



Our Ref: Sec/270/2025
Date: 19th May 2025

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- req

In continuation to our letter dated 25th April 2025, please find the attached transcript of the Analyst/ Investor meeting held on 15th May 2025. 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,

For LMW LIMITED

**C R SHIVKUMARAN
COMPANY SECRETARY & COMPLIANCE OFFICER**

Encl: As above

TRANSCRIPT OF Q4 INVESTOR CALL
LMW Limited (formerly Lakshmi Machine Works Limited)

Moderator

Ladies and gentlemen, good day and welcome to LMW Limited. Q4 of financial year 2024-25 earnings call hosted by NSDL. As a reminder, please note that the participants line will be in listen only mode and there will be opportunity to ask questions after the brief by the company officials. Should you require any assistance during the conference call and to raise questions, please signal the operator by raising hands. Please note that this call is being recorded. This is Samir from NSDL. We have with us Mr. V Senthil, Chief Financial Officer, and Mrs. B. Dhanalakshmi, Associate Vice President of the company and over to you, Sir.

Mr. V Senthil (CFO)

Thank you. Good afternoon, everyone and thank you for joining the LMW earnings call for Q4 FY 24-25. We will have a brief about the overall performance of the company for the quarter and the year ended March 31st, 2025, followed by an interactive session. I would also like to clarify that certain statement made and any discussions in the conference may call may be forward-looking in nature.

To begin with, let me explain the overall performance of the company. Then we will proceed with the segment performance and then consolidated performance. The financial results have been posted on the company's website and hope you had an opportunity to go through the same. I would like to share that the company has achieved a turnover of ₹ 2809 crore as against the previous year turnover of ₹ 4520 crores which is and 38% down. At a consolidated level, it is ₹ 2909 crores as it is ₹ 4618 crores during the previous year, which is a reduction of around 37%.

The PBT stands at ₹ 155 crores for the current year as against ₹ 480 crores for the previous year and on a consolidated basis, it stands at ₹ 151 crores for the current year as against ₹ 482 crores for the previous year. I will go into a division specific now. TMD revenue for the current quarter stands at ₹ 493 crores as against ₹ 667 crores in the previous year similar same quarter. For the full year the turnover stands at ₹ 1840 crores as against thousand ₹ 3575 crores for the previous year the same quarter. This is a decline of around 48% In the textile machinery division, the ratio of OEM sales, domestic exports versus spares standard 65% for OEM exports at 13% and 22% of spares.

In TMD division. The net loss is around ₹ 16 crores during the current year as against the profit of ₹ 314 crores for the last year. Currently we hold an order book to a tune of ₹ 2965 crores sort of which 75% are active orders which are lined up for execution and the export order book stands at around ₹ 260 crores. We have seen in the last six quarters the downturn in the order intake, which is reflected in the order book position and and continue it also continues. So, in the current quarter, the impact has resulted in a sharp decline in both the order booking and the mission of take.

Now, I move to LMW China. With respect to the wholly owned subsidiary in China, we have clocked a turnover of ₹ 67 crores for the year compared to ₹ 28 crores for the previous year. And there's a loss of 6 crores incurred during the current year as against a loss of ₹ 13 crores during the previous year. With the respect to LMW global operations, the company achieved a turnover of ₹ 148 crores in the current year as against ₹ 249 crores during the previous year.

The challenges in specific markets in export very much remains in place and hence has resulted in a lower order book even in export market. This we see as a business challenge for export market for a couple of quarters still to come. We'll get into the details during

the discussion. We have also announced a reduction in the number of working days in the month of May 24 and currently TMD continues to work at 5 days because of lower capacity utilization and so does our foundry which is also working lesser number of days.

Now, going to machine tool division. The revenue stands at ₹ 1003 crores compared to ₹ 1049 crores for the previous year and for the quarter, the revenue stands at ₹ 275 crores compared to ₹ 293 crores for the previous year Quarter four. The division's profits were at ₹ 59 crores as against ₹ 74 crores for the last year. With respect to ATC division, the revenue for this division is up by ₹ 9 crores for from ₹ 160 crores to ₹ 169 crores during the current year. The profit at ATC division stands at ₹ 17 crores for the current year as against ₹ 14 crores in last year. The export contribution in the ATC division stands at 90% of its turnover and within this the metallic division of ATC contributes to 80% of the turnover. The order book for ATC continues to be upwards of ₹ 400 crores which are executable over next 24 months. With this I hand this back to the moderator. Back to you, Samir.

