

# INTRODUCTION

## Sri Krishna Arts and Science College

Coimbatore – 641 008

### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for REPORT/ESSAY

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<b>Total Marks</b>						

## Lakshmi Machine Works (LMW)

### Introduction:

Lakshmi Machine Works (LMW) is one of the leading Textile Machine Manufacturer in India and playing vital role in manufacturing of Textile machines and holding 3 places in world One among the third place in the world to produce entire range of spinning machinery. It was founded in 1962 and now its products are exported to Asia and oceanic regions. LMW is also diversified into CNC machine tools and it hold the leadership in manufacturing the customised products.

LMW-ATC (Lakshmi Machine Works – Advanced Technology Centre) Has contributed the success of Chandran-III, launched on Friday by ISRO using LVM3 Launch Vehicle. This Launch vehicle would carry Lander and Rover Configuration to 100 Km Lunar Orbit. The LMW is Also Been Listed in Share market in Both NSE and BSE. Its script code is AXIMACH and Its CMP (Current Market Price) is 14,333.95 of each share of Rs.10. This Script is also had a split on 13 Dec, 2006 which had its Old Fair Value of 100 and after the split the new Fair Value is 10. It also had issued bonus shares to the shareholders twice first on 22 Oct, 1989 at a ratio of 1:2 and another one 20 Oct, 1997 at a ratio of 1:1 and on 24 Jul,2023 it issued it's this year Final dividend of 98.5/ share nearly two times when comparing to previous year 40/ share.

The Chairman and Managing director of this company is Sri Sanjay Jayavarthanvelu.

## HISTORY AND EVOLUTION

## Sri Krishna Arts and Science College

Coimbatore – 641 008

### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for REPORT/ESSAY

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<i>Total Marks</i>						

## History:

LMW is India's Largest textile Machinery Manufacturer and CNC machine Tools Manufacturers, based in Coimbatore Founded by Dr. G.K. Devarajulu. It started its success Journey in 1962 at periyanaikanpalayam which is located in Coimbatore with a Swiss-based Textile Manufacturer Rieter for textile machine and German based steel & ammunition major Krupp. In mid-1980's the company bought over its Coimbatore based long term rival and an older Textile & Engineering giant Textool. The company is promoted and owned by the Lakshmi Mills family.

LMW has 60% market share in the domestic Textile Spinning Machinery Industry. LMW diversified into CNC Machine Tools and is a brand leader in manufacturing customized products.

## Evolution:

Growth of the company can be measured with key performance indicators (KPI) like

1. Sales Performance
2. Revenue generation/ performance
3. Future guidance
4. Effective utilization of capital / working capital
5. Holding / increasing customer market share
6. Brand value, holding consumer trust
7. Financial performance
8. Corporate management
9. Achievements
10. Key results / performance to Investor / shareholders

From the above KPIs, LMW was doing good, to analyse their performance, we can see their financial performance.

## PRODUCT LINE

## Sri Krishna Arts and Science College

Coimbatore – 641 008

### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for **REPORT/ESSAY**

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<b>Total Marks</b>						



## Product Line:

The Lakshmi Machine Works (LMW) is producing the Following category of Products. They are,

- 1) Card Silver System
- 2) Combing System
- 3) Ring Spinning System
- 4) Compact Spinning System
- 5) Blending Solution
- 6) Mill Network System

### **Card Silver System.**

Under Card Silver System the LMW is producing the following products Category. They are,

- 1) Gentle Blowroom Line
- 2) Card LC 363/ LC 361
- 3) Card LC 636 S

#### Gentle Blowroom Line:

The Blowroom line is created for the purpose of meeting the Essential requirements of High Productivity, Consistent Quality, Varying Fiber Characteristics. The Blowroom Line ensures the following.

