



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

PUBLIC UNDERTAKINGS
(2016-2019)

NINTH REPORT

(Presented on 08.11.2016)

SECRETARIAT OF THE KERALA LEGISLATURE

THIRUVANANTHAPURAM

2016

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On

Autokast Limited
(Based on the Report of the Comptroller and Auditor General of India for the
year ended 31 March, 2012 (Commercial))

CONTENTS

	<i>Page</i>
Composition of the Committee	.. v
Introduction	.. vii
Report	.. i
Appendix I	
Summary of main Conclusions/Recommendations	.. 10
Appendix II	
Notes furnished by Government on the Audit Paragraph ..	12
 Annexures referred to in the Audit Reports	
Annexure 27	.. 21
Annexure 28	.. 22
Annexure 29	.. 23
Annexure 30	.. 24

COMMITTEE ON PUBLIC UNDERTAKINGS (2016-2019)

COMPOSITION OF THE COMMITTEE

Chairman:

Shri. C.Divakaran

Members:

Shri. T.A.Ahammed Kabeer

Shri. K.B.Ganesh Kumar

Shri. C.Krishnan

Shri. M.M.Mani

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Shri. P.T.A.Rahim

Shri. Raju Abraham

Shri. Sunny Joseph

Shri. C.F.Thomas

Shri. P. Unni

Legislature Secretariat:

Shri.V.K.Babu Prakash, Secretary

Smt. P. K. Girija, Additional Secretary

Smt. Manju Varghese, Deputy Secretary

Shri. Deepa.V, Under Secretary

INTRODUCTION

I, the Chairman, Committee on Public Undertakings (2016-2019) having been authorised by the Committee to present the Report on their behalf, present this Ninth Report on Autokast Limited based on the Report (commercial) of the Comptroller and Auditor General of India for the year ended 31 March, 2012 relating to the Public Sector Undertakings of the State of Kerala.

The Report of the Comptroller and Auditor General of India for the year ended on 31st March 2012, was laid on the Table of the House on 18.2.2013. The consideration of the audit paragraphs included in this report and the examination of the departmental witness in connection thereto was made by the Committee on Public Undertakings constituted for the years 2014-16.

This Report was considered and approved by the Committee (2016-19) at its meeting held on 04.11.2016.

The Committee place on record their appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala in the examination of the Audit Paragraphs included in this Report.

The Committee wish to express their thanks to the officials of the Industries Department of the Secretariat and the Autokast Limited for placing before them the materials and information they wanted in connection with the examination of the subject. They also wish to thank in particular the Secretaries to Government, Industries and Finance Departments and the officials of the Autokast Limited who appeared for evidence and assisted the Committee by placing their views before the Committee.

Thiruvananthapuram,
.....04.....11. 2016.

C.Divakaran
Chairman,
Committee on Public Undertakings.

REPORT ON

AUTOKAST LIMITED

Audit Paragraph

Autokast Limited (Company) was incorporated in 1984 with the objective of promoting, undertaking, financing, executing and developing ferrous and non ferrous castings to meet the requirements of industrial units in the State of Kerala or elsewhere. The Company had been continuously incurring operating losses during the five year period ending 31 March 2011. The major reasons for continued losses, in addition to frequent changes in the management, were insufficient value addition, mismatch in capacity, low labour productivity, excessive consumption of power and high rate of rejections as discussed below:

Tenure of Chief Executive

The tenure of service of the Chief Executive had to be long enough to enable continuity in decision making. We noticed that the Managing Director was changed four times with tenure ranging from seven months to 17 months having adverse effect on the decision making process. Meetings of the Board of Directors/Audit Committee were, however, conducted regularly.

Operational issues

The production process involves feeding of raw material consisting of Cold Rolled Continuously Annealed scrap, Pig Iron, MS Scrap etc, into the Induction Furnace for melting. Necessary additives are added for maintaining the properties of castings as required by the individual customers. The molten metal is then poured into the moulds and after cooling, the same is decored, fettled and machined to form the finished product as per the requirement of the customer.

