

A REPORT ON ORGANISATION STUDY ON JK CEMENT.

BY

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(1CR19MBA92)

Submitted To

Visvesvaraya Technological University, Belagavi

In partial fulfilment of the requirement for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION



Under the Guidance Of

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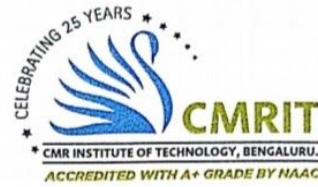
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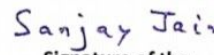
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CERTIFICATE BY THE INSTITUTION

This is to certify that **Ms. YASHASHWINI** bearing **USN 1CR19MBA92** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **JK CEMENT** is prepared by her under the guidance of **Mrs. Preksha Yadav**, Assistant Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.



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Guide

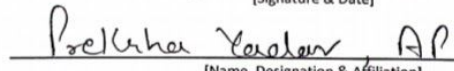

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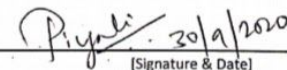
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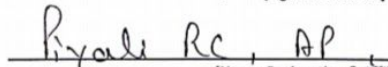
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DECLARATION

I, Yashashwini, bearing USN 1CR19MBA96 hereby declare that the organization study conducted at JK cement is record of independent work carried out by me under the guidance of Ms. Preksha Yadav faculty of M.B.A Department of CMR Institute of Technology, Bengaluru. I also declare that this report is prepared in partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone an organization study for a period of four weeks. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University /Institution.

Disclaimer

The enclosed document is the outcome of a student academic assignment, and does not represent the opinions/views of the University or the institution or the department or any other individuals referenced or acknowledged within the document. The data and Information studied and presented in this report have been accessed in good faith from secondary sources/web sources/public domain, including the organisation's website, solely and exclusively for academic purposes, without any consent/permission, express or implied from the organization concerned. The author makes no representation of any kind regarding the accuracy, adequacy, validity, reliability, availability or completeness of any data/information herein contained.

Place:
Date:

Yashashwini
Signature of the Student
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ACKNOWLEDGEMENT

I take this opportunity to convey my sincere thanks to **Dr. Sanjay Jain**, Principal. The CMR Institute of Technology.

I am really very grateful **Prof. Sandeep Kumar**, HOD. Master of Business Administration, The CMR Institute of Technology for his valuable suggestion to complete the project successfully.

I am really very grateful to convey thanks to my guide **Ms. Preksha Yadav**, Asst. professor. Department Master of Business Administration, The CMR Institute of Technology for her motivation and valuable suggestion to complete my project work.

I would like to once again thank my Principal, HOD, Guide, Parents, Friends and well-wishers for supporting and guiding me throughout my project to complete my Internship Report.

Place: Bengaluru

Date:

YASHASHWINI

Reg. no. (1CR19MBA92)

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JK Cement LTD.

TYPE:	PRIVATE LTD.
INDUSTRY:	CEMENT
FOUNDED IN:	1974
FOUNDER:	LALA JUGILAL SINGHANIA LALA KAMLAPAT SINGHANIA
HEAD QUARTER:	NEW DELHI, KANPUR, MUMBAI
KEY PEOPLE:	BHARAT HARI SINGHANIA (President)
PRODUCTS:	GREY CEMENT, WHITE CEMENT WALL PUTTY ETC.
WEBSITE:	www.jkcements.com

EXECUTIVE SUMMARY :

J.K. Cement Limited is an India-based holding company. The Company is engaged in manufacturing cement and cement products. Its product portfolio includes grey cement, white cement and wall putty. It offers a range of grey cement, which include Portland Pozzolana cement (PPC), ordinary Portland cement (OPC) and Portland slag cement. Its white cement portfolio includes J.K. White Cement, J.K. Wall Putty, J.K. Waterproof and J.K. Primaxx. It white cement is used for decorative and architectural applications. J.K. Wall Putty is a white cement based fine powder, which provides a base for concrete/cement plastered walls and ceilings. J.K. Water Proof is a water repellent powder, which prevents passage of water through pores and capillaries of the concrete. JK PRIMAXX is a product used for interiors and exteriors. Its grey cement plants are located in Rajasthan and Karnataka. Its white cement and white cement-based wall putty plants are located in Rajasthan and Madhya Pradesh.

CHAPTER: 1

INTRODUCTION

J.K.Cement started its commercial production in May 1975 in its first plant Nimbahera in Rajasthan. The company was incorporated in the year 1994.

Today J. K. Cement is one of the largest cement manufacturers in north India. It is also second largest producer of white cement in India. The company exports white cement to countries like South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Tanzania, UAE and Nepal.

The company has two manufacturing facilities located at Nimbahera and Mangrol in the state of Rajasthan. The company produces white cement and its production unit is located in Gotan at Rajasthan.

During August 2009, Allahabad HC had sanctioned the scheme of amalgamation of Jaykaycem a wholly owned subsidiary with the company. Jaykaycem was implementing 3 million tones per annum Green Field Grey Cement Plant at Mudhol, District Bagalkot, Karnataka state which was at final stage of implementation. The installed capacity of grey cement of JK Cement with the merger increased to 7.5 million tones per annum.

These plants have received various certifications ISO–9001:2000 for quality management system, ISO–14001:2004 for environment management systems and OHSAS–18001:2005 for occupational health and safety systems.

The cement industry in India placed its footstep in the 1900's. Indian cement industry is the second largest market after China. Large population is unable to meet the rising demand across the world. This provides a major requirement of infrastructure for the economic development of the country. JKCL(JK Cement Limited) is an affiliate of the multi-disciplinary industrial conglomerate JK Organisation which was founded by Lala Kamlapat Singhanian. For over four decades, JK Cement has partnered India's multi-sectoral infrastructure needs on the strength of its product excellence, customer orientation and technology leadership. The Company has over four decades of experience in cement manufacturing. UTCL(UltraTech Cement Limited) is the largest manufacturer of grey cement, Ready Mix Concrete (RMC) and white cement in India. It is also one of the leading cement producers globally. UltraTech as a brand embodies 'strength', 'reliability' and 'innovation'.

SCOPE OF THE STUDY :

The data of the past five years (2013-2014 to 2017-2018) are taken into account for the study. The performances are compared with these periods. This study finds out the areas where JKCL and UTCL can improve the cash flow activities of the companies.

- Providing information to investors, promoter, and debt provider about the financial performance.
- The study of financial performance will help the management in decision making process. The concern is to understand its own position overtime.

