



"Mamata Machinery Limited

Q4 & H2 FY25 Earnings Conference Call"

June 09, 2025



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Moderator: Ladies and gentlemen, good day and welcome to Mamata Machinery Limited Q4 and FY25 Earnings conference call hosted by TIL Advisors. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance to the conference call, please signal an operator by pressing ‘*’, then ‘0’ on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sayam Pokharna from TIL advisors. Thank you and over to you, Mr. Pokharna.

Sayam Pokharna: Thank you, Rinju. Good afternoon, everyone and thank you for taking out the time to join us in this Q4 and FY25 earnings conference call of Mamata Machinery. The investor updates including the investor presentation have already been uploaded on the Stock Exchange and on the company website.

To take us through today's results, we have with us from the management team, Mr. Apurva Kane - Chief Executive Officer, Mr. Dipak Modi - Chief Financial Officer and Miss Madhuri Sharma - Company Secretary and Compliance Officer.

We will begin with a brief overview of the financial and operational performance from Apurva Kane, followed by a Q&A session. Please note that any forward-looking statement made during this call should be considered in conjunction with the risk and uncertainties that we face. These risk factors have been detailed in our prospectus document.

With that, I would now like to hand over the call to Mr. Kane. Over to you, Sir.

Apurva Kane: Good afternoon, everyone. This is Apurva Kane - CEO of Mamata Machinery Limited. On behalf of Mamata Machinery, I would like to extend a warm welcome and thank you all for taking the time to join us on our Q4 and full year FY25 earnings conference call. Before we begin with the review of our performance, I would like to highlight two important aspects. Firstly, regarding our investor communications frequency going forward. And secondly, some general perspectives on the nature of our business.

Firstly, in line with our commitment to transparency and proactive engagement with our investor community, we are instituting a regular practice of hosting biannual investor earning call following the announcement of our Q2 and Q4 results going forward. We believe this will provide a consistent platform for meaningful dialogue, detailed update and timely clarifications on our business performance and strategic direction. Additionally, we will continue with our quarterly investor updates such as press releases and investor presentation. For further clarification and discussion, you may reach out to our Investor Relations advisor.

Secondly, on our interactions with investors and analysts so far, I want to clarify and reiterate that Mamata Machineries business is inherently seasonal, especially when evaluated on quarter-to-quarter basis. This is true both in terms of top line and especially in terms of profitability margins. The reasons behind this seasonability has been detailed in our recently published investor presentation, specifically on slide 30. Given this context, we strongly encourage all stakeholders to assess our financial performance on a rolling average basis.

Looking at our last four quarter period in cumulation, this approach provides a more accurate and fair representation of our growth trajectory, profitability and evolving financial ratios. Due to possibility of order deferrals and revenue clustering in a particular quarter, some periods may appear exceptionally strong, while others may seem subdued. Averaging over four quarter helps to smoothen out this volatility and offers a truer picture of our operational progress.

With these clarifications in mind, let me now walk you through our performance for the year. At the headline level, Mamata Machinery reported revenues of rupees 2546 million for FY25, representing an 8% year on year growth. This achievement is particularly noteworthy considering that several significant orders originally scheduled for delivery in Q4 were deferred to Q1 FY26. These included orders and transit to export markets for final inspection or orders delayed due to logistical and administrative challenges at customers' end. Had these orders been realized within a financial year, as initially planned, we would have delivered a much stronger double digit top line growth for FY25. It is also important to clarify that the two key deferred orders mentioned pertain to our packaging division and are relatively decent value.

Consequently, while our reported packaging division sales show a 4% year on year growth, the underlying momentum remains robust and these deferred orders will be booked in coming quarter. Adjusting for this difference, our packaging top line growth would have been impressive and our converting top line would have been largely flat with the marginal decrease year on year.

Turning to profitability, I am pleased to report that our net profits grew by 14% for the year, outpacing our revenue growth. This was driven by improved margins thanks to strategic initiative such as higher contribution from higher margin products, selective product repricing undertaken last year and more effective procurement practices along with certain changes in design, which is inherent part of cost structures.

