

ANALYST MEETING TRANSCRIPT

Moderator

We begin with a meeting can we, can we go ahead?

Mr. Senthil V

Go ahead.

Moderator

Thank you so much. Thank you. Ladies and gentlemen, good day and welcome to Lakshmi Machine Works Limited Q3 of fiscal year 2022-23. Earnings call hosted by NSDL As a reminder, participants line will be in listen only mode, and there will be an opportunity to ask questions after the brief by the company officials. Please note that, this call is being recorded. This is Samir from NSDL. We have with us, V Senthil sir, Chief Financial Officer, and Mrs. B Dhanalakshmi, Senior general manager of the company. Over to you, sir.

Mr. Senthil V

Thank you. Good afternoon, everyone, and thank you for joining Lakshmi Machine Works Limited earnings call for Q3 for FY22 and 23. We will have a brief about the overall performance of the company for the quarter and for the period today, followed by an interactive session. To begin with, let me explain about the overall performance of the company, then we'll proceed to the segment performance and then consolidated performance. The financial results have been posted on the company's website and hope you had opportunity to go through the same. I'm happy to share that the company has achieved a turnover 3,200 Cr which is 57% higher than the corresponding nine months period of the last year. This milestone was achieved amidst lot of challenges like supply chain on availability of parts, as well as high procurement prices and other, issues including, power, freight cost, the major challenges which we have faced in chain into disruptions of supplies et cetera. With. Despite these challenges, we have been able to cross this milestone, which are happy to report and note, the total turnover stands at 3,262 Cr as against 2076 Cr. The PBT stands at 350 Cr for the current period as against 168 Cr for the previous period, which accounts for 109% increase in the profits of the company. I would go into division specific. Now.

Mr. Senthil V

TMD turnover for the period stands at 2067 Cr as against 1586 Cr for the previous, year for the quarter. It stands at 966 Cr as against 932 in the previous quarter. Currently, we still hold an order book of close to 5,600 Cr and these have been lined up for execution over the next four quarters. As you know, TMD has over the last two years performed consistently. We have been able to supply, month on month. We have been able to, quarter on quarter we have been able to supply and hit higher turnovers. This is all because of the supplier project orders, which are on the higher side compared to the unity machines, and this continues as of the current quarter as well.

Mr. Senthil V

With respect to exports, exports have also grown. We are seeing, we have seen an, year on year increase of close to 90% with respect to the ratio of domestic export and spares. The ratio stands at 60%, 20% and 20%. With respect to q3, quite a few factors, which are already mentioned have, have had an impact. and currently we are also running at full capacity, similar to that of q2. So, our focus going forward will be to continue and ensure that we are able to deliver faster to the customers. We are also happy to share that in the previous, in the quarter, ended, in December, we had it May, 2022 at, greater Noida. we have featured new machines. We have featured IOT enabled real-time monitoring systems and also a new customer engagement program called pace. That is professional aftermarket care for excellence, and it has been well received by the customers who have visited the exhibition.

Mr. Senthil V

Now, I move to China. With respect to China, we, we have clocked a turnover of 283 Cr for the nine months and a profit of 23 Cr. here again, the challenges of the last quarter included surge in covid lockdowns restricted operations, and it has of course disturbed our supply chain. However, we have been able to overcome this and things are becoming coming back to normal in the current, quarter. There again, we have close to six months of orderbook going into the, Chinese New Year for China. They always follow the calendar year here, and we start off with almost expensive orderbook there. With respect to LMW Middle East, we have clocked a turnover of 65 Cr with a profit of around 4 Cr for the period April to December 22. Now, I move to MTD. I would like to inform that we have clocked turnover of 620 Cr with a profit of 53 Cr, and we have an Orderbook around, two months there.

Mr. Senthil V

We have seen a increased trend of sales of VMC machines in the MTD business there. Thereby we are having able to service non-auto sector such as oil and gas pumps,,die and mold and general engineering. Here again, we have been able to introduce new models and we just closed the IMTEX exhibition in the, in the month of January, and we have been able to show new models of, CNC machines including vMCs. With respect to Foundry, I would like to now move on to Foundry. We have clocked a turnover of 72 Cr, and this represents around the 20% of our capacity. Is the balance, 80% going towards internal consumption and the challenges in the foundry for the quarter, which has just gone by is remains the input raw cost and when the raw material cost has gone up close to 25% compared to the same period last year. With respect to ATC, the turnover for the period standard 77 Cr for the nine months as against 30 Cr for the same periods last year, we see that the, we also note that the export have picked up in this particular business, and we are planning to consistently delivering the turnover. And, there we turning around this division with this short note. now we thank you and thanks for the participation. We can start the interactive session back to the moderator.

