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Shree Cement Ltd.

SUMMER INTERNSHIP REPORT

"Sales Analysis of Cement Industries in Khushkhera with the Special Emphasis on Shree Cement"

Submitted by

Sachin Agarwal

Enrollment No 2016bch007

JK LAKSHMIPAT UNIVERSITY

ज्ञानम् अमृतम्

In partial fulfillment for award of the degree of Under graduate in B.com(hons)

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SHREE CEMENT LTD.

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To Whomsoever It May Concern

SSCL/KK/HR/102

June 30 ,2018

This is state that Mr.Sachin Agarwal ,student of J.K.Lakshmipat University has under gone project training with our organisation from May 07,2018 till June 20,2018 in his partial fulfillment for the award of the degree.

He had been assigned on the project titled "**Sales Analysis of Cement Industries in Khushkhera with the special emphasis on Shree Cement** ".

We wish him all success in his future endeavors.

Sincerely,

For :- Shree Cement Limited

(Authorised Signatory)

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EXECUTIVE SUMMARY

PROJECT TITLE :**"Sales Analysis of Cement Industries in Khushkherawith the Special emphasis on Shree Cement"**

As the title of the Project Suggests the profile was to Analyze the Sales of Shree Cement as well as other Competitors Cement Brands. It includes a Survey with the dealers and Retailers of the Khushkhera and nearby Areas.

A Questionnaire was framed after a brief discussion with the company's Supervisor, and then the job to visitvarious Dealers and Retailers of the Area was started.

The Dealers and Retailers were asked various Questions such as the Wholesale price and retail price of each brand , the most selling brand with Reason, and other influencing factors while selecting a brand etc.

The dealer and the retailers were also asked whether they are provided with the schemes, gifts and with other benefits, how many major meets are being organized by the different cement companies and about the problems faced by them .

Based on the Study and Feedback the Statistical Graphs and Charts were used to show the Sales of all Cement Brand, Analysis for Shree Cement in Khushkhera and Recommendation to the company which will be helpful in making the Market Strategies and to improve Sales .

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INDUSTRY OVERVIEW

1.1 Introduction of cement

Joseph Aspedine of England first Discovered Cement in the year 1878. The discovery took place in the Island of Portland, thus the name was Portland Cement.Cementthe modern day inexpensive, reliable Construction material, possesses, excellent, cohesive and Adhesive and strength properties. This material is used in creating vast infrastructure like Ultra high rise building, roads, bridges, airports, building and docks etc.It is also used in constructing dwelling units for the population and it's consumption level is taken as indicator of the level development .An individual planning to build a house for his own use or a builder of a construction project goes to the market to buy Cement for his construction work. Unlike in the past when cement was a controlled commodity ,today cement is freely available in the market under different brand names. Besides the cost of cement, which is about 12 to 15 percent of the total consumption, cost quality of cement is also important from the point of view of strength and durability of structure.Cement is a complex compound of oxides of calcium, silicon, iron and aluminum. Raw material used to manufacture cement is mainly limestone along with iron oxide in order to obtain the various oxides in proper proportion. Pulverized raw meal is sintered in a kiln to the point of incipient fusion to produce cement clinker. Clinker is ground with small percent of gypsum to manufacture ordinary Portland Cement.

1.2 CEMENT INDUSTRY IN INDIA

Cement industry is a capital intensive and cyclical industry. The demand for Cement is linked to Economic Activity, can be categorized into two segments, Household Construction and Infrastructure Creation.

India is the second largest producer of cement in the world. No wonder, India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. Ever since it was deregulated in 1982, the Indian cement industry has attracted huge investments, both from Indian as well as foreign investors.

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.

1.3 GROWTH

- Cement production increased at a CAGR of 18% per cent over 2006 –.
- As per the last ten year power capacity CAGR increased by 25.03%
- Availability of fly-ash (from thermal power plants) and use of advance technology has increased
- Operating Profit is increased to 16.75% from last ten years
- The Net Worth is about □7,698 crore in year 2016-17

The Industry faces several bottlenecks in high cost of inputs like fuel and power, high taxes and duties and transportation cost. More than 70% of the input cost in cement manufacture is beyond the control of the industry and is administered by regulatory authorities. These include royalties and cess on limestone, tariff for coal, rail transport and power, duties on finished goods, namely, central excise, local sales tax, octroi, etc.

The only areas where industry can induce cost controls and economy are reduction in consumption of inputs like fuel and power through energy efficiency, improved productivity through planned maintenance and reduction of stoppages, etc. The continuous efforts by the industry in these areas have brought in good results. It is noteworthy that the energy consumption by the most efficient cement plants in India at the level of 665 Kcal per kg of clinker and 69 kWh per tonne of cement are comparable with the best achieved in the world.

1.4 MARKET SIZE

Cement demand in India is expected to increase due to government's push for large infrastructure projects, leading to 45 Million tonnes of cement needed in the next three to four years.

India's Cement demand is expected to reach 550-600Million tonne per Annum (MTPA) by 2025. The Housing Sector is the biggest demand driver of Cement, accounting for about 67 per cent of the total consumption in India. The other major consumers of cement include Infrastructure at 13 per cent, commercial construction at 11 per cent and Industrial Construction at nine per cent.

To meet the rise in demand, cement companies are expected to add 56 Million tonnes (MT) capacity over the next three years. The cement capacity in India may register a growth of eight per cent by next year end to 395 MT from the current level of 366 MT. It may increase further to 421 MT at the end of 2018. The country's per capita consumption stands at around 190 kg.

The Indian Cement industry is dominated by a few companies. The top 20 cement companies account for almost 70 per cent of the total cement production of the country. A total of 188 large cement plants together account for 97 per cent of the total installed capacity in the country.

1.5 VARIETIES OF CEMENT AVAILABLE IN THE MARKET

S.NO	CEMENT TYPE	SPECIFIC USE
1	OPC (Ordinary Portland Cement) a) 33 Grade	General construction work where high strength concrete is required plastering , finishing works, etc.
	b) 43 Grade	Used where M-15 , M-20 and above grade Concrete is required used for precast items and general construction work. Strength development is faster than 33 Grade
	c) 53 Grade	High Strength cement used for multistory building , precast , priestesses items for bridges , tall structure etc develop very fast strength and speed up construction.

