles. We also have with us Mr. Jalaj Gupta, Managing Director, TI Clean Mobility. Mr. S. Gopalakrishnan, CFO, TI Clean Mobility and Mr. N. Govindarajan, CEO, 3xper Innoventure. I will now hand over the call to the management for opening remarks, post which we will have Q&A.

Vellayan Subbiah: Yes, thank you Joseph. The board of TI met today and we approved the financial results for the quarter ended December 31st, 2025. The board also declared an interim dividend of Rs.2 per share for the financial year 2025-2026. Standalone results, revenue for Q3 was at Rs.2,152 Crores compared to Rs.1,910 for the same period previous year. The PBT before exceptional items for the quarter was at Rs.268 Crores compared with Rs.212 Crores for the same period previous year, a growth of 26%. And ROIC annualized was at 49% for Q3, which is compared with 43% for the same period the previous year. Free cash flow for the quarter was at Rs.248 Crores. In terms of the individual businesses for the engineering business, the revenue for the quarter was at Rs.1,438 Crores compared to Rs.1,212 Crores in the corresponding quarter. PBIT for the quarter was at Rs.196 Crores, as against Rs.156 Crores in the corresponding quarter of the previous year. Metal Formed revenue was at Rs.408 Crores compared with 400 Crores, and PBIT was at Rs.46 Crores compared to Rs.40 Crores in the corresponding quarter of the previous year. For our Mobility Business, revenue was at Rs.183 Crores compared with Rs.142 Crores, and the PBIT for the quarter was at Rs.4 Crores as against a loss of Rs.0.8 Crores in the corresponding quarter of the previous year. And for other businesses, our revenue was at Rs.214 Crores compared to Rs.252 Crores, and PBIT was at Rs.19 Crores as against Rs.11 Crores in the corresponding quarter of the previous year. From a consolidated perspective, our consolidated revenue for the quarter was at Rs.5,801 Crores as against Rs.4,812 Crores. The profit, before share of profit of associate/joint venture, exceptional items and tax was at Rs.502 Crores as against Rs.427 Crores in the corresponding quarter. CG Power registered a consolidated revenue of

Rs.3,175 Crores for the quarter as against Rs.2,516 Crores and again the profit for the quarter was at Rs.420 Crores as against Rs.335 Crores. Shanti Gears registered a revenue of Rs.117 Crores as against Rs.158 Crores and profit was at Rs.23 Crores as against Rs.35 Crores in the corresponding quarter. So I will stop with that. Be happy to turn it over to all of you for Q&A.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. Anyone who wishes to ask a question may click on the raise hand icon from the participant tab on your screen. We will wait for a moment while the question queue assembles. We take the first question from Sujit Jain of Bajaj Life. Please go ahead.

Sujit Jain: Yes. Hi. So this is a question to Vellayan. from the time you took over from the professional manager and then handed over the baton to another professional manager after taking the company to new heights and including introducing TI2 and TI3 strategies we have had some phenomenal successes and as well as some things which would have tried and tested us and without much success so far. Would not it not be an opportunity for you now to consider some consolidation, meaning as much as attack is a weapon, retreat also could be a powerful tool to basically consolidate your time and your attention and your management focus on few things and probably eliminate things which may not be working so that what then remains you can double down on and continue with your TI2 and TI3. Thanks.

Vellayan Subbiah: Okay, Sujit. Thanks. I think the questions are good one. So, actually, if you look at what we have broadly, right, in terms of what is remaining, So I think the question is more on kind of the adjacencies or kind of the new businesses that we have gotten into, right? So if I were to just kind of break that down, you have got TI Clean Mobility, you have got the medical business, you have got 3xper, and obviously CG is on the other side. But I would say broadly, these are the businesses Shanti and CG, I think are okay, right? I do not think those are kind of fit into your question. I am assuming, Sujit, that you are asking mainly around these businesses. Is that fair, Sujit?

Sujit Jain: That's right. So it is about TI2.

