

Lakshmi Machine Works Limited

RESULTS PRESENTATION

Financial Year 2013-14



Agenda

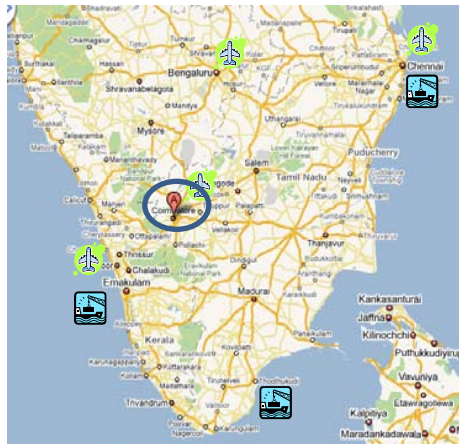


1. About LMW
2. Business Divisions
3. Financial Results, 2013-14

About LMW



LMW is headquartered in Coimbatore, South India



LMW was founded in the year 1962 to manufacture Textile Machinery for the Indian Textile Spinning Industry. The first Unit was established at Perianaickenpalayam near Coimbatore



LMW Business Verticals

Textile Machinery Division



LMW, is a global player and one among the three manufacturers of the entire range of Textile Machinery, from Blow Room to Ring Spinning

Machine Tool Division



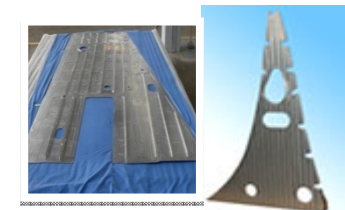
LMW makes complete range of Horizontal & Vertical Lathes and Machining Centers

Foundry Division



LMW Foundry Division manufactures Ductile Iron and Grey Iron Castings to demanding specifications in their state-of-the-art No bake Foundry.

Advanced Technology Centre



LMW ATC manufactures Aerospace components and parts on a sub contract basis.

About LMW



Vision

“To enhance customer satisfaction and our image globally and achieve exponential growth to leadership through world class products and service”.

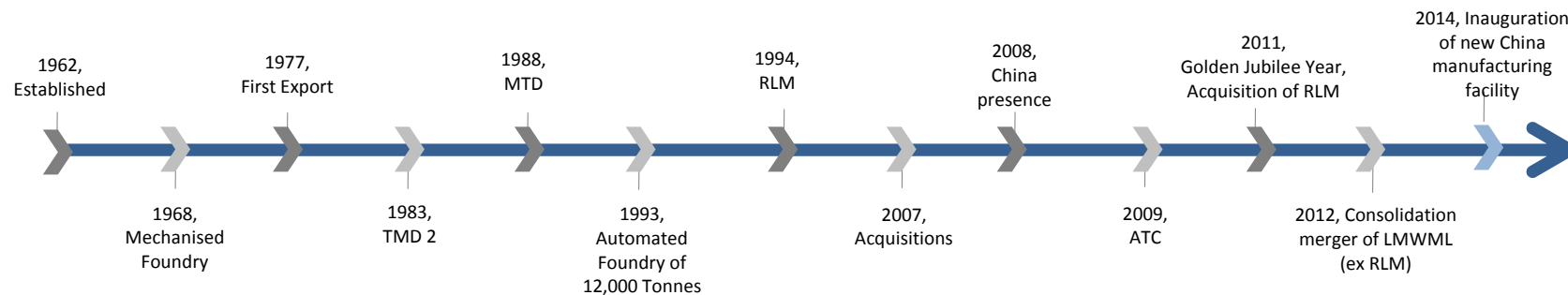
Mission

“To deliver greater value to our customers by providing complete competitive solutions through technological leadership and manufacturing excellence that are responsive to dynamic market needs”.

Values

- Excellence
- Integrity
- Learning & Sharing
- Contribution to Industry & Society