2	a) PPC (Clay Based) (Pozzolana Portland cement)	Construction of dams, Dikes Sewages pipes, Plastering
	b) PPC(Fly Ash based)	Masonry and finishing works.
3	White Cement	Manufacturing of tiles , Artistic, Decorations, and floor to decorate concrete etc . Generally means for Non-structural uses.
4	Oil well Cement	Used by petroleum industry for Cementing gas & oil wells at high Temperatures and pressures, Connecting the steel casing to the walls of gas oil wells at high temp and to seal porous formations in petroleum industry
5	Masonry Cement	Mortars for bricks, stones and Concrete block masonry as well at high temperatures and pressure.

1.6 MAJOR PLAYERS IN INDIAN CEMENT INDUSTRY

Domestic players:

1.) Ambuja Cements Limited

2.) UltraTech Cement

3.) Binani Cement

4.) Shree Cements Limited

5.) J Klakshmi Cement

1.7 PROCESS TECHNOLOGY

Stages of Cement Production

There are seven stages of cement production at a cement plant:

1. Procurement of raw materials
2. Raw Milling - preparation of raw materials for the pyroprocessing system
3. Pyroprocessing – pyroprocessing raw materials to form cement clinker
4. Cooling of cement clinker
5. Storage of cement clinker
6. Finish Milling
7. Packing and loading

CEMENT MANUFACTURING

Raw Material Preparation

Limestone of differing chemical composition is freely available in the quarries This limestone is carefully blended before being crushed. Redmineral is added to the limestone at the crushing stage to provideconsiste nt chemical composition of the raw materials. Once thesematerials have been crushed and subjected to online chemical analysis they are blended in a homogenized stockpile. A bucket wheel reclaimer is used to recover and further blend this raw material mix before transfer to the raw material grinding mills.

Transport belt conveyor transfers the blended raw materials to ball mills where it is ground. The chemical analysis is again checked to ensure excellent quality control of the Product. The resulting ground and dried raw meal is sent to a homogenizing and storage silo for further blending before being burnt in the Kilns.

Fuels

The heat required to produce temperatures of 1,800°C at the flame is supplied by ground and dried petroleum coke and/or fuel oil. The Petcoke is imported via the companies 'internal wharf, stored and then ground in dedicated mills.Careful control of the mills ensures optimum fineness of the Petcoke and excellent combustion conditions within the kilns system.

Burning

The Raw Meal is fed into the top of a pre heater tower equipped with four cyclone stages. As it falls , the meal is heated up by the rising hot gasesand reaches 800°C. At this temperature,the meal dehydrates and decarbonizes. The meal then enter a slopping rotary kiln,which is heated by at 1,800°C flame, which completes the burning process of the meal. The meal is heated

to a temperature of at least 1,450°C. At this temperature the chemical changes required to produce cement kiln are achieved. The dry process kiln is shorter than the wet process kiln and is the most fuel-efficient method of cement production method available

Coolers Units

The clinker discharging from the kiln is cooled by air to a temperature of 70°C above ambient temperature and heat is recovered for the processto improve fuel efficiency. Some of the air from thecooler is de-dusted and supplied to the coal grinding Plant. The remaining air is used as preheated secondary air for the main combustion burner in the kiln. Clinker is analyzed to ensure consistent product quality as it leaves the cooler . Metal conveyors transport the clinker to closed storage areas.

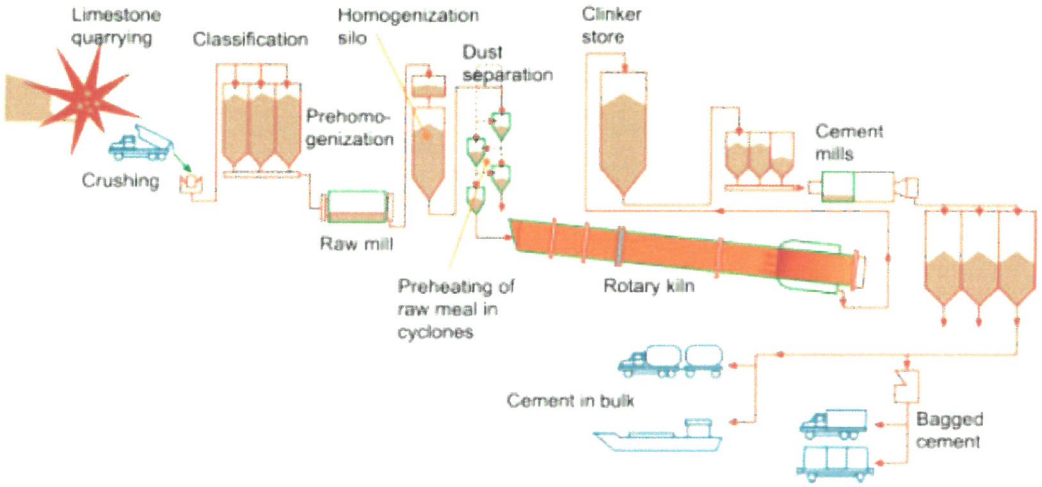
Filters

Dedicated electrostatic precipitators dedust the air and gases used in theClinker Production Line Process. In this way, 99.9% of the dust iscollecte d before venting to the atmosphere. All dust collected is returned to the process.

Constituents

Different types of cement are produced by mixing and weighingproportionall y the following constituents:

Cement manufacturing from the quarrying of limestone to the bagging of cement



COMPANY OVERVIEW

2.1 INTRODUCTION

Being among the Top ten Cement producers in the country Shree Cement Limited (SCL) enjoys a market share of about 16 per cent in Northern region of India. Over the years, Shree Cement has built an identity as one of the world's most efficient cement manufacturers. First of all, its production has been consistently in excess of its rated capacity. Secondly company's per tonne energy consumption is one of the lowest in theworld ,and also it has a unique distinction of operating both its cement as well as captive power plant on alternative fuel

Shree is a rapidly growing Company focused on its core business of Cement & Power. Currently its manufacturing operations are spread over North and Eastern India across

five states. It is recognized as one of the most efficient and environment friendly Company in the global cement industry. The Company's high corporate governance and social performance together with consistent financial performance makes it a truly Sustainable Company.

Shree Cement limited is one of the most energy efficient plants in India and is a recipient of National Energy Conservation award for consecutive five years by ministry of Industry Government of India.

