

INTEGRATION ASSIGNMENT

Group No. 4

Shree Cement

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1. OVERVIEW

Shree Cement Limited is a listed public company United into one body on 25 October, 1979. It is classified as a public limited company and is located in Beawar, Rajasthan. At present their headquarters are located in Kolkata.

The company has 11 directors and 2 reported key management personnel. The longest serving director currently on board is Benu Gopal Bangur who was appointed on 25 October, 1979. Benu Gopal Bangur has been on the board for more than 42 years. The most recently appointed director is Uma Ghurka, who was appointed on 11 November, 2019. In total, the company is connected to 46 other companies through its directors.

The main business of the company is providing building materials and manufactures cement and cement products. It is one of the biggest cement makers in Northern India. The company's manufacturing operations are spread over North and East India with presence across approximately six states. It has a cement production capacity of ~44.4 MTPA. The company has operations in Rajasthan, Uttarakhand, Bihar, Haryana, Chhattisgarh, and Uttar Pradesh. The company's brands include Shree Jung Rodhak, Bangur and Rockstrong.

Apart from this It also produces and sells power under the name Shree Power (Captive Power Plant) and Shree Mega Power (Independent Power Plant).

The company has installed 120 MW captive power plants split into two locations (Beawar & Ras) to meet the complete power needs of a 15 million tons Integrated Cement Plant. Commissioned 2x18 MW Greenfield Power Plant at Beawar in 2002 and running successfully. One 6 MW TG is also operating successfully with excess steam available from this 2x18 MW Power Plant. 4x18 unit is operational in RAS plant (40 km from Beawar). At same location 2x50 MW unit also exists and being fully operational. Company also believes in producing power from waste heat recovery methods (from Cement Kiln and preheat). Making a total of 265MW captive power along with 300MW independent.

Shree Cement Limited	
	
Type	Public
Traded as	BSE: 500387  NSE: SHREECEM  NSE NIFTY 50 Constituent
Industry	Building materials
Headquarters	Kolkata, West Bengal, India
Key people	Benu Gopal Bangur (Executive Chairman) Hari Mohan Bangur (Managing Director)
Products	Cement
Revenue	▲ ₹13,142 crore (US\$1.7 billion) (2020) ^[1]
Operating income	▲ ₹2,225 crore (US\$300 million) (2020) ^[1]
Net income	▲ ₹1,544 crore (US\$210 million) (2020) ^[1]
Total assets	▲ ₹19,944 crore (US\$2.6 billion) (2020) ^[1]
Total equity	▲ ₹13,133 crore (US\$1.7 billion) (2020) ^[1]
Number of employees	6,185 (2020) ^[1]

Shree Cement has been ranked 4th in 2017 Responsible Business Rankings developed by IIM Udaipur.

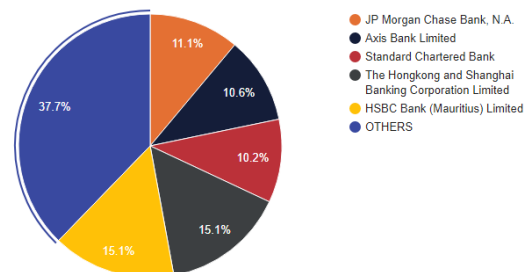
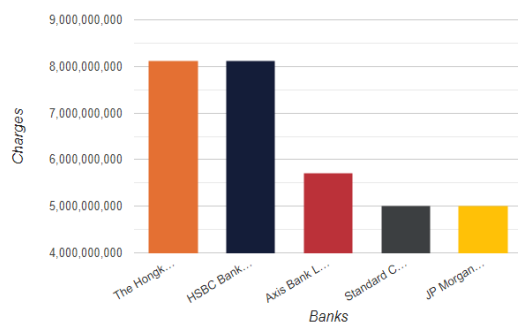
Turnover of the company for 2013–14 was ₹58.58 billion (US\$780 million) and Net profit was ₹7.872 billion (US\$100 million), 2012–13 was ₹55.90 billion (US\$740 million) and net profit was ₹10.39 billion (US\$140 million); 2011–12 was ₹34.53 billion (US\$460 million) and Net profit was ₹2.097 billion (US\$28 million); for 2010–11 it was ₹36.34 billion (US\$480 million) and net profit was ₹6.76 billion (US\$90 million); In 2008–09 the company posted a turnover of ₹21.29 billion (US\$280 million) and generated operating profit of ₹2.603 billion (US\$35 million).[3] Since 2006, it has more than quadrupled its production capacity both by expanding into new areas and increasing the capacities of the existing plants.

