CHAPTER III

PROFILE OF THE SELECT INDUSTRIAL COMPANIES
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Present chapter is a brief description of the industries and their companies that are selected as sample for the current study. The profile of the select companies are discussed along with the industry background.

3.1 SAMPLE INDUSTRIES AND COMPANIES

From four industries, viz., Agro-chemicals, Cement, Hotels and Steel, five companies from each of the industry and thus a total of 20 companies are selected as sample companies. The profile of these sample companies is opt to discuss before to analyze the factors influence the market prices of the shares and also the earnings of the equity investment, which is the specific topic of the study.

3.2 AGRO-CHEMICALS INDUSTRY

A broad term for chemical based agricultural products is Agri-chemical or Agrochemical. After USA, Japan and China, India secures fourth global rank as a supplier of agrochemicals in the global market, which proves the potentiality of this industry in India. Agrochemicals refer to a comprehensive range of pesticides, including insecticides, herbicides and fungicides. Yet the consumption of agrochemicals in India when compared to the USA is startlingly low with 0.58 kg/hectare where USA has 4.5kg/hectare and Japan with higher consumption with 11kg/hectare. The per capita accessibility of land which
appeals for a substantial expansion in the use of agrichemicals in our country has been dwindling because of the perpetually growing population. The export capacity of agricultural industry in India can be doubled in next few years by employing innovative technology, increase in domestic consumption and strategic moves by the agrochemical industries.

A multifaceted chain of manufacturers, formulators and distributors are convoluted in the production of agrochemicals in India. There are 125 ‘technical grade manufacturers’ including 10 multinationals, 800 ‘formulators’ and over 145,000 ‘distributors’. About 60 technical grade agrochemicals are manufactured originally. Irregular demands during seasonal crops and reliance of farmers on monsoon season are the main reasons for the low utilization of agrochemicals in our country. The two factors that are enabling India to export agrichemicals to US and some European and African countries are low cost manufacturing of agrichemicals and availability of low cost labor. Some key factors that are driving the agrochemical industries in India are:

- The growing population with land mass less than 2%, India requires achieving self-sufficiency in production of food grains to encounter the ever-growing demand for food grains which is an imperative factor for agrochemicals market.
- Due to the reasonable hike of 50% in the fields of floriculture and horticulture, Indian government has launched “national horticulture mission” which will create a demand for agrochemicals.
✓ Increasing the awareness among the farmers is expected to upsurge the agrochemicals.

The selected profiles of the companies from the agrochemical industries are discussed hereunder.

3.2.1 Aditya Birla Chemicals Ltd

Aditya Birla Chemicals (India) established in 1976 is co-promoted by the Aditya Birla Group and BSIDC. It started commercial production in the year 1984 which was earlier known as Bihar Caustic and Chemicals Limited. The company is one of the units of the Aditya Birla Group and one of the leading chlor-alkali companies in India. In the year 2003, the company became a subsidiary of Hindalco which again is an Aditya Birla Group company. The company has a 30MW captive power plant, and has also converted to mercury cell technology. Currently, the installed capacity stands at 105,000 tpa. For value addition and the effective utilization of chlorine, ABCIL commissioned an aluminum chloride and stable bleaching powder (SBP) plant. Aluminum chloride is the principal catalyst used in the Friedel-Crafts reaction and widely used in pharmaceuticals, chemical intermediates, agrochemicals, dyestuffs and pigments, hydrocarbon resins, flavors and fragrances. SBP is used in textile mills for bleaching, sanitation, sewage systems, tanning process, organic synthesis and other applications.

The company acquired its major competitor unit in the eastern region, the Chloro Chemicals Division of Kanoria Chemicals based in Renukoot, in May 2011 to enrich the
portfolio of the Aditya Birla Chemicals Business. With the addition of this unit, named Renukoot Chemical Division (RCD), the Aditya Birla Chemicals Business ranks as one of the leading players in the chlor-alkali segment in India.

Following this acquisition, the company has successfully completed caustic capacity expansion by 145 TPD at Renukoot. This has added about 129,000 tpa to the existing caustic capacity of 105,000 tpa of the company. RCD utilizes the chlorine available in its value-added products like Stable Bleaching Powder (SBP), Poly Aluminum Chloride (PAC), Aluminum Chloride (AlCl₃), and Chlorinated Paraffin Wax (CPW). ABCIL has also acquired chlor-alkali and phosphoric acid division of Solaris Chemtech Industries Limited, based in Karwar, Karnataka. With the addition of this unit, named Karwar Chemical Division, the company makes a strong foothold in the southern region, which provides growth opportunities in the caustic business as well as a leadership position in phosphoric acid.

