

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2026)

ELEVENTH REPORT

(Presented on 1st February 2024)

SECRETARIAT OF THE KERALA LEGISLATURE THIRUVANANTHAPURAM 2024

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2026)

ELEVENTH REPORT

On

The action taken by Government on the Recommendations contained in the Thirty Second Report of the Committee on Public Undertakings (2016-19) relating to Malabar Cements Limited based on the Reports of the Comptroller and Auditor General of India for the year ended 31st March 2008, 2009, 2010 and 2014

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COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2026)

COMPOSITION

Chairman:

Shri E. Chandrasekharan.

Members:

Shri A. P. Anilkumar

Shri Anwar Sadath

Shri Ahammed Devarkovil*

Shri T. V. Ibrahim

Shri P. Mammikutty

Shri K. P. Mohanan

Shri D. K. Murali

Shri P. Nandakumar

Shri Kadakampally Surendran

Shri P. Ubaidulla.

Legislature Secretariat :

Shri Shaji C. Baby, Secretary-in-charge

Shri Venugopal R., Joint Secretary

Smt. Jayasree M., Deputy Secretary

Shri Mohanan O., Under Secretary.

^{*}In the vacancy of Shri K. B. Ganesh Kumar sworn in as Transport Minister w.e.f. 16.01.2024.

INTRODUCTION

This report is based on the action taken by the Government on the recommendations of the Thirty Second Report of the Committee (2016-19) related to Malabar Cements Limited based on the Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2008, 2009, 2010 and 2014.

The Statement of Action Taken by the Government included in this Report was considered by the Committee at its meeting held on 24-7-2019 and 7-6-2022.

This Report was considered and approved by the Committee at its meeting held on 22-12-2023.

The Committee place on record their appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala who was present during the examination of the Action Taken Statements included in this Report.

E. CHANDRASEKHARAN, Chairman, Committee on Public Undertakings.

Thiruvananthapuram, 1st February 2024.

REPORT

This Report deals with the action taken by the Government on the recommendations contained in the Thirty Second Report of the Committee on Public Undertakings (2016-19) relating to Malabar Cements Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2008, 2009, 2010 and 2014.

The Thirty Second Report of the Committee on Public Undertakings (2016-19) was presented to the House on 18-5-2017 and the Report contains 4 recommendations and replies furnished by the Government to these recommendations.

The Committee considered the action taken statements received from the Government on the recommendations in the above report at its meetings held on 24-7-2019 and 7-6-2022.

The Committee accepted the action taken statements to the recommendation in Para No. 8 without remarks in its meeting held on 24-7-2019 and sought clarification on replies to para Nos. 6, 7 and 9. After considering the clarification sought by the Committee, the Committee accepted the action taken statement on para 6 and 9 without remarks in the meeting held on 7-6-2022. These recommendations, additional information sought by the Committee and the replies furnished by the Government form Chapter I of this Report.

After considering the reply on additional information on the recommendation in para 7, the Committee accepted the reply to the recommendation on Para No. 7 with remarks. This recommendation, additional information sought, the reply furnished by the Government and remarks of the Committee form Chapter II of this Report.

CHAPTER - I
ACTION TAKEN STATEMENTS FURNISHED BY THE GOVERNMENT ON THE
RECOMMENDATIONS OF THE COMMITTEE
WHICH HAVE BEEN ACCEPTED BY THE COMMITTEE WITHOUT REMARKS

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations	Action Taken by the Government
(1)	(2)	(3)	(4)	(5)
1	6	Industries	of penal interest amounting to ₹2.84	The Taxes (B) Department, Govt. of Kerala, vide letter dated 24-2-2011 informed that as per Section 32 of KVAT Act the company was granted order to defer the tax up to 6-8-2010 and on expiry of the said order the company is liable to pay tax on the entire turnover. Based on the above letter and after obtaining approval from the Board the deferred KVAT amount of Rs. 20,08,43,533 was paid to Assistant Commissioner, Special Circle, Commercial Taxes, Palakkad on 2-8-2011.

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The Assistant Commissioner, Special Circle, Palakkad vide notice dated 18-8-2011 informed that the above deferred KVAT has been paid without interest which is due from 7-8-2010 as per GO (P) No. 209/2007/TD. Further as provided in KVAT Act, where any tax or any other amount due or demanded is paid by any dealer or other person, the payment so made shall be appropriated first towards interest accrued on such tax. Hence from the above amount of Rs 20,08,43,533 an amount of ₹2,41,08,319 has been adjusted towards interest from 7-8-2010 to7-8-2011 and directing to pay the balance amount with interest from 7-8-2011.

The Assistant Commissioner, Special Circle, Commercial taxes, Palakkad again issued a notice dated 22-2-2013, demanding interest amounting to Rs 2,84,47,817 on delayed payment of deferred KVAT. In order to avoid penal action and revenue recovery proceedings the Company paid the amount on 11-3-2013.

Based on the above facts kindly request to drop the query. The same is noted for further compliance.

	ADDITIONAL INFORMATION SOUGHT BY THE COMMITTEE				
Para No. Department Additional Information Concerned		Additional Information	Reply From Government		
സർക്കാരിന്റെ കത്തും ഡെഫർമെന്റിനായി ക <u>ത്ത</u> കളുടെ ര		നൽകുന്നതിന് നിർദ്ദേശിച്ചുകൊണ്ടുള്ള സർക്കാർ കത്തുകളുടെ പകർപ്പാ ഡെഫർമെന്റിനായി കമ്പനി സർക്കാരിന് നൽകിയ അപേക്ഷയുടെ പകർപ്പും			
Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations	Action Taken by the Government	
(1)	(2)	(3)	(4)	(5)	
2	8	Industries	The Committee is dissatisfied with the lack of transparency in the tender proceedings for the supply of limestone to the Company. The Committee is distressed to note that the Company suffered an avoidable extra expenditure of ₹ 16.97 lakh due to transportation of excess moisture laden limestone.	PSUs are even not willing to agree to any reduction based on moisture on quantity which they take the position as one of beyond control. Company is however insisting on some reduction on material quantity on private bidders. In negotiation process, in order to ensure continued supply at reduced rates for an	