Shree cement Limited is connected to approx. 48 Industrial companies.



BANK-WISE BIGGEST CHARGES ON ASSETS-SHREE CEMENT LIMITED.

5 BIGGEST CHARGES



2. SWOT ANALYSIS

STRENGTH

Below are the Strengths in the SWOT Analysis of Shree Cement:

1. Shree Cement is listed under the biggest companies in North India.
2. It is successfully operating in Rajasthan, Delhi, Haryana, Punjab, UP, J&K, Himachal, etc.
3. Also plays a role in the operations in power sector with Shree Power and Shree Mega Power.
4. Shree Cement has received awards for good performance in Cost and Golden Peacock Award for Business Excellence
5. Shree Cement was rated among top 20 best companies to work for in India by Business Today, Mercer and TNS (2008–09).
6. As of now, it comes 4th in the list of top 10 Cement companies in India, by IndianCompanies.in.

WEAKNESS

Here are the weaknesses in the Shree Cement SWOT Analysis:

1. Shree Cement covers only the Northern States.
2. It does have a very prevailing branding activities compared to its competitors in the same field like UltraTech Cement, Ambuja Cement, etc.

OPPORTUNITIES

Following are the Opportunities in Shree Cement SWOT Analysis:

1. It can begin with expanding its reach all over India.
2. As it is already in top 10, and so far from first position, brand awareness can help to make it more popular and compete with its rivals.

THREATS

The threats in the SWOT Analysis of Shree Cement are as mentioned:

1. Since Cement companies like UltraTech and Ambuja cement are on the top and have a good brand awareness with people watching their advertisements on daily basis, it can be hard to take their place.
2. Since the brand awareness is low, it can be difficult to expand all around India, therefore, they can strategize a plan to advertise so that people know their name and spread awareness through the already existing clients.

3. FINANCIAL PERFORMANCE

Balance Sheet:

Particulars	As on 31st March, 2021	As on 31st March 2020	Absolute Inc/Dec	Relative Inc/Dec In %
Assets				
Non-Current Assets				
Property, Plant and Equipment	3790.74	3959.30	-168.56	-4.26
Capital Work in Progress	970.96	962.11	8.85	0.92
Intangible assets	26.97	19.37	7.60	39.24
Right of use Assets	373.84	340.25	33.59	9.87
Financial Assets				
Investments	7271.28	5829.17	1442.11	24.74
Loans	60.67	52.70	7.97	15.12
Other Financial Assets	69.26	156.17	-86.91	-55.65
Deferred Tax Assets (NET)	785.50	743.78	41.72	5.61
Non-Current Tax Assets	102.00	110.76	-8.76	-7.91
Other Non-Current Assets	388.09	338.69	49.40	14.59
Total Non-Current Assets	13839.31	12512.30	1327.01	10.61
Current Assets				
Inventories	1477.17	1427.85	49.32	3.45
Financial Assets				
Investments	3779.33	3086.26	693.07	22.46
Trade Receivables	485.89	828.45	-342.56	-41.35
Cash and Cash Equivalents	14.97	15.33	-0.36	-2.35
Bank Balances (Other than Cash and Cash Equivalents)	194.79	92.83	101.96	109.84
Loans	25.01	7.63	17.38	227.79
Other Financial Assets	149.44	204.18	-54.74	-26.81
Other Current Assets	1072.86	1163.04	-90.18	-7.75
Total Current Assets	7199.46	6825.57	373.89	5.48
Total Assets	21038.77	19337.87	1700.90	8.80
Current Liabilities				
Financial Liabilities				
Borrowings	508.08	708.74	-200.66	-28.31
Trade Payables				
Total Outstanding Dues of Micro and Small Enterprises	4.06	2.18	1.88	86.24
Total Outstanding Dues of Creditors other than Micro and Small Enterprises	781.73	525.84	255.89	48.66
Other Financial Liabilities	752.99	1288.53	-535.54	-41.56
Other Current Liabilities	1398.52	1218.85	179.67	14.74
Provisions	1.91	1.11	0.80	72.07
Current Tax Liabilities (Net)	68.09	63.41	4.68	7.38
Total Current Liabilities	3515.38	3808.66	-293.28	-7.70
Total Equity and Liabilities	21038.77	19337.87	1700.90	8.80
Equity and Liabilities				
Equity				
Equity Share Capital	36.08	36.08	0.00	0.00
Other Equity	15213.99	12900.34	2313.65	17.93
Total Equity	15250.07	12936.42	2313.65	17.88
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	1331.55	1638.70	-307.15	-18.74
Other Financial Liabilities	931.22	944.91	-13.69	-1.45
Provisions	10.55	9.18	1.37	14.92
Total Non-Current Liabilities	2273.32	2592.79	-319.47	-12.32

