



## VARIOUS RATIO ANALYSIS FOR FINANCIAL YEAR 2022-2023



**PRISM** OF  
POSSIBILITIES



**Lumax Auto Technologies Limited**

Investor Presentation – Q3 & 9M FY2024



**SUBMITTED BY**  
**AAKASH UPPAL**

# COMPANY PROFILE

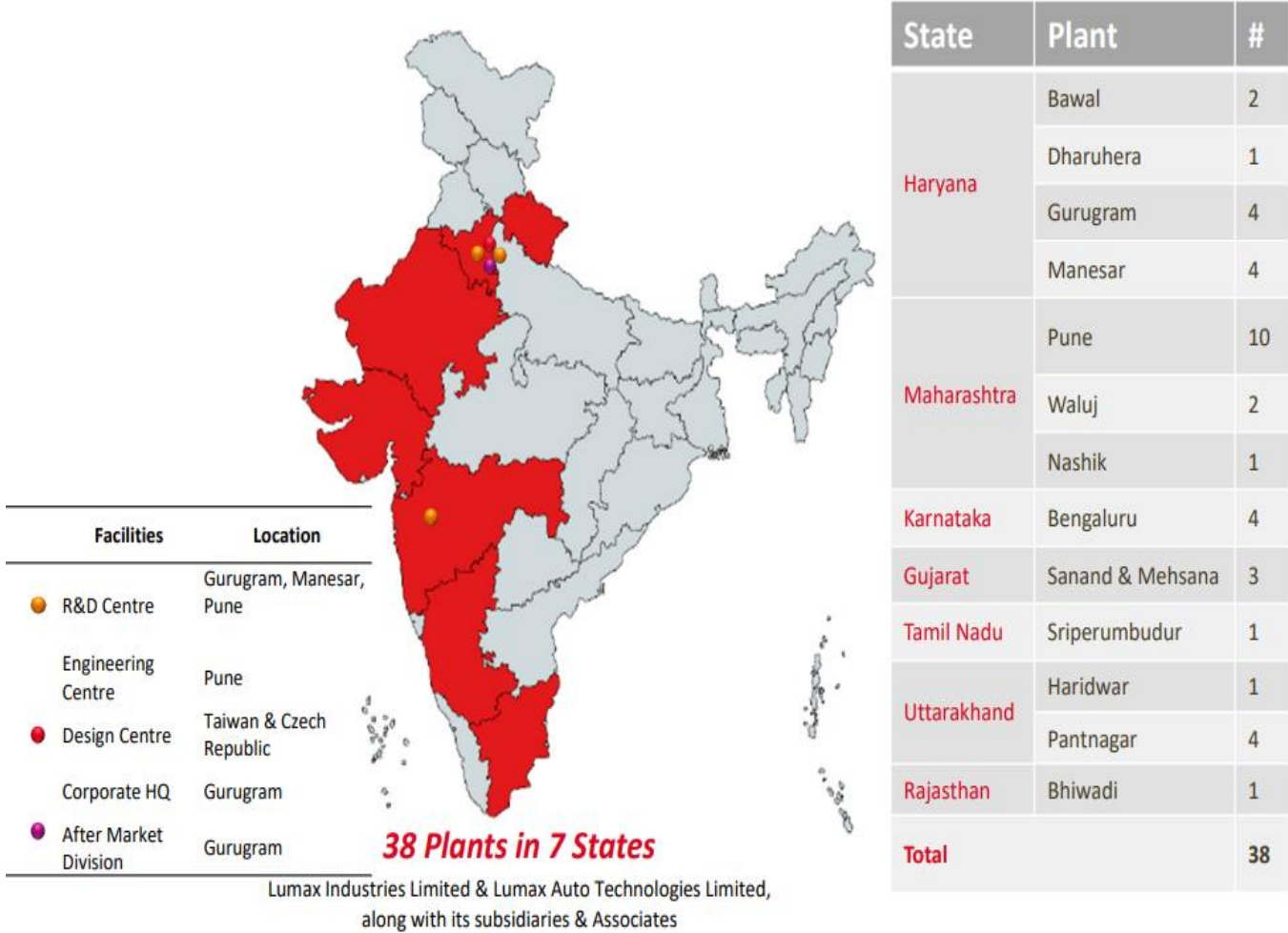
**Founded in the year 1981, Lumax Auto Technologies Ltd is a part of the D.K. Jain Group of companies that has carved its strong position in automotive parts like sheet metal parts, fabricated assemblies, and tubular parts for two wheeler and three wheeler industries. Under the aegis of Mr. D K Jain, today Lumax Technologies has captured sizable market in its arena with an annual turnover of over Rs.626 Crores (US\$ 139.1 Million) including its subsidiaries.**



Lumax Technologies is a publicly traded company in India. The shareholding pattern depicts a holding of 51% by Indian Promoters, and 49% is held by public, comprised of over 6,000 shareholders

Our customers are served from six modern manufacturing plants in India. Of these, three are located in Pune, Two plants in Aurangabad, and one plant in Kala Amb in Himachal Pradesh. All these facilities are strategically located in the automotive industrial belt in the State of Maharashtra in West of India. Further, the Company has set up a new facility in Himachal Pradesh. Our product line includes Two wheeler chassis, Exhaust systems & Mufflers, Fork & Handle Bar Assemblies Petrol tanks, Adjustor Motors, Auto lightings among numerous others.

We, at Lumax Technologies - an ISO certified company - focus on customer satisfaction and quality leadership and are committed to achieve excellence in quality of our products and services. The dynamic management core at Lumax Technologies, through their insightfully crafted growth strategy is very keen on building a powerful bond with a wider client base in India, & would be delighted to serve you in our journey towards excellence.