It is also awarded by the prestigious bodies like NCCBM, NEEC, Bureau of Indian Standards, National Safety Awards, Jawaharlal Nehru Memorial Awards etc. and is endeavoring for many more such laurels through its professional excellence.

LOCATIONS

Shree Cement Unit I & II is located at Beawar.

Bangur Cement Unit (III,IV,V &Vi) is located at RAS.

Shree Cement Grinding Unit (KKGU) is located at KhushKhera.

PORTFOLIO & STATE WISE LOCATIONS

Cement portfolio	Cement Production Capacity 25.6 million tons per annum Multiple Locations
State	Locations
Uttar Pradesh	Bulandshahr
Rajasthan	Beawar, Ras, Khushkhera, Suratgarh and Jobner (Jaipur)
Uttarakhand	Laksar (Roorkee)
Bihar	Aurangabad
Haryana	Panipat
Chhattisgarh	Baloda Bazar

2.2BRANDS SHOWCASE

Shree Cement Limited is an India-based cement manufacturing company that offers products, such as cement and clinker. It operates through two segments: Cement and Power. The Company markets its cement products under the brand names Shree Ultra, Bangur Cement and Rockstrong Cement. Shree Ultra is the Company's flagship brand, which has two variants, such as Shree Ultra OPC and Shree Ultra Jung Rodhak Cement. The Company has cement production capacity of approximately 25.6 million tons per annum



Shree Jang Rodhak Cement





Bangur CementRock Strong Cement

2.3 POWERPORTFOLIO

Total Power Generation capacity:

612 MW

Includes Waste Heat Recovery Plants (WHRP)

111 MW

(largest such capacity in the global cement industry excluding China)

Growth on 10 years' horizon

Parameter	UoM	2016-17	2006-07	CAGR
Cement capacity	MTPA	29.3	5.6	18%
Power capacity	MW	607	65	25.03%
Revenue from operations	in crores	9,497	1,613	19.40%
Operating profit	in crores	2,875	611	16.75%
Net profit	in crores	1,339	177	22.43%
Net worth	in crores	7,698	455	32.70%

2.4 MISSIONS& VISIONS

The vision and Mission of the organization is highlighted Below-:

MISSION

- To sustain its reputation as the most efficient Cement manufacture in the world.
- To strengthen realizations through intelligent brand building.
- To drive down cost through innovative plant practices.
- To increase the awareness of superior product quality through a realistic and convincing communications process with consumers.

VISION

- To register a strong consumer surplus through a superior cement quality at affordable prices.
- As an organization, Shree Cement spread happiness amongst everyone connected with our ecosystem and create wealth for investors, employees, business associates and communities where we operate by experimenting and implementing new ideas for improving efficiencies and maximizing the ratio of output product to input resources.

2.5VALUES&PHILOSOPHY

The Values & Philosophy of the organization is highlighted Below-:

VALUES

We believe in good corporate governance practices, encourage integrity of conduct and clarity in communication. We remain accountable to all stakeholders and encourage socially responsible Behavior.

PHILOSOPHY

"Let noble thoughts come to us from all over the world". At shree , we believe in imbibling and extending these noble thoughts across all our functions



2.6SCL SUCCESS DRIVER

People as Progress Drivers

Shree believes that what is present in the minds of people is more valuable than the assets on the shop floor. All the company's initiatives are directed to leverage the value of this growing asset.

Leaders at Every Level

Shree believes in creating leaders -not just at the organizational apex but at every level, resulting in a strong sense of emotional ownership.

Shareholder Value

Shree is focused on the enhancement of value through a number of strategic and business initiatives that generate larger and a better quality of earnings.

Community and Environment

Shree's community concern extends from direct assistance to safe and dependable operations for its members and the environment.

2.7MARKET CLASSIFICATION

Markets	States
Primary	Rajasthan
Secondary	Delhi, Punjab, JK, Haryana, Western U.P and Uttaranchal
Tertiary	Gujarat, M.P. and Central U.P

Markets

Each cement manufacturer has a primary and secondary market .The former is one, which is the closest to the production center where it fetches the best realizations while the latter is usually at a distance where realizations are lower.

In an industry where consumer loyalties change every rupee, shree's biggest achievement was that it built an emotional bond with its stakeholders.

This transpired as a result of a number of initiatives:

- The company positioned its brands around longer life (durability),emphasizing product longevity.
- The company innovated the launch of corrosion resistant grade like Red Oxide Cement, winning innovations in a staid industry.

- Shree put its products deeper within most territories. Besides, it invested in logistics to reach retail shelves faster. Shree's products moved quicker off retail shelves: every 0.65seconds in 2001-02 and every 0.58 seconds in 2002-03. As the company's primary customers - dealers - accelerated the rotation of their working capital, they maximized their return on capital ,ensuring brand loyalty.
- Shree educated its principal users - the masons and architects.

