LMW LIMITED

(formerly Lakshmi Machine Works Limited)

Our Ref: Sec/270/2024
Date: 4th November 2024

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

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

Dear Sir/Madam,

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

In continuation to our letter dated 18th October 2024, please find the attached transcript of the Analyst/ Investor meeting held on 29th October 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 LMW LIMITED

COIMBATORE RAMANATHAN SHIVKUMARAN

Digitally signed by COIMBATORE RAMANATHAN SHIVKUMARAN
Date: 2024.11.04 14:42:53 +05'30'

C R SHIVKUMARAN
COMPANY SECRETARY

Encl: As above

TRANSCRIPT OF Q2 INVESTOR CALL:
LMW Limited (formerly Lakshmi Machine Works Limited)

Moderator

Ladies and gentlemen, good day and welcome to the earnings call of LMW Limited for quarter two of FY24-25 hosted by NSDL.

As a reminder, please note that the participants 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 note that this call is being recorded. This is Sameer from NSDL.

We have with us Mr. V. Senthil, Chief Financial Officer and B. Dhanalakshmi, Senior General Manager of the company and over to you sir.

Mr. Senthil (CFO)

Good afternoon, everyone and thank you for joining the LMW Limited earnings call for Q2 FY 24-25. We will have a brief about the overall performance of the company for the period ending September 24 followed by an interactive session.

I would also like to clarify that certain statements made in the discussions of conference will be forward looking in nature. To begin with let me explain about the overall performance of the company. Then we'll proceed to the segment wise performance and the consolidated performance.

The financial results have been posted on the company website and I hope you had the opportunity to go through the same. The revenue for the quarter ended September 2024 is rupees 750 crores as against rupees 659 crores for June 24th which is an increase of around 14%.

The company has achieved in H1A revenue of 1,410 crores for the period as against 2479 crores for the corresponding previous period which is a 43% decrease in revenue. PBT stands at rupees 56 crores for the current period as against 270 crores for the previous period. This accounts for a decrease of around 79% of PBT.

Now going to division wise TMD, revenue for the period stands at 896 crores as against 1,991 crores for the corresponding previous period resulting in a decrease of around 55%. Textile Machinery Division's revenue for the quarter ended September 24 is Rupees 457 crores as against 440 crores in the previous quarter resulting in an increase of 4% when compared to the quarter ended September 23 resulting decrease of 56%.

The loss for H1 stands at 19 crores as against a profit of Rupees 189 crores for the corresponding period last year. With respect to order book, currently we hold an order book of 3300 crores of which the active orders are around 2500 crores. With respect to the sales which has been clocked, the domestic versus export versus spares the percentage is around 71% domestic, 7% exports and around 22% of spares.

We have mentioned during the last quarter that we have gone into a five-day working as far as Textile Machinery division is concerned and so is foundry and this is set to continue doing during the current quarter as well. This is on account of lower capacity utilization. The capacity utilization is around 45 to 50% in Textile Machinery division and the trend seems to continue depending based on the order flows, what we are currently seeing.

However, with respect to the new policies we are expecting, especially we have seen that the latest Gujarat policy has come in, we expect things to pick up in due course.

Now I move to LMW Global. The turnover in LMW Global stands at rupees 14 crores for the half year ended September 24. As against a comparative number of rupees 148 crores in September 23. The order book in exports is closer to 280 crores on hand. In LMW China we have been able to clock a turnover of 17 crores and for the comparative period last year it stood at 11 crores. The order book in China stands out to be 22 crores.

Now I move on to Machine Tool Division and Foundry. The turnover in the Machine Tool Division and Foundry is rupees 478 crores for a half year ended September 24, as against rupees 515 crores for the corresponding previous period. Out of this 15% relates to Foundry turnover. The balance is towards Machine Tool Division.

We are operating at a utilization of at around 70% in Machine Tool business. With respect to ATC the turnover for the H1 stands at 82 crores, as against the corresponding period the turnover of 84 crores. With this brief I would like to stop and we can start the discussion and the interactive session.