OBJECTIVES OF THE STUDY :

1. To study the overall performance of JK cement ltd .
2. To study that whether the employees of JK cement limited are satisfied or not .
3. To study the government rules and policies with regards to the JK cement sector.
4. To get an idea of the challenges faced by the JK cement Sector and its future outlook .
5. To measure the overall performance of JK cement in terms of quality and economy in prices .
6. To find out the level to which JK cement have been successful in fulfilling various social responsibilities in kashmir.
7. To find out the positive and negative aspects about JK cement in the market.

Occupational Health & Safety

Safety is the core operational priority at all our plants and we are committed in creating safe and conducive work environment for all our employees. We are continuously working towards enhancing working conditions by implementing safe workplace practices, establishing safety systems & extensive employee communication, supporting infrastructure and encouraging a compliance with systems and good practices. As a step to ensure wellbeing of the workforce, all our formal agreements cover health and safety parameters. We have developed robust safety systems which are aimed at nurturing a safety culture where each employee takes ownership and responsibility for his own safety as well as his team members. We do this by operating a workplace accident prevention programme, improving

employee safety measures, and investing in safety education. Every safety incident in the organisation is a learning and an instrument for improving the safety systems within our organisation. Incident-accident recording systems are maintained as per regulatory requirements. All of our manufacturing facilities monitor the injuries (first aid, minor and reportable injuries). We have well established Environment, Health & Safety (EHS) Management systems with designated responsibilities and safety infrastructure, which are under constant supervision and up-gradation to comply with leading international standards.

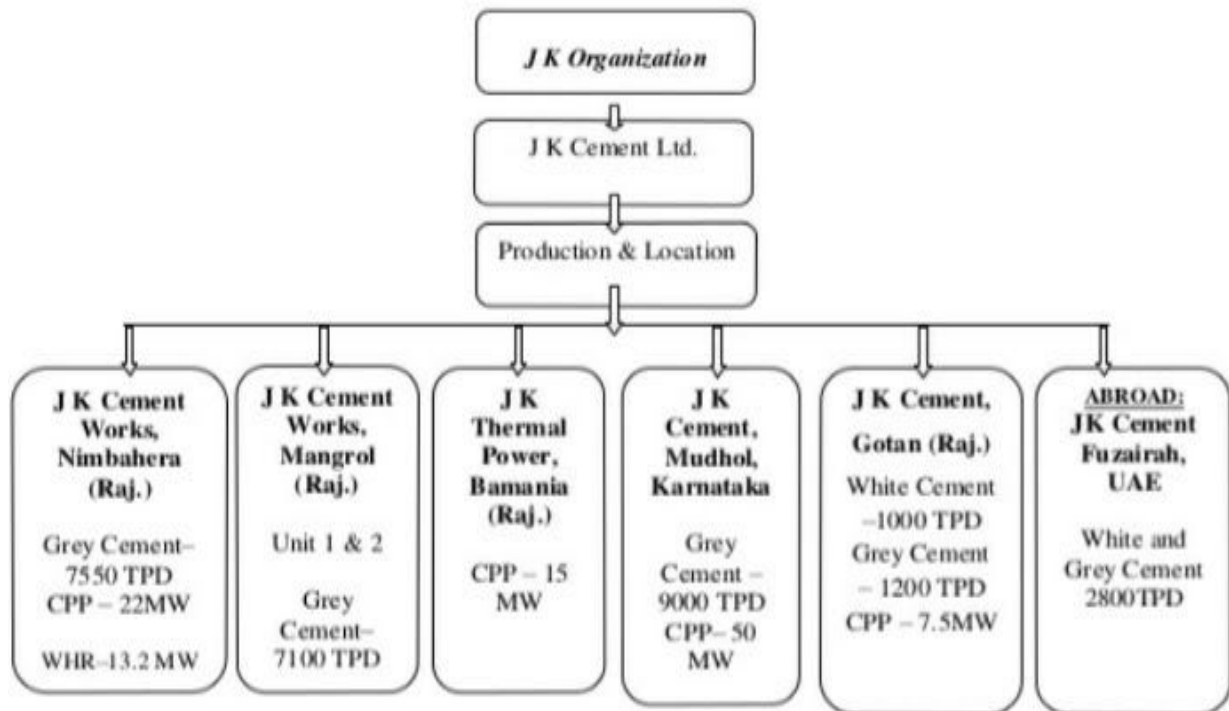
INDUSTRY PROFILE :

J.K. Cement Limited engages in the manufacture and sale of grey and white cement in India. The company's grey cement consists of ordinary Portland cement and Portland pozzolana cement, as well as white cement based wall putty for cement plastered walls and ceilings. J.K. Cement offers its grey cement products under the JK Cement brand name; and white cement under the brand names of J.K. White and Camel. The company provides its products through a distribution network and retail stores. J.K. Cement sells grey cement primarily in northern India; and exports white cement to South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Kenya, Tanzania, the United Arab Emirates, and Nepal. The company was founded in 1975 and is based in Kanpur.

CHAPTER:2

HISTORY:

3. ORGANISATIONAL CHART



Kamla Tower, Kanpur

A leading cement manufacturer in the country, JK Cement Ltd is an affiliate of the multi-disciplinary industrial conglomerate JK Organisation, which was founded by Lala Kamlapat Singhania. For over four decades, JK Cement has partnered India's multi-sectoral infrastructure needs on the strength of its product excellence, customer orientation and technology leadership.

The Company has over four decades of experience in cement manufacturing. Our operations commenced with commercial production at our first grey cement plant at Nimbahera, Rajasthan in May 1975. Subsequently, the company also set up 2 more units in Rajasthan at Mangrol and Gotan. In the year 2009, the company extended its footprint by setting up a

green-field unit in Muddapur, Karnataka giving it access to the markets of south-west India. In the year 2014, the company further expanded its capacity in the north with brownfield expansion of 1.5 MnTPA integrated unit at Mangrol and split grinding unit of 1.5 MnTPA at Jhajjar. Today, JK Cement has an installed grey cement capacity of 14 MnTPA, making it one of the top cement manufacturers in the country.

JK White Cement, a division of JK Cement Ltd., enjoys a PAN India presence and the Company is the leading producer of Wall Putty in the Country. The Company is the second largest manufacturer of white cement in India, with an annual capacity of 600,000 tonnes. Having established a strong presence in India, the Company made its first international foray with the setting up of a green-field dual process White Cement-cum-Grey Cement plant in the free trade zone at Fujairah, U.A.E to cater to the GCC and African markets. JK White Cement is sold across 43 countries around the globe. With the commissioning of this plant, JK Cement became one of largest producers of White Cement in the world, with a total white cement capacity of 1.20 MnTPA and wall putty capacity of 0.9 MnTPA.

JK Cement was the first company to install a captive power plant in the year 1987 at Bamina, Rajasthan and the first cement company to install a waste heat recovery power plant to take care of the need of green power. Today at its different locations, the Company has captive power generation capacity of over 125.7 MWs which includes 23.2 MW of waste heat recovery power plants.