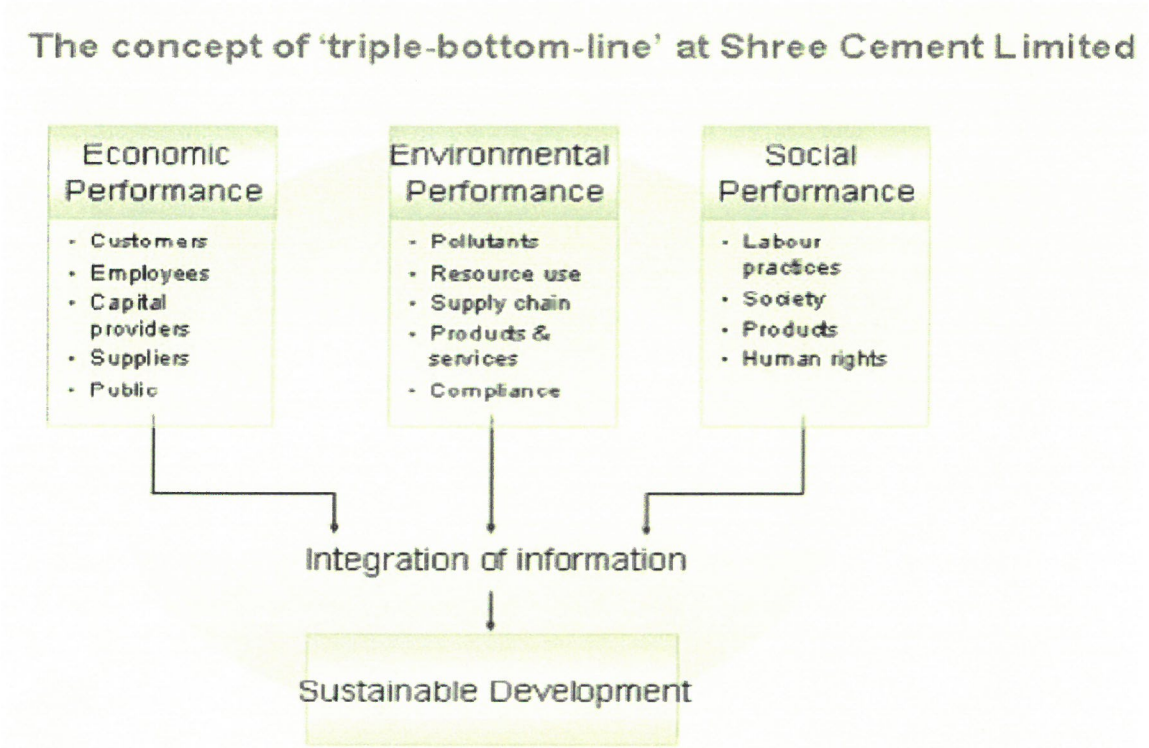
2.8ERP IMPLEMENTATION

Network that delivers online, real-time access to information and processes. Towards this end, the companies adopting the Oracle .

Business Suite ERP with Tata Consultancy Services as theimplementation partner. Imbibi ng the best practices of companies worldwide, this ERP suite will impact all processes of the company, rightfrom procurement, through operations, to sales and distribution. It involves a complete re-engineering of business processes to make them more high-performing and tuned towards the global order.

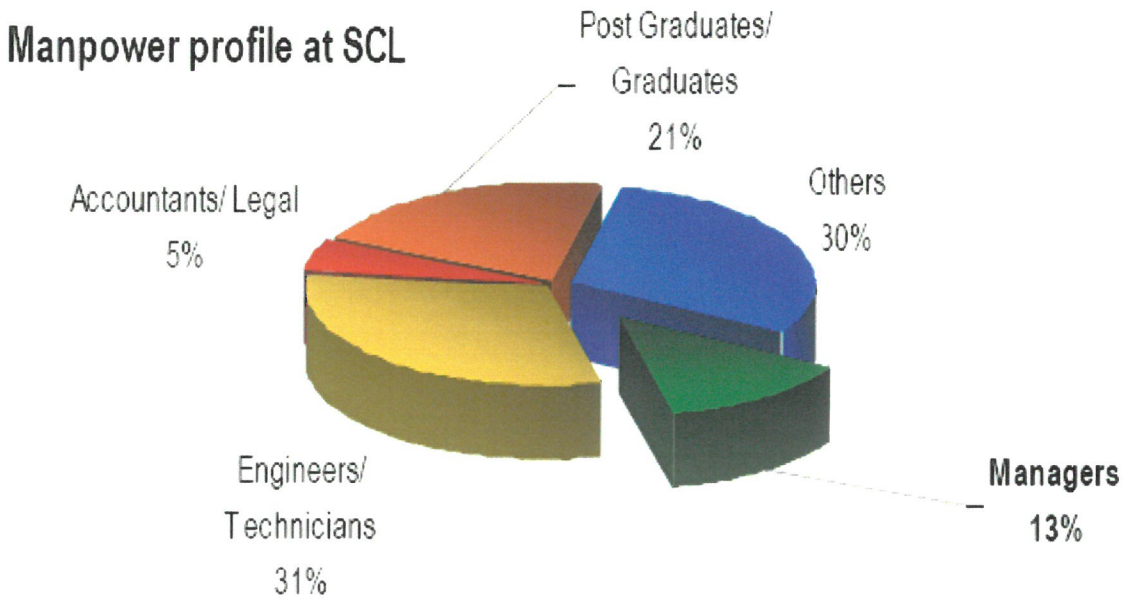
2.9 PROGRESSIVE MANAGEMENT

Shree Cement supplemented its attractively low capital investment per tonne with one of the lowest manufacturing costs in the Indian Cement industry. The path of sustainable growth has been made possible because of management strategy of taking triple bottom-line approach of Economic, Environmental and Social performance listed below:



2.10SCL'S MANPOWER PROFILE

- Well Experienced and skilled manpower resources capable of handling both project implementation and operations.
- The Skill enhancement is a regular exercise under a well defined training manual.
- Company imparts more than 20,000 hours of in-house training to its employees every year.



2.11RECOGNITION AND REWARD SCHEME

The management believes in the self-actualization of its employees byinjecting the concept of Human resource Development in all its policiesand strategies. By recognition and reward the employees are motivatedto give their best in the interests of the organization in particular and for the society in general. So many schemes of recognition and rewards aregiven to boost the morale and motivate the employees.According to Managing Director of the company, morale management isconsidered to be more challenging than material management.

According to him it is important to keep walking around and congratulating the teams for their small victories. Efforts and their success stories arediscloseed to all in special functions so that other employees may take inspiration from them. Employees are rewarded for doing exemplary working the field of reducing/ eliminating breakdown, in-

house development ,better house keeping, and reduction in raw material, fuel, power and wastage. Cash awards and Certificates of honor have been given in a function.

For example : A scrapper chain of reclaimer II is to be replaced which takes 80 hours. The team completed this task in minimum possible time with the result that the reclaimer was put in just 36.5 hours . the team was rewarded with cash amount of Rs 11000/- and certificate of honour.

"JO SOCHE WOH PAVE"

Shree has invested wisely in its people assets over the last few years to sustain a culture of excellence through the following initiatives:

The company incentivized ownership through the'**Jo soche who paave'**scheme.

The company trained and multi-skilled so that members coulddeepen and extend their competencies across the house keeping, maintenance, risk management, team building and environment, health and safety functions.