- ✓ Gentle Blowroom Line with Opening, Cleaning & Homogeneous Blending
- ✓ Highly Flexible Blowroom Line which assures highest cleaning Efficiency and raw material realisation
- ✓ Electronic control for Waste adjustment.
- ✓ The Blending Solution assures high accurate blending up to 1% range
- ✓ Integrated microdust extraction principal

The following are the products which comes under the Gentle Blowroom Line. They are,

- ❖ Baleplucker LA 23/S
- ❖ Swift Floc LA 21
- ❖ Varico Clean LB 9/2
- ❖ Unimix LB 7/4
- ❖ Unimix LB 7/6
- ❖ Flexi Clean LB 5/6
- ❖ Supremo Clean LB 10/2

**Baleplucke LA23/S:**



**Swift Floc LA21:**



**Vario Clean LB 9/2:**



**Unimix LB 7/4:**



**Unimix LB 7/6:**



**Flexi Clean LB 5/6:**





**Supremo Clean LB 10/2:**



**Card LC343/ LC361:**



### Card LC636 S:



### Combined System:

Under Combined System we have the following Products. They are,

### Draw Frame LDB3 S:



### Lap Former LH20 S:



### Lap Former LH15:





**Comber LK64 Z:**



**Comber LK69 M/S:**





### **Draw Frame LDF3 S:**



### **Ring Spinning System:**

Under this Category there are the following. They are,

### **Speed Frame LF1400 A:**



### Speed Frame LF4280:



### Ring Frame LR9 A/AX/AXL Series:

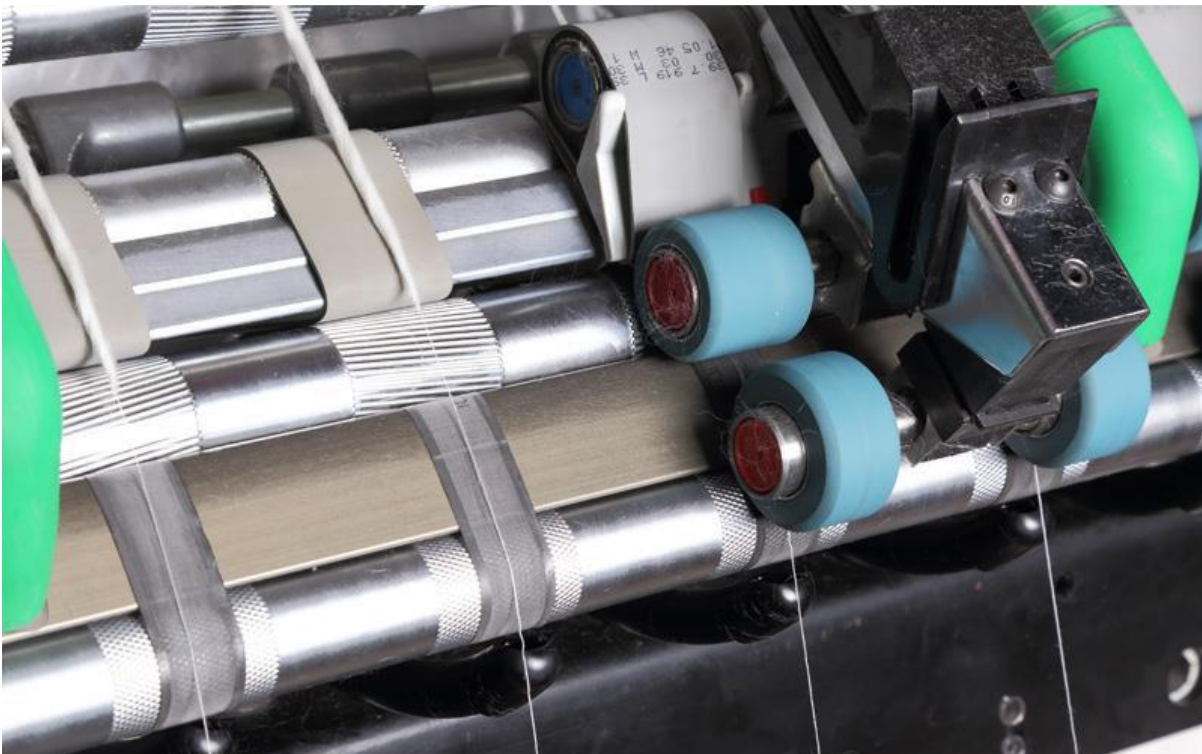




### Ring Frame LR9 SX/SXL Series:



### LMW Suction Compact System:



## Auto Blend LA10:



# MARKETING STRATEGY

## Sri Krishna Arts and Science College

Coimbatore – 641 008

### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for REPORT/ESSAY

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<b>Total Marks</b>						

LMW, or Lakshmi Machine Works Limited, is a leading textile machinery manufacturer based in India. As of my last knowledge update in September 2021, I can provide some general insights into LMW's marketing strategy. Please note that their strategy may have evolved since then, and I recommend checking their latest reports and materials for the most current information.

LMW's marketing strategy likely encompasses several key elements:

**Product Quality and Innovation:** LMW has been known for its commitment to product quality and innovation. They invest in R&D to develop cutting-edge textile machinery and technology. Their marketing strategy would involve highlighting the reliability and technological advancements of their products.

**Customer-Centric Approach:** LMW's marketing would likely focus on understanding the specific needs of their customers and tailoring solutions accordingly. Customer feedback and engagement would be a significant part of their strategy.

**Global Expansion:** LMW has a significant presence in international markets. Their marketing strategy likely includes expansion plans, understanding local market dynamics, and building strong relationships with customers and distributors worldwide.

