Chapter 4

Profile of Cement Corporation of India Limited

4.0 INTRODUCTION

The last chapter gives an overview of Indian cement industry. The present Chapter, profile of Cement Corporation of India Limited has been discussed in detail.

Central and State Public Sector Undertakings (PSUs) play a prominent role in India’s industrialization and economic development. Since independence, various socio-economic problems needed to be dealt with in a planned and systematic manner. A predominantly agrarian economy, a weak industrial base, low savings, inadequate investments and lack of industrial facilities called for state intervention to use the public sector as an instrument to steer the country’s underlying potential towards self-reliant economic growth. The macroeconomic objectives of Central PSUs have been derived from the Industrial Policy Resolutions and the Five Year Plans. State-level public sectors enterprises (State PSUs) were established because of the rising need for public utilities in the states. These PSUs operated in public utilities such as railways, post and telegraph offices, airports, power and cement contributed significantly towards infrastructure development in India. Since its inception during the First Five Year Plan, many public sector undertakings performed exceptionally well in wealth creation for the country. Therefore, Cement is a critical ingredient for augmenting growth and development of our economy and advancement of the country as a whole. However, our national leadership accorded due importance to the manufacture of adequate cement right since our independence. Within the scheme of mixed economy conceived to rebuild and modernise India, the public Sector was assigned crucial responsibility to provide leadership in the sphere of cement production.

4.1 CEMENT CORPORATION OF INDIA LIMITED

4.1.1 Evolution and Growth

Cement Corporation of India Limited (CCI) was incorporated as a Company wholly owned by Government of India on 18th January 1965 with the principal objective of achieving self-sufficiency in cement production. Implementing third five year plan was a step to achieve that grand objective. Later, during 1970 and 1990, eleven
cement plants were set up by the CCI Ltd. in socially and economically backward regions of our country to produce enough cement for meeting the growing demand in the market for this “developmental commodity (Standing committee on Revival and restructuring of CCI Ltd., 2011). The authorised and paid-up capital of the company as on 31.3.2015 was Rs. 900 crores and Rs. 811.41 crores, respectively. At present, CCI Ltd. is a multi-unit organisation having ten units spread over eight states with a total annual installed capacity of 38.98 Lacs MT. All Factories, Zonal Offices and Corporate Office at Delhi are inter-connected through Internet. In line with the advancement in cement technology, CCI Ltd. had been adopting the latest one with one million tonne plants at Tandur and Nayagaon with a strong work-force of 907 employees (as on 31.03.2012) has always encouraged balanced regional growth with most of its factories located in underdeveloped/backward areas. CCI Ltd. has also been contributing to the development of areas around factories by adopting nearby villages and providing the basic facilities like school, health center, drinking water etc., for maintaining the ecological balance, CCI Ltd. is launching massive tree plantation drives from time to time at all units and in surrounding areas (Profile of CCI Ltd., n.d). The total installed capacity of all the plants was 42.48 Lacs MT which is less than 2% of total installed capacity of India. However, the installed cement capacity of three operating plants is 14.46 Lacs MT and in contrast the installed capacity of 7 non-operating plants stands at Lacs MT. The authorized share capital of the CCI Ltd. is Rs.900 crore, whereas its net worth as on 31 March 2010 is (-) Rs.213.61 crore and its net profit during 2009-10 is Rs. 52.75 crore. In spite of incurring heavy losses for several years, it generated profit during 2006 and 2010 which was a positive sign. Its manpower as per the presentation made before the Committee in Guwahati stands at 1037 as on 30 September 2010 with 117 Executives, 174 supervisors and 746 workers. The figures for productivity per employee are going up from 4 600 MT during 2005-06 to 898 during 2009-10. (Standing committee on Revival and restructuring of CCI Ltd., 2011).

Over the years the mounting losses sharply eroded its net worth. By the middle of 1990s, the CCI Ltd. suffered accumulated losses to the tune of Rs. 527.16 crores, that staggering amount was more than it’s paid up capital of Rs. 406.74 crore and reserves worth Rs. 0.99 crore. The collapse of the net worth sounded alarm bell to safeguard the very survival and commercial viability of the Corporation. It graduated
from a loss making Corporation to a sick industrial undertaking. Therefore, it resulted in its reference to the BIFR under section 15(1) of CISA and was declared sick in August 1996. The Yerraguntla plant was sold out to M/s India Cements Ltd. on 21 January 1998 for Rs. 200.70 crore to meet the demand of creditors as per the directions of Hon’ble BIFR.