## After Market Presence in all Segments



- Lighting Module(incl. HL/TL/Indicators & Others)
- Chassis for 2-wheelers
- Fabricated parts for 3-wheelers
- Integrated Plastic Modules
- Oxygen Sensors
- Telematics Products and Services
- Wiring Harness



- Gear Shift Lever
- Gear Shift Tower, Control Housing
- Intake Systems
- Seat Structures
- Integrated Plastic Modules
- Telematics Products and Services
- Antenna
- Electronic devices & components
- Vehicle Interiors Components & Systems
- Wiring Harness



- Integrated Plastic Modules
- Gear Shift Lever
- Seat Structures
- Telematics Products and Services
- Urea Tank
- Vehicle Interiors Components & Systems



Two Wheeler



Tier 1



Four Wheeler



Commercial Vehicle

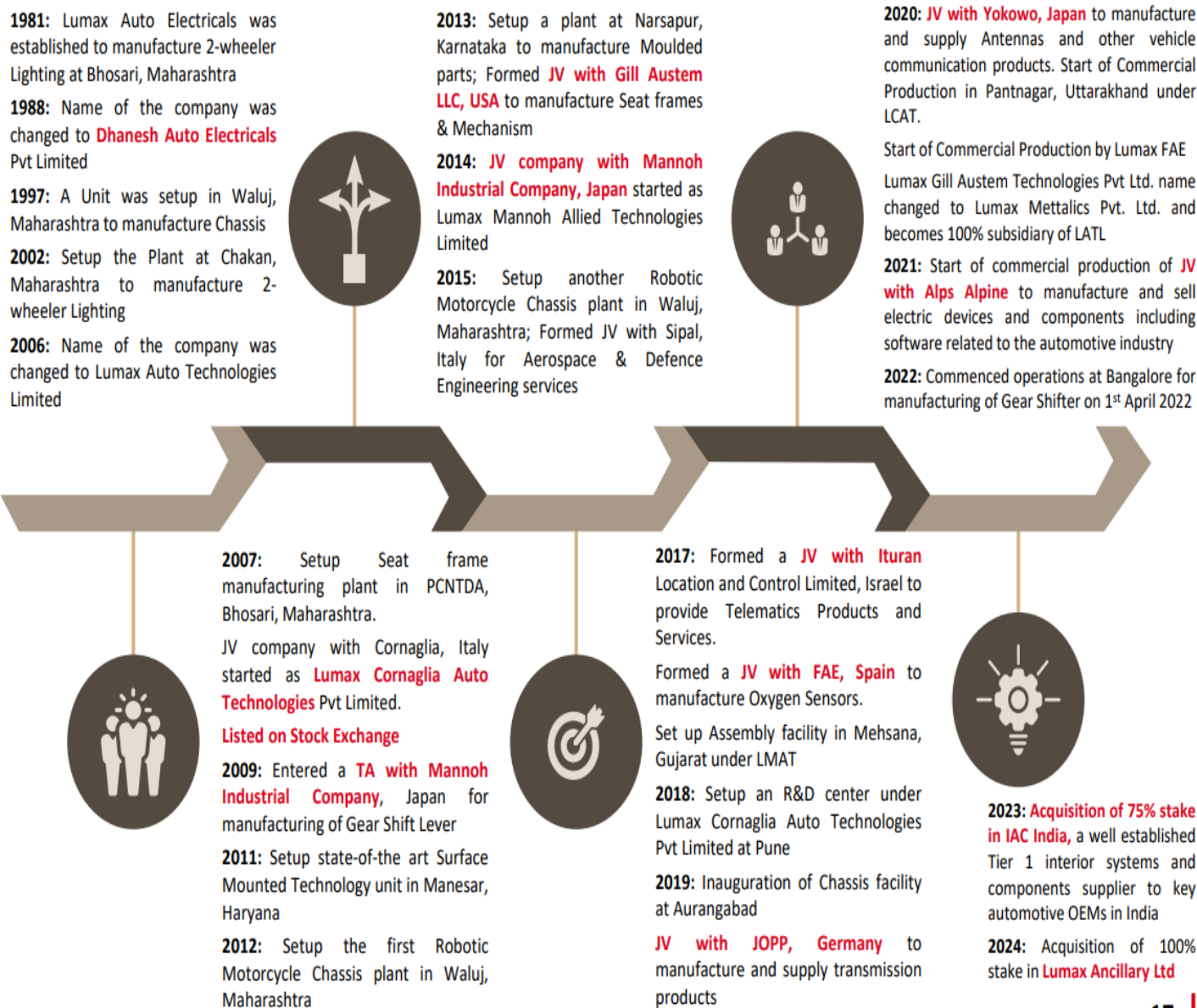


Tractor/FES



Export

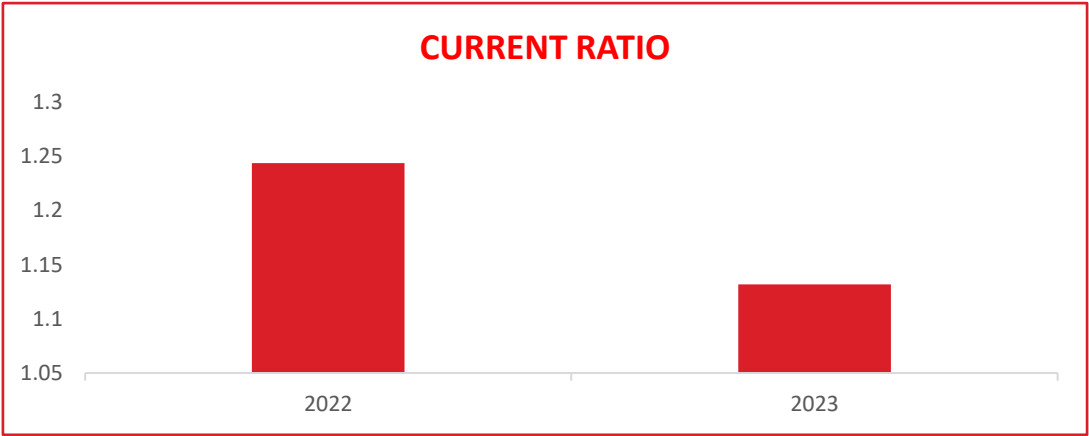






A **financial ratio** is a relative magnitude of two selected numerical values taken from an enterprise's financial statements. Often used in accounting, there are many standard ratios used to try to evaluate the overall financial condition of a corporation or other organization. Financial ratios may be used by managers within a firm, by current and potential shareholders (owners) of a firm, and by a firm's creditors. Financial analysts use financial ratios to compare the strengths and weaknesses in various companies. If shares in a company are traded in a financial market, the market price of the shares is used in certain financial ratios.

