



LAKSHMI MACHINE WORKS LIMITED

Annual Report 2012-13

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Space constraint. Soaring land prices. High interest rates. Employee absenteeism. People shortage. Low productivity. High energy bills. Periodic machine stoppage. Delayed service. Component unavailability. Unmet commitments. Increasing costs. Mounting overheads. Declining returns.

If there is one thing that we have faithfully done across five decades in the face of customer issues is patiently listen.

Listen. Act. Prevent.

The combination of these initiatives has helped us emerge as one among the three global manufacturers to produce the complete range of textile spinning machinery.

**Customers complained,
“Land is becoming
prohibitively expensive.”**

**At LMW, we heard, “Can
you make textile equipment
leaner?”**

AS FACTORY SPACE BECAME INCREASINGLY EXPENSIVE ACROSS INDIA, A FACTOR OUTSIDE OUR CONTROL, WE WENT BACK TO OUR DRAWING BOARD TO MAKE OUR MACHINES LEANER, A FACTOR WITHIN OUR CONTROL.

At LMW, we responded with the following initiatives:


- We altered the design of our carding machine, making it possible for our new machines with high productivity to occupy the same space.
- We increased the productivity of our lap formers, making it possible for fewer machines to give the same quantity of output.
- Our speed frames now accommodate 200 spindles per machine as against 140 spindles earlier.
- We reconfigured our new ring frame to occupy 10% lower floor space.

The cumulative result of these initiatives is that we saved space for our customers.

10%

We reconfigured our new ring frame to occupy 10% lower floor space.





**Our customers complained,
“We are struggling to
find people to run our
machines...”**

**At LMW, we heard, “Can
you make machines that are
‘intelligent’?”**

IN AN ECONOMICALLY BUOYANT INDIA, WHERE THE ABUNDANT AVAILABILITY OF TALENT GRADUALLY DECLINED, THERE WAS A NEED TO INVEST IN TECHNOLOGY THAT WOULD BE PROGRESSIVELY LESS-DEPENDANT ON PEOPLE.

At LMW, we designed ‘intelligent’ equipment through the following initiatives:

- We introduced automated bale plucking machines (for large and small volume requirements), which increased productivity and requires fewer people to maintain.
- We designed electronically-controlled carding machines with the highest number of working flats.
- We enhanced automation in our breaker draw frames which has increased productivity by making it possible for one person to address more machines at any given time.
- We fully automated our speed frames and ring frames with auto doffers to save manpower requirement.

The result is that through increased automation, we have made it possible for just a team of 50 persons per shift to manage a 50,000 spindle unit.

50

We have made it possible for just a team of 50 persons per shift to manage a 50,000 spindle unit.





IN THE TEXTILE SPINNING BUSINESS, UPTIME IS VALUABLE AS IT TRANSLATES INTO ENHANCED REVENUES AND PROFITS.

LMW strengthened its operating uptime through various initiatives.

Quality assurance

- We created a detailed SOP for quality assurance -- from raw material to finished goods and for loading / unloading machines
- We initiated a dry run for all machines and sub-assemblies before dispatch

Preventive action

- We institutionalised the audit of every package leaving LMW to ensure that all fitments, sub-assemblies, spares and necessities were provided for smooth commissioning
- We provided a comprehensive manual (multi-lingual) indicating how prompt remedial measures could address machine failure
- We trained customer teams at our premises followed up

**The customer demanded,
“We want service-free
machines, not free service
for machines.”**

**At LMW, we heard,
“We want you to be our
dependable back office.”**

with post-installation hand-holding for seven days

Checks and balances

- We instituted a pre- and post-installation survey of the customer's shop floor to suggest improvements in machine placement
- We conducted periodic post-installation mill audits that appraised machine performance and provided spare part assurance across the residual machine life

On call

- We opened multi-communication channels with customers to ensure that LMW stayed proximate to customers
- ▶ We opened a call-centre for the immediate recording and redressal of the customer's technical and mechanical issues
- ▶ We created an SMS and web-based complaint service through which complaints can be directly routed to engineers assigned to that machine for time-bound responsiveness
- ▶ We stationed engineers in regions proximate to the Company's installations to address complaint-redressal with speed.

As a result, we have sustained our position as India's preferred textile machinery supplier.

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**We have sustained our
position as India's preferred
textile machinery supplier.**

**Customers complained,
“The long wait for new
textile equipment can affect
our business.”**

**At LMW, we heard, “Can
you shrink your delivery
schedule?”**

IN VIEW OF THE SLOWDOWN, WE RECOGNISED THAT ANY DELAY IN DELIVERING EQUIPMENT WOULD AFFECT THE ABILITY OF OUR CUSTOMERS TO CAPITALISE ON SECTORAL OPPORTUNITIES.

LMW focused on shortening the mind-to-market cycle of equipment delivery.

- Our passion for maximising automation has reduced the machine assembly time
- We manufactured all critical machine components in-house and modernised mother machines (high-end CNC machines) which increased productivity of critical parts.
- We used jigs and fixtures required for fitting sub-assemblies and assemblies in order to expedite production.
- We implemented the ‘Accelerated Competence for Manufacturing Excellence’ programme to help us eliminate the non-value-adding assembly time
- We institutionalised the faster dispatch of finished machines. We ensured the on-site presence of technical team before the machines arrived, making it possible for our machines to be commissioned without delay

In doing so, we optimised our delivery cycle.

**We ensured the on-site presence of
technical team before the machines arrived,
making it possible for our machines to be
commissioned without delay**





**Our client CFOs commented,
“Your machines will require
a large investment.”**

**At LMW, we heard, “Can you
optimise the cost of machine
ownership?”**

AS INFLATIONARY HEADWINDS AND A GENERAL SLOWDOWN AFFECTED SECTORAL VIABILITY, AN INCREASING NUMBER OF CUSTOMERS LOOKED TO PROACTIVE VENDORS TO STRENGTHEN THEIR BUSINESS MODEL.

LMW enhanced customer viability through an optimised cost of equipment ownership.

- We undertook process and value-engineering projects to reduce machine costs.
- We re-designed components to minimise input material wastages
- We increased machine automation and operating speed, which increased productivity, energy efficiency and worker-independence.
- We provided dry runs on machines selected by customers; we provided machine performance data using multiple-fibre variants making it possible for customers to calculate their investment returns from operations.
- We ensured that our active equipment life was significantly longer than competing variants
- We institutionalised reasonable pricing for our products.
- We commissioned a specialised cell for the analysis of electronic faults and component-based repair as opposed to assembly replacement

With this we enjoy the consistent support of textile majors thereby strengthening our order book position.

**We enjoy the consistent support of
customers that strengthens our order book.**

Attention to the customer's voice makes excellent business sense.

Here is proof.

1

One among the three to manufacture the entire range of spinning machinery (Blowroom to Ring Frames).

1

The status of the Company among textile spinning machinery manufacturers in India

0

Debt on LMW's books since FY 2004-05

Business in numbers

Sales (₹ lakhs)



Profit After Tax (₹ lakhs)



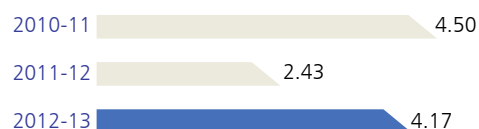
Fixed Assets (₹ lakhs)



Reserves and Surplus (₹ lakhs)



Dividend Cover (Times)



Asset Turnover (Times)