Vellayan Subbiah: Yeah. So we are talking about TI Clean Mobility, TI Medical, and 3xper. These are the three areas, right? So, let me kind of just address them one by one, right? So, Sujit, to your question broadly, I will talk through each of the three businesses one by one, right? So on, obviously, the largest one is TI Clean Mobility. And there what I would say is that I would say that we went through things that are definite learning curve, right? I mean, I made some mistakes, kind of I have not perhaps performed as well as we could have in certain

segments. And perhaps I also under thought a bit as to kind of what it would take to kind of build out the business. But broadly what I would say is that we are at the stage when capacity has been built out. And we are beginning to see, green shoots definitely in a lot of the new products that we are basically starting off on. So I would actually say that now is the time to double down on that business. It is not the time to kind of back off. And because the fundamental thesis, Sujit, to me is still intact, right? Which is like all of the IC components and IC products in these businesses are going to get replaced over time, right? So I would definitely say that from that perspective, I see it as a business to double down on right now. And obviously, kind of, we still have a very high level of conviction that we will kind of get there, though it is getting a bit more delayed than we thought it would. And when I say get there, I mean, obviously, the first step is just EBITDA and cash flow breakeven. And then the next stage will be obviously getting to a level of profitability in that business. And then the second is on 3xper, which is in the CDMO space. See, the big challenge in 3xper was actually the building out the plant, right? Because there are two parts to that business. One is the development side, one is the manufacturing side. The manufacturing side is actually the side that brings in the revenue and scale. And unfortunately, we got caught in getting permissions to build out, the facility and now we have got pretty much everything, including kind of, all the consents and approval needed. So in the next three months, basically we will start being able to produce and then still we have like the certification cycle, which is fairly long in that business. So the seeding of that business kind of takes a fair amount of time and I think it got delayed by almost I would say more than 18 months because of permissions for that facility in Andhra Pradesh. So that is the challenge with that business. And so we have to at least give it that time to perform.

And then the third, obviously, is TI Medical. And there, I would say that it is a business that has opportunity but obviously, I think the learning curve for us on that business has been that the number of targets to acquire in India have been limited. So again, we kind of get posed with a question of how do we scale it up, because the number of targets are limited. So I would say that your question is valid. I understand where you are coming from. Is it time to consolidate or not? But I still feel like these three are all still valid TI2 plays. They are just taking longer. Honestly, TI2 is taking longer than I thought it would take. But that does not mean. See, a lot of the things, getting into new sectors like this, right? There have not been that many people who have entered in the auto sector and kind of have scaled. So some of these things just take time, right? And I think that Sujit as long as my conviction level stays high, we will continue to kind of invest, especially in these three businesses and looking to scale them up.

Sujit Jain: Sure. And then coming back to our attention again, back to our main business, the core business, engineering and metal forming because the overall auto industry post GST cut has

got a fillip can we speak about some of the levers that we were deploying in terms of like we have mentioned export taking up to a higher percentage same client higher revenues seeding more clients etc., so till the time TI2 plays out actually TI1 again propels the engine.

Vellayan Subbiah: Yeah, so as you can see, we have had good performance in the engineering business, right? Now, the one thing, Sujit, that has been interesting is that where we thought exports would kind of drive it, actually, we have seen the opposite because Europe demand has been weak and US between kind of tariffs and everything else, like on the engineering side, we are still shut out because of Section 232. So we basically still have a 50% effective duty going into the US. So till some of those things structurally change, export growth has not been to the level we wanted, but we are definitely seeing domestic growth offering us enough growth opportunities in these businesses. So export as a lever has not played out. But domestic growth levels, and we are continuing with plant expansions there, will continue to allow us to grow more. So on the engineering side, you can see fairly strong results for the tubes business and I do think that we will see that performance continue for the foreseeable future. So that provides us with good impetus. So I would definitely say that we are seeing significant growth opportunities. So we have seen if you take that organic growth business, organic business in TI1, where we thought it would be like more like 6 to 9%, we have seen double digit growth in those businesses, right? So that is what, so Sujith, obviously that is helping from a performance perspective as well.