We are steadily enhancing our capacity, diversifying our range of products, ushering in advanced technology and quality assurance, and above all, expanding our presence nationally and internationally. Our brands continue to enjoy the trust of millions of consumers for the high quality and innovation benchmarks that we have attained.

Superior products and a strong Brand name, an extensive marketing and distribution network and the technical know-how represent JK Cement's abiding strengths.



NATURE OF BUSINESS :

DUTIES AND RESPONSIBILITIES:

J.K. Cement recognises the network with which it shares its successes and failures. It is an organisation which is inspired and is responsible for those who have afforded them operational successes and thereby deserve unstinted attention. This is the courage which has encouraged J.K. Cement to perpetually repeat cherished performances and embark on a new journey. Spreading awareness and societal development are integral parts of J.K. Cement's unflinching devotion to the people. To increase awareness of White Cement, J.K. Cement initiated the technical education programme about the product, its various end uses and benefits out of the same through its Customer Technical Services (CTS) department.

J.K. Cement is an organisation which is inspired and is responsible for those who have afforded them operational successes and thereby deserve unstinted attention.

As a socially viable organisation, J.K. Cement recognises and fulfills the duties of living and operating within an inseparable and meticulously interdependent network.

The Company's Corporate Social Responsibility can be divided into 4 segments –

- (a) Rural Development – providing water among others.
- (b) Medical facilities – funding hospitals, eye testing facilities, family planning.
- (c) Educational facilities – primary as well as higher secondary education, vocational training and private university.
- (d) Religious endeavours.

In 2007-08, the Sir Padampat Singhania University at Udaipur, under the aegis of the J.K. Cement Nimbahera Foundation, was established. The University is one of the leading educational institutions in the region. It offers technical degrees and a variety of academic facilities in an ecological setting.

The LK Singhania Education Centre, Gotan is a CBSE-affiliated co-educational institution that imparts education to children of both plant employees and also those from neighbouring villages.

The Company also runs two industrial training institutes that offer vocational training to increase the marketable skills of its students.

Moreover, the Company undertakes free maintenance services in surrounding panchayats. It has contributed in building a community temple, making potable water available and built roads to connect schools.

The Company has also founded a hospital and Nimbahera Dispensary to ensure better health care.

The Company regularly conducts plantation and environment friendly activities in the vicinity of its facilities. Furthermore, arranging sports and developmental activities and financial aid to the Lion's Club, the Rotary International and other charitable organisations are part of J.K.

Cement's societal endeavours.

Responsibility is the virtue of taking control, of ups and downs, profits and losses. As a socially viable organisation, J.K. Cement recognises and fulfills the duties of living and operating within an inseparable and meticulously interdependent network.

VISION:

To be the preferred manufacturer of cement and cement-based products that partners In nation building, engages with its community and cares for all stakeholders.

Mission:

JK Cement aims to deliver innovative products and solutions that meet the needs of its customers. Together with our exceptional people and strong stakeholder relationships we commit to the highest standards of quality, productivity, sustainability and performance that drive shareholder value and long-term success.

Our**Values:**

Integrity

Honour our commitments

We are committed to being honest and ethical in all interactions, maintaining the highest ethical standards in all our market, financial and operational practices

Quality

Strive for perfection

We are passionate about creating a culture of perfection that encourages and promotes excellence in products and services through innovation and continuous improvement

Trust

Take pride in our promises

We are serious about accepting the responsibility to win and maintain the trust of our stakeholders

Care

Observe, understand, assist

We genuinely care about our relationships and use compassion to observe and understand stakeholder needs and be available to assist in improving the lives of all

People

Empower, inspire and respect

We treat one another with respect and collaborate openly. All ideas are welcome and we value diversity and perspective

MILISTONE OF THE COMPANY:

Milestone! We are proud to share that JK Super Cement has been awarded as ... honour and showcase the top brands in the building and construction industry.

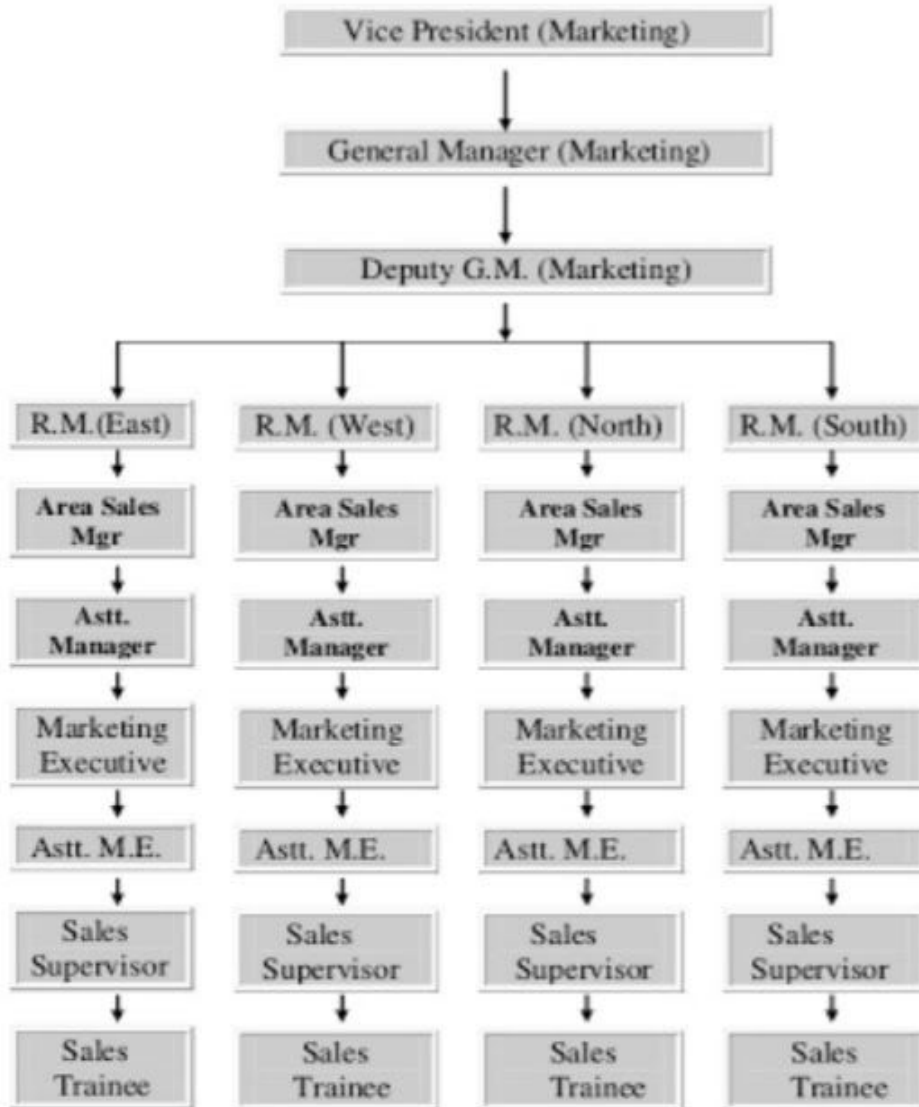


COMPANY STRUCTURE :

Management Structure Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. ... Board of Directors (i) Composition of the Board At J.K. Cement Ltd., the Board is headed by its Chairman and Managing Director, Shri Yadupati Singhania.