On macro front, it is important to contextualize our performance within the broader environment. One of our key export markets is the US is currently experiencing some turbulence due to recent tariff announcements. While the situation still remains fluid and nobody knows the final tariff structure, let me clarify that we are well positioned in this regard since domestic capacities in US are there for many products. The US import is from Canada, Europe, China and India. Incase higher differential tariffs are imposed on Chinese imports; we might try to benefit from it. In any case, it is important to note that these machines are high end technology driven capital goods where purchase decisions are based on technical merit and product value and not solely on price. The main risk arising from current situation would be a broader U.S. economic slowdown or a recession which would indirectly impact demand. At present, we do not see any direct adverse impact on our business.

Looking ahead, Mamata machinery remains confident in its growth trajectory for coming year. We are well positioned to scale up our packaging machines division and will continue to focus on innovation and operational excellence to capitalize on emerging opportunities globally.

With that said, I would now like to open the floor for questions. Thank you.

Moderator: Thank you. The first question comes from the line of Manish Goyal with Thinqwise Wealth Manager LLP. Please go ahead.

Manish Goyal: Yeah. Thank you so much and congratulations, Mr. Kane, for very good performance. Sir, I have a few questions, Sir, would you be able to quantify the deferment of the sales which has in Q4, both in packaging and also the press release mentioned, the converting machine as well. So would appreciate if it is possible to share the details. That was the first question and second question is on the, we have seen a very strong growth in attachments and spares, particularly in quarter 4, so how should we look into it? Like what was the reason for such strong growth and how should we look it going forward? You in your opening remarks, you alluded to the order pipeline seems to be quite strong. So, for FY26, can we expect a much stronger growth rate considering there will be spillover of revenues from FY25 and you will have a regular growth from all the three businesses. I have couple of more questions. I'll come back Sir. Thank you.

Apurva Kane: Thank you, Mr. Manish Goyal, for your questions. I will try and answer one question at a time. Your first question was about what is the quantum of deferred sales? The quantum of deferred sales is approximately 30 CR of which about 23 CR was for packaging. And balance was for converting. There was no deferment of sale in exclusion.

Manish Goyal: Ok. And Sir, sorry as we are discussing. So, this entire 23 crores were probably the packaging machine for the US market?

Apurva Kane: No, there were majority of them. That was machines for U.S. markets. The machines were already dispatched from our works, but they were in transit for to be received in our in our US facility or factory acceptance test.

Manish Goyal: Ok. And Sir, the follow up question was on the attachments and spares just for FY 25 and particularly quarter four, we saw very strong growth. If you can give perspective as to what was the reason and how should we see it going forward?

Apurva Kane: It is basically classification of what we would term as attachment. In case of extrusion, when we sell a machine that includes every part of it, which includes the tower, which includes the binders, which includes the so, it includes post-extrusion equipment as well as pre-extrusion equipment, the complete plant is considered as a machine. However, there were two orders that were executed in the last quarter where we had to send out basically upgrade packages which is partial plants. Now these are also quite high value and therefore, you see this sudden surge under classification attachment. But they were not considered as machines. They were considered as attachments.

Manish Goyal: Sure, Sir. And I will come back in the queue, but the last question before I come back, Sir. How should we look for growth in FY26 considering spillover of sales from FY25 and you also alluded strong growth potential in the packaging machinery, Sir. Yeah. Thank you.

Apurva Kane: We continue to have a robust pipeline for packaging machinery orders. As planned, we are going ahead with exploration of various Middle East and African markets and find market for packaging machinery and we believe that will result in higher growth rate. For this purpose, we as for our press release that was given some time back, Mr. Rajashekar has already joined us as our President, with specific emphasis on growth delivery of packaging division, so he has already joined us and he is in process of doing exactly what we want to be done. As per our press release, as you know, he worked for Kennametal for number of years and before that he also worked for Mettler-Toledo as well as for Markem-Imaje. So, he does have very good background of machine building as well as he has been related to packaging industry through Mettler-Toledo for X-raying equipment as well as in line check layers and printing equipment.

Manish Goyal: Sure, Sir. Thank you so much, Sir. I'll come back in the queue. Thank you.