Sujit Jain: And one last question in metal forming, one of your clients got listed the Korean company, so if they kind of do well, Will we have more opportunities with them to actually grow with them and do better there?

Mukesh Ahuja: Yeah, Sujith, your question is very right. If one of the Korean customer does well, obviously we will do well. And at the same time, we are spending time on building capabilities for some other customers as well as some new product lines in the MFPD. Obviously, it will take about a year's time so that maybe even if one customer is not doing well, how we can do well as a company. So those efforts are on and I am hopeful by next year it should give some result.

Sujit Jain: Sure, thank you. All the best to you. Can I have one more question or should I get right in the queue?

Moderator: Sir you may proceed, sir. It is fine.

Sujit Jain: This question is since we are a parent to CG Power, which is exceedingly doing well, But just push the envelope further there. You have hired a CEO in his previous avatar in the company that he worked with. Services was a significant portion of that entity, close to 30% when we last met him. And he is cognizant of the fact, services of CG Power should be like a 1%-2% business. Could we kind of double down there as well as a lever?

Vellayan Subbiah: Yeah, so Sujit definitely services is a big lever there and we are actually, we are now in the process of recruiting one or two key people to basically drive the growth of that business. My sense is that, that should be, so yes, so we are looking at kind of growing that business. First, the team will come on board and then we will start driving that growth, which should start happening. So at least the team should be on board in the first quarter of FY2027.

Sujit Jain: Thank you.

Vellayan Subbiah: Yeah. Thank you Sujit.

Moderator: Thank you. A quick reminder to our participants. If you wish to ask a question, you may click on the raise hand icon. We will take the next question from Joseph George of IIFL. Please go ahead.

Joseph George: Thank you, Inba. So I have two, three questions. One is on the railway business. In the last call, you had mentioned that the business commencement has been pushed out from 4Q FY2026 to maybe early FY2027. Just want to check whether that is on track in terms of time.

Mukesh Ahuja: So Joseph, thanks for the question. Your observation is right. That project is little bit running delayed. And prototype samples are getting submitted between March and April, maybe quarter one and in March, it will get submitted. And based on the prototype samples, and that company is also developing the product first time. So we are hopeful FY2027 should be better.

Joseph George: Sure, thanks. The next question that I had was, typically, every quarter, you give out the volume growth in the engineering segment. So if you can just help us with that number, it will be great.

Mukesh Ahuja: So on YTD basis, it is double digit. That is what we share and which is maybe reflecting in the results also what we segmental results we give it.

Joseph George: Sure, the last question that I had was in the 2Q call you talked about a potential acquisition the indicative number given was about Rs.200 Crores to Rs.300 Crores. I just wanted to check if there is an update on that and what space are you looking at etc.

Mukesh Ahuja: So Joseph like what we shared last time so this is a continuous work we do it so there is no definitive timeline what we can give it to acquisition as a possibility. So we are looking into the market and whenever we find there is some suitable possibility, we will surely share with all of you.

Joseph George: Great, thanks. That is all I have.

Moderator: Thank you. Any participant who wishes to ask a question may click on the raise hand icon. We have the next question from Anupam Gupta. Please go ahead.

Anupam Gupta: Hello. Am I audible?

Moderator: Yes, sir.

Anupam Gupta: So, Vellayan, on your first reply, which you talked about TI2 and maybe doubling down on the EV business, given that the losses are continuing, and earlier we had said that we will stay at that Rs.750 Crores investment, which you had done initially. So incrementally, let's say over the next couple of years, let's say if the breakeven is pushed out, let's say one, one-and-a-half years down the line, what sort of incremental investments are you okay doing from the parent balance sheet incrementally in the EV business?

Vellayan Subbiah: Yes, Anupam, I would say that it will definitely be at least Rs.500 Crores and it could be so my sense is the range is Rs.500 Crores to Rs.750 Crores.

Anupam Gupta: Okay.

Vellayan Subbiah: From the parent balance sheet.

Anupam Gupta: I understand

Vellayan Subbiah: Anupam you are right which is I did read it wrong I mean I definitely read it wrong right so that is why I said it when it is taking longer than we expected but you are right so but Rs.500 Crores to Rs.750 Crores is the range.

