

3rd February 2026

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

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

Dear Sir(s)/ Madam,

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

In continuation to our intimations dated 13th January 2026 and 28th January 2026 with respect to the schedule of a conference call with M/s. Batlivala & Karani Securities India Pvt Ltd ('B & K') post results for the quarter ended 31st December 2025 and intimation on the audio recording, respectively, we wish to inform that the transcript of the said recording is enclosed and the same has been hosted on the website of the Company and is available at:

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

We also enclose the said transcript for your reference.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

For **TVS MOTOR COMPANY LIMITED**

K S Srinivasan
Company Secretary

Encl.:a/a



“TVS Motor Company Limited
Q3 FY '26 Post Results Earnings Conference Call”
January 28, 2026



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

MODERATOR: **MR. ANNAMALAI JAYARAJ – B&K SECURITIES**

Moderator:

Ladies and gentlemen, good day, and welcome to TVS Motor Company Limited 3Q FY '26 Post Results Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Annamalai Jayaraj. Thank you, and over to you, sir.

Annamalai Jayaraj:

Thank you, Mark. Good afternoon, all the participants. On behalf of B&K Securities, welcome to 3Q FY '26 Post Results Conference Call of TVS Motor Company Limited. I also take this opportunity to welcome the management team of TVS Motor Company Limited. We have here with us today Mr. K. N. Radhakrishnan, Director and Chief Executive Officer; Mr. K. Gopala Desikan, Chief Financial Officer and congratulations on good results, sir.

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

K. N. Radhakrishnan:

Good evening, good evening, everyone, and thank you for joining us today. Wish you all a very happy New Year and season greetings to all of you and your family members. I'm glad to share that this quarter also, we continued to achieve new highs, delivering our highest ever quarterly sales, revenue and profits.

During this quarter, company sales volume grew by 27%, revenue grew by 37%, operating EBITDA grew by 51% and operating PBT grew by 56%. Let me get into more details about the third quarter of this financial year. Overall operating revenue grew by 27% and the revenue is at INR12,476 crores as against INR9,097 crores during the third quarter of last year.

Two-wheeler domestic ICE sales grew by 21% compared to Q3 of last year as against an industry growth of 16%. International market, company sales grew by 35% over last year as against an industry growth of 23%. Total 2-wheeler ICE sales grew by 25% compared to Q3 of last year and an industry growth of 17%. EV 2-wheeler sales grew by 40%, and it has crossed 1 lakh this year, 1,06,000 units as against 76,000 units during Q3 of last year.

Total sales of 3-wheeler is more than doubled to 60,000 units as against 29,000 units during last year third quarter. On profits during this quarter, company's operating EBITDA grew by 51%, and it is at INR1,634 crores as against EBITDA of INR1,081 crores during Q3 of last year. The company's operating EBITDA margin improved by 120 basis points at 13.1% as against 11.9% during Q3 of last year.

All of you know that during last year, the entire year PLI benefits of FY 24-25 was recognized in Q4. On a normalized basis, Q3 FY '25 EBITDA would have been at 12.4%, which means on a year-on-year basis, a margin improvement of 70 basis points and a quarter-on-quarter basis, 40 basis points.

The company registered a PBT before exceptional items of INR1,315 crores, recording a growth of 57% during this quarter as against INR837 crores. During this quarter, company recognized

INR41 crores as an exceptional item towards the past service cost arising from the new labor codes. Profit after tax for the quarter is INR940 crores as against last year's INR618 crores.

Now when we look at the first 9 months up to December, the first 9 months of the year, company's operating revenue grew by 29%, and it is at INR34,463 crores as against INR26,701 crores during last year first 9 months. PBT before exceptional items for the first 9 months is at INR3,594 crores as against last year's INR2,517 crores, a growth of 43%. Profit after tax for the first 9 months period is INR2,625 crores as against last year's INR1,858 crores. So overall, very good growth in the first 9 months this year.

On TVS credit, TVS Credit continued to witness excellent growth in disbursement. The post GST 2.0 implementation, there is a positive sentiment and the market is doing well. The low inflation drove demand across product categories, leading to increased sales, deeper market penetration and enhanced market share. We also saw a successful festive season with robust demand. During this period, company maintained its focus on risk calibrated growth across product categories, building a diversified book.

TVS Credit continued to drive penetration of existing products, expand product offerings, scale up distribution while enhancing customer experience and operational efficiency. First 9 months, TVS Credit disbursed loans of over 41 lakh new customers, bringing its total customer base to nearly 2.3 crores. The book size is INR29,678 crores, grew by 9% over last year Q3. TVS Credit PBT before exceptional items for the quarter grew by 21% and is at INR390 crores as against last year's INR321 crores.