### 3.2.2 Atul Ltd

In 1975 December 11th the company was incorporated at Ahmedabad which was initially promoted by Gujarat Industrial Investment Corporation Ltd. They started to manufacture synthetic cresol and it is by products like sodium sulphite, sodium sulphate, gypsum and soda ash, dyestuff, chemicals, drugs and pharmaceuticals, etc. To its success factor, the Atul company shares are listed both at National Stock Exchange and Bombay Stock Exchange. Atul is one of the flagship companies of Lalbhai Group and is a chemical conglomerate serving both national and international customers. Its first manufacturing site
of the company spread over 1250 acres in Gujarat, India is an integrated chemical complex having its registered office in Ahmedabad and Head office at Valsad.

Late Kasturbhai Lalbhai, a known Indian industrialist and philanthropist founded Atul on September 15th, 1947, and it was inaugurated by Jawaharlal Nehru, the Prime Minister of India on March 17th, 1952, after independence of India, at Atul Village. It happens to be the first private sector plant. Atul manufactures 1,350 products giving priority to safety, health and environment. These products are divided into two segments, viz., Life Science Chemicals and Pharmaceuticals and Other Chemicals. In order to enhance service to the customers, these products are placed under 6 businesses, viz., Aromatics, Bulk Chemicals, Colors, Crop Protection, Flora, Pharmaceuticals and Polymers, depending upon the industries serviced.

Atul has brought many products to India for the first time - Sulphur Black, Disperse, Reactive and Vat dyes, 2,4-D Acid and its derivatives, Epoxy resins and hardeners, Phosgene, Sulphonylureas, etc. to name a few. The Company also established Atul Rajasthan Date Palms Ltd (74% Atul, 26% Government of Rajasthan) to produce, for the first time in India, tissue cultured date palms to enhance ecology and economy of the arid regions.

### 3.2.3 Dhanuka Agritech Limited

The Company was incorporated in 1985. It belongs to Dhanukha group of companies. It is an established participant in the insecticides segment of India's crop
protection chemical business. The company has set up a new Du Net 12:5L formulation plant in June, 1992. Dhanuka Agritech Limited is the umbrella company for the business of agro-chemicals, fertilizers, and seeds of Dhanuka Group. The company reaches out to more than 10 million farmers with its eco-friendly high quality crop care products. The Agri-Division has a pan-India presence through its marketing offices in all major states in India. With a dealer network of 15,000 across India, the group has been able to make “Dhanuka” the preferred choice of farmers.

With the promotion of DKKNT (Dhanuka Kheti Ki Nai Takneek) and the Group’s focus on extension activities coupled with strong R&D setup, Dhanuka has become a household name in the farming community across the country. Dhanuka Group has taken up a number of community welfare programs like Dhanuka Ashram at Vrindavan (U.P) for the benefit of pilgrims, Dhanuka Adarsh Vidya Mandir at Ratangarh (Rajasthan) for the less privileged students as well as Scholarships for promising Agri students. Dhanuka Agritech Limited handles crop care business of Dhanuka Group. The core strength of the company lies in its vast distribution network spread in the interiors of rural India through 27 branch offices, 1000 plus techno-commercial staff and 15,000 highly dedicated dealers. It has 4 modern manufacturing facilities at Gurgaon and Sohna in Haryana, Sanand in Gujarat and Udhampur in J&K for formulation of various grades of pesticides, fungicides, miticides, weedicides, plant growth stimulants, plant growth regulators, foliar fertilizers and sticking agents. It also has 2 Seed Processing Units at Mandideep in M.P. and Turkapalli (Hyderabad) in Andhra Pradesh.
3.2.4 Excel Industries Limited

The company was started on 5th September 1960, as a private limited company and became Public Ltd Company in 1965. The Company manufactures basic industrial chemicals, pesticides, fumigants, etc. Excel Industries is engaged in manufacturing Agrochemical intermediates, phosphates, specialty chemicals, biocides and pharma products. The company’s manufacturing units are located at Maharashtra and Gujarat. Excel Industries’ manufacturing facilities have received ISO 14001 and IS 18001 certifications for its quality management.

The company is engaged in conducting research and development activities for creating several custom-made products for meeting specific customer requirements. The company owns a subsidiary namely Kamaljyot Investments. Excel Industries has mastered in technologies and processes namely Bromination, Chlorination, Acetylation, Diels Alder Reaction, Hydrogenation, Phosphorylation and Cyclisation. Excel Industries has received Certificate of Excellence from Bayer Crop Sciences in the year 2007. It was awarded second prize for Energy Conservation and Management from Indian Chemical Council.

Excel industries is expanding a range of products in the polymer inputs and pharmaceutical intermediates area with some new molecules under trial from the potential customers. Upon securing the approval for these, the Company will undertake the work of scaling up these processes and establishing the production. It is also exploring new areas like Mining Chemicals while retaining its lead in the Agrochemical intermediates.
3.2.5 Rallis India Ltd

The Company was incorporated on 23rd August 1948, at Calcutta. The Company manufactures and sells pharmaceuticals, super phosphate, fertilizer mixtures, pesticides, hydro sulphite of soda, electric fans, petrol fans, petrol engines and garments and also trades in fertilizer, cotton, tanning materials, piece goods, textiles, crushed bones and marine products. The Company has distribution arrangements for single and compound fertilizers, electric fans, stationary and portable machine tools, electrical appliances, power sprayers, pharmaceuticals, chemicals, and household products. Rallis Brothers Ltd., was incorporated in West Bengal to carry on business in India.