Timeline



Key Facts

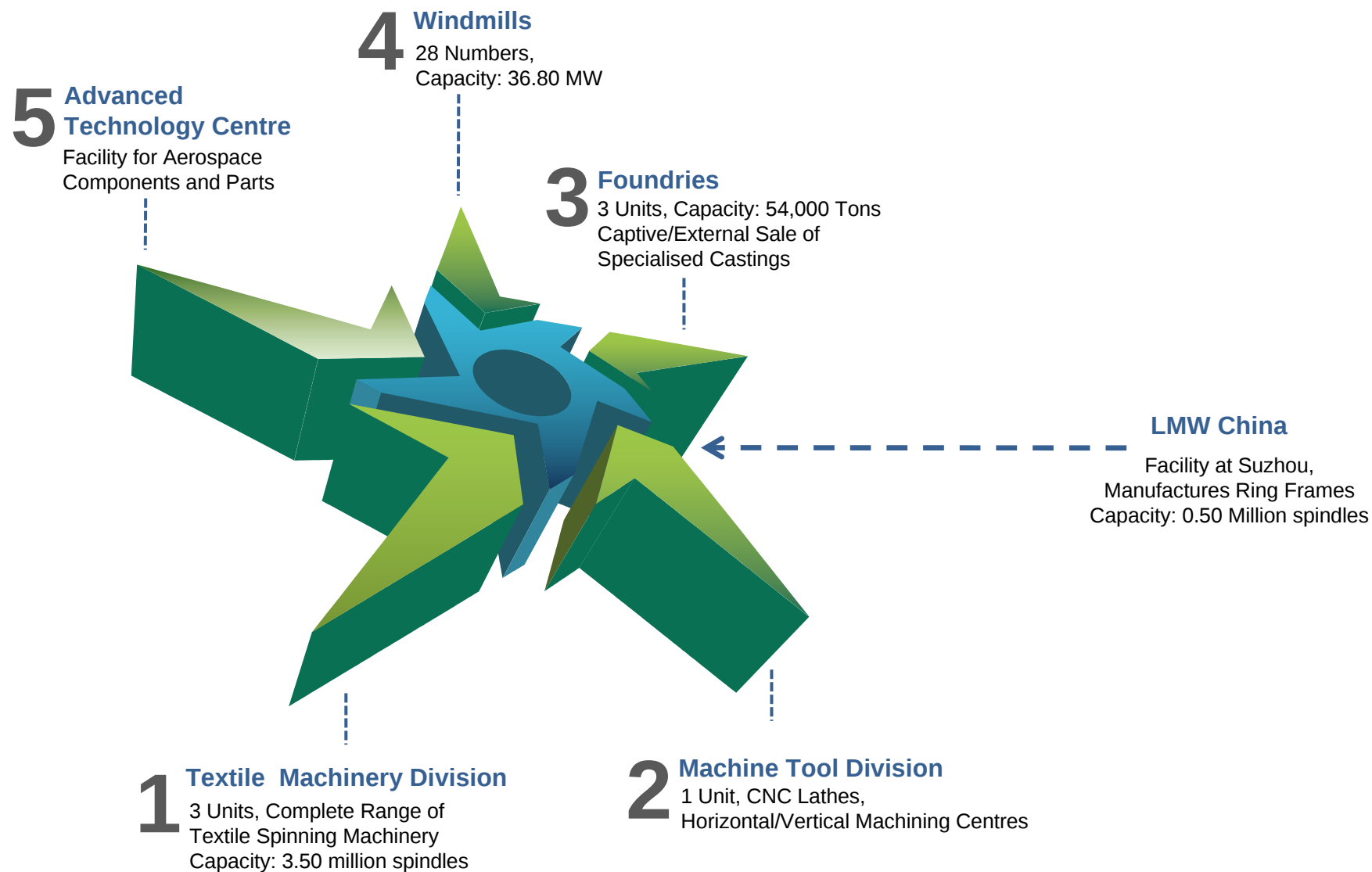
- ▶ Established in the year 1962.
- ▶ The largest Indian Textile Machinery Manufacturer with a Global Brand Recognition.
- ▶ Manufactures complete range of Textile Spinning Machinery, Machine Tools, Precision Castings & Aerospace components.
- ▶ Dedicated Manufacturing facilities.
- ▶ Debt free company since 2004-05
- ▶ Listed on the National and Bombay Stock Exchange
- ▶ Believer in Technology, has enabled automation across the factory. Information systems within the company run on ERP.
- ▶ Adherence to strict corporate governance guidelines and is known for ethical business practices
- ▶ On the path of diversification into emerging Technologies/Industries
- ▶ Green believer, has an installed capacity of 36.80 MW of renewable energy.

Agenda



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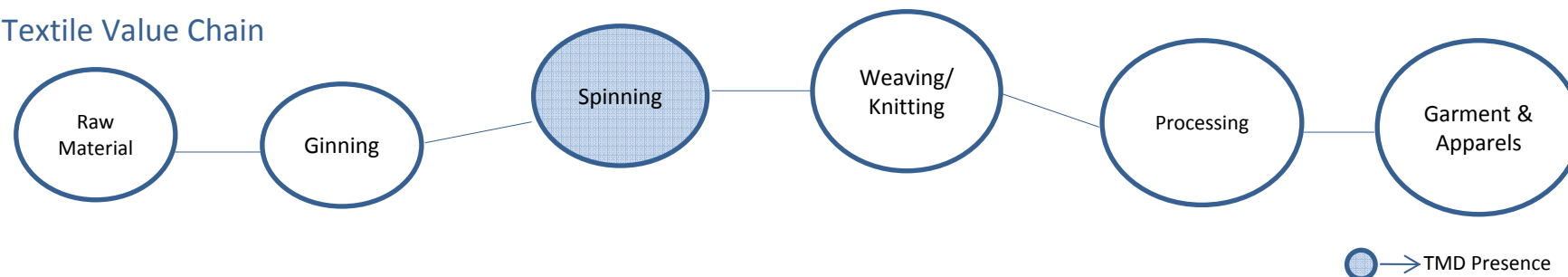
Business Verticals