On Norton, we are building the lineup, which was unveiled in EICMA 2025. I'm very sure you would have had an opportunity to see many of these products. The new Manx and Atlas families position the TVS ecosystem firmly in the premium, in the high-emotion luxury motorcycle segment. And it's definitely going to create for the super premium category of our affluent global customers who value craftsmanship, exclusivity and engineering pedigree, a real, real special super premium kind of an experience.

We are gearing up launch of new Norton products in the Indian markets as well. We will have a differentiated strategy for Norton, we will give more details closer to the launch. On Q4 outlook, I think all of us know that we saw very good growth. In Q3, we saw post GST reduction, industry grew by 20%.

Rural grew by almost 19% and urban by about 21%. The GDP growth for this financial year is also estimated about 7%. This robust performance not only reinforces the underlying strength derived from the domestic market, but also positions India as world's fastest-growing major economy against many challenges in the global landscape. As I told you, this year, the rainfall has been good and the higher reservoir levels are also going to augur increased rabi sowing, and this should definitely support the rural sentiments.

And as you know that the monetary policy measures implemented by RBI, including the total repo rate reduction by 125 basis points in this year is expected to improve the liquidity and credit environment. GST reduction definitely is going to support what we have seen in Q3. So we are

expecting Q4 also to be doing extremely well for the industry. On EV, the VAHAN for the first 9 months, the industry grew by 14%. And all of you know that we had some challenges on the magnets availability.

But now it is better. The availability has become better. And the Q3, the VAHAN EV industry grew by 7.5% over last year Q3. EV penetration is slightly lower now, but it is going to improve going forward. We have seen very good growth for TVS in Q3. And we are expecting with our products like iQube doing well and also TVS Orbiter, it is likely to do well. Commercial vehicle mobility, the TVS King EV and the King Kargo HD EV, very good response in the market, and we are able to also grow here.

The VAHAN market share has gone up in EV L5 category. So this is going to help us. So overall, I think you will see EV penetration going up in 2-wheeler and 3-wheeler anyway, it has almost come to now 32% in this quarter. So that will go up.

On international market, the market is doing well. Q3, we have seen exports from India growing by 23%. And the demand in Africa continues to grow on a quarter-on-quarter basis. LatAm also has grown over last year, and this growth momentum in Africa and LatAm will continue. As you know, Asia region is also doing well, thanks to Sri Lanka coming back in a big way. Nepal continues to do well, Europe continued to have challenges. It is not growing.

It may take a few more quarters for the performance to improve. And overall, TVS already I highlighted that we have grown ahead of the industry. And we are very confident that this momentum will continue both on the industry side, and we will likely to do better than the industry growth in Q4.

So overall, if you look at -- thanks to GST, the momentum in India is good. Industry will have a very good growth, And like Q3, you can expect good growth in Q4 as well. International markets are doing well, and it will continue to do well in Q4. And thanks to our good portfolio of products and our focus on consumers, quality, new products and very clear attractive quality and technology with features, we are confident that we will do better than the industry growth, both in domestic and international markets.

And you have seen the highest EBITDA for the company. With top line growth, we will leverage the scale benefits. We will look at more premiumization and better product mix. Our sustained effort on cost reduction will also enable us to continue, and we are confident that EBITDA will continue to grow going forward. Thank you.

Moderator: Thank you very much. The first question is from the line of Chandramouli from Goldman Sachs. Please go ahead.

Chandramouli: My first question is just around the industry outlook that you provided. I think in the December quarter, we've seen 20% growth for the industry. Jan to date also on the VAHAN retail portal seems to be around the mid-to high teens. I think at the previous earnings call at the end of 1H, you had indicated you expect sort of this 8% to 10% volume growth for the industry in the medium term, back half and medium term.

Just want to understand if there's some upside risk to that in your view over the medium term, if you see upside risk to this 8% to 10% kind of growth bracket for the 2-wheeler industry?

K. N. Radhakrishnan: Definitely, the GST is playing, and all of us should know that it is not only in 2-wheeler. There is a good basket of products wherein the consumers have got the benefit of GST. So it's all playing out. I'm pretty confident that Q4 also, you will see anything upwards of 15%, you can see in Q4, which is according to me, one of the best growth what we have seen. So we are very positive about the Q4 growth.

So year as a whole, if you look at it, because you know the first half has not been so great. It was only 2% growth. And year as a whole, you will see somewhere around 9% growth. But exit is excellent. So that is going to help us the 2-wheeler industry this year.

Chandramouli: Got it. That's helpful. My second question is just around commodity inflation. So just trying to understand, we've seen inflation in the precious metals, a little bit on copper, aluminum as well and now there seems to be a reintroduction of the safeguard duties on steel. In the past, TVS has passed on some of the commodity inflation with judicious price hikes.

