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Date: 26th October 2026

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

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

Dear Sir/Madam,

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

In continuation of our letter dated 5th October 2026, please find the attached transcript of the Analyst/ Investor meeting held on 22nd October 2026. Pursuant to Regulation 46 of the 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

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COIMBATORE RAMANATHAN
SHIVKUMARAN
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COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: As above

TRANSCRIPT OF Q2 INVESTOR CALL
LMW Limited

LMW Earnings call for Q2-FY 26-27 held on Thursday, October 22, 2026 at 04:00 P.M. (IST) through Video conference/Other Audio Visual Means (VC/OAVM).

Moderator

Ladies and gentlemen, good day and welcome to the Earnings Call of LMW Limited for Quarter 2 of FY 2026–27, hosted by NSDL.

As a reminder, please note that the participants' line will be in listen-only mode, and there will be an opportunity to ask questions after the brief by the company officials. Should you require any assistance during the conference call and wish to 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 Ma'am Ms. B. Dhanalakshmi, Associate Vice President of the company. And now, over to you, sir.

Mr. V. Senthil (Chief Financial Officer)

Thank you. Good afternoon, everyone, and thank you for joining LMW Limited's earnings call for Q2 FY 2026 - 27. We will have a brief about the overall performance of the company for the period ending September 2026, followed by an interactive session.

I would like to clarify that certain statements made in the discussion of the conference will be forward-looking in nature. To begin with, let me explain the overall performance of the company, followed by the consolidated performance and the segment-wise performance.

The financial results have been posted on the company website, and I hope you have had an opportunity to go through the same.

The revenue for the quarter ended September 2026 is ₹1,153 crores, as against ₹815 crores for September 2025, which is an increase of around 30%.

The company has achieved H1 revenue of ₹2,045 crores for the period, as against ₹1,537 crores for the corresponding previous period, which is a 33% increase in revenue.

The PBT stands at ₹204 crores in the current period, as against ₹93 crores for the previous period.

Now, as we go into division-wise:

Textile Machinery Division (TMD) For the quarter ending September 2026, TMD has clocked a turnover of ₹639 crores, as against ₹482 crores in the previous quarter, resulting in an increase of 32%. When compared to the quarter ended September 2025, the sales increase is 38%. TMD revenue for H1 stands at ₹1,121 crores, as against ₹876 crores for the corresponding previous period, resulting in an increase of around 28%. Profits for H1

stands at ₹48 crores, as against ₹2 crores for the corresponding period last year. With respect to the order book, we hold an order book currently of around ₹3,400 crores, of which an active order book is roughly ₹2,600 crores. With respect to sales which have been clocked, the domestic versus export versus spares stands at 67% domestic, 8% exports, and 25% spares. The capacity utilization is around 60% in Textile Machinery Division.

Now focusing on LMW Holding (which holds LMW China and LMW Global at Dubai). The turnover for LMW Global stands at ₹100 crores for the half-year ended September 2026, as against the comparative number of ₹71 crores for the half-year ended September 2025. The order book for exports is closer to ₹163 crores on hand for LMW Global. In LMW China, we have been able to clock a turnover of ₹36 crores, and for the comparative period last year it stood at ₹41 crores. The order book stands at around ₹128 crores.

Machine Tool Division (MTD) and Foundry The turnover in the Machine Tool Division and Foundry is ₹794 crores for the first half ended September 2026, as against ₹555 crores for the corresponding previous period. Out of this, 9% relates to Foundry turnover; the balance is towards Machine Tool Division turnover. We are operating at a utilization of around 75% to 80% in the Machine Tool Division.

With respect to ATC, the turnover for the first half stands at ₹135 crores, as against a corresponding turnover of ₹97 crores in the previous year's first half.

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. Ladies and gentlemen, we would request people to please raise hands so that we can unmute you and we can have the queries discussed. Sir, we have Mr. Poojan Shah with the first question.

Mr. V. Senthil (Chief Financial Officer)

Go ahead, Mr. Shah.

Mr. Poojan Shah

Hi, Senthil sir, am I audible?

Mr. V. Senthil (Chief Financial Officer)

Yes.

Mr. Poojan Shah

Yeah, okay. Senthil sir, my first question pertains to the ATC division. Just want to understand we can do a revenue of ₹300 crores. So, I just want to understand what the current capacity and the peak revenue we can achieve from that current capacity? Second, we are investing ₹150 crores in this division, so what could be the peak revenue we can achieve, when can we expect the commissioning, and when can we reach the peak revenue for this specific division after the capex?

Mr. V. Senthil (Chief Financial Officer)

Okay. You can please continue with all your questions, and then I will give you the answers.

Mr. Poojan Shah

Okay, done. And sir, in the Textile Division, we also see that there is a Free Trade Agreement which is being concluded, and that's where the textile business is also booming. So that ultimately flows to our order book as well. So how are we seeing in this division, because in the last two years our EBITDA margin has been negative in this segment, while currently, if you look at the last two quarters, we are a bit positive or at breakeven. So, what are the more or less expectations in terms of EBITDA margin going forward, specific for the division when such a tailwind is being we are seeing such a good tailwind?

And sir, we are also expanding our Machine Tool Division. So, what are our core expectations of building, what are the core aspirations to that, and how are we planning to scale this division going forward?