Business Verticals, Textile Machinery Division



Textile Value Chain



Products – Machinery & Spares



Blowroom Lines



Cards



Draw Frames



Combers

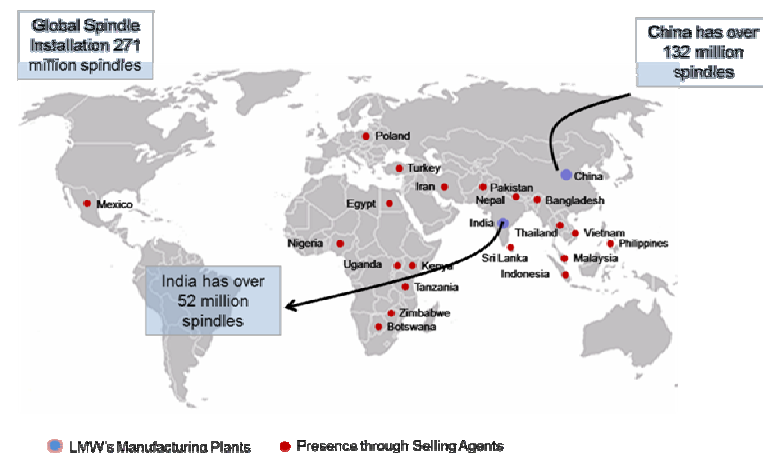


Speed Frames



Ring Frames

Textile Machinery Division – Global Reach



India Spindle Shipments

Year	In Million Nos
2011	2.50
2012	1.80
2013	2.20
2014 (P)	3.00
2015 (P)	3.20

Source: TC Office

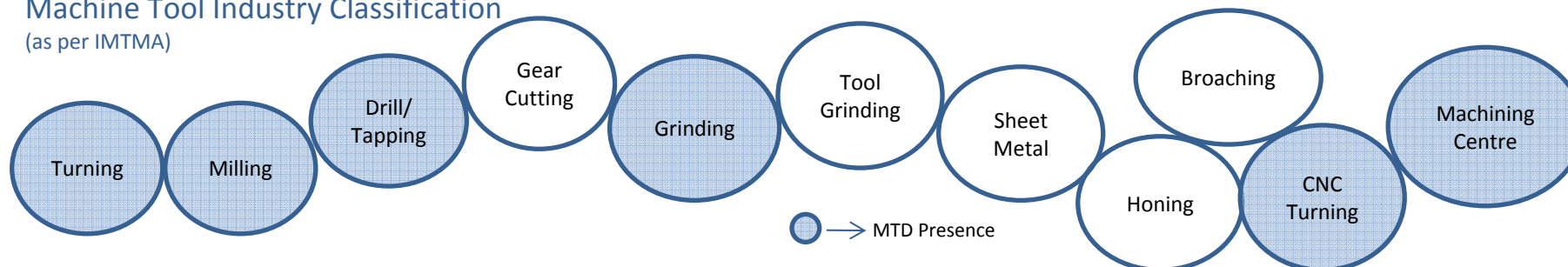
TMD Threat Opportunity Profile

- Threats**
- ▶ Volatile input price, lack of robust government policy to support the same
 - ▶ Uncertainty in Yarn prices
 - ▶ Recession in key export markets
 - ▶ Rising power and labour costs.
- Opportunities**
- ▶ Extension of Technology upgradation fund
 - ▶ Majority of LMW order book represents Project orders
 - ▶ Proactive Government policy to encourage exports, emerging new markets
 - ▶ Active Government participation in promoting Green Field Projects
 - ▶ LMW's manufacturing presence in India and China

Business Verticals, Machine Tool Division



Machine Tool Industry Classification (as per IMTMA)



Machine Tool Division Products



Horizontal Lathes



Turn Mill Centers



Vertical Lathes



Horizontal M/c Centre



Vertical M/c Centre

MTD Threat Opportunity Profile

Threats

- ▶ Stiff competition from global players in Indian Market.
- ▶ Lack of advanced technology matching global competitors.
- ▶ Import of second hand machinery, presence of unorganised players.