Just want to understand what are the offsets available to the company to manage the commodity inflation? And have we taken any price hikes in the December quarter as well as the March quarter to date?

K. N. Radhakrishnan: You are right. I think there are increases in aluminum, copper, zinc, platinum, palladium, rhodium, I think that you will see in this quarter. And we always look at a combination of -- with our top line growing. The strength of the company has been when the volume is growing, we are able to get the scale benefits. And we are also able to drive our cost down program. And we have been very prudent.

We keep looking at price increases. And if you look at recently, we have taken up about 0.2, 0.3 percentage price increases. So this is a kind of a constant journey because we definitely want our growth momentum to continue, but we want to mitigate the journey with a combination of scale plus cost reduction plus product mix has definitely helped us and some appropriate price increases. So this will be the strategy even in this quarter.

Chandramouli: Got it. That's helpful. And just lastly, housekeeping question, if you could share the international business revenues and the spare parts revenues, please?

K. N. Radhakrishnan: IB overall revenue for this quarter is about INR2,909 crores and spare parts all put together about INR1,183 crores.

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

Pramod Kumar: My first question pertains to the breakdown of the industry growth. If you can just help us understand what are the categories across both urban and rural you are seeing volume growth being driven from? Because when you look at the VAHAN data, predominantly suggests that players with skew towards premium portfolio and scooters are doing well.

If you can just help us understand how the broader categories are doing on the ground? And within that, in rural, are you seeing better traction for premium and scooters after the GST cut as a household have better savings in their hand or better disposable income in their hand? Are they buying better or gravitating towards scooters? And any other qualitative color which you want to share on the consumer behavior?

K. N. Radhakrishnan: Scooters have really done well. While the industry has done well, I think one category which has done extremely well is scooter. You remember, I always believe that scooters with ICE Plus, we should always add the EV. We are close to a 40% category share of overall 2-wheeler industry. This is exactly what I used to say in the meeting that scooters will grow faster than the industry, and that is exactly what is happening in the industry today.

Other important thing we should look at the premium and the super-premium is growing faster, okay? The executive category of motorcycle is also growing. I think what is happening is the entry-level segment is not growing as much. So -- but if you look at urban, rural, urban is about 21% and 19% rural. So rural is also doing well. I don't think we can't say that rural is not doing well, but urban is slightly ahead.

Pramod Kumar: And within rural, are you seeing traction for scooters and premium getting better, sir, after the GST cut?

K. N. Radhakrishnan: See, overall scooter has to do well and the premium and the super premium has to do well. Definitely, in the rural also, scooters are doing well. And thanks to the infrastructure, especially roads and road connectivity in many of the rural markets, I think this is definitely helping the scooters and the premium and super premium to grow. And of course, the support of retail financing.

Pramod Kumar: Okay. And another thing is related to your own supplies because we did hear about massive shortages during the festive. Even today, if you do channel checks, you get a feedback that there are some short supplies on scooters and new launches. If you can just help us understand where are we on the capacity side?

What are the plans we have for improving capacity and improved availability of your products so that there is no impact on the retail market share side? Just help us understand what are your plans to ramp up the supplies from where we are today?

K. N. Radhakrishnan: See, one thing, thanks to all the customers, our products are in very good demand in the market, thanks to our customers. And also recently launched products are also in good demand. End of December maintenance off plus a few holidays in January, there is a little bit of challenge because end of December, there are company holidays on maintenance off, which is very important for the factory.

And then you have the New Year Day and then Pongal and these are some challenging times where there are some requirements of company holidays. Barring that, there are no challenges. And for taking capacity increases, it takes about 2 months to 3 months. And fortunately, we have been very proactive in investing behind that. And we always believe that the dealer should keep only 21 to 30-day stock because we want products to be fresh to the customer.

There may be a few dealers where they have to plan a little bit better, but we are fully taking care of the supplies for the market, and we will continue to do that. Of course, in the EV side, we had a setup setback because of the magnet availability. We tried our level best. Now it is recovering. I can tell you that it is recovering.

And hopefully, by another month, you will see full supplies of EV also into the market. So overall, I think we have been at it in terms of both managing the capacity, delivery. And thanks to the kind of growth in the market. I think it's a balanced journey.

Pramod Kumar: Sir, any thoughts on the export market, sir, final question?

K. N. Radhakrishnan: Export is also doing well. You have seen -- and we are expecting Q4 also should do well. Like I said last time, Africa, the last year had a bad year, but industry has done. It has come back well, and we are growing ahead of the industry. And I'm very sure Q4 also, you will see this kind of an industry growth, and we will outperform the industry because many markets, we are doing extremely well, and we will continue to do the same kind of focus in Q4.