**Digital Marketing:** In the modern era, digital marketing plays a crucial role in reaching a broader audience. LMW would likely employ digital marketing techniques, including a professional website, social media marketing, and content marketing to engage with potential customers.

**Trade Shows and Exhibitions:** Participation in trade shows and exhibitions is a standard practice in the textile machinery industry. LMW would use such events to showcase their latest products, network with industry professionals, and generate leads.

**After-Sales Support:** Marketing doesn't end with the sale of machinery. LMW would likely focus on providing excellent after-sales support to maintain customer satisfaction and build long-term relationships.

**Environmental Responsibility:** With increasing awareness of sustainability, LMW might emphasize their commitment to eco-friendly and energy-efficient textile machinery in their marketing.

**Partnerships and Alliances:** Building strategic partnerships with other companies in the textile industry can be a part of their marketing strategy. This could involve collaborations on product development, distribution, or joint marketing efforts.

**Thought Leadership:** LMW can establish itself as a thought leader in the textile machinery sector. They can achieve this by publishing research, whitepapers, and case studies, as well as participating in industry conferences and seminars.

**Customer Testimonials and Case Studies:** Utilizing success stories and testimonials from satisfied customers can be a powerful marketing tool. LMW may create and showcase case studies that highlight the positive impact their machinery has on customers' businesses.

**Competitive Analysis:** LMW would continuously monitor the activities and strategies of their competitors, adapting their marketing approaches as necessary to maintain a competitive edge.

It's important to remember that the specifics of LMW's marketing strategy may change over time, and it's advisable to refer to their official website, annual reports, and press releases for the most up-to-date information on their marketing initiatives.



## SALES GROWTH

## Sri Krishna Arts and Science College

Coimbatore – 641 008

### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for REPORT/ESSAY

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<b>Total Marks</b>						

## Last 5 Year Sales Growth:

For discussing on the last 5 years sale growth, we can see the sales details for the past 5 years.

Annual Sales	
Year	Sales
2019	₹ 2,711.00
2020	₹ 1,574.00
2021	₹ 1,727.00
2022	₹ 3,170.00
2023	₹ 4,719.00

This is the last 5 years details from the year 2019-2023 in Crores. In this we can see that the sales were decreased only once for the past 5 years in the year of 2020. Excluding that all the years sales has been increased. The reason for the decrease in the sales is the coronavirus which stated in November 2019. At the year 2019 you can see the sales of 2,711. The sales were affected around 40% in from the sales of 2019 to the sales of 2020.