2.12KEY OPERATIONAL HIGHLIGHTS

- The cost of production of the Company is one of the lowest in India
- Operating profit margin is highest in World Cement Industry
- 100% Self Sufficiency in meeting Power Requirement.
- Consistent dividend paying company (2005-06: 50%)
- Recognized as one of the most Energy Efficient units in India
- Strong brand image – Bangur Cement, Shree Ultra Red Oxide Cement and Shree Ultra Ordinary Portland Cement have high consumer recall. New Super premium brand Tuff Cemento produced with German technology has a lot of expectations.
- **Initiatives for global warming reduction-** Pioneered in the application of innovative Electro static precipitator technology in Dg power generation to save fuel and combat pollution, and replaced HSD by LDO.
- **Achieved unity power factor-** In electrical distribution system to reduce maximum demand, and transmission / distribution losses

2.13AGENDA, CSI

Shree Cement involved in the CSI have chosen to develop an agenda for three reasons:

- To prepare for a sustainable future by making a more efficient use of natural resources and energy, and engaging with lock issues increase emerging market.
- To meet the expectations of stakeholders and maintain their 'license to operate' increase communities across the world through a greater transparency of operations effective engagement with society and initiating action, which lead to sustained positive changes.
- To individually understand and build new market opportunities through process innovation, which achieve greater resource/ energy efficiency and long – term coos savings; product and service innovation to reduce environment impacts and work with other industries on novel uses of – product and waste material in cement production.

The companies have identified six key areas where they believe that the CSI can make a significant contribution towards a more sustainable society:

- ClimateProtection.
- Fuels andRaw materials.
- Employee health and Safety.
- Emissions reduction.
- Local impacts.
- Internal business Processes.

2.14POLICIES

1) **Quality policy**

To provide products conforming to National standards and meeting customers requirements to their total satisfaction ,Continually improve performance and effectiveness of quality management system by setting and reviewing Quality Objectives for:

- Customer Satisfaction
- Cost Effectiveness

2) Environment Policy

To Ensures:

- Clean , green and healthy Environment.
- Efficient of Natural resources , Energy, Plant and Equipment
- Reduction in Emission , Noise, waste and green house Gases
- Continual improvement in Environment Management
- Compliance of Relevant Environment Legislations

3) **Health & Safety Policy**

To Ensure good Health and safe Environment

For all concerned By:

- Promoting Awareness on sound health and safe working practices
- Continually Improving health and safety performance by regular setting and reviewing objectives and targets
- Identifying and minimizing Injury and health Hazards effective risk control measures.
- Complying with all applicable legislations and Regulations.

4) **IT Policy**

To provide a robust IT platform suitable to business processes and Integrated management practices of the company , resulting into better speed, efficiency , transparency, internal control and profitability of business.

5) **Water Policy**

To provide Sufficient and safe water to people & plant as well as to conserve water, we are committed to efficient water management practices Viz -:

- Develop means & methods for water harvesting
- Treatment of Waste discharge water for Reuse .
- Educate people for effective utilization & conservation of water .
- Water audit & regular monitoring of water consumption.

2.15LOGISTICS

Logistics management is an integral factor in the success of any manufacturing company's operations and has a direct impact on their bottom line.

"Logistics management is that part of supply chain management that plans, implements, and controls the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers' requirements."

Logistics management is known by many names, the most common are as follows-:

- Materials Management
- Channel Management
- Distribution(physical distribution)
- Business or Logistics management
- Supply Chain Management

CO-ORDINATIONOFLOGISTICSDEPARTMENT



Sales & Marketing

SalesandMarketingdepartmentplaysfrontendroleintheorganization. Thisdepartment dealswiththecustomersandbrings intheorder. Marketingandlogistics departmentare closelylinkedasoncemarketingdepartmentgetstheorderitslogisticsonustoarrange for transportand fulfill the order of customer.

Transporter

Transportersarebackboneofanylogisticsdepartment.Thesepeople basicallyarrange fortrucks inwhich weload the materialand dispatch it tothecustomer location/warehouse.

Railways:

Arailwayisother majorstakeholderwhichmoves materialinbulkfrom plantto consumption point. Railways are used for bulk deliveries to customer of shipping materialfromplanttowarehousefromwheresecondarydeliveries canbe made.Railwayalso plays major role in inbound delivery of coal.

Suppliers

Logistics also dealswithinbound materialhandlingwhich isusedas raw materialfor creationof cement.For exampleadditiveslikeGypsum,fly ashetc.Alongwithpurchase department logistics isalso involvedin handling of materials

Manufacturing

Primaryresponsibilityoflogisticsdepartmentistomovematerialfrom planttopointof consumptionorwarehouse.Incaseoflowdemandandwarehousealreadyrunningat their capacity logistics department need to co-ordinate withmanufacturing.

Customers

Oncetheordersarebookedlogisticsmakesurethatcorrectorder isdelivered to the customeratdesiredtimeandlocation.Marketingwillalwaysbepointof contact for customerbutmarketingwillco-ordinatewith logisticsdepartmentto fulfillcustomer contract.

2.16COMPETITORS PROFILE

UltraTech Cement

The biggest player in the Indian cement industry is UltraTech Cement, a product of the Indian multinational conglomerate – the Aditya Birla Group that was founded in 1857. The group started its cement business in 1983 and named the brand UltraTech Cement. This company is based in India's financial capital Mumbai. As much as 6.4 Crore tonnes of grey cement is churned out by UltraTech Cement every year. The company is also the largest cement exporter in India. On 06 July 2018, the market Capitalisation of UltraTech Cement was valued at Rs. 108,591.98 Crore

Current market scenario of Ultra Tech Cement

Market Capitalisation	Rs. 108,591.98Cr
Net Sales	Rs 32,304.63 Cr
Net Profit	Rs 2,2244.47 Cr
Total Assets	Rs 23570.94Cr

Ambuja Cements

Ambuja Cements Limited (formerly Gujarat Ambuja Cement Limited) is an Indian cement manufacturing giant operating in the Indian cement industry for over 30 years now. Founded in 1983, Ambuja cement is headquartered in Mumbai, Maharashtra. In 2006, the management controls of the Ambuja Cements were bought by Global cement conglomerate Holcim from Switzerland. The annual manufacturing capacity of Ambuja Cements is around 2.87 crore tonnes. Ambuja Cement market capitalisation amounted to Rs. 41,600.87 on 05 July 2018.

Current market scenario of Ambuja Cement.

