CORPORATE INFORMATION

Board of Directors

Dr.D.Jayavarthanavelu : *Chairman & Managing Director* (upto 11.06.2010)
Sri.R.Venkatrangappan : *Chairman*
Sri.Sanjay Jayavarthanavelu : *Managing Director*
Sri.M.V.Subbiah : *Director*
Justice Sri.G.Ramanujam(Retd) : *Director*
Justice Sri.S.Natarajan(Retd) : *Director*
Sri.S.Pathy : *Director*
Sri.R.Satagopan : *Director*
Sri.Basavaraju : *Nominee Director of LIC*
Sri.Aditya Himatsingka : *Director*
Dr.Mukund Govind Rajan : *Director*
Sri.R.Rajendran : *Director Finance*

Company Secretary

Sri. K. Duraisami

Registered Office

Perianaickenpalayam
Coimbatore-641 020
Tel: 2692371-72, 6612255
Fax : 2692541-42
E-mail : regd.off@lmw.co.in
Website : www.lakshmimach.com

Corporate Office

34-A, Kamaraj Road
Coimbatore-641 018
Tel: 2221680-82, 3028100
Fax : 2220912
E-Mail : secretarial@lmw.co.in
investorscell@lmw.co.in

Auditors

M/s.M.S.Jagannathan & Visvanathan
Chartered Accountants, Coimbatore

M/s.Subbachar & Srinivasan
Chartered Accountants, Coimbatore

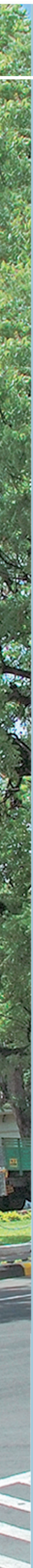
Bankers

Indian Bank
Bank of Baroda
Citibank N.A.
HDFC Bank
IDBI Bank
Standard Chartered Bank
Bank of Nova Scotia
Deutsche Bank

Share transfer agents

SKDC Consultants Limited
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore-641006
Tel.: 6549995, 259835-36
Fax.: 2539837
E-mail : info@skdc-consultants.com


LMW
LAKSHMI MACHINE
WORKS LTD



The aspiration

Vision

To enhance customer satisfaction and our image globally and achieve exponential growth to leadership through world-class products and services.

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 and sharing

Contribution to industry and society

Key Indicators

Revenue growth

56%

Over 2009-10

EPS growth

59%

Over 2009-10

Profit after tax growth

59%

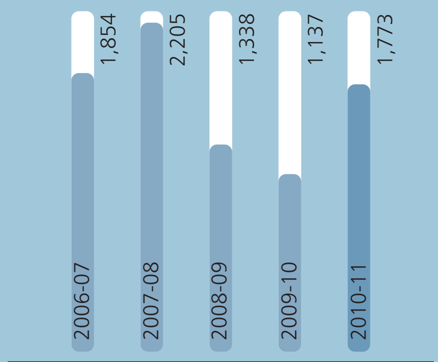
Over 2009-10

Cash profit growth

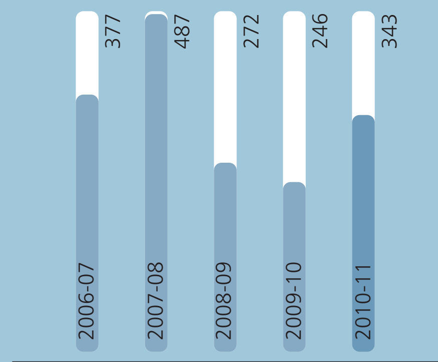
39%

Over 2009-10

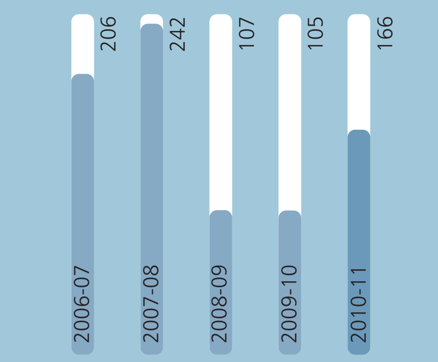
Key Indicators



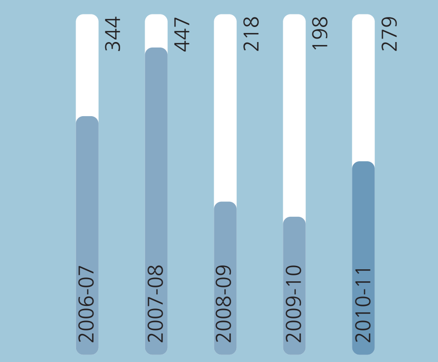
Net sales (Rs. crore)