And just want to also understand on the ATC division so, we are also associated with Tier-1 players like Boeing or Airbus, but also wanted to understand, are we associated with new programs which can eventually contribute to our order book, which is right now a ₹1,000-crore order book, which can conclude to ₹2,000–₹3,000 crores on a going-forward basis? So how are we seeing this specific segment as well?

Yeah, these are my few questions. I will join back in the queue.

Mr. V. Senthil (Chief Financial Officer)

Thank you. So, I will take it up in terms of the same order as what you have asked. Let me start with ATC. ATC, from a capacity standpoint, we will be closer to 70% capacity utilization in this division. As you know, ATC is comprised of two divisions: one is metallic and other - composites. The spare capacity available on the composites is a little bit higher, and the turnaround is mainly on account of we are having good traction on the composite segment as well now, apart from the metallic segment.

For the numbers in question: yes, generally the ratio of turnover to investment in this type of business is always closer to 1:1 to 1:1.2 or 1.3, depending again on the mix as to whether some of it is what type of material, are we fully supplying the component with material costs or are we only doing job work. Because in this business you have a combination of work and with material as well. That again depends on whom we operate with domestic exports. So, there are a lot of combinations of factors. So, it would be very difficult to give you a particular number to say this is the right number for the current location. But from the thumb rule, you can always calculate.

With respect to the new investments: the new investments are yet to go in. I think we have discussed this right from Q3 of last year, where we had gone in for an investment MoU sign-up with the Tamil Nadu government. The work is going on with respect to the planning, etc. And yes, at an appropriate time, we will be giving out the timeline over which investment will become, I mean, the plant will basically get commissioned, etc.

With respect to the type and nature of business: we do work with Tier 1 and more to do with Tier 2 as well. For example, we have engine. The way we look at it is we supply engine parts, we supply special processes, we supply structural. So, it goes into Tier 2 for further supply into Tier 1; that is the way it works. But very clearly, we have always had in the past at least 90% exports and 10% focus on the Indian ecosystem. And right now, this transition and the increase what you see is basically because of we are addressing more of the Indian ecosystem.

The stability in the business has always been the metallics with long-term contracts. This business generally comes with long-term contracts when you deal with the Tier-1 and Tier-2 players. And that has been quite good, and there the focus is to increase what we could serve them in terms of their wallet share, and how much more we can serve these customers.

And Indian defense program, on the domestic defense program, is something which is definitely a value add for us as well. We do participate in a lot of tenders which do come through. And we should also understand and appreciate the way the Indian ecosystem is going to develop is yes, you get large contracts, not in a few thousand crores, it is multiples of thousand crores, but the ecosystem is such that you would get it would filter down too many, many players.

So, if there's a 15,000 or a 20,000 contract which is given out by Defense, we are all in the same ecosystem where we are all able to chip in and contribute to that ecosystem from our side using our capacities. So that is the way the Indian ecosystem currently is. So, it is not that one company, or someone would be in a position to cater to the entire requirement just because one order is signed with them. And it's a very healthy ecosystem, where everyone knows each other's capabilities and capacities and we are ready to work with each other. That is with respect to the ATC division.

Textile division I think it is well noted that this year has been quite good in terms of an uptick what we see in the textile machinery division. But the fact also remains that from a government standpoint, a lot of new policies have also been announced by the government, I think the Karnataka government has introduced a 4000-crore textile policy; the textile ministry as such is trying to develop very focused exports with closer to 5000 to 10,000 new exporters over next couple of years and on top of it, things like a New Zealand FTA policy which supports the end customer or the customer's is definitely positive.

However, we are very much aware that at this point in time the challenges what we face are probably we are in quite a few uncharted territories I mean to mention a few how the impact the second order impact of the war because of which the material cost all that is going to impact I think these are all We have to wait to see how these things play out. We are still very cautious, yes, we are seeing the numbers go up but I would say we are still cautious as to how these rollouts would continue to happen over the next six months.

As you know, All the commodity prices have gone up. The availability of electronics has become a challenge. So, there is a lot of work which currently which everyone as an OEM supplier we have to do to ensure proper ecosystem and very strong supply chain is functional right now to ensure that we are able to deliver. I think those are the challenges within the textile division.

You have mentioned the word “tailwind”. I think that would be a word which would be more suitable to machine tool division rather than textile division at the moment.

Going to machine tool division, yes, it is doing well. We are seeing consistently orders, order inflow happening. A lot of the industry as such is also growing quite well. The aspiration there is definitely be, if you see the growth pattern as of now, I think it is closer to a 50% growth for the current year. There are a lot of positive signs and which we have again mentioned even in the previous call as well, which, for example, the China+1, which we spoke about a few years back today, we are actually seeing it happening on the ground.

There is so similar to that, the demand as such is also good. The upgradation of machines is happening. because their people are wanting to upgrade into much more modern machines. So, there is a lot of demand being created which is there in the ecosystem and that is where we have increased our capacities a couple of years back. What we see now is we have to further increase our capacities and that's what we are in the process of doing.

And like I always maintain here for us the capacity is nothing but enough space available for us to machine and assemble. So, it's much more short, in a short span of time we can always ramp it up. So, as we touch 80% kind of a utilization then we always look at what how to keep it at 80 and keep increasing the capacity which is what we are doing now.

Thank you. I hope I, have answered the question. Over to you, Mr. Sameer.

Moderator

Sir, I have some follow-up questions. Should I ask, or shall I join back in the queue?

Mr. V. Senthil (Chief Financial Officer)

I think you should join back in the queue.

Moderator

Okay, done. Okay, thank you sir.