1. Current Ratio		
Particulars	Years	
	March-23	March-22
Current Assets	44,024.60	46,004.06
Current Liabilities	38,900.78	36,990.99
CAL	1.1317151	1.24365582
Current Ratio	1.13:1	1.24:1



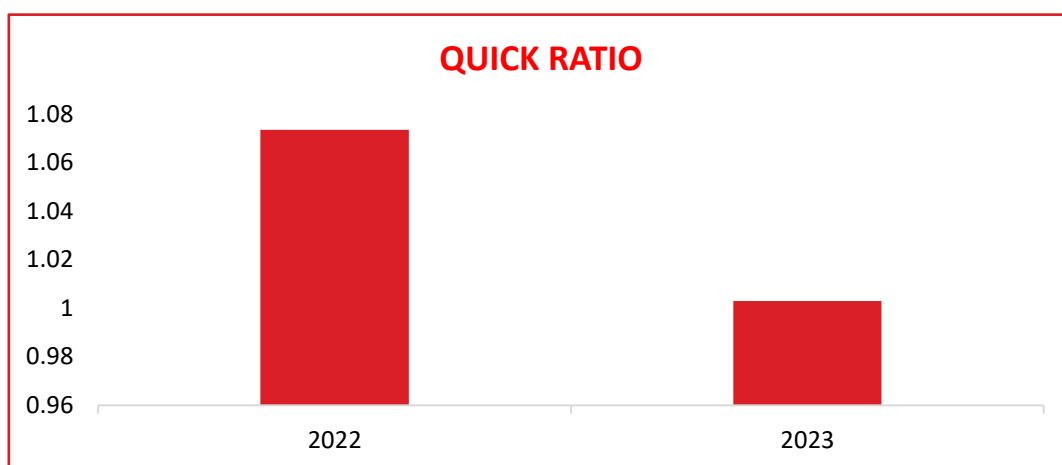
CURRENT RATIO =  $\frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}$

COMMENTS:

- LATL had current ratio greater than 1 in both the years, which is generally acceptable, but as the current ratio has decreased from 1.24 in 2022 to 1.13 in 2023 this indicates a slight decline in the company's liquidity position.
- It suggests that the company's ability to cover its short-term liabilities with its short-term assets has weakened.
- While a current ratio of 1.13 still indicates that the company can cover its short-term liabilities, the decrease from the previous year should be monitored.
- Measures such as increasing current assets or reducing current liabilities should be taken



2. Quick or Liquid Ratio		
Particulars	Years	
	March-23	March-22
Liquid Assets	39,017.75	39,707.45
Current Liabilities	38,900.78	36,990.99
<b>CAL</b>	<b>1.0030069</b>	<b>1.07343572</b>
<b>QUICK RATIO</b>	<b>1.003:1</b>	<b>1.07:1</b>



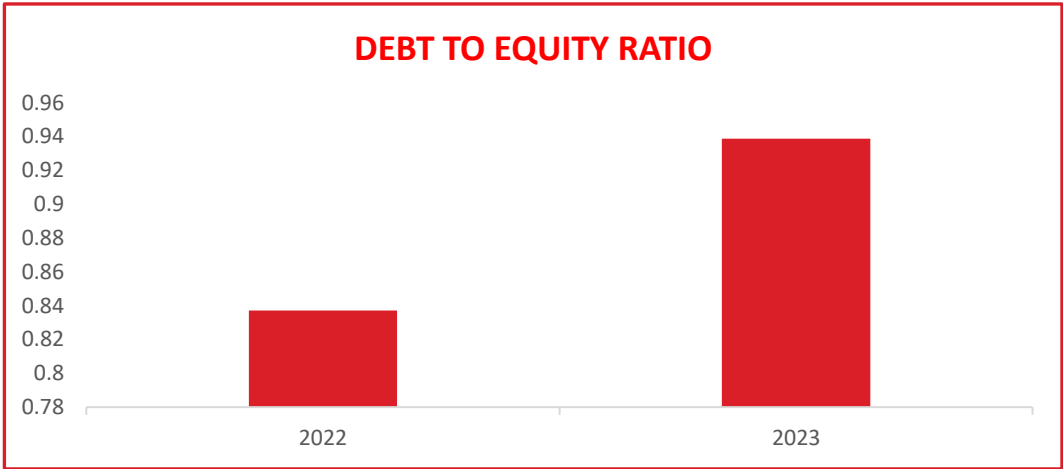
$$\text{QUICK RATIO} = \frac{\text{QUICK ASSETS}}{\text{CURRENT LIABILITIES}}$$

### COMMENTS:

- While LATL's quick ratio is still above 1, the decrease from 1.07 to 1.003 indicates that the company's liquidity has decreased. This could mean that the liquid assets have reduced, or the current liabilities have increased, or both
- As the quick ratio is above or close to 1, the company can still clear its short term liabilities but any decrease wmay result in potential liquidity problems

1. Debt To Equity Ratio

Particulars	Years	
	March-23	March-22
Debt	54,704.38	40,453.52
Equity or Shareholders fund	58,276.63	48,322.31
CAL	0.9387018	0.83716031
DEBT EQUITY RATIO	0.93:1	0.83:1



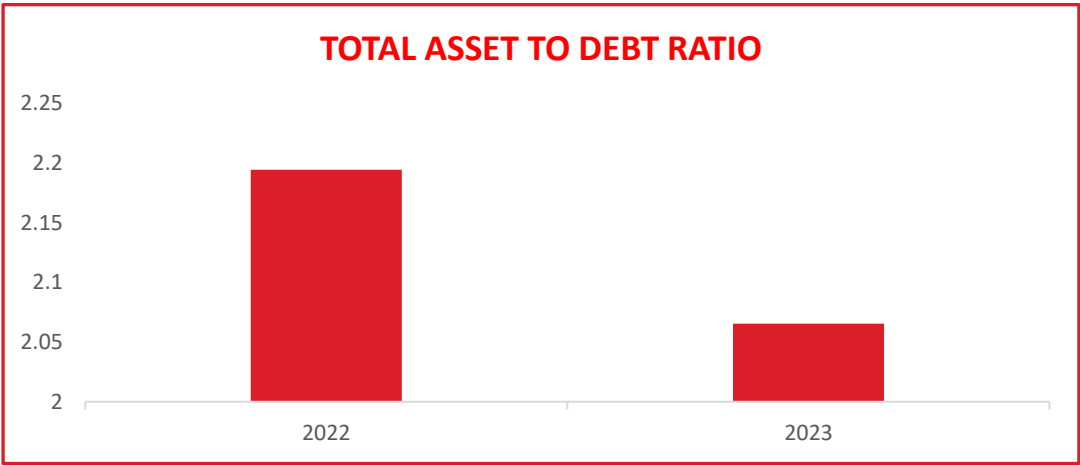
DEBT EQUITY RATIO =  $\frac{\text{DEBT}}{\text{EQUITY(SHAREHOLDER'S FUND)}}$