The company's shareholder fund has increased by 17.88% as compared to the previous year. This means more and more people are investing in this company as this company is generating profits.

Company's total liability has decreased by 9.6% as compared to last year. This clearly means that the company was able to repay some of its liabilities as it is making profits.

Profit – Loss Statement:

Particulars	As on 31st March, 2021	As on 31st March 2020	Absolute Inc/Dec	Relative Inc/Dec In %
Income				
Revenue from Operations	12588.39	11904	684.39	5.75
Other Income	458	271.62	186.38	68.62
Total Income	13046.39	12175.62	870.77	7.15
Expenses				
Cost of Materials Consumed	833.59	763.27	70.32	9.21
Changes in Inventories of Finished Good and Work in Progress	42.05	4.97	37.08	746.08
Employee Benefits Expenses	759.72	731.01	28.71	3.93
Power and Fuel	2033.32	2347.62	-314.3	-13.39
Freight and Forwarding Expenses	3037.24	2606.13	431.11	16.54
Finance Costs	247.1	286.52	-39.42	-13.76
Depreciation and Amortisation Expenses	1139.9	1699.42	-559.52	-32.92
Other Expenses	1943.02	1802.54	140.48	7.79
	10035.94	10241.48	-205.54	-2.01
Captive Consumption of Cement	-15.27	-26.07	10.8	-41.43
Total Expenses	10020.67	10215.41	-194.74	-1.91
Profit before Tax	3025.72	1960.21	1065.51	54.36
Tax Expense				
Current Tax	763.82	530.16	233.66	44.07
Tax Expense Relating to Earlier Years (Net)	-10.27	-5.33	-4.94	92.68
Deferred Tax (Credit) / Charge	-39.76	-134.8	95.04	-70.5
	713.79	390.03	323.76	83.01
Profit for the Year	2311.93	1570.18	741.75	47.24
Other Comprehensive Income				
Items that will not be Reclassified to Profit or Loss- Re-measurements of the Defined Benefit Plans	11.14	6.38	4.76	74.61
Income Tax relating to items that will not be Reclassified to Profit or Loss	-3.74	-2.23	-1.51	67.71
Items that will be Reclassified to Profit or Loss- Cash Flow Hedge	-19.64	13.51	-33.15	-245.37
Income Tax relating to items that will be Reclassified to Profit or Loss	6.03	-4.72	10.75	-227.75
	-6.21	12.94	-19.15	-147.99
Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the year)	2305.72	1583.12	722.6	45.64
Earning per Equity Share of ₹10 each (IN ₹)				
Cash	945.68	888.58	57.1	6.43
Basic and Diluted	640.77	445.08	195.69	43.97

Ratio:

Solvency Ratio					
Debt to Equity Ratio	Times	Debt	Equity	0.38	0.49
Debt To total asset	Times	Debt	Asset	0.28	0.33

By looking at the table, we can say that solvency ratio are good as debt to equity ratio and debt to total assets less than 0.5, which means company is not leverage, their strengths of raising funds from the markets heavily dependent on equity funds. That make share holder of the company deprived of the benefits of trading on equity.