The crisis was further aggravated when the accumulated loss of the Corporation, by 31 March 2005, mounted up to Rs. 2152.86 crore, which sharply stood in contrast to its paid up capital of Rs. 429.28 crore. Its net worth went to the sub-zero level and became negative. It was worth Rs. 1723.58 crore. All those catastrophic developments took place even before the rehabilitation scheme was approved by the BIFR. (Standing committee on Revival and restructuring of CCI Ltd., 2011)

The rehabilitation scheme sanctioned by the Hon’ble BIFR on 3 May 2006 suggested closure of seven unviable plants located at Mandhar, Kurkunta, Akaltara, Charkhi Dadri, Delhi Grinding Unit/Bhatinda Grinding unit, Nayagaon and Adilabad and sale of assets of those plants through Asset Sale Committee. The employees working in those units were kept under the category of Voluntary Separation Scheme to get rid of unproductive fixed expenses. The liabilities of the company were further reduced due to the waiver of interests, penalties and surcharge on the Government dues. The revival package also consisted of concessions from the Government, financial institutions, banks and creditors (Standing committee on Revival and restructuring of CCI Ltd., 2011).

4.1.2 Products of CCI Ltd.

CCI Ltd. manufactures various types of cements like Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) & Ordinary Portland Cement (OPC) of varying grades viz., 33, 43, 53 grades under strict quality control with the brand name of CCI Cement. The Corporation is introducing new product range such as 53-S Grade, special cement for manufacturing Railway sleepers and also introducing cement brand names Maha shakti (43 Grade), Param shakti (53 Grade), Poorna shakti (33 Grade) and Jal shakti (33 Grade PPC) for better brand image.

- **Portland Pozzolana Cement (PPC)**

The Portland Pozzolana Cement is a kind of Blended Cement which is produced by either inter-grinding of OPC clinker along with gypsum and pozzolanic materials in
certain proportions or grinding the OPC clinker, gypsum and Pozzolanic materials separately and thoroughly, blending them in certain proportions. Portland Pozzolana Cement also commonly known as PPC cement. These types of cement are manufactured by using pozzolanic materials as one of the main ingredient. The percentage of pozollanic material, used in the preparation, should be between 10 to 30. The strength of cement is reduced when the percentage is exceeded. Some of the pozzolanic materials used are volcanic ash, shale’s and certain type of clays. In India, Fly ash is the main constituent used in preparation of cement. Moreover, this type of cement is used for more than 80% construction purposes.

- **Portland Slag Cement (PSC)**
  PSC is blended cement and it is the most suitable cement for Infrastructure Projects because of its high flexural strength. Maximum strength, low risk of cracking, improved workability and superior finish are some of the advantages of PSC. Portland Slag Cement (PSC) is manufactured by either inter-grinding in the Portland cement clinker, Gypsum & Granulated Slag or blending the Ground Granulated Blast Furnace Slag (GGBS) with Ordinary Portland Cement by means of mechanical blenders. It is created with a combination of 45- 50% slag, 45% – 50% clinker, and 3-5% gypsum. PSC has been voted as the most suitable cement for concrete pavements, mass concrete applications, high performance or high strength concrete, structures and foundations, pre-cast concrete such as pipe & block, concrete exposed to sea water and marine application.

- **Ordinary Portland Cement (OPC)**
  Ordinary Portland Cement (OPC) is the most common cement used in general concrete construction, when there is no exposure to sulphates in the soil or groundwater. The raw materials required for the manufacture of OPC are calcareous material such as limestone or chalk and argillaceous materials such as shale or clay. A mixture of these materials is burnt at a high temperature of approximately 14000 °C in a rotatory kiln to form clinker. The clinker is then cooled and grounded with a requisite amount of gypsum into fine powder known as Portland cement. OPC is a gray coloured powder which is capable of bonding mineral fragments into a compact whole when mixed with water. This hydration process results in a progressive stiffening, hardening and strength development.
4.1.3 Plants of Cement Corporation of India

The units of the Cement Corporation of India were established in 8 States/Union Territories of India. The units are spread throughout the country from East (Bokajan in Assam) to West (Akaltara, Mandhar in Chhattisgarh and Nayagaon in Madhya Pradesh) and from North (Rajban in Himachal Pradesh and Charkhi Dadri in Haryana) to South (Kurkunta in Karnataka and Adilabad, Tandur in Andhra Pradesh), with one cement grinding unit in Delhi, CCI Ltd. The details of the locations of each plant are given below.

