

## The turn around of KMML and Exemplary Business Achievements during 2008-2009

**The Kerala Minerals and Metals Limited** has demonstrated exemplary business achievements during the fiscal 2008-2009. We are proud to present the saga of KMML revival and its achievements during the year.

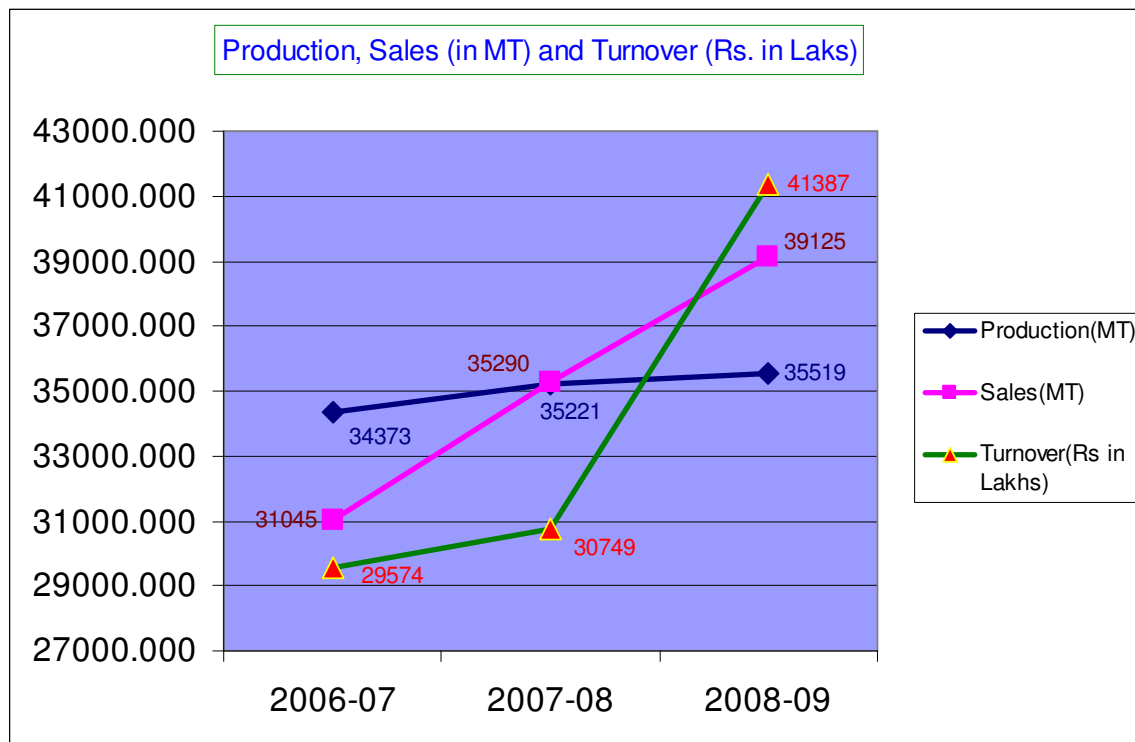
The turn around actually started during January – March quarter of 2007-2008 when the KMML produced 10112 MT, sold 11992 MT at a turnover of Rs.102 crores compared to 25109 MT and 23298MT at a turnover of Rs.205 crores respectively for the period April – December 2007. The loss for the period Apr – Dec 2007 was converted into a year end profit of Rs. 10.44 crores because of the improved fourth quarter performance.

In 15 month period from January 2008 to March 2009, the Company was able to turn around because of an energetic effort at cost reduction, increasing production, aggressive marketing and world class internal management systems, enhancing employee motivation, fast and high-quality decision making relying on a constant watch over on-line operating information and its analysis. The production efficiency, sales growth, cost reduction and commitment to staff, customers, shareholders and the society are some of the areas where company made remarkable improvements. All these achievements were in spite of the lean period experienced in the market in second half of this year and hence it enhances the shine of these achievements.

The **Titanium Dioxide production** during the year 2008-2009 was 35519 MT, surpassing the previous year's **record** quantity of 35221 MT. This is in spite of low production in Nov, Dec and Jan this year because of a sudden drop in demand. Moreover the production during the month of March 2009 was 3762 MT with **113% capacity utilization**. In Mineral Separation Plant, production of ilmenite and other minerals has gone up in last quarter despite of the low concentration of minerals in the raw sand available. **Zircon Production** also has achieved an **all time record**.