Moderator

Thank you so much, Sir. Next, we would like to go ahead with the interactive session. We would like to request the attendees to please raise your hands if you would like to ask questions after the communication of your name. So, this is the time we would request the people who are part of our attendees to please raise your hands.

We are waiting for the hands to be raised so that we can have them with their questions ready. At the moment we do not have any hands raised. People in the attendees, this is the time we can go ahead with the questions. Okay, we have Mr. Manish Goyal ready with his question. Manish Ji, you have already been shifted to the panelist. We can have your audio unmuted and we can proceed with the question if you like. We can also have your video turned on Manish Ji if you wish.

Mr. Manish Goyal

Yeah. Thank you so much. Very good evening, Mr. Senthil. Sir, couple of questions, Sir. Like you did mention that probably we're seeing weakness in order inflow. Maybe if you can throw some more light, like how is the situation like are we seeing any improvement? Because I believe yarn industry is seeing some improved traction and even in textile industry is also expected to see some more better traction. So, if you can give perspective on how do we see going forward? That was the first question.

Second question is also like we saw a decent improvement in margin recovery that TMD actually showed some profit. So, if you can also give us perspective on profitability going forward. And also like, you did mention that overseas business is witnessing challenges. So maybe if you can throw some more light, you mentioned that couple of quarters looks some more challenging and if you can also give us revenue break up for TMD for quarter four, that would be very helpful Sir.

This was some set of questions. I have one more question on MTD machine tool. How do we see it going forward and over there also, is it possible to see margin improvement?

Thank you so much.

Mr. V Senthil (CFO)

Thank you. Mr. Manish. Its better to take up as set of questions. so, I'll take first the textile scenario, lot has changed. I think, it has been very interesting and very dynamic as such, I should say in between the last meeting and the current meeting, I think the

tariffs issue has set in motion certain things which will take a bit of a shape. So we are, yes, there has been an FTA signed by with the UK as well.

So, there are definitely changes which are happening as we see and these things probably will take a bit of a time. So, definitely there's an advantage in FTA. There's an advantage to our customers, the garment, the end product perspective that will take a bit of a time to have the attraction, back to for the customers that is our customers that is spinning mills to, to get aligned right. Very correct that the spinners today, the utilization levels are very good, profitable as well. Of course, profitable, not at a very high level, but at least it, it is profitable as we speak currently. So, these two three things which are happening in the domestic segment, which points to an increase in export segment would really help. Do we see that in the immediate current quarter which has gone by in terms of increased order inflow? Definitely No, we have not. And as we see the quarter we are talking about is January to March, but the current quarter, yeah, it is going to be a challenge because all these changes are happening as we speak. But we feel that definitely this won't happen. Probably another two quarters may be required to see betterment in order inflow.

So, this has been going on for almost 18 months, right. So, we have actually for last 18 months the dip and the continued dip in the order inflows happened for 18 months. So, the reason for us to clock in the profitability on TMD was basically we have taken a lot of actions in house in terms of curbing our costs. I think we have done to the extent possible and the process of cost control will continue for some more time because it is quite challenging as we see from our order books and of course it could be even though it could be better off in few quarters from now. We have done a lot of activities we internally need to do to reduce our overheads and that is what is reflecting in the in those numbers.

Now coming to the export market, if you look at what is happening in Bangladesh or Turkey, both has been our strong markets in the past. In fact, we do still have good orders and customers there as we speak and there are certain open orders. But the challenges of these two countries continue and it is not very easy for us to do the same amount of business what we have done in the past in these two countries because of basically the economic challenges which these countries in itself face.

