

Glorious 103 Years of Indian Cement Industry: 1914-2017

Today, the Indian cement industry is 103 years old and now it has 94 major cement companies, which have 253 modern cement plants with an aggregate cement capacity of about 500 MTPA. With this, India is the second largest cement producer in the world, the first being China.

At present, the Indian cement industry is spread all over the country, from north to south and east to west with the most modern cement plants having latest energy efficient technologies. The country has 94 major cement companies, which operate 253 modern cement plants, comprising integrated, grinding, and exclusive clinker plants. They have an aggregate cement capacity of about 500 million tonnes per annum (MTPA) along with captive power plants of 4516 MW and waste heat recovery power plants of 357.06 MW. Besides, there are also about 300 mini and tiny cement plants, which have an estimated capacity of about 10 MTPA.

Origin

The first ever reference of cement production in India is recorded in George Watt's Directory of *'Economic Products of India'*, published in 1889, which stated: "Portland cement was being made in Calcutta from argillaceous kanker". However, the first organised attempt to manufacture the cement was made in 1904 by the Madras-based South India Industries Limited but this venture failed. It was in October 1914 that the cement produced at Porbandar in Gujarat by the Indian Cement Corporation Limited saw the light of the day. It had an installed capacity of a mere 1000 tonnes per annum. In the next two years, the Katni Cement Limited and Bundi Portland Cement Limited set up their cement plants at Katni in Madhya Pradesh in 1915; and at Lakheri in Rajasthan in 1916, respectively. By



1918, these three cement companies together churned out 85,000 tonnes of cement per annum.

Between 1919 and 1924, six more plants were set up and the capacities of three old plants were also expanded. By the end of 1924, the strength of cement plants rose to 10 with a total installed capacity of 0.56 MTPA. In those years, the actual production was well below 50 per cent of the capacity, which ironically, still surpassed the demand. This resulted in selling of cement below the production cost. Further, the scepticism of quality of indigenous cement only compounded the problems of the industry. This led to liquidation of some companies. At this point of time, the government referred the functioning of cement industry to Tariff Board.

The Tariff Board recommended the urgent need for co-operation among the existing units. This culminated in the birth of 'Indian Cement Manufacturers Association' (ICMA)

in 1925. Its aim was to regulate prices and limit the supplies by mutual consent. In 1927, the members of ICMA formed 'Concrete Association of India' (CAI) to popularise the use of indigenous cement as the new building material. Three years after, in 1930, 'Cement Marketing Company of India' (CMCI) was launched to promote the sale and distribution of cement at regulated prices.

In 1936, nine existing cement companies merged to form the Associated Cement Companies Limited (now ACC Limited) with a clear philosophy of not attaining 'a monopolistic position but to make and deliver cement as cheaply as possible'. In 1937, the 10th company - Dewarkhand Cement Company also merged with ACC. Soon after the ACC's formation, in 1937, the Dalmia - Jain Group decided to enter the cement sector with five new plants with an aggregate capacity of 0.58 MTPA. In 1938, Mysore Iron & Steel Works, later