Opportunities

- ▶ Growth in aerospace, defence, power, power transmission, infrastructure and auto ancillary industries.
- ▶ Government's initiative to stimulate economic growth and plans to boost the share of manufacturing sector to the GDP.
- ▶ Continuous in house research and development efforts and the ability to bring new variants that match with market requirements

Estimation of Indian Machine Tool Market Size

in Crores

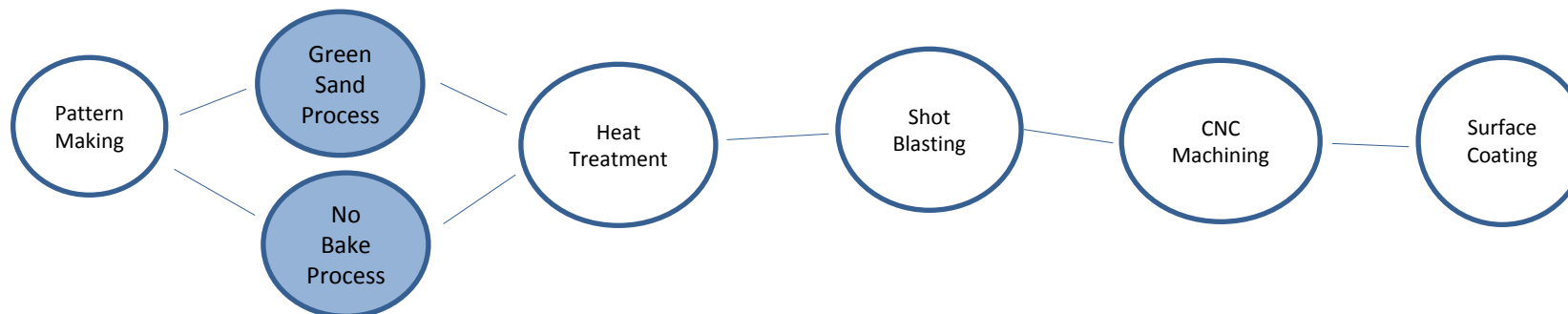
Particulars	2011-12	2012-13
Production	4,299	3,885
Exports	180	214
Imports	7,645	7,598
Consumption	11,764	11,269

Source: IMTMA

Business Verticals, Foundry Division



Foundry Process Value Chain



Foundry Division Products, SG & GI Castings



Windmill Adapter



Turbo Casing



Windmill Hub



Gear Box Housing



Locomotive Castings



Compressor Body

Foundry Threat Opportunity Profile

Threats

- ▶ Continuous increase in input cost.
- ▶ High cost of Transport and Warehousing.
- ▶ Shortage of skilled manpower.
- ▶ Infrastructure bottleneck like power shortage

Opportunities

- ▶ Metro Rail Projects, Power and Power Generation Projects
- ▶ Brand image as an environment friendly non polluting foundry
- ▶ Ability to manufacture high quality heavy castings

India, Castings Production Trend

Year	Production
2008-09	6.84
2009-10	7.44
2010-11	9.05
2011-12	9.99
2012-13	9.34

In Million MT

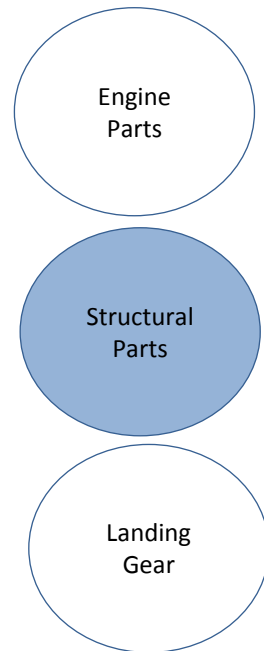
Prospects

‘The size of the Indian Foundry industry is at USD 15 Billion currently and is expected to reach USD 19 Billion by 2016’

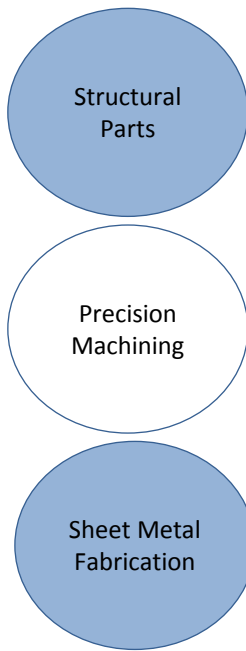
Business Verticals, Advanced Technology Centre



Business Focus



ATC Products

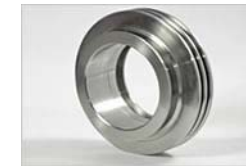


Select Products

Brackets, Stiffeners, Frames, Fairings, wings, ribs, fuselage, etc



Aero engine components
Casings, Blisks, shafts, housings, stators, NGV, Pump housing
Bushing, Sleeves and sub assembly, LRU's Gear Boxes, Actuators, Landing gears



Aero engine sheet metal components Assemblies & Fabrications, Seal Segments, Rings
Heat Shields, Vane Inserts, Cover Plates, Springs, etc.



