# INDUSTRIAL VISIT REPORT

LOCATION: MALABAR CEMENT LTD.,

WALAYAR, PALAKKAD

BATCH : S3, S5 & S7

NO. OF STUDENTS:

DATE OF VISIT

ABOUT MALABAR CEMENT

It was the long cherished developmental dream of the State of Kerala established a significant leap when Malabar Cements Limited, the only Portland cement manufacturer in Kerala, was incorporated in April 1978, as a state Public Sector Unit. This Company, with a capital outlay of Rs.68 crores and a paid up equity capital of Rs. 26 crores, is fully owned by Government of Kerala. The Company is continuously running on profit.

Cement is the basic construction material of the contemporary era. During the 1970s cement was a controlled commodity and Kerala had to depend entirely on other states or foreign countries for its requirements/ supplies of this construction material. In fact, this was the stimulus behind comprehending this state owned cement manufacturing unit.

The Geological Survey of India (GSI) had identified a cement grade limestone deposit in the Walayar reserve forest way back in 1961-62. Later, the Mineral Exploration Corporation Limited confirmed its efficacy.

Despite its difficult terrain and perilous conditions at the deposit, the Kerala State Industrial Development Corporation (KSIDC) had engaged M/s. Holtec Engineers

Pvt. Ltd., in 1975 to study the feasibility of putting up a cement plant at Walayar. And based on this study, KSIDC subsequently obtained an Industrial License for the manufacture of cement in November 1976. The Malabar Cements Limited thus came into existence at Walayar, the then remote and underdeveloped tiny village in the eastern boundary of the Palakkad District.

After periodic and incessant construction spree, the cement plant was commissioned on the 2nd of February 1984. The commercial production since then commenced on the 30th of April on the same year

Right to Information Act, 2005, aims to provide set out the practical regime of Right to Information for citizens to secure access to information under the control of Public authorities, in order to promote transparency and accountability in the working of every public authority. As Malabar Cements limited is a public sector Undertaking of Government of Kerala, it has taken steps for implementation of the act. Subsequent to the Government Order GO (P) No. 367/2005/Gad dated 10/10/2005 Company has nominated the following officers as per Act.

OBJECTIVE

The objective of Malabar Cements Limited is to manufacture and sell best quality cement at affordable price to general public of Kerala and remain to be an important partner in the socio-economic development of the State.

# OVERVIEW

Malabar Cements Limited is a fully owned Government of Kerala Undertaking. It contributes to the development of the State by supplying the vital construction material *factory fresh*, within 12 hours anywhere in Kerala without drop in the strength due to moisture ingress. MCL is a glittering performer among the State Public Sector Undertakings in Kerala. Also, we have the distinction of being *the only grey cement manufacturer* in Kerala.

It is  an ISO 9001:2015 & ISO 14001:2015 certified Company , thanks to its commitment to the customer, mainly the people of Kerala.

# FUTURE PLANS

Malabar Cements is in the path of expansion. The ultimate aim is to increase the present market share at least up to 25%.

The proposals for expansion/ diversification include capacity improvement from 0.66 to 0.8 MTA and efficiency enhancement of Walayar Plant, setting up 1 MTA additional grinding facility at Walayar, utilization of Pet Coke in the place of coal and mill modernization at Walayar plant, setting up a bulk cement and other raw materials handling hub at the Cochin Port Trust land already taken on lease by the Company and setting up of Ready Mix Concrete Plants all over Kerala.

Now, MCL is marching towards an Integrated Management System based on ISO 9001:2015 and ISO 14001:2015.

# POLICY STATEMENT

The Integrated Management System policy  based on ISO 9001: 2015 and ISO 14001:2015 established at Malabar Cements is:

> *MALABAR CEMENTS is committed to provide products and services that meet or exceed the requirements and expectations of our customers, giving high priority to quality, safety and environment in a systematic, safe and lawful manner so as to achieve continual improvement.*
> *This is achieved by:*

> *Continually monitoring and improving all processes and performance critical to quality*
> *Ensuring compliance to all legal and other obligations*
> *Ensuring active participation of all employees.*

# MANUFACTURING

Malabar Cements manufactures cement through the most modern dry process method based on world-renowned German technology. The major raw materials for cement manufacture are limestone and laterite, which are natural minerals obtained within the state. These raw materials provide all necessary ingredients of cement like lime, silica, alumina and iron oxide. The entire manufacturing process is computer controlled from a central control room and stringent quality control measures are applied at all stages of production.The state of the art pollution control measures like bag filters are also being installed. The process generally involves three stages of production.

## Raw Meal

The limestone obtained from captive mines is enriched with higher quality limestone procured from nearby states as and when required. The raw mix normally contains 95% limestone and 5% laterite. The raw materials are crushed to around 20-25 mm size and the proportioned raw materials are ground in a ball mill in dry condition to a very fine powder. The resultant product is called raw meal and is stored in concrete silos where it is pneumatically homogenized to get a uniform product.

## Clinker

Clinker is produced in a rotary kiln, which is a cylindrical steel shell of 65m length and diameter 4.2m, lined with refractory bricks.The kiln is inclined at 3% and set rotating at a speed of 2 to 2.2 rpm. It is provided with a 4-stage multi cyclone pre-heater system through which the homogenized raw meal is fed to the kiln inlet by means of belt bucket elevators. The Kiln is fired with pulverized coal and maintained at a temperature of about 14500C. In the pre-heater and kiln, the raw meal undergoes a series of physical as well as chemical changes giving rise to the cement minerals. The resultant product in nodular form obtained from the kiln is called clinker. Clinker is immediately quenched in the clinker cooler to stabilize its properties and stored in the clinker stockpile.

## Cement

Cement is produced by grinding clinker with 3 to 5% gypsum in a closed circuit ball mill to required fineness. Gypsum is added to control the setting properties of cement. Grinding clinker and gypsum produces ordinary Portland cement (OPC). Fly ash / Slag at required proportion is ground along with clinker and gypsum to produce Portland Pozzolana cement (PPC) / Portland slag cement (PSC). The ground cement is stored in concrete silos and packed in 50kg bags using electronic packing machines.

# Industrial Visit to Radio Astronomy Centre, Ooty

The Eighth semester students (2015-2019) of Ahalia School of Engineering and Technology visited Radio Astronomy Centre (RAC), Ooty on 08.02.2019(Friday). The Radio Astronomy Centre (RAC) is part of the National Centre for Radio Astrophysics (NCRA) of the well-known Tata Institute of Fundamental Research (TIFR) which is funded by the Government of India through the Department of Atomic Energy. The RAC is situated near Udhagamandalam (Ooty) in the beautiful surroundings of the Nilgiri Hills and it provides stimulating environment for the front-line research in radio astronomy and astrophysics with its excellent and highly qualified staff and international reputations.

The students were able to see one of the most sensitive radio telescopes in the world. One of the observers in RAC gave an explanation about the construction and working of telescopes. The reflecting surface of the telescope is made of 1100 thin stainless-steel wires running parallel to each other for the entire length of the cylinder and supported on 24 steerable parabolic frames. The telescope sits on a natural slope of 11°, which matches the latitude of the location. This Industrial visit gave an insight on how astronomy centers work for the country.

# INDUSTRIAL VISIT TO INSTRUMENTATION LIMITED (IL)

02 February 2019

The department of Mechanical Engineering organized an industrial visit to the Instrumentation Limited, Kanjikode, Palakkad on 02 February 2019 for III-year BTech Mechanical Engineering Students. They are the leading manufacturers and exporters of control, butterfly, globe, safety relief, bellows sealed, engineering, angle, high pressure valves and actuator, instrumentation, transmitter, power cylinder, orifice, cavitation and positioner in India. It was a very promising and enlightening experience for students and staffs as they acquired knowledge on various valves, its manufacture and repair works. The staffs of IL enlighten the students with the new products in the pipeline and also about the working of an industrial large-scale CNC machine. The industry also dealt with the small-scale calibration of valves. The staffs there, were kind enough to enlighten the staffs and students with the working and application of the valves and the basic principle behind them. Assistant Professors Mr. Dheeraj P and Mr. Anoop P accompanied the students.

# INDUSTRIAL VISIT TO FLUID CONTROL RESEARCH INSTITUTE (FCRI)

02 February 2019


The department of Mechanical Engineering organized an industrial visit to Fluid Control Research Institute (FCRI), Kanjikode West, Palakkad on 02 February 2019 for II-year BTech Mechanical Engineering Students. FCRI is a NABL accredited premier institute in Fluids Engineering in South East Asia for R&D on flow products, Testing and Calibration of Valves, flow meters and other measuring instruments as per ISO requirements, model approval Tests, software for design and selection of flow meters/valves and specialized training programmes and more on the various facilities viz., Water Flow Lab, Air Flow Lab, Oil Flow Laboratory and other auxiliary laboratories. Students visited various flow laboratories, physical standards lab and noise and vibrational labs. The laboratories have full-fledged facilities for the calibration of various types of flow meters, testing of valves, pipe fittings and flow products to meet the customer requirements. Major clients include refineries, power and process industries, ministry of defence, flow product manufacturers and various water supply boards. Assistant Professors Mr. Sumanlal M and Mr. Subin B Markose accompanied the students.

AHALIA SCHOOL OF ENGINEERING & TECHNOLOGY
(Approved by AICTE & Affiliated to A. P. J. Abdul Kalam Technological University and University of Calicut)
Ahalia Health, Heritage & Knowledge Village, Palakkad - 678557
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# Department of Mechanical Engineering

# REPORT OF INDUSTRIAL VISIT TO

## MALABAR CEMENTS LIMITED, WALAYAR

**Date: 07-09-2016**

The Department of Mechanical Engineering has organized the industrial visit to Malabar Cements Limited, Walayar on 07/09/2016 for S5 ME students (2014-2018). Malabar Cements is one of the Govt. of Kerala Undertaking with superior quality cements, vouched by customers spread across the state of Kerala and other parts of India.

By this visit students understood the various process of manufacturing the cement through different techniques. The demonstrator also had elaborated pollution control systems to meet pollution control standards. The most inspiring among the sections visited was the control room which showed how all the mechanical systems were controlled electronically. It was indeed a great opportunity for us to enhance our knowledge. The industrial visit is organised by the Mr. Dheeraj P, Assistant Professor of ME. The students were accompanied by Mr. Dheeraj P, Assistant Professor of ME and Mr. Anil M, Assistant Professor of ME.

# IV to Ahalia Medicine Manufacturing Unit

# 17 November 2021


On 17/11/2021 Wednesday the industrial visit from Ahalia School of Engineering and Technology was to Ahalia Medicine Manufacturing Unit. The students from S3 ME and S3 EEE were taken for the visit. Two teachers from EEE (Ms. Lakshmi Suresh, Ms. Swathy M. V.), three teachers from ME (Mr. Anil M., Mr. Dheeraj P., Mr. Jishnoop J.), Ms. Bindu Valoor (Manager, Academics Outreach, Ahalia Group of Institutions) and Ms. Rinsy M. (Counselling Psychologist, Ahalia Group) accompanied them. Dr. Bimal (Manager, Ahalia Ayurvedic Medicine Manufacturing Unit) explained all the processes well and addressed students' queries. The visit was from 1.30 p.m. to 3.15 p.m.

# IV TO KERALA START-UP MISSION'S FAB LAB AND INCUBATION CENTRE

## 02 December 2021

On 02/12/2021 Friday the industrial visit from Ahalia School of Engineering and Technology was to Kerala Start-up Mission's Fab Lab and Incubation Centre in Government Polytechnic College, Palakkad. The students from S7 Mechanical and S7 ECE were taken for the IV. Mr. Sandeep Satish (Asst. Prof., Mechanical), Mr. Vignesh V. (Asst. Prof., Mechanical), Mr. Santhosh C. (Asst. Prof., ECE), Ms. Bindu Valoor (Manager, Academics Outreach, Ahalia Group of Institutions) and Ms. Rinsy M. (Counselling Psychologist, Ahalia Group) accompanied them. Mr. Vignesh (Business Development Officer, KSU Palakkad Centre) briefed students about the start-up initiation process and support available. They were taken around the fab lab. The IV was from 1.30 p.m. to 4.15 p.m.

# IV to Paragon Steel Distributors

# 23 November 2021


On 23/11/2021 Tuesday the Industrial Visit from Ahalia School of Engineering and Technology was to Paragon Steel Distributors. The students from S5 Mechanical were taken for the IV. Mr. Jishnoop J. (Asst. Prof., ME), Mr. Vignesh V. (Asst. Prof., ME), Ms. Bindu Valoor (Manager, Academics Outreach, Ahalia Group of Institutions) and Ms. Rinsy M. (Counselling Psychologist, Ahalia Group) accompanied them. Mr. Salim (H.R. Manager, Paragon Steel Distributors) explained all the processes well and addressed students' queries. The IV was from 2.00 p.m. to 4.15 p.m.

# ABOUT

# THE

# INDUSTRY

# CEMENT MANUFACTURING INDUSTRY


**T**he Indian cement industry, particularly cement industry in south India plays a significant role in the country's economic development which generates substantial revenue for the central and state Government through sales taxes and excise duties. Cement is one of the key infrastructure industries. India, the world's second largest producer of cement, the recent boom in infrastructure and the housing market has only boosted its cement industry. Add to that an increasing global demand and a flurry of activity in infrastructure projects – highways roads, bridges, ports and houses – has sparked off a spate of mergers and acquisitions in the sector.

## THE GROWTH OF INDIAN CEMENT INDUSTRY

**I**ndia is one of the fastest growing economies in the world with one of the Business to Business (B2B) market position by escalating India's share is apparent. Accounting for 11 percent of India's total gross domestic product side, the cement industry is an important contribution in this category.

It is one of the main industries that plays a pivotal role in the growth and expansion of a nation. This industry is one of the main beneficiaries of the infrastructure boom in the country. The Indian cement industry is huge, and it has great production capacity. Currently, the total capacity of cement industry is about 165 million tones, which is the second largest in the world.

Cement is one of the vital constituents that is required for every construction purpose, such as industrial, housing, and also for construction of infrastructures, such as roads, ports, bridges, power plants, and so on. Thus, the cement industry is a significant contributor to the revenue collection of the government. In India, the cement industry in the initial stages grew very slowly and the supply struggled to meet the demands. However, the scenario changed drastically after

the liberalization period. The cement industry began to grow and since then the supply of cement has always managed to keep pace with its demand.