The company's payment of dividends also reduced. As the dividend which was paid by the company was Rs. 35 on 12 Jul,2019 and in 16 Jul,2020 the dividend paid was Rs. 10. We can also see that the Gross Profit Margin Ratio which was 13.87% in 2019 and 6.67% in 2020, Operating Profit Margin Ratio which was 11.38 in 2019 and 3.16 in 2020. So we can clearly understand that the coronavirus had a significant impact on the sales and overall operation the company.

If we see for the next 3 years there is a good amount of sales growth in the year 2021 the sales were up by 8% and in the 2022 the sales was up by 45% and in the year 2023 the sales was up by 32%. From the growth we can understand that the company had a good amount of performance after the covid. Even though in the year 2022 the sales were up by 45% and in the year 2023 the sales was up by 32% even though there was an reduction in the sales the growth percentage of 13%.

Finally, even though the company had a decrease of 13% from the previous year sales as it may be of any import export duty change either in India or at any other country. So, we can see that the company has performed very well even in the time of covid so it has a good potentiality to improve its sales by its upcoming fiscal years. As it is one of the top companies in the field of manufacturing its exports are still heavy, we can expect a good move in the sales of the company future growth. Even in and after covid the company holds its 3<sup>rd</sup> place in all over the world.

## MARKET SHARE

## Sri Krishna Arts and Science College

Coimbatore – 641 008

### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for REPORT/ESSAY

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<b>Total Marks</b>						

## Sales network:

### India

In India the LMW is having a wide range of sales network the followings are some of the areas where they have a good customer base

- 1) Tamil Nadu
- 2) Andhra Pradesh
- 3) Hyderabad
- 4) Kolhapur
- 5) Mumbai
- 6) Nagpur
- 7) Kolkata
- 8) Indore
- 9) Ahmedabad
- 10) Delhi
- 11) Chandigarh

### World

The LWM is having a good customer base all over the globe some of the main countries where the company is having a good customer base are as follows

- |               |   |
|---------------|---|
| 1) Bangladesh |  |
| 2) Thailand   |  |
| 3) Vietnam    |  |
| 4) Indonesia  |  |
| 5) Kenya      |  |
| 6) Egypt      |  |
| 7) Turkey     |  |

## IMPLEMENTATION OF STRATEGY

## Sri Krishna Arts and Science College

Coimbatore – 641 008

### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for REPORT/ESSAY

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<b>Total Marks</b>						



In 2010, LMW has added the Advanced Technology Centre (ATC), a new plant to produce systems, modules, assemblies and components for Aerospace and Defence sector. The facility spans the composite and metallic arena.

LMW ATC is one stop solution to the Aerospace customer. In terms of infrastructure and capability, ATC has world class manufacturing facilities and its Quality Assurance standards are aligned to AS 9100D certification and NADCAP for special process viz Chemical Process, NDT, Welding, Heat treatment and Composites. ATC has ongoing projects with major OEMs & Tier 1's in US, Europe and various divisions of Hindustan Aeronautics Limited (HAL) as well as Defence Research & Development Organisation (DRDO) and Indian Space Research Organisation (ISRO). Aerospace Composite facility has international class processing and assembly facility to deliver a spectrum of composite and hybrid structures for space, aviation and strategic requirements meeting all the quality protocols.

## R&D

## Sri Krishna Arts and Science College

Coimbatore – 641 008

### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for REPORT/ESSAY

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<b>Total Marks</b>						

The concept of research and development is widely linked to innovation both in the corporate and government sectors. R&D allows a company to stay ahead of its competition. Without an R&D program, a company may not survive on its own and may have to rely on other ways to innovate such as engaging in mergers and acquisitions (M&A) or partnerships. Through R&D, companies can design new products and improve their existing offerings.

R&D is distinct from most operational activities performed by a corporation. The research and/or development is typically not performed with the expectation of immediate profit. Instead, it is expected to contribute to the long-term profitability of a company. R&D may often allow companies to secure intellectual property, including patents, copyrights, and trademarks as discoveries are made and products created.