What's happening because of that is there is a lot of activity, new activity which got triggered in the African subcontinent and that is where the focus today is going on. So, there is a shift of business, people are looking at little bit more, I would say more stable or favorable tariff locations also. So, for example, within the tariffs what we saw perhaps Egypt and Turkey were actually having a very good that if wasn't from US in the sense I think they were at 10%. So, we are seeing businesses move, we are seeing people not only in Turkey but also China.

So, there are a lot of movements thereby we are seeing spindleages also coming up in new locations. So that's where we said when these things happen it will result in order inflow, it will need again a couple of quarters where in these new locations these orders would definitely come up and we need to work towards getting these orders. But our two large markets have been under quite a strain and that is the reason we have not been able to clock the numbers of export what we have been doing in the past.

Now they're coming to the split of turnover for the current quarter and as what you have asked, the domestic stands at 70%, spares at 18% and exports 12%. That is a split of the domestic spares and exports now coming to Machine Tool Division. Machine Tool division has maintained almost status quo in terms of turnover, but we are like we have said this, two things have happened. One, the mix of business changing and we're seeing it changing in the numbers what we see. So, the machining centers are becoming a little bit more. The automotive sector is, as our share has kind of coming to its 40% mark and non-automotive sector is taken over the larger share of the business benefits sell to within the non-automotive sector.

A lot of traction we see in defense, we are seeing at traction in aerospace industry and general engineering. And I think that in itself is giving us enough confidence that these investments what we have done in the past year, in the year, the year before on setting up these facilities for the new Unit 2 of MTD would be put to full use during the current year and the next year and the years to come. So that way we should do business. I think we have a very positive outlook and there are so many things happening where you have EMS in a large way which is coming in, we and in general the engineering sector is also doing quite well. So, there we are, quite positive. Back to you, Mr. Samir.

Moderator

So, thank you so much for answering that one. We have our next person with the next question ready. We have with us Mr. Sanjay Shah. Sanjay ji We are ready for the question you have already been unmuted. We can also have, yes Sir, you're audible. We can also have your video turned on if you like. And over to you, Sir.

Mr. Sanjay Shah

Sure, Yeah, yes, Sir. So, thanks for opportunity, uh So. To understand some detail understanding about the division, what you mentioned right now, how, how, how are we doing the capacity wise in MTD sorry in TMD and MTD and what, what additional capacity we are sitting on since you cited an optimistic view on MTD side. So, what are the new opportunities you see because as you said rightly about the spinning industry, which is a which has a good potential, but still there is a time for the order to flow in. But when we talk to certain textile industries, they are very bullish about the cotton spinning and the industry per se. And many of companies have thrown CapEx also last year. So, so what happened to our company where we have lost market share or, or can you explain us please in detail? Thank you.

Mr. V Senthil (CFO)

Any other questions, Mr. Shah?

Mr. Sanjay Shah

Yeah, this was my question and some highlight if you can do on ATC side also.

Mr. V Senthil (CFO)

Okay, okay, okay. Actually, to understand the background to where we are now is it if you look at the two years back right, we were getting an order flow which is close to almost 6000 odd crores is the orders. What we got now, what is what that has done is a lot of mills have gone in project mode and they put a lot of capacity over the last couple of years. And we had our best years also which was the year 2024, the year ended 2024 and the year before that is 2023. No, that is all new capacities which came in. Why? Because again if you go back to 2020 during the COVID, quite a few capacities, old capacities have shut down and the new capacities had to be brought in and that is where it came in. The current situation is you are absolutely right and that's what I also mentioned, the capacity utilization of the current spinning mills and our customers are quite good.

If our assessment is probably it is upwards of 90% with respect to the utilization of all the mills here. Are they profitable? Our assessment is absolutely yes today, uh, it's they are in a good position because probably at the start of the year and I mentioned also in the previous call, probably at start of year there was some loss making happened. So, capacity utilization is good with our customers, it is profitable. It is only the question is about further investment. So, what is happening instead of projects, the customers are going in

for modernization. So, which is effectively not a brownfield or Greenfield, but replacement of existing machines because of modernization.

And that is the way we also expect it to be. When mills are doing well, they will be going for modernization, they will change, it will help them to reduce their energy cost, it will help them to reduce their manpower dependency. Because today for example, the card we have, the wider card will reduce instead of two machines you can replace 3 machines of the older generation cards. So, this is what would happen, and this is what we also see happening currently. Now what we see is that there is a lot of good things. Like I mentioned the FTA.