One Promoter, Executive, Non Independent Director 1.2 Governance Structure JK's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level.

THE COMPLETE HIERARCHY OF MARKETING DEPARTMENT



*RM = Regional Manager

*ME = Marketing Executive

PRODUCT PROFILE:

The Company is engaged in manufacturing cement and cement products. Its product portfolio includes grey cement, white cement and wall putty. It offers a range of grey cement, which include Portland Pozzolana cement (PPC), ordinary Portland cement (OPC) and Portland slag cement. ... Wall Putty, J.K.

Major products include:

1. JK water proof
2. JK white cement
3. JK wall putty
4. JK greay cement

Area of operation :

- Where JK Waterproof is used. a) Waterproof concrete Constructions like: Basements, swimming pools, water tanks, water containers and bridges. Aggression resistant concrete constructions, clarification plants, foundations, concrete construction in coastal areas.

- Our pioneering foray into white cement in 1984 created a new chapter in the history of JK Cement and the JK White Cement Plant is an integral part of the same.

We were the first White Cement facility in India, which was limestone based, and manufactured Cement through the dry process. The White Cement plant was commissioned at Gotan, Rajasthan with an initial production capacity of 50,000 tons.

- Maximum thickness of 2 coats is 1.5 mm with an approx.. achievable coverage of 35 sqft./mm/kg of JK Wall Putty. However, actual coverage achieved depends on the base surface condition and finished thickness.

- We manufacture grey cement in three facilities located at Gotan, Nimbahera and Mangrol in the state of Rajasthan in Northern India We also have one grey cement facility at jharli, Dist:Jhajjar, Haryana and one in Muddapur, Dist: Bagalkot, Karnataka.

OWNERSHIP PATTERNS:**OWNERSHIP PATTERNS:****JK Cement Ltd. Share Holding**

Categories	No. Of Shares	%
NoOfShares	77,268,251	100.00
Promoters	44,866,579	58.07
Foreign Institutions	10,370,842	13.42
NBFC and Mutual Funds	16,362,240	21.18
Others	1,365,969	1.77
General Public	2,642,133	3.42
Financial Institutions	1,660,488	2.15

ACHIEVEMENTS/ AWARDS RECEIVED BY JK CEMENT :

We are what we repeatedly do. Excellence, then, is not an act, but a habit'- Aristotle An unremitting commitment to the highest standards of quality has earned JK Cement a lot of recognition through the years. The company has been bestowed with many prestigious awards related to productivity, environment management, and best practices in Human Resource Development by reputed bodies.

Key recognitions among them are:

First Prize for Scientific Development of Mineral Deposit and Waste Dump Management at 14th Mines Environment and Mineral Conservation Week 2014 (Udaipur Region)

Bhamashah Award by Govt. of Rajasthan (2013)

"Certificate of Excellence 2012" Award in the Large Scale Industries Category by Employers' Association of Rajasthan, Jaipur.

Lifetime Achievement Award for Dr. Gaur HariSinghaniania - Chairman, JK Cement Ltd by International Institute of Social Scientists

"Best Employer Award 2012" by Employers' Association of Northern India

"Productivity Excellence Award, 2010-11" from the Rajasthan State Productivity Council.

"Productivity Excellence Award, 2009-10" from the Rajasthan State Productivity Council.

"Productivity Excellence Award, 2008-09" from the Rajasthan State Productivity Council.

"Productivity Excellence Award, 2007-08" from the Rajasthan State Productivity Council.

"Certificate of Excellence on the occasion of Best employer award 2007" by Employers Association of Rajasthan, Jaipur.

"Certificate of Excellence 2003" Award in cement sector from Rajasthan State Productivity Council, Jaipur.

"Best Productivity Award for 2004" in cement Sector from Rajasthan State Productivity Council, Jaipur

Award for "Best Supporting Core Plant" for the year 2003-04 from Regional Training Centre Nimbahera - an organisation for training of employees of cement sector, which is supported by World Bank.

Our Maliakhera Mine was awarded the first prize in Mine Lighting & Electrical Installation and Storage, Transport, Handling & Use of Explosives (2012)

Nimbahera Mine - Awarded the first prize in Maintenance of Mine Plans, Sections & Statutory Records and second prize in Publicity, Propaganda & House Keeping (2012)

Tilakhera Mines - Awarded first prize in Publicity, Propaganda & House Keeping and second prize in Maintenance of Mine Plans, Sections & Statutory Records (2012)

"Medallion Mines Award 2001-02" and

"Medallion Mines Award 2002-03" were the prestigious moments. Our Dhanappa Limestone Mines and Kanthariya Clay Mines are a regular recipient of 5-7 awards every year in various

categories under the Mines Safety Week and Mines Environment and Mineral Conservation Week.

Commemorative Stamp in honour of our Founding Father - Lala Kamlapat Singhania



Mr. Gurudas Kamat - Minister of State for Communication and Technology presenting the first copy of the Stamp Album to the Hon'ble President. From left to right - Shri Govind Hari Singhania, Mr. Devi Singh Shekhawat and Mr. Gurudas Kamat and Shri Yadupati Singhania.



The Government of India issued a commemorative postal stamp in honour of Lala Kamlapat Singhania - the visionary founder of the JK Organisation on 1st December, 2010. President of

India, Smt. Pratibha Devisingh Patil, unveiled the stamp, the first day cover and a coffee table book on the legendary entrepreneur at a function organised at the Rashtrapati Bhawan, in the presence of esteemed dignitaries. The stamp was issued by the Department of Posts as part of the 125th Birth Anniversary Celebrations of Lala Kamlapat Singhanian.

FUTURE GROWTH AND PROSPECTS :

JK Cement Ltd. was incorporated in the year 1994. Its today's share price is 1497.85. Its current market capitalisation stands at Rs 11512.97 Cr. In the latest quarter, company has reported Gross Sales of Rs. 58016.38 Cr and Total Income of Rs.58869.63 Cr. The company's management includes Raghavpat Singhanian, Madhavkrishna Singhanian, Ajay Kumar Saraogi, Suparas Bhandari, Sudhir Jalan, Saurabh Chandra, Paul Heinz Hugentobler, K B Agarwal, Jayant Narayan Godbole , Deepa Gopalan Wadhwa, Ashok Sinha, Achintya Karati , Sushila Devi Singhanian, Yadupati Singhanian.