Moderator

Thank you so much, sir. Thank you. We would like to go ahead, with the interactive session. I would, request the attendees to please raise hands if you would like to ask questions after communication of your name and, unmute status. And, we would request people please go ahead with raising, hands. The first person, in the attendees who has, raised, his hand is Balchandra Shinde ji. Balchandra ji Um, you have been unmuted. Can we have your question with the audio and the video Turn on please?

Mr. Balchandra Shinde

Sure. Good evening, sir. Sir Regarding our order book, would like to know like, sequentially decline, last quarter, I think it was around 7,000 Cr. Now it is around 5,600 Cr.

Mr. Senthil V

Okay. And do you want to close do the other questions as well so that I can, I can then reply it one shot?

Mr. Balchandra Shinde

Yeah, yeah, sure. the other outlook wise, how we see Textile machinery, related, outlook over next one year what you, and, how we see this, quarterly run rate will we be able to sustain for next one to two years. That's it.

Mr. Senthil V

Okay. what I mentioned was a domestic order book. Of course, we have export order book also, which is basically LC's backed, that is close to another, 900 Cr. But to be very clear, yes, the order intake, has come down as you know, the industry has, is going through, and has gone through a tough time for last, four months to five months. And we have seen, reduction in, in the ordering flow. And of course, to replicate the kind of orders which have come in last year, of course would be very unrealistic. So having said that, yes, there are still orders being picked up. the net order, book, which is domestic, close to 5600 Cr on another 900 Cr, you cannot, so you would see, you would, have a close to the 400 Cr of net reduction.

Mr. Senthil V

But with respect to the outlook, we are using this time to deliver the machines, which have already been ordered. as you can see, for the last four to five weeks, the markets have picked up. The export of yarn kind of picking up. And because of the geopolitical, challenges which are around, as we can see, for example our, neighboring country, Pakistan is going through a lot of, issues. so, there is definitely a shift of demand. So, we are using this time to kind of deliver as much as we could. And, that is, that is the, that is the reason you see the numbers, what you see, and we are in full capacities as we stand. So, we will try to scientifically keep working to increase the throughput, but you should, and we expect to see similar numbers as what you have seen now, close to 966 Cr or close to around 1000 Cr to be delivered for TMD business, at least in the initial or the next, with three to four quarters. That is our, that is the way we plan. I think I've answered all the questions, back to the host. We can go to the moderator; we can go to the next question.

Moderator

Thank you so much, sir. Thank you. we will request, the people whose, questions have been answered to please, lower the hands and, going ahead with the next person, with the, question we have. Mr. Dhaval Shah, Mr. Dhaval Shah, you have been unmuted. Can we have your question, with the video turned on please?

Mr. Dhaval Shah

Yeah. Hello? Hello, Senthil sir Dhaval from Greg Capital.

Mr. Senthil V

Good afternoon. Good afternoon. Yes, please, go ahead.

Mr. Dhaval Shah

Good afternoon, sir. Yeah, sir, my question is on the, on the advanced technology division, if you can, share some, thoughts regarding, we, we were planning to get some strategic, partner, in this business. so, what is the development there and how should we look at, you know, a four to five year future of this business? What sort of size can it achieve, and what developments are we seeing, you know, in terms of upgrading ourself, in terms of technology capability? So that's on the advanced technology side. and second question, on the machine tool division, you know, the, all the factors indicating, the, the, the factory, the production, rate in the country, seems to be strong. so how do you see the future for machine tool division from next, one year perspective? Yeah, these are my two questions.