That's a good traction. The tariff advantage is a good traction, which obviously would mean that our customers, are also doing well. So that is where being in Capex, generally what you see is when things go bad, Capex is the first one to stop. When things are going well, the off take the lag is a little bit longer. So now with all the positives, what we see in this particular business and it is it, we are also always maintained so long as the customer, the garmenting people are doing well, of course our customers are bound to do well and of course that will have an impact on us.

So that is where we see lot of good things happening. We'll have to wait for at least a couple of quarters to see the uptick for us. Now with respect to the capacity utilization in TMD, we are closer to 50% for the units. That's where I mentioned also that we are shut for some days during the month. And with respect to machine tool business, our capacity utilization stands at around 70%.

We have added an additional facility last year, which is basically second unit for addition to MTD business. So, we have there um, possibility to grow, uh, from our existing turnover by 30% with all the existing facilities, with whatever investments what we have done. So, we don't require any investments to for to enhance the capacity there in machine tool division as well. Now coming to the ATC, I think I see ohh, we have again we when we speak about ATC, we have to speak about two things. One is metallics and composites. Metallics division is doing well.

I think what we see the turnover, they're all 80% is coming from Metallics and it is profitable, it's doing well. It is stabilized over the last two years in ATC division as we stand. Like I mentioned there is an order book for metallics also for next 24 months to 36 months of order book is also available and is also visible. Only thing the way this business works, there is always a possibility for the customer, a Tier 1, to either pull in that is asked for some more products to be delivered or to push out. So that is the only challenge in this business. But it is a very clear order book.

Where the product is priced and then we got visibility at least for the long-term order book there. The focus for ATC business is for us on the composite side because composite side we have, we are in the process of moving not only to serve the Indian government sector but also on the private side. So that focus is yielding us some results. It will happen probably by this year we should see some more traction which is happening in the ATC there. But again, with respect to capacities in ATC, almost, uh, 60% to 70% capacity is available on the composite side. Our utilization of the composite is quite low. There are enough capacities available on the composite side for us to gain traction on the metallic side. We are probably closer to around 80-85% utilization on the metallic side. I hope I answered that question back to you, Mr. Samir.

Moderator

Sir, thank you so much.

We would like to go ahead with the next person who has the question ready. We have with us Mr. Rithvik Sheth. Mr. Rithvik, you have already been unmuted and we would request you to please proceed with the question.

Mr. Rithvik Sheth

Hi, good evening, Sir. Am I audible?

Mr. V Senthil (CFO)

You're audible, Mr. Rithvik. Good evening. Please go on.

Mr. Rithvik Sheth

Two questions from my end, Sir.

Mr. V Senthil (CFO)

And I think your, your audio is very low. Can you speak up please?

Mr. Rithvik Sheth

Okay, is this better?

Mr. V Senthil (CFO)

No, you have to speak up a little further.

Mr. Rithvik Sheth

so, so can you give the status of auto coner, Winder ?

Mr. V Senthil (CFO)

Okay. Next question. Okay.

Mr. Rithvik Sheth

MTD, you mentioned that we have 30 to 40% from excess capacity, right? Did I hear that right?

Mr. V Senthil (CFO)

Capacity, yes, 30%, yes.

Mr. Rithvik Sheth

30% OK. OK. And also, and also on the ATC, do we need to add more customers and capabilities to get the business, the composite segment to ramp up the utilization?

Mr. V Senthil (CFO)

Okay.

Mr. Rithvik Sheth

And so finally one clarification on the order book, if you can just give the order book for TMD segment, I might have missed it. So please if you can just that confirmation of the order book, active orderbook and the export order book please.

Mr. V Senthil (CFO)

Okay, Thank you.

So, with respect to the order book on TMD, what I mentioned is the order book is around 2900 crores. The active order book within that is around 75% the this doesn't include the export. Export order book stands closer to around 260 odd crores is the export order book as far as TMD is concerned. As far as Auto Coner is concerned, we are going as per our plans.