COMMENTS:

- The Debt to Equity ratio has increased from 0.83 in 2022 to 0.93 in 2023. This indicates that the LATL has taken on more debt relative to its equity.
- This increase can be a sign that the company is using debt to finance its growth
- The increase in the Debt to equity ratio suggests higher returns, it also indicates increased financial risk.

## 2. Total Asset to Debt Ratio

Particulars	Years	
	March-23	March-22
Total Assets	1,12,981.01	88,775.83
Debt	54,704.38	40,453.52
CAL	2.065300987	2.194514346
Total Asset to Debt Ratio	2.06:1	2.19:1



TOTAL ASSETS TO DEBT RATIO

=

TOTAL ASSETS

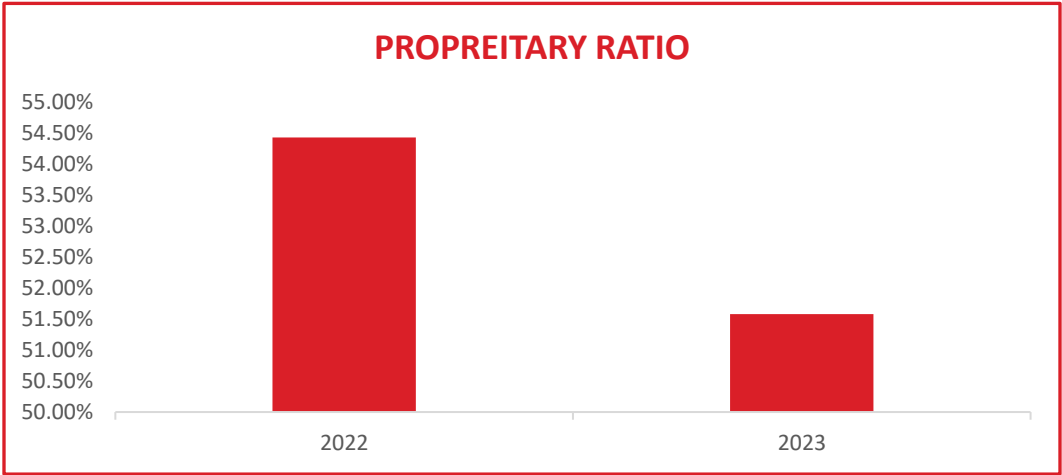
LONG TERM LOANS

### COMMENTS:

- The total assets to debt ratio has decreased from 2.19 in 2022 to 2.06 in 2023. This suggests that the LATL has relatively more debt compared to its assets in 2023 than in 2022.
- However, the ratios of 2.06 and 2.19 are still relatively satisfactory, suggesting that the company is not in immediate financial distress.

### 3. Propreitary Ratio

Particulars	Years	
	March-23	March-22
Equity or Shareholders fund	58,276.63	48,322.31
Total Assets	1,12,981.01	88,775.83
<b>CAL</b>	<b>51.58%</b>	<b>54.43%</b>
<b>Propreitary Ratio</b>	<b>0.51:1</b>	<b>0.54:2</b>



PROPREITARY RATIO

=

SHAREHOLDER'S FUNDS

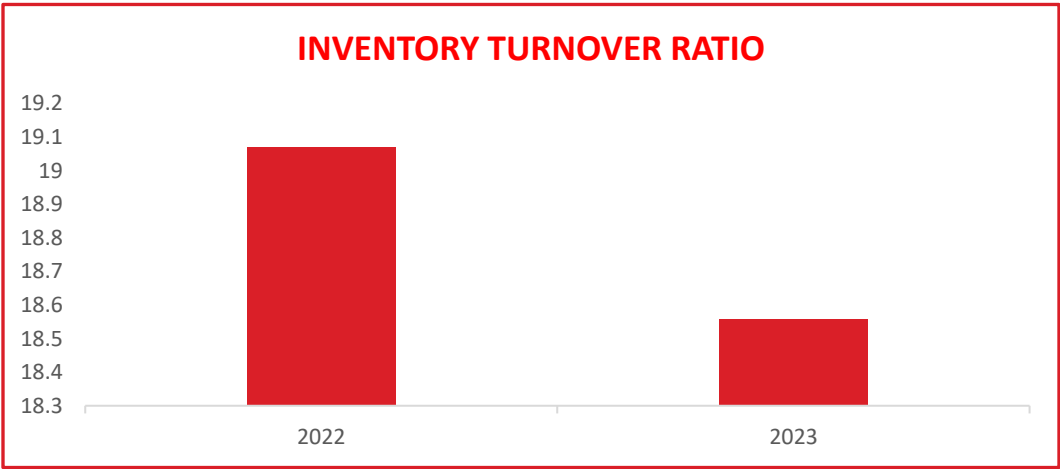
TOTAL ASSETS

**COMMENTS:**

- The proprietary ratio measures the proportion of total assets financed by shareholders' equity.
- As there is a decrease in the proprietary ratio, its suggests that the LATL is relying more on debt financing as compared to equity financing.
- It could indicate that the company has taken on more debt or has not increased its equity proportionately to its asset growth.