Mr. Senthil V

Okay. So, I would, take the MTD question first. I think, um, you are absolutely right. I think the fact the overall production product, and overall requirement and the way we see business moving into India, is actually quite, quite strong. And in fact, even in the, recent, exhibition, we could, see the evidence with the amount of interest, what, what we have seen. definitely the long-term story is definitely that of manufacturing. And, and that is the reason we have also, like everyone, we have also invested, in the current year, anticipating, this, this growth. So, we have invested both in Capex and increasing our footprint. in terms of assembly, this is more of an assembly, sector because you have a high content of bought out parts, and we have been able to, you know, over the last, six months increase, our capacities for delivering.

Mr. Senthil V

so yes, the number one, we have invested. Number two, what is required is the new type of machines, rather new model machines, and that is what we have been able to, showcase as well. And this is to address the non-auto sector, because auto sector is the largest consumer, but what is kind of coming in is also the non-auto sector. So the content of the share of business of the missioning centers is slowly rising in our mission tool business. And that is, that is something we are, we are again saying what used to be close to 15% of our business, be because of, of course, our turning centers are got more models and things like that. But with the missing centers, where is what used to be 10 to 15% has now gone to 22%. So yes, a hundred percent. This is a story which we should, work towards, and we have built capacities to ensure that we may, we get, we are able to, deliver as and when the demand, kind of comes in.

Mr. Senthil V

Now to answer the advanced technology center, yes, we are in the process of demerging this unit. The idea long-term idea being that we should have a strategic partner, but that is a process which would take some time. However, the turnovers, what we are seeing right now, we are clocked around 77 Cr. for the, nine months, we have, potential orderbook, there for execution

over next, four years for an value of around 500 Cr. Now, these are all long-term contracts, which basically gets pulled off. We did experience during the extreme covid year that they were pushed out, but since last one year, they have been pulling and there's been a lot of, demand, and that's what you see. So existing order books getting executed is what you see. We definitely have a clarity there, for delivery. So, the, the numbers, what you see would be sustainable.

Mr. Senthil V

So full year number when we come to that would be sustainable as far as our, metallic division is concerned. Now, we also have within this, the composing division where we have invested even in the current year. So, with respect to the technology factor, the development should be, rather the growth would be in the composite division. And that's what we, we see is, is the, is the technology which would come into ATC. And however, in the composite division, we are only investing at the moment, consistently, we have orders which are basically orders for delivery to the, aerospace, space, not aerospace, but the space sector within India. but the focus would be to kind of grow that, business to that of what we have done, with, metalics business. So you will see a consistent metallic, turnover, but we should see the whatever investments we are doing now for composites, that should kick in and we anticipate that would take at least another, two quarters, and then we'll be in a better position to, come out and give similar kind of order, order books As far as composite is, concerned, while we are working on it now, whilst we do have orders from, the space agencies within the country, and hopeful of more order getting pulled.

Mr. Senthil V

There's no call off for various reasons. So, the focus would be to kind of use that facility to increase our turnover. I think that that answers, I think the question on ATC back to you, back to the moderator.

Moderator

Thank you so much, sir. Thank you. Thank you. going ahead with the next person with a question. We have Mr. Sarang Sanil. Mr. Sarang, you have been, unmuted. We have your question with the video, please.

Mr. Sarang

Hello. Good evening, sir.

Mr. Senthil V

can you kindly speak up, please? We are not, I'm not. Hear You.

Mr. Sarang

Am I audible now? Yes, yes. Good evening, sir. This is Sarang from RW Investment Advisors. sir, I have a couple of questions. So, in the MTD division, I understand that, you know, 60 to 80% of the components are imported, and that has, forex impact on the top line, plus the logistic cost, cost worth issues for the margin impact, but we are still off by, you know, seven to 8% from the peak margin. What's still hampering the margins in the MTD and will it stay volatile? That's my first question. the second question is, this month utilization of spinners has been picking up, have the, been, discussions with the spinners on their Capex plans with better clarity. And my final

questions, ATC Demerger, any tentative date you can think of? I know it's still in the process, but it's been going on, going on for some time, right?

Mr. Senthil V

Yeah. Okay. Now, let, for the MTD margins, see MTD, that particular segment is made up of Foundry and MTD. Now, what is kind of pulling the, margins down is the fact that, three, three impacts, as you know, the foundry has been here. How Foundry is one of the highest consumers of power, and, the power cost in Tamil nadu has increased last quarter. It is close to one rupee unit has increased, and that is one, one reason, of course, Forex is the other reason. because mission tools import imports quite a, quite a bit in terms of, forex, um, our effort in terms of Foundry is to see that we are able to, observe, we are able to pass on the cost rather than absorb the cost. But considering that it also does a lot of exports, there has been a lot of challenges in passing on this cost in the, in the, in the previous quarter because there is a, the way we work is it is gradually done, and it is always done the next quarter.

