

26. MALABAR CEMENTS LIMITED

I Date of incorporation	11th April, 1978		
II Address - Registered Office & Factory	Walayar, Palakkad 678 624		
III Phone, Gram, Fax	0491 - 2862117, 2862374 (Kanjikode)		
Email	Grams: CEMENTS mclstat@sancharnet.in Fax: 0491-2862230		
IV Administrative Dept. (Under Govt.)	Industries Department		
V Name of Chairman	Shri John Mathai IAS		
VI Name of Managing Director	Shri S.S. Moni		
VII Present Activities	Manufacture and sale of cement		
VIII Manpower as on 31-3-05	No.	Average Emoluments per person (Rs. per month)	
a. Workers (all non-supervisory employees in factory, office and field)	910	7963	
b. Supervisory Staff (in factory, office and field)	36	9712	
c. Executives	122	16934	
d. Senior Executives (Heads of department and above)	9	26279	
Total	1077		
	2002-03	2003-04	2004-05
IX Bonus			
a. Payable (%)	8.33	23.00	22.00
b. Paid (Exgratia paid) (%)	8.33	23.00	22.00
X Financial Position (Rs.in lakhs)			
A. Liabilities			
1. Capital			
a. Authorised capital	2800.00	2800.00	2800.00
b. Paid up capital	2599.87	2599.87	2599.87
2. Reserves & Surplus			
a. Other reserves	5278.34	5149.03	4812.09
b. Deferred tax liability	778.70	1083.84	1149.72
3. Long term Loans			
a. Government	244.04	244.04	244.04
b. Financial Institutions	-	8.93	-
c. Others - bridge loan and KIRFB	-	1000.00	2000.00
4. Current liabilities & provisions			
a. Bank Borrowings for working capital	929.58	901.89	1323.95
b. Sundry creditors	790.85	470.12	418.13
c. Outstanding expenses	682.45	950.80	885.56
d. Other current liabilities & provisions	544.44	838.50	887.33
Total	11848.27	13247.02	14320.69
B. Assets			
5. a. Fixed assets:Gross Block	9475.40	12512.14	13802.71

b.	Less: Depreciation	6158.65	6476.54	6820.01
c.	Net fixed assets	3316.75	6035.60	6982.70
d.	Capital work in progress	2784.73	10.34	35.89
6.	Investments	1.00	1.00	1.00
7.	Current assets			
a.	Cash & Bank balance	166.88	485.10	568.08
b.	Sundry debtors	279.14	833.04	1093.97
c.	Advances	1452.07	2023.56	2103.86
d.	Prepaid expenses	11.67	19.42	21.47
e.	Stock			
(i)	Raw materials	731.84	507.38	264.33
(ii)	Semi-finished goods (work -in-process)	832.82	736.78	834.74
(iii)	Finished goods	111.42	122.61	163.94
(iv)	General stores & spares	2011.39	2272.19	2006.90
f.	Others (Claims receivable)	1.63	1.68	1.67
8.	Miscellaneous expenditure not written off/adjusted			
a.	Deferred advertisement	-	-	-
b.	Preliminary/Mines development expenditure	43.26	36.36	31.17
c.	Deferred advertisement (revenue)	103.67	161.96	210.97
d.	P & L Account (Accumulated loss, if any)	-	-	-
	Total	11848.27	13247.02	14320.69
C.	Other Details			
1.	Share distribution(%)			
a.	State Govt.	100.00	100.00	100.00
	Total	100.00	100.00	100.00
2.	Net worth	8509.98	8634.42	8319.54
3.	Capital employed	8753.02	9886.39	10562.58
4.	Capital invested	2843.91	3852.84	4843.91
5.	Working capital (Current assets - Current liabilities)	2651.54	3842.44	3543.99

XI Working results (Rs. in lakhs)

1. Income

a.	Sales/Service charges	10946.40	16487.41	16752.83
b.	Other Income	97.36	41.50	93.75
c.	Increase/decrease in stock of finished goods & work-in-process	-528.06	-84.85	139.29

Total 10515.70 16444.06 16985.87

2. Expenditure

a.	Raw materials, chemicals etc. consumed	1069.45	2610.73	2360.74
b.	Power, fuel, and water charges	2893.84	4054.16	4292.55
c.	Excise duty	1468.63	2293.93	2499.16
d.	Sales tax	1495.86	1792.33	1679.83
e.	Other expenses	2070.59	2301.51	2840.97
f.	Personnel expenses	1488.09	1580.21	1741.95