The machines are there. It is giving us confidence with what we see in terms of the results on these machines. With respect to the question on capacity availability at MTD, yes, I think I've answered it is 30% is what we, what I mentioned is capacity which is available for us to ramp up without any challenges. It's completely provided for infrastructure, all cleared, people deployed. So yes, we have got that done with respect to ATC on the capabilities and also ramping up how, how would it happen? I think I missed your voice, but I think the question here is do we need to invest more to get higher turnover to ramp up our, Like I said on the metallics where we are already at 80-85% utilization? A yes, we would and that is again specific to projects, what we see and what we would like to take. We will invest as and when needed. As far as the metallics is concerned, as far as composite is concerned, we have invested already in the processes. It is only a matter; the first step would be a matter of trying to get the business from the non-government sector. And to that we are again approaching our own existing Tier 1 customers to OEMs or to OEMs directly where we already have the relationship. And it is only a matter of time getting ourselves into their supply chain in the composite side. So, we don't see a requirement right now

When we talk on composites, what facilities we have ,we have to use. And the metallic side, yes, we see a requirement that for us to ramp up the numbers even further, there will be Capex. But again, it will be project specific, continue specific to a particular order which will not execute. Thank you. Back to you, Mr. Samir.

Moderator

Sir, Thank you so much.

Next, we do not have any hand raised at the moment. We would once again request the people in the attendees to, if you would like to go ahead with the questions, please raise your hand so that your questions can be taken and answered.

We have with us, uh, Mr. Dipesh Agrawal, Mr. Dipesh, you have already been muted, unmuted. We are ready for your question.

Mr. Dipesh Agrawal

Yeah. Good evening, Sir. I have just one question. So, for EMS ecosystem, lot of CNC machines are required and I think you were also working on qualifying for some of these machines. What is the status on those projects? Can we see in next one or two years we could start supplying to some of the EMS players, uh, the CNC machine?

Mr. V Senthil (CFO)

Any other question, Mr. Deepesh?

Mr. Deepesh Agarwal

Yeah, the no, that's all.

Mr. V Senthil (CFO)

EMS is a good segment and we are supplying right now to the EMS ecosystem. Uh, as far as, uh, these are small machines, uh, not very, uh, not very large machines, but we are part of this ecosystem and we are supplying, we are also in the process of qualifying because there are certain requirements about qualifications of these machines.

We have got our machines qualified in the past as well. So that I understand that this is an ongoing process. So yes, we are very much there in this ecosystem and EMS is a very large ecosystem and developing ecosystem in the sense that the tools and dyes which goes into these EMS machines which make this component, all of them are requiring similar size of machines.

So absolutely yes, we are in that space and we have got machine models to address to this particular requirement. It's a growing segment.

Moderator

Thank you so much, Sir. Next, we will have to go ahead with Mr. Kush. Mr. Kush, you have already muted. We can also have your video turned on if you like. And we are ready for your question. Yeah, audible. Yes.

Mr. Kush

So, my question was more on this machine tool industry. So broadly, you know as an industry, as a do we see any macro tailwind in terms of you know, import substitution that is happening in India. So, what we hear is I think Chinese is only on a low level of competition, the low value add machine, whereas I think 3-4 axis onwards people are starting to prefer the Indian players.

So, do we see that kind of traction just a broad industry over here wanted?

Mr. V Senthil (CFO)

Okay, I mean, I would like to take a little bit more philosophically. This is the answer to this. See, we have to be paranoid, Mr. Kush. We have to be paranoid to be when you're dealing in this particular industry because when you say Chinese machines are low, more level of this one. I, I we have been in China. We are in China and we do not see that as a scenario. if you actually see the amount of volume of technology and innovation which is happening in China, it is very difficult for us to simply paint it with a brush saying it on low value machines. Sub 2-3 axis only are coming out of China.

