



Our Ref: Sec/BSE/2024  
Date: 16.02.2024

To,

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: LAXMIMACH

Dear Sir/Madam,

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

In continuation to our letter dated 06<sup>th</sup> February 2024, please find the attached transcript of the analyst/ Investor meeting held on 13<sup>th</sup> of February 2024. 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 LAKSHMI MACHINE WORKS LIMITED**

COIMBATORE  
RAMANATHAN  
SHIVKUMARAN  
Digitally signed by  
COIMBATORE RAMANATHAN  
SHIVKUMARAN  
Date: 2024.02.16 13:45:55  
+05'30'

**C R SHIVKUMARAN  
COMPANY SECRETARY**

## TRANSCRIPT

**Moderator:** Ladies and Gentlemen, good day. Welcome to Lakshmi Machine Works Ltd. Q3 of the financial year 2023-24 earnings call hosted by NSDL. As a reminder, please note that the participant lines 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 know that this call is being recorded. We have with us Mr V. Senthil, Chief Financial Officer, and Mr B. Dhanalakshmi, Senior General Manager of the company. Over to you Sir.

**V Senthil:** Good afternoon, everyone. Thank you for joining the LMW earnings call for Q3 FY 2023-24. We will have a brief about the overall performance of the company for the period ending December 2023, followed by an interactive session. I would also like to clarify that certain statements at the conferences could be forward-looking in nature.

To begin with, let me explain the overall performance of the company and then we will proceed to segment wise performance and consolidated performance. The financial results have been posted on the company's website and I hope you all have had an opportunity to go through the same. The turnover for the quarter ended Dec 23 was Rs 1166 cr as against Rs 1305 cr for Sep 23. This was a slight decrease of around 10%. The company has achieved accumulated turnover of Rs 3645 for the period as against Rs 3316 cr for the corresponding previous period of 9 months, which is a 10% increase in turnover. This is in alignment with the peak utilization of our capacity in the business and our continued effort to meet customer orders. The PBT is Rs 395 cr for the current period as against Rs 351 cr for the previous period. This accounts for an increase of 12% in PBT.

With respect to division-wise revenue, TMD revenue for the quarter stands at Rs 918 cr as against Rs 1046 for the previous quarter, resulting in a decrease of around 12%. The TMD revenue for the 9 months period ending Dec 23 is Rs 2908 cr as against Rs 2667 cr for the corresponding previous period, resulting in an overall increase of 9% for the 9 month period. Currently, we hold an order book of Rs 4000 cr which has been lined up for execution. The ratio of domestic sales vs exports vs spares stands at around 65% to 21% to 14%.

Now, I move to LMW Global. The turnover in LMW Global stands at Rs 217 cr for the 9 month period as against Rs 65 cr for the corresponding previous period. The order book on exports stands at close to Rs 60 cr under LMW Global.

In LMW China, we have been able to clock an overall turnover of Rs 18 cr for the 9 months period and we will discuss this in detail when we go into division-wise comparison for the last year, which stood at Rs 208 cr. The order book in LMW China is around Rs 41 cr.

Now, in the machine tool division and the foundry division: The revenue in the machine tool division and the foundry division stands at Rs 756 cr for the period ended Dec 23 as against Rs 736 cr for the corresponding previous period. Out of the entire turnover, around 12% is foundry turnover.

With respect to ATC business, the turnover stands at Rs 133 cr for the current period as against Rs 77 cr for the corresponding previous period. Again, the reason for the increase in turnover in ATC is on account of a significant orders being pulled in, which were going to discuss specifically when we discuss division-wise performance.

I think with this brief, we will go into discussion. We can start the interactive session. Back to the moderator.

**Moderator:** Thank you so much Sir. 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 communicating the name and unmute status. We request people to go ahead with raising hands. The first person who raised the hand is Mr Chetan. Mr Chetan Doshi, you may unmute and speak.

**Chetan Doshi:** Can you please elaborate on your ATC business as to what products are you into? Who are your main customers that you focus and for the next financial year, from the current levels, because the turnover was very less last year. So, you cannot compare that with the current year because it is almost double. But going ahead, what are the prospects for ATC and are you looking for any defence orders from the Indian government for this particular division?

