

CHAPTER - VI

PROSPECTS OF THE CEMENT INDUSTRY

VI. PROSPECTS OF THE CEMENT INDUSTRY

An effort has been made in this chapter to study various areas of the prospects for cement in the country as well as in Andhra Pradesh. Moreover, this chapter highlights the demand and sales forecast of Andhra Pradesh Cement Industry as well as that of select both major and mini cement plants.

Demand for a commodity is the need for the commodity backed by adequate 'purchasing power'. Developing nations due to resource constraints have limitations of purchasing power; their demand is far less than the 'need'. In the case of developed countries 'need' and 'demand' merge into one. Cement Demand, generally grows with increase in the economic growth of a nation i.e. with the increase in Gross Domestic Production (GDP), per capita income etc.

6.1. AREAS OF THE PROSPECTS :

Demand for cement can be grouped into following categories :

- a) Demand for housing, offices, commercial establishments, schools, hospitals, factories etc.; demand for rehabilitation, repairs, maintenance and extensions.**
- b) Demand for infrastructure such as irrigation projects/canals, power houses, railways and roads etc.¹**
- c) Prospects of exports to West Asia, South Asia and South East Asia.**

1. Chakravarthy, S.M. Growth and Prospects for Cement Industry in India, Wadhwa Publications, Mumbai, 1993, P : 40.

HOUSING :

India has achieved a tremendous breakthrough in providing food and clothing to the people during the past 50 years, but there are millions who have no shelter over their heads to escape the onslaughts of sun and rain.

Similar to many other infrastructural sectors, supply of housing also provided by various governments to the rural poor and low income groups in the country. The National Housing Policy of the Union Ministry of Urban Affairs estimates the housing shortage in the country based on the 1991 census to be around 30.8 millions including 21.2 and 9.6 million units in the rural and urban areas respectively. The Eighth Five Year Plan document estimates that the shortage will hit 41 million units including 25.5 and 15.5 million units in the rural and urban areas respectively in the year 2001.

The Table 6.1 depicts the information about the total households, usable housing stock and housing shortages based on the 1991 census and Eighth Plan.

More than 90 percent of this shortage is for the poor and low income category. This deficit, along with the needs of housing during the Ninth Plan, would need an investment of Rs. 1,51,000 crores. The National Housing Policy document estimates that the needs of urban infrastructure alone over the next years require an investment of Rs. 2,50,000 crore.² This type of pent-up demand for the housing sector would have been engine of growth to the cement industry.

2. The Economic Times, Mumbai, 29th January 1999, P : 5.

Table : 6.1

HOUSING SHORTAGE IN INDIA

(Million No.'s)

DESCRIPTION	1991			2001		
	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL
Households	113.5	47.1	160.6	137.0	72.2	209.2
Usable Housing Stock	92.9	36.7	129.6	111.5	56.7	168.2
Housing Shortage	20.6	10.4	31.0	25.5	15.5	41.0
	(21.2)	(9.6)	(30.8)	(26.5)	(14.3)	(40.8)

- **Figures in brackets re-computed on the basis of 1991 census.**

Source: Eighth Five Year Plan Document
The Economic Times, Mumbai, 29th January, 1999, P: 5.

Even though some extraordinary risk involved in the financing of housing, all the financial institutions meant for housing finance projected huge amounts to this sector in the Ninth Five Year Plan. The Graph shows the information about the projected flow of funds to the housing sector.