Anupam Gupta: Yeah, I understand. And just to, maybe get slightly more color on this. So let's say in the last couple of years, when we came to the market and all the products which we launched,

we are almost let's say, the early entrants in three wheelers as well as in trucks. Now, when we are trying to rectify whatever mistakes we did, now we see that the incumbents are much more aggressive in terms of launches in terms of the features with their offerings. So what incrementally different do you plan to do to maybe get back on track in the EV business?

Vellayan Subbiah: Obviously, the strategy is going to be different for different products, right? So, where we made mistakes and where the incumbents have now taken the lead has been in the three-wheeler side, right? So, in that business basically the objective is to kind of bring down all cost structures that we did. So like the product, if we kind of, again, we will get into a lot of specifics, but basically you have like three sets of segments in there, right, in the L5M category, and one is 9 kilowatt, one is 10.6, and one is 12 or 12 plus. And right now, predominantly Mahindra and us are in the 10.6 category. So obviously what we need to do is make our product more competitive in that category, and then look at products in the other categories right? So kind of without kind of going through like huge amounts on capex, which is the way we are looking at it. So those are the two focus areas there. The good thing is that all the product issues are behind us, right? So it is basically now it is just focused on again, kind of developing stronger relationships with the channel and beginning to push out on sales. Now, if you take the small commercial vehicle, there has been very good reception to the product. And we are still early in the sense that there are right now three players in that segment, which is basically Ashok Leyland, Volvo, Eicher, and us then, so Anupam, did you say something?

Anupam Gupta: No, no, please go ahead.

Vellayan Subbiah: Yeah, so I think that, so there is still an opportunity to, because it is early days, and the early adoption is getting started, but the products are solid product. It is very good and beginning to scale well. And then on M&HCV, there, I would say that, still we have got kind of over 40% of the products sold in the market today. And there, what is happening is we are beginning to develop use cases. That is how it has happened, right? We actually kind of like really work to develop the use cases for the cement segment. Now cement is picking up. So we have to do this one. So basically to create adoption here, we have to kind of go one segment. But how many of the segments are adopted at a time is going to determine kind of how quickly the product scales, right? So I think in each one, the strategy is slightly different Anupam.

Anupam Gupta: Sure, I understand. And just one last question. So, given that you have to have so much focus on reviving the three new segments, will it be right to assume that you will not incrementally be wanting to take anything new under TI or you are still open to adding new stuff on TI2 or TI3?

Vellayan Subbiah: Yeah, so I think that I would say that right now, definitely, Sujit's point is also valid, which is, it is unlikely we will do anything significant in TI2 anymore. So I think TI3 is just, TI3 if something were there, it would still be open to, but I would say definitely there is no thinking of doing so much significant in TI2 anymore.

Anupam Gupta: That is all for my side. Thank you.

Moderator: Thank you. That question was from Mr. Anupam Gupta from HDFC Mutual Fund. We now move to our next question that is from Salil Desai of Marcellus Investment Managers. Please go ahead.

Salil Desai: Thank you. Yeah, first question, if you could share the volumes in each of these electric vehicle categories for the quarter.

Jalaj Gupta: Okay. So, the volume for quarter three for the big trucks, M&HCV, 56 numbers. For three-wheeler business, 1,816 numbers. For small commercial vehicles, 301 number. And for e-tractor, 29 numbers.

Salil Desai: Thank you. Yeah. I mean, I see you were saying that the small commercial vehicles reception has been very solid. Great. My second question is on the engineering segment right now, there is a clear improvement there. But in MFP, I am assuming that there is a fair bit of overlap in end user industries, maybe even some customers. So why is there a divergence in the growth rates between the two?

Mukesh Ahuja: So Salil, your observation is right. Actually, in MFPD, we are having today two challenges what we are facing is one is railway business, second particularly whatever exports we do in MFPD for the European market. So European markets are going a little bit weaker that is why there is a little bit divergence. But from domestic market size, other than railway, it is going good.