**V Senthil:** Do you have any other questions? If yes, we will take all the questions and then answer.

**Chetan Doshi:** No. I have full faith in the management as far as the balance sheet is concerned. I appreciate that it is as per the requirements.

**V Senthil:** Ok. So, we will start with the ATC division. We make components which go into, various aircraft manufacture. We make parts which are engine parts, and other parts which goes into the body of the aircraft Now, as you know, the customers are only the OEM customers for us. So, it is a handful of 5-6 customers that we service. The question is where are we on our ATC business. Of course, we have seen an increase in the turnover compared to the last year and I will try to explain on an overall basis. Our ATC business is split under two parts. We categorise them as i) metallics and ii) composites. The metallics business is catering to all the product sub-level components to the OEM players. Under this business, we have been able to establish a significant export business. Almost 90% of total metallic business is towards exports, only 10% is within the domestic industry. It is not catering to the local industry. We are only catering to 10% in the domestic market. The reason for that is that we are able to get long term contracts. In these contracts, we are dealing with the export market, i.e., large private OEMs. Generally, they have order book of about 5 years. This is what you can look for. So, with a 5-year order book, there is a possibility for us to plan everything better within this particular business and we get better returns as well. So, the focus here is to increase our export on the metallic side. Of course, the composite side is something that we have established around 4 years back. Predominantly, the composite business caters to the aerospace industry within India. We make parts for all the Government organizations within India. However, since we have a metallic business with an existing set of customers, we are able to use the same and increase our metallics, what we sell to them, on the composite side as well. So, as of now, the challenge for us is to establish in terms of our ability to cater to the composite business to our existing customers on the metallic side. What we are saying is that we have been able to give a very clear focus which has helped us turn around during the 6-7 quarters. It has become profitable and of course, the reason, we should be very clear, the way this business works, you need to procure raw material which is specifically a very long lead-time material and be ready for deliveries because they give us schedules for about 5 years. So, in these 9 months, we have been able to cater to the demand including the increased demand. Especially in the last quarter, there has been an increased demand which we have been able to cater to. That is the reason we see the turnover has also gone up

significantly compared to the previous year. So, we should say that this has stabilized to a significant extent.

**Chetan Doshi:** Do you look forward to sequential growth in this particular division in the coming quarters?

**V Senthil:** As far as the new growth is concerned for this division, yes, it is possible and we will have to, there is a lead time for parts. So, all the good work of our division is what you are seeing today. So, currently we are working on the next set of parts which will take us to the next higher level in terms of turnover. But there is a lead-time for that. The team is completely working on taking it step by step to the next level.

**Chetan Doshi:** What is the aim of the company. In the next 3 years, do you want to make it Rs 1000 cr contribution to the total business of the company? Is that the focus?

**V Senthil:** Mr Doshi, in these calls, I generally prefer to take down all the questions and answer sequentially. So, if you have any other questions, do let me know.

**Chetan Doshi:** The future belongs to this division. And when you say aerospace, in the aircraft manufacturing space, there Boeing and Airbus are the two leading companies that the company can cater. They have a backlog of more than 5-6 years as far as the aircraft are concerned. So, if you are indirectly tied up with these companies, definitely, the future for this division is tremendous. If it is not, then at present it is minuscule, whatever we have achieved. So, I want to know where would we like to move ahead in the coming years.