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

Binay Singh: Congratulations for a very good quarter. If you look at other expenses in the previous quarter, we talked about 3 one-offs in other expenses. But in this quarter also, the other expenses growth seems to be ahead of volumes. So any one-off or anything you would like to call out in that?

K. N. Radhakrishnan: See, the other expenses, most of them are related to the variable expenses related to packing, freight due to the volume growth. The only one of the things a little bit higher this year in this quarter is marketing expenses because you know the number of products we launched, We had about INR60 crores of additional expenses because of that.

Otherwise, if you look at the other expenses, one is packing freight in line with that. Then marketing, I already told you. And new technologies, R&D, we always -- we put our investments, And this quarter, we have the maintenance, the annual maintenance. So we spent about INR15 crores, which is as per plan. So overall, there is nothing unique other than the launch-related marketing expenses.

Binay Singh: Right, right. And sir, secondly, on the commodity side, we've seen commodity up cycles in the past also. But this time, it's coming after the GST cut where prices dropped. Do you think it will be easier for OEMs to pass on commodity as price increases in this cycle as the prices dropped quite sharply and customer appetite or affordability is better?

K. N. Radhakrishnan: I think it is a balanced journey. I think definitely, I think when we fully passed on the GST benefits to the customer, that has helped for us to also grow and the industry also to grow. So it is not easy to just increase prices. I think as a responsible company, we want to give better value to our customers. We look at -- that's why we invest behind variants, new technology, new attractive features.

Otherwise, you cannot hold on to the demand higher than whatever you have done. So this is a very, very balanced journey. And we have to also understand that when you give better value to

the customer, they will like to buy the vehicle. So we have to look at whenever the material cost goes up, we have to have a balanced effect.

And that's why when you grow the top line, you can get the scale benefit and premiumization. I think company has been always focusing on the premiumization. So better mix you are able to focus. And scooters doing well is also -- is another important strategy. So we are very focused on not increasing prices.

We want to give better value to the customer and wherever there is opportunity, we want to take a little bit price increase.

Binay Singh: But sir, just lastly, precious metals have been the one which has seen the most inflation. Any number you would want to share as percentage of sales, how big that is? Or how do you see that because we've seen very sharp increase in platinum, palladium and all?

K. N. Radhakrishnan: See, overall, we have to look at it because when the customer looks at it, they want to look at as a product. So there has been increases in aluminum, copper, zinc, everywhere. So platinum, palladium, rhodium and with BS-VI, the contents are a little higher in these products. So I think as a total, we look at what is the impact? and impact, maybe about 0.2%, 0.3%. I don't think it is huge.

So that's why I said how do we make sure that we are able to increase the customer demand? How are we able to look at growing the top line? How are we able to look at the mix, okay? And that should be the focus according to me. And we can also look at a small passing on to the market in terms of pricing is appropriate kind of thing. So that -- this is the combination of strategies we use.

Binay Singh: Right, right. So sir, in that sense, the 0.2% price hike you've taken and the 0.2%, 0.3% increase that you're talking about in commodities in a way, the equation looks balanced in that sense, right? That is a fair way to conclude.

K. N. Radhakrishnan: Yes. Maybe see material cost increases also when scale is done, that also supports the suppliers. When they have better scale on the same platform. That's why I always believe that top line growth has to be very, very robust. And if you can also look at same platform, then the suppliers will get huge benefits. So, it's a kind of win-win for everybody.

Moderator: The next question is from the line of Gunjan from BoA.

Gunjan: I just wanted to go back to your comments on the industry -- domestic industry growth. Clearly, a lot of confidence on Q4 and you mentioned shortages in the market as well. But if I were to just think of fiscal '27, any thoughts you would like to share that do you expect this sort of momentum to continue going into fiscal '27? Is it fair to say that we can have another 8%, 9% sort of growth here in fiscal '27 as well?

The reason I ask this is because we're not seeing this sort of demand recovery in some of the other sectors. So is auto just about 2 quarter pent-up demand and it starts to come off? I mean any thoughts from your side will help us think better about the cycle?

K. N. Radhakrishnan:

Gunjan, I will answer in 2 steps, okay? First, I never said there is shortage for products of TVS in the market. I said there were challenges in EV, iQube and now recently launched Orbiter primarily because of the magnet availability. Now that is also easing out. So from a capacity point of view, we are also taking proactive action. So that is the first point, okay?

It is Pramod who asked there is a shortage in the market. I think it is for the dealers to plan, and we are here to support them with the products on time. Now coming to the growth rate, I'm very confident that Q4 also, you will see the benefit because GST got implemented, I think, third week of September or fourth week of September. So you will see the first half of next year is also going to be very good because the benefits will come into the industry.