Over to you Mr. Sameer.

Moderator

Thank you so much sir. We will request the attendees to please raise their hands so that your questions can be taken. We would once again request the people in the attendees to please raise your hands if at all you have any questions. We're still waiting for the attendees to raise their hands.

Okay, we've got Saloni Jain from our attendees. She would like to ask the question. Ma'am Saloni, you have been unmuted. We would request you to please go ahead with your question and also turn on your video if you like.

Ms. Saloni Jain

Sure. Hi sir. So, my first question is based on the fact that we had been seeing some sluggishness in the demand for our machines due to sluggishness in the sector itself.

Now what is your outlook with respect to demand since there is some kind of uptick that we can see in textile demand?

Mr. Senthil (CFO)

Do you want to complete all your questions and I'll answer them together?

Ms. Saloni Jain

Sir, this is my question for now and if there's any follow up, I'll ask.

Mr. Senthil (CFO)

Okay, thank you for that. With respect to the textile division, over last four quarters we have seen challenges in terms of the profitability of our customers and of course and also the offtake of the yarn as well, especially on the synthetic side. There has been some challenges in terms of profitability, especially because of the pricing, the input, raw material.

However, with respect to the order booking in itself, I would say that the last two quarters has been little bit better compared to the Q4 of last year. We are seeing a general trend, but again it is, it is very minor.

Mr. Senthil (CFO)

I mean it is better by 20, 25% but still the order booking is less than what we are actually executing. And so, we are using the current existing order book and we are executing those orders which are already there. So, the replacement orders are not as good as what we would want it to be. Having said that, now we've got a policy which was released, the Gujarat policy which was released, which is very positive.

Of course it supports to a larger extent it is towards the manmade fiber and the both the subsidies which are within that. It is a very positive thing which they, which they are trying to do. And we would see the results of this perhaps over the next, if not the current quarter, the quarter after this. So yes, we are a bit positive that things would change in the domestic market. Talking about the international markets, the two large markets for us, which is Bangladesh and Turkey. Bangladesh is still having its own challenges.

We have, whilst we have orders, unfortunately because of the situation in terms of the Forex issues in Bangladesh, they have not been really able to take the machines even though we have those orders. So, there are pushouts in these countries. Turkey is also slowly coming back.

It of course has its own challenges. But yes, there are potential orders there which could materialize for next couple of quarters. But domestically speaking, I think we hope to see some positive changes because right now, at least in the current immediate quarter which has gone by, there has been some amount of profitability in this particular spinning segment. Thank you Back to you Mr. Sameer.

Moderator

Thank you so much sir for answering that question. We waiting for more people to raise their hand so that their questions can be taken. We would request the people in the attendees to please do the needful so that your questions can be taken. We've got a couple of more people. Mr. Hemang is with us. Mr. Hemang, since you raised your hands, you have been unmuted and also you can turn on your video if you like. Mr. Hemang. Kotadia, we are ready for your question.

Mr. Hemang Kotadia

Yes sir. Good afternoon.

Mr. Senthil (CFO)

Good afternoon. Mr. Hemang, we can hear you. Please go on.

Mr. Hemang Kotadia

Yeah, yeah. Sir, my question on the machines that we are going to launch Auto Coner and a spinning machine. So, if you can throw some light on the timeline of the launches and second question on MTD, MTD division where you will see the growth is coming from MTD division going forward and what is the outlook for the particular division and last question on ATC, all the majority of sales coming from exports. So how you see going forward the demand of both the metallics and composite divisions. Yeah, that's it. These are the three questions I have right now.

Mr. Senthil (CFO)

Okay, thank you. Thank you. The auto coner I mean basically Lakshmi Winder would be. I mean it is already there in the works. I think as we have mentioned in the past as soon there will be some soft launches of these products which will be done and those reloads will happen before the end of the current year. So probably some during next quarter should happen. Air jet we don't discuss at the moment. We will come to that as and when we are ready.

