LMW

LMW LIMITED

(formerly Lakshmi Machine Works Limited)

Our Ref: Sec/270/2026
Date: 2nd February 2026

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001
Scrip Code: 500252

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block-G, Bandra Kurla Complex
Bandra(E), Mumbai - 400 051.
Symbol: LMW

Dear Sir/Madam,

Sub: Intimation of submission of the transcript of the Analyst / Investor Meeting- reg

In continuation to our letter dated 13th January 2026, please find the attached transcript of the Analyst/ Investor meeting held on 29th January 2026. Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the same has been uploaded to the website of the Company as well.

This is for your information and records.

Thanking you,

Yours faithfully,

For LMW LIMITED

COIMBATORE
RAMANATHAN
SHIVKUMARAN

Digitally signed by COIMBATORE RAMANATHAN SHIVKUMARAN
Date: 2026.02.02 13:15:40 +05'30'

C R SHIVKUMARAN
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: As above

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TRANSCRIPT OF Q3 INVESTOR CALL
LMW Limited (formerly Lakshmi Machine Works Limited)

Moderator

Ladies and Gentlemen, good day and welcome to earnings call of LMW Limited for quarter three of FY2526 hosted by NSDL. As a reminder, please note that the participants line will be in listen only mode and there will be an opportunity to ask questions after the brief by the company officials. Should you require any assistance during the conference call and raise questions, please signal the operator by raising your hands. Please note that this call is being recorded. This is Sameer from NSDL and we have with us Mr. V. Senthil, Chief Financial Officer and B. Dhanalakshmi, Associate Vice President of the company. Over to you sir.

Mr. V. Senthil (CFO)

Thank you Mr. Sameer, a very good afternoon to everyone and thank you for joining LMW earnings call for Q3 of FY2526. I will brief about the overall performance of the company for the period ending December 25, followed by an interactive session. I would also like to clarify that certain statements made in the discussion during the call will be forward looking in nature. To begin with let me explain the overall performance of the company then we will go into segment wise and consolidated performance.

The financial results have been posted on the company website and I hope you had an opportunity to go through the same. The revenue for the quarter ended December 25 is 767 crores as against 776 crores for September 25 which is flat. For the nine-month period ending December 25 the revenue stands at 2228 crores as against 2120 crores for the same period for the last year the PBT for the quarter stands at 56 crores as against 59 crores for the immediate previous quarter and and for the nine-month period it stands at 149 crores as against 93 crores for the nine-month period.

For the previous year there is an exceptional item of around rupees 11.5 crores during the quarter and period ending December 25 which is a one-time impact on account of the new Labour Code regulations.And for the period ended Q3 there is a 1.29 crore which was incurred towards VRS.

Going to division wise details, TMD revenue stands at 440 crores for the current quarter as against 461 crores for the previous quarter and for the 9-month period the turnover was 1316 crores compared to 1347 crores for the same period during the previous year. This is a reduction of around 2%. The overall loss for this division in the current quarter stands at 3 crores and period to date the loss is 1 crore as against a loss of 23 crores during the last period ending December 24.

With respect to the order book, we currently hold an order book of 2600 crores of which the actual orders are around 1500 crores. With respect to the sales which has been clocked during the nine-month period, the ratio of domestic to export to spares stands at 65% domestic, 9% exports and 26% spares. As we have mentioned earlier, we continue a five-day working week for Textile Machinery Division on account of lower capacity utilization. This trend continues to be monitored and depending on the order flow we will take the next course of action.

With respect to LMW Global, the turnover for the nine-month period stands at 128 crores as against a comparative number of 75 crores for the period ended December 24. For December 25, the loss stands at 25 crores for the current period as against a profit of 1.5 crores for the previous period. And the order book for export stands at 139 crores.

In LMW China for the nine-month period ending December 25, the turnover stands at 52 crores and for the comparative period last year it stood at 54 crore,the loss for the current period is rupees 11 crores as against a loss of 4 crores for the previous period. The order book on hand in China is Rupees six crores.

Now I move to Machine Tool Division and Foundry. The revenue in Machine Tool Division and foundry stands at 853 crores for the nine-month period ending December 25 as against 728 crores for the corresponding previous period.Out of this, around 12% relates to Foundry Division. The balance top line is towards Machine Tool Division.