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			essential raw material, Company need to arrive at optimum mutually agreeable terms with L1 which is the best possible solution at that point of time. Else, company would have end up with a situation of nil supplies and further protracted tendering process the result of which is uncertain. In this case MCL was very much in need of the material due to elapse of Tamil Nadu Minerals (TAMIN) agreement. Presently Company is following E-tendering and it is submitted that the points highlighted in the query is fully complied. Since the negotiation was carried to elicit maximum benefit to the company and there are significant advantages accrued by way of reduction in rate, considering the genuineness of the exercise, it is once again submitted that the query may kindly be dropped.
			be dropped.
3	9	The Committee observes that the Company was unable to fully explore the benefits of Enterprise Resource	ERP system in the Company, the following

Planning (ERP) System which was installed in the Company with a huge expenditure of more than ₹ 1.30 crore. The Committee further notes that the failure of the Company to prepare accurate user requirement specification forced the Company to introduce automation only in limited areas. The Committee recommends that the ful1 Company should complete automation and discontinue all manual processing.

A. MM module

- 1. System needs to be modified to cater materials requiring quality checks by putting them in Restricted Stock instead of Unrestricted Stock.
- 2. In the price comparison list reports Previous order prices and sources of procurement are not appearing.
- 3. Configuration of Unit of Material (UoM) is limited to two decimal points.
- 4. Same material codes are used for different materials.
- 5. Approved vendor list is not displayed while processing the Purchase Requisition, even through the list exists in the vendor master.
- 6. The module is lacking the provision of grading the incoming raw material based on quality.
- 7. Not possible to identify emergency and routine purchases.
- 8. Purchase Requisition authorization limits are not mapped in the module

B. HR module

1. Various data relating to personnel management are done through MS Excel and exported into SAP

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- 2. Employee shift change is not managed through HR module, but is done manually.
- 3. Salary bills are prepared outside the system using manual calculation
- 4. Leave management utility is not properly working
- 5. Section-wise employee list is not possible to generate

C. Module FICO

1. Various elements of Pay & allowance are worked out in MS Excel and exported to SAP.

D. PP Module.

- 1. The output rate, stoppage hrs, and specific power consumption for evaluation is not included in the SAP
- 2. Hourly monitoring of various raw materials for raw mill, kiln and cement mill are not available in the SAP in a single window
- 3. Provision for adding new raw materials has to be available.

E. SD module

- 1. While supplying empty bags, in its invoice the invoice no. of the original consignment has to be included
- 2. The available balance amount of the customer is not displayed along with balance quantity while generating sales invoice.

material codes will be removed from the

material master.

	F. PM module
	1. Equipment-wise running details are not
	captured in the module
	G. Other points
	1. ABC analysis of inventories for ensuring
	better control over high value stocks is not
	initiated
	2. Non utilization of purchased module licenses
	for Customer Relationship Management (CRM
	express), Employees Self Service (ESS) and
	Environment, Health & Safety (EHS).
	3. Security and Password policy is not present
	4. Deficiencies in training
	Already some level of continued training has
	been given for those using SD, MM and FICO
	modules.
	All the above issues are going to be tackled
	through the following planned manner:
	Phase I: Continuing with the process of giving
	extensive training already undertaken, those
	using other modules are also will be trained.
	The entire training in this category will be
	completed by 3 months time.
	By this time, the duplicate/ mismatched

Phase II: In this case, the company is going to give training at BPO level for 2 persons in each of the six modules.

The selection of person will be through screening to identify people having necessary computer knowledge and basic acumen for such responsibilities. This process will be completed within a period of 2 months.

The training to all these selected functional persons will be completed by the end of this year.

Phase III: Immediately the Company is going to engage SAP consultants through tendering process to urgently attend the functional/inadequacies/deficiencies of the ERP system. The process is already started.

Phase IV: Through suitable SAP consultants identified, it is decided to customise all the purchased module licenses including implementing EHS module. This activity is planned to be taken up with Phase III.

By doing the above phased modifications, all the issues raised in the report will be alleviated and the SAP-ERP system will be more efficient and better utilized.

ADDITIONAL INFORMATION SOUGHT BY THE COMMITTEE

Para No.	Department Concerned	Additional information	Reply from Government
9	Industries	സ്ഥാപനത്തിൽ ഇൻസ്റ്റാൾ ചെയ്ത സോഫ്റ് വെയർ (ERP System) പൂർണ്ണമായും പ്രവർത്തിക്കുന്നില്ലെന്ന 24-7-2019 ലെ തെളിവെടുപ്പ് യോഗത്തിലെ മറുപടിയുടെ അടിസ്ഥാനത്തിൽ കെൽട്രോണിൽ നിന്നം	