Today, the cement industry in India is one of the most advanced and pioneering sectors in the country, and the cement industry has a huge potential for growth and attracting new investments. The cement industry in India uses the most modern and world-class technology. Also, because India has a high quantity and quality of limestone deposits throughout the country, the cement industry promises huge potential for growth.

The government of India has set ambitious plans to increase the production of cement in the country, and to attain the target the government has made huge investments in the sector. The Department of Industrial Policy and Promotion, which falls under the central Ministry of Commerce and Industry, is the agency that is responsible for the development of the cement industry in the country. The agency is actively involved in keeping track of the performance of cement companies in the country and provides assistance and suitable incentives when required by the company. The department is also involved in framing and administering the industrial policy for foreign direct investments in the sector. Apart from formulating policies, the department also promotes the industry to attract new foreign investments in the sector.

The Department of Industrial policy and promotion plays an active role in promoting foreign investment in India in the cement industry by providing useful information to the investors about the investment climate and opportunities in India. The department also provides advice to prospective investors on various policies and investment procedures.

In order to promote investment in the sector, this department has greatly emphasized the development of good transportation facilities to ensure smooth transportation of bulk cement. It also aims to support the investors by providing them with R&D facilities and technological assistance.

The cement industry in India has been attracting several top-notch cement companies worldwide, which reflects the fact that this industry holds huge potential for investment. Also, due to the boom in the housing sector world-wide and the increased activity of the development of infrastructure, the demand for cement is set to increase globally. Thus, the investors having nothing to lose and are all set to benefit from investing in India's cement industry.

## IMPORTENCE OF CEMENT INDUSTRY TO INDIAN ECONOMY

- Basic ingredient in construction work.
- Generation of employment.
- Contribution to national exchequer.
- Contribution to Indian railway revenues.
- Helpful in the development of other industries.
- Enhancement in the national income.
- Huge export potentialities and quick marketability.

# CEMENT INDUSTRY IN SOUTH INDIA

The cement industry is one of the key industries in south India. The production and consumption of cement to a large extent indicate country's progress. It is a capital-intensive industry, which means that competition is confined mainly to a small group of large industrial houses. The economic progress can be achieved by increasing the production coupled with improvement in the ways and means of productivity. This industry has recorded continuous growth since planning began. The government has a complete control over the Production, distribution and price of cement and this has dampened the growth of the cement industry.

The Indian cement industry has thus been one of pioneers of the reforms process with many of the initial reforms being initiated in this sector. After the liberalization and globalization of the Indian economy, the cement industry has been growing rapidly at an average rate of 8 per cent. It has been observed that, the following financial indicators are considered in its quantitative evaluation for judging excellence of cement units in south India.

1) Increase in market capitalization over 12 months on the date of calculation.
2) Increase in revenues over one accounting year
3) Return on net worth
4) Compound annual growth in EPS over the past three years
5) Price earnings ratio
6) Sales for the latest financial year.
7) .Market capitalization as on July 15.
8) Profit after tax for the latest financial year.

## FACTORS INFLUENCING PERFOMENCE OF CEMENT UNITS IN SOUTH INDIA

- Number of cement industry
- level and pattern of promotional expenditures in cement industry
- Rates and nature of technological competition in cement industry
- Relative size of Cement companies.

- Consumer preferences for the product and for related products in cement industry.
- Rate of demand growth in cement industry.
- Extent of product differentiation in cement industry
- Price behaviour of the leading cement companies.
- Minimum efficient scale of production in cement industry.
- Buyer switching costs in cement industry
- Demand side economies of scale in cement industry.

## ATTRIBUTES OF CEMENT SECTOR IN SOUTH INDIA

- Units concentrated near raw material sources or markets
- Power intensive
- High freight costs
- Small value chain
- Regional variation and volatility in prices and margins
- High debt levels
- Regional distribution of demand
- Seasonality of demand and cyclicality of the industry
- High entry barriers

## FUTURE OF CEMENT SECTOR IN SOUTH INDIA

- Steady price growth over the next 2-3 years.
- Housing and government infrastructure spending to translate into an 8 percent CAGR in demand.
- Greenfield/Brownfield capacity additions of around 35 million tones will be required to match the robust demand growth.
- Blending to contribute around 10 million tones of capacity.
- Operating revenue rates expect to touch 88 per cent by 2014-15
- Production costs to increase moderately.

# MAJOR PLAYERS IN INDIAN CEMENT INDUSTRY

There are a number of players prevailing in cement industry in India. However , there are around 18 big names that account for more than 70% of total cement production in IndiaThe total installed capacity is distributed over around 129 plants, owned by 54 major companies across the nation.

List of Cement Companies in India.

| A |
|---|
| ACC Limited<br>Ambuja Cements Limited<br>Andhra Cements Ltd |
| B |
| Barak Valley Cements Ltd<br>Bheema Cements Ltd<br>Binani Cement Ltd<br>Birla Corporation Limited<br>Burnpur Cement Ltd |
| C |
| Chettinad Cement Corporation Limited |
| D |
| Dalmia Cement (Bharat) Limited<br>Deccan Cements Ltd. |
| E |
| Everest Industries Ltd |

| |
|---|
| G |
| Grasim Industries Limited<br>Gujarat Sidhee Cement Ltd |
| H |
| Heidelberg Cement India Ltd<br>Hyderabad Industries Ltd |
| I |
| Indian Hume Pipe Company Ltd J |
| J |
| J. K. Cement Limited<br>JK Lakshmi Cement Ltd |
| K |
| Kalyanpur Cements Ltd.<br>Katwa Cements Ltd<br>Kesoram Industries Ltd. |
| M |
| Madras Cements Limited<br>Mangalam Cement Ltd.<br>Malabar cements Ltd. |
| N |
| NCL Industries Ltd.<br>Nirman Cements Ltd |
| O |
| OCL India Ltd. |
| p |

| |
|---|
| Panyam Cements & Mineral Inds. Ltd |
| Prism Cement Ltd |
| R |
| Rose Zinc Ltd |
| S |
| Sagar Cements Ltd. |
| Sainik Finance & Inds. Ltd. |
| Sanghi Industries Ltd |
| Saurashtra Cement Ltd. |
| Shiva Cement Ltd |
| Shree Digvijay Cement Company Ltd. |
| Somani Cement Company Ltd |
| Sri Vasavi Inds. Ltd |
| Srichakra Cements Ltd |
| Stresscrete India Ltd |
| T |
| The India Cements Limited |
| U |
| Udaipur Cement Works Ltd |
| UltraTech Cement Limited |
| V |
| Vinay Cements Ltd |
| Visaka Industries Ltd |

# ABOUT

# THE

# COMPANY

# MALABAR CEMENTS LIMITED

**Malabar Cements Limited** is a high tech manufacturing company in the public sector, situated in Walayar, palakkad district, kerala. Incorporated in the year 1978, the company commenced production in 1984. The company, through its eighteen years of operation, could survive and prosper even during the present era of liberalization and globalization. Since 1996, company started consolidation, modernization and technical up gradation phase to improve upon profitability, cutting production cost, improving the efficiency to face the competitive environment. MCL achieved ISO-9002 certification in November 1996 being the first cement factory in the public sector in the country. The major efforts of the modernization and up gradation fronts are realigning and computerized operation of the kiln system, installation of 2.5MW multi fuel diesel generator, belt bucket elevator etc. company could reduce production cost and inefficiency due to these efforts.

The company achieved all time record performance during the year 1999-2000. MCL is the first public sector company to receive the converted national award for energy conservation from NCBM, New Delhi. Malabar cements contribute to the developmental activities of the state by supplying a basic construction material. The presence of “Malabar” in the market helps to control the cement price to some extent. MCL has the largest dealer network in Kerala for cement sales. Only Malabar cements can reach its cement factory.Fresh without any deterioration in the original strength either due to moisture or humidity, within 12 hrs anywhere in Kerala. Company has systems to educate the consumer’s usage of cement and provide after sales services.

Malabar Cements Limited, a fully owned Government of Kerala undertaking, is the only major integrated cement manufacturing unit in the state. The company has a paid up equity of Rs 26 crores and capital outlay of Rs 68 crors. It is rated to produce 4.2 lakh tons of cement per annum at its walayar plant. As part of expansion program, it has commissioned a 2.0 lakh tons clinker gridding unit at cherthala of MCL is 6.2 lakh tones. This ISO 9001:2008-2010 company meets about 10 % of total cement consumption in Kerala.The Geological Survey of India had identified a cement grade limestone deposit in the Walayar reserve forest way back in 1961-62. The Mineral Exploration Corporation Limited confirmed its efficacy. Malabar Cements Ltd., fully by the Government of Kerala, is the only Portland cement manufacturer in Kerala. The company was incorporated in April 1978 and commenced commercial production in 1984 with capital outlay of Rs. 680 million and paid up equity capital of Rs. 260 million. The 1200 TPD plant at Walayar has continuously registered profit year after year.

The company has upgraded the plant with state-of-the-art technologies through the years. After the inception and in line with technological developments, company has carried out lot of modifications in the system for minimizing energy consumption, Pollution control measures, process modifications etc. Some of the salient features of the plants are listed below:

- Limestone reserve of about 10 million tons.
- Modern 110 TPH Closed Circuit Cement Mill.
- Strict Quality Control system to ensure quality of the product.
- Most modern Instrumentation & Control system for efficient process engineering.
- Modern dry process manufacturing technology with four-stage suspension pre heater system.
- Elaborate pollution control system to meet pollution control standards

# VISION & MISSION OF MALABAR CEMENTS LIMITED

## VISION

MCL industrial units have a capital outlay of Rs. 69 cores. The factory is rated to produce Rs 4.2 lakh tones cement per annum (24000 bags per day). The company meets about 10% of the total cement consumption of Kerala and the company will reach near 13% of total consumption by 2010 and the company will achieve self sufficient its own power supply.


## MISSION

**"Achieving prosperity through quality"**

In a society where there is steep erosion of value and at time when relationship are getting strain day by day. MCL a well run public sector company of the state, committed to the society nurtures a corporate theme "of building values strengthening relationship" which also relevant to its products.

# PRODUCTS PRODUCED IN MALABAR CEMENTS Ltd.

## MALABAR SUPER

**M**alabar super offers better setting charecterstics – prolonged initial set and short final set timings ; providing more time for concrete mixing and placing, and less time for keeping the concrete undistributed, free from movement and vibration. Malabar super is finer when compared to normal OPC, and has the best rate of hydrogen and strength gain. The benefit is that malabar super is an economical product.

## MALABAR CLASSIC

**M**alabar classic is best suited to resist alkali aggregate reaction, a defect eventually resulting in excessive cracks and subsequent unserviceability of structures. The benefit is that better coverage and finish in wall and roof plastering. This in turn reduces the paint consumption. With its superior strength it is economical.

## MALABAR AISWARYA

**M**alabar aiswarya brings prosperity in manyways. It increases the life of your structure by safeguarding against sulphate attack. It offers high quality at affordabale price. It generates less heat thus reduses the formation of cracks. With very low magnesium content this provide shape stability for concrete structures. This product have excellent strength and strength gaining capacity.

## CERTIFICATIONS & ACHIEVEMENTS

**ISO Certification**

- "IS/ISO 9002 : 1994" certification obtained in November 1996. First PSU to secure this certification.
- Switched over to the revised standard ISO 9001 : 2000 in Aug'2003.
- Switched over to Quality Certification ISO : 9001 :2008 in 2010

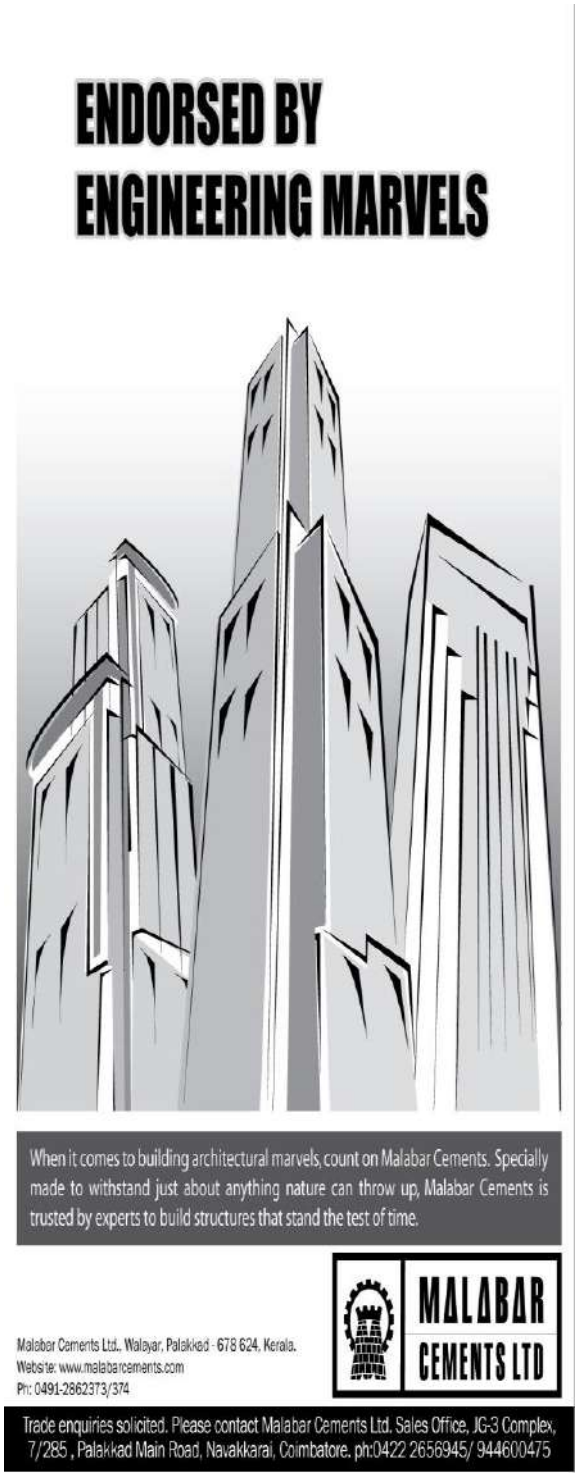
## AWARDS

- Kerala State Pollution Control Board Award - 1990-91
- Secured first State award for Energy conservation - 1992
- VSSC Rolling Trophy for safety measures - 1994 & 1995
- NCBM National Award for the Best improvisation in energy - 1998
- Kerala State Energy Conservation Award - 1998
- Govt. of Kerala awarded for outstanding achievement in Pollution abatement - 2007
- Introduced ERP system for integrated operation of all functional areas. - 2007
- Kerala Trade Award of Kerala Government - 2010