With respect to ATC, the revenue for the nine-month period stands at 150 crores for the nine months as against 123 crores for the corresponding previous period. At a consolidated level, the Revenue stands at 2,274 crores for the nine-month ended December 25 as against 2,288 crores during the corresponding previous period and the profit at rupees 104 crores as against rupees 90 crores for the corresponding previous period. With this brief, I would like to continue to the interactive session. Over to you, Mr. Sameer.

Moderator

Sir. Thank you so much. Going ahead, we would request the people in the attendees to please raise hands so that your questions can be taken forward. So we have our first person in the attendees who would like to proceed with the questions we have with us, Mr. Divyam Doshi.

Mr. Divyam Doshi (Speaker)

Hello. So, good afternoon. And I wanted to ask that in the previous con calls you had mentioned that demand was supposed to pick up after the Q 3 after nine months or approximately after December. So, what is the current scenario? Is, is the demand showing up for the Sector? And also, I wanted to know how, how is the management guiding towards the recovery of revenue?

Mr. V. Senthil (CFO)

Mr. Divyam Doshi Do you have any other questions apart from this for TMD?

Mr. Divyam Doshi (Speaker)

Yeah, yeah, so I have. I'll ask one more question.

Mr. V. Senthil (CFO)

Please go on.

Mr. Divyam Doshi (Speaker)

Just a second, sir. Huh. What are the other indicators that you are tracking apart to show that the demand has been shown? That's it.

Mr. V. Senthil (CFO)

Again, this is related to textile mission addition, I suppose, right?

Mr. Divyam Doshi (Speaker)

Yes, yes, yes.

Mr. V. Senthil (CFO)

Okay. Anything on any other divisions?

Mr. Divyam Doshi (Speaker)

No, no, sir.

Mr. V. Senthil (CFO)

Okay, thank you. Thank you for the call. Thank you for the question. With respect to the previous, our anticipation, yes, we have anticipated that since the downturn has been a sustained one and it has extended almost close to two years, the anticipation was that the demand would pick up. And this is indicative from the historical data, what we have seen in the past. However, the factors which are affecting, especially in terms of tariff which has come in, these are the things which have, were not factors which we know in the past.

So this is a business where we are always in eight-year cycles and this eight-year cycle of going up and going down where there's a consistent increase has always been noticed. So, our anticipation was that post slowdown of almost 18 months there will be a bounce back and this has not happened because of the uncertainty on the demand side. Having said that, what we still anticipate is that during this time as well within India there has been a consistent utilization of spinning mills at a fairly high level. And the mills which continue to operate are waiting for certain indications.

Now those indications would be one of the things which has come recently of course is the EU FTA. But even before that there has been good amount of incentivization, not incentivization, at least good number of policies from the government, be it gst, be it PLI, Mitra Parks, which has been given. So, these are all the right actions which has been taken. So, it is only the confidence which has to come back into the industry that it is a sustainable long-term demand would be there and we will see investment coming back.

With respect to the indicators, for us, one of the key indicators is order flow. And we do note that the Current Year actually compared to the last year, when I say it's nine months, the order flow has been definitely better than what it was in the previous 12 months. Right. So yes, there are indicators. People are investing, we are selling. But at the same time the confidence level is not very high and a lot of external factors are postponing that. Because of the external factors there is postponement of decision. But we look out for, you know, whatever is the order flow and how we can get more orders into the system. Back to Mr. Sameer.

Moderator

So, thank you so much for answering that one. I believe Mr. Divyam, as a follow up question or another question. Yes sir.

Mr. Divyam Doshi (Speaker)

As you mentioned, what if the textile cycle remains weak for another 12 to 18 months? What are the levers that we have to protect our profitability or cash flows?

Mr. V. Senthil (CFO)

Yeah. So, thank you. So, what we do, and this is the right time and this we have done multiple times in the past as well. This is the time for us to become lean. This is the time for us to increase our efficiencies and this is the time for us to invest.

We continue to invest in our shop floor and today the technology has changed. We continue to invest in IoT. We continue to make our process efficient and costs efficient and these are the time we also invest in our new product development. So, these two factors are what we use our time for during a downturn because effectively what happens is the demand from customers are more stringent because customer is also trying to struggle and survive the downturn.