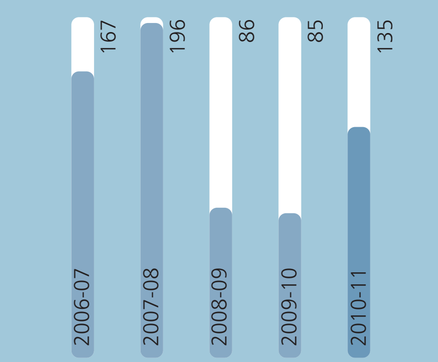
EBIDTA (Rs. crore)



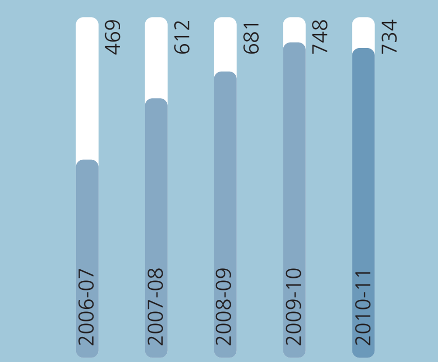
Profit after tax (Rs. crore)



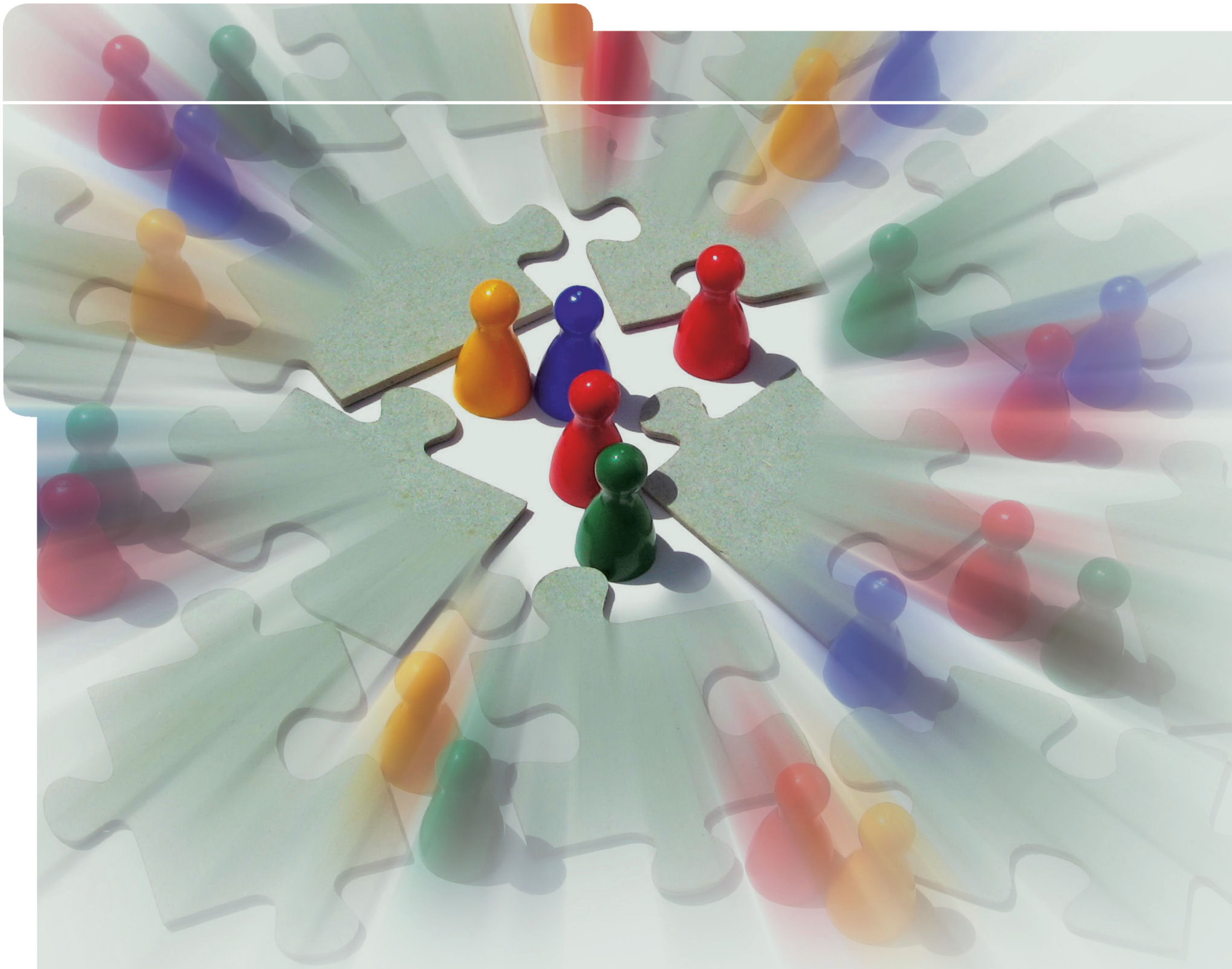
Operating cash flow (Rs. crore)