Yeah, there are some launches kinds of being planned for that. But autoconer I've also already given in with respect to MTD. Hence, and I think auto vs non-auto sector pie chart as to where we sell, we have migrated from where it used to be closer to 55% plus on the auto sector to almost 40% to the auto sector and almost 60 now 60% to the non-auto sector. So there's a large demand on the non-auto sector, especially on the engineering side which is kind of coming in and we are addressing it with the launches of what we call the machining centers which is the vertical machine centers and the horizontal machining centers.

And I just also mentioned that for the capacities what we have put in we still are only clocking 70% so we still have upwards of another 25% capacities available to address this demand. So, I think from the sector perspective engineering. Engineering sector is very positive. And that is the way we look at it. With respect to ATC, the metallics division is doing a lot of exports.

And if you actually go back to the past, the turnover was more around domestic market. But now what we have found now is considering dynamics of this industry it is mostly import raw material. For us the right choice is to improve export, where we have a natural hedge and the contract is long term in nature.

When I say long term we are talking about long term of three to five years which gives us stability as well. And it helps us to also grow with a particular customer. I think that is the reason with which we have gone into the export market. Almost 90% of ATC business is on exports. Composite is something which we are building right now whilst we have invested in this for last three years. And we have a good set of facilities for the composite division. Currently we have private sector orders especially on Export market.

Predominantly we had kind of ring fence these capacities for non-private sector. But now we have decided to go into private sector and go with the same set of customers who are currently dealing with us in the metallic side. So, this is taking time to roll this out.

But we are quite positive that we will be rolling this out over the next couple of quarters and we'll be stabilizing composite as well. But yes, both metallics and composite definitely are good business to be in. So long as we're able to use up the capacities what we have put in. That's it. Thank you. Back to you Mr. Sameer

Moderator

Thank you so much sir. Thank you. We are waiting for more people to raise their hand so that their questions can be taken. The people in the attendees we were requested to please raise your hands if at all you have any questions. Mr. Mayank, you have already been unmuted. We can also have your video turned on for the question if you like. Mr. Mayank, we are ready for your question.

Mr. Mayank

Hi sir, good afternoon. So, what is the current active order book for the company?

Mr. Senthil (CFO)

Good afternoon, Mr. Mayank. The active order book is around 2500 crores for Textile Machinery division, domestic market.

Mr. Mayank

All right. And so, we've been seeing that the incumbents in the defense industry be it Hindustan Aeronautics, Bharat Electronics, they are looking out to

outsource more and more Work to private players. And you've already developed a good base in the metallics division in the atc. So, are you looking at capturing some of those opportunities there?

Mr. Senthil (CFO)

Definitely, as we see when we say we are happy to work with anyone in the current defense industry, but again, subject to the terms with which we operate in. Right. So yes, we do work with the few of the names, what you mentioned, but predominantly capacity allocation is towards where there's a visibility of long-term contracts with dollar revenue.

That is where we have pivoted to in the last few years. And this goes back to the fact that if you were to look at the balance sheet of this particular company four years back, we were in a loss. Right.

So we did make a conscious decision to go into exports. But yes, we do work with the companies what you mentioned as well and how we build that up, how we add capacity, is there what type of machines you bring in to kind of cater to the segment we want to cater to. So, for example, if you take whether it is structural, whether it's engine parts, so that is the vertical which we kind of focus on and we look after those specific areas which gives us the ability to specialize. So, if it is structural, then we do more structural. If it is engine parts, then we try to do more engine parts. Something like that.

Mr. Mayank

Yeah, that's actually where my question is coming from. Like we are going to see a lot of helicopter manufacturing taking place in India. Engine manufacturing will follow. So, any plays there that you might foresee participating in maybe two, three years down the line, if not today, because they seem to be long term contracts like you mentioned.