It is listed on the BSE with a BSE Code of 532644 , NSE with an NSE Symbol of JKCEMENT and ISIN of INE823G01014. It's Registered office is at Kamla Tower, Kanpur-208001, Uttar Pradesh. Their Registrars are ACC Ltd. It's auditors are PL Tandon & Co, SR Batliboi & Co LLP

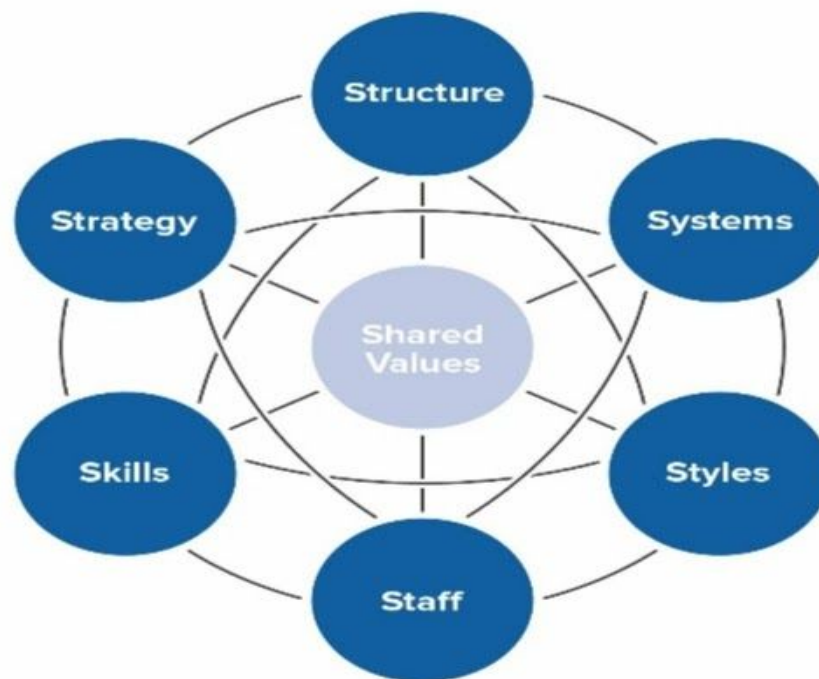
IN 2020, J.K. CEMENT WILL BE A GLOBAL WHITE CEMENT BRAND AND A PREMIUM NATIONAL GREY CEMENT BRAND WITH A TOTAL CAPACITY OF 20 MTPA. WE WILL CONTINUE TO BE AN INNOVATIVE AND ETHICAL COMPANY WHICH ENSURES SUSTAINABILITY AND INCLUSIVE GROWTH ACROSS ITS BUSINESS.

CHAPTER : 3

MCKINSEY'S 7'S MODEL :

The 7s model is better known as Mckinsey7s. This is because the two persons who developed this mode, Tom Peters and Robert Waterman, have been consultants at Mc Kinsey and company at that time. They published their 7s model in their article “Structure is not organisation” (1980) and their books “The art of Japanese management (1981) and in search of excellence (1982).

The model starts on the premise that an organisation is not just structure but also consist of seven elements.



The focus of the McKinsey 7s Model lies in the interconnectedness of the elements that are categorized by “Soft Ss” and “Hard Ss” – implying that a domino effect exists when changing one element in order to maintain an effective balance. Placing “Shared Values” as the “center” reflects the crucial nature of the impact of changes in founder values on all other elements.

Structure of the McKinsey 7S Model

Structure, Strategy, and Systems collectively account for the “Hard Ss” elements, whereas the remaining are considered “Soft Ss.”

1. Structure

Structure is the way in which a company is organized – chain of command and accountability relationships that form its organizational chart.

2. Strategy

Strategy refers to a well-curated business plan that allows the company to formulate a plan of action to achieve a sustainable competitive advantage, reinforced by the company’s mission and values.

3. Systems

Systems entail the business and technical infrastructure of the company that establishes workflows and the chain of decision-making.

4. Skills

Skills form the capabilities and competencies of a company that enables its employees to achieve its objectives.

5. Style

The attitude of senior employees in a company establishes a code of conduct through their ways of interactions and symbolic decision-making, which forms the management style of its leaders.

6. Staff

Staff involves talent management and all human resources related to company decisions, such as training, recruiting, and rewards systems

7. Shared Values

The mission, objectives, and values form the foundation of every organization and play an important role in aligning all key elements to maintain an effective organizational design.

Application of the McKinsey 7S Model

The subjectivity surrounding the concept of alignment concerning the seven key elements contributes to why this model seems to have a complicated application. However, it is suggested to follow a top-down approach – ranging from broad strategy and shared values to style and staff.

Step 1: Identify the areas that are not effectively aligned

Is there consistency in the values, strategy, structure, and systems? Look for gaps and inconsistencies in the relationship of elements. What needs to change?

Step 2: Determine the optimal organization design

It is important to consolidate the opinions of top management and create a generic optimal organizational design that will allow the company to set realistic goals and achievable objectives. The step requires a tremendous amount of research and analysis since there are no “organizational industry templates” to follow.

Step 3: Decide where and what changes should be made

Once the outliers are identified, the plan of action can be created, which will involve making concrete changes to the chain of hierarchy, the flow of communication, and reporting relationships. It will allow the company to achieve an efficient organizational design.

Step 4: Make the necessary changes

Implementation of the decision strategy is a make-or-break situation for the company in realistically achieving what they set out to do. Several hurdles in the process of implementation arise, which are best dealt with a well-thought-out implementation plan.

Advantages of the Model

It enables different parts of a company to act in a coherent and “synced” manner.
It allows for the effective tracking of the impact of the changes in key elements.
It is considered a longstanding theory, with numerous organizations adopting the model over time.

Disadvantages of the Model

It is considered a long-term model.

With the changing nature of businesses, it remains to be seen how the model will adapt.

It seems to rely on internal factors and processes and may be disadvantageous in situations where external circumstances influence an organization.