**Record sales of Titanium Dioxide** showed significant improvement in the face of economic slow down. There is also good sales realisation during the financial year 2008-2009. There is a **35% increase in net sales turnover**. The turnover including excise duty stands at Rs.458 crores which is **an all time record** in the history of KMML. This indicates company could achieve better results even during economic recession all over the world.

The **profit** earned during the fiscal 2008-09 is Rs. 71 crores which is **the highest in the last six years**. This outshines the higher profit margins achieved in the earlier years under protective environment of high import duties. The company has acquired the confidence to move forward to the global market of zero duty.

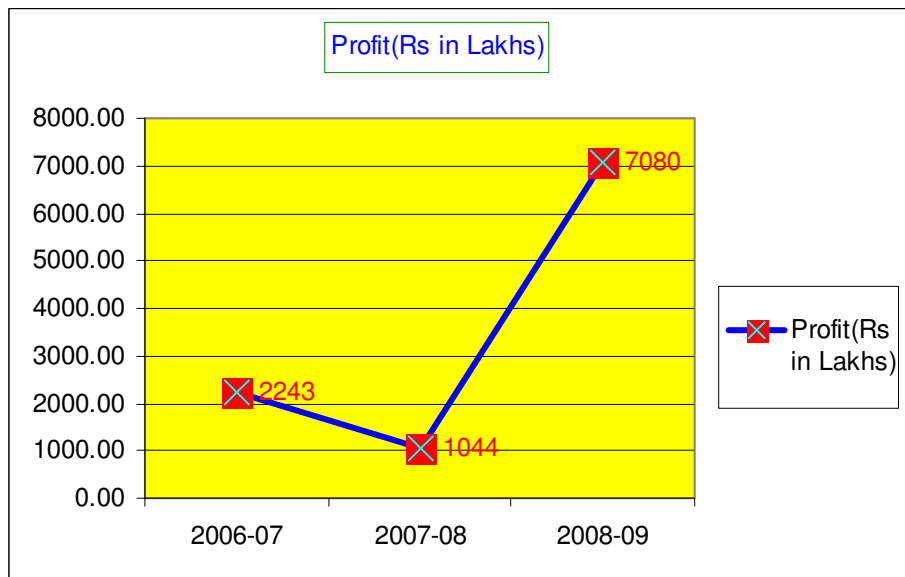


The profit earned was the result of many proactive, fact based and ethical decisions taken at the proper time but substantial cost reduction initiatives contributed much to the profit making process. There is [substantial cost reduction](#) during the financial year 2008-2009.

[The mining activities](#) were [streamlined](#) in a disciplined manner. Pre-concentration of Beach Sand is successfully implemented to overcome the crisis due to low grading of beach sand. As role model public sector company, [contributing meaningfully to social](#) and other stakeholder welfare, KMML could step up the mining activities, which is critical to the profitability of the organisation. The organization have proved itself to be a leader in Social and Employee welfare by virtue of its investment, innovation and unflinching commitment to its social and employee programs.

It is commendable that KMML has [finalized the wage revision of employee](#) giving substantially higher wages of 21%, and retain all employees while other companies are slashing employee salary and reducing their employee strength all over the world due to economic slowdown. KMML also implemented monthly cultural programmes for the employees and their family, regular sports activities and other motivation packages.

We believe that there should be a management culture where decision making is diffused and decentralized based on adequate sharing of information on its operation and structured feedback.



Hence a distributed on-line management information system is developed and implemented in the company and the same is being used by all employees to share the information among employees, customers, suppliers and all other stakeholders.

#### **New initiatives under progress**

As a part of revitalization scheme three cost reduction projects focusing on improving overall profitability is being implemented. The project for the total outlay of Rs.98 crores is totally financed from internal generation. **Fluid Bed Boiler with coal, Capacity Augmentation of the Synthetic Rutile Plant and Separation of valuable Minerals** are the three cost reduction projects envisaged and being implemented by the company.

The Company is exploring the possibility of establishing **co-generation of power** of 20 MW capacity along with coal based boiler project. This backward integration initiative will ensure the power requirement of the company.

Initiatives for developing **Community Mining** are progressing fast. This is an evidence of the organizations commitment to the society where it is being operated.

Another prestigious major project, **Titanium Sponge Project** is moving ahead fast. Activities relating to the supply of plant and machinery are progressing as per schedule. The project trial run is expected to begin by December 2009. With this India will be the seventh country in the world with such a plant which will be the first in our country.

All the above shows a robust growth during the financial year 2008-2009.

**These results represent what is probably the finest turn around in the history of industrial management in Kerala. It has swept away many negative images and false beliefs.**