4.1.3.1 Operating Plants
- Bokajan Assam
- Rajban Himachal Pradesh
- Tandur Andhra Pradesh

4.1.3.2 Non Operating Plants
- Mandhar Chhattisgarh
- Kurkunta Karnataka
- Nayagaon Madhya Pradesh
- Akaltara Chhattisgarh
- Charkhi Dadri Haryana
- Adilabad Andhra Pradesh
- Delhi Grinding Unit, Delhi
- Yerraguntla Andhra Pradesh

Details of state, location, capacity, process used and date of commissioning of different plants of CCI Ltd. is given in the following table 4.1.
### Table 4.1 Plants of Cement Corporation of India Limited.

<table>
<thead>
<tr>
<th>S.NO</th>
<th>Cement Plant Location (Operating And Non-Operating Plants)</th>
<th>State</th>
<th>Capacity (Lacs MT)</th>
<th>Process</th>
<th>Date Of Commissioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bokajan</td>
<td>Assam</td>
<td>1.98</td>
<td>Dry</td>
<td>01.04.77</td>
</tr>
<tr>
<td>2.</td>
<td>Rajban</td>
<td>Himachal</td>
<td>1.98</td>
<td>Dry</td>
<td>01.04.80</td>
</tr>
<tr>
<td>3.</td>
<td>Tandur</td>
<td>A.P.</td>
<td>10</td>
<td>Dry</td>
<td>01.07.87</td>
</tr>
<tr>
<td>4.</td>
<td>Mandhar</td>
<td>Chattisgarh</td>
<td>3.8</td>
<td>Wet</td>
<td>19.07.70</td>
</tr>
<tr>
<td>5.</td>
<td>Kurkunta</td>
<td>Karnataka</td>
<td>1.98</td>
<td>Wet</td>
<td>01.10.72</td>
</tr>
<tr>
<td>6.</td>
<td>Nayagaon</td>
<td>MP</td>
<td>4</td>
<td>Dry</td>
<td>01.03.82</td>
</tr>
<tr>
<td>7.</td>
<td>Akaltara</td>
<td>Chattisgarh</td>
<td>4</td>
<td>Dry</td>
<td>01.04.81</td>
</tr>
<tr>
<td>8.</td>
<td>Charkhi-Dadri</td>
<td>Haryana</td>
<td>1.74</td>
<td>Semi-Dry</td>
<td>10.05.82</td>
</tr>
<tr>
<td>9.</td>
<td>Adilabad</td>
<td>A.P.</td>
<td>4</td>
<td>Dry</td>
<td>01.04.84</td>
</tr>
<tr>
<td>10.</td>
<td>Delhi Grinding Unit</td>
<td>Delhi</td>
<td>5</td>
<td>-</td>
<td>01.05.90</td>
</tr>
</tbody>
</table>

*Source: CCI Ltd.*

1. **BOKAJAN (Assam)**
   
   This unit is located in a difficult area in Karbi Anglong Distt. of Assam. It was set up more from a socio economic point of view for serving the neighbouring areas rather than only for normal economic consideration. The unit went into production since 1st April, 1977. It has capacity of 1.98 Lacs tonnes. Limestone for this unit is transported by ropeway which is 18 Kms long, passing through difficult terrain (Bokajan Cement Factory n.d).

2. **RAJBAN (Himachal Pradesh)**
   
   This is another unit located in a hilly and difficult area. The Unit does not have nearby rail head and therefore, in addition to normal communication being difficult, the unit is serviced for both, inward movement of materials and outward movement of finished products, by road transport for a considerable lead. The entire production of this factory has to be distributed by road. It has capacity of 1.98 Lacs tonnes. From the quarry situated in the hills, limestone is transported by a ropeway of 9 kms. The unit is in commercial production since 1st April, 1980 (Rajban Cement Factory, n.d).

3. **MANDHAR (Chhattisgarh)**
   
   This is the first unit of the Corporation, which went into production on 19th July, 1970, adopting the wet process. This was expanded to produce slag cement from November, 1978. It is located at Chhattisgarh with the capacity of 3.8 Lacs tonnes. The slag requirement is drawn from Bhilai Steel Plant (Mandhar Cement Factory, n.d).
4. KURKUNTA (Karnataka)
This is the second wet process unit which went into production on 1st October, 1972. The plant is situated at Karnataka. It adopted the wet process with a production capacity of 1.98 Lacs tonnes (Kurkunta Cement Factory, n.d).