ങ്ങളം ഉപയോഗിച്ച് വരുന്നുണ്ട്. സ്ഥാപനങ്ങളുടെ

4 ലക്ഷം രൂപയ്ക് ഏൽപ്പിക്കുകയും ചെയ്തിരുന്നു. അത്തരത്തിൽ പൂർണ്ണമായും നടപ്പിലാക്കിയ ഇ.ആർ.പി. സിസ്റ്റം അടുത്ത 10 വർഷത്തേയ്ക്ക് അതായത് 2007 മുതൽ 2017 വരെ മുഴവൻ പ്രവർത്തനക്ഷമതയോടു കൂടി നല്ല രീതിയിൽ ഉപയോഗിക്കുവാൻ കമ്പനിയ്ക് സാധിച്ച. ജീവനക്കാരുടെ വിരമിക്കലും, പുതിയ നിയമനങ്ങളം മൂലം ഇ.ആർ.പി. സിസ്റ്റത്തിൽ പരിശീലനം നൽകേണ്ടത് ആവശ്യമായി വന്നിരിക്കുകയാണ്. ക്ടാതെ മാറിയ ടാക്സ് നടപടിക്രമങ്ങളം, ജി.എസ്.ടി.-യിൽ വന്ന നടപടി ക്രമങ്ങളിലെ മാറ്റവും, ജി.എസ്.ടി നടപ്പിലാക്കിയതും, കഴിഞ്ഞ പത്ത് കൊല്ലങ്ങളിൽ വന്ന കമ്പനിയിലെ നടപടി ഉൾക്കൊള്ളിച്ച് ക്രമങ്ങളിലെ മാറ്റങ്ങളം മറ്റാ ഇ.ആർ.പി. സിസ്റ്റം കാലാനന്യതമായി പ്രവർത്തനക്ഷമതയുള്ളതാക്കുന്നതിന് വേണ്ടി ടെന്റർ ക്ഷണിക്കുകയും അതിന്റെ അടിസ്ഥാനത്തിൽ 30 ത്രപ ചെലവിൽ കസ്റ്റമൈസേഷൻ ലക്ഷം വരുത്തിക്കൊണ്ടിരിക്കുകയ്യമാണ്. SAP-യുടെ ഇ.ആർ.പി. സിസ്റ്റം പൊതുവായി ലോകത്താകമാനമുള്ള പല തരത്തിലുള്ള സ്ഥാപന

പൊതു ആവശ്യത്തിന് ഉപയോഗിച്ച് വരുന്ന സോഫ്റ്റ് വെയർ ആയതുകൊണ്ട് ശാസ്ത്ര സാങ്കേതിക മേഖലകളിലെ പുരോഗതിയന്ധരിച്ച് SAP-യുടെ ഇ.ആർ.പി. സോഫ്റ്റ് വെയറിൽ കാലാകാലങ്ങളിൽ മാറ്റം വരുത്തിക്കൊണ്ടിരിക്കുന്നുണ്ട്. സോഫ്റ്റ് വെയർ ഉപയോഗിക്കുന്ന സ്ഥാപനങ്ങൾക്ക് അത്തരം മാറ്റങ്ങൾ ഉൾക്കൊള്ളിക്കാൻ കസ്റ്റമൈസേഷൻ ആവശ്യമായി വരുന്നുണ്ട്.

ധാരാളം സ്ഥാപനങ്ങൾ ഉപയോഗിക്കുന്ന ഒരു സോഹ്ല് വെയർ ആയതിനാൽ പൊതവായ ആവശ്യങ്ങൾക്കനസരിച്ച് സ്ഥാപനങ്ങളടെ പ്രധാന ഇ.ആർ.പി. സോഫ്റ്റ് വെയറിലെ ആവശ്യമായ ഭാഗങ്ങൾ (മോഡ്യളകൾ) മാത്രമേ ഓരോ സ്ഥാപനങ്ങളം ഉപയോഗിക്കുന്നള്ള. ആയതിനാൽ മുഴുവൻ പ്രോഗ്രാമുകളം ഇ.ആർ.പി.യുടെ എല്ലാ സ്ഥാപനങ്ങൾക്കാം ഉപയോഗിക്കാൻ കഴിയുകയില്ല. സ്ഥാപനങ്ങളിലെ എല്ലാ കാര്യങ്ങൾക്കാം SAP യുടെ ഇ.ആർ.പി. സിസ്റ്റത്തിൽ മാറ്റങ്ങൾ വരുത്തി ഉപയോഗിക്കുവാൻ അധിക സാമ്പത്തിക ചെലവ് വരുന്നതിനാൽ പൊതുവായി എല്ലാ മേഖലകളിലേയ്ക്കം സോഫ്ല് ഉപയോഗിക്കുന്നത് ഈ വെയർ പ്രായോഗികമല്ല.

CHAPTER - II ACTION TAKEN STATEMENTS FURNISHED BY THE GOVERNMENT ON THE RECOMMENDATION OF THE COMMITTEE WHICH HAS BEEN ACCEPTED BY THE COMMITTEE WITH REMARKS

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations	Action Taken by the Government
(1)	(2)	(3)	(4)	(5)
1.	7	Industries		

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- 2. Sundaramoorthy, Former Managing Director, Malabar Cements Limited, Walayar (S/o Maarimuthu, No. 3, Trichy Main Road, Ganesapuram, Puliyur, Karur district, Tamil Nadu.
 - 3. V.M Radhakrishnan, Former Managing Director, M/s ARK Wood and Metals Pvt. Limited, Coimbatore, (S/o P. Velayudhan Nair 18/714, Nineetha, DPO Road, Palakkad. (Private Individual)
 - 4. S.Vadivelu, Former Executive Director, M/s ARK Wood and Metal Pvt. Ltd. Coimbatore. (S/o. SubbayyaKounder, House No. 62, Orkaliyur, Jamin Oothukuli P.O Pollachi Taluk, Coimbatore District.(Private

Individual)

Sri. Prakash Joseph, Legal Officer, Malabar Cements Limited (Accused 1) has been suspended from the services of the Company with effect from 6-3-2018 by the Managing Director, Malabar Cements Limited.

The report dated 16-7-2018 of the Director, Vigilance and Anti Corruption Bureau is enclosed.

ADDITIONAL INFORMATION SOUGHT FOR BY THE COMMITTEE

Para	Department	Additional Information	Action Taken by the Government	
No.	Concerned			
(1)	(2)	(3)	(4)	
7	Industries	മലബാർ സിമന്റ്സ് ലിമിറ്റഡ് എന്ന സ്ഥാപനത്തിന്റെ	വി.സി.13/2016/പി.കെ.ഡി. വിജിലൻസ് കേസ്	
		മുൻ എം.ഡിയും ലീഗൽ ഓഫീസറും പ്രതി	ഇപ്പോഴും അന്വേഷണ ഘട്ടത്തിലാണ്. ടി	
		ചേർക്കപ്പെട്ട (VC13/16/PKD) വിജിലൻസ്	കേസന്വേഷണത്തിന് സ്റ്റേ ഓർഡർ ഒന്നം	
		കേസിന്റെ നിലവിലെ സ്ഥിതി സംബന്ധിച്ചം,	നിലനിൽക്കുന്നില്ല. കേസന്വേഷണം പുരോഗമിക്കുന്നു.	
		കേസന്വേഷണത്തിന് സ്റ്റേ ഓർഡർ		
		നിലനിൽക്കുന്നണ്ടോയെന്നം എങ്കിൽ അതിന്റെ		
		അടിസ്ഥാനത്തിൽ അന്വേഷണം നിർത്തിവച്ചിട്ടുണ്ടോ		
		എന്നമുള്ള വിവരങ്ങൾ ലഭ്യമാക്കുക.		