So we have to be cost efficient and we have to pass on that and that's what we best try to do. So, both ourselves and from the customer point of view, we have to work towards a much better product and much better organization and that's what we invest in. So, one of the examples is what we just now said. We have a very small VRS scheme.We are trying to cut down on the fixed cost. So, we have to tighten our belts and that's what we do that during all the lean periods. It is a very long lean period. But we have to continue to do all these activities on a continuous basis. Back to you Mr. Sameer.

Moderator

So, thank you so much. At the moment we do not have any hands raised. Once again, we would request the people in the attendees. So please raise your hands if you have any questions. For the next question. We have with us Mr. Manish Goyal, Manish Ji, over to you.

Mr. Manish Goyal (Speaker)

Yeah, thank you so much. Very good afternoon. Sir. Can you repeat the subsidiary numbers For Global Dubai and for the China and what I probably observed from your segmental numbers is that in consolidation the losses are much higher than the standalone. So, like to know what is it pertaining to what has led to increase in losses. So that was my first question and also if you can give some perspective about demand outlook for Machine Tool division, we have seen some improvement on revenue growth as well as on some bit of inch up in margins. So how should we look going forward over the next 6 to 12 months on the MTD and on ATC Sir, how is Order book building up over there? We now for the first time have seen our double-digit margins. Can we see the momentum continue on both revenue growth and margin improvements?

Mr. V. Senthil (CFO)

Thank you, Mr. Manish, thank you for the questions. So, with respect to the subsidiary, I would repeat those numbers. For the nine-month period we did a turnover of 128 crores at LMW Global and at China for the nine-month period we did 52 crores.

The increase in loss in consolidated financials is on account of loss in both these divisions because of the increasing costs on account of, now the entire global setup, the export setup having moved under the holding company which holds both these companies and then the entire costs are all with the holding company, the entire decision making is there. All the seven or eight odd countries where we have offices all report into that company. On account of low turnover as a percentage to costs is more which resulted in loss. If you see exports always used to be clocking around 20% to 25% of our overall turnover but considering the countries where we are operating none of those countries are doing well and our export as a percentage of volume has shrunk to like I said in the current state it is around 9%, 9 to 10% is what export volume is and this is not absorbing these costs.

It has been a tough situation. In fact, Bangladesh, Turkey are key countries for us and they have their own challenges and other countries definitely Indonesia is doing well and Vietnam to some extent is doing well. Egypt and few African countries are looking at further investments. Egypt there are some investments coming in but it is taking time.

I think the challenge what we see in India is similar, very similar to what we are seeing in other locations as well. And China in itself is investing but it is very specific to one or two large orders where the investments are going in. So, there is a challenge there as well and that is where we see that we have spent the entire spend which has moved to our holding company. There is a loss because of that. But having said that it's the same case everywhere.

Investments are not happening currently. Investments will happen. It is only a matter of the right opportunity and right conditions for investment today. Having said that, if you look at tariff, both Egypt and Turkey in fact have the lowest tariff. But because of the economic situation Egypt, there is more investment discussions going on compared to Turkey.

So, we feel, yes, there will be turnaround. It is only a matter of time and the right conditions around this. And that is point number one with respect to the Machine Tool division. Yes, we are quite optimistic about Machine Tool Division.

Especially the fact that we are seeing more numbers on the machining centers, VMCs. So, the demand outlook is quite strong. We are very positive about continued growth in that sector. And within that, between turning centers and machining centers, we are working more on the machining centers because that is where we will be building higher market share because of the new products what we continue to introduce.

On the machining center side, there are certain type of machines ie, you have vertical and horizontal machining centers. That is a subset of the machining centers. But this is a sector to focus on. And this is a sector where we have introduced machines over the last five years and we continue to expand our footprint as far as machine centers are concerned. So very positive as far as the machine tool division is concerned.

The capacity utilization within the machine tooling business today still we have bandwidth to grow there. We still are clocking only 75% capacity utilization. So, there is enough space for us to move and deliver for the balance capacity which is available within the Machine Tool division. Now coming to the ATC order book. We have built like what I mentioned in the previous call as well. Lot of RFQs have been floating. We have been able to get Quite a few RFQs. The number what we had given out last time was we got an order book for delivery of around 300 crores. Definitely the order book is growing. It is the only unknown factor which is affecting is this. There is a tariff impact and for us ATC is almost 90% export.