Mr. V. Senthil (Chief Financial Officer)

Thank you. Thank you very much.

Moderator

So next we have Mr. Jai Unadkat.

Mr. Jay Unadkat

Thank you. Hope I'm audible. I had two different questions, one related to the capacity expansion that's happening in yarn in specific Senthil sir, if I may, as you know the capacity expansion that is getting announced across textile companies is more towards garmenting, fabric, and technical textile area. Nobody's focusing on really advancing larger capacities in yarn. I'm looking to understand that is there a possible situation where there

is a significant demand supply mismatch that can happen? And this is specifically more pronounced given the situation of Bangladesh in terms of geopolitics, cost of energy, as well as the recent events where they had difficulty in being able to keep their share in terms of exports as well, right? So, if there is one on that and then we will move to the machine tool ATC part later.

Mr. V. Senthil (Chief Financial Officer)

Well, you can give us the questions Jay and then I will answer them together. Please go ahead.

Mr. Jay Unadkat

Sir, machine tooling, we are advancing capacity at a slower more cautious pace given what we are experiencing in the textile division? Or this is the kind of visibility we have given the statements that you made of experiencing China plus one as well as upgrades and continuous demand? Is this a more calibrated expansion or is this something which reflects a cautious approach towards expansion, if I may read through it?

And if there are any sectors which are specifically driving this shift of demand, since you know the segment from which the demand is coming or the end user, if there's a specific sector you can highlight, it will be of help.

And finally, on the ATC division, where on the annual report, there was a mention of saying that we have capabilities of being able to deal with metals like titanium. Now, to the best of my understanding there are very severe limitations of the number of players that are available in India to be able to do titanium forging or having titanium capabilities of being able to maneuver through that metal. So, sir I wanted to understand if this is an area of focus in the future, if there is any kind of significant expansion of this capability that the company is undertaking and what's other than the fact that you know there is a couple of lines mentioned around this in the annual report, if you can?

Mr. V. Senthil (Chief Financial Officer)

Thank you for the question, Jay. I mean, from a textile machinery division, see, you would like to again look at the fact that over a period of a few, the two years of long term, some amount of spindles are shut, right? And I mean, the numbers are varying probably or we're talking about 8 million plus kind of scenarios. But yes, there's some amounts of spindle have got shackled.

Yarn is a commodity and it's a global commodity. The demand from both China and Bangladesh has been quite strong because of the obvious reason. One, China demand has been growing. Bangladesh because of its own challenges of local spinning, I think they've, to some extent some financial constraints. The demand is actually quite subdued. Local spinning demand is subdued but the yarn buying is quite good.

So yes, I mean your analysis to say that at some points are people not investing enough into spinning? I think I am with you there but at the same time The fact that we have been able to take in orders, if you see in the month of, I think in Q4 of last year, we were able to get some decent orders inside the system, even this quarter, if you see the numbers. our net order inflow is up by around 200 odd crores. I think this is an indication

and when we actually look at the flow of order book, it is closer to 70% is basically project orders. So, there are cases, I mean the fact remains that people who are placing these orders are very clear and they are all project orders, they are looking into expansion. to a larger extent because 60% to 70% percent is still majority of them are going that way.

But the base at which this is going to get added is of course a question and on top of it the challenges and as you know from a cotton price standpoint, from a synthetic fiber standpoint cost. I think there are a lot of factors right now playing, but ultimately the garmenting and the fabric people are doing well and government has given, I mean is looking at very positively the incentives again and it has also given us, I mean cotton pool duty exemptions between 1st of June to 31st of October. I think there are enough positive things out there to help sustain the growth momentum which is expected of the industry. I think that is the way we would look at it.

And last point on that, yes, from 45 to 50 million-odd spindles moving up to 70 million spindles or whatever the numbers are would eventually happen. Again, we have also maintained in the past that by when, the pace is the question. But industry is going through both the positives and negatives of it as we speak. And we hope for more positives than the negatives honestly.

Now coming to machine tool division, both are independent. The way we are expanding, I think what has come out is basically a statutory requirement, because we have a unit which was not used, but as per the norms we are supposed to identify it as a third unit because we are going to do our assemblies there.

So, we had thought as per the exchange requirements, we had to file the filings which said that we are getting into another smaller unit. But basically, it is a unit which already exists, fairly large space, where we can quickly ramp up the numbers.

So, it is not a calibrated expansion; it is a planned expansion. And this has nothing to do with the way TMD is growing. These are totally independent businesses, totally independent drivers for the business.

With respect to the sectors: surprisingly, auto sector is still a predominant one, you know. It is still a little bit, I would say a little bit upwards of 50% is where we are delivering into. Rest of it, the entire sector I mean, be it Defense, be it EMS, be it tooling everything is expanding.

I think the way I would look at it is what types of machines are going there. Is it more turning centers, is it more machining centers? And because of the kind of order flow, there are more machining centers which are kind of increasing in its footprint for us, right? For us, the ratio of machining centers to turning centers machining centers are able to generate more turnover, have a bit more growth than turning centers. But all sectors are growing.

With respect to ATC: see, we are not into forging. When we say metallics, we are into basically machining, special processes, etc. Our course is quite steady, and it remains the same. We will continue to invest as we see fit, if we are able to recover and it makes sense for us to invest long-term in a particular project in metallics division or composite division.