While considering the reply, as the matter in the recommendation is pending under Vigilance enquiry, the Committee suggested the Industries department to provide details regarding the current status of vigilance enquiry prevailing.

Since the matter in the recommendation is pending under vigilance enquiry, the Committee suggests to provide details regarding the current status of the vigilance enquiry prevailing.

Thiruvananthapuram, 1st February 2024.

E. CHANDRASEKHARAN,

Chairman,

Committee on Public Undertakings.

16



GOVERNMENT OF KERALA Abstract



Industries Department - Kerala Small Industries Development Corporations

Limited - Funding Pattern for the implementation of Mini Tool, Room Curry

Training Centre, Playanna, Kezhikode - Approved - Orders issued

INDUSTRIES (F) DEPARTMENT

GO (MS) No. 47/2010/Ind

Dated, Thiruyananthapuram, 30/06/2010

Read: 1 G.O. (Ms) No. 103/2010/ID dated 30.04.2010.

 Minutes of the incesting stated by Honourable Minister for Industries held on 22.06.2010

ORDER

As per the Government Order read above, Government have approved to implement the eight new projects announced in the Budget Speech 2010-2011 by mobilizing funds to the time of Rupees one hundred crore as Investment by KMML and Malabar Jements Limited (KMML 60 crore and Malabar Coments Limited Rs. 40 crore). A Tool Room at Olavanna, Közniköde to be implemented by Kerala Small industries Development Corporation Limited is one of the projects announced in the Budget Speech 2010-2011.

- As per the Minutes read above the following decision has been taken with regard to the funding patrein for the implementation of the Tool Room Project at Norbikode.
 - (i) The projects and to be financed on an 1.11 jato cited as follows:

 Elist pay should be as advance to share participation from PSUs

 (KMKLMEL), the second part as soft load from these PSUs and

 the third part from self generated finid of the concerned PSU I tean

 from Pts (KSIBC and banks. The self loan shall carry 7% inferest.
 - (ii) Government guarantee may be provided for obtaining loan from Banks / Fts / other agencies including KSIDC, KFC and Power Finance Corporation for financing these projects. Payment of soft loans from the manufacturing PSUs may be subordinated to repsyment of loans to these financial institutions. However, interest on soft loan may be paid as per the payment schedule.
 - (iii) RIAB will concluct reviews of the project progress formightly. The Hon. Minister like industries & Commerce will review the projects on a monthly basis.

Page traj 2

proposed project for setting up a Mini Tool Room cure training e. Officena, Kozhikode at an estimated cost of Rubees twelve crore, is and an aim to set up the tool room as a common facility centre for micro, small and medium enterprises and to assist them in product and prototype development and also as a centre to provide training in tooling. I magnifying short-term courses in tool design, die design, mould design concepts and hittech facility for modern tool room. The funding pattern will be as follows:—

V-10-	Source	Amount (in
Equity	Malabar Coments Limited	(480 (400
Qwn Und Alean from Financial Institutions / KSIBC Fotal		400

- Government have examined the matter in detail and are pleased to accord approval for the above said decisions and funding pattern for implementing the Tool Room Project at Olavanna, Kozhikode.
- 5. Kerala Small industries bevelopment Corporation Limited shall take immediate steps to avail the funds in the above manner to the speedy completion of the project.

By Order of the Governor is the Sovernor in th

Town-3

The Managing Director, Kerala Small Industries Development Comporation

Limited, Minivananthappiam.

Limited, Minivananthappiam.

Limited, Minivananthappiam.

Limited, Minivananthappiam.

Buildings, Mysaud, Withyayanthappiam.

The Principal Accountant Deperat, Audity Kerala, Thirvyananthapuram. The Accountant General (Abie), Kerala, Thirvyananthapuram.

Industries (J) Department

SF / OC

Forwarded / By order

Section Officer

Copy to::-

The Special Private Secretary to Minister for Industries.



Abstract

TRACO Capital Company of the implementation of Green field project of Traco capital Company Ltd - Orders issued.

INDUSTRIES (H) DEPARTMENT

G.O. (Rt) No.930/2010/ID.

Dated, Thiruvananthapuram, 30,6,2010

Read: (1) G.O (MS) No. 103/2010/ID dt 30-04-2010

(2) Manutes of the meeting held on 22-06-2010 convened by Hop M(Ind)

As per the G.O read as 1 paper, above Govt have approved the given ficts project of Traco Cable Company Ltd along with the other green field expansion projects mentioned in the budget Speech 2010-11.

2. In the minutes of the niceting read as 2nd paper above the following decisions were taken:-

i) The projects are to be financed on an 1-1-Aratic cited as follows:
First part should be as advance to share participation from RSUs (KMM ANCE), the second part as soft form from these RSUs and the third part from soft generated fund of the concerned RSU / lear from Fig. KSIDC and banks. The soft lean half came Wenterest.

ii) Government guarative may be provided for obtaining lean from Banks 7 fils / other agencies includings KSBSC KFC and Power Finance Corporation for financing these projects. Payment of soft loans from the suppressed to repayment of loans to disease financial institutions. However, increase on soft loan may be paid as per the payment solved to the contract of loan may be paid as per the payment solved to the contract of loan may be paid as per the payment solved to the contract of loan may be paid as per the payment solved to the contract of the contr

it) RIAB with complet reviews of the project progress formittily. The Hon. Minister for industries & Commerce will review the projects on a monthly basis.

3. The project is for establishing a new House Wiring Cables unit at Thalassery Taluk in Kannur District. The Project envisages the manufacture of four sizes of House Wiring Cables in different colours for electrical application.