5. NAYAGAON (Madhya Pradesh)
This unit, with an annual installed capacity of 4 Lacs tonnes, went into commercial production since 1st March, 1982. An expansion project of another 10 Lacs tonnes was undertaken on the concept of split location, i.e. clinkerisation at Nayagaon and grinding of clinker at Delhi and Bhatinda. Clinkerisation plant at Nayagaon and grinding unit at Delhi, have gone into commercial production from 1st May, 1990 (Nayagaon Cement Factory, n.d).

6. AKALTARA (Chhattisgarh)
This unit went into commercial production from 1st April, 1981. The plant is located at Chhattisgarh. It adopted the dry process for its production. It has a capacity of 4 Lacs tonnes (Akaltara Cement Factory, n.d)

7. CHARKHI DADRI (Haryana)
This was a sick unit, taken over by the Government of India and vested with CCI Ltd. in June, 1981. After rehabilitation within a short period, cement grinding was started by September, 1981 and clinker production started subsequently. Out of two streams, only one was capable of rehabilitation. This unit is located at Haryana having the capacity of 1.74 Lacs tonnes. It adopted the semi-dry process. It started its production on 10th may 1982 (Charkhi Dadri Cement Factory, n.d).

8. ADILABAD (Andhra Pradesh)
This unit went into commercial Production from 1st April, 1984 and the plant is situated at Andhra Pradesh. It adopted the dry process. Its capacity is 4 Lacs tonnes (Adilabad Cement Factory, n.d).

9. TANDUR (Andhra Pradesh)
This unit went into commercial production since 1st July, 1987. It adopted the dry process and is located at Andhra Pradesh having the capacity of 10 Lacs tonnes (Tandur Cement Factory, n.d).
10. Delhi Grinding Unit (Delhi)
It is located at Delhi and started its production since 1.05.1990. Capacity of Delhi grinding unit is 5 Lacs MT per annum (Delhi Cement Grinding Unit, n.d).

4.1.4 Vision of CCI Ltd.

**VISION**
To emerge as a leading cement company committed to contribute to the economy and to enhance value for the stakeholders.

*Source: Annual report of CCI Ltd. 2014-15*

4.1.5 Mission of CCI Ltd.

**MISSION**
To augment the wealth creation for the Company, deliver superior product and sustain market value.

*Source: Annual report of CCI Ltd. 2014-15*
4.2 PRESENT POSITION AND STRATEGIC INITIATIVES OF CEMENT CORPORATION OF INDIA LTD.

The Indian economy, after growing at an average of around 8.5 percent for most of the last decade, comes down below 5 percent in the last two years. The agriculture sector, at 4.7 percent, continued to be the main driver of economic growth while the manufacturing sector’s performance remained subdued during the year on account of low investment sentiment and weak demand. High and persistent inflation remained a key macroeconomic challenge, faced by India, throughout the financial year 2013-14. RBI had to keep the lending rates high to control the inflation. This had a major bearing on the prospects of the cement industry during FY 2013-14 (Annual Report of CCI Ltd., 2014).

Number of infrastructure projects got installed and the people resorted to cut down on their discretionary spending as is evident from the fact of drying up of new housing projects. This has led to slump in construction activities. During the financial year, recessionary conditions prevailed in the Global Economy also had its impact on our domestic economy, leading to fall in the value of the Rupee, thereby impacting the petroleum prices among others.

Reduced momentum in the cement consumption resulted in widening of the cement demand and supply gap, which in turn put downward pressure on the cement prices in most parts of the country. Additionally, the cement industry had to bear the burden of increased logistic loss due to rise in petroleum prices, resulting lower sales realization.