I don't think that would be right. I think what is more important is that we are paranoid that China today is so large, the Capex machines or the machine makers are so large. So, our entire Indian capacity in terms of numbers would be actually supported only with two suppliers out of China. That is the capacity you are looking at. And I'm just talking about machine tool industry, right. And if you actually look at our extending outside an example and if you look at spindle age in China, it is 2 1/2 times or definitely 2 times that of India. So, I think China is not probably was, but currently not a place where you could simply say that only low capable missions are coming out of this system there. But to answer people looking at Indian players, I think the answer to that is because of localization, 100% yes, there is a clear mandate in certain cases where they are asking the companies which are too localised internally with the Indian, Indian ecosystem and that ecosystem has also to get developed.

So, if you take machine tool for example, you've got certain critical parts for machine tool critical parts we have to actually access to see how much of it is actually manufactured.

Yeah, and how much is actually getting imported here. So, whilst we can look at an Indian machine, but the question obviously is can every part be manufactured out of India? And today the situation doesn't is not the situation is not such that every part is manufactured out of India. There is an import content and a significant import content. Only thing those imports do not perhaps come from 1 country, it comes from various countries.

So, to answer that from industry perspective, this is pure industry perspective, yes, uh, there are various types of machines. You can't paint them as a low value, low, low spec machines. There are they, they do have high spec machines. And we ourselves to make a complete Indian product within the Indian context is going to be a challenge in the immediate, probably definitely in couple of years. If we are able to make all the components of machine tool business in India, it is probably possible. But as of today, if you say can we make it completely Indian machine, it's going to be a challenge.

Moderator

Thank you so much, Sir. Thank you. Going ahead with that next question we have with us, Mr. Vrushank Gandhi, Mr. Rushank, you have already been unmuted. We can also have your video turned on if you like and we are ready for your question.

Mr. Vrushank Gandhi

Hello, am I audible? Yes, S. Yeah. So, my question, thanks for the opportunity 1st and my question were on the cash and cash equivalents that are there on the balance sheet. So, I see that there are 1300 to 1400 crore of cash that the companies would link. So, is there any plan of the management to distribute this to the shareholders and to improve the return ratios in the balance sheet or how do we how do the management plan to utilise the excess cash available with the?

Mr. V Senthil (CFO)

Any other question, Mr. Gandhi?

Mr. Vrushank Gandhi

Yeah. No, this is it. Thanks.

Mr. V Senthil (CFO)

Thank you. Yes, I think we have declared A dividend also. I think this time we have declared a dividend of 300% and we'll make sure that management and the Board is clear that we have to continue even though the current situation is a bit challenging, which as possible was last year, will ensure that we continue the policies what we have Board would take an appropriate decision on utilization of funds.

We will also be deploying this in, in, in new market like we just now mentioned at the start, there are new markets which are getting created. We will definitely be. We've been in these new markets and that is where that's where this deployment of cash would be done.

Mr. Vrushank Gandhi

Thank you

Moderator

Thank you so much, Sir. Next, we have Mr. Manish Goyal. Once again, he probably has a follow up question. Mr. Manish, ready for you? Yes, Sir.

Mr. Manish Goyal

Thank you so much, Sir. First, on the auto coner side, you did mention that we have we have been getting encouraging results. So, when are we planning to do commercial launch and what kind of capacity we are creating Sir in auto corner, that was first question. Second question, you mentioned that a lot of opportunities coming up in African subcontinent.

So, like over there like earlier we have done a couple of entire spinning mill projects. So, are we seeing similar opportunities? Maybe if you can use some perspective, what kind of opportunity you are seeing value wise? And when do we really start getting orders? And my third question Sir, which probably left unanswered on the MTD on the margins or how do we see margins going?

Mr. V Senthil (CFO)

Okay, so Mr. Manish, our plan as far as auto coner is concerned is on track. I think I would like to only restrict myself to mentioning that with respect to capacities, I think we will come out with the capacities, but we are we, it will be a slow launch within a particular context and then it will continue. So, I think I would like to restrict myself to that. But like I said we are our results are encouraging and I would like to keep it like that.

With respect to the African subcontinent, what I was mentioning basically was this because of the geopolitics what we see, we are seeing customers move to Egypt, for example or a few other African countries. So, there are new spindles which are coming up there and the Chinese are actually also moving to Africa, especially on the spinning side. So, these are all again what we what we did on these single projects was more country-to-country line of credit project. But I'm not talking about those kinds of projects. I'm talking about regular private investments which are happening when people from Turkey or people, the customers or customers from China or customers from Bangladesh moved to this country.