Rallis India, presently a Tata Enterprise, was established way back in 1851 as Rallis by Pandias Stephen Ralli. It started its journey by buying full pressed jute bales from press owners in Kolkata. Rallis grew in stages and eventually took ownership of a large property at Cossipore comprising cleaning and finishing equipment and powerful steam driven presses capable of turning out 30,000 export bales of jute yarn a day. It earned millions of revenue for the firm and jute continued to retain its prestige till the 1900s.

Rallis India mainly deals in Agri-business and has emerged as one of the leaders in the Indian Agrochemical Industry. The company is also in the Institutional business providing technical and bulk of various molecules to leading companies like Bayer, Syngenta, Excel, UPL, Gharda, Cheminova, etc. and has launched product for control of pest of public health importance. Apart from this the company is having significant presence in International Business and Contract Manufacturing.
In 1902, Rallis began business in Pondicherry and Madras. In Madras and Pondicherry, they began dealing with groundnuts and thus extended their base to Gujarat and Kathiawar. The bunch variety of groundnuts soon became the mainstay of exports from the West Coast under the name of Khandesh Groundnuts, KG in Ralli parlance. Backed by a stabilized rupee, in the next ten years the Rallis managed to double the volume of Trade in India.

Rallis India’s additional manufacturing facility at Dahej in Gujarat is expected to start commercial production by June 2010. The company is planning to set up additional manufacturing facility also. An Rs150-crore investment in Phase-I will go towards creating a state-of-the-art facility for the company.

3.3 CEMENT INDUSTRY

After China, India is the second market for cement industry which accounts for about 8% of the total global production. As of financial year ended 2013-14, the cement industry secured a total capacity of over 360 m tons (MT). Cement is a recurring commodity that has a high correlation with GDP. The major demand driver of the cement is the housing sector accounting for about 67% of the total consumption. Infrastructure (13%), commercial construction (11%) and industrial construction (9%) are the other major consumers of cement.

Though, there is a commendable growth of 8% witnessed in the past decade, the growth decelerated in the period 2011-2013 as the consumption average rate of cement
grew at 4%. While the average per capita consumption of cement in the world stands about 365 kg except china, India still remains extensively low at 192 kg. This accentuates the remarkable growth in the cement industry in India in the long term. Being a bulk commodity cement is a freight intensive industry and carrying it over long distances becomes more uneconomical. In this context, the industry divided into five main regions viz. north, south, west, east and the central region. The highest installed capacity in India is the southern region that accounts for about one-third of the total installed cement capacity of the country.

India's cement industry grew by 3 to 4% year-on-year through the financial year 2013-14. The downcast growth was mainly due to go-slow in construction activities, regulatory interruptions in infrastructural projects, high interest rates, elongated monsoons and natural catastrophes such as floods and cyclone in some parts of the country. The industry countersigned high operating costs, as well as all major cost heads such as raw materials, energy and freight. The other factors that aggravated the concerns are steep depreciation of the rupee and hike in rail freight and diesel prices.

Cement demand is meticulously linked to the housing and infrastructure sector which contributes to the overall economic growth. To control the costs and improve the profitability of the sector, the flaw in the international crude oil prices and other commodities should help. A likely dropping of interest rates would be a big positive for the cement sector, if inflation comes under control. The long term drivers for cement demand remain integral although temporary challenges persist in the form of excess
capacity. The factors that are likely to augur well for the cement industry are higher
government spending on infrastructure, robust growth in rural housing and rising per capita
incomes. For more efficient cement production, India has joined hands with Switzerland to
lessen energy consumption and develop innovative methods in the country, which will help
India meet its growing demand for cement in the infrastructure sector. The profile of the
selected companies under this industry are listed below.

3.3.1 Grasim Industries Limited

Grasim Industries Limited was incorporated in 1948; Grasim is headquartered in
Nagda, Madhya Pradesh and also has a plant at Kharach (Kosamba, Gujarat) and Harihara,
Davangere in the state of Karnataka. Vikram Cement, a unit of Grasim Industries,
Mandasaur has won the IMC's Ramakrishna Bajaj National Quality Award Trophy, and
Hindustan Lever's unit at Chindwara has bagged its certificate of merit for 1998. The
Company is a subsidiary of Aditya Birla Group, which operates over 40 companies in 12
countries on 4 continents. Grasim Industries Ltd., has signed an agreement with National
Securities Depository Ltd., (NSDL) and MCS Ltd. to dematerialize its shares. Grasim has
its in-house share department. In the year 2000, Grasim Industries Ltd has proposed to
merge its wholly owned subsidiary Dharani Cements Ltd. with the company. Dharani
Cements Limited, a wholly owned subsidiary of the company, has been amalgamated with
the Company under the Scheme of Arrangement in terms of section 391/394 of the
Companies Act 1956 effective from 1st November, 2000. In the year 2004 the company
acquires majority stake in Ultra Tech Cem Co Ltd (Ultra Tech), the demerged Cement
business of L&T. In the year 2009, Grasim's plants Vikram Cement and Aditya Cement win the Federation of Indian Mineral and Industries' Social Awareness Award.