Liquidity Ratio					
Current Ratio	Times	Current Asset	Current Liability	2.05	1.79
Cash Ratio	Times	Cash	Current Liability	0.06	0.03

Liquidity of Shree Cements Limited is average i.e. it is capable of repaying all of its liabilities. As current ratio of the company is on higher side which gives creditors the safety of funds. But on the other hand, quick/cash ratio are on the lower side that means company have insufficient funds for immediate payments and need to raise working

Probability Ratio					
GP Margin	%	Gross Profit	Sales	35.05	33.14
EBITDA Margin	%	EBITDA	Sales	35.05	33.14
EBT Margin	%	EBT	Sales	24.03	16.46
EBIT(Operating) Margin	%	EBIT	Sales	25.99	18.87
Net Profit Margin	%	Profit After Tax	Sales	18.36	13.19
Return On Asset	%	Profit After Tax	Assets	10.98	8.11

Profitability ratio of Shree Cements Limited is good. As gross margin is 35.05% which is a good margin and the company is not on the danger side. It is working well and need not to reconsider any factor.

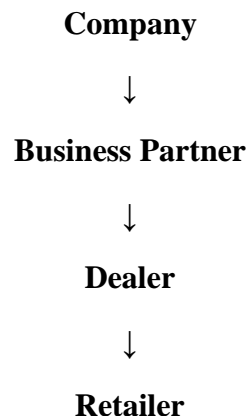
4. MARKETING RELATED STRATEGIES

MARKET SEGMENTATION

We have divided market into segments Based on the Quantitative and Qualitative segmentation of customer. Cement buyers can be of two types.

Customer who buys the product/cement through distribution network is a **TRADE** segment.

Here company have a distribution network



TARGETING

Shree Cement is launched as normal brand, its target was normal people. Later to extend their market they segmented the market based on qualitative and quantitative. Later, in order to give Premium Quality cement for the affordable class of people the company launched multiple brands like Bangur, Roofon etc. The target customers are mainly of north India as the primary market of the company is in the northern India.

POSITIONING

To drive and sustain industry leadership of the company within a global context-by developing individual leadership competencies at every level, through a robust backbone of trust, support, innovation, and reward.

4P'S (Product, Price, Place & Promotion) MARKETING MIX

PRODUCT

The company have both OPC (Ordinary Portland Cement) & PPC (Pozzolana Portland Cement) of 43 grade. They also conduct R&D at regular intervals. And all the waste material is also used in making the product. Innovating new thing Through R&D like Red Oxide Cement.

PRICE

Pricing of cement varies from place to place & varies with demand & supply of cement. However, the price of cement rises & vice versa If demand is more. Pricing also depends upon the expenditure of transportation to that location.

PLACE

Primarily, the company sell in the North i.e., Delhi, Haryana, Uttar Pradesh, Bihar, Punjab, Rajasthan, Uttaranchal, Jammu & Kashmir. The company has a strong distribution network which is supported by a corresponding network of Business Mates & Business Associates precisely chosen for their track record in dealing with high- end market segments. We have a separate marketing platoon for Shree Cement & they have offices in numerous metropolises of different states. They have a strong dealer & retailer network.