So, the future focus is to ensure that we continue to ramp this up. As I said, our focus in the past couple of years from the turnaround point of view was always on exports, but today we are also looking at Indian Defense and will continue to do these investments as we go forward. Thank you. Over to you, Mr. Sameer.

Moderator

Thank you so much, sir. Next, we have Mr. Manish Goyal to go ahead with the next questions. Yes, Manish ji.

Mr. Manish Goyal

Yeah, thank you so much, sir. Sir, just to continue on MTD: the exchange filing says we are increasing capacity by 10% on a base of 6,750 machines, and the capacity utilization is at 90%, which is mentioned over there. And what you mentioned in your opening remarks is that we are at 75% to 80%. So just want to clarify that aspect, number one. And we are investing ₹10 crores in that. So that was the first question, sir.

And so, as I also would like to ask as to why we are probably looking at such a small capacity increase in machine tools when the demands are growing at 50% and the competition on other side has been increasing capacity significantly? So, if you can, please highlight that. And what would our mix between machining centers and the turning centers be now? So that is first set of questions, if you can give us perspective on the MTD side.

Sir, just to clarify this revenue breakup in textile machinery what we are providing: it is for standalone numbers, right, sir? And what you gave in the opening remarks, is it for Quarter 2, or is it for Half 1? And maybe if you can give us the respective numbers as well, that was one.

And even for LMW Global and LMW China, the numbers were for Half 1, what you gave? And maybe if you can share the quarterly numbers, and also what is the PAT-level numbers profit or the loss number? And in respect to this, sir, last year, as per annual report, what we see is that LMW Global seems to have incurred a fairly large loss of some ₹29.5 crores on a ₹184-crore revenue. So, was there any particular reason for such a large loss last year, and how should we look at it in the current year for the overseas operation for both UAE basically LMW Global and China operations?

And one more clarification, sir: on the spares business, what we probably share the number, it is for domestic spares, right, sir? The breakup does not include basically what components we send to our overseas subsidiaries,

Mr. V. Senthil (Chief Financial Officer)

I understand.

Mr. Manish Goyal

Where is it included? Is it part of the exports or it is part of the spares, if you can clarify that? And sir, in annual report, what we probably see is that investments have increased in overseas basically LMW Holding from ₹206 crores to ₹377 crores. So, are we probably

investing more in terms of capacity creation or working capital, if you can give us perspective on that as well, sir?

Sir, there is a land parcel development basically land parcel of 4.2 acres which is mentioned in annual report, and we have entered in JV with one entity call message Infinium Developers on basically development on revenue sharing. So, what could be the potential value for this, and over how many years should we be able to realize that?

Sir, in ATC, what would our order book be now, and how would the breakup of that order book between metallics and composites look like?

And sir, annual report mentions that in TMD, let me first complete ATC. So, ATC, sir, again continuing with the order book details it's mentioned that the growth driver for us would be defense sector across spanning drones, missiles, radar systems, apart from export-led commercial business. So, what in particular we will be looking for this Defense sector? Considering drones, missiles, and radar system, would it be structural parts or electronic components? What would be the areas we will be looking at in this? And it also talks about composites, probably looking at more complex aerospace and space programmers. So maybe you can give us perspective what kind of opportunities we have. And we have also mentioned that we are probably looking for further margin expansion in ATC from probably what we have seen already, an improvement to 22% in the segmental numbers. Sir, in TMD should I ask later, sir? There are so many questions.

Mr. V. Senthil (Chief Financial Officer)

No, no, please go on, Mr. Manish. I am noting it, not an issue. I won't miss it.

Mr. Manish Goyal

So, in TMD, sir, like there is mention about good demand for robotic auto-piecing as there is a labor shortage, and especially in export markets like Turkey. So how is it—this particular product picking up? And also, if you can give us perspective about Lakshmi Winder how it has ramped up in terms of demand, and what should revenue look like? And yeah, in MTD I have already asked the question, sir. That's it, sir. Thank you so much.

Mr. V. Senthil (Chief Financial Officer)

No, no, that's fine, that's fine, Mr. Manish. Always welcome.

So, I'll do the same order. MTD, we'll have to understand capacity ramp-up, the fact that the amount is very small has nothing to do with the area or what we're trying to do. It is a clear, immediate requirement to ramp it up, and we got place there. And like I was just mentioning, it's a statutory requirement: we have to declare in GST, we have to declare in a plethora of government agencies as to what our new division is. We could as such occupy that new location and put out everything, but that's why there's a very small amount, very minor amount which is going there. But there is enough place for us. And we believe very clearly in repurpose all our buildings and using them. So that is what we are trying to do here.

And we always maintain as we hit that 80%–85% mark, we will keep expanding our capacities. So, linking the numbers to that ₹10 crore, I think, is not perhaps the right way

to look at it. It is that we'll have to do a very quick ramp-up is what we're trying to do here, and there's an ecosystem around this. It's just not ₹10 crores; there's a fairly large ecosystem around it. With respect to turning centers, machining centers, it's around 23% to 24% machining centers and 76% turning centers.

Textile Machinery Division: the number of what we have given is standalone, which is basically 67% domestic, 8% exports, and 25% spares. The spares are purely domestic spares, and export here includes OEM and what we export to our subsidiary abroad.

With respect to the turnover: the turnover which I mentioned, which is ₹100 crores, is again I did mention that's for the half-year end. You may have to just look at the last one to reduce it; I don't have the number right away with me. And ₹36 crores are for LMW China.