Moderator: Thank you. Next question comes from the line of Lakshminarayanan with Tunga Investments. Please go ahead.

Lakshminarayanan: Yeah. Thank you. A couple of questions. Now, you report revenues in 3 different segments. Are the customers also distinct or do they overlap across these segments?

Apurva Kane: They don't always overlap. There is definitely some synergy. First of all, the customers for packaging machines are essentially brand owners or they are contract packers for brand owners. So, they are different from people who make bags and pouches or people who make film to make bags and pouches. So, there is some o overlap between the customers who make bags and pouches and customer who manufacture films. However, packaging machinery customers are a different class by itself.

Lakshminarayanan: And if you look at domestic and international revenues, if you can just give what is the sense, I mean at a company overall level you give, but in terms of these three segments like converting, coagulation packaging, what's the effect of domestic and international across these statements?

Apurva Kane: For extrusion and bag making and pouch making in terms of revenue, 71% of the revenue was generated from exports in the financial year that we closed, FY25. As far as packaging is concerned, we are either selling machines in India or in USA and Canada, we have not yet tendered the rest of the world and that is the process that we have taken up now and hopefully that is something that will deliver going forward.

Lakshminarayanan: Git it, got it. And what is the average sale price of the machine in general across these two segments?

Apurva Kane: Average sales price can be as low as around 15 lakh or for a single machine, and it could be as high as about 9 crores for a machine, so it widely differs.

Lakshminarayanan: No, I mean in these three segments also is that wide variation or in one segment, the prices are usually..

Apurva Kane: It is already there mentioned in the RHP no, never mind, but I will explain this again. In extrusion it can be from about 1.2 crores to 9 crores. For packaging machines, it could be from about 50 lakhs to 3 - 3 and a 1/2 crores and for bag making and pouch making it could be from 15 lakhs to about 2 and a 1/2 crores.

Lakshminarayanan: And the last year, what was the number of machines you made across these 3 segments? And how was the growth in when compared to the previous year?

Apurva Kane: So, last year we have dispatched 238 machines overall.

Lakshminarayanan: OK. 238.

Apurva Kane: Yeah, of which 207 were for pack making and pouch making. There were 10 machines for extrusion. These are complete machines, by the way, as I explained earlier. Yeah, these are complete plants. And then packaging machines, we have delivered 21 machines. Now if you compare that to previous year, we have done 232 bags making and pouch making machines, 3 co-extrusion blown film plant.

Lakshminarayanan: OK.

Apurva Kane: And again 21 packaging machines, total was 256.

Lakshminarayanan: And in terms of pricing both in international and domestic, you know what, how is it what is it, what is passed through and how do you manage forex issues in when you do international? Is it also pass through? How do you handle that?

Apurva Kane: If the question is do we hedge foreign exchange? The answer is no. We do not hedge.

Lakshminarayanan: OK.

Apurva Kane: Because our import content is very low as compared to our export revenue, we get automatic advantage of hedging and we don't have to do that separately.

Lakshminarayanan: Got it, got it. And in terms of material cost, is it a pass through? How do you escalate the prices if it is fluctuating either up or down?

Apurva Kane: Pricing. Mamata is known for keeping its pricing very stable. We try not to disturb pricing as far as possible unless we are forced to do it. The cost of the machine, as I mentioned earlier, we believe very strongly that costing is inherent part of design itself and therefore we can by innovation control the pass-through design as well as through purchase. Purchase, there is a limitation how much you can bring cost down by purchasing prudently, or being driving a hard bargain, but it the design is the key. Through that you can really control cost. And that is what we do.

Lakshminarayanan: And in terms of the Co extrusion, that has been a good spurt in the revenues. Was it by design that it actually went up this year?

Apurva Kane: I would say that last year was the first year where we found actually traction to our strategy. There is a pivot that we made in about 2017 because in 2017 we got, we basically got licensing agreement. Under that licensing agreement, we could then start offering what is known as barrier blown film lines or lines with the five layer or seven layer and even now nine layer blown film plants. And that technology, we could start using from 2017-18 onwards and that has now finally found traction since the year before last because the figures that you see in last year, most of the orders were booked in year before last. So, the orders were actually, booked in 20 to 23 executed in 23-24.