## GROWTH STORY

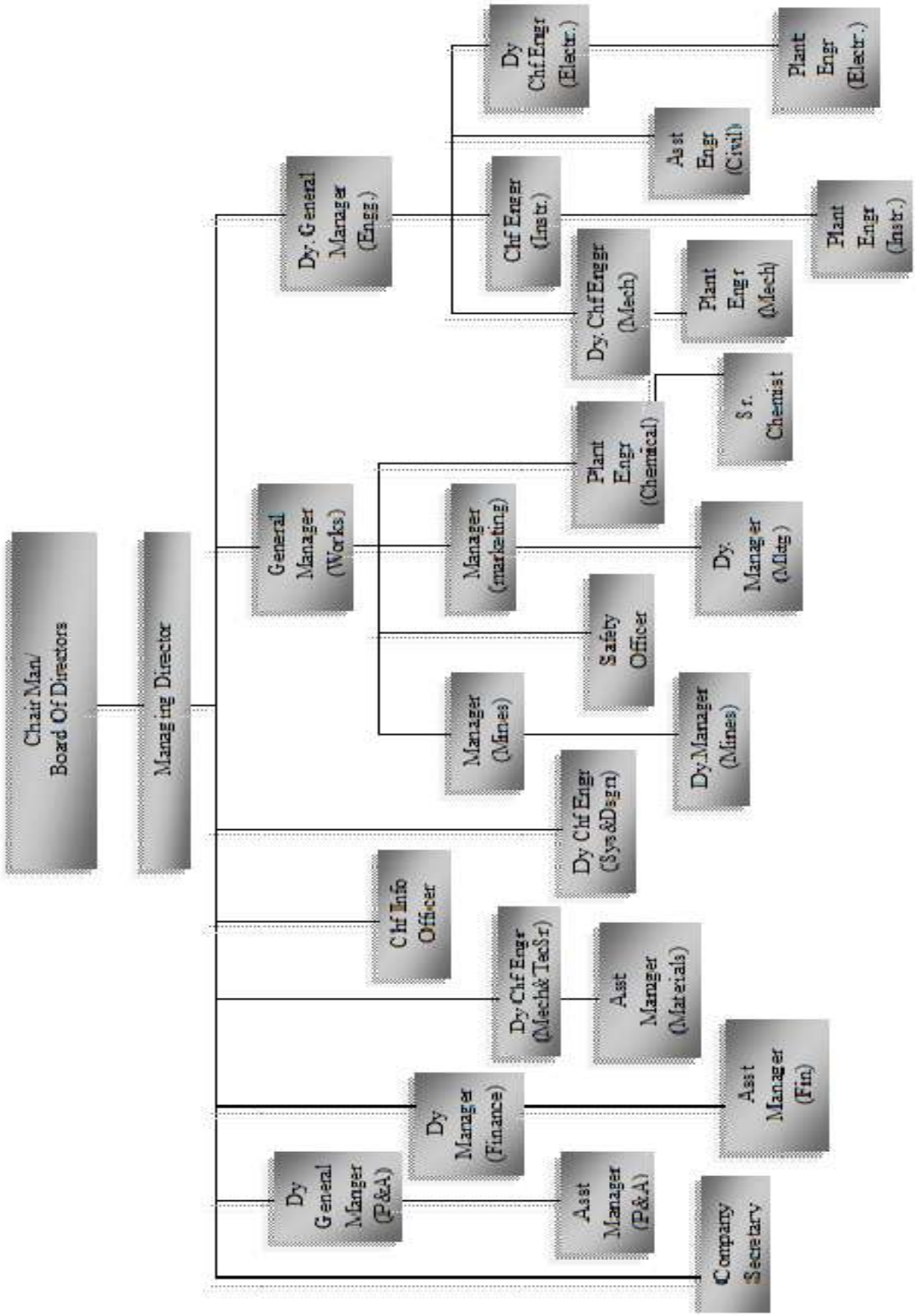
**Some of the major milestones…**

- Feasibility Study for a cement plant at Walayar. - 1975
- Industrial License for the manufacture of Cement - 1976
- Date of Incorporation of Malabar Cements - 1978
- Commencement of mining activities - 1981
- Commissioning of Walayar Plant - 1984
- Commencement of clinker production - 1984
- Commercial Cement Production started - 1984
- 43-grade OPC cement – 'Malabar Super' launched - 1994
- New product: 'Malabar Classic' launched - 1994
- Obtained ISO : 9002 certification, first PSU in Kerala
  to secure this certification - 1996
- Installation of 2.5 MW multi-fuel power gen. set - 1998
- Introduction of 'Malabar Aiswarya' brand - 2003
- Commissioned of 600 tpd cement grinding unit at Cherthala - 2003
- Modernization of Cement Mill to close circuiting - 2005
- Introduced ERP system for integrated operation of all functional areas. - 2007
- Switched over to Quality Certification
  ISO : 9001 :2008-2010



# ORGANISATION

# STRUCTURE


Chair Man/
Board Of Directors
Managing Director
Dy. General
Manager
(Engg.)
General
Manager
(Works)
Chf Info
Officer
Dy General
Manger
(P&A)
Dy
Manager
(Finance)
Dy Chf Engr
(Electr.)
Chf Engr
(Instr.)
Dy. Chf Engr
(Mech)
Plant
Engr
(Chemical)
Manager
(marketing)
Manager
(Mines)
Dy Chf Engr
(Sys.&Dsgn)
Dy Chf Engr
(Mech&TecSr)
Asst
Engr
(Civil)
Plant
Engr
(Mech)
Sr.
Chemist
Dy.
Manager
(Mktg.)
Safety
Officer
Dy.Manager
(Mines)
Asst
Manager
(Materials)
Asst
Manager
(P&A)
Asst
Manager
(Fin)
Company
Secretary
Plant
Engr
(Electr.)
Plant
Engr
(Instr.)

# MARKETING

# IN MALABAR

# CEMENTS LTD.

The marketing department of **Malabar Cements Ltd**. act as a guide and lead the company's other departments in developing, producing, fulfilling, and servicing products or services for their customers. Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. In Malabar cements the marketing department typically has a better understanding of the market and customer needs, but should not act independently of product development or customer service. Marketing should be involved, and there should be a meeting of the minds, whenever discussions are held regarding new product/idea development or any customer-related function of the company. The main drawback is that the marketing department also takes most of the blame if a product (or company) isn't successful, regardless of whether or not the fault actually lies there.


The company has implemented a direct mail program and has placed key codes on the mailing labels to track the source of the mailing lists from which customers who place orders are coming. If the employees who take the orders don't ask for and record those codes, then the marketing department has no way of knowing which lists are working and which lists are bombing. Cooperation among departments and support of upper management to enforce necessary procedures is often critical.

So, the marketing department studies the market and the customers, determines the best way to reach those customers, and works with the rest of the company to help determine the new product needs of the market and represent the company in a consistent voice.

Thus the marketing department serves as a beacon for a company, guiding it on which product, pricing, promotional and distribution strategies to use. Professionals employed in this department are usually highly creative and have many duties. Some gather input from current consumers, while others disseminate information to other departments and businesses.

## OBJECTIVES

The marketing department of MCL has the following objectives:

- The major objectives of Malabar cements ltd is customer satisfaction.
- To obtain maximum sales (i.e.) 100 % sales.
- To offer standard quality and best quality of cement.
- To encourage the existing buyers for more orders.
- To satisfy the customer needs by delivering the product in the stipulated time.
- To develop new market.

## DUTIES

The duties of marketing department in MCL are,

- **Customer feedback**: The marketing managers of MCL will conduct market research through surveys. The objective of the surveys is measuring how satisfied customers are with current products or services. The needs of consumers change over time, as does technology. The marketing department keeps the company apprised of these changes in the marketplace.
- **Creating promotional activities**: Marketing departments create promotional materials and ads for the company. Promotional materials include corporate annual reports, brochures, sales letters, visual aids for sales reps, newsletters and blogs. All promotions and ads are designed to create attention and interest, prompting customers to seek additional information or to buy and to increase sales of cement.
- **Gathering competitive intelligence**: Malabar Cements must keep track of competitors activity to know which strategies to implement themselves. This will also helps to find better ways to differentiate the company's products, making them more desirable than the competitions' wares.

- **Establishing prices**: Marketing departments help to establish prices for cements which they produce. As the quality of Malabar Cements is very high they never follow price penetrating strategy. They follow ex-factory pricing, FoT pricing, ex-depot pricing, RH pricing.

## MAIN CUSTOMERS

The main customers of MCL are the dealers. The company also sells the product to the customers who contact them directly. Dealers of Malabar cements are situated in every district of Kerala and some neighboring states. These dealers supply to the retailers or directly to the customers. The following are the criteria for getting dealership of Malabar cements:

A. He must be financially sound.
B. He must possess good godown facility.

## KEY COMPETITORS

Malabar cement faces a stiff competition in the market. Due to its superior quality, it is able to withstand in the market. Some of the competitors that the Malabar Cements face in the market are:

- ACC
- Ambuja cements
- Sankar cements
- Chettinad cements

## MARKET SEGMENTATION

In order to make the marketing work easier, Malabar Cements have Segmented the market into two divisions. They are:

- Core Market.
- Uncore Market.

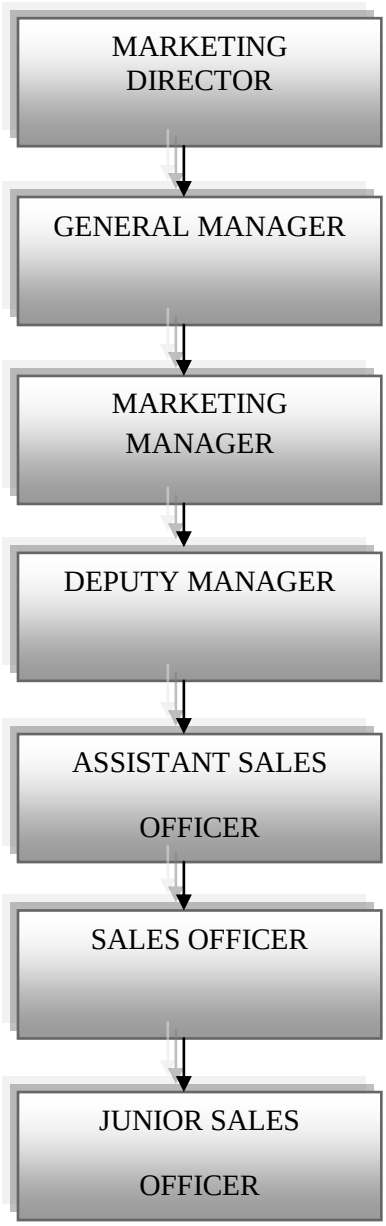
The districts like Palakkad, Thrissur, Malapuram, Ernakulam, and Kozhikode come under the core market. All the rest of the districts come under uncore market since they have segmented the market, it has made their marketing work easier.

## MARKETING STRATAGIES:

In order to sell their products, MCL adopt the following marketing

- Advertising
- Television
- Radio
- News paper
- Wall painting
- Banners
- Sponsorship

# HIERARCHY OF MARKETING DEPARTMENT IN MALABAR CEMENTS LIMITED



# MARKETING

# MIX

## MARKET:

The market territory of Malabar cements limited is confined to 14 districts of state of kerala. The sales activities starting from accepting orders to proper execution thereof are being carried out through a set of procedures and practices in vogue as per the procedures laid down in ISO 9001-2000.01.

## MARKETING PLAN:

Annual marketing plan for a given financial year is prepared prior to commencement of financial year and is included as part of the business plan. Targeted sale for each type of cement and each type of packaging are estimated and included as a part of the plan. Subsequently, detailed targets for each districts will break up of type of product and type of packaging is prepared prior to the commencement of each month. Specific responsibilities are assigned to the field officer for the sale of monthly targeted quantities in respect of each district. Monthly reviews are made at the level of managing director to access the target Vs. achievement and corrective actions are taken wherever required.

## SALES ORGANISATION

Sales department is headed by the head of sales department, who is in charge of all functions related to sale of cement produced both at walayar and cherthala grinding unit throughout the state as well as neighboring states. He is assisted by a team of officers both in the field and in the office.

# MARKETING MIX


"Marketing mix" is a general phrase used to describe the different kinds of choices organizations have to make in the whole process of bringing a product or service to market. It is a business tool used in marketing and by marketing professionals. It includes four P's in market such as Product, Place, Price, Promotion

## PRODUCT

Government has made it compulsory to manufacture cement according to the standards specified by the Bureau of Indian Standards (BIS). BIS specifies the minimum requirements. But Malabar cements limited is maintaining consistently much superior quality products satisfy and exceed the customer expectation.

| TYPE OF CEMENT | CHEMICAL NAME | BIS No. |
|---|---|---|
| MALABAR SUPER | Ordinary Portland cement (OPC) | IS8122:1989 |
| MALABAR CLASSIC | Portland pozzolana cement (PPC) | IS1489:1991 |
| MALABAR AISWARYA | Portland slag cement (PSC) | IS455:1989 |

In line with the market expectation, Malabar brand cements are being sold in three type of packaging as follows:


| TYPE OF PACKAGING | BIS No. |
|---|---|
| Polypropylene packaging (PP) | IS11652:2000 |
| Laminated polypropylene packaging (LP) | IS11652:2000 |
| Paper packing (P) | IS11761:1997 |

## PHYSICAL DISTRIBUTION / PLACE

The market is divided primarily to three segments i.e.,

- Institutions
- Government
- Direct customers
- Stockists

**Institutions:** cement is also being supplied to private as well as government institutions in bulk quantities at a rate fixed by the pricing committee in order to ensure bulk movement of cement. The rates for such supply will be decided based on the market conditions from time to time by pricing committee.

**Government Bodies:** The requirement of cement for government bodies is also being met by the company against their orders.

**Direct Consumers:** The consumers who want cement directly from the company are also being catered to at a rate fixed by the pricing committee.