Mr. Senthil (CFO)

Point taken and which that's exactly what we do. So, if we, if we go into for example engine parts. Right. So, we'll try to do more and more of those engine parts because they're all related to each other because they run with this similar kind of a metal composition. So, if you're looking at some, some sort of a raw material, which is an alloy raw material, then we, the machines also have to be in that range of those machines and that is what we would kind of invest in.

So it makes a lot more sense for us to invest and specialize into these, considering that the metals which we will work on or we cut would be pretty much similar. Thereby we will get scale, we will get knowledge, know how tooling abilities giving us the best possible place to be with better margins. That's. That's the idea. That's the idea.

Mr. Mayank

Okay. Okay, great sir. And just on the MTD division, you highlighted now 60 is coming from non-auto. If you can just break that down give us more nuances which are the industries, you're looking at on from perspective they are multiple.

Mr. Senthil

I mean we are talking about maybe.

Mr. Mayank Chaturvedi

Three, four biggest names. Bigger names if you can.

Mr. Senthil

It's pretty much a set of 20. So, the big one. Okay. And then you've got a 20 of them on the side. But yes, it is general engineering tool and aerospace, electronics. So, everything is mixed.

Mr. Mayank Chaturvedi

It keeps on varying quarter after quarter. Probably that's why you're unable to. Okay.

Okay. Great. Okay. Thank you for answering.

Mr. Senthil

Thank you. Thank you. Back to you Mr. Samir

Moderator

Thank you so much. Sir. This was Mr. Mayank with his questions. If you'd like to invite the further questions from the rest of the attendees, please do raise your hands if you have any questions. We have with us Ms. Amrita. Amrita ji You have already been unmuted please proceed with the question.

Ms. Amruta

Thank you for this opportunity. So, I have questions on the TMD business as in what are the kind of new orders that we book in this quarter and in earlier concourse you've spoken about catering to exports in the TMD division by doing some capex in the UAE. So could you please talk more about that and in the ATC business what is the order book and its visibility. Thank you.

Mr. Senthil

Thank you for the question.

Ms. Amruta

Those are my questions.

Mr. Senthil

Yeah. So, the. The overall order book is at around 3300 crores and active order book is 2500 crores.

Quarter on quarter basis, if you do the math with last year's last quarter what we declared it should be with the higher order book. But current order book is in the range of around 200 to 220 crores for the quarter which I also mentioned is kind of little bit less compared to what we actually rolled out.

That is with respect to the order book with respect to UAE the what we have mentioned and I would definitely repeat that the we have got two companies in UAE. One is called LMW Global which is the operational company which currently has an assembly facility alone. We don't do much manufacturing there in terms of machine shop etc. but we do a lot of assembly work there and that caters to the export market.

What we have and is also a company called LMW Holding. And that company is technically going to become a holding company whereby it will be holding company for LMW Global, UAE and LMW China.

We are in the process of consolidating these two subsidiaries under the holding company. But that holding company doesn't have any manufacturing or other facilities. So effectively we've got a China facility and a Dubai facility which both come under the LMW holding facility. That's about it. As far as there's no major investment which is going inside UAE. It is only a transfer of business.

What we have is the assembly plant which we already invested in 2022. With respect to the ATC business, Our order book is in the range of almost 250 to 300 crores is the order book for this business over next one and a half years. And that would get executed , as and when the full orders come subsequently then it will also get executed.

Of course I am only giving you whilst we say that there are order books visibility because we have order books for three years. Our visibility based on the what they call the purchase orders which are flashed for us. The contracts are for longer period ,but purchase orders get flashed for us every time for quite a long period of six months to one year and that would be closer to around 500 odd crores. Thank you. Back to you, Mr. Samir

Moderator

Thank you so much sir. Next we have the question from Mr. Manish Goyal. Mr. Manish you have already been unmuted and we are ready for your question.

Mr. Manish Goyal

Yeah, thank you so much. Hope you can hear me.

Mr. Senthil

Yes Mr. Manish, thank you. Please go ahead.