Mr. Senthil V

So, we are working towards ensuring that these costs are getting passed on. As far as foundry concerned with respect to mission tool business, the, apart from Forex, like I said, the margins, the mix of businesses between turning centers and missioning centers, and, missioning centers tend to have, in our scenario, bit of a lower margin than turning centers. So that is another mix impact, which is, kind of, impacting mission tool business. however, we are very much aware that we should be aiming to, like what you said, the peak, the past peak levels of margins. So, there is lot of work being done. whilst I say this, in the past, or last two years, we were, we did do two prize revisions, even for both, the textile and the mission tool division. But unfortunately for mission tool division, the consistent cost has, it has not been able to recover everything.

Mr. Senthil V

What the, with respect to the cost, what we are incurring. And the, perhaps the third point, which I would also like to mention is in terms of foundry, again, the raw material costs, like I gave, I told you in the opening remarks, the raw material costs are still high beat, bigger beat, all the other commodities which go into foundry, they're close to 20 to 25% higher than what it was last year. This is, this is the one, these are the ones which are impacting MTD margins. And yes, our effort is to ensure, and you, I will have be able to, happy to give you, I'll be happy to give you some clarity perhaps for the next turning call as to how we are able to do that, because there is a lot of work being done around this with respect to, the spin and the cap, Capex plans.

Mr. Senthil V

Yes, I, even during the last quarter, we have been still been booking certain orders, in terms of, certain, unitary machines we have been able to get, unity machines are more in nu in numbers. projects are a little bit less in numbers, so close to 30% or, to 40% is the kind of projects. And 60 to 65% are the unity machines, which, which we there with respect to order and flow. So yes, people are speaking about it, it is a, a slower process and we should see, better conversions, going forward. We have to just wait and see because it's too early, because there's entire, the betterment and spinning capacity utilization has happened in last three to four weeks with respect to ATC Demerger. if I'm right, I think I will ask, Ms.Dhanalakshmi to, answer the questions handling that

Ms.Dhanalakshmi

ya, we had a final hearing with NCLT, last week, and we are supposed to get the order within the next, one week. With that, we'll have a better clarity on this company, now that LMW Aerospace Industries is a separate entity, and the, related process will continue after that. So that is update on the current process of, demerger.

Mr. Senthil V

back to the moderator, please.

Moderator

Thank you so much, sir. And ma'am for, answering the question, our next, person with the hands up, we have with us, Mr. Varun, bat. Mr. Varun you have been unmuted, Mr. Varun?

Mr. Varun

Hello? am I audible?

Mr. Senthil V

yes, Mr. Varun. You are.

Mr. Varun

Yeah. Hi, good evening, sir. Thanks for taking my question. and congratulations on a good result. so, my question is an extension of the previous participants' question of the, machine tool division. Um, you know, I would assume given the, turnover being similar, the revenue in MTD being similar to the previous quarter, you would be at about 60 to 65% capacity utilization, looking at the inquiry pipeline, which you have, how much Capex, more is being done in, in, in this business. And, you know, what kind of peak revenue do you hope to achieve? that's the first part. second part is you talked about two price revision seconds. I remember one was May 22, may, has there been a subsequent price revision. And third is, I missed the, order book number in the machine tool division. thanks.

Mr. Senthil V

I, I think your ballpark number is pretty much, right in terms of capacity utilization, because we have increased our, assembly capacities and, machining capacities for mission tool. It's in the order of 60, 60, 65%, which basically gives us that, capacity. So, the numbers, what you see, we can their rest, there's still a 40%, headroom available for us to deliver. so, you can do the calculations yourself with respect to what the peak revenues would become. with respect to price revisions, when I said two price revisions, I didn't mean for the year 22, 23, you are absolutely right. May, we did a prize revision, and the revision was in the pre, the year before that. what I meant is that, subsequent to May 22, today, the situation is the electrical electronic component, and, also the currency impact of it.