**Stockists:** The open market is serviced through a network of stockists. In case of the open market sale, the stockists place orders with the payment and take delevary, either at factory or at the railhead or at the company depots.

Open market sale is the major distribution channel. There is a network of stockists in all the districts of the state. However, stockists are appointed based on the requirement of the company at appropriate outlets to ensure free availability of cement to the extent possible throughout the state.

**Criteria for appointment of stockiest:**

Following procedures are followed for the appointment of stockists in the firm,

1) Generating enquiry through advertisement in the press or through the depot officer by identifying unrepresented areas in his command.
2) Once the request for stockiest is received, the same has to be sent to the concerned field officer for feasibility report. If feasible, application in the prescribed format of the company is issued to the prospective stockiest by collecting the prescribed fee, i.e., Rs.100/- + KVAT (at present 12.5%).
3) Filled in application form recived from the prospective stockiest will be sent to the concerned depot for on the spot verification and certification thereof by the field officer.
4) Based on the feasibility and on the spot verification report from the field officer, the head of sales department will be recommended the case to the managing director for approval.

5) After due approval, a security deposit (at present Rs.50000/-) will be collected from the prospective stockiest and stockistship agreement will be executed between the company and party. The security deposit will bear 6% interest (the current rate). Interest will not be paid to dormant accounts.
6) Thereafter, a stockiest code will be generated and supplies will be made against payment.
7) The applicants should have,
    a) KVAT registration
    b) Godown facility
    c) Licence from the local bodies to deal in cement
    d) Financial credibility to do atleast 50MT of cement per month.

While considering appointment of stockiest, it shall be ensured that no active stockiest of Malabar cements Limited exists within 10kms radius of prospective stockiest. Otherwise, the potential of the area should be more than what the existing stockists can handle

## PRICING


In the given market territory (state of kerala) the market share of Malabar brand cements is in the range of 6 to 8 per cent only. The market is controlled by giant private sector companies such as India cements (sankar), ACC cements, Madras cements (Ramco), Ultratec cements, Dalmia cements, chettinad cements etc. of neighboring states. Malabar cements is, therefore, compelled to follow competitors pricing strategy.

There are mainly four types of pricing systems are being followed by the company,

- Ex-factory pricing
- Free-on-Transport (FoT) pricing
- Ex-depot pricing (stock transfer by road)
- Rail-Head (RH) pricing

**Ex-factory pricing:** Ex-factory price is being fixed in such a way to cater palakkad and the peripheral markets such as malappuram and trichur also. Billing is done at the factory. Freight from the factory to the destination and the arrangement of transport is by the buyer/stockiest. Once the material has been loaded to the lorry, the sole responsibility to the material rests with the consignee/stockiest.

**Free-on-Transport (FoT) pricing:** In distant places where ex-factory price is not feasible, company offer FoT prices through company transport contractor. Billing is done at factory. Transport arrangements and freight is the responsibility of the company. The freight to the destination will be paid to the transporter on production of consignee receipt certificate (CRC) received by him from the buyer stockiest. Once the material has loaded to the lorry at the factory, the entire responsibility of delivering the material in good condition at destinations within the territory of consignee/stockiest as specified by him to the transport contractor. Any deviation/failure on the part of the transport contractor will attract penal action as per the transport contract agreement executed between the company and transport contractor.

**Ex-depot pricing:** This method is to be followed when there is problem in rail movement. Stock is transferred to depot by road instead of rail. Billing is done at the depot office.

The stock so reached at the depot will be billed directly from there without any handling expenses. In this system the freight to the concerned taluk will be reimbursed to the transporter on certification from the depot office.

**Rail-head (RH) pricing:** Railhead pricing is the price fixed at the destination rail-head. In this case also, the billing is done from the depot.

Movement of cement by the rail is mainly on endorsement basis. Cement so moved by the rail is being endorsed in the name of the stockists against payment. For the endorsement cases, clearing charges fixed by pricing commette from time to time is being reimbursed. But all demurrage charges and incidental expenses, if any, are to be borne by the stockists.

**Ex-factory price of cement at Malabar cements for the Stockists:**

| | |
|---|---|
| Ordinary Portland cement in laminated paper bags | 317 per bag |
| Portland pozolona cement in laminated paper bags | 313 per bag |
| Portland pozolona cement in paper bags | 309 per bag |
| Portland slag cement in paper bags | 309 per bag |

**Method of price fixing:**

The company is facing an ultimate competition as there is large number of competitors in the industry because of this, there is wide fluctuation in the price in the market. The pricing of competitors is also is not uniformed. They may follow different price for different districts. The effect of change in price in the market, therefore will be apparently visible only by change in demand. The system of market intelligence followed is to understand the price behavior of competing brands is by collecting the trading price of different brands at dealer/retail point directly by the field officers of the respective district on a regular basis. They submits report on a weekly basis to the sales department.

There is a pricing committee consisting of heads of sales, finance, production and materials and also chief engineer (instrumentation), to review the market situation and to fix the price. The convenor of the pricing committee is manager (finance) and the chairman is managing director.

The pricing committee will meet as and when required at the request of the head of sales department.

The head of sales department submits a note explaining the current situation based on the field data and also proposals for price change whenever required.

The committee after detailed deliberations takes decisions on the pricing pattern and the same is submitted to the managing director in the form of minutes of the pricing committee, for approval. The approved pricing pattern is implemented then and there.

When the market is highly sluggish with low retail movement and payment crisis, when the competitors push up more volumes, prices tend to dilute under selling pressure. In such cases, the business practice is that they take care for their dealers by allowing price difference (PD) to protect dealers stock. In these circumstances they also announce special discounts to push maximum material from rail heads and to minimize handling expenses.

So when the bearish trend is prevailing in the market, Malabar cements limited also act accordingly by announcing special schemes to the dealers to protect company volumes. In order to avoid cascading effect by immediately reducing the price, the company offers volume linked incentives to dealers so that they can match the market price and can sell the specified volume.

## PROMOTION

The company is following an annual budget for sales promotion every year. The promotion aspects involve in the case of cement sale are building up of brand image among the current and potential customers largely by advertisement sales promotion and promotion of dealers for pushing higher volume. (Almost all the dealers are dealing in multiple brands and their loyality depends on the thrust being given to them in the promotional angle).

The budget provision for advertisement sales promotion is through the advertising agency selected for a year. The agency is selected through tendering process. This will include both print media and visual media.

The industry practice in respect of dealer promotion includes:

- **Cash discount**: All major cement companies are offering cash discount to their dealer in range of Rs.3 to Rs.7 per bag at present.
- **Annual gold scheme** based on quality lifted.
- Monthly volume discounts including dispatch through wagon (**wagon discount**).
- **Annual incentive**: Certain companies credit their annual incentive to their security deposit account of stockiest which can be utilized as and when they require for lifting cement.

- All major companies conduct **foreign trips** for their performing dealers.
- **Masons meet**, **Engineers meet** and **dealers meet** are very common.
- At railheads, they **operate through C&F agents** so the dealer is under no pressure to lift a particular volume on a single day. He can lift cement directly from the rake as per his requirement. The company will shift the balance quantity to their warehouse through the C & F agents. This also ensures availability of the material on a daily basis.
- The **company bears the entire cleaning and handling expenses** which may come to Rs.7 per bag at present.
- The company **or the C&F agents pay the demurrage/wharfage charges**.

The company also selectively choose a few among the listed schemes depending on the market situation. In addition to the above, special schemes also become necessary for liquidating the stock in the event of huge build up of clinker stock. This also is decided by pricing committee.

**Payment terms**:

Generally payment against delivery is being followed. Cheque facility against bank guarantee at the sole discretion of the managing director. The industry practice is that they (competitors) offer credit facility to their dealers.

In ex-factory sales, the payment by demand draft/cheque is collected at the sales office. The instrument will be entered into the party account through SAP system. In depots, the payments are received at respective sales office and the amount is credited to the company's bank account. The payment dealers will be entered into party accounts through SAP system. The fund so banked at the depot bank account will be transferred to the HO bank account on a weekly basis.

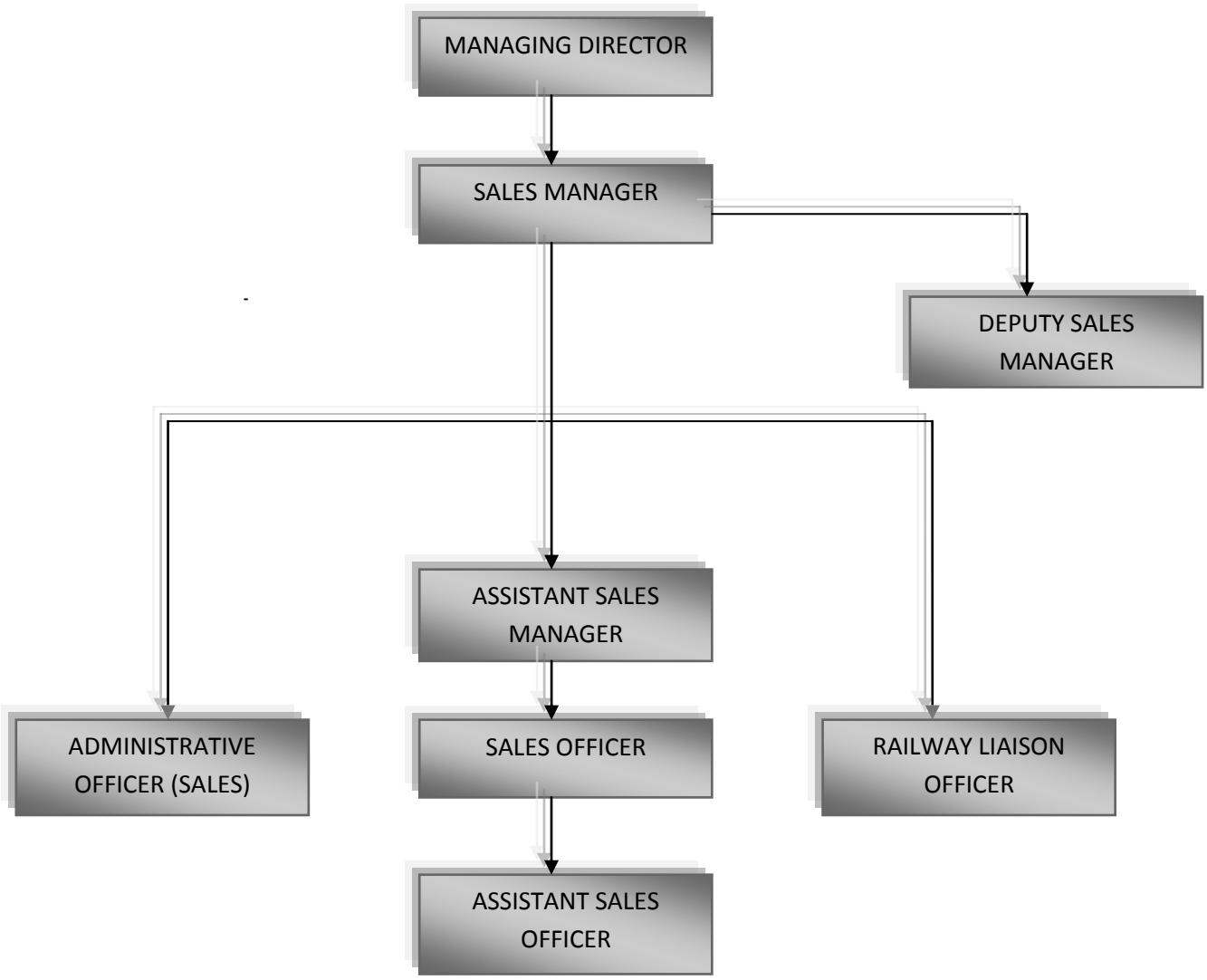
Malabar cements limited is in the process of adopting RTGS system for payment collections on an experimental basis. In this system, the funds will be directly transferred from the party's bank account to company's account. By this, the company is eliminating undue delay in depositing the instruments in the bank and transferring funds to headquarters at walayar.

# POLICIES

# &

# SYSTEMS

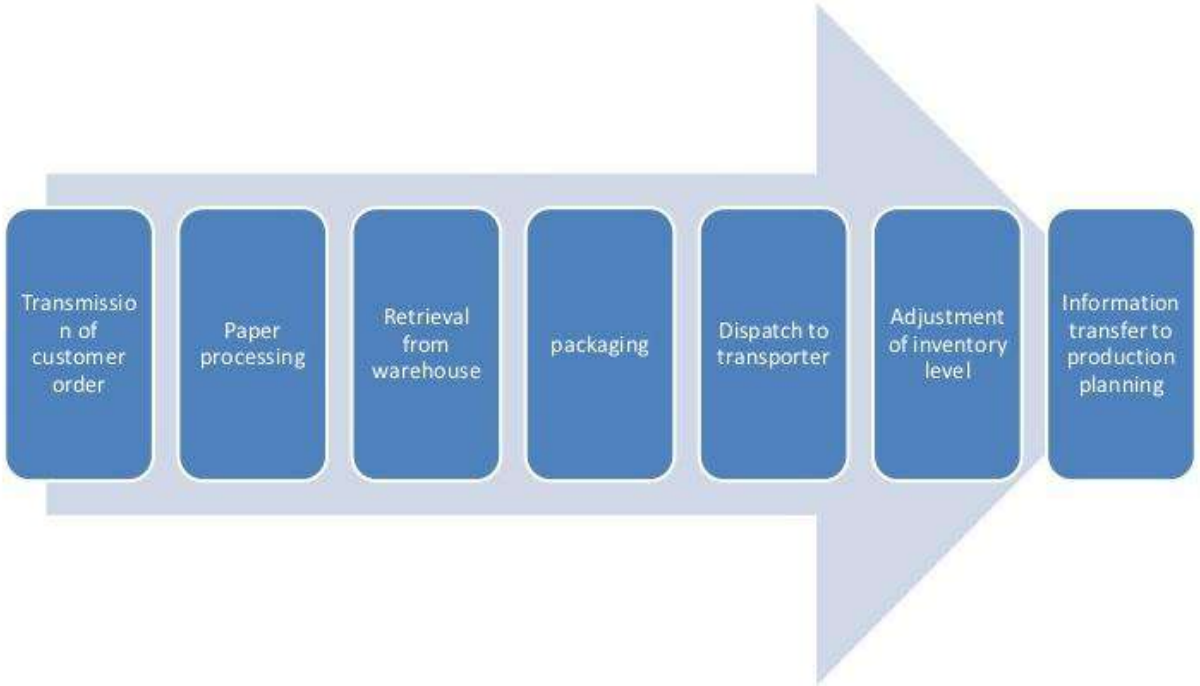
# QUALITY CONTROL PROCESS



**Responsibilities:**

| | |
|---|---|
| SALES MANAGER | Responsible for all sales functions |
| DEPUTY SALES MANAGER | Assisting sales manager in sales function |
| ASSISTANT SALES MANAGER | Promote sales and depot operations |
| ADMINISTRATIVE OFFICER (SALES) | Order processing and dispatch coordinating for various destinations by road/rail |
| SALES OFFICER | Promote sales and depot operations |
| RAILWAY LIAISON OFFICER | Railway liaison works |
| ASSISTANT SALES OFFICER | Promote sales and depot operations |

# ORDER PROCESSING SYSTEMS




In Malabar Cements Limited an order processing system captures order data from customer service employees or from customers directly, stores the data in a central database and sends order information to the accounting and shipping departments, if applicable. Order processing systems provide tracking data on orders and inventory for every step of the way.