But as of now, we do not see much of a push out at the moment. However, a lot of discussions do happen between us and the customer as to how to handle it. And we hope this continues with respect to the negotiation and getting something some relief on the tariff. But that is the only challenge as far as ATC is concerned.

But otherwise in terms of order booking, in terms of winning RFQs, in terms of building a longer order book, I think it is quite positive there. In fact, we have continued to invest even in the current year in ATC because of the new orders which have come in for delivery. I think the order book number which we have given last time around 300 odd crores. It has; it has gone up to by another 20%.

It is around 360 odd crores which is deliverable over one and a half years. That's what it is. So, so long as there are no push outs etc. I think that is something which very much is going on the positive trend. Over to you Mr. Sameer.

Moderator

So, thank you so much. Once again, we would request people to please raise hands for further questions. So going ahead we have with us Mr. Krunal Shah Krunal sir, we are ready for your questions. You have already been unmuted.

Mr. Krunal Shah (Speaker)

Yeah. Hi. Thank you for the opportunity. So, I have two questions. One is on this free trade agreement is there any provision for us to export over there and know is there any duty exemption that we are getting with the exporting to Europe? And second question was during the quarter we sold a stake in a group company super sale of around 10%. So just want to understand what's the logic behind selling the stake. Is there some internal restructuring that is happening? That's it. Thank you.

Mr. V. Senthil (CFO)

With respect to the EU FTA trade deal there is no specific impact what we see from import into India point of view. Because yes there are machines which come into India and today also the machines can come into India at zero duty. Yes, there will be little more imports but at the same time the value at which these machines are imported is fairly high. So, the implication with the duty would not be much.

With respect to exports, it supports our customers customer. We from textile machinery or machine tool are not exporting into Europe. Of course there is an opportunity. Definitely it opens up an opportunity for us. But at the moment as it stands, we don't have a huge advantage.

We don't have an export sale into Europe as far as machinery is concerned. But from an advanced technology center standpoint of you definitely yes. Like I said 90% of it is our exports and more these exports are mainly to us and we are also exporting from foundry division to Europe. These things would be a lot more cost competitive as far as the exports from ATC and foundry is concerned.

Foundry, we have customers. ATC is something we definitely will be looking forward to building a new customer base within Europe. I think it's. It really supports us on that front. With respect to super sales, it is an. It was not a poor investment which we wanted to hold and that is the reason we have sold the sales of the shares of super sales. Over to you, Mr. Sameer.

Moderator

So, thank you so much. Going ahead, I believe Mr. Manish Goyal has a follow up question. Manish Sir.

Mr. Manish Goyal (Speaker)

Yeah. Sir, two questions. One if you. What I asked earlier was I didn't get the loss number for Dubai. Yeah, sure. And what was the comparative number for the nine months Yeah.

Mr. V. Senthil (CFO)

Just one second. The loss for. Okay. Any. Any other question, Mr. Manish?

Mr. Manish Goyal (Speaker)

And can you give us revenue breakup for the current quarter for TMD and the comparable number for the quarter. And the third question on ATC in terms of composites business we were expecting some orders to 55. So, any progress on that and because this quarter the margins have picked up. So, is it that composite business has also picked up and started contributing apart from mechanics? That was the third question.

Mr. V. Senthil (CFO)

Okay. The loss number of dubai for nine months is 25 crores and for the loss number at China it is 11 crores. The comparative number for Dubai was 1.5 crores profit last nine months and it was 4 crores loss in China for the previous nine months. That is point number one with respect to TMD. The revenue breakup of TMD is 65%, 9% and 26%.

That is the OEM sale, export sale and spare sale remains same between this quarter and the previous quarter. Not much different with ATC composite. Yes, you are absolutely right. Okay. Composite as a percentage of the turnover what we see around 150 crores. The composite as a percentage of turnover stands at 20%. Right and yes, there was billing on composite for few items and that is where the margins have become better for the current quarter. It will come back to normal. But yes, we are able to start billing for composite. And just to recap this composite facility was always built for our space program. Initially where we have done the launch of the Bahubali which got launched the entire nose cone and also some of the key parts have come out of this facility.