Mr. Senthil V

It is absolutely, very expensive, I should say. The cost of production has gone up quite significantly in this. so, whilst we, data price region in May 22, and that was very early, posed the geopolitical issues in terms of the war, which has happened, and the supply chain issues, were not that clear at that point in time. Subsequently, we have, we of course, have gone through

more than a year, almost, last year, February 24, 20 fourth was the day this was started. So, in this last one year, what we have seen over the last quarter is the, electrical and electronic items becoming very expensive. Still, supply chain issues are continuing. So, we, that costs is what is the one which is hitting. That's what I mean with respect to order book number. I mean, it, it is, it is always, one a two-month order, book one and half month orderbook.

Mr. Senthil V

As far as this business is concerned, there is, it is not, it's not a long, late time product. We have products, which, I, I mean, I've told this before, but I'll again repeat. We got, we got products which actually gets delivered to the customer dose, dose ship within a matter of, 48 hours from the time in place order on the online system. So, I mean, this, I'm talking about, um, anywhere within the country. So, there is no, there is no, specific order book here, which we need to, which we can discuss on or we can give numbers for. I think that answers the question. Can we back to the moderator, please?

Moderator

Sure. Thank you so much sir. Thank you. I'm going ahead, with the next, person with the question we have with us, Mr. Ritwik Sheth?

Mr. Ritwik Sheth

Yeah. Hi, am I audible, sir?

Mr. Senthil V

yes, Mr. Ritwik, you are.

Mr. Ritwik Sheth

Sir. Good evening.

Mr. Senthil V

I think he dropped, he dropped off.

Moderator

Mr. Ritwik, he has been shifted to the panelist, so that he can start his video. Mr. Ritwik, can we, have your video? Okay,

Mr. Ritwik Sheth

So I have question.

Mr. Senthil V

Oh, Mr. Ritwik. You're not audible.

Mr. Ritwik Sheth

Hello, sir, can you hear me? Hello?

Mr. Senthil V

Mr. Ritwik You're not audible, Mr. Ritwik.

Mr. Ritwik Sheth

Sir, can you hear me?

Mr. Senthil V

Very, very slightly.

Mr. Ritwik Sheth

Okay. sir, is this better?

Moderator

Mr. Ritwik, we have you a little closer to the mic, wherever the mic is. I mean, even if it'd be a laptop or, or whatever.

Mr. Ritwik Sheth

Hello?

Moderator

Mr. Ritwik, can we have you question please?

Mr. Ritwik Sheth

sir, can you hear me now? Hello?

Mr. Senthil V

Go on, Mr. Ritwik. Go on.

Mr. Ritwik Sheth

Yeah. sir, I have two questions. firstly, sir, on the TMD, have you seen any order being canceled? Because if I look and what you mentioned this quarter, there seems to be a, 400-500 Cr of reduction in order book.

Mr. Senthil V

And your second question,

Mr. Ritwik Sheth

Second question, machine tool segment. any update on the five-access machine that we are? yep. that's it from my side. Thank you.

Mr. Senthil V

Okay. with respect to the order cancellations, no. We, as we know, as you, as you know, we only, shuffled the orders. So yes, there has been, churn in the Order book. So, we, like I said, we have

been very, I think in the last two quarters back, I think we, we did discuss about it where we said that we have been able to get more project orders, and these project orders are time bound. They are backed up with all, finance backed up with, construction. So, we, there are enough, um, orders which needs to get pushed out. So yeah, there, there is no cancellation. It's only the churn, which happens, and we postpone it to a different date depending on what the requirements of the customers customer is. With respect to the, I think the second question was on the fire access machines of, MTD. I think, we, what we have shown, of course, we have shown other models in the in-text exhibition this year, but this via access machines are, have not been commercially launched as of now, I think the, these answers, these are the only two questions that.

Moderator

Thank you so much, sir. Thank you. Moving ahead, we have with us Mr. Rushabh Shah, Mr. Rushabh. we have your question, if possible, with the video turned on, please.

Moderator

Mr. Rushabh?

Mr. Rushabh Shah

Can You hear me now?

Moderator

Yes, sir.

Mr. Rushabh Shah

Hello? Hello?

Moderator

Sir, we can hear you. Can we have the question, please?