Second, I want to give a little bit of long-term answer. With the kind of infrastructure getting built in India with the road connectivity, rural, urban, semi-urban getting better and better connectivity. And please understand the mobility needs and given the challenges on the public transport system and I always say that the self-employed is a good proportion in India, given that the best segment is 2-wheelers because customers can afford it, customers can definitely use that for mobility as well as the 50% of self-income group.

So overall, I'm a firm believer that 8% to 9% as a CAGR, you can look at on a long-term basis, okay? So second half of next year also, I'm very sure. If not like first half, you will see many of these things getting implemented in India. Overall, the GDP is likely to grow. So with that, I think you will see a robust growth in the 2-wheeler even '27. I don't want to give some projections as of now. But overall, this is my preliminary thinking.

Gunjan:

Got it. No, that's helpful, sir. Sir, the second question that I had was again on Norton. Congratulations on the unveil of the product. Just wanted to hear your thoughts on how do we now think about the investments in the business because my understanding, we've also invested almost INR900 crores in subsidiaries in this quarter.

So if you can give us some color on how do we see the investments going forward? And how soon we sort of also start to see the losses come off? So some color on Norton investments and the breaking even or whatever loss reduction in the subsidiaries.

K. N. Radhakrishnan:

See, Norton, I'm extremely happy the products are getting ready, okay? We are now preparing for -- I'm very sure all of you, whoever has visited Milan show, you would have seen the products. And these products are going to hit the market in 2026 this year. You will see the growth coming, and they are super premium, and it is going to definitely delight the customers globally.

So once we have a very clear plan of action to go to the market, we will definitely share with you. But -- this is a very, very important year from the Norton point of view. Now coming to investments in Norton, the first year, we have to put the products and we have to support it with marketing because we want to build the brand in a very, very strong way. We will definitely invest behind the right areas on technology and marketing, okay?

Now coming back to the second question on INR900 crores, the delta this quarter has been TVS Credit Services, we have invested about INR200 crores. And for the prelaunch or pre-marketing

of Norton, we have given another INR60 crores, INR70 crores additional during last quarter, including the EICMA show, okay, EICMA Milan show. So I think these are all very measured delta and also the ION PT TVS project, we have invested about close to INR100 crores.

So investments are in the right direction, in the right products. And TVS Credit Services, you know the kind of book size we are growing and the profit it is generating. So we will look at the investments most appropriately based on where the strategic focus is there for the company.

Gunjan: And sorry, sir, just a clarification, you mentioned INR60 crores incrementally Norton, but the total -- like I'm just trying to get the breakup of this INR900 crores.

K. N. Radhakrishnan: This will come to this quarter. Last quarter is what I said.

Gunjan: Okay. So incrementally INR60 crores more in Norton and INR200 crores in TVS Credit is the incremental delta from last quarter. Is that the understanding?

K. N. Radhakrishnan: Correct. Correct.

Gunjan: Got it. Sir, last question, just very -- from a mix perspective, premiumization is something you said certainly helps us from a margin management cost mitigation. Scooters, the way it is growing, how do I think about the margin profile of scooters versus the -- versus, let's say, bikes or mopeds? Any color you can give with scooters at parity? Is it premiumization within scooters that's helping? Just a quick one on that.

K. N. Radhakrishnan: See, we focus on the customer, and we focus on technology and features, And we want to look at overall portfolio. While I said, product mix is very important and premiumization is very important, and we are focusing on that, We have to look at the customer, customer segment and try to be leading many of these segments. So that has been our focus.

We always look at the total portfolio contribution, We don't look at segment-wise, okay? Segment-wise is important, I agree. But we want overall top line to grow ahead of the industry. We want to look at how we can increase our premium category share to go up. Also scooter category share how to go up. So we do interventions with respect to products, variants and making sure that they grow faster than the industry.

Moderator: The next question is from the line of Sonal Gupta from HSBC Mutual Fund.

Sonal Gupta: Sir, first question I had was on Mexico. Could you sort of tell us what's the impact of the new duties? How much were we paying currently? And what is our exposure to that market?

K. N. Radhakrishnan: So we see, first of all, we are now building Mexico, okay? As of now, while there are some impact on the duty, we are also looking at localization. So we are not seeing a serious impact at this point of time because the volumes are low, and we are also trying to like increase our local content. So possibly, it may take about a couple of months' time. So it is not going to put a huge impact on TVS Motor.

Sonal Gupta: Okay, sir. So I mean, currently, it's like, what, 10% of your volumes or something of export volumes?