Lakshminarayanan: Got it. Thank you for detailed response. I'll come back in queue.

Apurva Kane: You're welcome.

Moderator: Thank you. The next question comes from the line of Rohan Dedhia, an individual investor. Please go ahead.

Rohan Dedhia: Are you, Sir? Can you hear me?

Apurva Kane: Yes, I can hear you. Yeah.

Rohan Dedhia: Sir, thanks for the opportunity. In the last call, you had mentioned how one of the strong USPs of our packaging machine, we are ready to handle recycled film content. So, Sir, just wanted to kind of get a sense on what is the size of the opportunity for the same in India. Like you said, a lot of machines may need to be upgraded so that they can handle recycled content. And second, also wanted to know how competition is tacked on the same opportunity. Thank you, Sir.

Apurva Kane: We have given press releases this year earlier where we have been granted certain patents for our sealing mechanisms that we have on our packaging machines, which would allow our customers to use our machines to run recyclable films, so we now have patented technology that is available for the company. If we talk about usage of flexible packaging material that runs into millions of tons every year in India alone, and that is the opportunity in terms of size that needs to be replaced by recyclable material over a period of year. And that is the change that we will see over next 2-3-4-5 years and we believe that that is something that will give huge opportunity to Mamata because that is the technology that we have been working on and that technology has now been validated by. Issuance of patents by Government of India as well as patents internationally. So, we have patents in EU, we have patents in USA also for similar technology.

Rohan Dedhia: Thank you. Sir, would we have size and how many? What was the expected size from the that we expect from the Indian market crowd?

Apurva Kane: We don't have a size for this week. I can only tell you that it's a huge opportunity for any company that can actually find solutions and deliver solutions to brand owners.

Rohan Dedhia: OK. Thank you, Sir. All the best, Sir.

Moderator: Thank you. Next question comes from the line of Manish Goyal with ThinQwise Wealth Managers LLP. Please go ahead.

Manish Goyal: Yeah. Thanks a lot for offering opportunity again, Sir, you did alluded right now that we have got patent for the packaging machine, I believe it is for vertical form fill and seal. So, would it be able to like quantify what is the near-term opportunity? And have we received any orders for from the ongoing trials with some of the potential customers where we had supplied the machines?

Apurva Kane: We have since then installed a machine at ITC and the film that they are using is recyclable film. And we are in talks with few other people to adopt this technology.

Manish Goyal: And Sir, would it be able to quantify what is the near-term addressable opportunity for us in India and the overseas market?

Apurva Kane: Absolutely near-term addressable opportunities that time we are looking at is between 12 and 20 machines in coming 20-24 weeks. It's an opportunity where we are actively pursuing this these opportunities and we are talking to customer.

Manish Goyal: Sure, sure. And would you like to give a like any like what is the size of the opportunity in US and Europe where we already have the patents?

Apurva Kane: There, our machines are already running recyclable films.

Manish Goyal: Right, Sir. OK.

Apurva Kane: So, they have already started switching in a big way to recyclable films. Every almost every new machine that we deliver runs on recyclable film.

Manish Goyal: OK. Sure, Sir. And Sir, on the CapEx plans for in terms of plan for capacity expansion or also in terms of, are we probably looking at any inorganic growth opportunities? So, if you can provide some section over there and also like on the cash, we have cash which probably we have around 68 crores on the balance sheet. So, what is the capital allocation plan, Sir? And also have we formed any dividend payout policy?

Apurva Kane: The cash that you see on balance sheet on 31st March is end of our basically working capital cycle at end of the year. So, it basically goes into a majority of that cash is used as working capital throughout the year and by end of the year it comes back to the balance sheet as cash. So that is one part. Second part we are trying to use this as a war chest going forward-looking at inorganic growth, we have set this during our roadshows also that we are actively seeking in organic growth and whenever there is a development that is mentionable, we will announce it to market appropriately through a press release. CapEx wise, we as you know that we do not have a machine shop and we do not manufacture anything in house, so as far as capacity expansion is concerned, basically we might just need more space to assemble machines that we manufacture and we will definitely try and add that space in our existing campus as and when required.