Net profit of CCI Ltd. during the year 2014-15, has increased to Rs. 40.08 crores as against net profit of Rs. 16.20 crores during the previous year. Dispatches of cement during the year 2014-15, were 9.47 Lacs MT of Cement as against 8.31 Lacs MT during the previous year. The year 2014-15 witnessed the highest production of clinker & cement and dispatch of cement in the last five years. Plant at Tandur could achieve the highest production of 7 Lacs tonnes in the last year since inception of the plant in 1987. Production at Rajban Unit was also highest during the last 5 years. Overall capacity utilization of CCI Ltd. stood at 66% (the highest during the last 5 years) inspite of many adverse conditions faced by CCI Ltd., particularly with respect to running of old and obsolete plant at Bokajan (Annual Report of CCI Ltd., 2015).
Significant milestone achieved by CCI Ltd. during 2014-15 include

- Increased production of over 1 Lacs tonnes in 2014-15 compared to 8.36 Lacs metric tonne in 2013-14 which converts to 14% growth.
- Similarly, the capacity utilization stood at 65.88% in 2014-15 over 57.84% during 2013-14, reflecting a growth of 8.1%, despite of stiff competition with private players.
- The sales turnover achieved at Rs.449.55 crore in 2014-15 as compared to Rs.363.03 crore in 2013-14, showing a growth rate of 23.83%.
- The net profit was Rs.40.08 crore in 2014-15 as against Rs.16.20 crore of 2013-14, registering a growth of 147.41%.
- The average ex-factory realization per bag of cement in 2014-15 has also an increase of 10% over 2013-14.
- Company has recorded highest production, capacity utilization, sales turnover and net profit (Annual Report of CCI Ltd., 2015).

During the year under review as compared to past years from the 2010-11 onwards CCI Ltd. operates in North East, South and Northern region (Annual Report of CCI Ltd., 2015). Out of these three regions, Karnataka has been performing on steady pattern and CCI Ltd. have been able to keep the pace by matching prices and pushing volumes in otherwise low demand in the market. This has been achieved as marketing team of CCI Ltd. has been able to harness the rural market in the state. The reason for poor demand is due to ban on mining of sand which still continues (Annual Report of CCI Ltd., 2014).

In Andhra Pradesh, some improvements were noticed during the month of August to October, but thereafter, due to heavy arrivals by almost 30- 35 brands, the prices crashed. However, to keep a pace with developments in the state, recently developed loose cement market being explored.

Maharashtra region remains low with issues such as Local Body Tax and low demand in government and private sector. Glut in housing sector has resulted in poor flow of cash in the market. With the permission to allow mining in limited manner, market has started to show some signs of recovery and demand has started to emerge. However, pressure on the prices continues.

Whereas performance in the north eastern region was affected due to poor demand, price cutting, frequent bandhs by anti national forces in the area. Due to
prevailing situation, the competitors who get huge subsidies are passing the same to dealers and leashed out a price war amongst them (Annual Report of CCI Ltd., 2015).

4.3 AWARDS WON BY CCI LTD.

Table 4.2: Awards of CCI Ltd. from 2012-13 to 2014-15

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<tbody>
<tr>
<td>1.</td>
<td>Corporation won First Award “12th National Award for Excellence in Cost Management 2015” organized by The Institute of Cost Accountants of India.</td>
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<tr>
<td>2.</td>
<td>Second Prize won by Tandor Unit - “Mine Safety Week 2014 Zone -3 A2 Group Environment and Health Management host by KCP”. First Prizes was won by Tandur Unit- “Publicity Propoganda and Innovation” organised by Mines Safety &amp; Productivity Council 2013.</td>
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<td></td>
<td>Award For Air &amp; Water Pollution Control Measures</td>
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<td></td>
<td>Award For Waste Dump Management &amp; Reclamation</td>
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<tr>
<td></td>
<td>Award For Afforestation 3rd Prize</td>
<td>2nd Prize</td>
<td>3rd Prize</td>
<td>3rd Prize</td>
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<tr>
<td></td>
<td>Award For Mineral Conservation</td>
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<td>3rd Prize</td>
<td></td>
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<td></td>
<td>Scientific Development of Mine</td>
<td>3rd Prize</td>
<td></td>
<td></td>
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<tr>
<td>3B.</td>
<td>Mine Safety Week 2015</td>
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<td></td>
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<tr>
<td></td>
<td>Vocational Training</td>
<td>1st Prize</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Noise, Air Pollution &amp; lighting</td>
<td>3rd Prize</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4A.</td>
<td>3rd prize won by Bokajan Unite - “Mine Safety day for explosive maintenance”.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4B.</td>
<td>5th Mines Environment and Mineral Conservation Week: 2013-14 2012-13 was celebrated at Guwhati and Shillong</td>
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#### Profile of Cement Corporation of India Limited