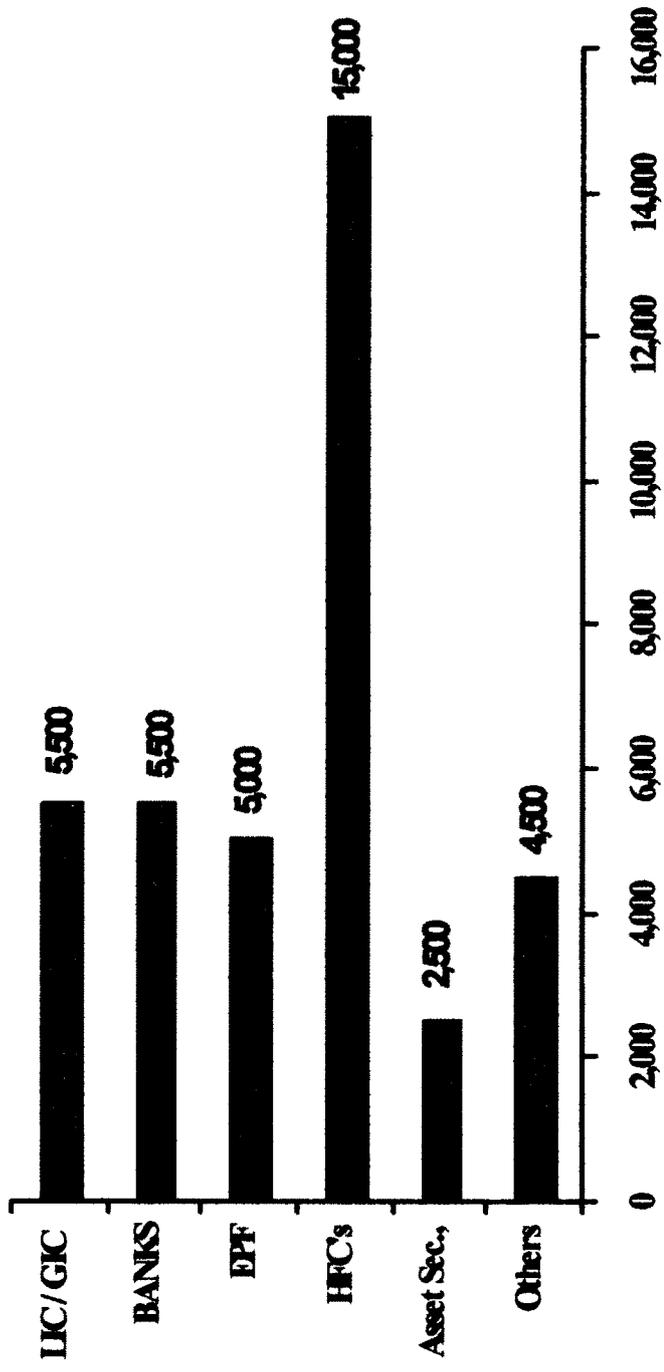
The National Housing Policy estimates that no more than 25 per cent of the estimated investment in housing will flow from banks and financial institutions. The banks and financial institutions have prepared their own plans to provide huge amounts of loan facilities with the Rs.38,000 crore to housing sector in the Ninth Plan period.³

The Housing Policy in India has undergone significant changes during the past five decades. The National Housing Policy (NHP) approved by the Indian Parliament in 1992, provides a new pattern shift in housing development in India. One of the goals of the new housing policy is to simplify the laws and procedures involved in land assembly and development processes. Some of the features of NHP are :

- To assist households with inadequate housing to secure affordable shelter through access to developed land, building materials, finance and technology.**
- To provide possible environment for housing activity by removing constraints and by developing efficient and equitable system for the delivery of housing inputs.**

3. The Economic Times, Investor's Guide, 29th June – 5th July 1998, P : 1.

**PROJECTED FLOW OF FUNDS
(R.s Crore)**



***PROJECTED FOR IX FIVE YEAR PLAN**

- **To improve the infrastructural accessibility of rural and urban areas so as to increase the supply of developed land for housing.**
- **To undertake, within the overall context of policies for poverty alleviation and employment steps for improving the housing situation of the poorest sections by direct help and financial support from the state.**
- **To promote a more equitable distribution of land and houses in urban and rural areas, and to curb speculation in the land market.⁴**

Apart from the above, the tax saps in the Union Budget 1999, coupled with falling housing loan interest rates, have made housing finance a more attractive proposal for an individual today. It was an ideal budget as far as housing was concerned. To improve the flow of funds into housing and expand the housing finance market some dynamic fiscal as well as non-fiscal measures have been taken in Budget 1999. The Cement Industry is to emerge a major gainer from Shri. Yashwant Sinha's 1999-2000 Budget, largely as a result of the focus on housing and infrastructure. A thrust on housing and housing finance, and on developing roads by diverting 50 per cent of funds raised via the Rs.1 hike in High Speed Diesel (HSD) will lead to more cement consumption.

4. Facts For You, October 1997, Vol. 18, No. 6, EFY Enterprises Pvt. Ltd., Okhla Industrial Area, New Delhi, P : 11.

The rural housing shortage at the beginning of 1997-98 was estimated at nearly 140 lakh units, which included shelterless households and those with only kutcha dwellings. Government's priority will be to provide shelter to all shelterless poor households by the end of the Ninth Plan. The task of upgradation of Kutcha dwellings of poor households will be completed by the end of Tenth Plan.