So, there's not private investments in terms of volume again there the size starts from 25,000 upwards of complete project, 25,000 spindles upwards of that is what it as what we see currently in terms of our visibility and our discussions with respect to MTD margins. The current MTD margins are probably in the ranges around it is 9% is what it's what it's in terms of around 9%. We will be able to cross the 12% once we are able to hit the threshold of around run rate of around, uh, 240 crores are quarter.

I think that is something which we are looking at and that's where I said we have got capacities or, or costs are already added on that. It is only that once we get that run rate, then we'll get this operational efficiency kick in there. I think that's what we're. Looking at. Yeah, back to something.

Moderator

Thank you, Sir. Next, we have with this who would like to proceed with the next question. Mam we are ready for you.

Ms. Ishita

Yeah, I thank you for the opportunity. My question is with respect to the CNC machines, so how many machines were sold in FY 25, what is our capacity and what is the range of realization offered by the company depending on the number of axis offered and how is the competitive landscape here? How may what be the capacity in India? As per your estimates. Thank you.

Mr. V Senthil (CFO)

OK. I think it is perspective what we are able to make would be the aspect?.

Ms. Ishita

Yeah.

Mr. V Senthil (CFO)

Yes. So, from a range perspective, of course we can. we have up to 4 axis and we have also 5 axis machine. But in terms of 5 axis, it's very specific to two models is what we have. But if you look at turning centers, you will get a complete range. When I say you're talking about table size, you're talking about XYZ axis. So, there is a complete range of machines within a particular turning center.

So, we make turning center, we make machining center and in the machining center we have we can go up maximum up to five axis. And these were machines which we have recently also in the exhibition in January, in IMTEX, we have displayed them.

We will be happy to share or you can go onto our website and you can see, uh, these machines in terms of the competition landscape, yes, we are quite well present in the turning center market. Then you've got the vertical machining center and the horizontal machining center. In the vertical machining center, our market share is in more than a single digit number close to around 6 to 7%.

That is something which we have started going into that market in the last four years where we have started entry with our vertical machining center and the horizontal machining center.

We have started introducing models. This is a large landscape, the Indian, within the Indian context, there are quite a few. There's a handful, I would say of players in the Indian context, which are Indian machine manufacturers all within this segment. Our shipments in terms of numbers would be closer to 3600 plus machines which we have shipped out last year. I hope that answers your question.

Ms. Ishita

OH, yes, thank you. Also, what is our capacity? How many maximum machines can we make and?

Mr. V Senthil (CFO)

We have a 70 % capacity currently and you can multiply that, but again when we talk about capacities, it depends on the size of these machines. Some machines are when we talk about turning centers, they are small machines. When you talk about machining centers, they are large.

We are talking in terms of a price range. You're talking a price range of 20,00,000 to 1.5 crores kind of a price range is what we are talking about. So, but in essence you can take the value of it that we have done and we are able to scale up another 30% in terms of value machine specific. It would be very difficult for me to explain on capacity as this depends on spec of each machine. Our existing capacity 3600 plus machines @ 70%. What I mentioned is a combination of both vertical machining centers and turning centers. Thank you.

Moderator

So, thank you so much for answering that one. Thank you, Sir. We as of now have no more questions. Okay, we have Kush again, probably with the follow up question. Kush, we are ready for you.

Mr. Kush

Yeah, thank you for the opportunity again, Sir. Can a second question? Was more on the competitive landscape. So how do we see competitors in India and how are we placed against them in terms of market share tomorrow? No broader view like you knows who we see as our like for like serious competitor in our machine tool industry or the textile machine.

Mr. V Senthil (CFO)

Industry, it is okay. I think they're very broad question from the machine tool, I mean from the textile machinery industry. Let me take it because it is the easier part. I mean there are clearly for competition in the and all of them are in India.