Companies that set up and employ departments dedicated entirely to R&D commit substantial capital to the effort. They must estimate the risk-adjusted return on their R&D expenditures, which inevitably involves risk of capital. That's because there is no immediate payoff, and the return on investment (ROI) is uncertain. As more money is invested in R&D, the level of capital risk increases. Other companies may choose to outsource their R&D for a variety of reasons including size and cost.

Lakshmi Machine Works (LMW) is one of the leading Textile Machine Manufacturer in India and playing vital role in manufacturing of Textile machines and holding 3 places in world One among the third place in the world to produce entire range of spinning machinery. It was founded in 1962 and now its products are exported to Asia and oceanic regions. LMW is also diversified into CNC machine tools and it hold the leadership in manufacturing the customised products.

LMW-ATC (Lakshmi Machine Works – Advanced Technology Centre) Has contributed the success of Chandran-III, launched on Friday by ISRO using LVM3 Launch Vehicle. This Launch vehicle would carry Lander and Rover Configuration to 100 Km Lunar Orbit

## SWOT ANALYSIS

## Sri Krishna Arts and Science College

Coimbatore – 641 008

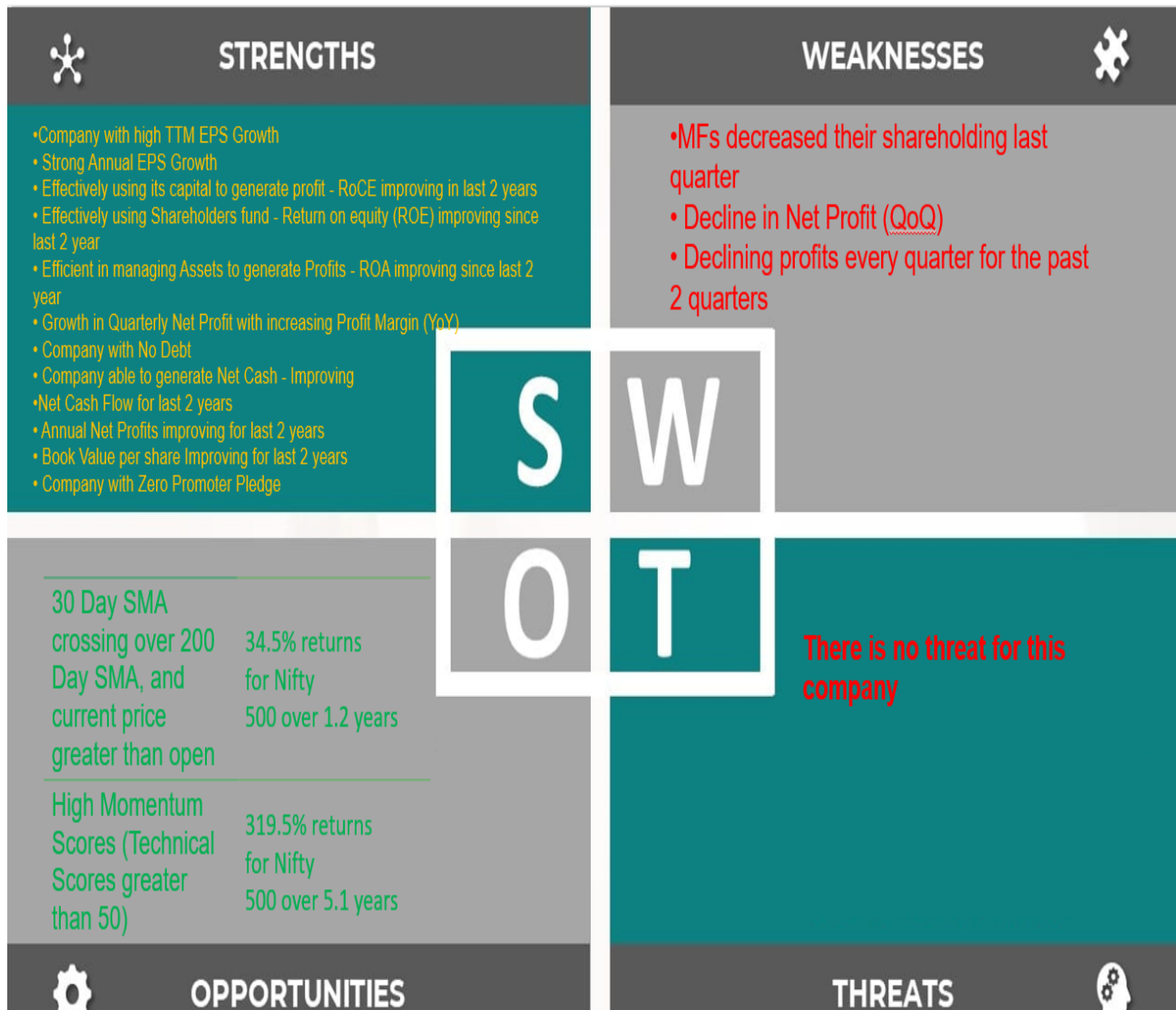
### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for REPORT/ESSAY