Yes, there is a loss, and as what I would kind of look at it: the markets where we operate have had their challenges and they continue to have their challenges. The two countries which are doing well, India being one of them, and of course China there is spindlage addition, but we have not been able to add as much in terms of topline there. But rest of the markets where we generally operate be it Bangladesh, Turkey, etc. has had its challenges. But the idea basically there is that, as I mentioned, we now have an order book, an active order book which is which I gave out, around 300-odd crores of order book are available: ₹163 crores and ₹128 crores of order book which is available. So that will be due for execution over the next six months and a little bit more than six months.

So, idea there would be to recover as much as what we have lost. Of course, these are expensive locations; we have our offices all over, which all comes under the LMW holding company in Dubai. So that's the reason for the loss. It's the fact that we're unable to absorb because topline has not come through. But over the last few months there has been a decent number of order books being built up, which will get delivered.

With respect to the overseas holding and investments: the idea for us is kind of to create an external arm, and as what we have done is to bring all foreign entities under one entity. And we had invested initially to buy off LMW India subsidiary LMW China used to be subsidiary of India. We invested initially to make that transfer, and we got that money back. So, we had sent in whatever the amount what you had mentioned, I think it's 200-odd crores we had sent in, but that money was actually used to buy the subsidiary and then that money was brought back. Only now have we started actually doing the investments, and the idea is to create not only a capacity, but also to create a possibility for us to look at expanding and making our presence stronger.

So, for example, to give you a very basic example: for us, the reach to Africa as a subcontinent that is, be it Egypt, Kenya, where we operate is much easier from Dubai rather than from our current location, right? From Coimbatore. So, the flexibility international operations give is quite good, and we are trying to leverage that. Of course, the markets have also expanded. So, Machine Tool Division, till the war started, we were having some traction in terms of export into the GCC market, especially where pumps and valves and, you know, the oil and gas segment was very, very strong. So, we were having good traction of our machines going inside, which was a new market where we are exploring. So, there are multiple advantages to it, but these are a couple of them.

The land parcel of the 4.2-odd acres, Infinium: I think the realization probably is around 25% of that is what we will realize. In terms of value, I will have to put it around anywhere from ₹20 to ₹24 crores value. In terms of timeline, it will be anywhere from 24 months to 30 months is timeline which we are looking at. But already it is in place; I'm just giving the door-to-door timeline. Some realization will come through this year, and some realization will come through next year.

Moving on with TMD you had two other questions. In terms of the auto-piecing: yes, auto-piecing is a manpower-saving thing, and generally, considering the pricing of this automation solutions, these things are absorbed initially at a very high-cost country like Turkey, right? Where the cost of a mill worker goes upwards of \$1,000. So, in these locations, it makes a lot more sense for it to be absorbed to start with. But as we know, a country like right now Turkey is actually having its own challenges and there's not much investment going in there because of over the last couple of, I would say, two years or so. But these machines are there with our customers and are being accepted. But the automation would take time, but the solution is out there right now for the customers to adopt if required.

Lakshmi Auto Winder has had a start. It is there; it has been sold to a few customers in South. I think the ramp-up will probably happen by next year in terms of more deliveries, but as of now it is a well-accepted machine, and it has right now been given only to the South at the moment.

Now going on to ATC: the order book still remains the same number; it's around 1,000-odd crores. The percentage of metalics versus composite is around 30% on composite side and 70% would still be metalics.

With respect to the question on Defense, drones, radar systems, missiles, etc.: from an ability to address the customer's request I mean the client we have everything from structural, assembly, special process, etc., of course except the electronics alone. Like I already mentioned to the first question, when a Defense programme comes out, there is enough for us to address, and we have enough capabilities to address various parts of it. So, it could be a sub-assembly, it could be machining, it could be a special process which we could address.

I think thank you. I think I have covered all the questions. Over to you, Mr. Sameer.

Moderator

Sir, thank you so much for answering that one. Thank you. The next queries would be raised by Mr. Manish Shah.

Mr. Manish Shah

Hello, sir.

Mr. V. Senthil (Chief Financial Officer)

Yes, Mr. Manish, please go on.

Mr. Manish Shah

Yeah, sir, about auto corner: can you give a throw of idea about what is the market size in India, what is the percentage of imports, and what is the scope for LMW in that? Another thing is in machine tools: can we have a brief overview of what is the 2-axis, 3-axis machinery thing, this part, and whether we are going for the 5-axis thing, where are we there on that? And what is the total market size in India, what is the import share, and what is our market share, something to throw light on that? Yeah, that's all, sir.

Mr. V. Senthil (Chief Financial Officer)

Okay. See, auto corner market size auto corner first of all is an imported machine, right? It was not manufactured in India, and we are the first ones from an Indian context to manufacture the Lakshmi Winder, and which is the last of the spinning process, which is a packaging machine actually.

From a textile machinery investment standpoint, if you invest in a spinning mill, auto corner would I mean Lakshmi, the winding segment will account for around 25% to 30% of the entire cost of investment, right? That is the thumb rule which we all follow. So, yes, you're looking at probably ₹1,500-plus crores to start with in terms of the market, which is available immediately, or a little bit more as well. I mean now all the prices have all—there is a pricing impact, there's a currency impact because everything is imported, you know. So, yes, there's a fairly large market, and it's a market which is falling within our segment of spinning. And that is where we have introduced these machines, and they are available at the moment. It is commercialized and available to everyone.