Customer satisfaction is key to long-term success in business, and fulfilling customer orders reliably and accurately is key to customer satisfaction. Order processing systems help ensure that all of your customers' orders are filled on time, since automated systems can reduce errors in order processing. This can enhance the customer experience and maximize your company's profitability.

The main disadvantage is that highly technological order processing systems can be costly to implement and maintain, possibly requiring additional information technology personnel to ensure that the system functions smoothly at all times. Technological solutions are generally hands-off in nature, since a large number of processes occur in the background of software programs, requiring no input from employees.

# REVIEW OF REQUIREMENTS RELATED TO PRODUCT

The objective of this system is for understanding, ensuring execution to meet and exceed customer expectation. The responsibility lies with the head of sales department.

The customers are classified into six,

- Stockists
- Institutions
- Government departments
- Direct consumers
- MCL employees
- Internal customer

Stockists specify their requirements regarding the type of cement, packaging, quantity etc in the order form, accompanied by DD/ cheque/ cash. Payment acceptance is through T code ZAAA in SAP. Other customers place their orders based on the invoice through T code VA21 or quotation. These orders are accepted after scrutiny through T code ZOR1. Dispatch is complete only after necessary central excise and other statutory formalities are complied with.

Dispatch scheduling: Based on the order, Despatch schedule (T code ZD1) is issued.

Transportation: Where the transport is to be arranged by the company, dispatch schedule will be given to the contractor. After the receipt of the consignee receipt certificate (CRC) transport bills are processed through T code ML81N.

Scheduling for self consumption: The head of the engineering department places order through self consumption requisition to manager sales. Dispatch is scheduled on getting instruction to release cement.

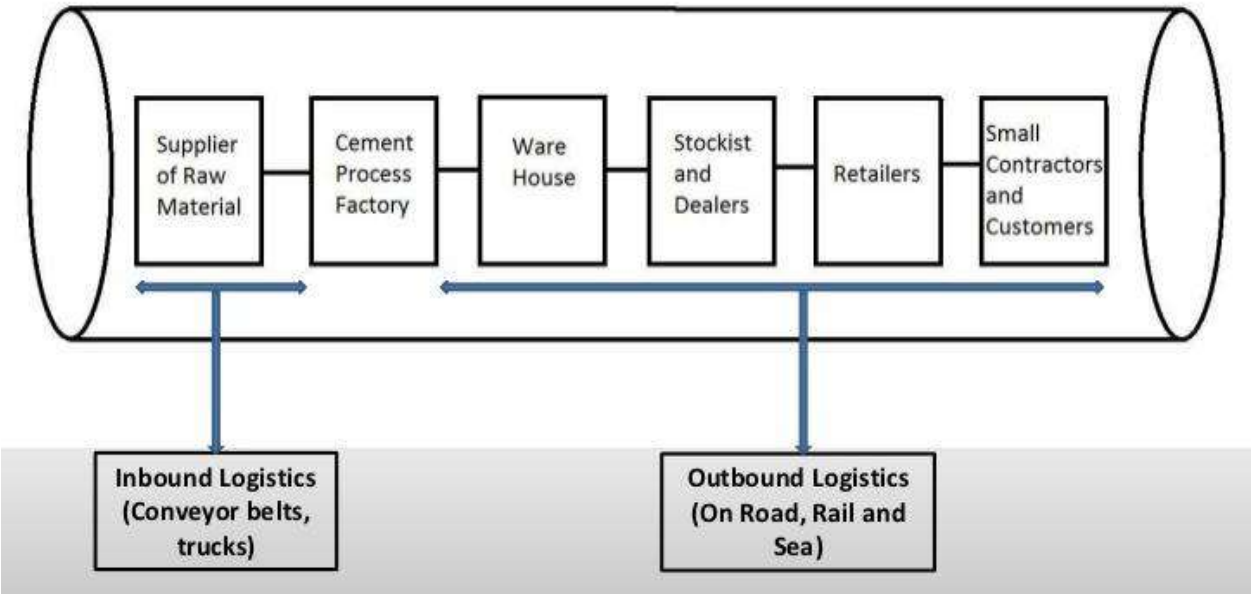
Scheduling for depots/ sales offices: For orders received at the depots/ sales offices, dispatch schedule ( T code ZDDREP) is issued. Customer takes delivery of cement from the factory submitting the lorry authorization letter and the dispatch schedule.

**Lorry dispatch**: On submission of lorry authorization letter and dispatch schedule, security section issues token. Details are entered in the lorry arrival register and loading advice issued for loading. For contract loads, a goods receipt note is obtained from the transporter, as confirmation of safe receipt of the consignment. Two copies of consignee receipt certificate will be handed to the transporter and the original copy will be returned to sales department after getting acknowledgement from consignee along with transport bill for claiming freight.

**Wagon dispatch**: Wagon requisition is given to Railways. Loading advice is given to packing house when placement intimation is received. After loading and preparation of invoice/ stock transfer advice, railways issues railways receipts after collecting the freight credit notes. These receipts are forwarded to the consignee, through the railways receipt forwarding note with the invoice/ stock transfer advice. The consignee acknowledges receipt through the duplicate copy of the railway receipt forwarding note.

**Amendment to the contract**: The company formally communicates its acceptance of any amendment to the original contract sought in writing by the customer with respect to the quantity, delivery schedule or specification, after effecting changes in the dispatch program. The concurrence of the customer is sought, when company requires making an amendment to the agreed terms.

# SUPPLY CHAIN MANAGEMENT




- Raw materials such limestone is directly mined and taken from Walayar forest with the approval of Kerala state Government. The other raw materials such as sweetner limestone, laterite, gypsum etc. is imported from neighboring state and districts.
- In bound logistics is carried by logistical companies such as velmurugan transporters etc.
- Then it will be taken to factory for production process.
- The warehousing facility is maintained in all districts of kerala and some districts in neighboring states.
- The stockiest and dealers will have a direct contact with the company and this will be taken with the help of outbound logistics through road or rail.
- This will be distributed to the retailers by the dealers or stockists.
- Then it will reach to the customers at market price.

# CUSTOMER SATISFACTION

The objective of this system is to understand customer satisfaction through effective communication with customers. The responsibility lies within the head of sales department.

In this system sales department identifies specific customer needs and makes suitable arrangements for communicating with customer regarding product related information. Communication with the customers is normally through circulars, brochuers and advertisements. Meeting and seminars conducted various customer groups and intermediaries.

Customer satisfaction level and customer expectation is obtained based on periodic customer satisfaction surveys and to modify the elements of sales such as product, process, channel of distribution packaging, advertisement sales promotion etc., to meet their expectation. The findings are further strengthened through dealer satisfaction surveys also especially regarding product distribution aspects.

Customer feedback is obtained through customer satisfaction surveys through structured questionnaire surveys conducted on quarterly basis. Dealer satisfaction survey is also conducted through structured questionnaire. Periodicity of dealer satisfaction survey is six months.

Specific cases of customer grievances are attended promptly. Grievances and action taken are recorded in the grievance redress register.

Complaints relating to the cement quality are investigated jointly by the sales department and quality control department. Whenever assistance from engineering department is required for investigating the complaint, it is sought. Its assistance is also taken by sales department grievance of the customer in settled satisfactory. Action taken reports on these grievances are reviewed in the Management Review Meeting.

CUSTOMER SERVICE: Customer Service cell have been established at various marketing centres which are manned by qualified and experienced technical personnel. They provide advice to customers on getting the best value from cement and offer assistance on civil construction related issues.

Influencing the influencers is a plank of their marketing strategy by disseminating information about their products through one-to-one interaction with masons/architects/engineers.

## INTERNAL AUDIT

The objective of this system is to determine whether the QMS conforms to ISO 9001:2008 and is maintained as per the QMS of Malabar Cements Limited. The responsibility of implementation lies with the management representatives.

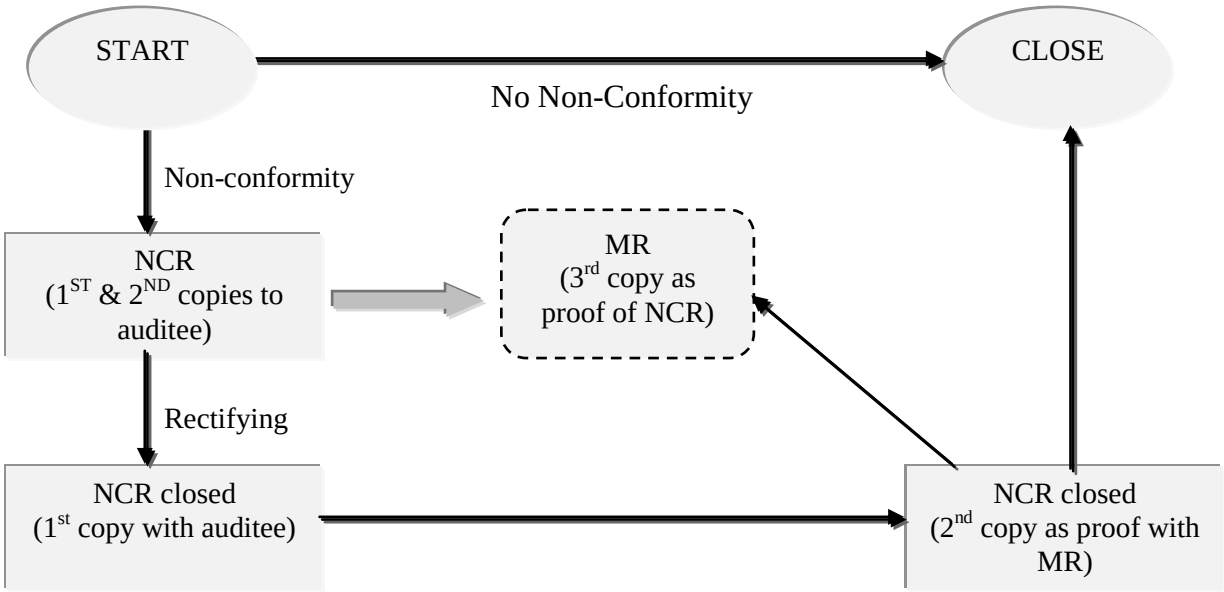
### AUDIT PLANNING & SHEDULING

Audit programmes conducted quarterly on process departments and half yearly on other departments are planned, considering the importance of the process area, system requirements, and the results of previous audit. An annual audit plan for the purpose is circulated to all concerned during March every year. This is to ensure proper preparedness for the ensuring IAs.

Audits are conducted under advance intimation to all designated auditors and auditees. Under special circumstances the audit period can be extended.

### AUDITING

To ensure objectivity and impartiality of the process, internal auditors are engaged. An auditor does not audit his department. Non-conformities identified are supported by objective evidence. Non-conformity report is prepared in the prescribed format. The auditee indicates the time required for corrective/preventive action within two days from the date of audit follow up.




## AUDIT FOLLOW UP

Auditor verifies and records the implementation of the corrective/preventive action and closes the NCR. HODs are responsible for implementation of corrective/preventive action. Closing meeting is conducted after an internal audit. Audit findings are presented, and specific actions required are discussed and documented.

# MARKETING POLICY

- Provide consistently high quality cement at most economical price
- Product Quality exceeding customer's expectations
- Timely Despatches
- Attractive and functional packing
- Quick Business Response
- Prompt After-Sales service
- Adhering to fair and ethical business practices
- Strengthening the bond with existing customers

# THE 5S's CONCEPT

There are five primary 5S phases: sorting, set in order, systematic cleaning, standardising, and sustaining. Also known as Sort, Straighten, Sweep, Standardise and Sustain.

SORT: The first stage of 5S is to organize the work area, leaving only the tools and materials necessary to perform daily activities. When "sorting" is well implemented, communication between workers is improved and product quality and productivity are increased.


SET IN ORDER: The second stage of 5S involves the orderly arrangement of needed items so they are easy to use and accessible for "anyone" to find. Orderliness eliminates waste in production and clerical activities.

SHINE: The third stage of 5S is keeping everything clean and swept. This maintains a safer work area and problem areas are quickly identified. An important part of "shining" is "Mess Prevention". In other words Clean the workspace and all equipment, and keep it clean, tidy and organized. This step ensures that the workstation is ready for the next user and that order is sustained.

STANDERDIZE: The fourth stage of 5S involves creating a consistent approach for carrying out tasks and procedures and to ensure uniform procedures and setups throughout the operation to promote interchangeability.

SUSTAIN: This last stage of 5S is the discipline and commitment of all other stages. Without "sustaining", the workplace can easily revert back to being dirty and chaotic. That is why it is so crucial to improve and maintain the workplace. When employees take pride in their work and workplace it can lead to greater job satisfaction and higher productivity.

## BENEFITS OF 5S'S CONCEPT:

- Improve safety.
- Decrease down time.
- Raise employee morale.
- Identify problems more quickly.
- Develop control through visibility.
- Establish convenient work practices.
- Increase product and process quality.
- Strengthen employees' pride in their work.
- Promote stronger communication among staff.
- Empower employees to sustain their work area.