Salil Desai: All right, good. And our new plants, any progress on them? Have they started commercial operations? I am assuming that you would have had something in this quarter, right?

Mukesh Ahuja: You are talking about Engineering division?

Salil Desai: Yeah, the plant in West.

Vellayan Subbiah: So that is also a little bit deferred. We are maybe hoping, I think it will get delayed by six to nine months' time.

Salil Desai: Any particular reasons why that is happening?

Vellayan Subbiah: Maybe let us say because machine suppliers are facing some challenges and that is why it is getting a little bit delay.

Salil Desai: My next question I had, this was on Shanthi Gears, if one of you could help us understand is that revenues have been declining sequentially for at least about four to six quarters now. So what is really happening there? And if you can share how the business would shape up, let us say in the next couple of years.

Mukesh Ahuja: So Salil maybe on a long-term basis, sure, we are always bullish about Shanthi Gear business, but in the short run, order book is a challenge. And there the group philosophy is to always keep eye on the margins and which we do not want to dilute. So we see a little bit of slowdown in the order book. And also, we feel it is a temporary nature, maybe another one or two quarters, and we will revive it back.

Salil Desai: So just to make sure I understand, you are saying the market is now more competitive and orders are fewer so you are not kind of compromising on margins and letting revenues go is that how?

Mukesh Ahuja: Yes that is right.

Salil Desai: Okay thank you I will come back in the queue.

Moderator: Thank you our next question is from Ajox Frederick from Sundaram Mutual Fund, please go ahead.

Ajox Frederick: Hello.

Moderator: Yes sir please go ahead.

Ajox Frederick: Yeah so just one question on engineering we were slow for a bit of time and now we are turning things around Does it have to do with let us say new customers, new products? What is kind of happening there?

Mukesh Ahuja: Like we shared in the past, it is a combination of 2 to 3 factors. One is obviously after GST cut, domestic market is absolutely bullish. So we have participated in that. And also you are aware of we have done a lot of regional balancing as a part of our strategy exercise. So a plant for CRS we are putting in Nasik and another tube plant we have put in Phaltan. So both maybe let's say the capacities are getting utilized and we are hopeful by quarter of next

year that will get fully booked. So and we are participating whatever EV conversions are happening with the high strength material and maybe wherever our customers are China plus one strategy are there. So combination of all is helping engineering business to grow. But at the same time exports is right now a challenge. Hopefully this trade barrier and all these things improve so that will further add to current growth levels.

Ajox Frederick: That is great, sir. So the margins can still get better as our capacities improve.

Mukesh Ahuja: Internally we are driving.

Ajox Frederick: Good. All right, sir. Thanks. That is it for me.

Moderator: Thank you. Our next question is from Jinesh Gandhi of Oaklane Capital. Please go ahead. Mr. Gandhi, could you please unmute your microphone and ask your question?

Jinesh Gandhi: Yeah. Am I audible now?

Moderator: Yes, sir.

Jinesh Gandhi: Yeah. Hi. Mr. Vellayan my question pertains to your comment on exports, which you talked about on the tariff side. So now with the recent change on the US tariff, would we expect our duties to come down to 18% or under section 232 it will be still at 25%?

Vellayan Subbiah: So, there has been no indication right now that section 232, the duty of 50% is going to come down. So, the current stand is still that, that sticks. Okay, so obviously, there has still been and there has been active lobbying by India to try to bring it down. But there does not seem to be any indication of that yet. Yeah, so obviously, kind of this is outside of that 50 to 18 regime. 232 has been a separate track. And 232, it does not look like has been touched for pretty much all of the products that we are in, still remain in.

Jinesh Gandhi: Okay, so it is not even 25%.

Vellayan Subbiah: Yeah, you are right. So Jinesh, you are right that 50% sticks for us.

Jinesh Gandhi: Got it. And secondly, with this EU FTA talking about bringing duties down to zero from exports from India, do you see Europe as a relatively bigger opportunity, which was not fully tapped so far and with this change in duties? As and when it happens in the course of next 12 to 15 months, we can see substantial growth and ramp up in the European markets?