Turning to shelter in urban areas, the Central Government already taken major steps for encouraging housing development, including cancel of the Urban Land Ceiling and Regulation Act. Several incentives and exemptions announced to boost housing include raising exemption limits on interest paid on housing loans from Rs.30,000 to Rs.75,000 and tax holiday for ten years for housing projects. To encourage the corporate sector to build houses for employees, the depreciation rates have been increased from 20 per cent to 40 per cent. Three percent of incremental deposits by banks is targeted towards housing finance.⁵

All these lead to change the present situation of the cement industry. Apart from the housing the central government and almost all the state governments have taken necessary steps to improve the situation in the areas of primary education, health and sanitation to increase the stand of living of that part of population. Every year the central, state and local governments are spend crores of rupees of funds on the above said projects. All these also improve the cement demand in the coming years.

5. The Economic Times, 28th February 1999, Union Budget 1999 –2000 Speech.

ROADS :

According to the estimates of the Ministry of Surface Transport (MOST), that the annual growth of road traffic will be 10 per cent in the case of freight and 15 per cent in the case of passenger till the year 2000, and 6 per cent in both the categories.⁶ This additional traffic will require construction of a large number of additional roads and improvement of the existing roads.

The total length of roads in India increased from about 4 lakh kms. in 1950-51 to nearly 18 lakh kms. in 1984-85 and this figure crossed 50 lakh kms. in mid nineties. However the percentage of surfaced roads increased marginally from 40 per cent to 47 per cent and increased to 58 per cent during the above said period.

About one third of the villages in India have no road connections at all and two thirds are without all-weather roads. National Highways constitute only 2 per cent of the total road network, though they carry the nearly 48 per cent of profit.

The Indian National Highways are deficient in many aspects viz.,

- About 10 per cent length is less than single lane;
- About 30 per cent length is single lane;
- Nearly 50 per cent of length needs strengthening;
- Nearly 300 towns require by-passes.

Practically of the entire national highway network has black topped surface, cement concrete roads being less than 1 per cent. The condition of national

6. Cement Manufacturers' Association, 37th Annual Report : 1997-98, P : 23.

highways is far from satisfactory, though the maintenance costs are very high. On account of poor road conditions, there is indirect and direct loss of approximate Rs.1500 crores annually due to wear and tear of vehicles, accidents, compensation for injury, death etc. The cement concrete roads are confidently reduced the various losses mentioned in the above because of the following advantages of cement concrete roads such as durability, long life, maintenance-free performance, good riding quality, suitable for hilly terrain and areas of heavy rainfall, circulating areas of bus-depots, road junctions etc. Trials in India proved the techno-economic superiority of concrete roads by indicating around 14 per cent fuel saving for heavy vehicles plying on cement concrete roads.

Apart from the above, the international financial banks viz., World Bank, Asian Development Bank have provided huge sums to improve the road conditions in the country. Recently, the Asian Development Bank has sanctioned a loan of \$180 million to the National Highway Authority of India to take-up the projects of Surat-Manor stretch on National Highway 8 into a four-lane one. The Maharashtra State Government also started work on the Mumbai-Pune express highway project amounting to Rs.1500 crores, road connectivity to all villages, inaccessible tribal areas, and also work on projects worth more than Rs.5000 crores undertaken in the state with the use of private capital creating a national record. Apart from the above, the national highways No. 5 and 9 from Chennai to Calcutta and Chennai to Mumbai via Hyderabad also under stretching process upto four-lane.

All the above mentioned road development projects taken-up by the central and various state and local government and boards successfully lead to turn the situation of the Indian Cement Industry.

CANALS :

The important thrust area to generate additional demand for cement is extensive adoption of cement concrete lining in porous strata such as sandy, loamy soils etc. Huge cost is involved in creation of large scale water storage facilities by constructing dams. Maximum utilisation of the stored water is of great importance to the national economy. Analysis of a section of unlined portion of Ganges canal showed that less than 60 per cent of the water was finally utilised for irrigation—

- Water actually utilised for irrigation 56 per cent
- Percolation loss :
 - In main canal and branches 15 per cent
 - In distributories 7 per cent
 - In water courses 22 per cent

In a four inches thick cement concrete lining, the percolation loss is as low as 0.2 per cent of the unlined canal.⁷

INFRASTRUCTURAL SECTOR :