Market Capitalisation	Rs. 41600.87 Cr
Net Sales	Rs 10446.85Cr
Net Profit	Rs1940.14 Cr
Total Assets	Rs 10201.71 Cr

JK LakshmiCement

JK Lakshmi Cement is one of the most Recognisable names of the Indian cement industry. It was founded in 1982 and headquartered in Sirohi, Rajasthan. It is the cement-making subsidiary of the JK Organisation that was established way back in 1888. JK Lakshmi Cement churns out around 83 lakh tonnes of cement annually. The market capitalisation of JK Lakshmi Cement was valued at Rs.3,990.16 on06july 2018

Current market scenario of JK Lakshmi Cement

Market Capitalisation	Rs.3,990.16Cr
Net Sales	Rs2,910.41 Cr
Net Profit	Rs87.30Cr
Total Assets	Rs3,401 Cr

2.17 PESTEL ANALYSIS

Government policies / Political

- Removal of import duty on import of raw material for Cement.
- Govt. lifted ban on exports.
- Reduction in excise duty.
- Control on raw material (coal, diesel) price & availability.
- Coal rates, power tariffs, railway freight plays a very important role in Price Determination andGovernment control all of these Prices.

Economical

Demand for cement is closely related to overall economic development.

- Cement demand is growing at the rate of 9% .
- Economy is recovering, with the change of government hugeimpetus is given on infrastructural development like roads, bridges etc.
- Economic development is leading to increase in public private Partnership & increase in domestic consumption.

Social

How company contributes to the Society / area around which it operates?

- Providing Employment to people of nearby areas & increase their standardof living.
- Promotion of local suppliers &contractors.
- Promoting education, health awareness & hygiene in nearby areas.
- Community development & performing corporate socialresponsibility.

Technological

Use of latest technology to compete with others & become cost effective.

- Employees provided with P.C & connected with internet.
- ERP / SAP
- RFID (Radio Frequency Identification Card) based on accesscontrol & remote surveillance.

Environmental

Reduction of Green house gases (CO2) etc, emission within limits& commitment to sustainable development

- Use of energy saving device to reduce carbon footprint.
- CDM (Clean Development Mechanism) project for reduction of green housegases.
- Use of Alternate fuels & raw materials that reducesEmissions.
- Use of special designed vehicles toreduce air pollution &also Conserve water.
- Emphasis on Green belt development in the vicinity.

Legal

Legal requirements to be fulfilled by the companies

- ISO 14001, ISO 9000:2000, ISO 8000(OH&S)
- Various reports to be submitted at the end of financial year like environmental statement.

  Legislation should include permits, licenses, directives, treaties. Protocols& order issued by regulatory authorities

METHODOLOGY

3.1 Data Information

Research Design Exploratory research.

Data Type Primary Data , Secondary Data

Sample Size The study the sales of cement & dealer preference about shree cement in comparison to other brands 150 dealer & retailer were interviewed from khushkera, Tapukra, Bhiwadi of Alwardistrict in Rajasthan

Primary Data

Primary data was collected through following methods

- Personal Interview
- Questionnaire

Secondary Data

- Newspapers
- Internet - Company Profile has been collected through the secondary data using thecompany's websites and others links .
- Reference book.

Statistical technique used:-The collected data were analysis from bar chart and raw analysi

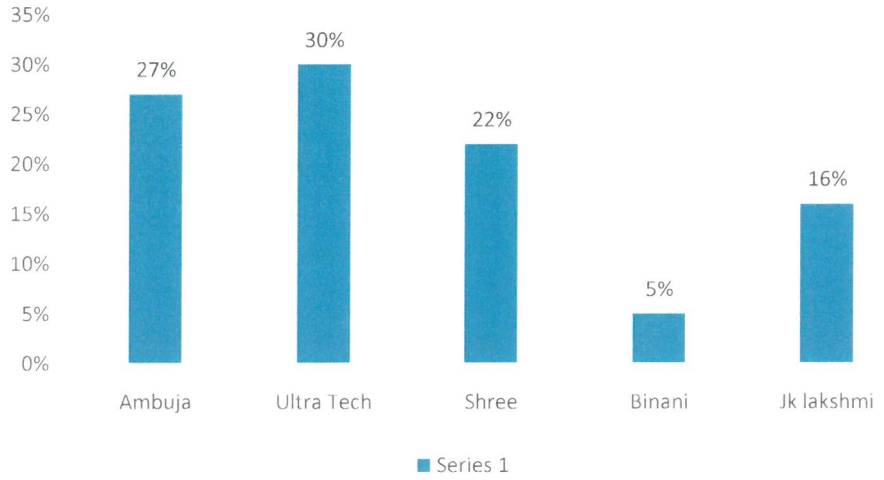
3.2OBJECTIVE OF THE STUDY

There are two objectives of study as:-

- To study the most selling brand of cement by dealers & Retailers
- To study the dealer perception about selling brands of cement

IVDATA ANALYSIS AND INTERPRETATION

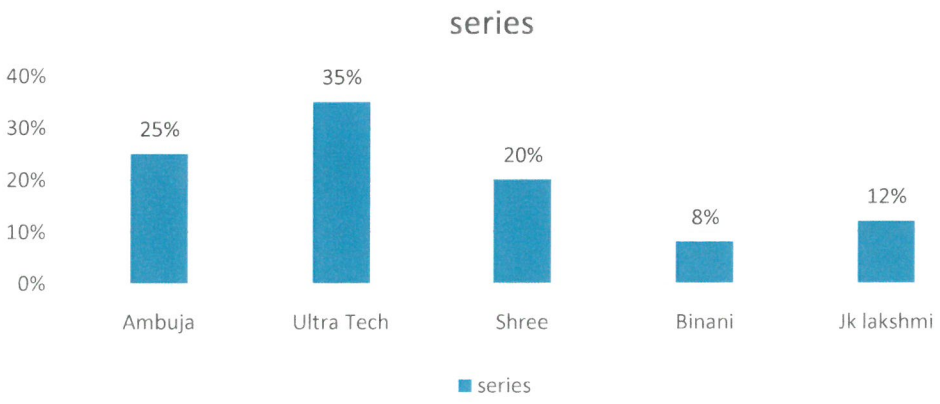
The most selling brand in khushkhera and its near byarea:-



As per the data collected by me through interview with dealer I got the result that the ultra tech cement is market leader in khushkhera and its near by area followed by Shree cement , ambuja cement &jk Lakshmi cement as the customer have the value of these cement in their mind and all are competing very close to each other these are the data only with the perception of 150 dealers & retailers.