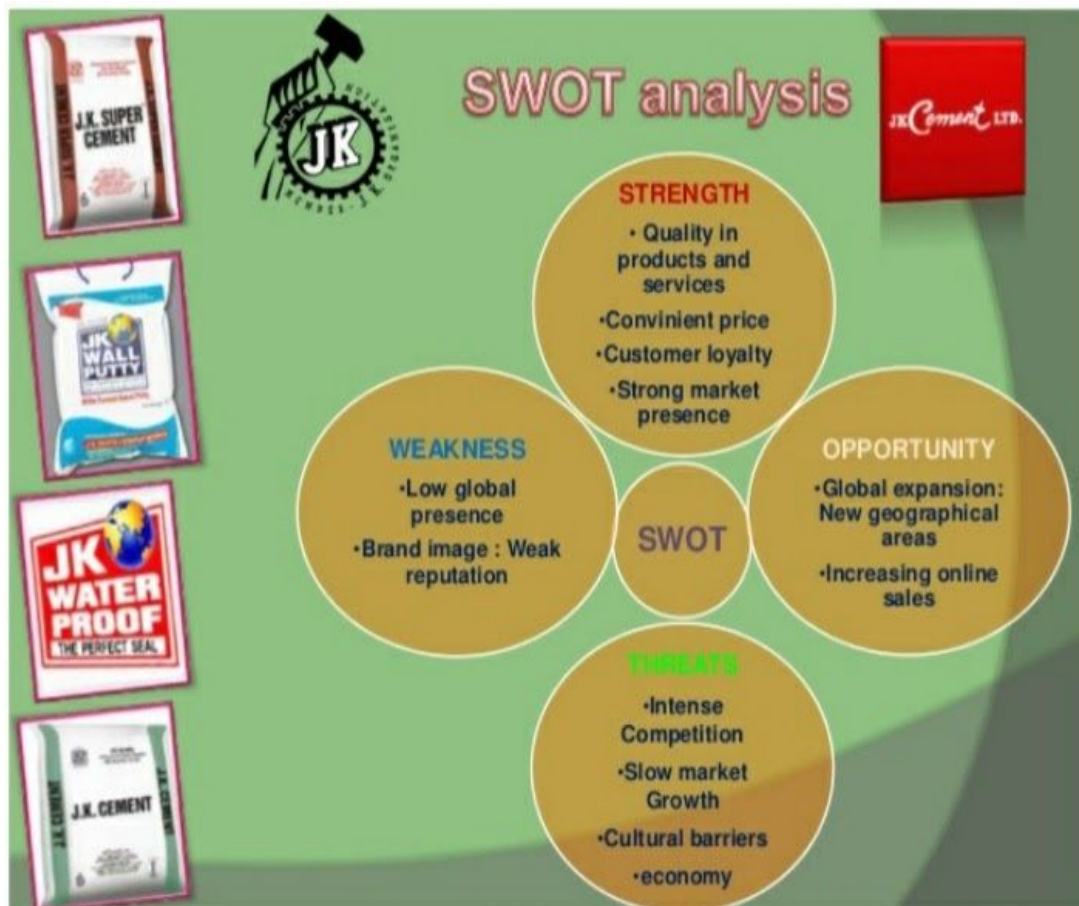
CHAPTER : 4

SWOT ANALYSIS :

SWOT analysis of JK Cement analyses the brand/company with its strengths, weaknesses, opportunities & threats. In JK Cement SWOT Analysis, the strengths and weaknesses are the internal factors whereas opportunities and threats are the external factors.

SWOT Analysis is a proven management framework which enables a brand like JK Cement to benchmark its business & performance as compared to the competitors and industry. As of 2020, JK Cement is one of the leading brands in the real estate and construction sector.

The table below lists the SWOT (Strengths, Weaknesses, Opportunities, Threats), top JK Cement competitors and includes JK Cement target market, segmentation, positioning & Unique Selling Proposition (USP).



STRENGTH :

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

1. JK Cements has an operational experience of over Three decades.
2. It has an installed grey cement capacity of 7.5 MTPA.
3. The company is one of largest producer of cement in the county with 4,00,000 tons of capacity.
4. It is also one of the largest producer of Wall Putty with a capacity of 3,00,000 tons.
5. It is the first company to install waste heat recovery plant to take care of need of green power.
6. Company has a capacitive power generation capacity of over 100 Mws.
7. Strong Annual EPS Growth.
8. Growth in Net Profit with increasing Profit Margin (QoQ).
9. Increasing Revenue every quarter for the past 2 quarters.
10. Increasing Revenue every quarter for the past 2 quarters.
11. Increasing profits every quarter for the past 2 quarters.
12. Book Value per share Improving for last 2 years.
13. Company with Zero Promoter Pledge.
14. FII / FPI or Institutions increasing their shareholding.

WEAKNESS :

Here are the weaknesses in the JK Cement SWOT Analysis:

1. It has major operations in Rajasthan and Karnataka only.
2. Moreover, the brand awareness pan India is very less when compared to national players in the country.
3. Bearish Engulfing (Bearish Reversal).
4. MFs decreased their shareholding last quarter.
5. Declining Net Cash Flow : Companies not able to generate net cash.

OPPORTUNITIES :

Following are the Opportunities in JK Cement SWOT Analysis:

1. It should expand its operations to other parts of the country.
2. Government policies would also help the company to grow in the country.
3. It can enter into untapped markets.
4. Real Estate sector is in a boom in India, so it's a huge opportunity for players like JK Cements to leverage upon.
5. Companies with current TTM PE Ratio less than 3 Year, 5 Year and 10 Year PE.
6. Brokers upgraded recommendation or target price in the past three months

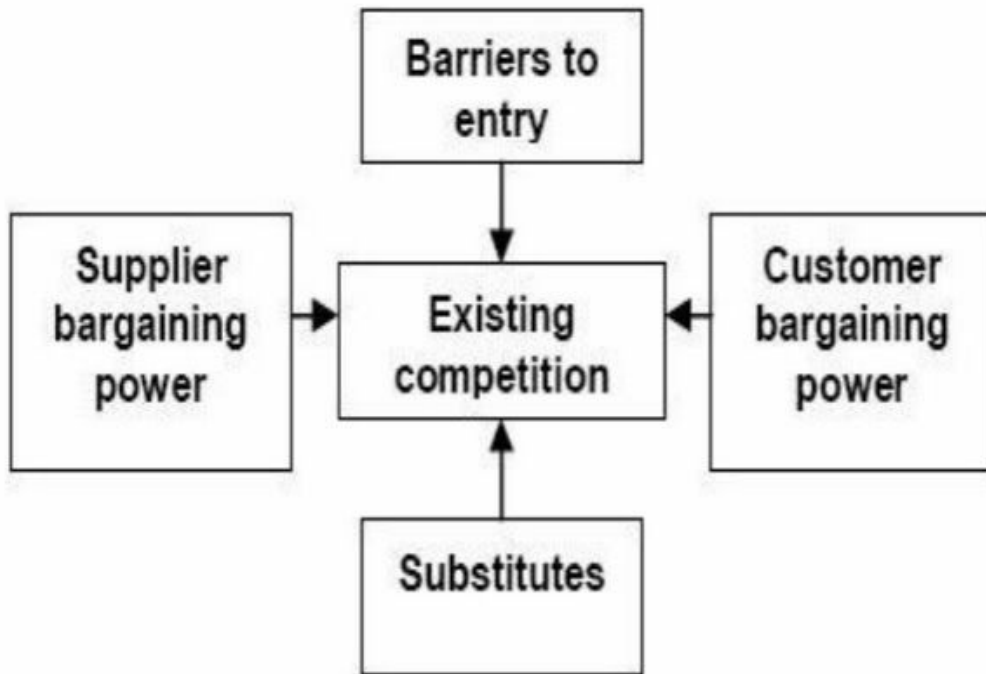
THREATS :