With respect to the 5-axis: I think it is a very interesting question. Predominantly, the industry as such was and is still predominantly on up to 4-axis. The demand for 5-axis comes in when you would like to do multiple settings and machining them all at one shot, right? And now we see because of the availability of labor, technically people want a single solution. There is a gradual increase in the demand percentage, but traditionally, if you see, it used to be less than 5% of the market would be a 5-axis machine. But we are of the opinion that over a period of time this would of course increase because of the reasons what I just now mentioned. That's about it. Over to you, Mr. Sameer.

Moderator

Sir, thank you so much for helping us with the answers on those. The next questions will be raised by Mr. Suraj Maloo. Suraj ji let's proceed.

Mr. Suraj Maloo

Thank you, sir. Sir, I have two questions. One is: what is the potential for the J2 machines or other SKUs that we sell for the EMS business? And second is: like recently there was a change in the Articles of Association, right, where we laid out many verticals, be it pharmaceutical, specialty chemicals, electric vehicles, electronics manufacturing, robotics. So, can you help understand what the plans are there?

Mr. V. Senthil (Chief Financial Officer)

Can you kindly repeat the first question please? I couldn't get that.

Moderator

Sir, it was on the potential for the J2 machines that we sell or any other SQS that we have built specifically for the EMS business.

Mr. V. Senthil (Chief Financial Officer)

Oh, OK.

Moderator

What is the potential for that?

Mr. V. Senthil (Chief Financial Officer)

OK, OK, OK. Yeah, I mean from the from the articles of association, like we mentioned, it's an enabling resolution. We covered areas what we see fit, looking at all possibilities, all opportunities out there. So that was an enabling resolution and when anything concrete evolves, of course, we will be informing and you will all be informed. With respect to the EMS machine, I think it is basically specifically for EMS segment, the machines are doing well.

I mean, it is not only for the EMS, it also goes into tooling segment, which is for EMS. And that is where I did mention that this forms part of the machining center family. It is not a turning center; it is a machining center family. Fairly good demand and offtake and it's part of a regular product of a new NPD. That's about it There is a family. Again, if you go again, you can go to our website. These machines are all available. There's a lot of data on our website on these machines. So, you will start with a smaller table size and then it also grows to a particular little bit larger table size. So, all that information is available online with respect to this machine and the capabilities of this. Thank you. Over to you, Mr. Sameer.

Moderator

Sir, thank you so much. I believe Mr. Poojan has a follow-up question.

Poojan

Yeah, thanks for the opportunity, sir. So just to understand, as we have mentioned in the ATC division that we are right now at a capacity utilization of 70%. Assuming considering that scenario, we can do a peak revenue of 370 & 400 crores. And once you expand with 150 crores as well, given the context, the asset turn could be 1.2, 1.3, assuming on a higher side that could do an achievable of 200 crores.

So, I just want to understand on the incremental order inflow. Are we able to cater because we already have an order book of 1000 crores, which is obviously should be completed in 3 to 3.5 years. But then incremental order inflow from our tier one, tier two suppliers or any specific program.

Are we able to cater then to specific thing because ultimately the capacity will also take time to come up and ultimately contribute to the revenue.

2nd, we also sustainably think that 20 to 23% EBITDA margin is been easily do able in this segment going forward.

3rd, just want to understand, sir, in the terms of defense order book for ATC, which are the programs we have been associated? Is it BrahMos? Is it more on the missile side? It is more on the sub missile assembly?

How the program has been built upon? And sir, just want to also understand when we have also mentioned about the cost escalation in our textile machine division, which is, that's why we have been cautious, but also want to understand that what is the pass through we have been expecting going forward in terms of price escalation whenever we are planning to do or we have already done in terms of price hikes or specific hikes and then discounting method and so, I just want to also understand you have also mentioned about this machine tooling system.

We have seen a very such a tailwind in each and every segment, but we have also seen many of the companies have also expanded their capacity in obviously a few people have expanded in 3x versus few people have expanded in the 5x segment. So, I also wanted to understand on a broader aspect, do you feel there would be a demand supply issue which might be eroding our margins. And second, once we are building up our five axis, do we see a shifting margins from going to a 10% kind of EBITDA margin to roughly say 15, 20% kind of a margin in five axis because it's a high value, low volume kind of a product?

Mr. V. Senthil (Chief Financial Officer)

Ok I think you have worked out some certain numbers. I think it is a fair point to you. I think I cannot comment on the numbers what you worked out, but ballpark figure might seem right. With respect to incremental order flow, we are, there is very clear plan where We can only take orders which we can execute because generally we cannot take orders which we cannot execute because there is enough penalties available in this contract clauses. So, as we pick up orders, we ensure that we have enough capacities and we continue to add capacities to match that. I am not clear on your systemic 3% EBITDA question, so I leave it out.

We cannot answer what different specific programs were associated with but you, everyone knows what the programs are out there for picking up, but we cannot specifically get into every program. Cost escalation pass through. Yes, we do pass through some of it. I mean, it is a system. I mean, most businesses in terms of foundry, in terms of ATC, we got clauses, contract clauses, all that happens with respect to specifically on OEM. No, I think we, for us it is a fixed price. It is one of, for the entire domestic industry for TMD. So as of now, there is no pass through, but it is an active discussion internally While at the same time, a lot of effort is going internally to have control on the cost.