**V Senthil:** Ok. Do you have any other calls about any other divisions?

**Chetan Doshi:** No.

**V Senthil:** Absolutely. If you are looking at a global scale, there is a tremendous potential within this business. There is no doubt about it. It is Airbus and Boeing, it is not just 5-6 years but they work even with a 10 years order book, depending on how they look at the manufacturing. Of course, when you talk about the aerospace parts, space parts, whatever components we make, if it is non-defence sector, it goes to these machines in some way or form. While there is a potential, we have to be aware that this is a global market and we are competing against global supply chain and most of the supply chain is global. They have global supply chains. So, you are making a technical part for which everything comes from abroad. We do a conversion and again, ship it abroad. So, it is a very competitive business. While there is tremendous opportunity, it is a very competitive business and what we are actually doing is taking someone else's market share. It is not that Boeing or Airbus are waiting for some of their parts to be made. You are getting integrated into their existing supply chain and trying to take some more business share from someone else. That is how you build the business. Or a new model comes along and you start by being integrated into the development and it is a very long lead time in such cases. If a new machine is being designed and we get into that supply chain, then you are looking at a very long lead time play in this. The area where you should tremendously develop capability is to withstand in term of investments or lead-time to be in this business. I 100% agree with you that there is opportunity. It is slowly coming into the country especially with China+1, there is more opportunity for such parts being sourced from India. It does provide an opportunity for us. We do not give any futuristic numbers. We do not do that generally. But I think there is enough opportunity for us take it forward, depending on how it unfolds. Of course, we are careful and also clear that when we build a capacity, we generally try to build a capacity which is fungible for other suppliers as

well. So, when I am supplying a part to a particular company, I would ensure that I am also able to use the same infrastructure to supply to some other person for a similar part because we do not want to isolate an investment for a specific part and then, if there are no orders, then we will have challenges on returns. So, we are clear with respect to the kind of investments should go into this particular plant, the market we should try to address, and parts we should pick up. At the same time, since we believe in this facility and our story on the ATC segment in terms of opportunities in India, we have invested in composites. That is what I said, four years back, we not only did metallics but also the composite parts. Today, our composite parts are going into rocket launches. We are proud to say that anything which is launched has a composite part from us. So, that kind of capability is available. That is something we will continue to invest and we have been investing as well. Even in the current year, we have invested.

**Chetan Doshi:** Just one last summarized question. How much is the repetitive business which we have got? Becoming the vendor of these companies is not is not at all easy. How much repetitive business you have got in the current quarter turnover?

**V Senthil:** Actually, 100% cannot be repetitive. This business is done in two ways. One is existing order book getting executed and then what we call the sample pieces which go out for approvals. Approval pieces and repeat pieces. So, almost 95% would be based on the repeat order book.

**Chetan Doshi:** That is great. Congratulations to the company and the team.

**V Senthil:** Thank you.

**Chetan Doshi:** That's it from my side. Thank you very much.

**Moderator:** Attendees, please raise your hand for the next question. The next question is from Mr Hemant Kotadia.

**Hemant Kotadia:** Sir, my first question is on the order book side. I missed the number of the order book. The second question is on the textile and machinery division, and the new product launches. What are we going to launch? What is the status on that? Could you provide the size of the opportunity/market for the two products, what we are going to launch? The third question is about the machine tool division. We have lesser turnover for this quarter. Is this because of the declining order book or capacity constraint? The fourth and the last question is on the margin of textile machinery division. There, I see it is lower by 70-80 bps as compared to the last quarter. This were the four questions that I have.

**V Senthil:** The order book, both domestic and export together, is around Rs 4000 cr and within that, the active order book would be close to Rs 3050 cr. Over the period of last 3 quarters, we have seen a slight dip in the order book. As you know, the textile industry as such has had a very challenging time. We have seen this for the last 3 quarters. There seems to be a slight revival at this moment with respect to the capacity utilization at the customers' end and also some exports are going a little bit better. However, we are not seeing any immediate light in terms of order recoveries as far as Q3 is concerned. This, to our knowledge, has been almost the longest continued dip in order flow that we have seen. It has been happening since last 9 months. With respect to margins, of course, the reason for decrease in the value terms is because of the turnover that I mentioned and the operational margin coming down. I think that is the reason we see that there is a slight dip in the margins. With respect to new products, I think you are referring to Lakshmi LAW 60, the winding machine

and the airjet. As was informed during the last meeting in August, during the AGM, we continue to work on it. Right now, the first one out of our table would be LAW 60, the auto winder. We will not be discussing the air jet machine right now. It will be out in the next year. But the winding machine, we will have limited launches/trial launches over the next few months. We will discuss about it. As and when we commercially launch it, we will definitely inform in the meeting. As far as the market size for that is concerned, if I remember, we did say that it would open up a potential of close to USD 1.7 to 2 billion market size. That is as far as the new product is concerned.