3.3.2 OCL India Ltd.

The Company was Incorporated in Orissa State in the year 1949. The Company's object is to manufacture cement, refractories, reinforced cement, concrete pipes etc. The Company uses the trade name "Konark" for cement and "Dalmia" for refractories. The Company's work are situated at Rajgangpur, Orissa on the main line of S.E. Railway. The Company owns limestone quarries and fireclay and Kaolin mines in the areas adjoining the factory. Quartzite, the raw material for silica refractories, is obtained from the mines owned by the Dalmia Cement (Bharat) Ltd.

Sit Jaidayalji Dalmia, an industrialist of far-sighted vision set up a cement plant at Rajgangpur during 1950-51 at the request of government of Odisha to manufacture super grade cement for use in the construction of Hirakud Dam. The plant that went on steam as Orissa Cement Limited during 1952 transformed itself into OCL India Limited during 1996 to better reflect its multifarious activities.

From a modest 500 TPD capacity imported single wet process cement kiln of FL Smith make of Denmark, the House of 'Konark' brand cement has journeyed a long way with a modern dry process cement capacity of 5.35 Million TPA Mill capacity at two locations of Rajgangpur and Kapilas both in Odisha. Driven by an urge to excel, the company has over years evolved into a responsible corporate citizen committed to India
and its people. This spirit of nationalism has paid rich dividends. 'Konark' brand cement enjoys rock solid customer satisfaction across the country and is today the premier lead brand in the State of Odisha. It is a name 'cemented to quality'. OCL is a globally focused organization with presence in key areas supporting infrastructure development. With its range of product and strong R & D orientation it enjoys a strong customer base and brand loyalty.

OCL Refractories have worldwide acceptance with exports to Americas as well as many Euro-Africa-Asian Nations. A wide range of products manufactured at Rajgangpur and its associate company in China has given it the unique opportunity of perpetual customer base in Iron, Steel, and Copper, Precious Metal extraction, Aluminum and many more refractory consuming processes.

### 3.3.3 Prism Ltd

The Company was incorporated under the name and style of Karan Cement Limited on 26th March 1992, by Dr. B.V Raju and his associates. Prism Cement commenced production at its Unit I in August, 1997 and Unit II in December, 2010. It manufactures Portland Pozzolana Cement (PPC) with the brand name 'Champion' and Ordinary Portland Cement (OPC). It has the highest quality standards due to efficient plant operations with automated controls. It caters mainly to markets of UP, MP and Bihar, with an average lead distance of 425 kms from its plant at Satna, MP. It has a wide marketing network with about 3,300 dealers serviced from 163 stocking points. In the year 1997, the company has proposed to cater mainly to north and central India. It has set up a central marketing office.
at Allahabad in Uttar Pradesh (UP), which is supported by regional offices at Satna, Varanasi (UP) and Delhi. Besides, it has also set up area offices and depots at all major towns of UP, MP and Bihar. As on September 22, 1998, 121 issuers have entered into agreements with NSDL to get their securities dematerialized.

In the year, 1998, Prism Cements of the Raheja group, which owns a two million tpa cement plant at Satna in Madhya Pradesh, has set up another plant of similar capacity at Kottapadu village in Kurnool district of Andhra Pradesh. The Madhya Pradesh-based group has chosen to set up the plant in Kurnool district, keeping in view the large limestone deposits the district possesses. 1999 - Prism Cement is all set to ride the boom in the cement industry. The Company introduced a new product in January 2000 and expanded its operations in southern India in 2002. The company has improved its capacity utilization from 33 per cent to 70 per cent, reduced its power consumption and costs and tightly monitored the freight cost.

3.3.4 Ramco Cements Ltd.

The Company was incorporated in the year 1957 at Rajapalayam, in Tamilnadu. The Company Manufacture cement and allied products. Cement is marketed under brand of "RAMCO" Portland cement. When Shri Manubai Shah, Central Minister for Industries in late fifties came to Madras to meet the Industrialists, he called upon Shri P A C Ramasamy Raja and requested him to start a cement factory in TN. This was readily accepted by Shri PACR Raja and this marked the birth of Ramco Cements Limited (Formerly Madras Cements Ltd) in 1961.
The first plant of RCL at Ramasamy Raja Nagar, near Virudhunagar in Tamil Nadu, commenced its production in 1962 with a capacity of 200 tons, using wet process. In 70s, the plant switched over to more efficient dry process. A second kiln was also added to bring the total capacity to 15 lakh tons per annum. The second venture of RCL is its Jayanthipuram plant near Vijayawada in A.P., set up in 1987. The 36.50 lakh ton per annum plant employs the latest state-of-the-art technology. The third venture of RCL is at Alathiyur in TN. It was set up in 1997 and expanded by addition of another line in 2001. The 30.50 lakh tons per annum plant is the most modern plant in the country.