Aerospace Demand Drivers

Key indicators 2012 to 2032		Demand by region 2013 to 2032	
Growth measures		Region	New airplanes Value (\$B)
World economy Gross domestic product (GDP)	3.2%	Asia Pacific	12,820 1,890
Airplane fleet	3.6%	Europe	7,460 1,020
Number of passengers	4.1%	North America	7,250 810
Airline traffic Revenue passenger-kilometers (RPK)	5.0%	Middle East	2,610 550
Cargo traffic Revenue tonne-kilometers (RTK)	5.0%	Latin America	2,900 300
		CIS*	1,170 140
		Africa	1,070 130
		Total	35,280 4,840

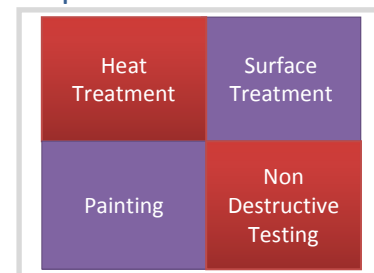
*Commonwealth of Independent States.

Source: Boeing

Facilities



Special Processes

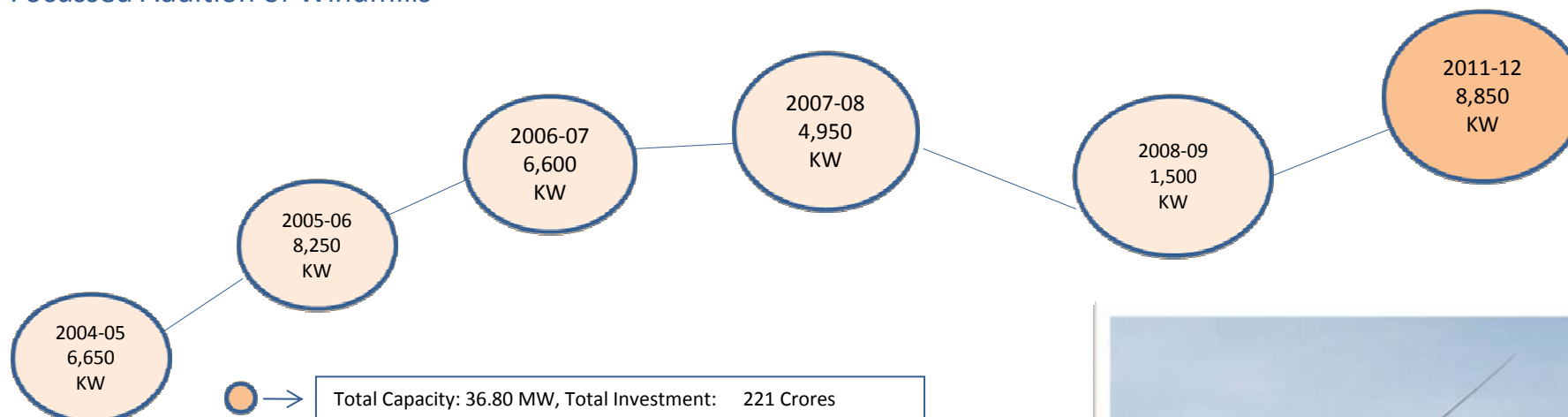


Certification
AS9001B NADCAP

Business Verticals, Windmill Division



Focussed Addition of Windmills



Windmills Capacity Breakup

Capacity	Count
250 KW	6
850 KW	1
1,250 KW	4
1,650 KW	13
2,000 KW	4
TOTAL	28

In Nos.

Windmill Generation

Trend Year	Generated
2008-09	623
2009-10	728
2010-11	689
2011-12	647
2012-13	945
2013-14	855

*In Lakh Units



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Financials, Turnover Statistics