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<b>Total Marks</b>						



## CONCLUSION



## Sri Krishna Arts and Science College

Coimbatore – 641 008

### Department of Commerce AF & IB

Course Code: 22AEC58

Course Title: Capstone Project

#### Rubrics for REPORT/ESSAY

Criteria and Weighting	100-70	69-60	59-50	49-40	39-30	Score
Knowledge and Understanding (10%)						
Research (25%)						
Analysis (30%)						
Discussion (25%)						
Presentation, formatting, referencing, bibliography (10%)						
<b>Total Marks</b>						

## Conclusion

From the overall analysis of the company, we can clearly say that the company is performing in a very effective and efficient manner and you might also see that the company is not increasing its loan or advances. Finally, this company is financially and operationally it is very good. It is a boom to the investors to invest in this company as the company share price will be moving in the upwards only as all the factors which support the company to increase its share price is available in this company.

## References:

The followings are some of the references used to analyse this company

- 1) <https://www.lmwglobal.com/>
- 2) <https://www.lmwglobal.com/investors/leadership/board-of-directors.html>
- 3) <https://www.lmwglobal.com/pdf/investors1/financial%20information/financial%20results/2023-24/30.06.2023.pdf>
- 4) <https://www.lmwglobal.com/pdf/investors1/financial%20information/financial%20results/2022-23/31.03.2023.pdf>
- 5) <https://www.lmwglobal.com/pdf/investors1/financial%20information/financial%20results/2022-23/30.09.2022.pdf>
- 6) <https://www.lmwglobal.com/pdf/investors1/financial%20information/financial%20results/2022-23/30.06.2022.pdf>
- 7) <https://www.lmwglobal.com/pdf/investors1/financial%20information/financial%20results/2022-23/31.12.2022.pdf>
- 8) <https://www.lmwglobal.com/pdf/investors1/financial%20information/financial%20results/2021-22/31.03.2022.pdf>
- 9) <https://www.lmwglobal.com/pdf/investors1/financial%20information/financial%20results/2021-22/30.09.2021.pdf>
- 10) <https://www.lmwglobal.com/pdf/investors1/financial%20information/financial%20results/2021-22/30.06.2021.pdf>
- 11) <https://www.lmwglobal.com/pdf/investors1/financial%20information/financial%20results/2021-22/31.12.2021.pdf>
- 12) <https://www.lmwglobal.com/pdf/investors1/financial%20information/annual%20report/LMW%20Annual%20Report%202022-23.pdf>
- 13) <https://www.lmwglobal.com/pdf/investors1/financial%20information/annual%20report/LMW%20Annual%20Report%202021-22.pdf>
- 14) <https://www.lmwglobal.com/pdf/investors1/financial%20information/annual%20report/Annual%20Report%202020-21.pdf>

- 15) <https://www.lmwglobal.com/pdf/investors1/financial%20information/annual%20report/Annual%20Report%202019-20.pdf>
- 16) <https://www.nseindia.com/get-quotes/equity?symbol=LAXMIMACH>
- 17) <https://www.bseindia.com/stock-share-price/lakshmi-machine-works-ltd/laxmimach/500252/>