Expenditure incurred by the Company to generate one rupee sales during the review period was as detailed below:

						(in ₹)
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	Average
Raw material consumed	0.46	0.46	0.48	0.27	0.41	0.41
Manufacturing expense	0.33	0.32	0.28	0.32	0.27	0.31
Employee cost	0.36	0.39	0.40	0.41	0.35	0.38
Other expenses	0.06	0.20	0.20	0.06	0.06	0.12
Total expenditure	1.21	1.37	1.35	1.07	1.10	1.22
Loss	0.21	0.37	0.35	0.07	0.10	0.22

As could be seen, to generate one rupee of sale, the Company had to incur an average total expenditure of ₹ 1.22. Major elements of expenditure were raw materials consumed, manufacturing expenses and employee cost. In this regard, we identified the following areas of operational inefficiency.

Mismatch in capacity

We noticed that the maximum quantity melted and moulded in a month during the year 2011 - 12 was 403 MT whereas the maximum fettling* in a month was only 325 MT including quantity out sourced indicating mismatch in capacity at different stages (*Annexure 27*). This led to under utilisation of the melting capacity in addition to excess consumption of power.

While accepting the existence of mismatch in its melting and fettling capacities, the Company stated (August 2012) that additional fettling facilities have been added and efforts were on to further minimise the mismatch in melting and fettling capacities.

* Removal of protrusions, runners, risers etc, from the decored castings.

Labour productivity

The major element of cost, other than raw material, was employee cost, which constituted nearly 35 to 41 *per cent* of sales revenue. To minimise the employee cost per MT, every effort should be made to maximise labour productivity. The actual productivity, however, varied from 0.45 MT to 0.62 MT during the five years ending 31 March 2011 as compared to the standard* labour productivity of 1.2 MT per month, resulting in under utilisation of manpower (*Annexure 28*). The actual labour cost per MT amounted to ₹ 23984 as against the standard cost of ₹ 10749.

The Company replied that low labour productivity was due to the high employee turnover and shift in the product mix from high weight items to low weight items.

Excess consumption of power

The actual consumption of power varied from 2200 units to 2800 units per MT for the last five years ending 31 March 2011 against the envisaged 1500 units in the project report. The excess consumption of power resulted in increase in average cost of production for the last five years by ₹ 4108 per MT constituting 37.04 per cent of cost of power (*Annexure 29*).

The Company stated that most of the machines in operation were 25 years old which was the major reason for high power consumption. The Company also stated that they were vigilant in bringing down the power consumption and had achieved 1647 unit per MT of production during the month of June 2012.

* Source : Detailed Project Report

High rate of rejection

The production process should be managed efficiently to ensure product conformity with customer requirement keeping the rejection level to the minimum. While industrial norm for in-house rejection was 4 *per cent* and customer rejection 1 *per cent*, the actual in-house rejection ranged from 4.90 to 7.61 *per cent* and customer rejection from 1.68 to 3.16 *per cent* during the last five years. The reasons identified by the Company for excessive rejections were poor quality of sand used, poor workmanship etc.

The Company replied that rejection was a matter of concern for them and steps had been taken for containing rejection. It further stated that current rejection levels were within the industry norm. The reply was not acceptable as present rejection levels were also very high i.e. 10.02 *per cent* and 9.55 *per cent* for July and August 2012 respectively as compared to the industrial norm.

Insufficient value addition

Value addition* achieved by the Company varied from ₹ 27678 per MT to ₹ 41068 per MT (100 to 127 *per cent* of the cost of raw materials) during the period. This, however, was not sufficient to meet even the manufacturing and labour cost of ₹ 36102 per MT to ₹ 51896 per MT (126 to 157 *per cent* of cost of raw materials) over the last five years (*Annexure 30*).

The Company pointed out their inability to import steel scrap during import friendly time and hold sufficient stock of raw material due to working capital shortage apart from stiff competition in casting market as the reasons for insufficient value addition. The Government may consider addressing the issue of working capital short age.

