

April 23, 2015

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NOTE

SUB: MATERIAL REQUIREMENT PLAN FOR MAY – JUNE 2015.

Material requirement plan for May – June 2015 was discussed in detail based on a mail from MD dated 19.04.15.

During the meeting at MD's chamber on 22.04.15, it was informed by CE (M) i/c that Kiln is planned to be stopped for Cooler maintenance and kiln Cowl shell changing and related mechanical works during the period 25.05.15 – 15.06.15. Kiln is expected to reach optimum production levels by 20.06.2015.

Based on the planning of 50000 MT cement despatch each for the months of May & June 2015, clinker requirement at Walayar is calculated to be 71000 MT. Material requirements for May & June 2015 is calculated based on the following table – for production of PPC cement with a mix ratio of 25 % DFA & 4 % gypsum.

Material	Stock as on 22.04.15	Proposed production/receipt till 20 th June	Requirement till 20 th June	Stock as on 20.06.15
Cement-PPC	3922	1,00,000	1,00,000	3922
Clinker	3021	44550	71,000	-23429
Link. Coal	22709	3600	3564	22745
Imp. coal	4693	7200	5346	6547
Dry F/ash	1348	25370	25000	1718
Gypsum	3925	2700	4000	2625

As seen from the table – except Clinker the stock of all other materials are satisfactory. Even though we have 3500 MT clinker as stock at Walayar, separately grindable clinker is less than 1000 MT only.

As of now the condition of Kiln tip area and Cooler is alarming and as such, though we expect to produce 44500Mt of clinker till the planned stoppage on 25.5.2015 – any stoppage may hamper the expected figure and add up to the shortage. Of late the Cement mill had to be stopped several hours due to shortage of separately grindable clinker and wagon despatch had to be restricted, affecting the profitability of Company. Presently we have a stock of about 17000 MT Imported clinker at CPT and it is planned to shift around 8000 MT clinker to Walayar. Trial reduction at CGU has started and requirement of clinker for CGU for next two months will be around

34000 MT. In order to ensure unaffected cement production both at Walayar and at CGU, enough stock of clinker has to be built up before the onset of monsoon by last week of May.

Considering the above factors, it is proposed to procure 30000 +/- 10% MT of clinker by import to ensure the planned cement production at Walayar.

Once the production at CGU is streamlined – further requirement of Clinker shall be reviewed.

Since we have to store the clinker in covered sheds before the rains start, indent for 30000 +/- 10% MT may be placed without delay.

Cost sheet regarding – (i) the scenario of grinding with 100% imported clinker & (ii) the scenario of non operation of Cement Mill for want of Clinker is also attached.

AE(chem...)

PE Chem. 12/4
A.M. SUNITHA
PE (Chemical)

Sr. Officer (P)
T.K. DHAKMADAS
Senior Officer (Production)

Sr. Officer (QC)
K. PRADEEP KUMAR
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DM(P&QC)

DMP

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RAMESH BALAGOPALAN
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Dy. Manager (P&QC)

A.P. SUBASH CHANDRA BOSE
Deputy Manager (Process)

CE-M(i/c)

FM(i/c)
K. NARENDRANADHAN
Manager Finance (I/C)

Yes, we have planned to
stop the kiln for major
work tentative from
25.5.15 - 15.6.15.

DGM-E (i/c)
DGM-E (i/c)

C.E.M. I/c.

MALABAR CEMENTS LIMITED

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1 PROFITABILITY FOR 36000 MT OF CEMENT USING MCL CLINKER IN FULL

VARIABLE COST	Mix Ratio	Rate/MT	Rs Per MT	Rs Per Bag
1 CLINKER COST	0.71	3900	2769	138
2 FLY ASH	0.25	1610	403	20
3 GYSPUM	0.04	1080	48	2
	1.00		3220	161
4 POWER	34 units	5.45/unit	184	9
5 PACKING MATERIAL			210	11
6 STORES			20	1
7 LOADING CHARGES			28	1
8 TOTAL VARIABLE COST			3661	183

	MT	RS	Rs Per Bag
TOTAL VARIABLE COST CEMENT	36000	131813424	183
CEMENT PRODUCTION -MT	36000		
RATE OF PRODUCTION PER DAY	1464		
DAYS REQUIRED - DAYS	25		at prevailing rate
FIXED COST POST CLINKERISATION			
AVG Rs3.50 Lakhs /day	350000	8606557	12
TOTAL COST OF CEMENT	36000	140419981	195
AVERAGE SALES REALIZATION			247
PROFIT			52
PROFIT	RS LAKHS	374	

24/4/15
RAMESH BALAGOPALAN
 Dy. Finance Manager (I/C)

K. NARENDRANADHAN
 Manager Finance (I/C)