As far as MTD is concerned, the dip in turnover was more to do with the sales. It has nothing to do with the capacity. For MTD, we do have capacity and have continued to invest in MTD. So, we are closer to 30% ability to grow on capacity. So, that is not a constraint as far as machine tool division is concerned. There was a slowdown which we noticed the last quarter and that was the reason. So, nothing to do with the capacities.

**Hemant Kotadia:** Thank you. And Sir, due to Red Sea issues, are we seeing any bump up in ordering activities or are people just confirming orders as they want to have the machinery with them? The second question is on the China sales. China sales is lower. So, could you explain that part? Thanks.

**V Senthil:** Thank you for your question. With respect to Red Sea, perhaps it is more in terms of what we import and yes, we do get material through that route. However, since there is a lead time and we are covered for 15 months, we are not seeing the impact of it immediately. Of course, it takes a longer route. It is little bit of higher cost, but, especially from a production perspective, it is not an immediate showstopper for us because we have adequate inventory. Our SCM has done a good job handling the demand and having those components already with us. With respect to LMW China, our turnover for the overall 9 months was around Rs 18 cr. I think there are two things which happened in China, which have resulted in low turnover. We are now trying to rebuild the team. So, we have mentioned that, but I would like to say that for almost 3 years, we could not get into China because of Covid reasons and very strict conditions where we could not get into the country. So, we were able to get into China starting post Feb 23, Chinese New Year. Right now, it is Chinese New Year. So, exactly a year back, post new year, we had sent our team. Till that time, it was handled by just one person, and we had to completely scale down. So, the impact of it is being felt now because we did not have a full-fledged team. Now, we are rebuilding it. People are there. So, this gap has resulted in us not being able to pick up new orders for execution during the current year. But we are positive that this will come back in the next year. So, our team is working on it. But otherwise, in general, yes, there are investments happening in far east in China. So, that is the second point. The first point is the one which has given us this gap and we are positive that we will be handling it appropriately, going forward.

**Hemant Kotadia:** Thanks Sir. Thanks for the detailed answer. All the best.

**V Senthil:** Thank you. Back to the moderator.

**Moderator.** Thank you, Sir. Attendees, please raise your hand for the next question. We have Mr Manish Goyal. Mr Manish, you are unmuted and can start your video.

**Manish Goyal:** Sorry, I may not be able to switch on the video due to the bandwidth issue. A very good afternoon, Mr Senthil. On the LMW Global side, you gave the numbers of revenue of Rs 217 cr vs Rs 69 cr. Is this largely pertaining to the Dubai facility? Right?

**V Senthil:** Yes, Mr Manish. Good afternoon to you. Yes, LMW Global, we are referring to LMW Dubai. Yes.

**Manish Goyal:** Ok. Sir, just to clarify, you gave the number of order book of Dubai at Rs 60 cr and for China at Rs 41 cr. So, is this Rs 101 cr of total book included in this Rs 4,000 cr?

**V Senthil:** No, Mr Manish. This Rs 4000 cr comprises the domestic and the exports from India, which we have from the existing orders we will execute and complete. Apart from that, out of the Rs 4000 cr, around Rs 200 cr is LC backed export orders from India. What is there is Rs 60 cr is under LMW Global.

**Manish Goyal:** Ok. Sir, on the TMD division, you mentioned that we are seeing some improvement in textile mills capacity utilization. So, are we seeing any changes in the order inflow momentum, both on the unitary machinery side and the composite mills side, or complete project side? And, on the exports business also, could you give us some perspective on the outlook?