* Value addition = sales - cost of raw material

Government assistance

The Government of Kerala invested (March 2011) ₹ 19.97 crore as equity in the Company. Against the above, the Government suffered a loss of ₹ 5.12 on every rupee of its investment. During the review period up to 31 March 2011, the Company received ₹ 27.63 crore by way of loans (₹ 23.81 crore) and grants (₹ 3.82 crore) from Government of Kerala which constituted ₹ 24735 per MT of sales and 103.13 *per cent* of the employee cost (₹ 23984 per MT).

[Audit Paragraph 4.1.3. contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2012]

Notes furnished by the Government on the Audit Paragraph is given in Appendix II.

1. The Committee wanted to know the reason for the frequent change in Managing Directors which adversely affect the decision making process of the Company. The witness replied that the present Managing Director had been there for the last 4 years and hence, no issues are there in this regard at present.
2. When the Committee enquired the reason for mismatch in capacities in the melting and fettling production centres, the witness responded that shortage in in-house fettling facilities and the use of obsolete machinery caused mismatch in capacity. Since the machinery was very old and needed renovation the Company completed the modernisation of machinery using the fund allotted by the Government in 2011-12 and thus the capacity mismatch issues had already been solved and the present fettling capacity and production were running convergent.

3. Regarding the audit objection on low labour productivity, the witness informed that due to the termination of moulder trade course by the Government, the Company was not able to recruit skilled labourers and the Company was forced to recruit temporary employees having no work experience resulting in a low productivity ranging from 0.45 MT to 0.62 MT as to the standard labour productivity of 1 MT per month. He further explained that the Company was taking effective steps for improving the labour productivity and now it was increased to 1 MT per month approximately.

4. To a query of the Committee regarding the excess power consumption which resulted in an increase in the average cost of production for the last five years by ₹ 4108 per MT constituting 37.04 percent of the cost of power, the witness informed that 25 years old machines in operation was the key reason for high power consumption. He also stated that they had completed the renovation of 11 KV substation using the fund allotted by the Government and at present they were able to reduce the power consumption to a tune of 2200 - 1800 to 1647 units avoiding the transmission losses.

5. The Committee was aggrieved to learn that the Company had been continuously incurring losses since its inception and the cash loss had increased to an amount of ₹ 2 crore 18 lakhs. Raw materials like melting scrap, iron scrap, silica, sand etc. used for castings were poor in quality and the engineering methods followed in the production process were not effective to predetermine the quality of end product. Therefore the Committee points out that the use of low quality raw materials, poor workmanship, improper management in production process etc. were the major reasons for excessive rejection. The Committee enquired whether any measures had been taken to reduce rejection rate within the industry norms.

Then the witness replied that steps had been taken for minimizing the rate of rejection and further stated that the Company had adopted a new software supported electronic method and were able to reduce the in-house rejection from 7.61% to 3.61% and customer rejection to 6.72%.

6. The Committee wanted to get clarification regarding the insufficient value addition achieved by the Company which was not sufficient to meet even the Company's manufacturing and labour cost. The witness admitted that they could not achieve 157% of value addition as directed by the Audit and were able to achieve a value addition of only 127% of the cost of raw materials during the audit period. He also added that after the implementation of e-tendering, raw materials at a cost of ₹ 27000/MT could be purchased as compared to the previous purchasing cost of ₹ 36,102/MT.

7. When the Committee asked to enumerate the present problems faced by the Company, the witness stated that the non-availability of raw materials such as high melting scrap was the major problem facing them and grade I quality HMS itself is required to get best results. Since there was no agency for importing Grade I HMS, it was to be procured at higher rates. When the Committee enquired about the current status of modernization process, the witness informed that the modernization process had been completed and they were about to install the new machinery and equipment designed as per the latest technology. After the Commissioning of new plant the percentage of loss would be considerably reduced and productivity could be increased.

CONCLUSIONS/RECOMMENDATIONS

8. The Committee expresses its displeasure over the frequent changes in Managing Directors which adversely affects the functioning of the Company. The Committee observes that the company has been continuously incurring losses during the 5 year period ending March 2011 as the scarcity of skilled labourers, raw materials and out dated engineering methods are affecting the productivity of the company.