Manish Goyal: OK. And Sir, any because a dividend announcement was quite low, so have you formed any dividend payout policy and like on capital allocation, how are we thinking sir?

Apurva Kane: On dividend front, we will continue with our past track record of equitable dividend distribution. And as I said just now, we are trying to build a war chest that will help us with our in inorganic growth plan. So, we would like to retain those funds for future use for this purpose.

Manish Goyal: Sure, Sir. And when we are probably looking at inorganic growth, Sir, are we probably looking at acquiring some technology or are we looking to probably penetrate in certain markets by acquiring company? What would be our focus on the?

Apurva Kane: When we talk of inorganic growth, which there are various avenues that are available to us, we are looking at sales and marketing alliances with companies in various parts of the world, we are looking particularly in Europe, we are also looking at acquisition of smaller family run companies. Again, in Europe that would onboard technology also and that would onboard markets also at the same time. We are also looking at joint ventures as an opportunity. So, there are various avenues that are currently available and we are actively seeking those avenues.

Manish Goyal: Sure, Sir. And, Sir, would it be possible to share the breakup of the order book, which we have as the March end?

Apurva Kane: Could you please repeat that?

Manish Goyal: Sir. Breakup of outstanding order book between 3 businesses – Converting, Co extrusion and packaging.

Apurva Kane: As on 31st March, our order books stood at about 74 crores that also included deferred sales of 30 crores.

Manish Goyal: OK, OK. Would it be possible to share the breakups?

Apurva Kane: Sorry.

Manish Goyal: Can you share the break up? How much is packaging machine? How much is Co extrusion and how much is converting machine?

Apurva Kane: We can share those figures on one of these days on one-on-one basis. I would short strategically like to give a break up at this point in time.

Manish Goyal: Right, OK. And last question Sir, on the margin front, we saw that this quarter our gross margins and EBITDA margins both improved significantly and for the full year also particularly gross margins went up to almost 61% and in this quarter, it was 64%, so any particular reason for this increase? Is it probably attributed to higher sales of attachment and spares in quarter four or and how should we look into it Sir going forward on the margins?

Apurva Kane: The margins actually expanded by about 2% if we compare the entire year. And it is 2% margin expansion was on account of two things. One was that in bag making and pouch making, we had some strategic decisions as far as pricing is concerned in previous year and that found traction in the current year. So, that is something that helped us. Second, as I said, there were certain design changes as far as framing of the machines were concerned and a test saved us some cost. And thirdly, it was sales of the barrier extrusion blown film lines in exports where our margins were higher.

Manish Goyal: OK. And how should we expect are going forward like this this year?

Apurva Kane: I think you should depend stable at these margins, at least for year going forward, unless of course there is some kind of a Six Sigma event that is not in our control and that happens in Europe or in US.

Moderator: Thank you, Mr. Goyal, please rejoin the queue for more questions. Next question comes from the line of Maitri Shah with the Sapphire Capital. Please go ahead.

Maitri Shah: Yeah, hello. Am I audible?

Apurva Kane: Yes, you are audible.

Maitri Shah: Yeah. So, with our new packaging patent that we have and also that we're going to grow in Middle East and everywhere. So, what sort of expansion in top line are we expecting for FY 26 and FY 27?

Apurva Kane: We have always said that if we look at our three revenue streams then bag making, pouch making as well as our extrusion is likely to grow at between 10 and 15% going forward, while we have always maintained that packaging will grow much faster. We're looking at between 30 and 40% growth. That is what we want to drive this company towards and that is what we are working on. So that is how it will pan out over next year and year after that in near-term.

Maitri Shah: Yeah, that is it from my side. Thank you.

Moderator: Thank you. Next question comes from the line of Sanyam Shah, Solidarity Advisors. Please come here.

Sanyam Shah: Hello. Am I audible, Sir?

Apurva Kane: Yes, you are.