1. Stock or Inventory Turnover Ratio

Particulars	Years	
	March-23	March-22
COGS	1,04,887.90	96,211.23
Average Stock	5,651.73	5045.5
CAL	18.5585476	19.06872064
Inventory Turnover Ratio	17.28 TIMES	15.92 TIMES



INVENTORY TURNOVER RATIO =  $\frac{\text{COST OF GOODS SOLD}}{\text{AVERAGE STOCK}}$

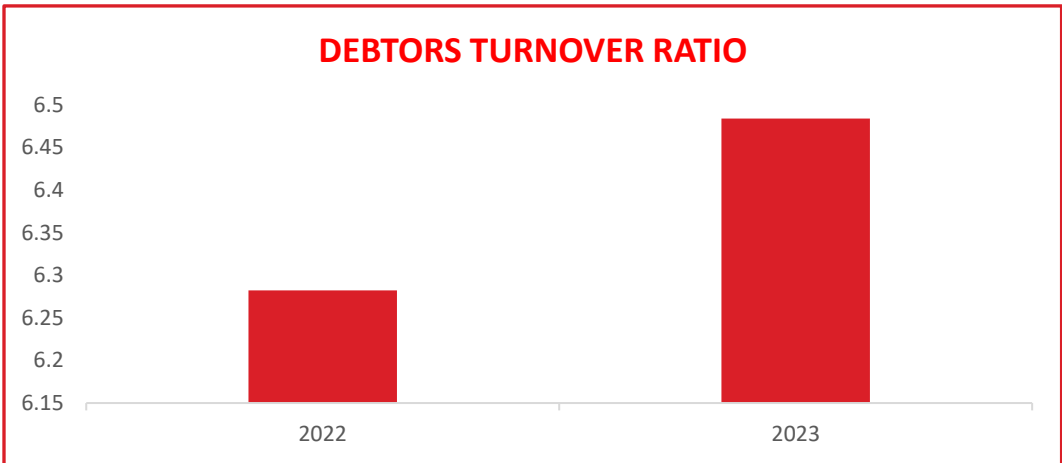
COMMENTS:

- In general, a higher value of inventory turnover indicates better performance and lower value means inefficiency in controlling inventory levels
- A increase in inventory turnover ratio from 15.92 times in 2022 to 17.28 times in 2023 suggests that LATL's inventory was sold more frequently relative to its average inventory level in 2023 compared to 2022
- This increase means better cash flow and profitability, as the company is converting inventory into sales more efficiently.



## 2. Debtors Turnover Ratio

Particulars	Years	
	March-23	March-22
Net Credit Sales	1,32,174.10	1,19,637.71
Average Debtors	20,384.46	19,043.67
CAL	6.48406347	6.282283899
Debtors Turnover Ratio	6.48 TIMES	6.28 TIMES



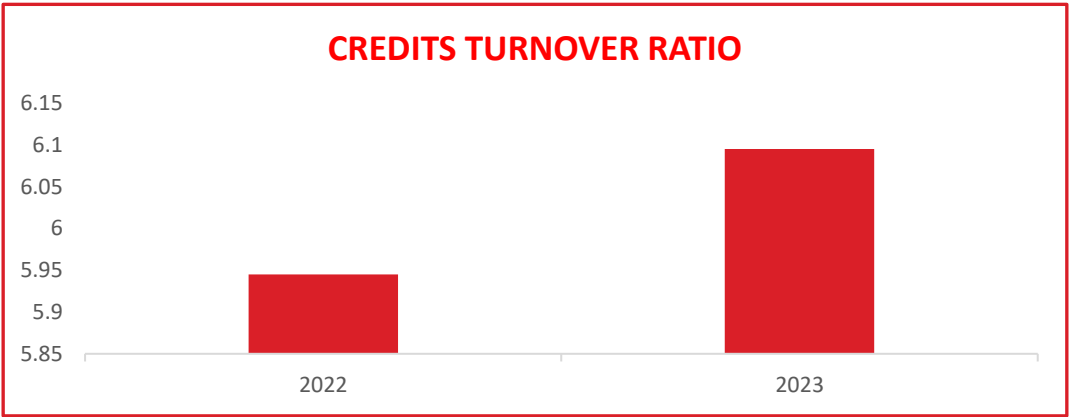
$$\text{DEBTORS TURNOVER RATIO} = \frac{\text{NET CREDIT SALES}}{\text{AVERAGE DEBTORS}}$$

### COMMENTS:

- The debtors turnover ratio, also known as the accounts payable turnover ratio, measures how quickly a company pays off its suppliers. A higher ratio indicates that the company is paying off its suppliers more quickly.
- As LATL's debtors turnover ratio increased from 6.28 times in 2022 to 6.48 times in 2023 suggests that the company is paying its debtors more quickly in 2023 compared to 2022. This could indicate better cash flow management and a stronger financial position.
- This increasing ratio might indicate that the company is in a better position to meet its short-term liabilities, indicating overall financial health.

3.Creditors Turnover Ratio or Payable Turnover Ratio

Particulars	Years	
	March-23	March-22
Net Credit Purchases	24,970.20	22,123.71
Average Creditors	16,997.05	16,368.83
CAL	1.46909022	1.351575525
Credits Turnover Ratio	1.46 TIMES	1.35 TIMES



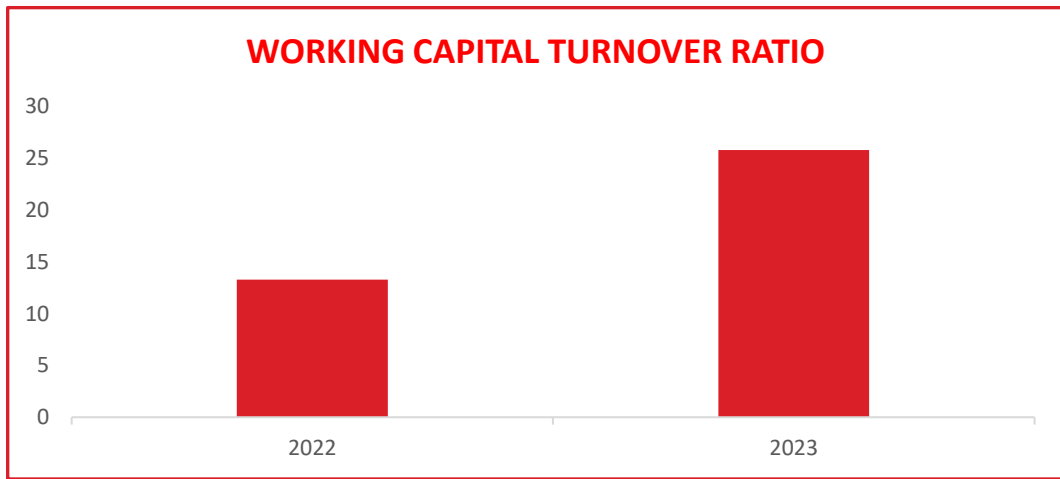
CREDITORS TURNOVER RATIO =  $\frac{\text{NET CREDIT PURCHASES}}{\text{AVERAGE CREDITORS}}$

COMMENTS:

- The creditor’s turnover ratio measures the average number of times a company pays its creditors over an accounting period. A higher payable turnover ratio is considered more favorable.
- The increase from 1.35 times in 2022 to 1.46 times in 2023 suggests that LATL is paying off suppliers at a faster rate as compared to the previous year
- This increase also indicates that the company is managing its debts and cash flow effectively.