9. The Committee is dissatisfied with the prolonged use of old and worn out machinery which is resulting in high power consumption. The Committee therefore recommends to install the new plant with latest technology as early as possible.

10. It has come to the notice of the Committee that, as of now, the Company lacks adequate skilled labourers. Because of this, the Company employs unskilled labourers and this has marred the labour productivity to a greater extent. The Committee, therefore, recommends that the company should utilize the services of skilled permanent labourers instead of unskilled temporary labourers.

11. It is observed that the scarcity of raw materials has been a pernicious matter affecting the Company. It is evident that the company is paying an exorbitant cost

towards raw materials, since the procurement of it is made on credit. The Committee, therefore opines that the Govt. should lend unequivocal support to the company in procuring raw materials at a reasonable cost by keeping away the foregoing transaction on credit.

Thiruvananthapuram,
..... 2016.

C. DIVAKARAN
Chairman,
Committee on Public Undertakings

APPENDIX I

SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations
(1)	(2)	(3)	(4)
1	8	Industries	The Committee expresses its displeasure over the frequent changes in Managing Directors which adversely affects the functioning of the Company. The Committee observes that the company has been continuously incurring losses during the 5 year period ending March 2011 as the scarcity of skilled labourers, raw materials and out dated engineering methods are affecting the productivity of the company.
2	9	Industries	The Committee is dissatisfied with the prolonged use of old and worn out machinery which is resulting in high power consumption. The Committee therefore recommends to install the new plant with latest technology as early as possible.

3	10	Industries	It has come to the notice of the Committee that, as of now, the Company lacks adequate skilled labourers. Because of this, the Company employs unskilled labourers and this has marred the labour productivity to a greater extent. The Committee, therefore, recommends that the company should utilize the services of skilled permanent labourers instead of unskilled temporary labourers.
4	11		It is observed that the scarcity of raw materials has been a pernicious matter affecting the Company. It is evident that the company is paying an exorbitant cost towards raw materials, since the procurement of it is made on credit. The Committee, therefore opines that the Govt. should lend unequivocal support to the company in procuring raw materials at a reasonable cost by keeping away the foregoing transaction on credit.

REPLY TO THE AUDIT PARA 4.1.3.1.28. IN RESPECT OF AUTOKAST AND SILK LTD ON THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR ENDED 31.03.2012 (Commercial)

REPLY

<u>Para 4.1.3</u>	<table border="1"> <tr> <td data-bbox="343 288 790 1122"> <u>Mismatch in capacity</u> The maximum quantity melted and moulded in a month during the year 2011-12 was 403 MT whereas the maximum fettling in a month was only 325 MT including quantity out sourced indicating mismatch in capacity at different stages (Annexure 27). This led to under utilisation of the melting capacity in addition to excess consumption of power. </td><td data-bbox="790 288 1420 1122"> It is a fact that there exists mis-match in capacities in the Melting and Fettling Production Centres. The Production achieved in the company is directly linked to the molten metal produced, since the company is not having any arrangements for job melting outside the company, which is also not feasible. In the case of Fettling, the company has got 4 Ancillary Units outside the premises of the company for job fettling, which is feasible. The shortage in In-house fettling facility is met by out sourcing. However, fully understanding this deficiency, the company has already added sufficient additional fettling facilities within the premises of the company. As a matter of fact Company has already added 5 sets of Fettling tools to the existing fettling section and added sufficient manpower. The company has also taken steps to monitor any further gap between Melting capacity </td></tr> </table>	<u>Mismatch in capacity</u> The maximum quantity melted and moulded in a month during the year 2011-12 was 403 MT whereas the maximum fettling in a month was only 325 MT including quantity out sourced indicating mismatch in capacity at different stages (Annexure 27). This led to under utilisation of the melting capacity in addition to excess consumption of power.	It is a fact that there exists mis-match in capacities in the Melting and Fettling Production Centres. The Production achieved in the company is directly linked to the molten metal produced, since the company is not having any arrangements for job melting outside the company, which is also not feasible. In the case of Fettling, the company has got 4 Ancillary Units outside the premises of the company for job fettling, which is feasible. The shortage in In-house fettling facility is met by out sourcing. However, fully understanding this deficiency, the company has already added sufficient additional fettling facilities within the premises of the company. As a matter of fact Company has already added 5 sets of Fettling tools to the existing fettling section and added sufficient manpower. The company has also taken steps to monitor any further gap between Melting capacity
<u>Mismatch in capacity</u> The maximum quantity melted and moulded in a month during the year 2011-12 was 403 MT whereas the maximum fettling in a month was only 325 MT including quantity out sourced indicating mismatch in capacity at different stages (Annexure 27). This led to under utilisation of the melting capacity in addition to excess consumption of power.	It is a fact that there exists mis-match in capacities in the Melting and Fettling Production Centres. The Production achieved in the company is directly linked to the molten metal produced, since the company is not having any arrangements for job melting outside the company, which is also not feasible. In the case of Fettling, the company has got 4 Ancillary Units outside the premises of the company for job fettling, which is feasible. The shortage in In-house fettling facility is met by out sourcing. However, fully understanding this deficiency, the company has already added sufficient additional fettling facilities within the premises of the company. As a matter of fact Company has already added 5 sets of Fettling tools to the existing fettling section and added sufficient manpower. The company has also taken steps to monitor any further gap between Melting capacity		