Equity
Loan

Dwn fund/loan from Fis / KSIDC

Total

Source

Amount (in faiths)

(400

400

400

1200

tes of the proper a resumated at Rs 1200 Lakhs. The funding pattern

- 4. Government have examined the matter in detail and are pleased to approve the decisions taken in the meeting detailed at para 2 above and the above funding pattern for implementation of the green field project of Traco Cable Company Ltd.
- The company will take immediate steps to avail the finide for completion of the projects in time.

By order of the Governor,

TBALAKRISHNAN

Additional Chief Searching to Covernment

1. The Managing Director, TRACO Cable Company ltd, Panampitty nagar, Kochi:

2. The Accountain Control (A&E/Audir), Recala, Thirotananthoperam.

The Secretary RIAB, Thirty an anth pherana.

4. Industries (I) Department

Al Warterson ...

5. Special Private Secretary to the Minister (Industries & Commerce)

6. SIVOUS

Forwarded/By order

Section Officer

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Industries Department - Public Sector Endertakings - United Electrical Industries
Limited - Fund Allocation for the implementation of Green field project of United
Electrical Industries Limited - Orders issued.

INDUSTRIES (H) DEPARTMENT

G.O. (Rt) No.931/2010/ID:

Dated, Thiruvananthapuram 30.6.2010

Read: (1) G.O (Ms) No-108/2010/ID dt 30:04-20:0

(2) Minutes of the meeting held on 22-06-2010 convened by Hon Mana)

- 1. As per the G.O read as 1st paper above Govt have approved the green field project of United Electrical Industries Limited along with the other green field/expansion projects mentioned in the budget Speech 2010-11.
- 2. In the minutes of the meeting read as 2nd paper above the following decisions were taken:
 - i) The projects are to be financed on an I-1:1 ratio cited as follows:

 First part should be as advance to share participation from PSUS (KMML/MCI); the second part as soft loan from these PSUS and the third part from self generated fund of the concerned PSUS hear from FIs / KSIDC and banks. The soft loan shall carry 1% interest.
 - ii) Government guarantee may be provided for obtaining loan from Banks / Fis / other agencies including KSIDC, KFC and Fower Finance Corporation for manifesting these projects. Payment of safe loans from the manufacturing PSUs may be subaddinated to repayment of loans to these financial institutions. However, interest on soft loan may be paid as per the payment schedule.
 - iii) RIAB will conduct reviews of the project progress fortnightly. The Hon Minister for Industries & Commerce will review the projects on a monthly basis.
 - 3. The project envisages manufacture of LCD meters at Kushalmannani. Palakkad at an estimated cost of Rs.500 takhs. Type UEM-2B Static Meter is designed and manufactures to satisfy the highest standards of accuracy and

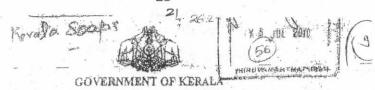
A pility of energy measurement in Single Phase Two Wire Circuits. The fund pattern will be as follows:

	Source	Adrount (in
Equity	Total Vit	1250.00
Zoan	ar JMCL n	1950.00
Takak	TA NA	
1 Lotar	**1975	7500200

- Government have examined the matter in detail, and are spleased to approve the decision taken in the meeting detailed at para 2 above and the above funding patient for emplementation of the green field project of United Electrical Industries Limited
- The company will take immediate steps to avail the funds for completion of the projects in time.

Talkon Cont Secretaria Hermania

- 1. The Managine Director, United Electrical Industries Compan Pallimukku Kollam Lighten
- 2. The Accountant General (A&E/Autil) Kecala, Thiruvanantiapurant
- Industries (I) Department
- Special Private Secretary to the Minister (Industries & Congnetice)



Abstract

Industries Department- Kerala Soaps, a unit of KSIE- Implementation of Green field projects - Fund Allocation sanctioned Orders issued.

INDUSTRIES (ESTIDE ARTMONT GO-(Ma) Mg 13872010/ID; Dated Thingananthapura 01.07.2016

Read: 1. G. O. (Ms) No. 103/2010/ED dated, 30/04/2010

2. G. O. (Ms) Nor 129/10/ID dated, 21/06/2010.

 Minutes of the meeting held by Hon'ble Minister (Industries) with the Chairman, PIAB and other officers on 22/06/2010.

ORDER

As per G.O.s read as 1st and 2nd papers above Government have approved the expansion project of Kerala Soaps, a unit of KSEE along with the other green field expansion projects of PSUs mentioned in the Budget-Speech 2010-11.

- 2. The modelines for implementation of the expansion projects were subsequently discussed in detail by the Honble Minister (Industries) with the Chairman, RIAB and other officers on 22/06/2010 and the following decisions were taken.
 - i. The projects are to be financed on an 1:1: 1 gate as follows. First part should be as advance to share participation from PSUS VIZ.

 (KNIML-MCL): Second hart will be as Soft Loan from these PSUs; The soft loan will carry V interest. Third part from self generated fund of the PSU concerned floan from PIS/KSIDC and Banks.

Color Municipal

Banks/Fla/other Agencies including KSIDC, KFC and Power Finance Corporation for financing these projects. Repayment of soft loans availed from the manufacturing PSUs be subordinated to repayment of loans to the Financial Institutions. However, interest on soft loan be paid as per the payment schedule.

3. It is proposed to install additional production line of 1 MV hour to produce 5000 MT of soap per annum in Kemin Soap sature Kozinkkode unit at an estimated cost of Rs. 500 lakes as part of revival of all erstachile brands of KSQ-Limited and also to introduce new range of consumer products as per the following funding pattern.

	Source	Amount (in lakels) Rs
Equity ispan	Malabar Cemeaus Emnited	(25) (25)
Own fund/four from FIs/KSIDC. Fotal		500

4) Government have examined the matter in detail and are pleased to

accord sanction for implementation of the expansion Project of Kerale.

Soaps, a unit of KSIE' as per the above funding pattern and also subject to
the other conditions said in para 2 above.