#### 4 .Working Capital Turnover Ratio

Particulars	Years	
	March-23	March-22
Net Sales	1,32,174.10	1,19,637.71
Working Capital	5,123.82	9,013.07
<b>CAL</b>	<b>25.7960077</b>	<b>13.27380238</b>
<b>Working Capital Turnover Ratio</b>	<b>25.79 TIMES</b>	<b>13.27 TIMES</b>



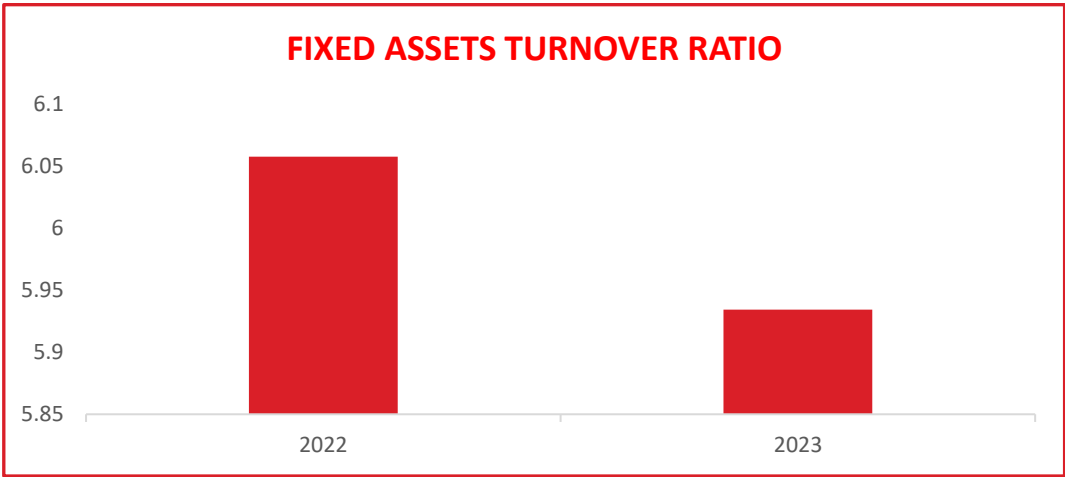
$$\text{WORKING CAPITAL TURNOVER RATIO} = \frac{\text{NET CREDIT PURCHASES}}{\text{AVERAGE CREDITORS}}$$

#### COMMENTS:

- The working capital turnover ratio measures how efficiently a company uses its working capital to generate sales.
- A higher ratio indicates that the company is generating more revenue per rupee of working capital, suggesting efficient use of resources.
- The increase in the working capital turnover ratio from 13.27 to 25.79 times indicates that LATL has become more efficient in using its working capital to generate sales.
- The increase in the working capital turnover ratio from 2022 to 2023 indicates better resource management

5. Fixed Assets Turnover Ratio

Particulars	Years	
	March-23	March-22
Net Sales	1,32,174.10	1,19,637.71
Net Fixed Assets	22,272.89	19,751.26
CAL	5.93430399	6.057219134
Fixed Assets Turnover Ratio	5.93 TIMES	6.05 TIMES



FIXED ASSETS TURNOVER RATIO =

NET SALES

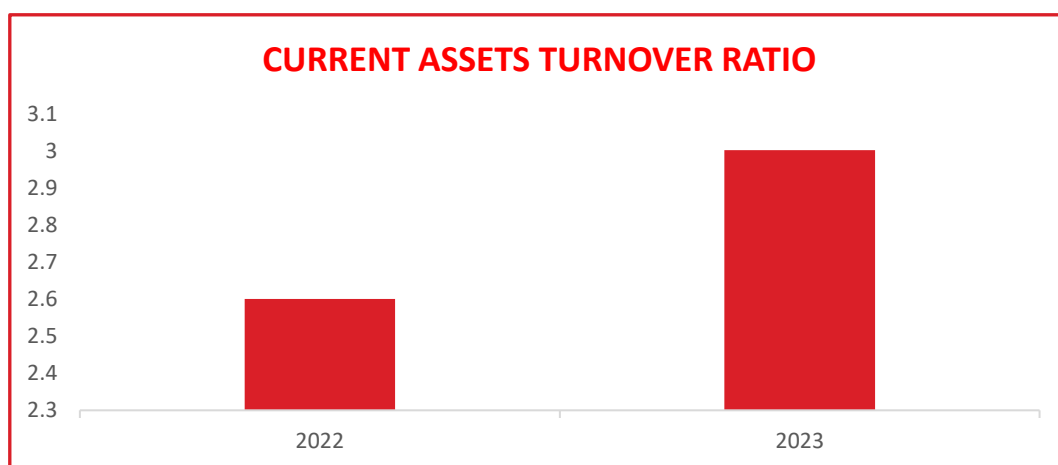
NET FIXED ASSETS

COMMENTS:

- The fixed asset turnover ratio, measures a company's efficiency in using its fixed assets to generate sales.
- This slight decrease from 6.05 to 5.93 indicates a marginal decline in the efficiency of using fixed assets to generate sales.
- It could suggest that LATL acquired more fixed assets that have not yet been fully utilized to generate additional sales
- There is also a possibility that the company might have invested in new fixed assets which they haven't yet contributed to an equivalent increase in sales.