The Indian infrastructural sector has been a classic example of 'slip between the cup and the lip'. There is a tremendous promise and potential for investment

7. Chakravarthy, S.M., Indian Cement Industry : From Control to Decontrol, Wadhwa Publications, Mumbai, 1989, P : 400.

owing to the massive requirements. The infrastructural sector urgently requires a large amount of capital investment. Spending on this sector is a must for speedy economic development. The important physical infrastructural sectors are coal, telecommunications, petroleum, power, surface transport, water resources and railways. Capital expenditure on these items are crucial for development of the country in all aspects. In view of the importance of the infrastructural development, every year the government allocated significant amounts on this sector.

The Rakesh Mohan Committee report on commercialisation of infrastructural projects has estimated that about Rs.4500 billion would need to be invested in the infrastructural sector by 2001 and Rs.7500 billion by 2006-07.⁸ The government announced that an investment totalling Rs.4000 billion is required on the development of country's infrastructure over the next ten years (1997-2006). If at all the government develops a policy that effectively channels funds into infrastructure over the next ten years, domestic cement demand could breakout of its historical range of 6-8 per cent growth to 10-12 per cent per annum. The infrastructural sector now attracting huge private and foreign investments. Construction industry is expected to grow at 12-16 per cent. Further, with cementing of roads and railway sleepers in full swing, demand is expected to grow at a much faster pace.

Apart from the central government efforts to improve the infrastructural

8. Cement Manufacturers' Association, 37th Annual Report : 1997-98, P : 14.

facilities in the country, most of the state and local governments also allocating huge sums to develop this sector. Particularly, the Andhra Pradesh state government under the leadership of world's dream cabinet member Mr. N. Chandra Babu Naidu has made a tremendous breakthrough in the development of infrastructural facilities in the state. The Andhra Pradesh state government has taken-up number of prestigious projects like HITEC City, the brain child of the dynamic Chief Minister, International Business School, Fly-over projects in twin cities, expanding the existing roads, canal lining, erection of drainage canals etc. Apart from the above projects, the state government implemented various new programs viz., Janma Bhoomi, Shrama Danam etc. which leads to change the rural scenario in the state.

Recently, the Andhra Pradesh state government and the World Bank signed an agreement for the Rs.3320 crore Andhra Pradesh Economic Restructuring Project (APERP) which envisages substantial investment in key factors like irrigation, primary education, health and infrastructure in the coming five years. The state government is having the plans to allocate this cheapest interest rate borrowing sum to various sectors would be as follows : Irrigation (Rs.1129 crore), Highways (Rs.718 crore), District roads (Rs.302 crore), Rural roads (Rs.415 crore), Primary Education (Rs.674 crore), Child Development Schemes (Rs.413 crore), Primary Health (Rs.280 crore) and Public Enterprises (Rs.104 crore).

The APERP Project is mainly aimed at development of infrastructure and other facilities in rural areas. A major part of the allocation to irrigation sector

would be spent through the Water Users Associations which were already created with farmers as members. The focus would be on repairs to canals, using latest methods in water management. This project is also proposed to develop 4000 kms. of state highways and district and rural roads. Under the primary education program, construction of 6500 school buildings would be taken-up in various parts of the state.⁹

All the above mentioned projects definitely improve the government's cement usage in the coming years. This is going to increase the demand situation in the Andhra Pradesh Cement Industry.

CEMENT CONSUMPTION :

Though India is the fourth largest producer of cement in the world after China, Japan and U.S.A., its per capita consumption in 1998 is low at 82 kgs. (World average per capita consumption around 260 kgs.). There is a great scope to increase the per capita consumption by using cement in the techno-economically viable areas like roads, canal linings, dams, housing etc. Presently, cement consumption in these areas is the minimum. This leaves large scope for rapid and continued growth in the next Ninth and Tenth Plan periods.

9. The New Indian Express, 5th February 1999, P : 1.

EXPORT PROSPECTS :

India is the fourth largest cement producer in the world, but its share in the global cement trade is only 4 per cent. Cement is an extremely thinly-traded commodity worldwide. There is considerable year-to-year variation in the quantities imported in the major world markets which India hope to serve- West Asia, South Asia and South East Asia. Indian cement companies, which are located near the ports will clearly have a locational advantage.¹⁰ To increase the exports and reach out to more countries across the globe, cement units may find it necessary to establish captive port facilities as indeed some major plants in Gujarat coast have done. Similar facilities on the East coast will help cement plants in the cement surplus state of Andhra Pradesh. As mentioned in Chapter 1, (Table 1.21, P : 101) there are bright prospects for the export of Indian cement as shown earlier in 1988-89, the exports of cement was only 78,000 tonnes whereas this increased to 26,80,000 tonnes in 1997-98.