**V Senthil:** Thank for the question on this. The first and foremost, we have seen a slowdown for about 9 months. Even in the last quarter, we have not seen a revival. In fact, we have seen a sharp slowdown in terms of order flow and that is the reason you see that the overall carry forward orders have come down. The reason we mentioned is that yes, we do see some sort of improvement in capacity utilization and a little bit of margin on the customer side; it gives us a hope that going forward, things will be perhaps much better. But, like I already said, we have seen a continuous slowdown for 9 months. Looks like it will be there for some time. It is too difficult a prediction for us to make. Since you also asked on the export side, I can share with you that there are many moving parts in what you can see. So, recently Bangladesh, which was the biggest market for exports for us, had changed the policy where the export of garments gets some benefits, incentives which are similar to our ROSCTL, whereby, now, I believe and what I understand is those incentives have been removed. So, they did not get the material, whether it is the yarn which is produced within Bangladesh or yarn that is imported into Bangladesh. So, in one sense, it gives an advantage for Indian spinners because they will be able to export more yarn. Bangladesh is already a big market for yarn import, which imports the Indian yarn, but it gives a bigger opportunity for them to sell to Bangladesh. So, there are a lot of moving parts. And countries where we supply, like Turkey and Indonesia are having their own issues and I think it is a very challenging time. Last time, the previous order flow which we had prior to the 9 months, many of those were project orders. That is what our customers continue to take. So, that has been the reason we have been able to consistently deliver machines to our customers. We hope that we are able to sail through this. But I think we cannot give a very clear visibility at the moment, except to say that based on the cotton and yarn prices, it seems a little bit better over the last one month or so, which is of course, a very short time. With respect to the project wise orders, what do we hold- it is evenly split. Almost 50% are project orders and 50% unitary machine orders is what we currently hold in the domestic order book, what we just explained.

**Manish Goyal:** Ok. Just to clarify, you mentioned that Bangladesh has changed the policy of removing the export incentives for yarns.

**V Senthil:** No. The export of garments, they get incentives depending on the they use-domestic or imported. That, I believe, has been removed, which makes it evenly placed whether you are a domestic spinner or importing yarn to make the garments. So, what I am saying is that there are too many moving parts at the moment. As you know, it is a very challenging environment out there, as far as textiles are concerned. But, let us hope well. We

have held thus far and people still believe that this is the right time to invest because when the demand comes up, they will be ready for production. To some extent, we also follow this. But, it is a challenging time, for sure.

**Manish Goyal:** Sir, two more questions. One is on machine tools. It is a flattish kind of 9 months performance and margins seem to be on the lower end. So, how is the outlook on machine tools, both, on the revenue growth and the margins front? And then the last question I have is for ATC. What is the order book for us in both, metallics and composite? Thank you, Sir.

**V Senthil:** I will take the ATC first because it is a shorter answer. So, ATC, we are looking at closer to Rs 600 cr, delivering in 3-4 years. That is the existing order book which does not include any new orders which we can focus on and try to take in. The existing order book for delivery is close to Rs 600 cr over a 3-4 year time period. As far as machine tools are concerned, yes, the turnover has been flat for the last 9 months, But again, I believe that this will be a temporary phase. We have now come to a run-rate which we will have to grow at. We have invested in this and have enough capacity, i.e., close to 25-30% capacity available for us to grow within this particular division. The reason for the lower end of margins is the fact that we have invested and created capacities. That cost is also part of the costs right now. So, we now need to bring in a higher topline to increase the margins. That is where it is, as far as machine tools division is concerned. But I think it is in a steady state. We have to increase it. The entire team is working to increase the turnover. In the last quarter, we saw an overall general dip in the uptake. As you know, in this particular business, we do not work with a long order book at all. It is generally 1- 2 months of the order book. So, there is nothing in terms of the order book which is out there for the machine tools division.

**Manish Goyal:** Are you seeing any signs that you are probably looking for revenue growth in the near future?

**V Senthil:** We have invested in it. Definitely yes, the point is that we have invested in it. We believe that there is, there is China+1. There is PLI. We have a very stable currency. I think the right environment is currently present. That is why we believe, and we were clear for the last 2 years. So, it is only a matter for us to push for a higher number and use the capacities.

**Manish Goyal:** Thank you so much.

**V Senthil:** Thank you, Manish.

**Moderator:** Thank you so much, Sir. Going ahead with the next question, we have with us, Mr Abhineet Anand. Sir, you have been unmuted. You are ready for your question, Sir.

**Abhineet Anand:** Sir, the first one is for the textile division. For 9 months, how many spindles have you supplied and what is the number for the last year? The second question is, in terms of the difference between the active and overall book, the percentage seems to be widening. Could you please explain that? Third, on the machine tools part, you mentioned that there was some amount of sluggishness. Is it for us or the general industry that you are talking about? Lastly, on ATC, you mentioned that the order book is around Rs 600 cr. Could you let us know what was the number before the start of this year or maybe Q3 last year? Thank you. These were my questions.