Ariyalur plant started operations in 2009 with a capacity of 2 MTPA. It is well-equipped with modern quality control systems. Currently Line 2 of the plant with a capacity of another 2 MTPA was commissioned in 2012. In 2000, RCL acquired Gokul Cements situated in Mathod in Karnataka whose capacity is 2.90 lakh tons per annum. Being an eco-friendly company, RCL set up the Ramco Windfarm in 1993 at Muppandal in TN. This was followed by wind farms in Poolavadi near Coimbatore in 1995, Oothumalai in 2005 and in Mathod - the combined capacity of the wind farms is about 159 MW.

3.3.5 Sagar Cements Ltd.

Sagar Cements Limited was incorporated in the year 1981 with the object of manufacturing cement. The actual commercial journey started on January 26, 1985 with the production capacity of 66,000 tons of OPC per annum at Mattampally, Nalgonda – Hyderabad. Sagar Cements Limited is one of the most modern mini cement plants in the state of Andhra Pradesh. The most sophisticated state-of-the-art technology it uses is one
of the strengths of the company. The plant is based on Dry Process Rotary Kiln Technology that is used in ‘Standard Quality’ cement companies. As its contribution to the fast developing modern India, Sagar Group, Sagar Cements has been playing a major role for the past 20 years by providing cement that speaks for itself.

Now, with the help of most sophisticated technology and trusted consumers, their product range is spreading its horizons: their operations have grown to be among the largest in India. Since they believe progress is a continuous process, they are committed to become more aggressive and to be called as “The Preferred Cement Supplier of India”. This progress includes but not limited to high levels of assurance to the customers, greater financial performance for suppliers and prosperous future to their staff that can help them to play an even larger role in the community. The first mini-plant of the company is located at Mattampally, Nalgonda district, located within 35 km from the National Highway No 9 connecting Vijayawada-Hyderabad.

Sagar Cements Ltd and Vicat S.A. of France set up a 5.5-million-tonne a year cement plant at a cost of Rs.2,500 crore in Gulbarga, Karnataka in 2008. Vicat then picked up a 6.67 per cent stake in Sagar Cements for a consideration of Rs.70 crore. The joint venture, Vicat-Sagar Cements, explores opportunities for holding assets overseas. This venture gave Vicat an entry into the Indian market while for Sagar Cements it offers an opportunity to tap overseas markets. The joint venture have an equity capital of Rs.720 crore, of which Sagar Cements’ share was Rs.196 crore and Vicat’s Rs.524 crore. The balance came as debt, for which Vicat was responsible.
3.4 HOTEL INDUSTRY

Tourism and hospitality industry is one of the most profitable industries of India. A remarkable amount of foreign exchange is contributed by the sector to the country’s economy. In the period April 2000 to April 2013, the foreign direct investments inflow worth USD 6,664 million was contributed by the hotel and tourism segment. Hotels being a key component of this industry had been posting a strong progression until recently. However, the recent slowdown in the global and Indian economy has its impact on the hotel industry too. In the fiscal 2012-2013, the average hotel occupancy fell to the lowest when compared to past ten years, by approximately 58%. Companies are leveraging expertise and reinstate innovative marketing tools to control the falling revenues.

The booming economy and business opportunities has become a blessing for the hotel industry in India. The introduction of low cost airlines and the concomitant price wars has led the domestic tourists to choose from the options and chance to explore. The campaign ‘Athithi Devo Bhava’ and ‘Incredible India’ destination campaign launched by the government has also helped in the growth of domestic and international tourism and accordingly the hotel industry.

In India, depending on the state that they are operating in, hotels are taxed somewhere between 20 per cent and 25 per cent, whereas the other Asian countries are levying 8-10 per cent. Moreover, unlike tax structures in different states are difficult for tourists to twig, say hoteliers.
The enduring economic slowdown has offended the sector as it affected both business and leisure travel. The hotel industry has been hit by the general slowdown in the economy. For the last two years, average room rates have certainly been reduced and occupancy has been quiet. In fiscal 2012-13, occupancy rates in the sector plunged to 58.3 per cent and the average room rates cut down to the lowest in six years at Rs. 6,214. Overall, with the government measures taken the hotel industry has lots of prospect to grow and contribute to economic growth. The profile of the select companies under this industry are as follows.

3.4.1 EIH Ltd.

The company was incorporated on 26th May 1949, at Calcutta. EIH Ltd., is a public limited company incorporated under the Indian Companies Act, 1913 and existing under The Companies Act, 1956. The company undertook business of hotel, restaurant, cafe, tavern, beer house, refreshment room, lodging and housekeeping. The company was promoted by Rai Bahadur M.S. Oberoi and Oberoi Hotels (India) Ltd., in May. The company was built in collaboration with Intercontinental Hotels Corporation, a wholly owned subsidiary of Pan American World Airways, and was linked with Intercontinental's vast and efficient sales network and was listed on its computerized reservation system known as `PANAMAC'. It is also linked with American Express Space Bank, a worldwide computerized hotel booking system. In the year 1956, the Company took on lease the Maharaja's Palace in Srinagar and converted it into the Oberoi Palace Hotel. This hotel provided the main income for the Company till the end of 1964-65. The Company entered
into a collaboration agreement with Sheraton International Inc., Boston, U.S.A., a wholly owned subsidiary of International Telephones and Telegraphs. The collaboration agreement was approved by Government in 1967-68.