However, over last one and a half years we have pivoted to also doing anything with respect to advanced technology, with respect to space, aerospace etc. And that is where we are pushing for a better utilization of the plant in composite. And we are starting to see the billing on composite from last couple of quarters in a small manner but overall turnover of composite in this continues to be at 20% to the order book building which I did mention in the previous question you asked. I would like to still state that the order book building has happened mainly on the metallic side. And the investments which have gone in in the current year have also happened on the metallic side because on the composite side we have got enough investments which have already gone in where the utilization has to go up by more orders to be executed. Okay, back to you, Mr. Sameer.

Moderator

Thank you so much, sir. Going ahead with our next questions, we have Mr. Jay. You have been unmuted. Can we have your question?

Mr. Jay (speaker)

Yep. Thank you Senthil for this opportunity, they are trying to understand better on the textile machinery divisions and is there any kind of an understanding that we can have of the age of assets which are currently in use as an industry data that you can indicate towards or is it fair to try and understand if your spares and repair revenue growth over the last three years has expanded faster, suggesting that the assets in use are aging and alternate. You also spoke about the fact that for whatever spinning mills are in business today, implying some kind of consolidation.

So I just wanted to get a sense of if any of these data points can be used better to arrive at a potential recovery of the cycle.

So the second question is that what is the contribution to revenue today from the latest three products? Let's say that we launched in the last two years such that we get a sense of how those efforts have started to pay off or not yet contributing enough.

Mr. V Senthil (CFO)

Okay. Any other questions?

Mr. Jay (Speaker)

No, that's good for now.

Mr. V Senthil (CFO)

I think it's a very, very good question, Mr. Jay. I think from industries spindle age standpoint, we would put the current spindle age between 40 to 42 million or 40 to 44 million, give or take, you know, few million. So out of this we would say almost 40% would be older spindles, right? 40, which is. When I say older spindles, we are talking about 15-20 years and above. We are also clear that the current spares which we see is basically because of the consistent increase in spares. Consistent, consistent performance is coming out of two things. One, our continued focus within the spares business. Because spares is a large business volume. Our continued focus from LMW on this business. We have done few things. We have a separate division within textile machinery for that.

We have increased the footprint within India. We have established our warehouses in Indore, for example. And we are in the process of establishing others as well, where the reach to customers is a lot quicker. Where we are trying to not only deliver after a particular time, but try to get it as quick as possible from the time of order.

So with the possibility of doing better service to the customer that is an indication of how the turnover has increased. This is from what LMW has done but from a spindle age usage point of view also if you look at all the spinning mills, yes because certain spindles have shut down. The running spindles are running at almost full capacity and you can talk to any spinning mill and they'll fairly give you at 95%, 90% and above utilization or 95 and above utilization. So, the consumption of spares has been also consistent.

It has not resulted in a decrease, but depends on spares consumption. So, it is factor of two. Aging of machines, I think that it most of the machines which had which probably shut I would attribute it to older spindle age and smaller units which has got shut. But at the same time there are the reason for spares I mentioned are twofold with respect to again going back to the spindles as such there is a lot of incentives today for spindles to be established or new mills to be established in various states. There are state incentives, there are central incentives. So now like I mentioned it is the confidence level at which we can invest and people can commit, the investors can commit to these investments. And that is where whilst we do have a lot of discussions, we have a lot of customers who are discussing on investment their decisions are not coming forward because of the uncertainty around what is going to hit us.

And definitely the tariff is, has been and is and also has been a major factor in this. You know for the decisions not to come through. With respect to the MTD, MTD in we don't want to give out the NPD number or exactly what you are asking for. So, I may not be able to give you the NPD number but what we do inform and in fact in the last exhibition also we have shown our auto winder, our Lakshmi Winder. There's a new 1.2, 1.25, 1.28 card machine which has been launched and a new draw frame which has been launched.

So we do track them for market share in these independent segments but we don't give out the NPD percentage. Over to you Mr. Samit.

Moderator

Sir thank you so much. At the moment we do not have any hands raised for further questions. the people in the attendees have at all we have any questions please do the needful. Okay, now we have one. The next questions would be from Mr. Amit Shah. Mr. Amit, you have been unmuted. Can we proceed with the questions please?

Mr. Amit you have been unmuted since you raised your hand.