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

1. It would face strong competition from regional players when it tries to enter new markets.
2. Many major cement players are doing aggressive marketing and branding activities that might impact JK cement operations
3. Increasing cost of operations and fluctuating construction business scenario.
4. Upcoming Results for Nifty500 with Declining Share Price Over the Week.
5. Increasing Trend in Non-Core Income.

CHAPTER 5

POTER'S FIVE FORCES ANALYSIS :



Entry barriers: Medium.

Cement manufacturing is a capital-intensive business requiring large infusion of capital for its set up. To put things in perspective, to set up a cement plant, Rs 3,500 per tonne of investment is required. Thus, high capital investment in itself is a big deterrent or entry barrier. Moreover, huge distribution network is required to ensure timely availability of the product and nowadays, captive power has become a necessity to ensure smooth functioning. Thus, setting up power plants for captive purposes indirectly calls for the availability or coal linkages issue, which may also act as a hindrance. Access to limestone reserves (principal raw material for the manufacture of cement) also acts as a significant entry barrier. The sector operates with a high level of fixed cost (maintenance cost is around US\$ 5 per tonne annually) and therefore volume growth is critical.

Thus, fixed cost and capital-intensive nature of the industry and the need for a big distribution network are the real entry barriers. Recently, backward integration among non-cement manufacturers has also gathered pace. For backward integration, there exists two reasons- one

being use of slag (slag is a waste material of steel manufacturing companies used in cement manufacturing) and the second to cash on the tight demand supply situation.

Intensity of rivalry: Medium to high.

Apart from capital-intensive nature of the industry, access to raw materials (limestone and coal) and end user markets are equally important factors from a long-term perspective. That way, JK Cement's presence in northern region is justified. By being in north, it has access to key raw material limestone. Primary input such as limestone availability has led to cluster formation, which has resulted in competition on a regional basis. However, with the advent of split grinding units and RMC (ready mix concrete) concept, catering to nearby regional demand has become easy. Further, the infrastructural activities planned by the government have created heightened demand for cement. Owing to these factors, players have started venturing into newer regions to create a pan India presence.

Thus, in such markets strong distribution network is a must. Nowadays, to differentiate their product, companies have started brand building exercise. JK Cement's brands- JK white cement, JK water proof and JK wall putty are well recognised in the northern region and it being one of the largest manufacturers of the white cement in India, it enjoys high brand recall and has emerged as a preferred choice of retailers as well as institutions and other companies who make bulk purchases for their ongoing projects.

Availability of substitutes: Low

Though on a minuscule basis, bitumen in road and engineering plastics in building offer some element of competition, cement is an indispensable part of any construction activity. Cement being a commodity, there is no differentiation to speak of between the basic products. Although branding is gaining momentum, it is still the timely availability that sets apart the performance of the company. JK Cement caters to more than 1,400 industrial consumers. Its distribution channel is extensive with 64 warehouses, 4,000 retailers' network and marketing team of 79 members for white cement and 101 members for grey cement.

Bargaining power of buyers: Medium

As there is no substitute for the commodity the bargaining power of buyers' should be low, however, owing to increased competition and cyclical nature of the product, buyers of the product do have options.

The grey cement segment is more crowded as compared to white cement, which leads to heightened competition. On the other hand, white cement segment is dominated by a chunk of players. Owing to this, the company's products in the grey cement segment are competitively priced, while white cement segment on account of negligible competition, provides cushion to the company's margins and also helps to boost them.

Bargaining power of suppliers: Low to medium.

There is no substitute for key raw material, limestone, to manufacture cement. Licensing of limestone and coal reserves, supply of power from the state grid and availability of railways for transport are all controlled by a single entity, which is the government. However, these days producers are relying more on captive power, but the shortage of coal and rising fuel prices remain a concern.

In terms of securing raw material, JK Cement is well placed as its current limestone reserves can support current as well as planned capacity (9 MTPA by FY09) over the next 40 years. However, currently the company sources its power requirements from the state electricity board, the cost of which is considerably high. To negate this, the company is setting up a waste recovery plant and petcoke plant to meet energy requirements, which in turn will arrest cost pressure on margins.

To conclude...

With volume growth remaining strong and prices firm, many players have entered this sector to explore the available opportunities. With the boom in housing sector and infrastructural activity, every player has lined up expansion or modernization plans to cater to the incremental demand. MNCs have also been eyeing the emerging markets. Few global majors such as Holcim and Heidelberg have opted the inorganic way, while Lafarge is exploring organic route.

Like other domestic and global players, JK Cement has also lined up capacity expansion plans to maintain and improve its market share and strengthen its position. Since cement is a regional play on account of its high freight costs, the company should not have all its plants concentrated in one region. It should have a geographical spread so that adverse market conditions in one region can be mitigated by high growth in the other region.

CHAPTER : 6

FINANCIAL STATEMENT ANALYSIS :

JK CEMENT Income Statement Analysis

- Operating income during the year rose 8.3% on a year-on-year (YoY) basis.
- The company's operating profit increased by 6.0% YoY during the fiscal. Operating profit margins witnessed a fall and stood at 15.9% in FY19 as against 16.2% in FY18.
- Depreciation charges increased by 4.4% and finance costs decreased by 8.1% YoY, respectively.
- Other income declined by 37.3% YoY.
- Net profit for the year declined by 7.7% YoY.
- Net profit margins during the year declined from 5.7% in FY18 to 4.9% in FY19.