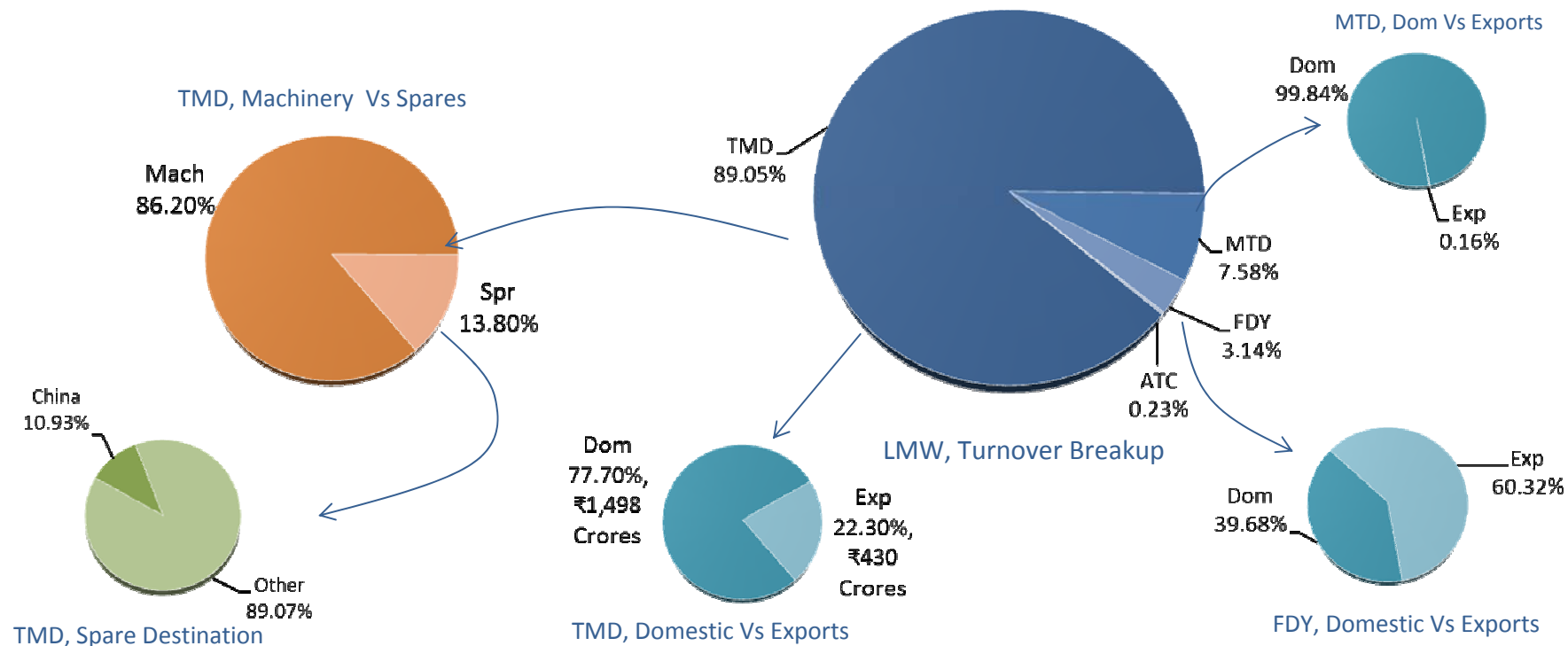
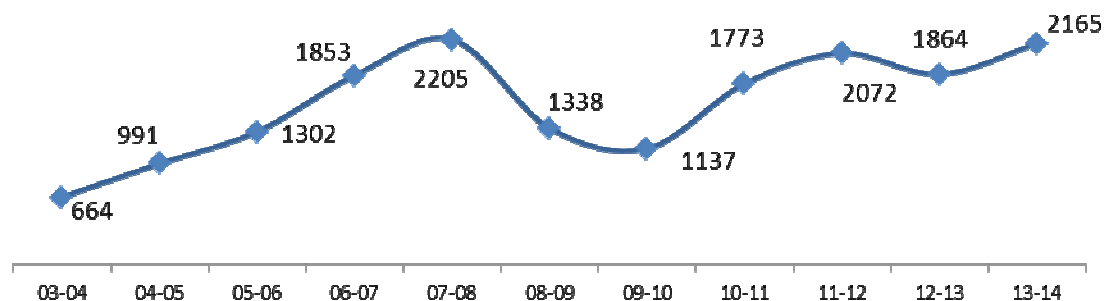


Segment Turnover

Particulars	2013-14	2012-13
TMD	1,928	1,628
MTD	164	144
FDY	68	91
ATC	5	1
TOTAL	2,165	1,864

Crores

LMW, Turnover Trend, Crores



Financials, Domestic Order Book Statistics



TMD Domestic Order Book Analysis, Crores

3,305

Opening Balance



1,254

Received



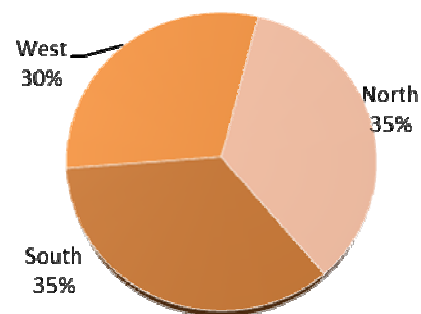
1,298

Executed

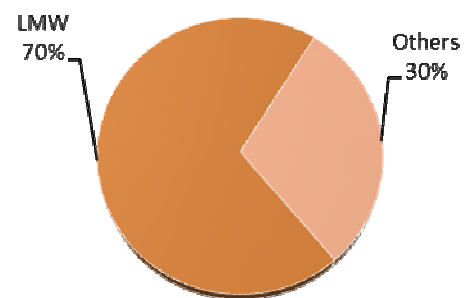


3,261

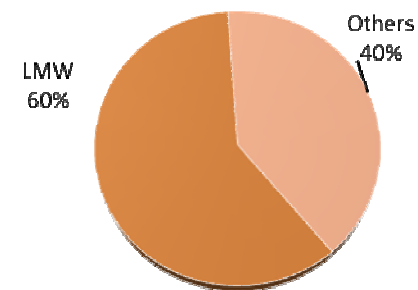
Closing Balance



TMD Domestic Order Gain Geographical Breakup



TMD Dom Overall Market Share (Volume)