Mr. Amit Shah (Speaker)

Yeah, yeah. On the MTD side of the business. And I wanted to understand the business prospects of the MC that you had launched. And incrementally, what sort of contribution that product has done in the MTD side of the business. Incrementally, sir. We also understand that Foxconn is planning to install a new factory. So, any incremental development that we have on the machining centre that we had launched. Sir So that's the only question I have.

Mr. V Senthil (CFO)

Okay, thank you, Mr. Amit. Okay, when you. When you say Foxconn, I. I assume you're talking about electric electronic machining, right?

Mr. Amit Shah (Speaker)

Yes. Yes, sir.

Mr. V Senthil (CFO)

Okay. I think these are two different points, Mr. Amit. One is HMC. Yes, we do have a product, it's called JU40, which is a HMC. It has been in the market with a few customers. But from a market size standpoint of view, HMC in terms of a percentage of market share is not the highest. Right. It does hold a very low market share in terms of all the other machines from 2 axis to 3 to 4 to 5. The HMC 5 axis machine holds a lower percentage. But we do have a HMC machine which is available. And the model number is JU40. It is available with us.

But the question what you're asking in terms of electronic component machine, it is. It comes under a different category. What we call machining centers, which are smaller machining centers.

The model what we have for that is J1 and J2. What we call them are the machining centers which we sell for electronic machining. I can't get into the specifics of supply to a specific customer. But these models are available, these machines are available.

And it is not just for the customer of Foxconn. Right? As a Foxconn, as a customer, it is also these machiness are also used in the immediate ecosystem of supplier base to Foxconn. So, they make tools and dies, they make holding fixtures. So, these machines also get used in that particular segment.

These machines are actually much smaller in size compared to a larger 5 axis machine. So that's. So, I think, I hope that answers the question what you asked.

Mr. Amit Shah (Speaker)

Sir, I was referring to a news article that was there where, you know, there was a news that Apple is scouting for a new supply vendor in India for its factory, which is coming up. And the article also suggested that it is in talks with LMW earlier also. I think so LMW had participated in one of the tenders that Apple had floated and I think so we couldn't qualify over there or it didn't go through because of the commercial reasons. So just wanted to understand on that particular tender what is the status and what kind of opportunity that it provides for LMW if it goes through.

Mr. V Senthil (CFO)

Okay, I think yes, there has been couple of articles which has been going around in the social media. What we can confirm basically is that yes, we have been able to and we are, we have participated in various discussions with the customer. We have developed product; we have been able to successfully deliver the product as well and that is the product which I just now mentioned is available for sale and it is available not only for the customer but it is also available for the ecosystem. I think it's a in a generic term we call it drill tap centers we call it, you know in our, in our machine model we call it J1 and J2 models and the volume of business within India for this particular type of machine in in itself is closer to 7 to 8,000 machines or a little bit more per year from the Indian ecosystem point of view itself and without considering the new EMS which is coming in and this I'm just talking about one mission. So definitely the machine for EMS application is quite highly in demand and we do have a product but I'm sorry I can't specifically go into a customer or the internal dealings because they are all subject to confidentiality.

Moderator

So, thank you so much for answering that one. Thank you. So as of now we do not have any further hands raised. Okay. I believe Mr. Jay has a follow up question.

Mr. Jay (Speaker)

Thank you again Senthil. Is it fair Senthil on the textile machinery division today to assume that on. On the available capacity basis, we are running at the lowest utilization we could have had in closer to a decade time frame wise and other than 2020 the exception of COVID year is fine but other than that I think if I put an average of x of 2021 on another 8-year basis utilization would be at the lowest ever. And Senthil, I wanted to understand that since a lot of our competition if I may stems from majority Europe, some part southern Asia has given this experience of lower utilization to maintain profitability made us very cost competitive at the same time being able to offer better products that we have launched in the last few years suggesting such that in any recovery cycle we would come back much stronger on revenue recovery and profitability as a combination.

Mr. V Senthil (CFO)

Okay, absolutely spot on. I think probably I will take the second question first. Yes, and there are two reasons why we Tend to be cost competitive, right? One is we tend to continue to invest during this time. And it's very, very important that we do. We continue to do so.