K. N. Radhakrishnan: No, no, no, much lower. Much, much lower, much, much lower. Very small.

Sonal Gupta: Got it, sir. Okay. That's helpful. Sir, the other thing was, could you tell us what was the EV 3-wheeler volumes for the quarter and the EV revenues overall for the quarter?

K. N. Radhakrishnan: EV revenue overall means you are including 2-wheeler EV.

Sonal Gupta: Yes.

K. N. Radhakrishnan: Yes. 3-wheeler volume, let me just -- just a minute. EV must be around I think you have to give me 1 minute.

Sonal Gupta: Sure sir.

K. N. Radhakrishnan: Around 8,500 to 9,000, because every month it has been increasing. So around 8,500 numbers in this quarter.

Sonal Gupta: Okay, sir. And revenues for EV?

K. N. Radhakrishnan: I'll get back because I have to check.

Sonal Gupta: Okay. Got it, sir. Just a related question was on like PLI, we've been previously indicating about a 50 bps benefit because of PLI. Would that have gone up in this quarter or it's still at those sort of levels?

K. N. Radhakrishnan: It has a little bit gone up. It is about 0.7%.

Sonal Gupta: Okay. And I mean, like given the -- I mean, like if I go back previously, I think almost 8% to 10% of our revenues are coming from EVs. And if we take a 13%, 14% sort of PLI benefit, then it should be almost like 1.3%, 1.4% of revenue, I mean, like 730 bps. So I mean, like -- so the gap, I understand to some extent, it is because of some of the suppliers who are getting those benefits and therefore, you're not accruing those. But still, is there a scope for increasing this? Or what is the gap here that we can sort of improve this quarter?

K. N. Radhakrishnan: First of all, thanks to government on the PLI. I think you have answer in your question itself. It's a combination of the company and some of the suppliers getting the benefit overall, okay? For us, it is about 0.7%.

K. Gopala Desikan: We have not lost any opportunity.

K. N. Radhakrishnan: And we have not missed any opportunity in securing the PLI benefits from the government, okay? Number two, I think our endeavor is to focus on delighting the customer, whether it is iQube, whether it is TVS Orbiter or TVS King. And as you know, our numbers have been growing ahead of the industry growth.

So definitely, this is going to help us to improve the EV profitability going forward. So systematically, we always believe in customer and then top line growth. That will result in all the growth of the bottom line. Same principle, what TVS Motor uses, even in EV, we use that.

Sonal Gupta: Sure, sir. Sir, I was just trying to understand, so whole EV portfolio is now accruing PLI? Or is there some portion which is still not accruing any PLI benefit?

K. N. Radhakrishnan: Yes. We are getting PLI for the...

Sonal Gupta: Orbiter as well?

K. N. Radhakrishnan: There are a few products where above certain price there, we are not eligible and the volume is also very small.

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

Kumar Rakesh: My first question was around the investment and capex plan for the year. At the start of the year, you had spoken about capex target of INR1,600 crores and investments of INR2,000 crores. In the first half, we had done capex of about INR1,000 crores. And in 3 quarters, we have done investments of about INR2,000 crores. So are you looking at revising those targets that you had for this year?

K. N. Radhakrishnan: The capex will be around INR1700 crores or slightly around that because we are also now looking at increasing some of the areas capacity given the kind of growth what we have seen, okay? And investments around INR2,900 crores overall.

Kumar Rakesh: Got that. And...

K. N. Radhakrishnan: So far, we have invested...

Kumar Rakesh: So just a clarification earlier to Gunjan's question. You last quarter hadn't shared the Norton investment. So if you could just share what was the investment last quarter over which there is an incremental INR50 crores, INR60 crores?

K. N. Radhakrishnan: I think last quarter, it's about INR240 crores and this quarter, about INR290 crores, Norton.

Kumar Rakesh: Perfect. My second question was around your commodity cost. You spoke about 0.2%, 0.3%. Is that the total commodity basket impact or only the precious metals, which we are talking about? And...

K. N. Radhakrishnan: Total may be about 0.4% at best.

Kumar Rakesh: Okay. And has all of that already been flowing through your material cost or there's something which is yet to come through? Because your production last quarter was lower than your wholesale. So some of the sales you would have done would be based on the earlier period?

K. N. Radhakrishnan: Some are in Q3, some are in Q4, some are in Q3, some are in Q4, okay? So this is where I said we want to look at very closely the top line and look at growing faster than the industry. So you will get the scale benefits. In some areas, we also increased prices. For example, early part of this quarter, we have taken about 0.3% price increase. So it's a balanced review, what we look at.

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

Kapil Singh: Congratulations on a very strong performance. My question is on the currency, what is the realization we've had for the quarter? Is there some hedging we are calling or we are realizing as per the spot rates?