The following Table 6.2 shows the cement/clinker export estimates of the Indian Cement Industry in the coming five years. The general method of estimation is presented in Appendix 6.1.

Basing on the available data from 1988-89 to 1997-98, the export prospects of the Indian Cement Industry are presented yearwise from 1998-99 to 2002-03. During the year 1998-99, the estimated demand for the Indian Cement Industry

10. Marketing Finance, Study Material - Group Gamma, The Institute of Chartered Financial Analysts of India, Hyderabad, P : 87.

Table : 6.2

**CEMENT / CLINKER EXPORT PROSPECTS OF THE
INDIAN CEMENT INDUSTRY**

(Lakh Tonnes)

Y E A R	DEMAND ESTIMATES		
	CEMENT	CLINKER	TOTAL
1998-1999	34.19	24.19	58.38
1999-2000	36.90	26.07	62.97
2000-2001	39.61	27.95	67.57
2001-2002	42.32	29.83	72.15
2002-2003	45.03	31.71	76.74

from the world market being 58.38 lakh tonnes and further this figure increased to 62.97 lakh tonnes in the year 1999-2000, which includes 36.90 lakh tonnes of cement and 26.07 lakh tonnes of clinker. The demand estimates for the year 2001-02, being 72.15 lakh tonnes as against the previous year's 67.56 lakh tonnes. The demand estimates from the world market may touch 76.74 lakh tonnes in 2002-03, which includes 45.03 lakh tonnes of cement and 31.71 lakh tonnes of clinker exports to the global market.

6.2 DEMAND FORECAST FOR INDIAN CEMENT INDUSTRY

The industry carried out a study of projections of demand for cement based on various economic parameters that effect the cement demand. A study carried out by National Council of Applied Economic Research (NCAER), New Delhi and Indian Institute of Management (IIM), Ahmedabad in 1994 for the industry was updated in 1995 to obtain projections for Ninth Plan.¹¹ The projections took into account the past economic growth data for the whole country as well as for different states, taking into account relevant parameters like construction intensity, per capita income, disposable income, GDP growth etc.

As per the studies carried out on forecasting of cement demand in the Ninth

11. Parthasarathy, R. Chakravarthy, S.M. Indian Cement Industry : Emerging Trends, The Contact Advertising & Communication, 1810, Gyani Bazar, New Delhi, P : 18.

Plan by National Council of Applied Economic Research (NCAER), New Delhi and Indian Institute of Management (IIM), Ahmedabad, with a GDP growth around 6 per cent, the cement demand is expected to grow around @ 8 to 9 per cent annually to reach 109 million tonnes in the final year i.e. 2001-02. The growth could be even higher in accordance with the higher growth of economic development and government taking of large projects – concrete roads, dams, canal lining, mass housing etc. The production will have to reach 113 million tonnes for taking into account 8 million tonnes of exports comprising of 50 per cent cement and 50 per cent clinker expected in that year. The above mentioned forecasting figure of cement demand in the Ninth Plan period show in the Table 6.3.

As per the studies done on forecasting of cement demand in the Ninth Plan period by National Council of Applied Economic Research (NCAER), New Delhi and Indian Institute of Management (IIM), Ahmedabad, the region wise cement demand figures for the years 1997-98 to 2001-02 are given in the Table 6.4.

The estimated demand for cement in all the four regions and all India requirement are increasing at a constant rate. In the Northern region, the cement demand may touch 31 million tonnes in the terminal year of the Ninth Plan as against the 29 million tonnes in the year 2000-01. In the other regions too, the demand constantly increased as shown in the table. The all India demand also proved the same increasing trend.

Table : 6.3

DEMAND FORECAST FOR THE PERIOD OF 1997-98 TO 2001-02

(Million Tonnes)

YEAR	DEMAND ESTIMATES	AVERAGE GROWTH (%)	PRODUCTION TARGETS INCLUDING EXPORTS	CAPACITY PROJECTIONS
1996-97	73	7	76.0	105
1997-98	79	8.5	83.5	112
1998-99	86		90.0	120
1999-00	93		97.5	125
2000-01	101		105.5	130
2001-02	109		113.0	135

Source : Report of the Task Force on Cement Industry, IX Plan : 1997-2002.