Mr. Manish Goyal

Yeah, thank you so much. Sir I have few couple of questions just to clarify. On the LMW UAE what were the revenues and profitability with the comparable numbers. If you can share. Second on how is the likely, you did mention the order book is for the Exports is roughly 280 crores. So is it pertaining to overall export order book or it is pertaining to only the UAE subsidiary.

That was the second question and third question on the TMDs for the domestic market and exports both if you can give us perspective that are we getting project orders or these are all largely the standalone machines order and how do we see you perform on quarter on quarter improvement in order inflow.

Maybe if you can give some more perspective as to how is the scenario now and do you expect that this five-day working schedule to then be restored to your normalized working schedule of six days and on the Machine Tool Division, I believe you did mention that auto share is declining. So, when we are seeing flat revenue growth is it that because of decline in auto which is probably compensating on the growth in the non-auto sector. And so going forward how do we See.

The growth rate going forward? How is the order pipeline building up and, on the margins, Front like still are we probably seeing challenges from our new launches in VMC, HMC and probably they are impacting the overall margins due to launches of new machines. And when can we see margin improvement? We going back to double digit margin of 14-15%. Sir. Yeah. These are the few questions. Thank You so much.

Mr. Senthil

Thank you. Thank you. Mr. Manish, I think with respect to the current actually for the six months we did around 49 crores. The range of around 45 rather a little bit low I think it's 4%. But last year the turnover for the same period was around 149 crores and it's around 8% was the profitability there Now these 285 crores is the overall export order book.

So, this 3300 crores apart which was the domestic orders, this 284 is more on the export order book which they sit on of which I did also mention the challenges of the Bangladesh because this is comprised of orders which where we got lcs but you know because of things we are not able to dispatch. So that is the reason the export as a sales value is a little bit less.

Now with respect to the domestic order book things like I said last three quarters if you see definitely things are improving but they're improving marginally predominantly I would say these are still modernization orders. I would put only 20 as projects. 80% would still be modernization. So, you can take anywhere from you know plus 5% plus minus 5%. So, 20-25% being project and balance 70-74% being the unitary machine orders like I mentioned already. Considering the order booking and also the fact that the well served active order book for us to support these orders. It is definitely being a challenge and our capacities like I mentioned is closer to the range of 40-50%. I don't think we will go back to full working till our capacity goes up.

So right now, we can't give a very clear indication of when we'll be normalizing back to six days. Now coming to Machine tool division, the reason of there are two ways to look at this, the reason of having lower auto sector contribution to our turnover is basically because of increase in the VMCs which was a new addition to the line which was done probably almost for last two years. And slowly the volume as a percentage is also increasing as a volume and as a percentage VMCs are kind of increasing which is catering to the non-auto sector. And as you Know this MTD business, there is no major auto pipeline.

We maintain one and a half months maximum order booking and delivering. So. But I would say that yes, it is the offtake has been better. We are seeing the numbers grow. As far as the vertical machine centers are concerned, we have also launched our horizontal machining centers and a couple of machines are also launched there.

Definitely one of the reasons for that the margin is that the second reason is the fact that the foundry, since this is mission to learn foundry business put together. The foundry utilization is also similar to that of textual missionary because foundry is pretty much feeding into textile and the mission tool division. There is a loss in foundry division which is also kind of pulling the margins down in our MTD and foundry put together because of underutilization of capacities in the foundation.

But yes, there is as we build the members in the VMCs then there will be definitely like to like price revisions. I mean we’ll; we'll see how where we should get the margins to. But at the current phase as it stands, we are building our capability and also our market share in VMC business. Thank you. Back to you Mr. Sameer

Moderator

Thank you, Senthil sir. Next, we would like to proceed with the questions from Mr. Kushal.

Mr. Kushal Daga, you have been unmuted. We can also have your video turned on if you like and we are ready for your questions.