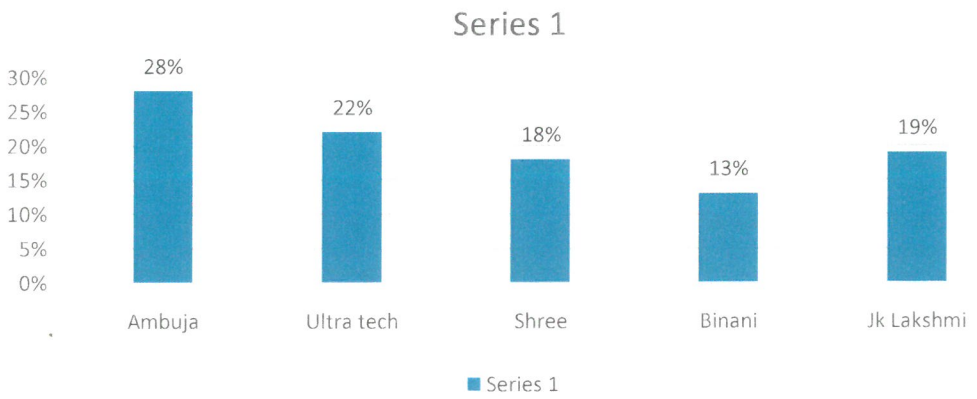
- **Analysis of dealer perception of selling the major cement brand**

1. **On the basis of quality**



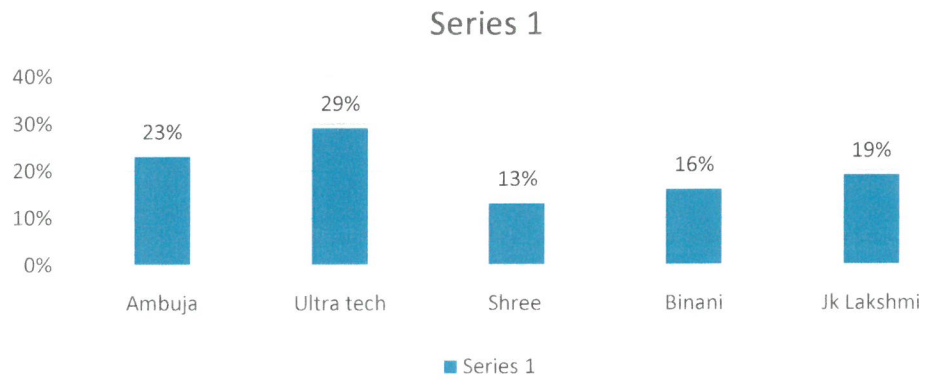
From the meeting with the dealers and retailers I found that, from the builders and customer perception ultra-tech has the best quality of cement among the remaining ones. They prefer to buy ultra tech cement for the celling purpose in the house. Considering it as the safest and as for a long durability of the house .

2. On the basis of incentives provided by the cement companies



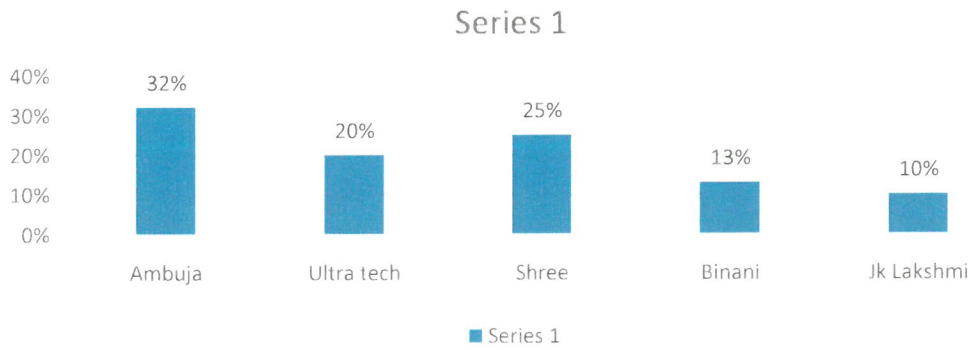
On the basis of incentives and bonus provided by the all cement companies the ambuja is the favorite of most of the dealer and retailer as they pay incentive are much more what other cement companies offer to them , the ambuja even provide the holiday package or gives the cash bonus when the target is fulfilled by dealers on the time but not other cement company gives that much to them so the dealer prefer to sell more of ambuja cement .

3. On the basis of profit margin



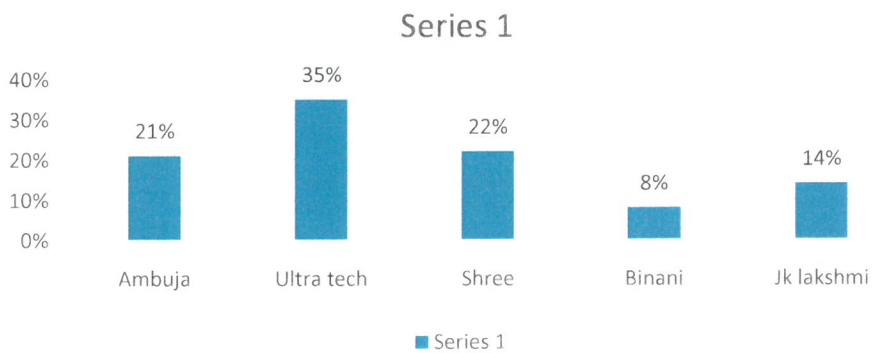
On the basis of profit margin ultra tech is the most profitable cement for dealer and retailer than the other cement brands a cost of one cement bag of ultra tech is 295-300 they get from company & dealer and they sell it out in the market for Rs.305-308 whereas shree has the lowest profit margin among all as the bag of shree cement cost upto 265-269 and sold out on Rs. 270-272

4. **On the basis of company follow up**



On the basis of follow up the ambuja cement is the most favorite among all the remaining cement industries as they do a time to time interaction with dealers at their places to giving them ideas to sell the cement and even problem is been asked and solved in the meeting shree stand 2nd in this basis

5. **On the basis of company promotion and advertisement**



On the basis of company promotion and advertisement ultra tech lead in the market followed by shree, ambuja, jklakshmki as almost every shop the ultra tech poster were pasted at a large size and even their advertisement in the television makes a great impact on the customer mind set to purchase that cement.