	<u>Labour productivity</u> The major element of cost, other than raw material, was employee cost, which constituted nearly 35 to 41 per cent of sales revenue. To minimise the employee cost per MT, every effort should be made to maximise labour productivity. The actual productivity, however, varied from 0.45 MT to 0.62 MT during the five years ending 31 March 2011 as compared to the standard labour productivity of 1.2 MT per month, resulting in under utilisation of Manpower (Annexure 28). The	and Fetting capacity and then it will be brought to minimum even with the augmentation of Steel melting facility in the company as the company has plans for adding further sufficient Fetting facilities in the company in the near future, keeping in mind the new Crucibles put to use. The present fetting capacity and production is matching' The company is taking effective steps for improving the labour productivity. During the last five years the employee turnover was to the extent of 97. In those places the company could not retain any permanent experienced hands. The Company has been engaging temporary hands with no working experience to recoup the deficiency in manpower. The temporary hands are not expected to give the same productivity the experienced workmen give. However, the company has got a regular mechanism for imparting training within the department levels for improving labour productivity and such steps are showing results. Of late the
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actual labour cost per MT amounted to Rs. 23984 as against the standard cost of Rs.10749.

product mix in the company has also been changed. There has been considerable shift in the items being produced from high weight items to low weight items. The company is not getting sufficient orders for wind mill which is high weight items. If low weight items are produced that too with too many cores, the labour productivity would be low. This is purely dependent on the prevailing market scenario.

Excess consumption of power

The actual consumption of power varied from 2200 units to 2800 units per MT for the last five years ending 31 March 2011 against the envisaged 1500 units in the project report. The excess consumption of power resulted in increase in average cost of production for the last five years by ₹4108 per MT constituting 37.04 per cent of cost of power.

The consumption standards of power at 1500 units per MT of castings, as might have been mentioned in the DPR may be related to Molten metal alone, whereas the specific consumption in the audit para refers to finished castings. Moreover, when DPR was prepared the specific consumption might have been calculated based on working of modern power efficient machinery items, as may be required for a new project. In Autokast the existing equipments and machinery items are very old