Table : 6.4

REGIONWISE ESTIMATED DEMAND FOR IX PLAN PERIOD

(Million Tonnes)

REGION	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002
NORTH	22	24	26	29	31
EAST	9	10	11	11	12
WEST	23	25	27	29	31
SOUTH	25	27	29	32	35
ALL INDIA	79	86	93	101	109

Source: Report of the Task Force on Cement Industry, IX Plan : 1997-98 to 2001-02.

INVESTMENTS :

Cement capacity has also to suitable increase to a level of 135 million tonnes to meet such growing demand in the Ninth Plan. This would mean an investment of over Rs.30,000 crores with current prices and similar investment will be necessary in the Tenth Plan too. This includes the investment that has to be made in improving the infrastructure areas of coal, rail and power to support increased production. These investments will be mostly in private sector. The details are given below :

	Rs. Crores
Cement Capacity	: 12,250
Washaries	: 500
Captive Mines	: 2,000
Railways	: 12,750
Power	: 3,000
Total	: 30,500

**Source : Report of the Task Force on Cement Industry;
Ninth Plan : 1997-98 to 2001-02.**

6.3 DEMAND FORECAST OF ANDHRA PRADESH CEMENT INDUSTRY

The following Table 6.5 shows the demand estimates of the cement industry in Andhra Pradesh. The general method of estimating demand/sales forecast by the principle of Least Squares is explained in detail in Appendix 6.1.

Table : 6.5

ESTIMATED DEMAND OF ANDHRA PRADESH CEMENT INDUSTRY

(Lakh Tonnes)

YEAR	DEMAND ESTIMATES
1998-1999	74.04
1999-2000	77.80
2000-2001	81.56
2001-2002	85.32
2002-2003	89.08

Basing on the data for the period from 1985-86 to 1997-98 the demand forecast of the Andhra Pradesh cement industry is done year wise from 1998-99 to 2002-03. From the observation of the demand forecast study by means of “Least Square Method”, it is observed that the total demand forecast of Andhra Pradesh cement industry for the year 1998-99 may be 74.04 lakh tonnes. Further this figure increased to the 77.80 lakh tonnes in the year 1999-2000. During the year 2001-02, the demand estimates of the Andhra Pradesh cement industry may touch 85.32 lakh tonnes and further this figure increased to 89.08 lakh tonnes in the year 2002-03.

6.4 SALES FORECAST OF SELECT MAJOR CEMENT PLANTS :

RAASI CEMENT LIMITED :

The Table 6.6 depicts the information about the sales forecasting figures of the market leader Raasi Cement Limited.

Table : 6.6

SALES FORECAST OF RAASI CEMENT LIMITED

(Lakh Tonnes)

YEAR	SALES ESTIMATES
1998-1999	19.26
1999-2000	20.40
2000-2001	21.54
2001-2002	22.68
2002-2003	23.82

Basing on the data from 1985-86 to 1997-98, the sales forecast of the market leader Raasi Cement Limited, Secunderabad is done year wise from 1998-99 to 2002-03. In the year 1998-99, the sales forecast of this company being 19.26 lakh tonnes and further this figure may reach 20.40 lakh tonnes in 1999-2000. The sales forecast of Raasi Cements may touch 22.68 lakh tonnes for the year 2001-02 as against the previous year's 21.54 lakh tonnes. The sales forecast of this company may touch 23.82 lakh tonnes in the year 2002-03.

MADRAS CEMENTS LIMITED :

The Table 6.7 reveals the information about the sales estimates of the Madras Cements Limited.

Table : 6.7

SALES FORECAST OF MADRAS CEMENTS LIMITED

(Lakh Tonnes)

YEAR	SALES ESTIMATES
1998-1999	10.51
1999-2000	10.96
2000-2001	11.41
2001-2002	11.86
2002-2003	12.31

Depending upon the data available from 1987-88 to 1997-98, the sales forecast of Madras Cements Limited is presented yearwise from 1998-99 to 2002-03. The sales forecast of Madras Cements Limited for the year 1998-99 is upto 10.51 lakh tonnes. Further this figure increased to 10.96 lakh tonnes in the year 1999-2000. During the year 2001-2002, the sales forecast may touch 11.86 lakh tonnes as against 11.41 lakh tonnes in the financial year 2000-2001. The sales forecasts of Madras Cements Limited may touch the figure of 12.31 lakh tonnes in the year 2002-2003.