There is a lot of VAVE activities going on, our team does a lot of effort which is being put to ensure that we maintain the margins in these divisions. Absolutely spot on with respect to MTD, 5 axis machines are high value, low volume. Yes, the ideal scenario is when we place our machines against the imported machines, you expect to get more value for the machines and thereby higher margin. But like I said, we will see two things happening in the machine tool division. We have got enough volume to still flow through. As you

increase volume, you will see incremental operational efficiency is coming through and higher margins also coming through. Okay. Thank you. Over to you, Mr. Samir.

Moderator

Thank you so much, sir. Next, we have Mr. Mahendra Jay.

Mahendra Jay

Hello. Yes, sir. Yes, sir. I am audible.

Mr. V. Senthil (Chief Financial Officer)

Yes, Mr. Mahendra, please go on.

Mahendra Jay

Thank you. Thank you, sir. I just want to understand in aero plane business, exactly, sir, are we in commercial plane also, as there is a huge demand in aerospace in all parts? So, are we in all? What type of parts and engine parts are we in like that? To understand just aero plane business, what we are into there. 2nd, sir, in future, I mean, in next two, three years, are we planning to demerge this textile business on some value will pick up in other businesses as they are high valued business. And 3rd question is, sir, are you planning anything to increase your shareholding in company as we are going into very high margin business in future? Are you really planning to increase your stake in only three businesses?

Mr. V. Senthil (Chief Financial Officer)

I think two of the questions is not something for me to answer, Mr. Mahender, but I'll take the 1st question. Yes, we are in commercial planes and we are in defense, defense even externally in exports. And also, of course, all commercial planes are exports, right? And the answer to that is yes. The other two is not something which I can answer. But thank you for the questions. Over to you, Mr. Sameer.

Moderator

Sir, Thank you so much. So, we have two follow-up questions. Yeah, please do. Please do. I think we can see two hands. Please go on.

Moderator

Sure. We would request Mr. Jay Unadkat to please proceed.

Jay Unadkat

Thank you again. I'll be very quick if possible. Sir, if I look at it on the reverse basis, thank you again. Yes. That machine tool, if it's a certain number, right, if we had to look at it that way and reverse map it, can the asset turn this time around be a significantly higher number which requires, let's assume a lower CapEx to deliver better asset turn and efficiency? Is that the way to look at it? Because again, I'm just trying to decipher the three data points you put together. You answer to somebody on five axis that demand is

improving. You also suggested that the industry demand is positively moving. And you suggested we are at 80 to 90.

Let's assume the press note and what you mentioned on the call is a combination of 80 to 90% utilization. Then this doesn't exactly come to the math of even delivering a 25% growth next year. So, is it that did this net expense that we are incurring in CAPEX will have a significantly higher factor?

Mr. V. Senthil (Chief Financial Officer)

I think let me answer it like this, right? The capacity what I think they have mentioned is a capacity of what we actually sell. It is very easily possible for us to make multiple of that, doing the right methodology. If it were to go back to this small addition and say, okay, is this addition going to give, if your question is, is this addition going to give me the 25% growth next year, will it come? Will it not come?

I think there are a lot of things we do, and I don't think it is practical for us to explain everything, though, at the moment. But having said that, you can always turn on the tap with the multiple shifts, right? And the same holds good. And this is a business where it is more of assemblies, so it is possible for us to scale up. And there are absolutely no issues with that.

What we'll have to understand is this particular investment what we declared is basically for a particular type of machine which is going to go into that particular location, which will be kept separate from a manufacturing standpoint for various reasons. I mean, so that is where this very small amount was spent to just take over a site, and then and that site is all ours. It's not that it is an external; everything is available, we just have moved into it. That is the only reason.

But otherwise, from a growth point of view, yes, we are quite focused and I mean the industry is growing, you would see, and we would like to ensure that we grow, you know, way beyond what the industry grows. That is the idea. Okay. Thank you. Over to you, Mr. Sameer.

Moderator

Thank you so much, sir. Another follow-up question from Mr. Manish Shah.

Mr. Manish Shah

Machine tools only, sir. Yeah. Sir, wanted to have a brief idea, sir: what is the market size in India, what is the import as of now, what is our market share, and how much growth you are anticipating for the overall market?

Mr. V. Senthil (Chief Financial Officer)

Okay. I would say currently it is in the range of 17,000 to 18,000 machines. See, again, if you take our addressable market versus the overall market: probably the overall market, if in terms of value, we put it at \$2 billion or \$2.5 billion. Our addressable market size would only be a particular range of machines, which is, as I said, up to 4-axis, 4.5-axis machines. And again, not very large machines; the sizes will be a little bit smaller. That's

why it is very difficult to put a clear correlation and say, okay, this is the market size for particular—because market size is there, but you'll have to build out machines for that.

So, to give you an example: if I have to build out a 4-metre base, a 4-metre table machine, then I can address a particular market size. Out of that \$2.5 billion, I'll be able to address a particular segment of that market. But I today did not make a 4-meter table size machine, right? So, market size is yes, you can take it at around \$2.5 billion.

Almost in terms of value, closer to 45% to 50%—or even, sorry, in terms of volume, 40% to 45% I would say in terms of volume would be still imported; in terms of value, probably around 50% or 55% would be imported in nature, right? And one thing is these imported machines are going down as such, because all of them are today available in India, manufacturing in India, and supplying within India.

So that is also a thing you'll have to consider. As the imports go down, probably imports will go down less than 50% in terms of value, but it is being replaced with the manufacturers being available in India to supply to the Indian market. Market is growing, so everyone is there in India, both from the East and the West. Thank you. Over to you, Mr. Sameer.