TMD Dom Overall Market Share (Value)

MTD Order Book Analysis, Crores

42

Opening Balance



173

Received



161

Executed



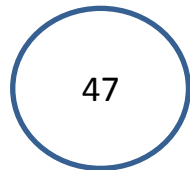
54

Closing Balance

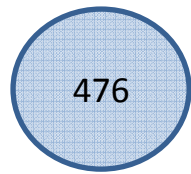
Financials, Export Order Book Statistics



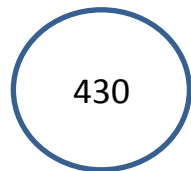
TMD Export Order Book Analysis, Crores



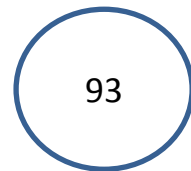
Opening Balance



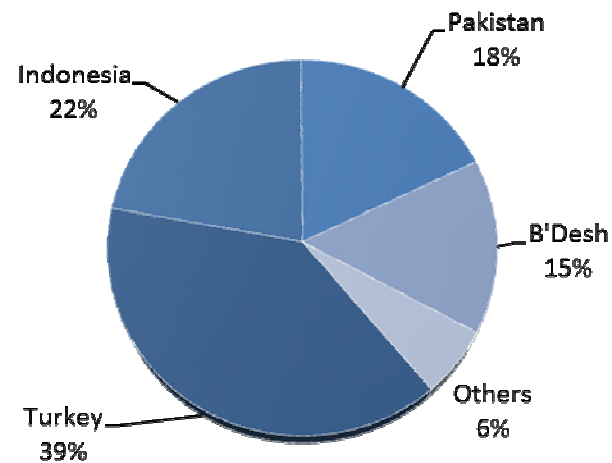
Received



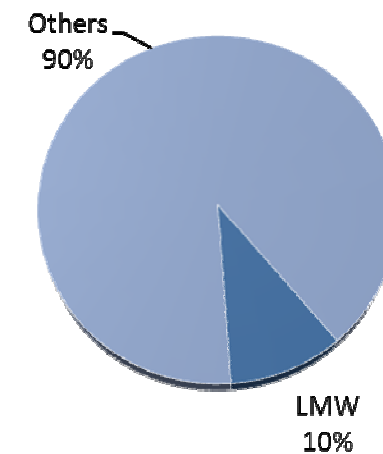
Executed



Closing Balance



TMD Exports Order Gain
Geographical Breakup



TMD Exports Overall
Market Share (Value)

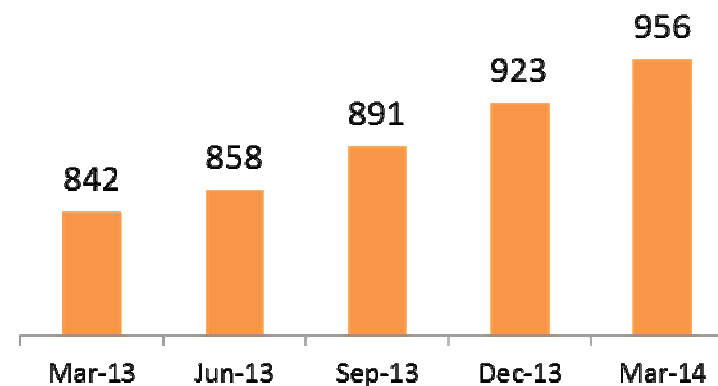
Financials, Investor Information



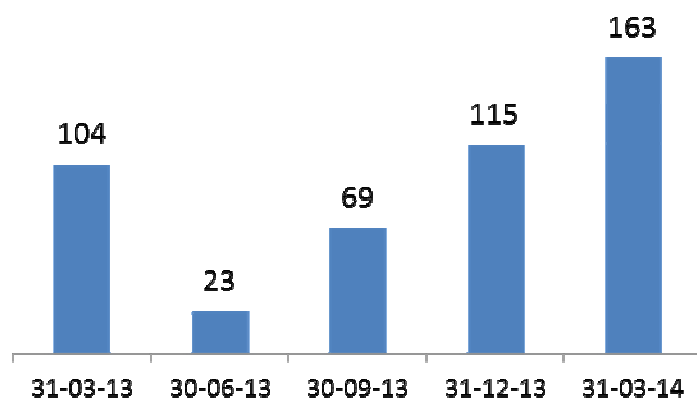
Performance Scorecard

Particulars	UOM	2013-14	2012-13	2011-12
Net Sales	₹ Crores	2,165	1,864	2,072
Gross Profit	%	17	15	16
Net Profit	%	12	9	11
Profit after Tax	%	8	6	7