g.	Interest & Bank Charges	54.31	188.56	260.64	
h.	Selling & distribution expenses & distribution expenses	419.15	640.65	662.41	
i.	Administration expenses	374.51	471.80	518.36	
j.	Miscellaneous expenses written off	9.15	6.89	6.34	
k.	Depreciation	297.86	325.94	373.40	
	Total	11641.44	16266.71	17236.35	
	Operating profit/loss(+/-)	-1125.74	177.35	-250.48	
	+/-Prior period adjustment	-24.96	-1.52	-20.58	
	Net Profit/Loss (+/-)	-1150.70	175.83	-271.06	
	-Provision for income tax (if any)	-	-	-	
	-Proposed dividend	-	-	-	
	-Deferred tax	12.71	305.14	65.88	
	Net profit after tax and dividend	-1163.41	-129.31	-336.94	
XII	Taxes & duties:				
a.	Excise Duty	1468.63	2293.93	2499.16	
b.	Sales Tax	1495.86	1792.33	1679.83	
XIII	Dividend	Nil	Nil	Nil	
XIV	Long Term Loans (Rs. in lakhs)	State	Financial	Others	Total
	(including interest)	Govt.	Institution	(KIRFB)	
a.	Opening balance (01-04-04)	244.04	-	1008.93	1252.97
b.	+Additional loans availed during the year	-	2000.00	-	2000.00
c.	+Interest due for the year	-	-	-	0.00
d.	-Payments made during the year (Principal + interest)	-	-	1008.93	1008.93
e.	Closing Balance (as on 31-03-05)	244.04	2000.00	-	2244.04
XV	Interest charges on term loans	State	Financial	Others	Total
		Govt.	Institution	(int.on GC)	
a.	Opening balance	-	-	38.83	38.83
b.	+Interest due for the year	-	-	-	-
c.	-Interest paid during the year	-	-	-	-
d.	Closing balance	-	-	38.83	38.83
XVI	Statutory dues as on 31-03-05	Opening	Amount paid	Balance to be	
		Balance as	during the year	paid on 31-03-05*	
		on 01-04-04			
	a.	Provident Fund	10.97	228.47	22.39
	b.	E.S.I.		0.29	5.03
0.39	c.	Gratuity		-	47.13
	d.	Labour Welfare Fund	0.57	5.54	0.57
	e.	Guarantee Commission	-	-	-

* This balance as on 31/3 was paid during April 2005.

XVII Production (Rs. in lakhs)

2003-04										
Sl. No.	Product	Unit	Capacity		Budgeted production		Actual Production during the year		% of capacity utilised	
			Licensed	Installed	Qty.	Value	Qty.	Value		
(i)	Walayar Cement	MT	420000	420000	420000	420000	14134	459625	14242.18	109.43
(ii)	CGU Cement		200000	200000	200000	158000	4835	76705	2160.38	57.53
Total			620000	620000	620000	578000	18969	536330	16402.56	96.93

2004-05										
Sl. No.	Product	Unit	Capacity		Budgeted production		Actual Production during the year		% of capacity utilised	
			Licensed	Installed	Qty.	Value	Qty.	Value		
(i)	Cement	MT	420000	420000	400000	12428	445486	13410.07		106.07
(ii)	CGU Cement	MT	200000	200000	162000	5034	115628	3482.05		57.81
Total			620000	620000	562000	17462	561114	16892.12		90.50

XVIII Sales (Rs. in Lakhs)

2003-04						
Sl. No.	Products	Unit	Budgeted Sales		Sales for the year	
			Qty.	Value	Qty.	Value
(i)	Walayar Cement	MT	420000	14134	460945	14391.27
(ii)	CGU Cement	MT	158000	4835	74424	2096.14
Total			578000	18969	535369	16487.41

2004-05						
Sl. No.	Products	Unit	Budgeted Sales		Sales for the year	
			Qty.	Value	Qty.	Value
(i)	Walayar Cement	MT	400000	12428	442229	13237.99
(ii)	CGU Cement	MT	162000	5034	116717	3514.84
Total			562000	17462	558946	16752.83

* Including cost of clinker transferred to CGU amounting to Rs.940.81 lakhs.

XIX Financial/Operating Ratios	2002-03	2003-04	2004-05
a. Debt-equity ratio	0.09:1	0.48:1	0.86:1
b. Current ratio	1.90:1	2.22:1	2.01:1
c. Receivables to sales(in months)	0.31	0.61	0.78
d. Stock of finished goods to sales (in months)	0.12	0.09	0.12
e. Stock of raw materials to consumption (in months)	8.21	2.33	1.34
f. Consumption to sales (%)	9.77	15.83	14.09
g. Net profit to sales (%)	-10.51	1.07	-1.62
h. Return on investment (%)	-13.15	1.78	-2.57

XX Status of Accounts

- | | |
|---|---------|
| a. Year up to which Accounts have been finalised by the company | 2004-05 |
| b. Year up to which audit is complete | 2004-05 |

XXI Employee Development:

- (i) Training

(a) Budget provision (Rs.in lakhs)	5.00	1.00	1.50
(b) Actually spent (Rs.in lakhs)	0.64	1.60	1.96
(ii) No. of persons sent for external training pogrammes	15	49	55
(iii) No. of in-house programmes	42	32	26
(iv) No. of persons covered in in-house programmes	1149	745	531

XXII Income-tax Benefits/Reduction/Relief

- a) Have you initiated any activity or project during the year that would result in income tax benefits/reduction/relief for the company?
Modernisation of Cement Mill to close circuiting system. Yes
- b) Give details of the quantum of income tax benefits/reduction/relief received or expected as a result of the above.

Sl.No.	Activity/Project investment	Total during the year (Rs. in lakhs)	Amount invested reduction/relief (Rs. in lakhs)	Income tax benefit/	
				Received	Expected
1.	Cement modernisation	1188.16	1188.16	-	-

XXIII Summary of Performance:

During the year under review, the Company could improve its performance. The Walayar plant could achieve a capacity utilisation of 106.1%. Company could achieve record cement production of 5.61 lakh tonnes in 2004-05 from both Walayar and Cherthala.

The turnover of the Company has also marginally increased to Rs.167.53 crores as against Rs.164.87 crores during the previous year. However, the Company incurred a net loss of Rs.271.06 lakhs as against a net profit of Rs.175.83 lakhs during the previous year though it could achieve a cash profit of Rs.122.92 lakhs.

It is reported that the net sales realisation decreased in most of the months in 2004-05 due to increase in cost of inputs and a highly competitive market.

The audit of accounts of the Company is complete and up-to-date.