**V Senthil:** I understood the spindles and the order book questions. You want to understand the sluggishness in the order book. The 9-month supply of spindles is close to around 1.3-1.4 millions. Of course, this has been the highest turnover for us. So, it could have been perhaps



10% less in the previous year. The order book, what and where I mentioned the active orders, right the active orders out of this, around 70% are inactive orders. The Rs 4000 cr is close to 23-24%, which is around Rs 900-1000 cr is a kind of inactive order book in that. Generally, what we consider an order book is where we have deposits. Generally, during a sluggish period, you are absolutely right, when things are tough, the orders get pushed out. So, the net order book generally tends to increase, and your observation is correct. There has been a slower rise as a percentage in the active order book because we take machines for delivery based on the order schedule. If, within a particular schedule, a customer requests us not to process, we put them in the back and the next schedule is taken up. That is the way it works. So, the general market trend and the challenges in the textile industry are making some of the projects pushed out or some of the unitary machines to be pushed out. That is also because we do not talk about spares in the order books and that is again the reason why spares have moderately reduced. Otherwise, previously, it used to be a higher number. It has also moderately reduced as a percentage of the overall turnover. I think as far as the TMD is concerned. For MTD, the sluggishness, I can only talk about our order book, as far as MTD is concerned. Our understanding is that there is a slight slip in the last quarter offtake in general, in the industry. That is our understanding. With respect to ATC, we generally give a 3 years orderbook. In fact, as new orders come in, they get added to this orderbook. So, if you take a comparative and year and a half back, or so, it would have stood at around Rs 450-500 cr, as new orders come in, they get added to this overall turnover of 3-4 years. Any new part that comes in, like I was explaining to Mr Chetan at the start, any orders which we pick up, pick up generally comes with a private OEM. On the aerospace side, it generally comes with a 5-year visibility in terms of releasing the supply. They issue a 5-year purchase for us, in terms of numbers. So, this would have been Rs 450-500 cr. So, it would have been Rs 100 cr less, if you were to look at a year or 18 months ago. Thank you.

**Moderator:** Thank you so much, Sir. Proceeding with the next person with raising hands, we have with us Mr Avish. Mr Avish, you have been unmuted. You can also have your video turned on, if you like.

**Avish:** I just have one question. Can you give us a segment-wise breakup of divisions, like how much is the export and how much is domestic for a particular division?

**V Senthil:** Yes. Any other questions?

**Avish:** No. Thank you.

**V Senthil:** As far as the textile machinery division is concerned, for the quarter, we have 64% domestic, 21% export, and 14% spares. For machine tools, almost 97% would be domestic and for ATC, almost 97% would be export.

**Avish:** Ok Sir. Thank you.

**V Senthil:** Thank you.

**Moderator:** Thank you, Sir. The next person who has raised his hand is Mr Mayank. Sir, you are unmuted. We are ready for your question. Mr Mayank, we are not able to hear you.

**Mayank Chaturvedi:** Hi Sir. Just one question from my end. On this machine tool industry is there any specific end-user industry where you are seeing a slowdown which has led to a slow offtake in the revenue?

**V Senthil:** I think the ratio of machines we supply to the industry segment, almost 50% is auto sector, followed by engineering, followed by others. There are almost 20 sub-sectors after auto; auto being the largest sector of what we supply to. So, we do not have any specific data to say that this particular industry slowdown is causing the dip. But in general, it seems that there was a slowdown and now it seems to be coming back up. Like I said, it is very difficult for us to predict. I was just explaining to Mr Manish that we do not work on the order book in this particular business. So, it is very difficult to say that for a particular industry, we have a steady-state order book and for particular industries, we do not know the steady-state order books. There will be challenges if we make that assumption.

**Mayank Chaturvedi:** Thank you, Sir. That was my only question.

**V Senthil:** Thank you so much.

**Moderator:** Thank you, Sir. Attendees, please raise your hands for your next question. Thank you, Sir. Now we have Mr Manish Goyal who has raised his hand. We can allow it.