Mr. Rushabh Shah

Yes. sorry. Yeah, I just had one question, sir. In the TMD division, what, what we understand we majorly cater, from say, blue room to ring frame auto to auto corner division, which may, which is may mainly goes for production of, I just want to understand your thought process in terms of entering the product categories in environ, you know, we can cater the entire textile value chain. What are we thinking on those lines? Or is there a possibility? just if you want to significantly enter new categories using LNW brand name Anderson. There are only a lot of players there, but,

Mr. Senthil V

Yeah, I, okay. If I, if I, if I were to re rephrase it, what you're saying is ins apart from Blue Room to Auto Corner, can we look at further machines down the downstream? Okay. I think, definitely I, the fact that we have a complete set of, products and in, in, um, ITM, it may exhibition in December, we also showcase the auto corner product, which would, cease a c commercialization in the next year. the point is that we have enough space within this particular, spinning segment where we need to go up on market share, not only in India, even in the export market. So, I

think that the, the work, what we do is to ensure that we are having the best quality of machines esp, especially because we know we have to have, retain the current, market share in India, and also to increase our market share abroad. So, our work is all towards this, of course, as, and when an opportunity present itself, for, growth in terms of, in organic growth or whatever it is, it'll be a decision which will be taken by management. But yeah, I think it's a, it's, it's a good question and thanks for asking that because we are able to tell you what we introduced in, the exhibition last month.

Moderator

Thank you so much sir. Thank you for answering that. We would like to go ahead with the next person, with the question we have with us. Mr. Manish Goyal. Mr. Manish, you have been, unmuted and, can we go ahead with the question, please?

Mr. Manish Goyal

Yeah. thank you so much. Can you hear me? Yeah. Very Good afternoon, sir. Yeah,

Mr. Senthil V

Afternoon. Yeah, please go on.

Mr. Manish Goyal

Yes, sir. So just continuing, I have three, four questions I'll list out to all of them. first is continuing on the, our new product introduction on auto corner. So is this one, like the fully automatic one, which is currently been supplied by, um, many multinationals and related questions is, is the market size thousand grows or it is increased further, and how competitive would we would be in terms of pricing as compared to the existing players, on capacity increase in TMD You mentioned that we will continue with 1000 Cr revenue on date per quarter for next few quarters, but we have been incurring Capex also to increase capacity and doing deep bottleneck and, and productivity improvement automation, sir. So how do we see our capacity increase? and probably we can, increase revenue, going forward. My third question is on export orderbook, which has seen a significant improvement, probably highest in i in history in terms of 900 Cr. So, what has led to this and, which countries we are seeing strong demand and how do we see Outlook and how is the pipeline over, in export's market? And, and if you can give us revenue breakup, you did give a revenue breakup 60, 20 20, so was it for q3, or nine months, or if you can give us Q3 numbers, nine-month numbers with comparable for last year as well. that will be very helpful. Thank you so much, sir.

Mr. Senthil V

Yeah. So, I will take the auto corner. I mean, yes, the, this is, this is, auto Corner, which is the advanced auto corner with also if, if you're, um, we were able to showcase along with the link, system to the, ring, ring frame in our, in the exhibition. with respect to market size, I mean our, we, we, we would, still hold the view that, perhaps it is thousand to thousand five Hundred Cr towards kind of a market size in this particular, in this particular, machine, in this particular segment. We, we go with the same, principles of, LMW. We need to be the most competitive player here, giving the best, product to the customer with the highest quality. And like always, we say, Mr. Manish, at the end of the day, yarn is a commodity, and, it has to come out at the, the best quality, at the most cost-effective price for the producer, for the investors and mills.

Mr. Senthil V

And that, that that is the framework within which we, we have to operate and we have to deliver. Now coming to the, capacity increase and liquidation. Yes, you're absolutely right. we have invested and continued to invest in d d bottle making, d bottle making the, manufacturing process. And in, in that, spear we have also been doing automation, as well. but what you have seen and what have also been explaining for last, perhaps two or three meetings as well, is the fact that, manufacturing is a very scientific process where it is incremental in nature. And with the existing capacities, we have been able to bring additional 25%, to the turnover, without replicating a complete, manufacturing setup, which is, which practically, is not possible. And if you actually go back nine months, if you had to order a machine in machine tool business itself, especially an imported machine, you are waiting.