5) RIAB will review the progress of implementation of the expansion project every fortnight. Government will review the progress on a monthly basis.

By Order of the Governor :

(Sd/-)

K.C. Whyakumar

John Secretary to cove.

The Managing Director, Kerala State Industrial Enterprises Chimited Thirty ananthapuram

The Managing Director, Malabar Cements Limited, Walayar, Palakkad, The Accountant General (ACE), Thirdwananthapurain. The Principal Accountant General (Audig), Thirdwananthapurain Fig. Secretary, RIABS Thirdwananthapurain. The Finance Department.

Forwarded by Order

Section Officer

(7.5)	KSTC LID.	0.3 INT 7010
() T	MD	1
A DOMENT	GM(T)	
OVERNMENT OF KERALA	CANCE)	1
Abstract	Secretary	1
Anstrage	ASIA LIESA	1

Industries Department - Fund allession to various projects the interest of the budge, Speech 2010 - 41 - Funding patternsion the implementation of expansion project at Trivandrum Spinning Mills titl. Trivananthaptram - Sanction accorded - Green issued.

INDUSTRIES(C) DEPARTMENT

6.0 (Rt) No. 939/2010/10

Dated, Thiruvanenthaputam, 1,07:2010.

Read 1/ 6:0 (MS) No. 193/2010/10 dated 30.04.2010: 2) Minutes of the meeting held on 24.06:2010.

ORDER

As per the Government Order read above, Government have approved 8 Green Filed Projects and Expansion of a Units which were mentioned in the Budget Speech 2010/17, This includes the project top expansion of Trivandrum Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the pure of the Spinning Mills Ltd.; Third and the Spinning Mills Ltd.; Thir

2) In the Windles of the meeting read as second paper above, the following decisions were taken regarding the above projects.

- i) The projects are to be financed on an 1.1.1 ratio as follows. First part should be as advance shale participation of PSUs (KIMMLING). The second part as soft to an from These PSUs and the third part from self-second part as concerned PSU from from Fis/KSIDC and Banks. The soft to an shall carry 7% interest.
- ii) Government guarantee may be provided for obtaining loan from Bants.
 Fis/Other agencies including #8000. KFC & Power Finance Composition for financing these projects Payment of sont foans from the intended and its base may be subordinated to end ment of toans to these financial, institutions. However, interest one of loans and as per the payment schedule.
- iii) RIAB will consuct reviews of the troject progress totalightly:
- 3) The Expansion Project of Trivandrum spinning Mills Ltd., Thiruvananthapuram envisages to expand the capacity of one Open End Spinning machine (360 Roturs) to two Open End Spinning Machine of total installed capacity of 720 Roturs with an estimated capacity of Rs 500 lake promoter's spinning this project Rs 1 crore is any after with Trivandrum Spinning Mills from the leasing out of Mills fand to Mils. His purpose Life Care Limited. Funding pattern of the project will be as follows.

***************************************	Source .	Amount (indakhs)
Equity		1 250
Loan	MCL	£200
Own fond/Loan :- Fis/KSIDC	ficmi	00
Total.		500,00

4) Sovernment have examined the pratter in detail and are sanaton for implementarism elitike Essausten project et. Trivandiomi spiralio Allis Eta Thirosarandi apurant with the above tinding pattern.

Additional Chief Secret

- 1. The Director of Industries & Commerce, Thinwananthapprants
- 2. The Director of Handloom & Textiles, Thirty are of handloom & Textiles, Thirty are of the pure of t
- The Managing Director Kerala Slate Textile Corporation Ltd.
 Thirty an anti-appropriate
 The Pancipal Accountant General (A), Thirty an anti-applicant
 Sr. The Accountant General (A), Thirty an anti-applicant
 Sr. The Accountant General (A) & Kerala, Thirty and Thirty

- 6. The Secretary RIAB Thinwananti abusin.
 7. Managing birector avalabat Cemen stanited Walaya
 - 8. Managing Litector, KSIDS, Thirovahant Sapurani.
- 9. The Finance Department.
- 10. Indústries (J) Department
- 11. S/F.O.C.

Forwarded / By Ord

Copy to: PS-to Minister (Industries): "a to Additional Sole Sectedly "baltistries" as is Additional Secretary Undustries!

ATAMER TO ENTRANSFERGE

ladustric, Department there heldeanounts appointed in the Budget Speech 2010-2011 - KSELC Ltd, Tool room/Training Centre, Kuttippuram, Malappuram Clearance to avail funding by Malabus Cements Ltd- and other financial institutions - Approved - Orders issued

INDUSTRIES (D) DEPARTMENT

G.O.(Ms) No. 146/2019/ID.

h

Dated, Thiruvananthapuram

30-06-2010

Read: (i). G.O. (Ms) No. 103/10/10 da fedi 80-04/2010. w/ _ 1001 No. 1324812/10/10 dated 24-06-2010 non-industries (1) Department

Based on the green field / expansion projects announced in the Budget Speech 2010-11, a joint preeting of Minister (Industries) and Minister (Finance) had taken placeon 00-04-2010 and approved or recentical projects and identified the implementing agencies vide Government Order affect Thabove.

The projects are to be financed on this ration. The first part should be as advance to share participation from a Sue (KNIVIII) in The second part should be appointed an entrained interests from these tales. Third part should be from self generated find of the concerned PSU/loan from Financial Institutions/KSIDC and banks.

Offerof the projects is don KSEDC Ltd (KHL TRISE) for seiting up a mini tool room at the prints of Kellmar Decor Commics Little Kuningpurant. The project emisages witch famility for modern tool room machinery required for shaping, milling, purning grinding fremacy from 0.9401 micron for all tooling jobs. and precious job works. The foliat project cost sanctioned is Rs. 12 Grores. The funding pattern will be as follows:-

	Source .	Amount (indakhs)
Equity		400
Loan	MCL	7400
Own fund/loan from Fis / KSIDC		400
Total:		1200

Government guaranter will be provided for estaining loan from the light of some supposation from the manufacturing PSUs will be subordinated to general of loans to those duancial institutions. However, noterest on soft loans will be paid as per the payment schedule.