Mr. Kushal Daga

Thank you so much sir. Couple of quick questions. Number one, so although auto is a smaller part of our business, but given auto slowdown that we're seeing in the market, what is the impact that you believe it will have? The slowdown will happen on our volumes. And typically, in your experience historically how long do these auto cycles last? Was question one and second question sir, overall, in your view for the MTD division, what would be the volume growth that you expect over the next three to five years. In the MTD division?

Mr. Senthil

I think I've pretty much answered this, thank you for the question, Mr. Kushal. Yeah, see where we want to get to. I think whatever turnover we have, right what we're currently clocking and like I said it is closer to 70% only. So, there is enough cushion for us to kind of ensure that we utilize the capacities what we are kind of provided for in this particular business. So, there is enough room for us to grow.

There is enough room in the market for everyone to grow as well. I think I should also add that. Now specifically with respect to the auto cycles, so many things happening with respect to the auto sector, especially the EVs coming in and quite a few changes which are happening in the auto sector. We have not seen the flatness in the turnover because of auto sector alone.

I would like to add that generally what I was mentioning is the reliance on auto sector is only at 40% of our MTD business sales. So we are, we and generally are of the opinion that compared to auto sector, the non-auto sector is also growing substantially, especially with PLI schemes with China plus one factors. There are so many other factors which are kind of out there which is giving enough push in the non-auto sector business and especially on the engineering side growth.

So, effectively. We are not looking at this as a major challenge currently and MTD would still grow and that's, that's our reading of the sector. Thank you. Back to Mr. Sameer.

Moderator

Thank you, Senthil Sir, once again we're going through the list of attendees but at the moment we have no raised hands. We would once again request the people in the attendees to raise hands for asking questions.

Sir, I believe Mr. Manish Goel has a follow up question from what he asked, with your permission, can we take him again?

Mr. Senthil

Yes. Mr. Manish.

Moderator

Mr. Manish, we are ready for your question. You have been unmuted.

Mr. Manish Goyal

Yes sir. Yeah, yeah. Thank you, sir. Sir, the revenue breakup, what you gave 71% and 22. Was it for first half or quarter 2?

Mr. Senthil

Q2 but pretty much it will be the same thing for first half as well.

Mr. Manish Goyal

Okay. Similar numbers. Almost similar numbers.

Mr. Senthil

Similar numbers.

Mr. Manish Goyal

So, sir, so like on the spare parts like still though we probably seeing revenues declining but I believe the textile mills capacity utilization or if I put that they are not falling significantly. So just wondering why is it that our spares revenue is also declining? Liquid.

Mr. Senthil

No, actually If you look at percentage wise of course it is much higher because spares in fact has maintained almost same run rate. So, if you were to look at the last H1 and now going to H1 to H1, right. So, if you're looking at H1 to H1 of current year and last year, as a percentage Perhaps was around 10, 11% or a little bit higher perhaps 12%. Now it is 22% but if you look at value it is pretty much same. The spares have not come down. Actually, the spares it is still having the same run rate. Absolutely you are right.

Mr. Manish Goyal

Oh okay.

Mr. Senthil

The capacities are, I mean most of the mills are running. The mills which are running, are running with very good capacities. Of course there are some challenges on the, like I mentioned some, some, some cases on the synthetic mills and things like that but otherwise mills are running at near full capacities.

Mr. Manish Goyal

Right sir, right. And on the Auto Coner like if you did mention that we can see soft launch by end of the quarter. So, like in terms of capacity buildup over there and in terms of readiness to meet the demand because it's a quite a large market of used to be a thousand crore market.

So how should we expect that probably next year or probably a year down the line. How can it like contribute in terms of volume revenue or what kind of revenue capacity we have built up over there?

Mr. Senthil

See as you know from capacity perspective there is no constraints because considering the manufacturing of this internally and this completely and indigenous technology, we have kind of developed it here. We have enough capacities to go, to go around I think rather the more challenging part and that's why I mentioned the soft launch. And we'll get, get to customers, perhaps all the by end of it or by an exporter will try and get you those, get to that level.