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<tbody>
<tr>
<td>“Waste Dump Management”</td>
<td>2nd Prize</td>
<td>1st Prize</td>
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<tr>
<td>“Reclamation and Rehabilitation” 1st Prize</td>
<td>2nd Prize</td>
<td>1st Prize</td>
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<tr>
<td>Publicity and Propaganda</td>
<td>2nd Prize</td>
<td></td>
<td></td>
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<tr>
<td>“OVERALL”</td>
<td>2nd Prize</td>
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<tr>
<td>General Health &amp; Welfare</td>
<td></td>
<td>3rd Prize</td>
<td></td>
</tr>
<tr>
<td>“Noise and Vibration Survey”</td>
<td></td>
<td>3rd Prize</td>
<td></td>
</tr>
<tr>
<td>Paryabaran bhandhu Awards</td>
<td></td>
<td></td>
<td>Rs. 1100/-</td>
</tr>
</tbody>
</table>

**Sources:** (Annual Report of CCI Ltd., 2015).

#### 4.4 SWOT ANALYSIS OF CCI LTD.

**4.4.1 Strengths & Weaknesses**

**a. Strengths**

1. CCI Ltd is the only Central Public sector Undertaken in Cement Industry in India.
2. Various Project and developmental activities like close circuiting of Cement Mill, installation of LP cyclones in preheater, installation of multi-channel burner have been initiated for Tandur Plant.
3. The Company has quality management system in place and the operating plants at Tandur, Rajban and Bokajan have received ISO 9001 certification.
4. Regular trainings are being imparted to employees to inculcate a culture of quality orientation across the Company.
5. Consistent efforts have been made to revive HR policies in today’s context and expose them in skill development programme including I.T. applications in thrust areas of the Company.
6. As on March, 2015, the Company has 813 employees consisting of 147 executives and 666 non-executive employees.
7. The Company has always believed in the philosophy of customer satisfaction and therefore making conscious efforts in organizing Dealers’ Meet, Masons’ Meet and such other developmental programmes at regular intervals.

b. Weaknesses
1. Cement factories are located in areas which did not have ample infrastructure facilities.
2. CCI Ltd does not have minimum amenities and conveniences in the form of township, community centers and health centers, etc.
3. Almost every plant of CCI Ltd has been over-capitalized due to time and cost overrun resulting in very high interest and depreciation costs.
4. Currently, seven plants of CCI Ltd are unoperated.
5. Currently, CCI Ltd is facing working capital crises which is hindering in smooth business operations.

4.4.2 Opportunities & Threats
a. Opportunities
1. Domestic consumption of cement in India is poised to reach 500 million tonnes by the year 2020. It is an opportunity for the company to capture the increase in demand.
2. In the emerging economies like India, the scope of infrastructure development is tremendous. India being the 11th largest economy of the world will play a major role in creating demand for cement.
3. India has a lot of potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it.
4. Major government initiatives involve reconstructing various heritage sites, urban development, slum reconstructions, concrete roads, rural linkage roads and highways.
5. The metro rail projects in Mumbai, Bangalore and Hyderabad and the expansion phase in Delhi will drive cement demand in this segment besides hydel dams, river canal lining & linkage and many other infrastructure related projects.
6. Airports modernization across major cities will also expand demand. Some of the major government initiatives such as development of 98 smart cities, Make in India, Digital India are expected to provide a major boost to the sector.
b. Threats

1. Intensification of competition from domestic as well as foreign steel producers.
2. Fall in international cement prices due to decline in raw material prices both for iron ore & coking coal.
3. Excess cement capacity in the country could lead to a margin squeeze.
4. Slowing growth in China could potentially increase competition from cheap imports.

4.5: FINANCIAL HIGHLIGHTS OF CCI LTD.

Figure 4.1: Net Sales of CCI Ltd. from 2005-06 to 2014-15

Source: Annual Reports of Cement Corporation of India Limited from 2005-06 to 2014-15

Figure 4.1 shows net sales of CCI Limited from 2005-06 to 2014-15. The net sales of the company was Rs. 195 crore in 2005-06 which increased in next year to Rs. 284 crore. The company has not registered any significant growth during the tenure of the study as it revolves around approximately Rs. 300 crore till 2013-14. Net sales of the company enhanced in last year of the study as it reached to Rs. 404 crore in 2014-15.
Figure 4.2: Gross Profit of CCI Ltd. from 2005-06 to 2014-15

(Rs. in crore)