PROMOTION

The Company promote their brand by advertising in print media & on TV. Wall painting on the retailer's outlet is another form of advertising the brand. They give free stuff like slip pads, pens, key chains rings, paperweight, calendars on which the Shree Cement logo is printed. They have dealer, retailer meetings also in which they're made know of schemes, quality of cement, it's manufacturing & also given gifts.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

For keeping up CRM, we conduct meetings with a merchandiser, retailer, and mason 3-4 times a year. They continually in touch with the merchandisers & try to resolve their problems. In the meetings the company make them aware about the manufacturing process, quality of the product offers schemes available. They also give them gifts like key rings, pens, timetables, lunch boxes etc. The company also hear at their suggestions & try to apply the same.

HR PRACTICES

It takes pride in a culture that

- Values we for our work and for who we are no matter where we come from or our background
- Fosters an environment to accelerate our growth within the company because they value home grown leadership
- Promotes the group before the individual and celebrates collaborative wins
- Thrives on consistent pursuit of excellence, innovation, and agility.



Here's what they promise when we join

- Be trusted to take charge, bring ideas to reality, and deliver end to end
- Opportunity to challenge our boundaries every day, continuously learn and improve
- Freedom to fail if we learn. Here we don't have to get everything right the first time
- Avenues to speak our mind because they value transparency and take constructive action

They Are an Equal Opportunity Employer

The Shree Cement group is committed to providing equal opportunities in employment and creating an inclusive work environment.

The Shree Cement Code of Conduct

- They provide equal opportunities to all our employees and to all eligible applicants for employment in our company. They do not unfairly discriminate on any ground, including race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other category protected by applicable law.

- When recruiting, developing, and promoting our employees, our decisions will be based solely on performance, merit, competence and potential.
- They shall have fair, transparent, and clear employee policies which promote diversity and equality, in accordance with applicable law and other provisions of this Code. These policies shall provide for clear terms of employment, training, development, and performance management.

Dignity and respect

Our leaders shall be responsible for creating a conducive work environment built on tolerance, understanding, cooperation and respect for individual privacy.

Everyone in our work environment must be treated with dignity and respect. They do not tolerate any form of harassment, whether sexual, physical, verbal, or psychological.

They have clear and fair disciplinary procedures, which necessarily include an employee's right to be heard.

They respect our employees' right to privacy. They have no concern with their conduct outside our work environment, unless such conduct impairs their work performance, creates conflicts of interest or adversely affects our reputation or business interests."

Statement

Shree Cement is committed to providing equal opportunities in employment and creating an inclusive work environment. They endeavor to –

- a. Provide equal and fair opportunities for employment to all qualified applicants.
- b. Maintain a work environment free from harassment based on age, colour, physical ability, marital status, parental status, ethnic origin, religion, sexual orientation, or gender identity.
- c. Make employment relationship decisions solely based on individual ability and qualifications, subject only to occupational requirements, seniority and other appropriate non-discriminatory criteria.
- d. Adhere to applicable law pertaining to equal employment opportunities and fair employment practices; and
- e. Inform staff of certain behaviour that is unacceptable, and measures that the Company may take for deviant behaviour towards employees.

Non-Discrimination

They shall not discriminate directly or indirectly against any employee or job applicant on any grounds including on the grounds of age, color, physical ability, ethnic origin, nationality, religion, gender, family status, marital status, pre-natal status, gender re-assignment, or sexual orientation

They will make reasonable accommodation*, whenever necessary, for qualified employees or job applicants who have disabilities.

*Reasonable accommodation means necessary and appropriate modification and adjustments, without imposing a disproportionate or undue burden in a particular case, to ensure to persons with disabilities the enjoyment or exercise of rights equally with others.

Bullying and Intimidation

They promote a harmonious working environment in which our employees will be treated with dignity and respect. They have a zero-tolerance policy towards bullying and harassment.

Commitment to Diversity and Inclusion

They are committed to strengthening diversity and inclusion at the workplace through an enabling environment, supportive work life policies for employees and a culture that they come differences and creates a sense of belonging. They strive to create a work environment where all employees can develop and grow to achieve their full potential. They are an equal opportunity employer and are committed to maintaining respect and dignity for all.

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