We continue to build the lower cost, low lower cost and lower highly efficient plant. And at the same time NPD and in fact we did mention, I will repeat in fact the three missions what we launched in ICMA in Singapore will definitely showcase the fact that we are investing not only in the plant but also in the products. And when the recovery happens, we have capacities and current capacity utilization is actually sub 50% is what we have. So, there is. And we know where we have reached also, right? Post Covid when you hit the high numbers, we know what we have reached. And the base, the cost base would not be very elastic. It would be inelastic. So definitely it will. We will have to bounce back stronger. And we will bounce back stronger. Like I said, for us it's a very tried and tested business cycles what we see and if you actually go back and if you are looking at all the previous history, you will see that every eight years there has been an upswing and a downswing subsequent eight years. And every time we have come back stronger with better products and products which are relevant to the market. What is more important is it is not just efficiency on the product. The product has to also be relevant. Today what the customer runs from cotton.

Especially if you look at this spindleage which is there in Tamil Nadu, from a cotton it has become a blend. The products have to be relevant to the respective markets for us to be comfortable.

And even more telling is the fact that today India produces the most cost-effective yarn at the moment. And in fact, if you refer this to the reasons the news, what you see for example the other countries where yarn is getting exported.

There is a lot of requirements of yarn in China from India. There's also there is actually some challenges to export into us into Bangladesh. Because they feel the cost of yarn is so much better here. Because again one is the cost of raw material itself, but the energy cost and the conversion cost, right?

So these machines, what we. We make has to make sense and be relevant. And that is what we do. Mr. Jay. During this downtime we will definitely emerge back stronger. And what will we have seen? What do you call not a K or a V. Whatever we call it, you know, there is a huge upswing post Covid. Whether that is going to come or not, we do not know. But you know, we just tighten our belts and wait till that. Until then. Till that Moment comes, over to you Mr. Sameer.

Moderator

So, thank you so much. Going ahead, I believe Mr. Amit Shah has another one.

Mr. Amit Shah (Speaker)

Thank you, sir. For the follow up. Sir, in terms of value you told me 8,000 volumes is the market for the J1, J2 machine. In terms of value, what would be that size, sir?

Mr. V Senthil (CFO)

See these are quiet, you know, broad numbers this. I mean you can. The generic name is. They call it DTAP centers. You can take an average amount of around 30 odd lakhs for these machines. Anywhere from 25 to 30 lakhs, you can take for these machines. But this is since then, the answer basically was for your specific question which you asked on the you know, machining centers for electronic, small electronic components.

This machine tool division is such a vast variety of machines are available. Right. So, you are making long shafts for what you call the,the oil business. You're making small engines. So, the, the plethora of machines, what is available, the models which are available, it's. It's enormous. It's a big ocean. Right. The industries to which it is applicable, it's a big ocean.

Since your specific question was respect to that particular one model, as I understand my reply was for that. Sure.

Mr. Amit Shah (Speaker)

Okay sir, last question from my side. The recent commodity price increases, right. So, what is the kind of strategy that we are following in terms of say price hikes across product portfolio or do we need to absorb the cost increase given the muted demand that is prevailing in the market both in the TMD if can highlight even on the MTD side.

Mr. V Senthil (CFO)

I think brilliant question. Yes. Commodity prices are going up. We are, we have our own process through which either we look at alternates, there's a value engineering work which we do. But as of now considering the market as it is, there is no way we feel that it is something which can be observed by the market. But we do a lot of internal work on the pricing and the cost etc. to compensate for that.

Mr. Amit Shah (Speaker)

So yeah. Sir, can we expect any near-term margin pressure because of the cost increase or. We believe that you know value engineering that we have done internally should help us to keep the margins intact.

Mr. V Senthil (CFO)

Yeah, I think there are. The percentage of commodity cost which is going up is not uniform across all commodities. Right. And that as a percentage of the machine price is also not very large. So yes, there will be cost margin pressure but we are not discussing in terms of a particular percentage here. But for businesses like Foundry, we got a clear pass-through clause with the customer. So, whatever happens we pass through and we the margins are safe there with respect to advanced technology center. Also, these are all prices which are backed by contracts with the customer. So, there's a price increase. There's an immediate price revision there as well. In the other two businesses, we don't see a major impact on account. Over to you Mr. Sameer.