JK CEMENT Income Statement 2018-19

No. of Mths Year Ending		12 Mar-18*	12 Mar-19*	% Change
Net Sales	Rs m	48,535	52,587	8.3%
Other income	Rs m	1,281	804	-37.3%
Total Revenues	Rs m	49,817	53,391	7.2%
Gross profit	Rs m	7,874	8,345	6.0%
Depreciation	Rs m	2,312	2,413	4.4%
Interest	Rs m	2,841	2,611	-8.1%
Profit before tax	Rs m	4,002	4,124	3.1%
Tax	Rs m	976	1,488	52.4%
Profit after tax	Rs m	2,856	2,636	-7.7%
Gross profit margin	%	16.2	15.9	
Effective tax rate	%	24.4	36.1	
Net profit margin	%	5.7	4.9	

* Results Consolidated

Interim results exclude extraordinary / exceptional items

Source: Company Reports, Regulatory Filings, Equitymaster

JK CEMENT Balance Sheet Analysis

- The company's current liabilities during FY19 stood at Rs 16 billion as compared to Rs 13 billion in FY18, thereby witnessing an increase of 22.5%.
- Long-term debt down at Rs 24 billion as compared to Rs 26 billion during FY18, a fall of 5.2%.
- Current assets rose 22% and stood at Rs 21 billion, while fixed assets rose 12% and stood at Rs 51 billion in FY19.
- Overall, the total assets and liabilities for FY19 stood at Rs 74 billion as against Rs 65 billion during FY18, thereby witnessing a growth of 15%.

JK CEMENT Balance Sheet as on March 2019

No. of Mths Year Ending		12 Mar-18*	12 Mar-19*	% Change
Networth	Rs m	19,749	26,950	36.5
Current Liabilities	Rs m	13,096	16,037	22.5
Long-term Debt	Rs m	25,741	24,398	-5.2
Total Liabilities	Rs m	64,560	74,177	14.9
Current assets	Rs m	16,845	20,632	22.5
Fixed Assets	Rs m	45,476	50,985	12.1
Total Assets	Rs m	64,560	74,177	14.9

* Results Consolidated

Interim results exclude extraordinary / exceptional items

Source: Company Reports, Regulatory Filings, Equitymaster

JK CEMENT Cash Flow Statement Analysis

- JK CEMENT's cash flow from operating activities (CFO) during FY19 stood at Rs 7 billion on a YoY basis.
- Cash flow from investing activities (CFI) during FY19 stood at Rs -7 billion, an improvement of 678.4% on a YoY basis.
- Cash flow from financial activities (CFF) during FY19 stood at Rs 2 billion, an improvement of 124% on a YoY basis.
- Overall, net cash flows for the company during FY19 stood at Rs 1 billion from the Rs 813 million net cash flows seen during FY18.

JK CEMENT Cash Flow Statement 2018-19

Particulars	No. of months	12	12	% Change
	Year Ending	Mar-18	Mar-19	
Cash Flow from Operating Activities	Rs m	8,831	6,996	-20.8%
Cash Flow from Investing Activities	Rs m	-958	-7,457	-
Cash Flow from Financing Activities	Rs m	-7,228	1,727	-
Net Cash Flow	Rs m	813	1,039	27.8%

* Results Consolidated

Interim results exclude extraordinary / exceptional items

Source: Company Reports, Regulatory Filings, Equitymaster

Per Share Data/Valuations

No. of Mths Year Ending		12 Mar-18*	12 Mar-19*
Sales per share (Unadj.)	Rs	694.1	680.6
TTM Earnings per share	Rs	40.8	34.1
Diluted earnings per share	Rs	40.8	37.7
Price to Cash Flow	x	15.2	15.6
TTM P/E ratio	x	21.4	21.4
Price / Book Value ratio	x	3.7	2.4
Market Cap	Rs m	78,650	78,647
Dividends per share (Unadj.)	Rs	10.0	10.0

* Results Consolidated

Interim results exclude extraordinary / exceptional items

Source: Company Reports, Regulatory Filings, Equitymaster

Ratio Analysis for JK CEMENT

Solvency Ratios

Current Ratio: The company's current ratio improved and stood at 1.3x during FY19, from 1.3x during FY18. The current ratio measures the company's ability to pay short-term and long-term obligations.

Interest Coverage Ratio: The company's interest coverage ratio improved and stood at 2.6x during FY19, from 2.4x during FY18. The interest coverage ratio of a company states how easily a company can pay its interest expense on outstanding debt. A higher ratio is preferable.

Profitability Ratios

Return on Equity (ROE): The ROE for the company declined and down at 9.8% during FY19, from 14.5% during FY19. The ROE measures the ability of a firm to generate profits from its shareholders capital in the company.

Return on Capital Employed (ROCE): The ROCE for the company declined and down at 13.1% during FY19, from 14.7% during FY18. The ROCE measures the ability of a firm to generate profits from its total capital (shareholder capital plus debt capital) employed in the company.

Return on Assets (ROA): The ROA of the company declined and down at 7.1% during FY19, from 8.8% during FY18. The ROA measures how efficiently the company uses its assets to generate earnings.

Key Ratio Analysis

No. of Mths Year Ending		12 Mar-18*	12 Mar-19*
Current ratio	x	1.3	1.3
Debtors' Days	Days	18	18
Interest coverage	x	2.4	2.6
Debt to equity ratio	x	1.3	0.9
Return on assets	%	8.8	7.1
Return on equity	%	14.5	9.8
Return on capital employed	%	14.7	13.1

* Results Consolidated

Interim results exclude extraordinary / exceptional items

Source: Company Reports, Regulatory Filings, Equitymaster

CHAPTER : 7

LEARNING EXPERIENCES :

It was good culture and management also very nice .the work pressure .the whole management work nice handle .they become some persons was so hard work about the company is good climate they have been some of persons and employees was very friendly .Being in Indian company, the management is very laid back and there is typically no grievance address procedure. My tenure as a Management trainee was not very enriching, and employees' growth is not considered important.The company is very good working environment is also good all the colleagues are very helps and managers are supportive. company working system is also good its a very systematic company. recently the company is going to migrate all thought thing.Very good work envirenment & supprt by superiors. Totally free space to work independently. Very well payer in conveyance ,daily allowance & travelling allowances.The department is very cooperative here in J K Cement Works. You will have a great time with the colleagues and will find the time to spend with your family. You will get the good money against the work done by you. To be in the job you will have to prove yourself every time everyday. The job culture is very competitive.

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WEEKLY PROGRESS REPORT

Student Name	YASHASHWINI
USN	1CR19MBA92
Title of the Study	A Report of the Structure and Dynamism of Business Firm
Organization	JK CEMENT
WEEK-1	
Duration (start date - End date)	6.8.2020 - 12.8.2020
Chapter s covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
WEEK-2	
Duration (start date - End date)	13.8.2020 - 18.8.2020
Chapter s covered	Chapter 3
Descriptions of activities performed during the week	McKensy's 7S framework, Porter's Five Force Model.
WEEK-3	
Duration (start date - End date)	19.8.2020 - 26.8.2020
Chapter s covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
WEEK-4	
Duration (start date - End date)	27.8.2020 - 30.8.2020
Chapter s covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography

Yashashwini

Signature of the Student

Signature of the Guide