Mr. Senthil V

Time itself was close to an year. So, we, we have been very prudent in, bringing in lot of, automation, a lot of efficiencies inside the system to see the turnout where it is. We continue to do that. So, but again, as you, as you know, we have done the 25% increase for us to replicate over the last, three quarters or four quarters. But for us to replicate the same thing is, would be, would be an unsustainable thing to inform. So that's where we said that is something is definitely would sustain. But in the background, we are of course increase planning, working as much as possible to increase the throughput. That is the way we look at it. I think, with respect to the export, I think your, observation is absolutely right. we are getting orders, of course from most, the same countries would be Bangladesh, is doing, quite, quite well.

Mr. Senthil V

Where we, we got, some orders even from orderbooks rather, I, I should say, from, Uzbekistan is a market where we have been able to get orders. I think, that is the reason for us to kind of build this, this, size of an order book, which would get delivered over the, next, next, four, three to four quarters with respect to revenue breakup. The 60 20, 20 is for the, YTD that is, for the nine-month, period. It is 360, 20 20. But however, if you were to look at the current, quarter, which has just, gone by, we may be looking at little bit, higher on the domestic side, it may be around, 63, 64%. The export's still at 20%, but, spares perhaps a little bit lesser by around 4%. So, it'll be 64, 20 and 60 odd percentage that would be the ratio of, revenue breakup for TMD. I think that answers all the question. back to the moderator, please.

Moderator

Thank you so much, sir. Our, final person, with the raised hand for the question we have with us, Mr. Mr. Manish Goyal. oh, Manish Goyal I believe was already taken. Mr. Abhishek was supposed to be here, but Abhishek, lowered his hand. I believe his question was answered with some, somebody else's question, so Abhishek has his hand up again, Mr. Abhishek. Um,

Mr. Abhishek

Yeah, thank you, sir. good afternoon and conversation on a good execution for this quarter. just two questions, sir. one is regarding the order Book, if can give some numbers on this slow-moving orders and, you know, are you seeing any moment there? And second is regarding the domestic, you know, order, outlook, you know, Our PLA is going to benefit us, you know, how should we see that, you know, given new PLA also coming in textile sector.

Mr. Senthil V

yes. I think with respect to orders, like I said, we are close to 2000. Um, five, five, 600 I think was, 2600 Cr, of which, the inactive orders would be close to around one and half, 215%. Yeah. that, that would be the United Orders. The balance are all active orders, which, which needs, which, which are being planned for, deliveries. with respect to PLA scheme, I think, there is a, PLA 2.0, which is being planned. So, I mean, we are, we also look forward, to, to that, even in the current, budget, I think, they have been able to take, cognition of the requirements, and they released, I think, they proposed allocation of 900 Cr. for, the tough schemes for disbursement, for the current year.

Mr. Senthil V

For those which are registered claims in March 22. I, I, I think government is doing all what it can, trying to clear up the older, pending matters, and then perhaps they'll come with, schemes which are, better designed, because they, they are actively working, working on this. And we are very much aware that the ministry is also working on this. and I'm sure they'll come with a good, good proposal. as far as PLA two is concerned, but like I said, it's too early to commit. We are to just wait and see, but we always maintain only one thing, so long as the customer or the customer's customer is able to benefit, that automatically passes on as a better opportunity for us and better, better for, for everyone in, in, in the sense that we need to, for a long time increase the <inaudible>, increase our exports. There's a lot of targets which are sent by government, in terms of export targets. So, so long as clearly addresses the customer or customer's customer either which way it is good for good, good for us.

Mr. Senthil V

I think that answers the question back to the moderator, please.

Moderator

thank you so much, sir. Thank you so much. I believe we are done with, all the questions. Do we have anybody with, with any questions? we've got a few people who, have gotten back to us, who we previously took before. So, with your permission, would you like me to invite them again for another question?

Mr. Senthil V

we have 10 more minutes. I think we'll definitely, take the questions in whatever order you, you have.

Moderator

Sure, sure. Mr. Manish is back with another question. I believe, we would request our technical support team to please help us, bring, Mr. Manish. Um,

Mr. Manish

Yeah.

Moderator

Mr. Manish? Yes, we're good.