Sanyam Shah: So, we have been guiding for 15-16% the listed EBITDA margins until last quarter and we have done 20-22% in the last two years. So, do you think if I take a longer-term view, are these EBITDA margins sustainable or we will be gradually moving towards 15-16% again?

Apurva Kane: EBITDA margins have always improved. Current EBITDA margins of $\pm 20\%$ are sustainable and may possibly improve. In fact, with our scale of operation growing further since operating expenses aren't expected to rise proportionately.

Sanyam Shah: Ok. And sir, we did guide for machine level growth like segment level growth for the next one or two years. So, can you give me a longer-term number for growth we should work with?

Apurva Kane: In machinery business, we normally work on horizon of about 18 months. We don't have any granularity beyond 18 months, so I would not like to hazard a guess on that one. As I said, our intention is and that is what we are working towards continuously as a company and as a team to achieve the growths on various product lines that we have in the percentages that I have talked about.

Sanyam Shah: And Sir, can you please explain in a bit granular detail what could be the drivers of this growth?

Apurva Kane: The drivers of the growth, if we are talking about packaging the drivers, come from the fact that food processing is growing. For example, snack industry, packaged snack industry in India is growing at rate of about 28% and therefore more machinery is needed to package food. Secondly, there is this migration since COVID where packaged food has become a necessity for most of the people, so loose food is not being sold at all and therefore packaging industry as a whole has been registering the double-digit growth in India for last three years and it is likely to continue for next five years. That is 1. 2nd we are adding new geographical areas to our basket, particularly for packaging machines in Middle East, Africa and Europe and that should bear fruit because one has to understand that as a company, we are already present in those geographical areas for bag making and pouch making and we sell our bag making and pouch making machines around 80 countries around the world, so we know what these markets stand for, what are the logistics involved, how to go there, whom to talk to and things like that, and our presence of bag making and pouch making in those countries is something that we would be leveraging over a period of time for our packaging machines too. So, the growth will come from these two opportunities.

Sanyam Shah: Sir, thank you for the detailed answer on this. Sir, can you please also explain the drivers for bag and pouch making and the extrusion machinery business?

Apurva Kane: Bag and pouch making machines is something that is a mature market. Globally, our brand is really well recognized and we participate in almost every major exhibition around the world. In fact, there is a major exhibition that is happening this year called K 2025 that will happen in October 2025 and that is the event that always boosts sales for Mamata going forward. So that is one thing. As far as extrusion is concerned, I have explained that Multi-Layer Barrier Film is a highly growing market around the world because that allows you to have barrier films that are recyclable and that is what we are betting on and that is something that found traction year before and therefore we have grown last year and even in current year we have a very healthy order book as well as a robust pipeline to achieve similar figures, if not the growth, because that growth was insane. That was something like 230% odd. So, we can't repeat that, but we will be able to maintain and sustain similar sales in this year also.

Sanyam Shah: OK, Sir. Thank you. I'll give back in the queue.

Moderator: Thank you. Next question comes from the line of Mosam Shah with Wealth Guardian. Please go ahead.

Mosam Shah: Hello. Congratulations first on a good set of numbers. So just wanted to know the break up between the number of machines sold within India and outside India?

Apurva Kane: So last year we sold 238 machines out of which 152 machines were sold in India and 86 machines were exported.

Mosam Shah: OK. OK. Thank you, Sir. And also, I just wanted to know what is the bifurcation in terms of the revenue from the top one and three customers?

Apurva Kane: Top 10% of our customers, this is a stated fact, top 10 customers of Mamata contribute only 20% of our revenue.

Mosam Shah: As per DRHP, last year it was 32%.

Apurva Kane: Yeah

Mosam Shah: So just wanted to confirm this.

Apurva Kane: That that is also with the disclaimer that the top 10 customers change every year.

Mosam Shah: Yeah, that is true.

Apurva Kane: Because same set of customers do not keep on buying it.

Mosam Shah: Oh, OK. Thank you so much, Sir. That's it from my end. Thank you. And all the best.

Apurva Kane: Thank you.

Moderator: Thank you. The next question comes from the line of Lala Ram Singh and individual investor. Please go ahead.