		certain items, even 28 years old. Performance of these old equipments can never be comparable with the modern power efficient electrical equipments. Another very important criterion behind better specific consumption is the direct linkage of tonnage of quantity produced. If the production of casting is less, relatively the specific consumption will go up. Due to age of machinery items like EOT crane etc, at times, the company cannot avoid breakdown, as a result of which the company is left with no other alternative than to hold the molten metal. This affects the specific consumption very badly. <u>Action taken to bring down the power consumption.</u> Autokast Ltd conducted Energy Audit by their internal experts, identified the areas, contributing negatively. As a matter of fact 55% of company's total consumption relates to Furnace crucibles alone. The furnaces are very old and it is not possible to change all the furnaces altogether,
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		because of funds constrains. It has been decided to replace few furnace yokes, which is suffering from overheating owing to poor insulation of laminated plates. Company will replace the power intensive yokes and coils one by one in a phased manner depending upon the availability of funds, steps have been taken to put the critical machinery under preventive maintenance wherever possible, so as to avoid breakdown and holding up of molten metal in the furnace. Company is also planning to install more power capacitors to the furnace with a view to achieve, improved power factor and a periodic plan for imparting required training to the Operators. This year Company is also planning to achieve 4740 MT production with an average monthly tonnage of around 400. This will definitely improve the specific consumption to a great extent.
	<u>High rate of rejection</u> The production process should be managed efficiently to ensure product conformity with customer requirement	Quality of end product, especially in a foundry unit is directly linked with the quality and standard of input materials. The major raw materials like iron

keeping the rejection level to the scrap and silica sand plays crucial role over the minimum. While industrial norm for in-house rejection was 4 per cent and customer rejection 1 per cent, the actual in-house rejection ranged from 4.90 to 7.61 per cent and customer rejection from 1.68 to 3.16 per cent during the last five years. The reasons identified by the Company for excessive rejections were poor quality of sand used, poor workmanship etc.	soundness of castings. The silica sand used in manufacturing of moulds for castings are supposed to be sieved and graded confirming to AFS standards (American Foundry Society). Due to financial stringency, company could not strictly follow these stipulations. It is another bottleneck of the unit that the melting scrap used is procured from local market in small quantities, which is poor in quality and contains different grades of steel. The quality and homogeneity of imported shredded scrap is always far better when compared with local scrap. But it can be imported only in bulk quantity and is possible only through irrevocable bank L.C. The Company does not have any bank support since last 15 years and operated through a current A/c. For opening L.C the unit have to deposit 105% of the invoice value which is not possible for time being. However company has initiated steps to control the quality of input materials by incorporating
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best in house inspection and analysis on each loads of incoming materials and able to reduce the rate if rejection during recent years.

Another factor directly connected with the rejections of end products is the Engineering method followed by the unit, for the development of new product according to the demand of market, company follows trial and error method on designing till freezing a better option. During such R&D trials percentage of rejection can go high according to the nature and complicity of different castings. Hence development of castings contributes a lot of rejections in between the trails.

In place of this old practice company have adopted new software supported electronic method and enable to reduce in house rejections on account of development of new items. With this new system it is enabled to predetermine the outcome and on slight modifications of the method the improvement on end product could be evaluated in advance before producing the item.

In sufficient value addition	Value addition achieved by the Company varied from ₹ 27678 per MT to ₹ 41068 per MT (100 to 127 per cent of the cost of raw materials) during the period. This, however, was not sufficient to meet even the manufacturing and labour cost of ₹36102 per MT to ₹51896 per MT (126 to 157 per cent of cost of raw materials) over the last five years.	Company had initiated steps to obtain better rates and demand for the price hike stipulated before all the major customers. continues follow ups on this demand endow with positive trend and company could gain slight price hike so far. The efforts in this line are still continuing and better price on all the final products are expected within short while. In addition to the above, the unit already aimed to produce and market steel castings also along with the sales of existing GI and SGI castings. The installation jobs of required machinerries and equipments are in progress and expected to be commissioned shortly. Steel castings has not high demand in both the domestic and abroad market as most of the major clients are switching over to steel components replacing cast iron. Better value addition is possible for steel castings as the number of players in this sector is much less when
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<u>Para 1.28</u>	Of the 77 PSUs with arrears of accounts, Government of Kerala had extended support to 50 PSUs having arrears ranging from 1 to 12 years. The support extended was ₹1677.91 crore (equity: ₹163.28 crore, loans: ₹294.29 crore, and grants: ₹1220.34 crore) during the years for which accounts have not been finalised as detailed in Annexure 4.	compared with GI.
		Steel Industrial Kerala Ltd and Autokast Ltd have already finalized and filed their Annual Accounts up to the Financial Year 2012-13 and as such no accounts are pending with them.