Mukesh Ahuja: Yes, your observation is right. Europe is a big market. And like you rightly said that it will have a lag of around 12 to 15 months. And also there is one more challenge, maybe there are non-trade barrier also are there in terms of CBAM and all things, which adds further challenge. I am hopeful maybe our government is negotiating that. If that happens, yes, it is a big market.

Jinesh Gandhi: Got it.

Vellayan Subbiah: Europe is definitely been a huge opportunity for us, but they have also had all kinds of barriers, both on the volume side and on an NTB side.

Jinesh Gandhi: Right. No, that is fair point. And last question is on the three-wheeler side. So now we have had a sizable presence in some of the key markets on the E3-wheeler side. So some of the older markets in South India, which we entered first, how has been our ramp up there and what has been our market share in those markets on E3-wheeler space? And second part question to E3-wheeler is what percentage of the addressable market we are now present in?

Jalaj Gupta: Okay, so I will take the second question first, so today we cater to about, so we have about 117 dealerships in E3-wheeler and we cater to in the L5M category about 65% to 70% of the TIV is what this particular 117 dealers they cater to. Within these dealerships also, we are trying to have a focused dealer approach to ramp up our volumes, which is to say about 52% to 55% of these dealers is what we are primarily focusing more on, which can give us about, let's say, 75% of the volumes that we do. To the first part of your question, yes, in South, our relative presence is better as compared to in terms of market share vis-a-vis North, East and West. But in South, the electric industry transition from ICE has not been as much as it has been in the other parts of the country. So we still continue to be relatively strong in South vis-a-vis other markets. And that places us well as and when the transition happens, it will augur well for us.

Jinesh Gandhi: Got it. Great. Thanks and all the best.

Jalaj Gupta: Thanks.

Moderator: Thank you. We take the next question from Vipul Shah of Sumangal Investments. Please go ahead.

Vipul Shah: Hi, sir. Am I audible?

Moderator: You are audible, sir. Please go ahead.

Vipul Shah: So after all four electrical vehicle products, which one you have the highest confidence that it will turn around in next 12 to 18 months?

Vellayan Subbiah: I definitely say that the two which we are pushing towards breakeven in the next 12 to 18 will be in the heavy vehicles and in the three-wheeler, because those have had the longest track records. And then that will be followed by SCV and then tractor.

Vipul Shah: Okay. And sir you said that you will be infusing Rs.500 Crores to Rs.700 Crores in electrical business. So that will be at the TI Clean Mobility level overall?

Vellayan Subbiah: Yes.

Vipul Shah: So our contribution will be less. It should be proportionate to our equity, right?

Vellayan Subbiah: So we will basically, that is a discussion we will have in terms of the exact structure. But we will look at it in both models, whether we put in and increase our stake or whether we get kind of proportional contributions.

Vipul Shah: And what is our current capacity utilization in engineering division? So why I am asking is, Are we planning any capex over the next 12 months in that division since that division has started performing?

Mukesh Ahuja: Like we shared in the earlier calls, we are covered for FY2027 fully and we always access this capacity utilization and the future demand on a regular basis. So if anything is required for FY2028, we will put up the capex.

Vipul Shah: Thank you and all the best for the future.

Vellayan Subbiah: Thank you.

Moderator: Thank you. Our next question is from Prithvi Raj Earle from Unifi Capital. Please go ahead.

Prithvi Raj Earle: Hi, I just have a couple of questions on EVs. If you look at three wheelers, you have already increased the distribution reach, you have corrected your products. What else do you think you can do to drive volumes? Because I am assuming you have been doing whatever you can. Is there anything else you can do to push the volumes?

Vellayan Subbiah: So Prithvi basically, yes, there are two sets of things we can do. One is that we are actively focused on kind of the BOM cost reduction side to make, because basically to make the product more competitive from a pricing perspective. That is one thing that we are

definitely focused on. And then obviously the second is when you think of the channel and the network, basically kind of building that out as it is kind of comparative to what are competitions. These are the two areas.