K. Gopala Desikan: We have a hedging policy, and we strongly follow that. It's a very robust policy where we cover the net exposure over a period of time. And for the current quarter, I think the realization is around INR88.

Kapil Singh: Okay. So because rupee has been depreciating further, so as your hedges roll?

K. Gopala Desikan: Probably may get as per the policy, those benefits will accrue over a period of time. It's a policy where we cover the next few quarters. That's not a few quarters, a few weeks.

Kapil Singh: And we are able to hold...

K. Gopala Desikan: 12 weeks, I guess.

Kapil Singh: And we are able to hold on to...

K. N. Radhakrishnan: Yes, we are able to. Yes.

Kapil Singh: The question was on electric vehicles. So we launched the Orbiter. How has been the response and the customer profile difference between iQube and Orbiter, if you can give some color over there? And also on the EV profitability journey, where are you? When can -- at what volume level do you turn EBITDA breakeven, some color?

K. N. Radhakrishnan: See, first on Orbiter, this is -- you know the product differentiation. You know how it is priced. So it is basically to give it to those set of customers who want a lesser range and they can look at this as a differentiated product, okay? It's too early to really come back actual usage and how it is performing.

But so far, whatever we have seen the markets where we have launched, we have not launched it in all India. The demand is excellent, and we are ramping up now. First, we'll cross that 10,000 numbers per month, okay? And the good news is iQube is also growing, Orbiter is also growing. So from the customer point of view, excellent reception for the -- both the products in the market. That's number one.

Overall, it is growing ahead of the industry, okay? And the -- on contribution, we are positive, and we are becoming better and better quarter after quarter because that is our focus. And like I said, overall, when we look at the EBITDA margin, I'm pretty confident that while the volumes are growing, I'm very confident that this EV will also become EBITDA positive, and it will also grow forward the overall PBT level.

So the focus is fully on the demand creation growing the market ahead of the industry, increasing the contribution very systematically, okay? Then we are pretty confident that it will also start.

And overall, please look at our EBITDA journey as a company. This quarter is the highest 13.1%, which means EV is also doing well, please understand.

Kapil Singh: Yes, sure, sir. Sir, can you give us the capacity numbers for overall and for EVs that we have currently?

K. N. Radhakrishnan: EV, we are producing about average 30,000 to 32,000 of iQube. And as of now, we are producing about -- they are coming closer to 10,000 of Orbiter.

Kapil Singh: And sir, any -- like any capacity number you have that you are planning to have for..

K. N. Radhakrishnan: We are reviewing that for next year. We are reviewing that for next year, and we are also investing. Possibly in the next call, I'll be able to give you the kind of increases we are looking at. But we are definitely investing in capacity because this is something which is growing.

Kapil Singh: Sure. And sir, just lastly, on the investments, we have increased the guidance to INR2,900 crores from INR2,000 crores. Where is the additional investment going towards?

K. N. Radhakrishnan: Investments, one is on Norton. Another one is on TVS Credit Services.

K. N. Radhakrishnan: And we have also invested behind the ION project, which is part of the PT TVS. So -- and the e-bike business, okay? So overall, these are the areas. These are the areas we have done. And we have also -- you know strategically, we have invested in Dubai for international market.

I think all this we highlighted in the last 3 quarters, This is primarily -- for more focus in the international and growing the international market. So these are the areas where we have invested.

Moderator: The next question is from the line of Raghunandhan from Nuvama Research.

Raghunandhan: Congratulations again for a strong quarter once again. Sir, firstly, exports have witnessed a robust growth, more than 35% on a YTD basis. Within exports, how do you see the potential for Jupiter model in the future? In FY '24, Jupiter used to be 60,000 units. How do you expect the ramp-up ahead?

K. N. Radhakrishnan: See, Jupiter is overall much ahead of the 60,000. If you look at Jupiter alone now, we are doing on an average -- you're asking international or domestic?

Raghunandhan: International sir, export market. I'm trying to understand how can be the potential in future?

K. N. Radhakrishnan: Yes, potential in future for markets like Asia, some markets in Middle East and some markets in Turkey, a few markets in Africa, very few markets in Africa, some markets in LatAm, also ASEAN. So I think Jupiter is a great brand. And what we are trying to look at is each of these markets, we are trying to leverage by marketing this product, it's advantageous. So it will grow. This year also, it will grow.

Overall scooters will grow in international market. I may not be able to put a number to it. But fortunately, we have the product, we have the capacity to give it to the market. And Sri Lanka

coming back in this category is a big, big advantage because Sri Lanka is a big scooter market, as you know. And Jupiter is one of the key players in Sri Lankan market.

Raghunandhan: Got it. And on the commodity side, would you also have hedges, sir, which can delay the impact of the recent commodity price increases?