3.4.2 Gujarat Hotels Ltd.

Gujarat Hotels Limited (GHL) is an India-based company engaged in hoteliering. The Company owns the Welcome Hotel Vadodara in Vadodara, which is operated by ITC Limited under an Operating License Agreement. The Company offers accommodation and Business, Conference and Leisure facilities tailored to the requirement of the business traveler.
3.4.3 Indian Hotels Company Ltd.

The Company was incorporated on 1st April 1902 and till 1965 owned and managed two hotels, viz., the Taj Mahal Hotel and the Green's Hotel, with a view to construct a modern and much larger hotel on that site. The Company started the business of hotel, restaurant, cafe, tavern, beer house, refreshment room & loading house keepers. The Company owns two other properties known as "Willington Mews" and "Mandalik House" in Mumbai which are used for parking cars and accommodating some staff members.

The Indian Hotels Company Limited is primarily engaged in the business of owning, operating and managing hotels, palaces and resorts. Taj is the Company’s flagship brand. Taj also encompasses a set of properties rooted in history and tradition. Taj Exotica is its resort and spa brand. Taj Safaris are wildlife lodges that provide guests with the wild life experience. The Company’s subsidiaries include TIFCO Holdings Ltd., Residency Foods & Beverages Ltd., KTC Hotels Ltd., United Hotels Ltd., Taj SATS Air Catering Ltd., Roots Corporation Ltd., Taj Enterprises Ltd., Taj Trade and Transport Co. Ltd., Benares Hotels Ltd., Indi travel Ltd., Piem Hotels Ltd., Northern India Hotels Ltd. and Ideal Ice & Cold Storage Co. Ltd. The Indian Hotels Company (IHCL) and its subsidiaries, collectively known as Taj Group, is one of Asia's largest and finest group of hotels. Incorporated by the founder of the Tata group, Jamsetji Tata, the company opened its first property, the Taj Mahal Palace, in Bombay in 1903. The Taj, a symbol of Indian hospitality, completed its centenary year in 2003.
3.4.4 Hotel Leela Ventures Ltd.:

The Leela Palaces, named after his wife by Captain C.P.Krishnan Nair, is one of the luxury Hotels and Resorts founded in 1986 having seven locations in Mumbai, Goa, Bangalore, Trivandrum, Gurgaon, Udaipur, New Delhi and Chennai. In 2011 they opened in Chennai and later planned to open new hotels in Coimbatore and Agra, Lake Ashtamudi in Kerala and Jaipur. The company has marketing alliances with Germany-based Kempinski, US-based Preferred Hotels and Resorts and is member of Global Hotel Alliance based in Geneva, Switzerland.

The company set up its first 5-star deluxe hotel, Leela Penta, in Bombay in 1986. It was renamed Leela Kempinski in 1988, following the change in its marketing and sales tie-up. It undertook an expansion of its hotel in Bombay by constructing a tower block comprising an additional 172 rooms, including suites. Simultaneously, it also undertook the construction of a new 5-star deluxe resort at Goa which was part-financed by a rights issue in Sep.'91. Consequent on the enhancement of facilities and upgradation of standards, aggregate cost escalated and the financing for the project had to be revised due to which the company came out with a rights NCDs issue with detachable warrants aggregating Rs.49.09 crores in 1995.

3.4.5 Oriental Hotels Ltd.

Oriental Hotels Limited (OHL), a Taj group hotel arm, was incorporated in the year 1970 as a public limited company. The company was promoted by Reddy Group of
South India to set up and operate a hotel of international standards. It is first Five Star Luxury Deluxe Hotel in the city. The different units of the group are, Taj Coromandel, Chennai, Taj Fisherman's Cove, Cove long, Taj Malabar, Kochi, Taj Garden Retreat, Madurai, Taj Garden Retreat, Coonoor, Taj Residency, Visakhapatnam and Hotel Manjarun, Mangalore.

3.5 STEEL INDUSTRY

The Indian steel sector is more or less a century old, and unveils essential economic prominence due to escalating demand by sectors such as real estate, infrastructure, and automobiles, in domestic and international markets too. Trends of higher consumption of finished steel can be observed from the Indian steel industry. Presently, the steel consumption in India is second only to China. Nevertheless, India is to be expected to transpire as the fastest growing steel consuming nation as the consumption of steel in China is estimated to moderate at about 3%. Additionally, the world average per capita finished steel consumption is of 203 kg while India's current average at 52 kg is far below. With rising income levels, the per capita consumption level is also expected to be amplified by making steel affordable.