**V Senthil:** Yes. We have time. Yes, Mr Manish. Please go on.

**Manish Goyal:** Sir, coming back to machine tools, I would also like to get a perspective on-how is the market? What kind of growth is it seeing? Are we probably seeing on the other side that a large part of the growth we have had is through imports? Could you share some insights on how the market is doing? Is it that we are losing some market share in turning machines or not able to get the market share in the machine segment?

**V Senthil:** I think the larger question is about the market size, if we take a 5-year view, we definitely expect the market to grow. It is for a few reasons which I may have to repeat. i) the China + 1 ii) the general GDP growth iii) pushing of demand. We feel that all these indicate a healthy demand within the machine tools segment. Yes, this is the one that is driving us to come up with additional capacity creation for this segment. Market share-wise, with respect to turning centres, we are upwards of close to 25%+. , of course, in some products we have a single-digit market share and that is something which we will definitely work on because these are all new introductions and we are fairly confident that this could take time for us to establish and grow the market share from thereon, i.e., vertical machine centres. But, we are clear that these segments are going to grow in the long term. There is no doubt about it and imported vs domestic machines, I think for a long time, that ratio has not changed much. It is still around 40% of the Indian market is domestic and the balance is imported. I do not think much dent has been made in terms of changing that share. In fact, I would go on to add that considering the growth potential, more foreign players have come in, set up shops, expanding in India, and bringing their machines along. At the end of the day, as the market becomes stronger, the Indian customer definitely needs localized support and services. So, people are open and many foreign players have started establishing their own facilities in India to service them. From India perspective, it is good that they are able to get because once they establish here, they will have a localized sourcing here, it will definitely reduce the cost for them, and it will help India in terms of long-term exports. So, yes, there is competition, and more competition is coming. We need to be prepared for that.

**Manish Goyal:** Sure, Sir. Thank you so much.

**Moderator:** Thank you, Sir. The next person is Mr Mayur Parkeria. Mr Mayur, you are unmuted.

**Mayur Parkeria:** Sir, just two questions. One is given the order book which we have, on the TMD side, do you expect that in the next quarters we will see a substantial revenue fall compared to the last quarter of last year? Or, do you think that it will be a similar kind of revenue fall which we are seeing in this quarter? That is first. Second, for the machine tool division, are we looking at expanding our market capabilities and potential? Or will it be largely in these two verticals and turning centres that we have? Are we looking at our market size potential? And currently, what is the market size of the segments which we address? These are my two questions.

**V. Senthil:** As far as the first question is concerned, we do not predict. We are in the capex business. It is very difficult to predict the numbers. That is what I explained in the last few questions that we are heading a slowdown. The slowdown that we have seen continues to be there even after 9 months. And that is very challenging situation and now we are seeing some bit of revival for our customers. But for us to translate that into order flow and demand would take some time. May be in the next 2-3 quarters, we will have a better clarity. Because we continuously have to work with our customers to see how to make things happen be there to support with the supply. If they say something to be pushed out, then we have to handle that as well. With respect to the machine tool, the question that you are asking is- if we are trying to expand the market size. Now, the expansion of market size will come by different types of machines being made. We are not planning to make any different types of machines in turning centres and machine centres. We continue to be in these two segments. For us to expand the available market size, there are many machines, i.e. metal farming, metal cattle, and grinder machines. There are other machines as well but we are not into that and we are not trying to be in any of the other sectors apart from these two types of machines. The market size currently for these two machines is around Rs 5000 cr-Rs 6000 cr, give or take a few hundred crore here or there. That will be the market size where we are currently operating. Thank you.

**Mayur Parkeria:** Thank you.

**Moderator:** Thank you, Sir. Thank you so much.

**V Senthil:** Thank you.

**Moderator:** Thank you so much, Sir. This brings us to the end of all the questions from all the attendees. Now, I believe that we do not have any further questions. Questions from everyone have been taken up. Thank you so much, Sir.

**V Senthil:** Thank you, everyone.

**Moderator:** Thank you, Sir.

\*\*\*\*\*