Prithvi Raj Earle: But I am assuming this BOM cost reduction will take a lot of time, right? It is not going to be easy.

Vellayan Subbiah: No, it does not have to take that long. We have been working on it for a while. It is not like we are starting.

Prithvi Raj Earle: Okay. And then obviously in the first question, you explained in detail about each of the segments. But if I have to ask, where do you take a call that, okay, enough of this investments and you will like to end it? I mean, after what kind of investments?

Vellayan Subbiah: Yeah, so I do not want to give like a deterministic answer to that now, which is basically the way I still have a lot of conviction that IC is basically going to move to EV, right? I have always said we do not know the rate at which acceleration is going to happen. So basically, we are still very convinced that this is a segment that we have to basically invest in because we see the opportunity in these platforms. So we will continue to invest. So I think that is the way we are looking at it right now.

Prithvi Raj Earle: Okay. That is all from my side. Thanks.

Vellayan Subbiah: Thank you.

Moderator: Thank you very much. As there are no further questions in the queue, that brings us to the end of our Q &A session. I am sorry, actually we just got a participant in the queue. That is Mr. Salil Desai from Marcellus Investment Managers. You may go ahead, sir, with your question.

Salil Desai: Thank you again. Can you share an update on the L3 foray? I think about six months back you mentioned that that is a space that you are looking at and if any progress has been made, any capex or volume targets?

Jalaj Gupta: So, Salil, at this point of time, we have seeded in certain volumes and only in select markets. And we are testing out the product in terms of product acceptability, price points, etc. As you would know that this market has been dominated by the typical lead asset players. And there are more than 250 players in the market, hugely fragmented market. So we want to be very sure what we are getting into. So at this point of time, it is just at a

seeding in few markets and basis the feedback that we get over next quarter or so, we will take a call on the future of the product and what our GTM strategy would be.

Salil Desai: Understood. Thank you so much.

Moderator: Thank you. We have another follow up question, sir, from Prithvi Raj of Unifi Capital. Please go ahead.

Prithvi Raj: Sorry, I just have one bookkeeping question. What are the losses in EV during the quarter?

AN.Meyyappan: Yeah, See during the quarter, it is Rs.164.31 Crores.

Prithvi Raj: Okay, thank you.

Moderator: Thank you. We have a next question from Anish Rankawat of UTI Mutual Fund. Please go ahead.

Anish Rankawat: Hi sir. One question. The cycle segment seems to be doing really well this year while I believe last couple of quarters were cyclical in terms of seasonality. It seems to be maintaining in Q3 as well. What is driving this and how do you see it going forward?

Mukesh Ahuja: So like we shared the last year, we are trying to develop new products which at least takes care to some extent the cyclicity. So e-bike was one of them. Last year if you see our e-bike sales were almost nothing and this year it has picked up pretty well and still we have to go a long way in that particular and second a focus on the fitness business and the spares business what we are trying to bring it that these three initiatives will surely help us to mitigate to some extent this cyclicity in this business.

Anish Rankawat: Sir e-cycles what kind of TAM are we looking at and what kind of penetration does e-cycles have currently in India?

Mukesh Ahuja: So we are just started and like let's say in EV businesses we are discussing the adoption level is going to pick up like we see in the EV vehicles. Similarly we see in the EV bicycles also the adoption level is going to pick up like China has done a good job in particular that we also see at some point of time consumers are going to definitely need a segment where they do not want to buy a bicycle and as well as they cannot afford the two wheeler. So in between segment there is a segment going to emerge and we are trying to participate that. And how much time will be there.

Vellayan Subbiah: I think the TAM is not deterministic right now. So it is like a conversion of a segment. So I think all of these things, it is not like there is any data or anything that says the TAM is going to be slow.

Anish Rankawat: All right. Thank you for that. Thank you very much.

Vellayan Subbiah: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question. On behalf of IIFL Capital Services Limited, that concludes today's conference. Thank you for joining us. You may now click on the leave icon to exit the meeting. Thank you all for your participation.