# "SWOT"

# ANALYSIS

## ➢ STRENGTHS

Cement is literally the building block of the construction industry. Almost every building constructed relies on cement for its foundation. Cement is a solid material and consumers rarely have complaints about the product. Regional distribution plants have also made cement widely available to any type of buyer. The strength of Malabar Cements are,

- ✓ The higher quality of the product.
- ✓ They have good image and brand loyality among customers.
- ✓ It is an established market.
- ✓ It have high morale of employees.
- ✓ The turnover is high.
- ✓ It have got an 'ISO' certification .
- ✓ It have got higher market demand.
- ✓ The goodwill of the company.

## ➢ WEAKNESSES

The cement industry relies on construction jobs to create a profit. But the cement industry is cyclical in nature and heavily relies on weather. About two-thirds of cement production takes place between May and October. Cement producers often use the winter months to produce and stockpile cement, to meet demand. Another weakness is the cost of transport; the cost of transporting cement is high and this keeps cement from being profitable over long distances. In other words, shipping cement costs more than the profit from selling it. Some of the weakness of Malabar Cements sre,

- ✓ It is marketed only in and around of Kerala.
- ✓ The competitors are doing much promotional activities.
- ✓ Lack of awareness programs to customers.
- ✓ They don't have own mine stone reserve.
- ✓ Shortage of manpower in many critical occasions.
- ✓ It have less advertisement through visual media.
- ✓ Level of customer satisfaction is average.

## ➢ OPPORTUNITIES

The cement industries have opportunities as well. One such opportunity is the cement industry's efficiency. The cement industry has recently streamlined its production efforts, using dry manufacturing instead of wet, which is heavier and more time-consuming. The opportunities of Malabar Cements are,

- ✓ The higher demand for the product.
- ✓ At present rapid growth is taking place in Kerala like construction of roads, bridges etc.
- ✓ The demand of infrastructural development is taking place much in private sectors. This will increase the demand of cement.
- ✓ Providing better construction facilities through the qualit1y.
- ✓ The company can become the leader of cement industry.

## ➢ THREATS

The nature of the economy has uncovered a number of threats to the cement industry. The cement industry greatly relies on construction. The current economy has lessened the number of construction jobs, which in turn hurts the cement industry. The cement industry controls the majority of the United States market, but not all of it. About 11.5 metric tons of cement is imported annually to support the unmet need. The threats of Malabar Cements are,

- ✓ Tight competition from other private companies.
- ✓ Day to day increase in prices of raw materials.
- ✓ The emergence of small players in market may increase the malpractices by giving high discount and profit margins which will attract the retailers.
- ✓ Lack of availability of raw materials.
- ✓ As the developmental programs of India is growing much faster there are many chances of emergence of new international cement companies which will bring a tide of change and leads to decrease in price level.

# SYSTEM

# OF

# ACCOUNTING

# SYSTEM APPLICATIONS & PRODUCTS (SAP)

The system of accounting followed in Malabar cements limited is done with help of software called System Applications & Products (SAP).

SAP is an ERP - A software product that helps you to manage all the resources of an organization. It is used by many large to medium size organization. It has over 50% of the market share in ERPs. A client who wants to implement SAP in their company will select the modules required for their business. Solutions provided are:


- Financials
- Human Resources
- Customer Relationship Management
- Supplier Relationship Management
- Product Lifecycle Management
- Supply Chain Management
- Business Intelligence

## FUNCTIONS OF SAP:

A company uses SAP accounting software to make journal entries by debiting and crediting financial accounts such as assets, liabilities, equities, revenues and expenses. It also helps in preparing budgets.

SAP accounting software has all the components of a traditional accounting and financial reporting system. The components include financial accounts, general subsidiary ledgers, financial statement modules and budget sections.

## SEGREGATION OF DUTIES

Security is the first and foremost concern in any SAP audit. There should be proper segregation of duties and access controls, which is paramount to establishing the integrity of the controls for

the system. When a company first receives SAP it is almost devoid of all security measures. When implementing SAP a company must go through an extensive process of outlining their processes and then building their system security from the ground up to ensure proper segregation of duties and proper access.

A typical Example from SAP will be Creating a Vendor and also able to pay an invoice. The Create a Vendor Transaction is XK01 and pay invoice transaction FB60. If the User or Role in SAP has those two transactions then it will create a SOD Risk.

Through security you are able to monitor who has access to what data and processes and ensure that there is sufficient segregation of duties so as to prevent someone from perpetrating fraud. One of the major advantages of SAP is that it can be programmed to perform various audit functions for you.

## DATA INTERGRITY

SAP integrates data from legacy systems it is extremely important to ensure that the mapping of the interaction between the legacy systems and SAP is thorough and complete. Without that, any data received from SAP would be suspect. It is also important that proper backups of the database be maintained along with an up-to-date and practiced disaster recovery plan to ensure continuity after a disaster. A thorough review of these plans along with the mapping of system interfaces will be important in this phase of the audit. Because all SAP data are stored on inter-related tables it is possible for users with certain security to change them.

## SYSTEM CHANGES

After ensuring that security is set up to ensure proper segregation of duties the next area of concern surrounding security is with regards to system changes. All companies should have three different systems: the development system, the test system, and the production system. All changes to production will need to be run through an approval process and be tested to ensure that they will function properly when introduced into the production system.

## CONTROL RISK

The two major control risks that need to be monitored with SAP are security and data integrity. To ensure that both are sufficient it is important that both be properly outlined and developed during implementation. User profiles must be designed properly and access must be sufficiently segregated to minimize the chance of fraud. Use of the SAP audit functions to cross check the user access with the matrix of allowable accesses is the quickest and easiest way to ensure that duties and access are properly segregated. New and old users must be entered and removed promptly and avoidance and monitoring of any super user access is imperative.

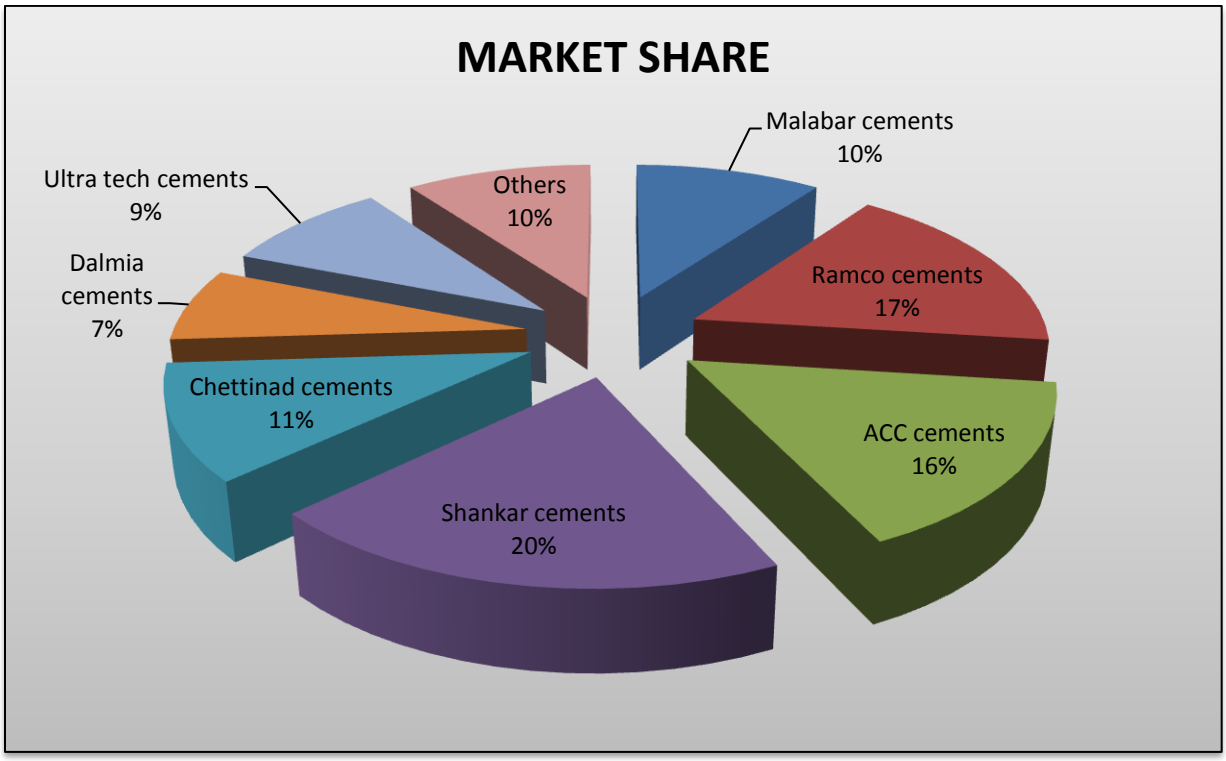
# FIGURERES

# &

# GRAPHS

# MARKET SHARE OF MALABAR CEMENTS LIMITED IN KERALA

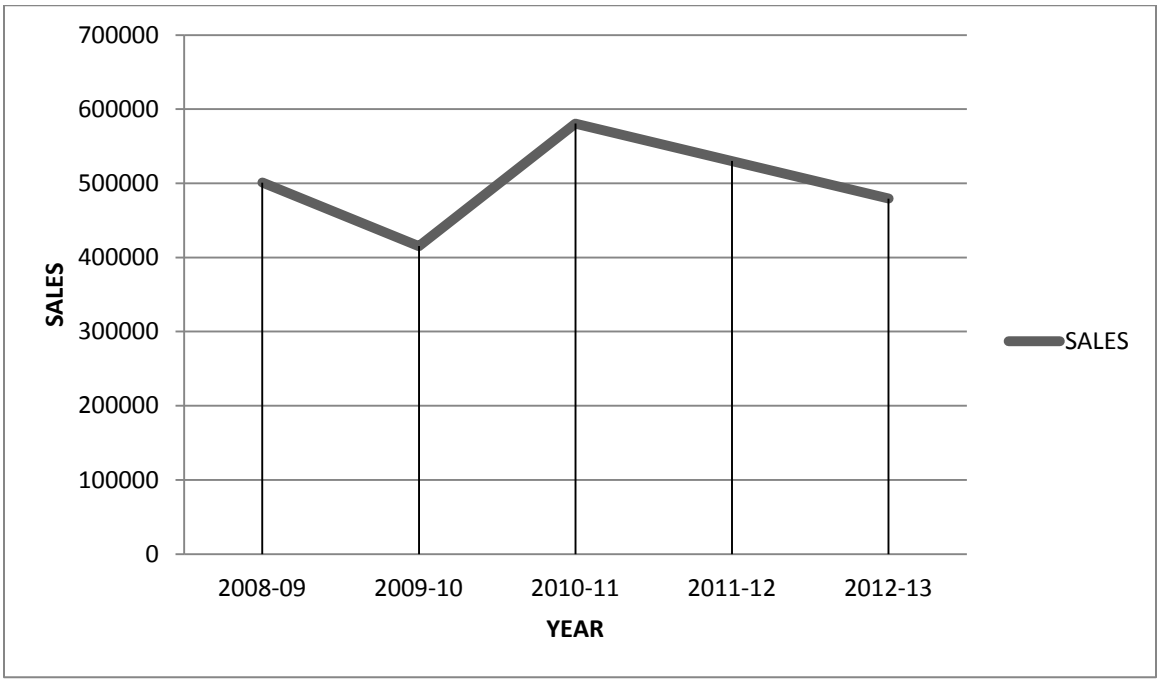
| NAME OF THE COMPANY | MARKET SHARE |
|---|---|
| ACC | 16% |
| SHANKAR | 20% |
| MALABAR | 10% |
| CHETTINAD | 11% |
| DALMIA | 7% |
| ULTRA TECH | 9% |
| RAMCO | 17% |
| OTHERS | 10% |



## SALES FOR THE PAST FIVE YEARS

| YEAR | SALES |
|---|---|
| 2009-09 | 500905 |
| 2009-10 | 415334 |
| 2010-11 | 580494 |
| 2011-12 | 530121 |
| 2012-13 | 479314 |

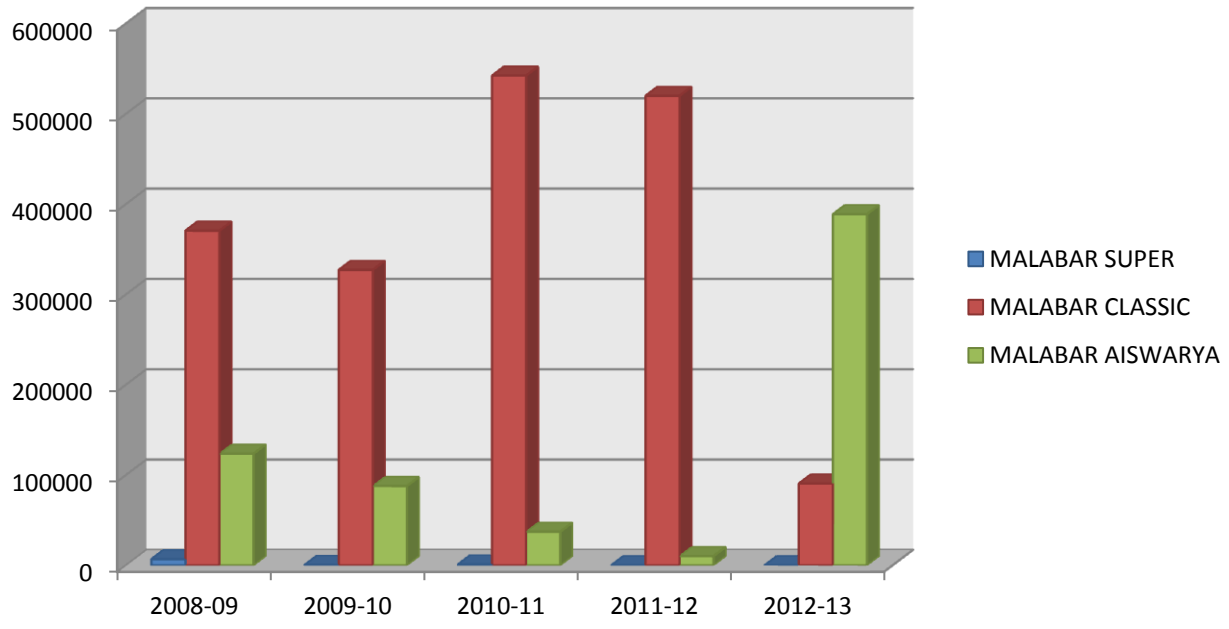
NOTE: Figures are given in metric tones (MT)