Lala Ram Singh: Good evening, Sir. And first of all, I want to appreciate the detail in the presentation and the communication, it's very helpful. I have 2 questions. One is to support the intended growth across different divisions. What did we need more higher quality position like you have done one recently? We want to defend that and #2 beyond hiring what are the three challenges that we need to overcome in order to realize the potential in all the segments?

Apurva Kane: Hiring people is a necessity because you need feet on the ground and we are doing that and it is easier said than done because finding people who are experienced and who are motivated and committed to deliver the results that we demand is not very easy. But having said that, we continue on that path of recruiting people that we think can take us forward and that is the ongoing exercise that we started sometime last year and we will continue during this year also. But besides that, the challenges are not only people, the challenges are recognition as of India as a destination for world class machinery, and that is the challenge that we constantly face and that is the challenge that we have to overcome because even today, when you are looking at people globally and talking to them, people think that good software can come from India or very good quality Basmati rice can come from India or very good clothes can come from India. But when you talk of absolutely top-class machinery coming out of India, there are still question marks as far as people's perception is concerned. I'm not saying that this is true. India does build world class machine.

Lala Ram Singh: Yeah.

Apurva Kane: And we will continue to improve on that. But it is a perception that we have to overcome and that can be overcome only over a period of time.

Lala Ram Singh: So, this is a follow question on this point. So, doing this business for more than three decades. How far has the commonly seen from 1 to 10 with respect to perception? Where are we today? Is it closer to 3-4 or is it closer to 6-7? Before you understand that?

Apurva Kane: We are close. I would like to say that if we are talking of Mamata, just Mamata machinery, we are at 6-7. If we are talking of overall Indian industry, I would put it at 5.

Lala Ram Singh: OK.

Apurva Kane: So, we are ahead on the curve as far as rest of the industry is concerned.

Lala Ram Singh: Ok. Sir, can I ask 1 more question?

Moderator: Mr. Singh, sorry for interrupting. Can you come in the range? Your voice is muffled.

Lala Ram Singh: Yeah. Is it better now?

Apurva Kane: Yeah.

Lala Ram Singh: One more question is on the inorganic route usage of cash. I want to understand the high-level philosophy. So, have you already identified the key product gaps or key gaps in the market that we want to target exist more, driven by availability of opportunities in the market and then trying to evaluate the fit with Mamata?

Apurva Kane: We are looking at inorganic growth opportunities, particularly in the ambit of packaging, and that too flexible packaging. So, when you start looking at flexible packaging, there are various aspects to flexible packaging. We manufacture horizontal farm field and field machines and we also, manufacture vertical form fill and fill machines. But for example, we do not manufacture as of now at least we do not manufacture what is known as flow wrap machines. So, there is one gap in our portfolio. Generically speaking, as well as far as flow wrap is concerned. Now, these are basically primary packaging machines and then you have secondary and tertiary packaging machines. So, these are the machines that basically bullet the output from

packaging machines and you can have things like case packers, you can have things like palletizing machines, you could have output handling robotic equipment. On backward side you can also have various kinds of filling systems. So generically speaking, the gaps that we would be looking at is filling systems of various kinds. We would be looking at secondary and tertiary packaging opportunities and these are the companies that we would be identifying and these are the technologies that will be identifying to deliver in organic growth.

Lala Ram Singh: That's very helpful, Sir. So, if my understanding is correct, you effectively you want to cross sell to your existing customers right within their value chain of manufacturing?

Apurva Kane: We would like to offer complete solution end to end solution eventually.

Lala Ram Singh: Ok. One last question is for these opportunities is there a ticket size that you have kept in mind that we do not want to spend more than x crores, for example?

Apurva Kane: I would not like to comment on that question at this moment.

Lala Ram Singh: Sure Sir. I respect that. Thank you so much and I wish you all the best.

Apurva Kane: Thank you.

Moderator: Thank you. The last question comes from the line of Lakshminarayanan with Tunga Investments. Please go ahead.