## 6. Current Assets Turnover Ratio

Particulars	Years	
	March-23	March-22
Net Sales	1,32,174.10	1,19,637.71
Current Assets	44,024.60	46,004.06
<b>CAL</b>	<b>3.00227827</b>	<b>2.600590252</b>
<b>Current Assets Turnover Ratio</b>	<b>3.002 TIMES</b>	<b>2.60 TIMES</b>



$$\text{CURRENT ASSETS TURNOVER RATIO} = \frac{\text{NET SALES}}{\text{CURRENT ASSETS}}$$

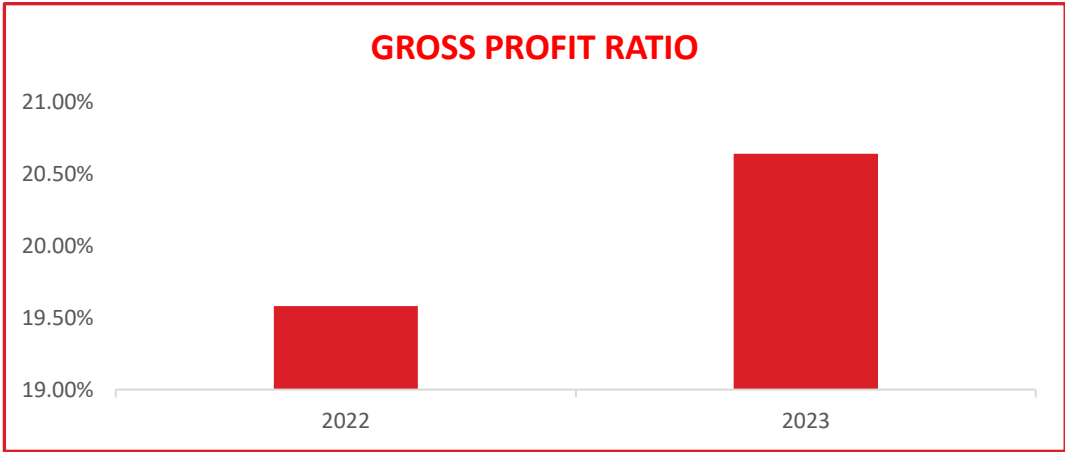
### COMMENTS:

- The current assets turnover ratio measures how efficiently a company uses its current assets to generate sales
- The ratio increased from 2.60 times in 2022 to 3.002 times in 2023. This indicates that LATL became more efficient in using its current assets to generate sales.
- This means for every rupee of current assets, the company generated more sales in 2023 compared to 2022.
- It may also indicate more effective utilization of current assets.



1. Gross Profit Ratio

Particulars	Years	
	March-23	March-22
Gross Profit	27,286.20	23,426.48
Net Sales	1,32,174.10	1,19,637.71
Gross Profit Ratio	20.64%	19.58%



GROSS PROFIT RATIO =

GROSS PROFIT

NET SALES

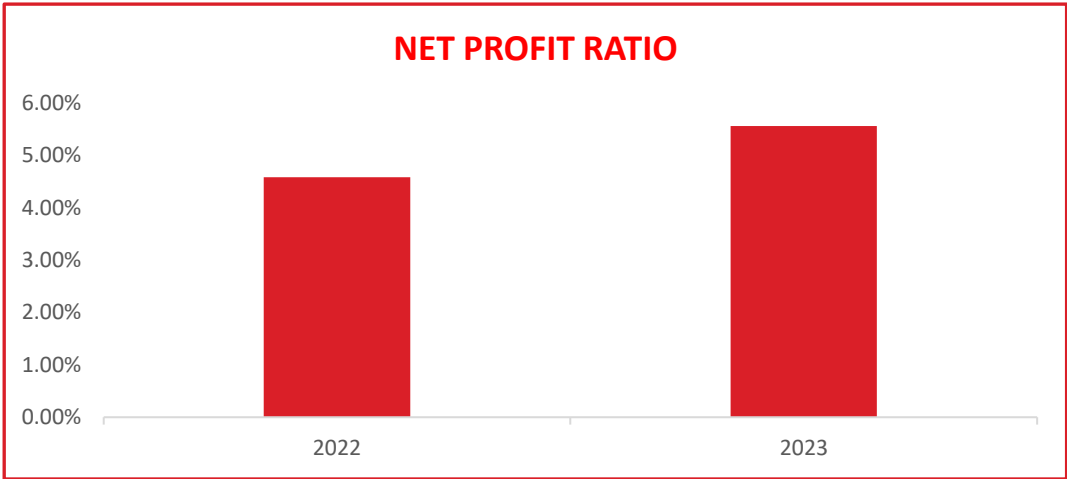
x 100

COMMENTS:

- The gross profit ratio, also known as the gross profit margin, indicates how much profit a company makes on its sales after deducting the cost of goods sold (COGS)
- An increase from 19.58% to 20.64% suggests positive changes in how efficiently LATL is generating profit from its core operations year over year.
- The increase also suggests that the company is either selling its products at higher prices, reducing the cost of goods sold, or both. This can indicate improved operational efficiency.

2. Net Profit Ratio

Particulars	Years	
	March-23	March-22
Net Profit	7352.04	5481.11
Net Sales	1,32,174.10	1,19,637.71
Net Profit Ratio	5.56%	4.58%



NET PROFIT RATIO =

NET PROFIT

NET SALES

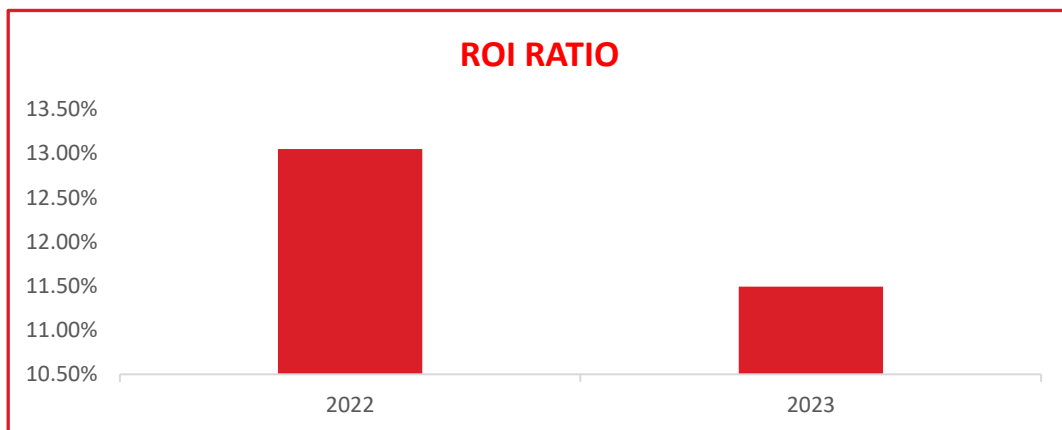
x 100

COMMENTS:

- The Net Profit Ratio measures the after-tax profitability of a company relative to its revenue generated in the corresponding period.
- Net profit ratio of 5.56% for 2023, compared to 4.58% in 2022, suggests positive financial growth and improved efficiency in converting sales into profits
- The increase in net profit ratio suggests that the company has become more efficient in managing its expenses relative to its revenue
- The higher net profit ratio also means that a larger percentage of each rupee of revenue is turning into profit.

### 3.Return on Investment or Return on Capital Employed

Particulars	Years	
	March-23	March-22
Profit Before Interest,Tax & Dividend	10,110.45	8,036.33
Capital Employed	87,984.7	61,582.37
ROI Ratio	11.49%	13.05%



$$\text{ROI OR ROCE} = \frac{\text{EBIT}}{\text{CAPITAL EMPLOYED}} \times 100$$

### COMMENTS:

- The Return on Capital Employed (ROCE) ratio is used to measure a company's profitability and the efficiency with which its capital is employed
- The decrease from 13.05% in 2022 to 11.49% in 2023 suggests a slight decline in profitability and efficiency in using the company's capital.
- The ROCE for both years indicates that the LATL is generating positive returns on its capital and maintained a relatively stable level of profitability and efficiency over these two years

Years	Mar-22	Mar-23
Income Statement		
Sales	1,19,637.71	1,32,174.10
Sales Growth	-	10.48%
COGS	₹96,211.23	₹1,04,887.90
COGS % Sales	80.42%	79.36%
Gross Profit	₹23,426.48	₹27,286.20
Gross Margin	19.58%	20.64%
Selling and General Expenses	₹14,898.68	₹16,249.74
S&G Expenses % Sales	12.45%	12.29%
EBITDA	₹8,527.80	₹11,036.46
EBITDA Margins	7.13%	8.35%
Interest	₹9.57	₹16.73
Interest % Sales	0.01%	0.01%
Depreciation and ammortization expense	₹2,720.04	₹3,089.84
Depreciation and ammortization% Sales	2.27%	2.34%
Earnings Before Tax	₹7,367.98	₹8,987.50
EBT % Sales	6.16%	6.80%
Tax Rate	₹1,886.87	₹1,635.46
Effective Tax rate	25.61%	18.20%
Net Profit	₹5,481.11	₹7,352.04
Net Margins	4.58%	5.56%
No. of Equity Shares	₹6.82	₹6.82
Earning Per Share	₹8.04	₹10.79
EPS Growth %	-	34.20%

Years	Mar-22	Mar-23
Balance Sheet		
Equity Share Capital	₹1,363.15	₹1,363.15
Equity	₹46,959.16	₹56,913.48
Total Equity	₹48,322.31	₹58,276.63
Borrowings	₹23.36	₹12,288.41
Other Liabilities	₹3,439.17	₹3,515.19
Total Non-Current Liabilities	₹3,462.53	₹15,803.60
Borrowings	₹9,520.66	₹13,565.16
Other Liabilities	₹27,470.33	₹25,335.62
Total Current Liabilities	₹36,990.99	₹38,900.78
Total Liabilities	₹40,453.52	₹54,704.38
Total equity + Total Liabilities	₹88,775.83	₹1,12,981.01
Fixed Assets	₹33,804.32	₹56,008.15
Capital Work in Progress	₹920.08	₹220.01
Investments	₹5,301.46	₹10,428.50
Other Assets	₹2,745.91	₹2,299.75
Total Non-Current Assets	₹42,771.77	₹68,956.41
Receivables	₹20,828.25	₹19,940.66
Inventory	₹6,296.61	₹5,006.85
Investments	₹6,897.44	₹9,666.48
Cash & Bank	₹8,609.90	₹5,802.36
Other Assets	₹3,371.86	₹3,608.25
Total Current Assets	₹46,004.06	₹44,024.60
Total Assets	₹88,775.83	₹1,12,981.01
Check	TRUE	TRUE



Years	Mar-22	Mar-23
Cash Flow Statements		
<b>Operating Activities</b>		
Net Income	-	₹7,352.04
Depreciation and ammortization expense	-	₹3,089.84
<i>Changes in working capital:</i>	-	
Change in Receivables	-	₹887.59
Change in Inventory	-	₹1,289.76
Change in Other Assets	-	₹236.39
Change in Payables	-	₹(1,395.03)
Change in other current liabilities	-	₹(2,134.71)
<b>Cash Flow from Operating Activities</b>	-	<b>₹9,325.88</b>
<b>Investing Activities</b>		
Purchase of PPE	-	₹(4,723.48)
Proceeds from sale of property, plant and equipment	-	₹590.36
Loan given to subsidiaries	-	₹(800.00)
Loan received back from subsidiaries	-	₹30.00
Dividend received	-	₹475.08
Investment in subsidiaries	-	₹(19,080.00)
Purchase of current investments (net)	-	₹(2,232.95)
Purchase of non current investments	-	₹(122.56)
Redemption of/ (investment in) bank deposits (net)	-	₹2,626.57
Rent received	-	₹674.41
Interest received	-	₹581.19
<b>Cash Flow from Investing Activities</b>	-	<b>₹(21,981.38)</b>
<b>Financial Activities</b>		
Proceeds from long term borrowings	-	₹13,021.65
Repayment of long term borrowings	-	₹(44.64)
Proceeds from short term borrowings (net)	-	₹3,912.62
Dividend paid	-	₹(2,385.52)
Interest paid	-	₹(1,021.22)
Payment of principal portion of lease liabilities	-	₹(480.92)
<b>Cash Flow from Financial Activites</b>	-	<b>₹13,001.97</b>
<b>Net Cash Flow</b>	-	<b>₹346.47</b>