V FINDINGS& PROBLEMS

5.1 FINDINGS

While Survey there were lots of findings related to Retailers , Dealers , various cement brands and the factors that influences sales . As per this survey conducted in Khushkheraunder which sales Analysis of Cement Industries is done with the special emphasis on Shree Cement the findings are -:

- Ultra Tech , Shree Cement , Ambuja cement are the top leading Cement brands that constitutes 79% of total cement sales in Khushkhera.
- According to dealers and Retailers Customers are more aware about Ultra Tech Cement because of its Advertising and Media Schemes.
- As per dealers and retailers it is the Perception of customer that ultra tech and Ambuja has great strength ,so they mostly prefer it for Ceiling purpose, and for brick laying and other construction work Shree cement is preferred because it is low in price as compare to Ultra Tech and other brands.
- Builders mostly prefer good quality with low price so Shree Cement has the quality of both
- Shree Cements also has a good strong hold in the market and suffix which is most popular is "Jang Rodhak" Cement.
- Ambuja knows how to increase and influence the factors that increases Sales that why , lots of masons and contractors meets are organized in the area by the Ambuja
- Shree Cement lags behind other brands at the promotion point, a proper visibility on the walls and proper follow up with the Retailers.

5.2 PROBLEM FACED BY:-

(For Shree Cement)

a) Retailers

- Company Sales officers don't visit the retailer and take their feedback.
- Retailers are not given any promotional schemes, gifts benefits , Bonus and other incentives as compare to other competitive Cement brands.
- Retailers want that the mason meet should be organized at their places.
- Retailers demand that they should be frequently informed about the fluctuations in the rates of the cement bags rather getting informed by the dealers the company should inform them about theprice fluctuation.
- The rates offered to the retailers by the dealers is same which they offer to the customers , so the retailers are demotivated and face a lot of problem in their sale.

b) Dealers

- A high purchase targets is given to the dealers by the company which pressurize them to buy more and sell more.
- Dealer want more mason meets to be organized to promote the product.
- Dealers say there is a lot of price fluctuation and un-certainty so they are feared to keep more stocks.
- The Timely supply of the materials is a main concern to the most of the dealers.
- The Dealer of Shree Cement is not getting the option Online payment system.

CONCLUSION

On the basis of survey it is concluded thatKhushkhera have a big cement market , selling almost all Cement brands ,as Shree cement is the top selling brand of North India but in Khushkhera is the leading Cement brand is Ultra Tech followed by Ambuja cement, shree cement , binani cement &Jk Lakshmi cement

Ultra Tech , Shree Cement and Ambuja Cement covers almost 79% of total Khushklheracements sales and rest 21% is covered by Jk Lakshmi and Binani cement.

On the basis of prices, Shree Cement price is less as compared to other competitive cement brands..

Advertising and other media promotion schemes plays a very important role in increasing sale and uplift any brand just like Ultra tech who spends lots of money in advertising through television , word of mouth , provides various bonus schemes and incentives to dealers , retailers and masons who plays a important role in influencing sales

RECOMMENDATION.

- Perception of local people about the Quality of cement can be changed by laying emphasis on quality by the following ways:-
    1. Organizing meetings with Mason (who is the opinion leader), architect,dealers & retailersand made them aware of the quality of cement.
    2. Technical skilled hands should be associated withMarketing team to provide information to the users.
- Company should operate a 24hrs helpline for the dealers and the retailers to place their orders and to register the complaints.
- An award ceremony should also be conducted for the retailers also like it is done with the dealers to promote the sales and to motivate them to increase the sales.
- The Schemes , gifts, Cheques should be delivered and paid on time to the dealers.
- The Account statements should be sent on time to the dealers.

- Company should appoint some efficient distributor & dealer in weak areas.
- Shree Engineers should visit the site and help thecontractors and buildings to increase the confidence among them and to increase the brand loyalty.
- The company should increase the advertisements on the moving print and on air media to promote the product.
- The company should advertise its products in such a way that it can indirectly say best for Ceiling (lanter) , Brick Laying (chinai) and the masonry work".
- The action on the Dealers complaints processing should be fast and they should be given feel good and a person of importance feeling.

APPENDICES

8.1 Questionnaire

Dear Dealer / Retailer

I am a B.com(hons) Student from JK Lakshmipat university, Conducting a brief survey in Khushkhera and nearby area to Analyses the sales of various Cement brands and other factors influencing Sales . We would be grateful if you will spare few minutes with us. This will help us in serving you in better way.

Thanking you for your cooperation

1. Name of the Area :

2. Counter's Name :

3. Address of Dealers/Retailers :

4. Nature of Dealings :

Dealers ☐

Retailers ☐

5. From where does he buy material?

Distributors ☐

Direct company ☐

6. Tick the most selling cement brand in the area :-

Ultra tech ☐ Ambuja ☐ Binani ☐

Shree ☐ JK Lakshmi ☐

7. Dealer and Retailer perception in selling the major cement brand?
   - On the basis of quality of cement :-
     Ultra tech ☐ Ambuja ☐ Binani ☐
     Shree ☐ JK Lakshmi ☐
   - On the basis of incentives provided by cement companies:-
     Ultra tech ☐ Ambuja ☐ Binani ☐
     Shree ☐ JK Lakshmi ☐
   - On the basis of profit margin:-
     Ultra tech ☐ Ambuja ☐ Binani ☐
     Shree ☐ JK Lakshmi ☐
   - On the basis of company follow up
     Ultra tech ☐ Ambuja ☐ Binani ☐
     Shree ☐ JK Lakshmi ☐
   - On the basis of company promotion and advertisement:-
     Ultra tech ☐ Ambuja ☐ Binani ☐
     Shree ☐ JK Lakshmi ☐

8.2 AREA WISE CEMENT PRICES

Rates of various brands in khushkhera and its nearby

Product	Wholesale price range	Retail price range
ULTRATECH	295-300	305-308
AMBUJA	285-291	294-298
SHREE ROC	265-269	270-272
Binani	258-265	267-271
JK Lakshmi	266	268-272

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