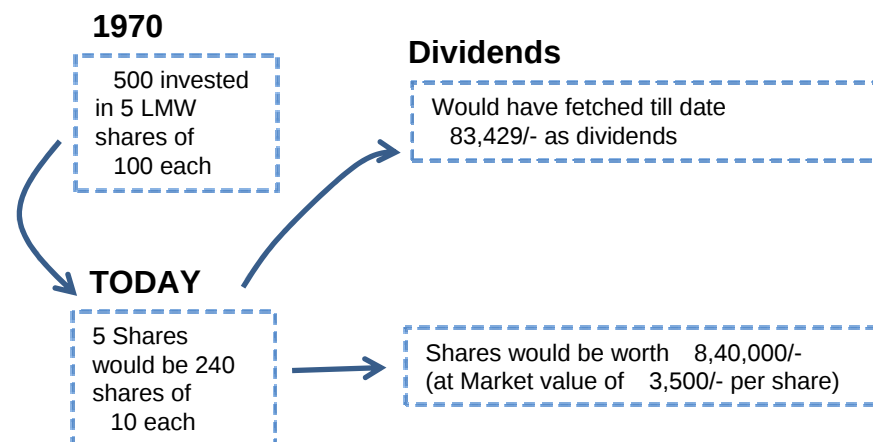
Book Value Per Share in



LMW Earnings Per Share in ₹



LMW Investor Wealth creation



Financials, Segment Results



in Lakhs

Particulars	Year Ended		Consolidated	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	(Audited)	(Audited)	(Audited)	(Audited)
1Segment Revenue				
a)Textile Machinery Division	2,03,657.06	1,69,510.48	2,12,722.10	1,79,210.16
b) Machine Tool & Foundry Division	23,782.81	23,890.09	23,782.81	23,890.09
c) Advanced Technology Centre	1,463.53	466.10	1,463.53	466.10
Total	2,28,903.40	1,93,866.67	2,37,968.44	2,03,566.35
Less : Inter-segment revenue	1,300.92	1,330.39	1,300.92	1,330.39
Net Sales/Income from Operations	2,27,602.48	1,92,536.28	2,36,667.52	2,02,235.96
2Segment Results				
(Profit before Interest & tax)				
a)Textile Machinery Division	19,257.53	11,663.01	19,999.35	13,116.41
b) Machine Tool & Foundry Division	1,187.91	1,383.26	1,187.91	1,383.26
c) Advanced Technology Centre	(1,314.22)	(2,033.20)	(1,314.22)	(2,033.20)
Total	19,131.22	11,013.07	19,873.04	12,466.47
Add : Other un-allocable income net of				
Unallocable expenditure	6,930.86	6,055.90	6,970.87	5,906.47
Total Profit Before Tax	26,062.08	17,068.97	26,843.91	18,372.94

Financials, Overall Results and Balance Sheet



in Lakhs

	2004-05	2005-06	2006-07	200708	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Profit and Loss Account										
Sales	99,077	1,30,207	1,85,358	2,20,516	1,33,801	1,13,690	1,77,331	2,07,249	1,86,433	2,16,518
Other Income	3,293	4,253	8,814	8,755	9,062	8,214	11,009	12,547	13,152	19,193
Profit Before Tax	11,088	18,792	30,860	37,116	15,417	15,056	23,916	22,339	17,069	26,878
Profit After Tax	7,334	14,807	20,620	24,230	10,693	10,468	16,598	13,702	11,748	18,369
Balance Sheet										
Fixed Assets	16,055	24,632	38,643	55,790	52,737	44,658	43,641	50,787	44,980	38,568
Investments	6,622	10,153	10,216	10,319	11,272	12,144	10,007	15,407	10,382	12,883
Net Current Assets	10,945	9,089	12,225	14,389	24,976	39,085	31,808	25,944	41,956	59,257
	33,622	43,874	61,084	80,498	88,985	95,887	85,456	92,138	97,318	1,10,708
Share Capital	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237
Reserves & Surplus	32,385	42,637	56,795	74,513	83,036	91,341	81,569	88,724	94,901	1,09,317
Deferred Tax Liability	0	0	3,052	4,748	4,712	3,309	2,760	2,287	1,290	264
	33,622	43,874	61,084	80,498	88,985	95,887	85,456	92,138	97,318	1,10,708

Thank you!

Lakshmi Machine Works Limited

RESULTS PRESENTATION

Financial Year: 2013-14