K.C.P. LIMITED :

The Table 6.8 shows the sales forecasting figures of the K.C.P. Limited.

Table : 6.8

SALES FORECAST OF K.C.P. LIMITED

(Lakh Tonnes)

YEAR	SALES ESTIMATES
1998-1999	5.00
1999-2000	5.24
2000-2001	5.48
2001-2002	5.72
2002-2003	5.96

Basing on the data available from 1985-86 to 1997-98, the sales forecast of K.C.P. Limited is presented hereunder. The sales forecast the K.C.P. Limited for the year 1998-1999 may be 5 lakh tonnes and further this figure increased to 5.24 lakh tonnes in 1999-2000. During the financial year 2001-2002, the sales forecasts may be touch 5.72 lakh tonnes as against 5.48 lakh tonnes in the year 2000-2001. The sales forecasts of K.C.P. Limited for the year 2002-2003 may be upto 5.96 lakh tonnes.

6.5 SALES FORECAST OF SELECT MINI-CEMENT PLANTS :

SAGAR CEMENTS LIMITED : (2 UNITS)

The Table 6.9 reveals the information about the sales estimates of the Sagar Cements Limited.

Table : 6.9

SALES FORECASTS OF SAGAR CEMENTS LIMITED

YEAR	SALES ESTIMATES (Lakh Tonnes)
1998-1999	3.37
1999-2000	3.66
2000-2001	3.96
2001-2002	4.25
2002-2003	4.55

As per the available data from 1985-86 to 1997-98, the sales forecast of Sagar Cements Limited is presented here. In the mini-cement plants sector, Sagar Cements Limited with its 2 units quality cement has made a tremendous breakthrough in the Andhra Pradesh market. The sales forecast of Sagar Cements Limited for the year 1998-1999 may be 3.37 lakh tonnes and further this figure increased to 3.66 lakh tonnes in 1999-2000. The sales forecast may touch 4.25 lakh tonnes during the year 2001-2002 as against the 3.96 lakh tonnes in 2000-2001. Sagar Cements Limited with its 2 units has going to be face 4.55 lakh tonnes of cement sales in the year 2002-2003.

SRI CHAKRA CEMENTS LIMITED :

The Table 6.10 depicts the sales forecasting figures of the Sri Chakra Cements Limited during the period between 1998-99 to 2002-2003.

Table : 6.10

SALES FORECAST OF SRI CHAKRA CEMENTS LIMITED

(Lakh Tonnes)

YEAR	SALES ESTIMATES
1998-1999	1.05
1999-2000	1.11
2000-2001	1.17
2001-2002	1.23
2002-2003	1.29

Studying the data from 1989-90 to 1997-98, the sales forecast of the Sri Chakra Cements Limited is shown above. The sales forecast of the Sri Chakra Cements Limited for the year 1998-1999 may be 1.05 lakh tonnes and further this figure increased to 1.11 lakh tonnes in 1999-2000. During the financial year 2001-2002, the sales forecast of this company may be touch 1.23 lakh tonnes as against 1.17 lakh tonnes in the year 2000-2001. The sales forecast of Sri Chakra Cements may be upto 1.29 lakh tonnes for the year 2002-2003.

HEMADRI CEMENTS LIMITED :

The Table 6.11 shows the information about the sales estimates of Hemadri Cements Limited in the coming five years.

Table : 6.11

SALES FORECAST OF HEMADRI CEMENTS LIMITED

(Lakh Tonnes)

YEAR	SALES ESTIMATES
1998-1999	1.51
1999-2000	1.57
2000-2001	1.63
2001-2002	1.69
2002-2003	1.75

Basing on the data from the year 1989-90 to 1997-98, the sales forecast of the Hemadri Cements Limited is presented yearwise as shown above. During the year 1998-1999, the sales forecast of Hemadri Cements Limited may be 1.51 lakh tonnes and further this figure increased to 1.57 lakh tonnes in 1999-2000. The sales forecast of this company may be touch 1.69 lakh tonnes in 2001-2002 as against 1.63 lakh tonnes in the year 2000-2001. In the year 2002-2003, the sales forecast of Hemadri Cements Limited may touch the figure of 1.75 lakh tonnes.