In the circumstances, Government are pleased to accord sanction to KSEDC Ltd to avail fund from the respective PSUs/Financial Institutions for implementing the project of Look Room/Training Centre at the premises of Kellicon Electro Ceramics Ltd, Kuttippuram, Malappuram in a time bound manner.

(TEXTORDER OF THE COVERNOR),

TBADAKUSHNAN ADDITIONAL CHIEF SECRETARY 10 GOV)

The Managing Director, Kerala State Flectronics Development Corporation Ltd., Keltron riouse, Vellayambalam, Thinusendothapment.
The Managing Director, Keltron blocker Centures Set., Kettippuram, Malappuram
The Managing Director, Malaba, Centente letti, Walayar, Balakkad.
The Managing Director, Kellos Lld. Thinusanahhaperen.
The Director of Industries & Continuence: Direc

The Secretary RIAD Himbyananthapuram.

Copy to:

1 1/2 /

The P. Stick Minister (Industries);
The R.A. to Ardel. Chief Secretary (14(2).
The C.A. to Secretary industries (IV);
The C.A. to Addlic Secretary industries (IV);
The C.A. to Docume Secretary.

Forwarded/By Order,

Section Officer.





മലബാർ സിമന്റ്സ് ലീമിറ്റസ് (ഒരു കേരള സർക്കാർ തമാപനം)

MALABAR CEMENTS LTD A GOVE OF Kerala Bridgeraring



M.SUNDARAMOORTHY
MANAGING DIRECTOR

MD/92/2010/6202 03-08-2010

The Additional Chief Secretary to Government Industries (H). Department Government of Kerala Secretariat Thiruvananthapuram 695 001

Sir,

Sub: Malabar Cements Limited (MCL) -Cherthala Grinding Unit (CGU) - Payment of deferred KVAT -Request for deferment and repayment without interest.

1. Government of Kerata, vide Government Order (P) No.139/2004/ID dt.9-8-2004 and published as S.R.O.No. No.859/2004 dt.9-8-2004 in the Kerata Gazette Extraordinary dt.9-8-2004, had exempted industrial Units owned by PSUs which are manufacturing cement using thy ash as raw material from payment of sales tax for a period of nine years from the date of commercial production or until full utilisation of exemption of 500% of fixed Capital Investment of the Unit.

A copy of the Government Notification in this regard is enclosed as ANNEXURE - I.

7

Mark The last



- Based on the above Government Notification; sales tax exemption was claimed till 31-3-2005, on the Portland Pozzolana Cement (PPC) sold from the Cherthala Grinding Unit (CGU) under the KGST Act.
- 3. On introduction of Kerala Value Added Tax Act (KVAT) with effect from 1-4-2005, the exemption granted under the KGST Act has ceased.
- 4. Under proviso to Sub-Section (1) of Section 32 of the KVAT Act, Government had decided to grant determent of tax for an amount equal to the balance amount available, after availing the sales tax exemption sanctioned as per Government Order (P) No. 139/2004/TO. dt. 9.8-2004 and published as \$18.0 No. 859/2004 dt. 9.8-2004 in the Kerala Gazette Extraordinary dt. 9-8-2004, or for a period of seven years from the date of commencement of commercial production, whichever is earlier on the eligibility worked out at one hundred percent of fixed capital investment.
- 5. Under proviso to Sub-Section (2) of Section 32 of the KVAT Act, if deferment is granted and the liability equal to the amount of any such tax exemption has been created as a loan by Government, it will not attract interest for the period of exemption granted.
- 6. Subsequently, Government of Kerala, Vide: Order (P) No.209/2007/TD dt.09-10-2007 has permitted Malabar Cements Limited to defer the tax payable under KWAT Act for an amount equal to the balance amount available after availing the sales-tax-exemption sanctioned as per Government Order (P) No.139/2004/TD dt.9-8-2004 and published as 5-R.O.No. No.859/2004 dt.9-8-2004 in the Kerala Gazette Extraordinary dt.9-8-2004, or for a period upto 6-8-2010, whichever is earlier on the eligibility worked out at one hundred per cent of the fixed capital investment.

3



A copy of the above Government Order (P) No.209/2007/TD dt.09-10-2007 is enclosed as ANNEXURE - II.

- As per the above Government Order, the payment of Deferred KVAT is due from 7-8-2010.
- 8. The balance of Deferred KVAT payable as per workings of the company is Rs.20,08,43,533.20 (Rupees Twenty Crore, Eight Lakh, Forty Three, Five Hundred and Thirty Three and Paise Twenty Only).
- 9. The Cherthala Grinding Unit (CGU) is closed for the last more than 15 months owing to labour dispute. The net loss (provisional) incurred by the company so far due to closure of the CGU is Rs.570 takes. Now the Walayar Plant has to bear the entire maintenance cost of CGU, besides absorbing the monetary loss on account of non-functioning of the unit.
- 10. Even though the CGU is closed and the electricity consumption has come down drastically (we are using at present is just for lighting purpose), we have to remit electricity charges for 1875 KVA (i.e., 75% of 2500 KVA which is our contract demand at present) which comes to Rs.3,90,000/- per month. For meeting the lighting and maintenance purpose, we need just 200 KVA only for which the electricity charges comes to Rs.33,000/-month. With the KSEB charging for the entire 1875 KVA, we are tosing nearly Rs.Rs.3,57,000/- per month and the loss we have already suffered on this account during the last 15 months comes to Rs.56.25 takks. Though we have taken up the matter with the Government as well as KSEB, we are yet to get a positive response in this regard.
 - 11. The Plant of MCL at Walayar has already completed 25 years of its life. Most of the plant and machinery have either crossed its normal life or become obsolete, necessitating the company to invest huge amounts of both capital and revenue nature to carry modernisation/upgradation/modification jobs in order to improve the efficiency of the existing Plant and Machinery.