Lakshminarayanan: Thank you, again. Sir, you talked about you know that your top 10 customers keep changing and my question is what percentage of your revenues are actually some kind of a repeat in nature that you're actually sold this to the client or the customer, you know, couple of years back and so on and then second question is that when you sell, you sell to the client or you sell to the project management consultant or you sell to the agent, what is the typical sales cycle look like? These are the 2 questions.

Apurva Kane: We do not normally sell to on a stock and trade basis. We normally sell to end user directly. Yes, there might be an agent involved in it, but then that agent would either be facilitating sales or doing post support on the equipment that has been supplied, but their role is not of stock and trade, so that is one, because we like to understand as to what is going to be exact end use of the machine that we are selling and for us it is very important that we are able to deliver appropriate solution to given customer.

Lakshminarayanan: So, you don't sell via these project management consultants who actually assemble the entire?

Apurva Kane: You know, we always interact with project management consultants. They are extremely important chain as far as decision making on behalf of our customers because they are consultant to our customers, but normally consultants are viewed as neutral entities not requiring to be rewarded in cash or kind and it would not be ethical to do that.

Lakshminarayanan: Got it. And how do you track your repeat business?

Apurva Kane: Through performance.

Lakshminarayanan: I mean, what percentage of your revenue is repeating nature?

Apurva Kane: I think we have mentioned it in our RFS.

Lakshminarayanan: Then I'll pick it up from there.

Apurva Kane: It is around fifty 50-55% is repeat business

Lakshminarayanan: OK. Sir, another question. So, do you work with multinational companies like Huhtamaki, KPL, Amcor, etc. or they actually prefer imported machines? And how does the landscape look like?

Apurva Kane: Huhtamaki, all the three names that you mentioned are our customers globally.

Lakshminarayanan: OK. OK. OK. And in India also you will be supplying to them?

Apurva Kane: Yeah, Amcor, I believe they have 5 facilities so far in India that I know of. There might be more, but we are present in at least three of the facility.

Lakshminarayanan: Got it, got it. And another thing. So, if I look at, you know the entire you know the flexible manufacturing process. There are always attachments like vacuum or things like that. So do you also provide attachment that will help in vacuuming that will help in you know some differentiated packaging. Is that something which you do also?

Apurva Kane: We offer attachments for, for example, you're talking of modified atmospheric packaging. So, we do offer flushing equipment that works in line in terms of, say, carbon dioxide flushing or nitrogen flushing and things like that. Yes, we do.

Lakshminarayanan: And in terms of your end market, you know looks like most of it are actually consumer goods. Now, is there a mix between dry / wet / medical, any kind of mix in terms of your end industry? Is that something which you would like to talk about now?

Apurva Kane: We are currently working and focusing on dry food product. That is the focus area. We are working on entering into liquid.

Lakshminarayanan: Got it. And there's no medical related thing?

Apurva Kane: Medical is a very different again, somebody else asked a question about what gaps do you see? That is one of the gaps that we see. OTC products, we are already there as far as, for example, we do supply for what you call Eno type products. We do supply machines to pack those. But when we are talking of specific high hygiene machines that are required for medical packaging, we are not yet there and that is one of the gaps that we are looking at.

Lakshminarayanan: One last question, if I'm calculating so in the previous call, it was mentioned a particular annual growth could be achieved. Looks like it didn't happen and you also mentioned there is a 35-crore order spill over to the next quarter which is 1. So, when you looked at last year around the same time when you say last year, last call there has been a departure from the expectation. So, may I know why is this so?

Apurva Kane: Because these orders were deferred by the way, I didn't mention 35 crores. I said there were approximately 30 crores.

Lakshminarayanan: Got it. Got it. I understood, Sir. Thank you so much again for details.

Apurva Kane: You're welcome, Sir.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I would now like to hand the conference over to Mr. Apurva Kane - Chief Executive Officer for closing comments.

Apurva Kane: Thank you very much friends for giving us this opportunity for today's interaction. We hope that we have been able to answer most of your questions to your satisfaction. If there are any further clarifications or questions, please contact our IR agency and they will help you understand our company and our company's operations better. Thank you very much till we talk to each other next time. Thank you so much.

Moderator: Thank you. On behalf of Mamata Machinery Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.