K. N. Radhakrishnan: We closely monitor here because this is something we also take advice from hedging agencies, and we very closely work with those people. We are not hedging at this point of time. We take advice. That's what I said, okay? According to me, we have to closely monitor the situation and then work.

But what is most important is you have to improve the scale. Scale can help you to absorb, then you have to look at category by category, and we can look at what kind of overall value you can give to the customer. And that will give you an opportunity to look at some small price increases. I'm not saying fully you can pass on, but you have to look at on a balanced way.

Raghunandhan: Got it, sir. So scale, price hike, product mix improvement, INR depreciation and vendor.

K. N. Radhakrishnan: See, scale and product mix gives a huge benefit to even the supply chain. Same platform when the volume goes up, they are able to also cut down the cost because that's why I said win-win can come only when you are able to look at the overall scale going up, the revenue going up, numbers going up. So that is very, very critical.

Raghunandhan: So Q4 gross margin, you should be able to maintain, sir, as a combination of despite the commodity.

K. N. Radhakrishnan: I don't want to give any guidance. I can only tell you that I already gave you in my opening remarks, you have seen our performance in quarter after quarter. The same performance will continue because we don't want to give any guidance on gross margin. But I can tell you, we are confident about growing ahead of the industry. That is going to help the company and our strategy of looking at the product mix, maximizing the scale benefits, also continued effort on our cost reduction. These are all going to help the EBITDA journey.

Raghunandhan: Got it, sir. And last question, sir, on 2026 should see the launch of Norton motorcycles that you had shown in EICMA. And apart from that, you had also showcased that M1-S electric Maxi scooter and ESX, which is the electric motorcycle. What can we expect on the electric side, sir, for 2026?

K. N. Radhakrishnan: See, the strength of TVS Motor is very strong R&D and new product development capability. We look at the customer very closely. I think those are all, I would like to say that certain products and the concepts what we had displayed there, okay? Closer to the launch, I'll tell you the time line. At this point of time, I think we believe in our strength of R&D and new product development capability. Most importantly, we want to focus on the customer and delight the customer. That strategy will continue as a company.

Raghunandhan: Wonderful, sir. And any date for the listing of preference share? That's all from my side.

K. Gopala Desikan: What is that? Sorry I didn't get you. No, no, the listing is still taking time. We are closely following up with SEBI. We will continue to follow up more closely. That's the status now. It's not in my control. We are not able to give a date. Yes, I think we should close this now.

K. N. Radhakrishnan: Can we have the last question?

Moderator: Sure, sir. The last question is from the line of Himanshu Singh from BNP.

Himanshu Singh: Sir, I just wanted to understand like given the commodity price increase, which we have seen in Q4, what is the impact you see like without the price increase, just the impact from the commodity increase on margins?

K. N. Radhakrishnan: I think this is the fourth time or fifth time, the commodity prices plus/minus are likely to happen in every quarter, okay? Sometimes we have seen softening. Sometimes we've seen marginal increases. Like I said, the strategy of the company is always to look at delighting the customer and giving the best value to the customer. And thanks to the industry, it is doing extremely well.

And we have been -- thanks to our products and our thanks to our customers, we have been also growing very well on the top line. So continue to grow the top line, continue to get the benefit of scale, continue to work with the suppliers and look at what kind of cost reduction we can bring in and very clearly work on other cost reduction initiatives and wherever possible without hurting the customer, increase the prices wherever it is possible, okay?

So this is a continuous and a constant journey company looks at it, okay? And most importantly, we look at our EBITDA journey. We have to look at whether are we improving quarter after quarter on our EBITDA journey, okay?

Himanshu Singh: Thank you. Thank you.

K. N. Radhakrishnan: So I want to thank everyone. You have seen the Q3 performance and the accelerated growth momentum and the kind of performance on highest revenue, EBITDA and profits. We are extremely happy about the revenue on INR12,476 crores.

And with the best-in-class quality unwavering focus on consumers and the kind of strong portfolio of brands like Apache, Ronin, Jupiter series, iQube, Orbiter, Raider, NTORQ, HLX series, Radeon, TVS King, TVS King Kargo, both ICE and EV, I think we will grow ahead of the industry, and thanks here to all the customers, both in the domestic and international market. We will continue to leverage scale benefits. We will focus on further strengthening our premiumization journey, consistently look at the consistent -- the material cost reduction.

I think this will be the focus to further improve our EBITDA journey. As you know, we have been consistently performing on top line, and we have been also consistently focusing on growing the EBITDA quarter after quarter. Thanks to every customer, and we are confident that company will continue to grow better and better. Thank you. Thank you, everyone.

Moderator: On behalf of B&K Securities India Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.