4



- 12. The Board of Directors has approved the Capital Expenditure Budget for 2010-11 amounting to Rs.80 crores for Plant Modernisation/Upgradation/Modification jobs. The company has already initiated steps to implement the Board approved capital projects.
- 13. After meeting the Capital Expenditure proposals which are essential and are to be implemented under a time-bound programme during the current year itself, the funds position of the company may become critical and the company will find it difficult to implement the inevitable modification, modernisation and upgradation projects approved by the Board due to tack of funds.
- 14. The Cement Industry is passing through a severe crisis nowadays. The cement production in the neighbouring states has increased manifold; whereas the cement consumption (especially in the State of Kerala) has gone down drastically. This has caused acute cut-throat competition among the private sector giants in the Industry which in turn culminated in all-time record low price reduction of cement. The cement price is going down day by day. During the current financial year (2010-11) itself, the price has gone down to the extent of Rs.40 to 45 a bag. The cement price of MCL which stood at Rs.2351- per bag ex-factory at the beginning of the current financial year has dipped below Rs,2021- per bag.
- 15. Other private sector coment companies are selling coment at Rs. 190 to 200 per bag. MCL cannot accord a price below Rs. 2007- per bag as the cost of production of coment itself comes to that level. While the other comen companies are privileged with lesser cost of production, the cost of production of MCL is high due to various reasons.
- 16. Further, the cost of raw materials has already gone up high due to increase in the cost of petroleum products.

Jan Bridge



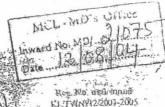
- 17. The Board of Directors of MGL, at its 180th Meeting held on 19-07-2010, has directed to take up the matter with the Government for:
 - (i) deleging the payment for a further period of two years from the due date of payment, i.e., 6th August 2010.
 - (ii) Allowing the company to pay the deferred in 10 interestfree equal instalments (Rupees two crores each) after two years from 6th August 2010.
- 18. In view of the mentioned facts under paras 1 to 17 above, Government may kindly consider for:
 - deferring the payment for a further period of two years from the due date of payment, i.e., 6th August 2010.
 - (iv) allowing the company to pay the defenced in 10 interestfree equal installments (Rupees two crones each) after two years from 6th August 2010.

Submitted.

Yours faithfully For MALABAR CEMENTS LIMITED

MANAGING DIRECTOR

Gnet: as above



Government of Kerds

KLTV(NV122003-2005

KERALA GAZETTE

കേരള ഗസററ്

EXTRAORDINARY -

. . ംന്നുമാധാഗനത്ത

PUBLISHED BY AUTHORITY

യ്യപുക്കുന്നുക്കുന്നു പ്രസ്തിനുക്കുന്നുക്കുന്നു

Marian Ray	Thirdvanianthiparam.	9th August 2004	zin)
Vot. Malix	ನೆಸಿಗ್ಗಳಿಗೆ ಸ್ಥಾ ಪಾತ್ರಿಯ ಅಂಗ್ರಹಿಸಿದ್ದಾರೆ.	2004 amings 1926	1 1712
manya 49	in in its	1926 (poorterna 1.8	

COVERNMENT OF KERALA

Taxes (B) Department

LOCAL MANAGEMENT

G Q. (P) No.129/2004/TD.

Deted, the aconsorthy pure with strong 2004

S. R. O. No. 859/2004. In exercise of the powers conferred by Section 10 of the freedod-General Sales Fin. Act. 1963 (15 of 1963), the Government of Kerala. Inading considered it recessary in the public inforder so to do bereby make an exemption in temporal of the two payable under Statistic sold fine and Act by industrial units owned by Edda. Sector Endounderings which are intuntiversely centern using by ash as a fat innormal, for a period of time years from the fact of commencement of contineered profit fine a central foll arbitration of free of the fixed capital invasions of the only which set is earlies.

Is eaded of the Governor

Sen - P. St. . La Sel de Concernio el

Axplanatora Note

(This does not form part of the Nothingation, but is intended to indican separate purport.)

Fly ath waste produced at Newspaint lautories in the State is a second health hazard on account of environmental pollution. As a part of the pollution control. Government have decided to provide the thinks to Industry Units manufacturing Coment using the safe has part distributed by exempting the particular of safe safe approach of safe safe april of the amount of fixed capital for a period finite grees.

This sometimes is intended to seneve the above place



GOVERNMENT OF KERALA

Taxes (B) Department

NOTIFICATION

G.Q.(P) No.5209/2007/TD: 1617

Charles ...

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them bling, the

Dated, Thirty ananthappeame 9th October 2007

S.R.O.No. is said 2001 - Increase of the powers confused by sub-cection (1) of section: 32 sof Werda: Value Added Tax Act, 2003 (Act 50 of 2004), the Government of Kerala having considered it mosessay in the public interest so to do hereby permit to defer the tax payable and critic said act by Mrs. Malabin Comen Life, Calakkad for an amount equal to the bilance amount evallable after evalling the tales tax exemption sanctioned as per Goos (PONICH 2000) TO deted, Adi Augus, 2004 and published as S.R.O. No.85.972904 in the Warala Gazette Extraordinary dated 5th Atlette. 2004 of for a operiod upto 6th August 2010 whichever is earlier on the eligibility worked out at one hundred per cent offixed capital investment

By order of the Covernor,

J. Harts Fill Sir Section to Contention and

the state of the Contraction

P. Mara Pandivan. Secretary to Government.

Explanatory Note

and the affilia does not form part of the notification; but is intended to indicate its general purport.) .

Covernment have decided to grant the deferment of tax, under proviso to subexection (a) of section 12 of Nerdia Yalis, Added Taxoner 2001, 10 Mis Malabati Cement lid. Palalicad for an amount equal to the busines amount available after availing the sales are exemption sapedoned in per G.O. 124 No. 1242004 To dated, 9th August 2004 and published as S.R.O. No:859/2004 in the Kerdla Gazette Extraordinary disted 9th August, 2004 or for a period of seven years from the deteral commencement of commercial production which exerts earlier on the eligibility worked put at one hundred per cent of fixed capital investment.

This multication is intended to achieve the above object.

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