Moderator

Thank you so much, sir. Just wanted to confirm if we have time for more questions, sir?

Mr. V. Senthil (Chief Financial Officer)

I think there are no hands raised, right?

Moderator

No, sir. At the moment, we do not have any.

Mr. V. Senthil (Chief Financial Officer)

Then we can close it. Thank you.

Moderator

I believe Mr. Jay has a question. Mr. Jay raised the hand.

Mr. V. Senthil (Chief Financial Officer)

Yeah, yeah, please go on.

Moderator

Mr. Jay, we can go ahead with your final question, sir.

Mr. Jay Unadkat

Thank you again, and sorry for this, Senthil. Sir, in the Textile Division, if I look at it on a like-to-like basis, when we made a similar revenue in '23, our margins were significantly superior to where we are today. Is there necessarily a price hike that is underway there,

or is it fair to assume that the margins in that business, despite having preimmunized the product portfolio and focused on services, will remain low margin this cycle around?

Mr. V. Senthil (Chief Financial Officer)

I think I tried answering that question I think when it was asked by Mr. Poojan, where we were very clear where I was very clear that, yes, the costs are hitting us, and I think the discussion on price always is there; it's on the table. But right now, the unprecedented level of cost increase, availability so if you look at copper, aluminum, you just look at apart from steel, which is probably coming much later, the availability of electrical, electronics, it's a very tough situation out there. And it's not very easy, so the costs are all going up, right? And you have seen this in every other component, every other product, every other item what you probably use and buy.

So, yes, the discussion there is how do we make it price is a discussion, but at the same time, as I mentioned, a lot of VAVE is being done. We continue to work on what is possible and, in our control, to get control of the cost.

So, yeah, then I mean we have to basically wait and see where it's going to end up, right? And that's what I started off with saying that it is a very tough situation to predict anything with the tariffs, with the geopolitics and the cost associated with it, that the second order of cost which is flowing through to every one of us.

Mr. Jay Unadkat

Fair. Thank you.

Mr. V. Senthil (Chief Financial Officer)

Thank you. Thank you. Over to you, Mr. Sameer.

Moderator

Sir, thank you so much. Sir, Mr. Manish has his hands raised.

Mr. V. Senthil (Chief Financial Officer)

Yeah, please go on. Please go on.

Moderator

Sure, sir. Mr. Manish, over to you, sir.

Mr. Manish Goyal

Yeah, sir, thanks a lot. Just to clarify: this revenue breakup for TMD what you gave, it was for Quarter 2, or it was for first half?

Mr. V. Senthil (Chief Financial Officer)

H1, H1, Mr. Manish. H1, Mr. Manish.

Mr. Manish Goyal

Okay. And on the margins front, sir: one observation that what we see is that our other expenses, increase in other expenses, is much lower than the growth in revenue, particularly in Q1 and Q2, and even it was visible last full year as well. So, is it a function of change in the mix where we have strong revenue growth from machine tools and ATC, which are traditionally higher-margin businesses as compared to textile machinery, and that is what it is leading? Or have there been benefits of some cost control initiatives which we have taken in last couple of years? And so that was my second question. And last question: what is the capex plan for the current year, and what is it pertaining to, like? Thank you, sir.

Mr. V. Senthil (Chief Financial Officer)

Yeah. So, first one was on H1, which I mentioned. And second thing, fixed cost: I think I remember you asked me exactly the same question last quarter, why is the fixed cost not going up versus your turnover. Absolutely you're right. It's a lot of effort from our side, knowing what we know, seeing what we see, and what's happening out there, and the way the markets are there, like I already explained, where Bangladesh, all the export markets. There's a lot of effort that goes into us trying to rein in cost and do something internal, which is what is in our control.

So absolutely yes, it is both on fixed cost and also this doesn't come with just cost control; it comes with a lot of digitization and automation. A lot of effort goes into trying to keep it at the level. Some portion of it has helped with the COGS. You see COGS, but not significantly increased COGS while the costs have all gone up, you know what the prices have gone up as. So that is a function of the VAVE effort which we do, right?

And with respect to capex: yes, the idea is to invest as similar to what we have in terms of depreciation.

However, the slight change what we have adopted is in certain cases, which will—I think as the machines will roll in, capex will roll in, what you will see at the end of the year, there will be some leased assets also will be coming in, because we feel there are enough opportunity for us to leverage and get, you know, maximum usage of these assets. Because the way the business operates is also changing you get a 5-year contract on an ATC, absolutely right, and we need to deliver everything with and we need to invest everything, and we need to make that return within that set period. So, there is a way which we are operating already. But from a capex point of view, it will be similar to what the depreciation we'll be having in the current year. Okay. Thank you. Thank you, Mr. Manish. Over to you, Mr. Sameer.

Moderator

Thank you so much, sir. Sir, at the moment, we do not have any hands raised for further queries or questions, sir.

Mr. V. Senthil (Chief Financial Officer)

We can close the meeting, please.

Moderator

Sure, sir. Sir, thank you so much, everybody, for attending this meeting. Thank you so much, everybody.

Mr. V. Senthil (Chief Financial Officer)

And thank you. Thank you, Sameer, and thank you, everyone. Wishing you all a Happy New Year for 2027, and we'll see you for the Q3 next year. Thank you.

Moderator

Thank you so much, everybody. Thank you.