Source: Annual Reports of Cement Corporation of India Limited from 2005-06 to 2014-15

Gross profit of Cement Corporation of India limited has been presented in figure 4.2. Company earned Rs. 38 crore as gross profit in 2005-06. It registered a significant growth in the next year of the study i.e. Rs. 137 crore. Further, company managed to earn sufficient profit for the smooth operations of the company as it was stood at Rs. 151 crore in 2009-10. Gross profit of the company declined in 2012-13 and 2013-14 as it was only Rs. 86 crore in 2013-14. It increased during last year of the study and reached to Rs. 132 crore in 2014-15.
Figure 4.3: EBIT of CCI Ltd. from 2005-06 to 2014-15

(Rs. in crore)

Source: Annual Reports of Cement Corporation of India Limited from 2005-06 to 2014-15

Figure 4.3 exhibits Earnings before Interest and Tax of Cement Corporation of India Limited from 2005-06 to 2014-15. EBIT of the company has been in decreasing trend during the study period. The EBIT of the company was Rs. 844 crore during the initial year of the study which declined rapidly in two subsequent years and reached to Rs. 76 crore only in 2007-08. Further, EBIT of the company declined during rest of the study period and finally stood at Rs. 43 crore in 2014-15.
Figure 4.4: Net Profit of CCI Ltd. from 2005-06 to 2014-15

*Source: Annual Reports of Cement Corporation of India Limited from 2005-06 to 2014-15*

Figure 4.4 elucidates the net profit of Cement Corporation of India Limited from 2005-06 to 2014-15. The net profit of the company was very high in 2005-06. Net profit of the company was Rs. 832 crore in 2005-06. The net profit of the company was scrolled down in the next year to became Rs. 167 crore. Further, the company was fail to manage profit as it shows a decreasing trend till the end of 2013-14. In 2014-15, it slightly increased and stood up to Rs. 40 crore.

### 4.6 CORPORATE GOVERNANCE OF CCI LTD.

**Company's philosophy on Code of Governance**

According to the philosophy of the Company in relation to Corporate Governance, Cement Corporation of India Ltd (CCI) believes in financial prudence, customers’ satisfaction, transparency, accountability and commitment to stakeholders. CCI practices based on its stated belief and guidelines, the Government of India issues from time to time should go a long way to enhance value for all those who are associated with the Corporation i.e. shareholders, customers, suppliers, creditors, Government of India, State Governments, Government Agencies/Departments and the society at large. The Corporation believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained
period of time, in a socially responsible way. The Company is committed to confirm the highest standards of Corporate Governance (Annual Report of CCI Ltd., 2015).

4.7 CORPORATE SOCIAL RESPONSIBILITY OF CCI LTD.

Corporate have initiative to assess and take responsibility for the company's effects on environment and impacts on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups. Corporate social responsibility may also be referred to as "Corporate Citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change. The company has a CSR policy approved by the Board of Directors which is based on philosophy where in CCI serves the interest of the society by taking responsibility for the impact of their activities on their customers, employees, shareholders, communities and the environment in all aspects of their operation. The policy also empowering and inspiring communities in the locational periphery of factories for attaining long-term sustenance through voluntary social actions covering micro-enterprises, self-help groups etc. and regarding the community as a major stakeholder and accordingly identifying their needs and addressing their concern areas has ensured a better quality of life. CCI has been playing a dominant role in the socioeconomic development of the North-East Region and regions surrounding Tandur and Rajban Cement plants and recognizes that its business activities have direct and indirect impact on the society. The company strives to integrate its business values and operations in an ethical manner to demonstrate its commitment to sustainable development (Annual Report of CCI Ltd., 2015).

The CCI has always discharged its social responsibility as a part of its CSR philosophy that business and society can become partners for development. In line with its Corporate Social Responsibility, your Company has created basket of activities and taken up various initiatives at its plants level. Thrust area on which CSR activities has been carried out are in nature of infrastructural facilities for educational institutions, financial assistance to BPL students of Polytechnics, Medical / Health care camps at villages around plants, sports activities etc.

The present Chapter throws light on the profile of Cement Corporation of India Limited. This Chapter discusses the Mission and Vision of CCI Ltd. History and
evolution of CCI Ltd., Different Plants and Products of CCI Ltd. Etc. The next Chapter deals with Conceptual Framework of Financial Performance and Financial Tools and Technique used in the present study.
REFERENCES


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