## SALES FOR PAST FIVE YEARS OF DIFFARENT VARITIES OF CEMENT

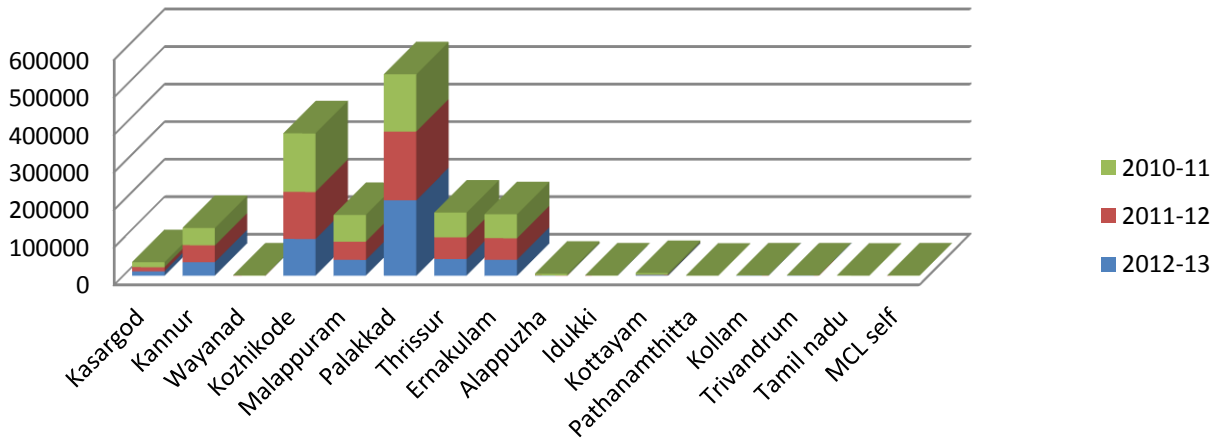
| TYPE OF CEMENT | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---|---|---|---|---|
| Malabar super | 6740 | 388 | 969 | 30 | 22 |
| Malabar classic | 370561 | 327135 | 542343 | 519895 | 90502 |
| Malabar aiswarya | 123603 | 87811 | 37182 | 10196 | 388791 |

NOTE: Figures are given in metric tones (MT)



## CEMENT DISPATCH OF PAST THREE YEARS TO DIFFARENT PLACES

| DISTRICT | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|
| Kasargod | 11704.5 | 11065.5 | 13375.9 |
| Kannur | 36092.8 | 45082 | 45822 |
| Wayanad | 37.8 | 266.6 | 397.1 |
| Kozhikode | 97908.7 | 125275.1 | 155967.3 |
| Malappuram | 42191.6 | 48520.2 | 71252.9 |
| Palakkad | 201128 | 182781 | 152869 |
| Thrissur | 44421.8 | 57635.9 | 66190.2 |
| Ernakulam | 42447.2 | 57450.2 | 63834 |
| Alappuzha | 411.9 | 510.8 | 4228 |
| Idukki | 122 | 165 | 465 |
| Kottayam | 1772.4 | 941 | 4457 |
| Pathanamthitta | 0 | 0 | 64 |
| Kollam | 457.5 | 260 | 275 |
| Trivandrum | 479.9 | 29.3 | 373.2 |
| Tamil nadu | 15 | 5 | 335.1 |
| MCL self | 123.3 | 133.4 | 589.2 |



# FINANCIAL STATEMENTS

## BALANCE SHEET AS ON 2009-10

MALABAR CEMENTS LIMITED
WALAYAR, PALAKKAD-678624

# BALANCE SHEET AS AT 31.03.2010

| | Schedule | As at 31/03/2010 | As at 31/03/2009 |
|---|---|---|---|
| | | | (Rs.in lakhs) |
| **SOURCES OF FUNDS** | | | |
| Shareholders Funds | | | |
| Capital | 1 | 2600.88 | 2599.87 |
| Reserves & Surplus | 2 | 13802.91 | 12542.15 |
| Loan Funds | | | |
| Secured Loans | 3 | 0.00 | 0.00 |
| Unsecured Loans | 4 | 2048.13 | 2048.13 |
| Deferred Tax Liability | | 1369.58 | 1294.69 |
| | | 19821.50 | 18484.84 |
| **APPLICATION OF FUNDS** | | | |
| Fixed Assets | | | |
| Gross Block | | 15751.40 | 15420.12 |
| Less:Depreciation to date | | 9391.81 | 8837.17 |
| Net fixed Assets | 5 | 6359.59 | 6582.95 |
| Capital work -in-Progress | 6 | 68.51 | 39.82 |
| Investments (1000 Shares of Rs.100/- each in MCL Emp.Co-op.Society) | | 1.00 | 1.00 |
| Current Assets, Loans & Advances | | | |
| Inventories | 7 | 5485.48 | 3510.67 |
| Sundry Debtors | 7 | 102.36 | 188.18 |
| Cash & Bank Balance | 7 | 8786.37 | 8812.70 |
| Loans & Advances | 8 | 3352.25 | 2436.20 |
| | | 17726.46 | 14947.75 |
| Less: Current Liabilities & Provisions | | | |
| Current Liabilities | 9 | 2368.30 | 2559.45 |
| Provisions | 9 | 2099.20 | 695.80 |
| Net Current Assets | | 13258.97 | 11692.50 |
| Misc.Expenses not written off | 10 | 133.43 | 168.36 |
| | | 19821.50 | 18484.34 |

Schedules 1 to 21 form part of Accounts
For and on behalf of the Board of Directors

| | | |
|---|---|---|
| T.BALAKRISHNAN, IAS | M.SUNDARAMOORTHY | V.K. [illegible] Report of [illegible] |
| Chairman | Managing Director | [illegible] & ASSOCIATES |
| | | Chartered Accountants |
| | | Reg.No.04730-S |
| D.BALACHANDRAN | P.SASIKUMARAN | P.S.VIJAYAN |
| Deputy Manager(Finance) | Company Secretary | M.No.23681 |
| 17th August 2010 | | 19th August 2010 |

MALABAR CEMENTS LIMITED
WALAYAR,PALAKKAD-678624

PROFIT & LOSS FOR THE YEAR ENDED 31.03.2010

| Particulars | | 2009-10 Rs.in lakhs | 2008-09 Rs.inlakhs |
|---|---|---|---|
| **INCOME** | | | |
| Sale of Cement | 11 | 18,941.39 | 27,877.09 |
| Other Income | 12 | 702.29 | 563.68 |
| Increase/Decrease in Stock | 19 | 1,125.97 | 39.50 |
| | | **20,769.65** | **28,480.27** |
| **EXPENDITURE** | | | |
| Raw Materials Consumed | 13 | 1,732.35 | 2,775.12 |
| Manufacturing Expenses | 14 | 7,545.06 | 10,503.25 |
| Excise Duty | | 1,912.89 | 3,414.97 |
| KVAT | | 2,137.57 | 3,135.35 |
| Staff Expenses | 15 | 2,995.04 | 2,739.36 |
| Administration, Selling & Other Expenses | 16 | 793.53 | 576.69 |
| Interest & Financial Expenses | 17 | 50.39 | 12.11 |
| Depreciation | 5 | 565.92 | 532.36 |
| Miscellaneous Expenses Written off | 18 | **5.20** | **5.20** |
| | | **17,737.95** | **23,694.41** |
| **Profit** | | **3,031.70** | **4,785.86** |
| Prior period Ajustments | 20 | 0.00 | 0.00 |
| Provision for Current Tax | | 1,087.47 | 1,684.33 |
| Provision for Current FBT | | | 17.34 |
| Provision for Deferred Tax | | 74.89 | -56.85 |
| | | 1,869.34 | 3,141.04 |
| Balance brought forward from P.Year | | | |
| Less:Transfer to General Reserve | | 138.60 | 235.57 |
| Less:Proposed dividend | | 520.17 | 519.97 |
| Less: Corporate Dividend Tax | | 88.40 | 88.37 |
| Add: Service benefits for earlier years | | | |
| **Balance Carried over to Balance Sheet** | | **1,122.17** | **2,297.13** |
| **Earning per Share(in Rs)** | | **71.87** | **120.82** |
| Notes on Accounts | 21 | | |

Schedules 1 to 21 form part of Accounts
For and on behalf of the Board of Directors

T. BALAKRISHNAN I.A.S
Chairman

M. SUNDARAMOORTHY
Managing Director

Vide our Report of even date
For VARIER & ASSOCIATES
Chartered Accountants
Reg. No. 04530-S
P.S.VIJAYAN
M.No.23683
19th August 2010

D.BALACHANDRAN
Deputy Manager(Finance)
17th August 2010

V.SASEENDRAN
Company Secretary

## BALANCE SHEET AS ON 2010-11

(12)

MALABAR CEMENTS LTD-WALAYAR - PALAKKAD 678624

BALANCE SHEET AS AT 31.03.2011

| Description | Schedule | As at 31/03/2011 | | As at 31/03/2010 | |
|---|---|---|---|---|---|
| | | ('Rupees in Lakhs) | | | |
| SOURCES OF FUNDS | | | | | |
| Shareholders Funds | | | | | |
| Capital | 1 | | 2600.88 | | 2600.88 |
| Reserves & Surpluss | 2 | | 16884.11 | | 13802.91 |
| Loan Funds | | | | | |
| Unsecured Loans | 3 | | 2048.14 | | 2048.14 |
| Deferred Tax Liability | | | 1194.00 | | 1369.58 |
| TOTAL | | | 22727.13 | | 19821.51 |
| APPLICATION OF FUNDS | | | | | |
| Fixed Assets | | | | | |
| Gross Block | | 16711.75 | | 15751.40 | |
| Less:Depreciation to date | | 9985.14 | | 9391.81 | |
| Net fixed Assets | 4 | | 6726.61 | | 6359.59 |
| Capital Work -in-Progress | 5 | | 898.45 | | 68.51 |
| Investments | 6 | | 1751.00 | | 1.00 |
| Current Assets, Loans & Advances | | | | | |
| Inventories | 7 | 5811.05 | | 3485.48 | |
| Sundry Debtors | 7 | 95.74 | | 102.36 | |
| Cash & Bank Balance | 7 | 6134.26 | | 8786.37 | |
| Loans & Advances | 8 | 4639.71 | | 2264.19 | |
| | | 16680.76 | | 16638.41 | |
| Less: Current Liabilities & Provisions | | | | | |
| Current Liabilities | 9 | 3067.12 | | 2368.30 | |
| Provisions | | 360.87 | | 1011.13 | |
| | | 3427.99 | | 3379.43 | |
| Net Current Assets | | | 13252.77 | | 13258.98 |
| Misc.Expenses not written off | 10 | | 98.30 | | 133.43 |
| TOTAL | | | 22727.13 | | 19821.51 |
| Notes on Accounts | 22 | | | | |

Schedules 1 to 22 Form Part of Accounts
For and on behalf of the Board of Directors

T BALAKRISHNAN,I.A.S
CHAIRMAN

K.PADMAKUMAR
MANAGING DIRECTOR

D BALACHANDRAN
MANAGER FINANCE(I/c)
Date: 19-11-11

Vide our Report of even date
For V. K. KRISHNAKUMAR & Co.,
Chartered Accountants.
(Firm Registration No:007218S)

23/11/2011

CA. R.LOKANATHAN.Bcom.(Hons), LL.B, FCA.
PARTNER
(Membership No: 22745)
Date: 23/11/2011

MALABAR CEMENTS LTD. WALAYAR, PALAKKAD

V.K. KRISHNA KUMAR & CO. ERNAKULAM

1

MALABAR CEMENTS LTD-WALAYAR - PALAKKAD 678624

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

| Particulars | Schedule | 2010-11 | 2009-10 |
|---|---|---|---|
| | | (Rupees in Lakhs) | |
| INCOME | | | |
| Sales of Cement | 11 | 27770.45 | 18941.39 |
| Other Income | 12 | 717.62 | 702.29 |
| Increase/Decrease(-) in Stock | 19 | -376.45 | 1125.97 |
| TOTAL INCOME | | 28111.62 | 20769.65 |
| EXPENDITURE | | | |
| Raw Materials Consumed(from Purchase | 13 | 3061.62 | 1732.35 |
| Manufacturing Expenses | 14 | 8500.99 | 7545.06 |
| Excise Duty | | 3267.80 | 1912.89 |
| KVAT | | 3115.76 | 2137.57 |
| Staff Expenses | 15 | 3730.92 | 2995.04 |
| Administration & Other Expenses | 16 | 529.96 | 655.22 |
| Selling & Distribution Expense | 17 | 707.60 | 138.31 |
| Interest & Financial Expenses | 18 | 163.61 | 50.39 |
| Depreciation | 4 | 609.10 | 565.93 |
| Miscellaneous Expenses Written off | 20 | 5.20 | 5.20 |
| TOTAL EXPENDITURE | | 23692.56 | 17737.95 |
| Profit/ Loss(-) | | 4419.06 | 3031.70 |
| Prior period adjustments | 21 | -9.17 | 0.00 |
| Provision for Cur. Year Income tax | | 1521.73 | 1086.81 |
| Provision for Cur. Year wealth tax | | 0.87 | 0.66 |
| Deferred Tax | | 175.58 | 74.89 |
| Net Profit/Loss(-) after Tax | | 3081.21 | 1869.34 |
| Less Proposed Dividend | | 0.00 | 520.17 |
| Less: Corporate Dividend Tax | | 0.00 | 88.40 |
| | | 3081.21 | 1260.77 |
| Less:Transfer to General Reserve | | 0.00 | 138.60 |
| | | 3081.21 | 1122.17 |
| Balance carried over to Balance Sheet | | 3081.21 | 1122.17 |
| Earning per shares(in Rs) | | 118.47 | 71.87 |
| Notes on Accounts | 22 | | |

Schedules 1 to 22 Form Part of Accounts
For and on behalf of the Board of Directors

T BALAKRISHNAN,I.A.S
CHAIRMAN

K.PADMAKUMAR
MANAGING DIRECTOR

D BALACHANDRAN
MANAGER FINANCE(I/c)
Date: 19-11-11

Vide our Report of even date
For V. K. KRISHNAKUMAR & Co.,
Chartered Accountants.
(Firm Registration No:007218S)