India secures fourth place as a largest producer of crude steel and the largest producer of soft iron in the world. The steel industry in India is largely iron-based and vastly associated. Nearby 60% of the crude steel capacity is occupant with integrated steel producers. Since 2007–08, the Indian steel industry has arrived a new stage of development and is horseracing the growing demand for steel. Over 2008–2012, there is 6.9 % of
compound annual growth rate (CAGR) in the steel production of the country. The total steel demand for infrastructure sector accounts for about 60% while the automobile industry accounts for 15%.

Weak macro environment, leveraged balance sheets and heightened regulatory risks are some of the challenges that the Indian metals and mining sector is currently facing. The factors like environmental and regulatory concerns, cost increases, delayed projects and high interest rates are some because of which the sector has to suffer valuation down-rating since 2012. The competitive edge of both Indian steel sector and iron ore is seriously hurt by the delays in allocating coal blocks by the government for captive consumption by steel manufacturers. The delays in allocation of iron ore mines and approval for mining licenses results in no new investment in the steel sector. Steel demand in India has persisted slow-moving so far amongst weak activity and poor sentiment; though, activity is predictable to fast-track discreetly in the upcoming years. The growth of steel using sectors can be underpinned by firming up the domestic consumption and refining external conditions. The profile of select companies under this industry are as follows.

3.5.1 FACOR Steel Ltd.

Ferro Alloys Corporation Limited (FACOR), incorporated in 1955 is one of India's largest producers and exporters of Ferro Alloys, an essential ingredient for manufacture of Steel and Stainless Steel. It exports to several countries like Korea, Japan, Italy, Netherlands, USA, Turkey, China and Taiwan. Facor Group, which started its journey in 1956 from a Ferro Manganese plant at Shriramnagar in Andhra Pradesh has
come a long way. Today, FACOR stands synonymous to a name, which employs experience, resources and technical know-how, not only in technology but in quality as well. The year 1956 marked the beginning of the Ferro Alloys Corporation Limited at Sriramnagar, Garividi, Vizianagaram district, Andhra Pradesh. The founder was Seth Shriman Durgaprasadji Saraf (1911–1988). The registered office is at Tumsar, Bhandara district, Maharashtra. Ferroalloys are used as deoxidizers and alloy additives in the Steel manufacturing process.

FACOR acquired a small steel plant at Nagpur in Maharashtra. In 1979, FACOR developed the technology to produce charge chrome in their own R&D wing. They have established a charge chrome plant at D.P.Nagar, Randia in Bhadrak district of Orissa in 1983. It is a 100% Export Oriented Project with a production capacity of 50,000 tons per annum. FACOR signed an agreement with Marc Rich and Co. AG Switzerland, as the sole selling agent of their entire charge chrome output for 10 years.

The plants at Sri Ramnagar have facilities for raw material handling, metal and slag casting, crushing, sizing and other ancillaries apart from furnaces for smelting of Ferro alloys. The raw materials are manganese ore, chromites and quartzite ores with principal elements of manganese, chromium and silicon respectively. They are obtained from Andhra Pradesh, Orissa, Madhya Pradesh and Bihar states. The Ferro Alloys produced are High Carbon Ferro Chrome, Low Carbon Ferro Chrome, Silicon Chrome, Silicon Manganese and Magnesium Ferro Silicon, Ferro Manganese etc., these alloys are tapped
from electric arc furnaces in molten state. They are prepared to the required size from 25 mm to 150 mm and transported to various steel companies.

3.5.2 JSW Steel Ltd.

JSW Steel Ltd was incorporated on March 15th 1994 and on July 8th it received Certificate of Commencement. The company is engaged in the business of integrated Steel owned by Jindal Iron & Steel Co. Ltd and Karnataka State Investment and Development Corporation Ltd. It undertook to set up integrated steel plant with a capacity of 1.25 million TPA of hot rolled coils at Village Toranagallu, Dist. Bellary, Karnataka, rich in iron ore reserves. As per the MOU entered into with KSIIDC, it was to be provided with grid support, approvals for construction of railway siding etc. The company entered into a technical arrangement with Voest Alpine Industrieanlagenbau (VAI), for technical details with respect to productivity, iron ore technical details etc. JSW Steel, after merger of ISPAT steel, has become India's largest private sector steel company with an installed capacity of 14.3 MTPA.

The Group set up its first steel plant in 1982 at Vasind near Mumbai. Soon after, it acquired Piramal Steel Ltd., which operated a mini steel mill at Tarapur in Maharashtra. The Jindal’s, who had wide experience in the steel industry, renamed it as Jindal Iron and Steel Co. Ltd. (JISCO). Jindal Vijayanagar Steel Ltd. (JVSL) was set up in 1994, with its plant located at Toranagallu in the Bellary-Hospet area of Karnataka, the heart of the high-grade iron ore belt and spread over 3,700 acres (15 km²) of land. It is just 340 kilometers
(210 mi) from Bangalore, and is well connected with both Goa and Chennai Ports. In 2005, JISCO and JVSL merged to form JSW Steel Ltd.