Earning per share (Rs.)



Book value per share (Rs.)



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I. Economy Overview:

Global economic growth is expected to be hit hard by fiscal and monetary tightening in developed markets, increasing crude oil prices and likewise. In this scenario, India is increasingly becoming a global economic bright spot. The next trillion dollars for the already a trillion dollar Indian economy is expected to happen within a few years thanks to a projected growth rate of 8~9 percent. India has the advantage of a huge internal market wherein domestic demand for products and services fuels economic activity. Added to this, the recently released foreign trade figures indicate accelerating export activity from the country, an indication of an increasing world-wide acceptance for the Made in India tag. It is heartening to note that much required attention is being devoted towards infrastructure development which will trigger economic growth.

However, perceivable threats to country's economic growth i.e., unmanageable fiscal deficit, inflation, increase in bank rates for liquidity control, accelerating commodity and crude oil prices can impact growth projections.

II. Segment Review:

The Company has three major segmental divisions namely, the Textile Machinery Division (TMD), the Machine Tool Division (MTD) and the Foundry Division (Foundry). Besides the three major divisions, your Company has a Wind Energy Division and an Advanced Technology Centre. All the divisions are located in and around Coimbatore District of Tamil Nadu, India.

1. TEXTILE MACHINERY DIVISION

Industry Overview:

The textile industry is a key contributor to the GDP, exports and employment in India. According to recent estimates, the size of this sector is around Rs. 3.30 lakh crores and employs over nine crore people through the direct and allied sectors; by 2020 this sector by size is expected to be around Rs. 10.30 lakh crores.

Indian textile products are well received across the globe and the government has aggressive plans to further increase exports by focussing on select markets and specialised products. Such measures are expected to benefit the Indian Textile Spinning Industry. Also, revival of the Technology Upgradation Fund Scheme is expected to further boost the modernisation and expansion plans of Textile Spinning Mills.

Prospects:

- Government measures to boost export demand and the domestic consumption of textiles will naturally lead to capacity addition in Textile Spinning Mills.
- Majority of the over 4 crore spindles installed in the Textile industry in India are up for modernisation and or upgradation.
- Continuous up gradation of manufacturing technology and the ability to provide complete range of contemporary textile machinery at competitive prices makes your Company a preferred partner of choice for Textile Spinning Mills.
- In depth experience gained over the years, committed work force with specialized skill sets would enable your Company to grab any challenging opportunity.

Challenges:

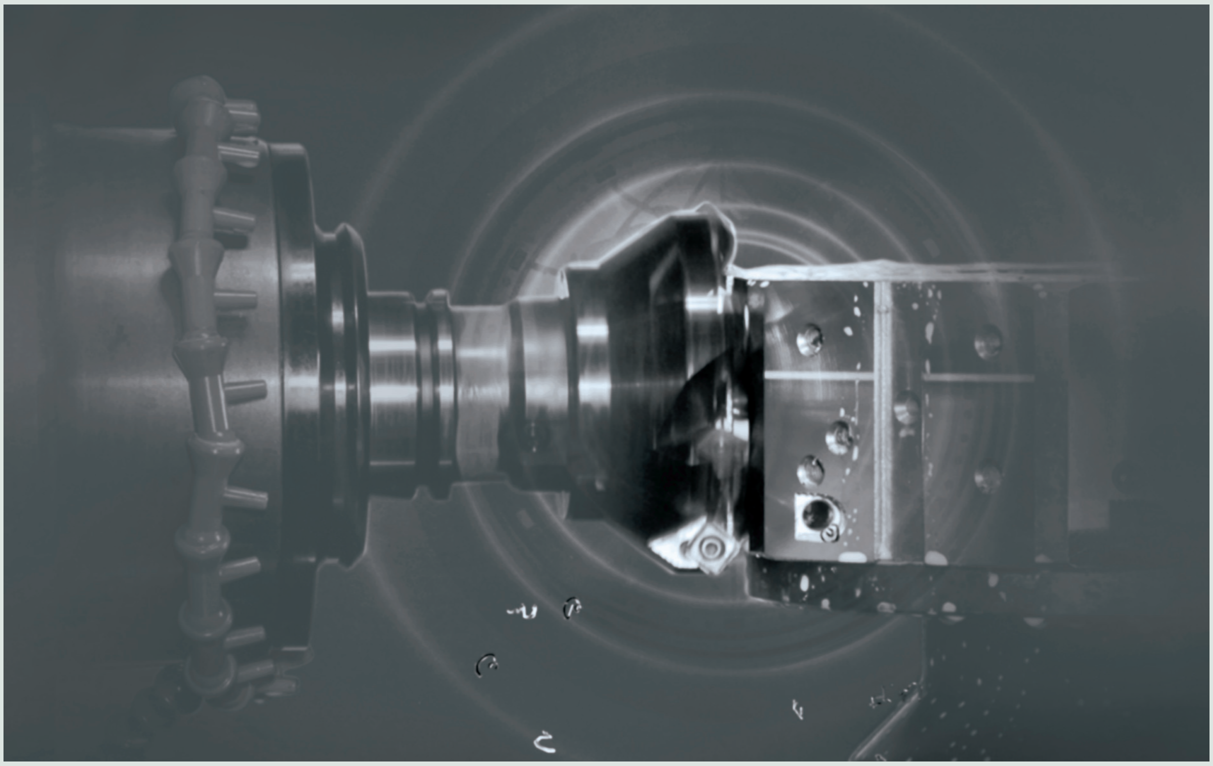
- Competition from Multi National Companies.
- Import of second hand machinery
- Global competitors setting up manufacturing base in India.
- Reduced margins due to increasing commodity prices, power, labour cost and volatility of the foreign exchange rates.

TMD Segment performance:

Type of machinery	No. of Machinery	Value (Rs)
Spinning preparatory machines	2,443	6,304,572,028
Yarn making machines	1,896	7,164,137,886
Accessories and spares	–	1,712,610,641

Outlook:

The Asia Pacific region including India has become increasingly active in the Global Textile trade. With the demand for quality Textile products being intense, cost has emerged as the deciding factor for success. This means that Textile Spinning Mills being at the start of the Textile Value Chain can neither compromise on quality or on cost. The Indian textile sector realises that unless they are equipped with technologically advanced manufacturing facilities they cannot meet the quality and cost requirements of the global customers. This would compel all the players including the textile spinning mills to accelerate their investment in modernisation/expansion. The recently announced revival of Technology Upgradation Fund Scheme (TUFS) is expected to facilitate the process further.



2. MACHINE TOOL DIVISION

Industry overview:

The recently released figures for India's Index of Industrial Production for March 2011 indicated that the Capital Goods sector grew at 12.90% compared to last year while Industrial Machinery sector grew at 7.30%. The factory output as a result rebounded in March. Overall, the Index grew at 7.80% during 2010-11.

Besides Automobiles, a lot of activity is happening in Power Generation, Electricity Transmission and Distribution, Infrastructure, defence and Aerospace. Such industries have given a fillip to the growth of machine tool industry in India. Major portion of demand for Machine Tools is currently being met by imports leaving a greater scope for the development of indigenous machine tool industry.

Prospects:

- Government plans to boost the share of Manufacturing sector to the GDP
- Growth of automobiles, infrastructure, defence and aerospace industries
- Continuous investment in research and development and the ability to bring new variants matching market requirements.

Challenges:

- Stiff competition from global players in Indian Market.
- Lack of advanced technology matching global competitors