We compete both in India and globally on the same footing. And the way to look at textile machinery is that the product, the product which comes out of our machine is basically the yarn, right and the yarn is has around it is a commodity and the quality of it is universally same. So, every machine which is sold, if there is a particular yarn quality requirement, that quality must come out of the machine.

That is the way this industry works in the textile machinery side. So, there are globally 5, I am excluding China because China has its own market. It is a 10 million plus market on a good year. Even otherwise it is around 4:00 to 5:0 million, 4 million spindle market in a normal year.

So, excluding that, there are few players there who are all in India with respect to machine tool Division. I think what we need to understand is there are, this is an international business.

We have got a lot of imports which come in and almost 60% in value terms would be imports which are coming from other countries. And the Indian machine tool manufacturer caters to around 40% plus minus plus of the industry. And our current range, at least from LMW perspective, our current range extends up to, like I mentioned, 5 axis machines. Again, in machine tool division, there are not many competitors. And like I was mentioning in one of the previous questions, I think it was you who had asked about low value machines in China etcetera. And I was explaining to you that there are a lot of imports. So, this is the industry. What is important in your machine is the reliability, what we can give on the machine and the repeatability of what we are we must give on the machine. These machines produce thousands and thousands of parts a day.

So, it is important that the machine must be reliable and repeatability should be there and that is where we excel in the way yes and will and the way we manufacture the you know spark. So, for that in our case we have a back-end foundry which works. So, we have integrated foundry for the machine tool business. So that is that is an added advantage is what we what we see it and we must compete again at a global level. So, you when I am talking about 60% important business, important machines coming in, there are unique, very large machines which we do not make those of course we do not compete in. But if you are talking about the three axis or a four-axis machine, we must also compete with the international standards of these machines which come in. So, all of us must increase our level of quality as to when we deliver these machines. So, it is a lot of engineering which goes into these machines, a lot of precision which goes into these

machines and we when deliver them and we compete globally in our case at least from the machine tool business predominantly still domestically.

But we are in the process of selling these machines globally as well. We have started exporting these machines to UAE where we have established our holding companies. In this particular business, you have to compete with companies which are from both East and the West. I hope that answers the question.

Moderator

So, thank you so much for answering that and thank you so much for thank you.

Mr. V Senthil (CFO)

okay.

Moderator

Thank you for the detailed explanation. So just one last question. In terms of pricing, how are we placed with our competitors internationally and domestically? Are we at a discount or similar or premium?

Mr. V Senthil (CFO)

Very good question. Domestically, we are at a premium as far as our machines are concerned, like I said and you will be, you will be you again, I do not want to repeat in terms of repeatability, reliability, and quality, this is what we will have to deliver to the customer and yes, from our domestic point of view, we are the premium. But internationally, if you see, yes, the foreign machines on the on talking about the machine tools segment they, they, when we are competing with the machines, the competition machines from other countries, yes, we will be a little bit at a discount.

Ultimately, we also must sell the brand India and the performance of the machine both must be sold. It is not just the machine performance alone we must sell both the concept of both the brand India and the mission as well. Back to Mr. Smith.

Moderator

Thank you so much, Sir. Thank you Have. We are ready for your flashing, deep and muted.

Mr. Krunal

Hi. Can you hear?

Moderator

Yes, Sir.

Mr. V Senthil (CFO)

We can hear Mr. Krunal

Mr. Krunal

Define you mentioned that in the machine tool division we can reach a 12% margin at a particular turnover. Was it like 240 crores that you mentioned because you are already doing that kind of run rate right now?

Mr. V Senthil (CFO)

Probably, yes. I mean a consistent turnover of that with a particular product mix yes.

Mr. Krunal

okay. With the product mix in, OK, we are currently also we are doing that 240-run rate, but the product mix is not favorable.

Mr. V Senthil (CFO)

Yes,

Mr. Krunal

got it. Thank you so much.

Moderator

Thank you so much. So, with this, we have no hands raised. This brings us to the end of all the questions.

Mr. V Senthil (CFO)

Thank you everyone for joining. See you next time bye.

Moderator

Thank you so much, all the people who asked the questions. Thank you so much, Central Sir, for answering those questions. Thank you so much everybody for being a part of this meeting. Thank you so much.