3.5.3 Rathi Steel & Power Ltd.

In the 1940s late Sri Gordhan Das Rathi and his two brothers viz. late Sri Kanhaiya Lal Rathi and late Sri Chhuttan Lal Rathi, set-up a Steel Rolling Mill in Delhi under the name and style ‘Rathi Steel Rolling Mill’. The Rathi Group owes its presence in the steel industry to the farsightedness of late Seth Gordhan Das Rathi. He set up a small re-rolling mill in Delhi in the early 40’s. Since then the Group has grown continuously. His commitment to quality, integrity, honesty, and growth is being followed till date.

Rathi Steel & Power is headed by Punam Chand Rathi who is well known in the Steel Industry with experience of over five decades in Steel Melting and Rolling/Re-Rolling. Their Company is a profit making, dividend paying and listed company. They are engaged in manufacturing of Rebars and Wire Rods which are broadly categorized as the Long Products in the Steel Industry. The main application of their products currently being manufactured, is in the Construction Industry. Wire rods, another product being currently manufactured by us are further drawn into wires, which has various industrial applications.

The Rathi Group was amongst the first to adopt the technology of Tor-Steel in the country from Tor Istag Steel Corporation, Luxemburg, through the Tor-Steel Research Foundation in India. The Company’s latest product Thermo-Mechanically Treated (TMT) Steel has gained popularity in short span of time in the construction Industry. The state-of-
the-art patented “Thermex” water quenching process makes the Steel earthquake resistant. We are one of the exclusive licensees for the use of “Thermex” technology in Northern India. The company is having a very strong and committed network of dealers, consisting of nearly 800 retail outlets spread all over Northern India. Such a broad dealer network enables us to ensure quantitative as well as qualitative up-gradation.

3.5.4 Steel Authority of India Ltd.:

Steel Authority of India Limited (SAIL) set up in the year 1960, is one of the largest State owned and one of the top steel makers in the world, based in New Delhi India with an annual turnover of ₹49350 crore which is equal to Us $8.0 billion (FY 2012-13). It is a public sector undertaking which trades publicly in the market and is largely owned by the Government of India and acts like an operating company. Incorporated on 24 January 1973, SAIL has 101,878 employees (as on 31-Mar-2013). With an annual production of 13.5 million metric tons, SAIL is the 24th largest steel producer in the world. The company's current chairman is C.S. Varma.

SAIL operates and owns 5 integrated steel plants at Rourkela, Bhilai, Durgapur, Bokaro and Burnpur and three special steel plants at Salem, Durgapur and Bhadravathi. It also owns a Ferro Alloy plant at Chandrapur. As part of its global ambition the company is implementing a massive expansion plan involving project work of building new facilities with emphasis on state of the art green technology. SAIL is a public sector company, owned and operated by the government of India. According to a recent survey, SAIL is one of India's fastest growing Public Sector Units. Besides, it has R&D Centre for Iron & Steel
(RDCIS), Centre for Engineering and Technology (CET), Management Training Institute (MTI) and SAIL Safety Organization (SSO) located at Ranchi, capital of Jharkhand.

3.4.5 Tata Steel Ltd.

Established in 1907 at Mumbai Tata Steel Limited formerly Tata Iron and Steel Company Limited was the 11th largest steel producing company in the world in 2013 with an annual Crude steel capacity of 25.3 million tones and the second largest private sector steel company in India with an annual capacity of 9.7 million tonnes after SAIL. It is an Indian Multinational steel making company headquartered in Mumbai, Maharashtra and a subsidiary of the Tata Group. The Company manufactures rails, fishplates, bars, light structural, heavy structural, plates, black sheets, galvanized sheets, tin bars, sleeper bars, sleepers, blooms, billets, sheet bars, wheels, tires and axles, skelp and strip, and special steel tools such as picks, beaters, hammers and shovels and red-oxide, coal tar, sulphate of ammonia, etc. Iron and steel are made by the open hearth, duplex electric and a combination of these processes, and the steel is rolled into finished products.

Tata Steel has the largest plant located in Jamshedpur, Jharkhand having manufacturing operations in 26 countries, including Australia, China, India, the Netherlands, Singapore, Thailand and the United Kingdom, and employs around 80,500 people. In 2007 they acquired the UK based steel maker Corus which was the largest international acquisition by an Indian company till that date. It was ranked 486th in the 2014 Fortune Global 500 ranking of the world’s biggest corporations and was the seventh
most valuable Indian brand of 2013 as per brand finance. On February 16th, 2012 it completed 100 years of the steel making in India.

The past history and profile of the companies always give an estimation on the performance in the market. It helps to elucidate the competence and demand that a company is possessing. The aforesaid industries with their respective select companies are contributing industries of the economy. The present research has been benefited by studying the history and profile while assessing the relationship between market price and other determinants. Also, these profiles helped in studying the stock price movements during the period of study.

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