Annexure 27

Statement showing mismatch in capacity in respect of Autokast Limited
(Referred to in paragraph 4.1.)

(in M)

Year	Installed production capacity	Plant production	Maximum production capacity	Maximum production capacity
2007-08	2695	1555	306	157
2008-09	2034	1239	201	129
2009-10	2467	1209	341	166
2010-11	3112	1888	304	201
2011-12	3579	2797	403	315

Annexure 28

Statement showing labour productivity in respect of Autokast Limited
(Referred to in paragraph 4.1.3)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Production (MT)	2278.60	2333.74	1986.44	1914.20	2659.04	11172.02
Manpower required as per DPR norm	158	162	138	133	185	
Executives and staff	46	51	49	43	35	
Factory workers (Permanent)	280	257	246	229	207	
Factory workers (Temporary)	21	44	37	78	116	
Total manpower employed	347	352	332	350	358	
Excess manpower	189	190	194	217	173	
Actual labour productivity	0.55	0.55	0.50	0.45	0.62	
Total Employee cost (₹ in lakh)	419.17	493.52	559.55	544.81	662.49	2679.54
Avg. employee cost p.a. (₹ in lakh)	1.21	1.40	1.69	1.56	1.85	
Excess expenditure (₹ in lakh)	228.69	266.00	327.86	338.52	320.05	1481.12
Excess labour cost per KG (₹)	10.04	11.40	16.50	17.68	12.04	
Actual labour cost per KG (₹)	18.40	21.15	28.17	28.46	24.91	
Percentage of excess labour cost	54.56	53.90	58.59	62.14	48.31	
Standard employee cost	191.18	226.80	233.22	207.48	342.25	1200.93
Actual employee cost per MT	18395.94	21147.17	28168.48	28461.50	24914.63	23984.38
Standard employee cost per MT	8390.24	9718.31	11740.60	10838.99	12871.19	10749.44

Annexure 29

Statement showing power consumption in respect of Autokast Limited
(Referred to in paragraph 4.1.)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Gross production (MT)	2278.60	2333.74	1986.44	1914.20	2659.04
Total units consumed	5278200	5524700	4370600	5318600	6186200
Units consumed per MT	2316	2367	2200	2779	2326
Excess consumption per MT	816	867	700	1279	826
Average rate per unit (₹)	4.64	4.6	5.32	4.52	4.32
Actual cost of power per KG	10.75	10.89	11.71	12.56	10.05
Excess cost of power per KG	3.79	3.99	3.73	5.78	3.57
Percentage of excess cost of Power	35.24	36.64	31.82	46.01	35.52
Total actual cost of consumption(₹)	2449084 8	2541362 0	2325159 2	2404007 2	2672438 4
Total excess cost of consumption (₹)	8631792	9310814	7399801	1106181 6	9493805
Weighted average cost of actual power consumption per MT(₹)					11092
Weighted average cost of excess consumption of power per MT (₹)					4108
Percentage of excess cost of consumption					37.04

Annexure 30

Statement showing value addition in respect of Autokast Limited
(Referred to in paragraph 4.1.3)

	(₹ in lakhs)				
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Net sales	1149.26	1271.63	1410.48	1315.02	1867.89
Cost of Raw material	537.44	629.44	620.5	619.77	932.49
Value addition	611.82	642.19	789.98	695.25	935.4
Sales quantity (MT)	2210.472	2283.645	1923.599	1871.715	2614.342
Value addition per MT(₹)	27678	28121	41068	37145	35780
Percentage of Value Addition	114	102	127	112	100
Manufacturing Expense	378.85	412.37	389.23	426.54	511.88
Labour cost	419.17	493.52	559.55	544.81	662.49
Percentage of Manufacturing & Labour cost on Raw Material	148	144	153	157	126
Manufacturing and Labour cost per MT	36102	39669	49323	51896	44920