And once we see good feedback in terms of productivity because it has to be good quality, has to deliver what, what it has to deliver, I think then we will get to the numbers. But there is absolutely, as you know, there's no constraint in terms of either capacity for us or the to manufacture these machines here. I think we are, we all are trying to see how, how to kind of the market absorption and it has to deliver what the best as you know, ring spinning delivers the best yarn because yarn being a commodity we have to meet the criteria, the universal quality criteria.

The same thing has to come be done in this mission as well. So, we are looking towards that and the feedback from customers and we'll go from there.

Mr. Manish Goyal

Thank you so much.

Mr. Senthil

Back to you Mr. Sameer. I think someone Mr. Kushal has had his hands raised, sir.

Moderator

I am just refreshing the list and sir; I don't see him with the hand raised. Mr. Krishal was already taken.

No. Okay, he's still here. He's in the list of panellists. Yes sir.

Mr. Kushhal Daga

No, thank you so much for taking the question. Again, a quick question outside. So, this is again for the MTD division.

Outside of auto and general engineering we are seeing a lot of other sectors growing very fast like EMS, MedTech. So, in that case what is the philosophy that the company has in terms of technical Partnerships with maybe global players who are not in India currently. Do we only want to focus on building machines in house or is there any technical collaboration possible so that our go to market is a little faster than making the machines in house?

Mr. Senthil

I think. Thank you for the question. As you know we already do have a technical collaboration with DMG Mori and in fact we manufacture the machines, their machines in India for them to sell globally.

So definitely I think the thought process here is that Machine tool industry is absolutely a vast industry. I mean you spoke about MedTech; you spoke about EMS. You should, if you take the size of the machines it goes from such a machine making, commissioning a small component of this size to an engine for a, you know, a large generator with 3 tons or 2 tons worth of casting sitting in the machine.

So, the range is very, very large and we definitely working and definitely we will look forward to such opportunities and as and when it comes, we'll definitely make use of that. But it's a vast industry and we definitely take the point that we should be looking not just at developing ourselves but also at other potential partners. Point taken.

Thank you. Back to you Mr. Sameer.

Moderator

Thank you Senthil sir, once again we would like to run through the list of the attendees. So, at the moment we have no raised hands. Okay, now we have Mr. Kushal again.

Mr. Kushhal Daga

Sorry sir, just one quick question on the partnership with DMG Mori. What is the focus of that partnership? I mean is it, what is that partnership giving us?

Like have we got any thermal management technology from them, any recession focus technology from them for DMG Mori, what is the partnership that we have with them?

Okay, what we have is that we manufacture the machines for the spec of DMG and it is branded DMG and it is sold because it only says it is manufactured in India. So whatever technology which comes along with the machine is part of the machine. So, there is nothing like we. So, we let me put it in a different way, we give a complete machine with all the technology which DMG would offer to its end customer. Again, only thing I would like to add is that these are specific machines, right? This is not the entire range of machines; this is one specific machine.

So, as we progress, we would definitely be deeper and deeper, will be more comfortable to different look at other machines and be part of their manufacturing journey as well. So, your thermal stabilization, what we just now mentioned, if it is part of it then it comes as part of the machine. So that is what we'll have to put into the machine. Give it to them.

Moderator

So, thank you so much for answering that. So, at the moment, we have no raised hands. I'll still refresh the list and check it. Once again.

Thank you. I think.

Moderator

I think all the questions are answered, so thank you so much. Thank you.

Thank you. Thank you once again, everyone, for attending the co-op and we show all a happy Deepavali, and we will see you for the next quarter.

Moderator

Thank you so much, sir. Thank you so much, all the attendees for joining at this earnings call. Thank you so much, everybody, for being patient and thank you for the questions that you asked. And once again, thank you so much, everybody, for joining us. Thank you so much. Thank you.

This concludes the meeting.

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