23/11/2011

CA. R.LOKANATHAN.Bcom.(Hons), LL.B, FCA.
PARTNER
(Membership No: 22745)
Date: 23/11/2011

MALABAR CEMENTS LTD. WALAYAR, PALAKKAD

2

## BALANCE SHEET AS ON 2011-12

**MALABAR CEMENTS LIMITED**
**Balance Sheet as at 31st March, 2012**

(Rupees in lakhs)

| Particulars | Note | As at 31st March,2012 | As at 31st March,2011 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **SHARE HOLDERS FUND** | | | |
| Share Capital | 2.1 | 2600.88 | 2600.88 |
| Reserves and Surplus | 2.2 | 19647.94 | 16884.12 |
| | | **22248.82** | **19485.00** |
| **NON CURRENT LIABILITIES** | | | |
| Deferred Tax Liability (net) | 2.4 | 1627.38 | 1194.00 |
| Other Long Term Liabilities | 2.5 | 159.18 | 159.18 |
| | | **1786.56** | **1353.18** |
| **CURRENT LIABILITIES** | | | |
| Short Term Borrowings | 2.3 | 0.86 | 2048.13 |
| Trade Payable | | 1433.32 | 1241.48 |
| Other Current Liabilities | 2.5 | 2432.49 | 1825.63 |
| Short Term Provisions | 2.6 | 1095.86 | 360.87 |
| | | **4962.53** | **5476.11** |
| **Total** | | **28997.91** | **26314.29** |
| **ASSETS** | | | |
| **NON CURRENT ASSETS** | | | |
| Fixed Assets | | | |
| Tangible Assets | 2.7a | 8366.03 | 6690.51 |
| Intangible Assets | 2.7b | 43.14 | 36.10 |
| Capital Work in Progress | 2.7c | 39.54 | 898.45 |
| | | **8448.71** | **7625.06** |
| Non-Current Investments | 2.8 | 1.00 | 1.00 |
| Long Term Loans and Advances | 2.9 | 5551.22 | 5056.32 |
| Other Non Current Assets | 2.10 e | 738.68 | 616.96 |
| | | **14739.61** | **13299.34** |
| **CURRENT ASSETS** | | | |
| Short Term Loans and Advances | 2.9 | 1011.35 | 1069.06 |
| Inventories | 2.10a | 4231.63 | 5583.31 |
| Trade Receivables | 2.10b | 1.87 | 2.19 |
| Cash and Bank Balances | 2.10c | 8715.28 | 6134.26 |
| Other Current Assets | 2.10d | 298.17 | 226.13 |
| | | **14258.30** | **13014.95** |
| **Total** | | **28997.91** | **26314.29** |
| Significant Accounting Policies | 1.1 to 1.2 | | |
| Notes on Financial Statements | 2.1 to 2.21 | | |
| | 3.1 to 3.23 | | |

V SOMASUNDARAN,I.A.S
CHAIRMAN

K.PADMAKUMAR
MANAGING DIRECTOR

K NARENDRANADHAN
DEPUTY FINANCE MANAGER
Date

Vide our Report of even date
For V. K. KRISHNAKUMAR & Co.,
Chartered Accountants.
(Firm Registration No:007218S)

9/1/2013
CA R.LOKANATHAN.BCom(Hons),LL.B, FCA.
PARTNER
(Membership No: 22745)
Date: 9/1/2013

MALABAR CEMENTS LTD WALAYAR

**MALABAR CEMENTS LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2012**

(Rupees in Lakhs)

| Particulars | NOTE | 2011-12 | 2010-11 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations (Gross) | 2.11 | 23159.38 | 21386.88 |
| Other Income | 2.12 | 989.89 | 726.94 |
| **Total Revenue** | | **24149.27** | **22113.82** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 2.13 | 3797.77 | 3061.62 |
| (Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods | 2.14 | 552.56 | 376.45 |
| Employee Benefit Expense | 2.15 | 3400.04 | 3726.91 |
| Finance Costs | 2.16 | 128.47 | 163.61 |
| Other Expenses | 2.17 | 10509.70 | 9742.63 |
| | | **18388.54** | **17071.22** |
| **Profit before Tax, Depreciation and Amortisation** | | **5760.73** | **5042.60** |
| Depreciation and Amortisation | 2.7 | 680.07 | 614.30 |
| **Profit before Tax** | | **5080.66** | **4428.30** |
| **Tax Expense** | | | |
| Current Tax | | 1188.21 | 1522.66 |
| Deferred Tax | | 433.39 | -175.59 |
| **Profit for the year** | | **3459.06** | **3081.23** |
| **Earning per Equity Share (in Rs)** | 3.14 | | |
| **Basic** | | **132.99** | **118.46** |
| **Diluted** | | **132.99** | **118.46** |
| Significant Accounting Policies | 1.1 to 1.2 | | |
| Notes on Financial Statements | 2.1 to 2.21 | | |
| | 3.1 to 3.23 | | |

V SOMASUNDARAN,I.A.S
CHAIRMAN

K.PADMAKUMAR
MANAGING DIRECTOR

K NARENDRANADHAN
DEPUTY FINANCE MANAGER
Date

Vide our Report of even date
For V. K. KRISHNAKUMAR & Co.,
Chartered Accountants.
(Firm Registration No:007218S)

19/1/2013

CA. R.LOKANATHAN.BCom.(Hons), LL.B, FCA.
PARTNER
(Membership No: 22745)
Date: 19/1/2013

MALABAR CEMENTS LTD WALAYAR-678 624

# FINDINGS

# &

# SUGGESTIONS

## FINDINGS:

- There is only one production unit for Malabar Cements Ltd, so the production made by the company is very less comparing to other cement industries.
- The company is attaining 8%-10% of total market share.
- The sale of ordinary Portland cement (Malabar Super) has reduced to a great extend in each year as the production becomes low.
- The non-availability of dry ash leads to reduction in production and sales of Portland pozzolana cement (Malabar Classic) in the year 2012-13.
- The sales has decreased in the year 2012-13 comparing to the past years because of the non-availability of raw materials.
- The demand of the product is very high due to the good quality of cement.
- There is a lack of advertisements and sales promotional activities.

## SUGGESTIONS:

- As there is higher demand the company should follow some other technologies for increasing their production of cement.
- The company should give much importance for advertisements and other sales promotional activities.
- The company should find some other ways for getting raw materials.
- The production of Ordinary Portland Cement (Malabar Super) should be increased because of its higher demand which will helps to increase the market share of the company.

## CONCLUSION:

By doing this internship training at **Malabar Cements Limited** I came to know much about a cement firm and how the production of cement is done. Each and every department of the company has its own duties and responsibilities which should be followed by each staff members of the firm. The marketing department plays a very important role in sales activities and by increasing the market share of the firm. As there is only one unit the production is very less comparing to other cement companies but still they are achieving nearly 10% of the total market share. The marketing mix such as product, place, price, promotion is maintained well effective. Due to the good quality, Malabar Cements has got good brand name and demand. According to demand and supply theory - As the demand of the product increases the supply remains constant due to the unavailability of the product. This market situation is faced by Malabar Cements due to the decreased production. The main drawback which I noticed is that there is lack of advertisements and sales promotional activities. If the company also concentrate much on these activities they can achieve better sales, demand and market share.

# SNAP SHOTS

ADMINISTRATIVE BLOCK

PLANT VIEW FROM ADMINISTRATIVE BLOCK

5S's DEMONSTRATIVE BOARD IN MCL

CEMENT PRODUCTION PLANT

PACKING PROCESS

LIME STONE TRANSFERRED TO PLANT THROUGH ROPEWAY FROM WALAYAR FORESTS

# APENDIX

## SELF CONSUMPTION REQUISITION (FORM 119)

**Self Consumption Requisition**
Form 119

Date:

| | |
|---|---|
| Cement Type | |
| Quantity | |
| Against Work Order | |
| Signature of AE | |
| Section Head | |
| Head of Department | |
| Endorsement from General Store: | |
| Manager (Sales) | |
| (For use in Sales Department) | |

## DESPATCH SHEDULE (FORM 104)

**Malabar Cements Limited**

**Despatch Schedule**

Form 104

| To | Date |
|---|---|
| | No |
| | Transport Code if any |

You had requested for _____ MT of _____ cement vide your order dated _____ and our order No: _____ dated _____. The despatch schedule is as follows:
Date _____

| Date | Shift | Reporting Time | Please bring the Lorry Authorization Letter along with this document at the reporting time. |
|---|---|---|---|
| | | Token No. | |

Authorized signatory

### നിർദ്ദേശങ്ങൾ

1. ഷെഡ്യൂൾ പ്രകാരമുള്ള തിയ്യതിയ്ക്കും സമയത്തിനും ടോക്കൺ നമ്പർ കിട്ടുന്നതിനായി വണ്ടിയുമായി *സെക്യൂരിറ്റി ഗേറ്റിൽ* ബന്ധപ്പെടുക
2. ലോഡിംഗ് അഡ്വൈസ് ലഭിയ്ക്കാൻ ടോക്കൺ നമ്പറുമായി സെയിൽസ് ഓഫീസിലെ *ഡെസ്പാച്ച് ക്ലർക്കിനെ* കാണുക
3. ലോഡിംഗ് അഡ്വൈസ് പാക്കിംഗ്ഹൗസിലെ ഫോർമാനെ ലോഡിംഗിനായി ഏല്പിയ്ക്കുക
4. ഇൻവോയ്സ്, ഗേറ്റ് പാസ് എന്നിവ ഡെസ്പാച്ച് സെക്ഷനിൽ നിന്നും വാങ്ങി ഔട്ട് ഗേറ്റ് വഴി ലോഡ് കൊണ്ടുപോകുക

KGST Registration No. 31010400 CST Registration No. 31015400 dated 03.10.1978

PHONE : 0491-2862373, 2862374, 2862228 FAX : 0491-862230 TELEGRAM : CEMENTS-PALAKKAD

REGISTERED OFFICE & WORKS: Walayar - 678 624 Palakkad District, Kerala

## ORDER FORM (FORM 101)

**Order Form**
**Form 101**

Date:

Code No.....

| | | |
|---|---|---|
| 1 | Name & address of the Stockist/ Consignee | |
| 2 | Quantity ordered | ..... MT (..... bags) |
| 3 | Type & Packaging | SUPER/ CLASSIC / AISWARYA PP/Laminated/Paper |
| 4 | Payment Amount | |
| | DD/ Cheque No. & Date | |
| | Transfer agreement | OWM/ Company |
| | Delivery preferred | |

I/We understand that the terms and conditions for purchase and sales of cement covering this order will be in accordance with the terms and conditions of the Agreement executed by me/us with MALABAR CEMENTS LIMITED and the instructions laid down by the company from time to time.

It is understood that the company has the right to reject the order partly or wholly without giving reason thereof.

Place Yours faithfully

Date

To
The Sales Department, Malabar Cements Limited, Walayar PO, Palakkad 678 624.

## STOCK / DESPATCH INTIMATION (FORM 131)

**Stock/ Despatch Intimation**
**Form 131**

Forward ► Marketing Department Date:

| Product | Production in Tonnes | Despatch | Stock |
|---|---|---|---|
| OPC | | | |
| PPC | | | |
| PSC | | | |

Sr. Chemist/ Chemist

## CONSIGNEE RECIPT CERTIFICATE (FORM 112) &

## GOODS RECIPT NOTE (FORM 113)

**Malabar Cements Limited**

**Consignee Receipt Certificate**

Form 112

Date: _____

Sales Department,
Malabar Cements Limited,
Walayar – 678 624. Palakkad District

Received _____ MT _____ bags of Super/ Classic/ Aiswarya despatched through lorry/ Wagon No. ____ on _____ vide Invoice No. _____ dated _____ at _____ hrs in good condition.

Place:

Date: Signature of Stockist or Consignee or Representative

**Goods Receipt Note**

Form 113

Date:

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GOODS RECEIPT NOTE

We confirm having received in good condition ..... bags (.....Metric Tonnes) of ----------
Cement from Malabar Cements Limited in Lorry/Trailer No. ----------on account of

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to be delivered at ----------
We agree to deliver the cement in safe condition to the consignee

Name & Signature of
Transport Contractor/Representative

## ISO CERTIFICATE

IS / ISO 9001

CMS

MGMT. SYS.
RvA C 106

फार्म III ( विनियम 7 (1) D (d) देखें )
Form III [*see* Regulation 7 (1) D (d)]

भारतीय मानक ब्यूरो
**BUREAU OF INDIAN STANDARDS**

गुणता प्रबंध पद्धति प्रमाणन लाइसेंस
**LICENCE FOR THE QUALITY MANAGEMENT SYSTEMS CERTIFICATION**

(रॉड वूर एक्रिडिटेटी, नीदरलैण्डस द्वारा प्रत्यायित)
(Accredited by Raad voor Accreditatie, Netherlands)

*Licence No. QSC/L- 6000426.4(Revised)*

1. By virtue of the power conferred on it by the Bureau of Indian Standards Act, 1986 (63 of 1986), the Bureau hereby grants /renew to *M/s The Malabar Cements Ltd , Walayar, Palakkad - 678 624, Kerala.* hereinafter called the Licensee) the right and licence to be listed in the Bureau's register(s) of Licensees of Quality Management Systems Certification in respect of the products and/ or services or processes particularly described in the schedule hereto, bearing the same number as this licence. Such products and/or services or processes shall be manufactured/ provided/ carried out by the Licensee at only the address(es) given above, and under the Quality Management Systems in accordance with *IS/ISO 9001:2008*

2. The Licence is granted/renewed subject to the relevant provisions of the above Act and the rules and regulations made there under governing the licences referred to above, and the Licensee hereby covenants with the Bureau duly to observe with the said Rules and Regulations.

3. This licence shall be valid from *01 December 2008 to 30 November 2011* and may be renewed as prescribed in the Regulations.

Signed, Sealed and Dated this *Twelfth* day of *November, Two Thousand and Ten.*

**DEPUTY DIRECTOR GENERAL (SOUTH)**
**for BUREAU OF INDIAN STANDARDS**
के. अन्बरसू / K. ANBARASU
उप महानिदेशक (दक्षिण)
Deputy Director General (South)
भारतीय मानक ब्यूरो
Bureau of Indian Standards
चेन्नै / Chennai-600 113