Moderator

So, thank you so much. We have with us Mr. Samarth. Mr. Samarth we are ready for your questions.

Mr. Samarth (Speaker)

So, two questions from my side. So, in the machine tool division, can you share the mix between the turning centers and the machining centers and in the textile machines? So, when we like if India has an FTA and more and more volumes come to India under the FTA. So, if Bangladesh, Vietnam and these countries probably if they have lower volumes. So does this impact our exports which we are doing to these markets and considering the exports made slightly better margins for us. So, can you talk on this thing? Thank you.

Mr. V Senthil (CFO)

Can you repeat the second question please? I didn't quite understand what the question was.

Mr. Samarth (Speaker)

So, Bangladesh, which is a large. Which supplies lot of garments to Europe. So, they rely on lot of yarn being imported from India. So, if India wins, if India gets some share from Bangladesh. So, does it impact our export business in Bangladesh? That was the question.

Mr. V Senthil (CFO)

Okay. I think with respect to MTD, the machining center, turning center, you can take a percentage of 75% turning centers and 25% machining centers. With respect to the business within Bangladesh. See, it, it is a two. It, it is a two way. Right. One is if the local spinners are able to spin, do they have enough capacities?The answer to that is definitely a no, they don't have enough capacities. Can they import 100% of the yarn? Technically yes. But would they want to import 100% of the yarn? Probably no, because there is a value addition concept. Right. As a country they would like to add more value internally. So, they will still prefer to get fiber and spin it into yarn because that of course gives them employment etc. So, I think it is not such a clear-cut case to say that. Okay, I'm going to. No country is going to replace that with 100% import or 100% local manufacturer. So, there will always be a balance in, in these cases.

So we believe the market forces would on its own decide what the balance is. And the balance is based on the cost of production for them, what type of mix they would like to do, what is the turnaround time for the final garment for them. So, there are multiple factors affecting it. But we are of the opinion that a stable market, a stable economy there and A stable geopolitics will help us them to further come back into the investment cycle. Over to you Mr. Sameer.

Moderator

Thank you so much, sir. So do we have time for more questions?

Mr. V Senthil (CFO)

I think Mr. Jay has held his hand up. So yes,

Moderator

That is why. So, Mr. Jay has a few questions.

Mr. Jay (Speaker)

Sorry and thank you again. So just wanted to get a sense of that part two of my earlier question that you explained how our offerings have improved and how we have efficient cost-effective offerings from our LMW stable. But I asked if you know there is any weakening or consolidation of other suppliers or our competitors specifically in Europe and the southern region given the change circumstances and the lower demand and the higher cost in terms of employee and power that they must be experiencing.

Mr. V Senthil (CFO)

You're talking about consolidation of suppliers. I mean our competition.

Mr. Jay (Speaker)

Yes. In textile machinery along with the fact that. And. And the kind of cost structure changes that they would have experienced in the last five years, specifically in the Europe region. Yeah.

Mr. V Senthil (CFO)

Okay. No, I, I think first, first thing is that the entire the machinery manufacturing to a large extent in fact to a probably 95% and above extent has moved to of course in India and also to China. Right. So, the benefit and of benefit of having the cost advantage has already been taken by the competition and all the competition is here and we are very well, we have to work within this and that is not a new thing for us with respect to consolidation. No, I think with a handful of suppliers it is not so. But what is probably I would say that in Mission Tool it is going to be more interesting because with what Europe is going through a lot of challenges there. I think it is machine tool because it is more important. What is happening more is that India is becoming a very good manufacturing hub and lot of manufacturing activity happening.

So we would we actually see a lot of competition coming in Machine Tool and that is where we everyone is expanding, everyone is building NPD etc. So, what you're saying for Textile Machinery has already happened and we expect it to happen in the Machine Tool over the next five years. Okay, thank you. Over to you, Mr. Sameer.

Moderator

So, thank you so much sir. At the moment we do not have any hands raised.

Mr. V Senthil (CFO)

Thank you. We can conclude.

Moderator

Sure sir. Thank you so much. Hence this brings in the questions from all of the people who raise their hands. Thank you so much sir for helping us with the answers on all of those. And thank you so much everybody for joining this call. Thank you so much.

Mr. V Senthil (CFO)

Thank you everyone. Bye.

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