Mr. Manish

Yes. can you hear me Sir?

Mr. Senthil V

yes. Mr. Manish. Yeah, please go ahead.

Mr. Manish

Yeah. So, I have two more questions. One, on the, on the, spare parts. We did mention last time that, due to lower capacity utilization of textile mills, the demand for spare parts had come down. So how are we seeing trend now? And also, spare parts related. How, how is it doing for the exports market as well? That was number one question and number two on the ATC So we did mention that we have, 500 Cr order book, to be executed over four years. So, how do we see, the quarterly revenue momentum building up going forward, and maybe when do you see that this, division probably reporting a double digit, segment margins? probably on what size of the revenue, sir. Thank you so much.

Mr. Senthil V

Okay. Um, I think, we were, absolutely right. As you can see, these spares, spares turnover has, um, has come down as a proportion of sale. And, that's what we had, informed. But like I said, this is right now way too early because the capacitor relations have gone down. It has started going up now. So, of course, what generally happens is when the machines are stopped, um, just to be cost effective, they, they will definitely use, the existing machine to just stop the spares will change and things like that. So, I think it's too early. We, we, we do expect that the, as the utilization goes up, the spares requirement also would, go up. So as of now, if it, if you had to ask, do you see any change in the trend door last four weeks?

Mr. Senthil V

it's too for us with respect to ATC, these are all orders which needs delivery, and that's what we have planned for, like what I mentioned. Perhaps I would repeat that again. Whilst state ATC and Bente aside has been have we have achieved, the turnover where at least we are comfortable to say that it, it is on a one to one to the investment with respect to composites, we continue to invest and we continue to have people, we continue to invest, we continue to have fixed costs, associated with that. And that division is what we are trying, we focus for it to achieve, decent turnover. And, I think when these both are achieved, you would see, put a beta margins double digit, a beta margins there. today, the beta margins, which are getting generated by metallics under ATC, of course, the fixed cost of composites are, consuming that. And that's, that is the reason we see ATC at, break and level at the current turnover. I think that answers the question. Back to the moderator, please.

Moderator

Thank you so much, sir. We have with us, Mr. Sarang Sanil, once again with another, question.

Mr. Sarang

So, thank you for the opportunity, sir. so really appreciate how you've done with the margins of TMD business, pre covid. Now, can the TMD margins sustain? That's my first question. And the

second question is, 12 to 15% of inactive orderbook you are mentioning. So that 12 to 15, refers to which as a whole as 5,600 Cr.

Mr. Senthil V

no, the, okay. The, any other questions apart from that?

Mr. Sarang

No, sir. No, sir. Thank you.

Mr. Senthil V

Okay. with respect to, the inactive, generally, we only refer with respect to domestic because the exports are backed by, LCs or deposits again, so when we say, inactive, we only referred to for the 5,600 Cr domestic, order book on that, we, we mean, 15% TMD margins. yes, I think, we do, have to, say that for post covid. I think I have to be clear, it's, we have done, two price revisions for the machines, post covid, not in the current year, current year actually for OEM machines. We have, not done any price revisions at all. And, we have been working, quite, quite, quite a lot to ensure that we are able to have control in the costs. Like I already mentioned, the costs have all gone up, both in terms of, the electronic mechatronic kind of components, and we are working towards that. So, to answer, are they sustainable margins, yes, we are sus they are sustainable, because they come, both operational efficiencies is factored inside this, but the current turnover and, the impact of, new pricing has also taken full, full effect. So, these margins, would be, sustainable at this, this level. And we continue to see how best we can kind of, get control of the costs. and, that's the work our, our team continues to do.

Moderator

Thank you so much, sir. this brings us to the end of all the questions we have from all the attendees. Now, I believe, we do not have any further questions. All the hands, that was raised were, were, were the people that were taken. Thank you so much, sir. Thank you.

Mr. Senthil V

Thank you. If no further questions, then we can close the call, moderator.

Moderator

Sure, sure. Definitely. I mean, I believe we are all, good with all the questions. Thank you so much everybody for, attending, this meeting. Thank you so much, sir, and ma'am for answering the question here. We come to the end, of this earnings call, and thank you so much, all the attendees, for the cooperation. Thank you so much everybody. Thank you.

Mr. Senthil V

Thank you. Thank you.