

GROUND VIEW



BUSTING MYTHS!

SUPPLY-CHAIN THESIS V.4.0



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INTERACTION

INTERVIEWS



INTERVIEW: **Mr. Shrivats Singhania**

Promoter – JK Lakshmi Cement Limited (JKLC) & Udaipur Cement Works Limited (UCWL)
Executive Director – UCWL

Shrivats Singhania, 38, is the NextGen leader of JK Lakshmi Cement Limited (JKLC) and its group companies. He is the younger son of Mrs. Vinita Singhania (Promoter, Vice Chairman & Managing Director – JKLC). Shrivats has been endowed with the complete responsibility to take forward the course of the group's cement business. Shrivats is a rated professional and also a receiver of many accolades. In this interview, he speaks about his future plans for Udaipur Cement Works Limited (UCWL) and JKLC. He also speaks about his openness to drive these organisations with newer ideas, and about the future prospects of these companies when such ideas are implemented. Bettering digital initiatives in his companies appears to be one of Shrivats' key tools to achieve this. He also opens up about his thoughts on the longer-term potential of the industry and how would he like to place his companies within the industry. This interview will also provide a glimpse of possible potential synergies between UCWL and JKLC in the future.

BY VAIBHAV AGARWAL

Interview assistance - Kavita Vora

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**This was not an in-person interview by us. The interviewee has responded to select questions of our questionnaire through an email response to us.*

Q: Was there a deliberation in the past between you siblings about you taking over the cement business and your elder brother, Anshuman Singhania, taking over JK Tyre and Industries?

A: It was a natural sharing of responsibilities among us. My elder brother had opted for JK Tyre as he had interest in that business, and he underwent training and internship for a number of years before he was entrusted with executive responsibilities. So, one of us today

plays a key role in ensuring India's economy and that its wheels keep rolling, while I ensure my role in strengthening the foundation of the future of India and also that its path to progress never stops!

Q: As a child, were you always keen to join and take forward your family business and its legacy, or were you keen to do something on your own like most of the young generation likes to do today. I am asking you this specifically because given your profile and background, you could probably have easily tried and explored business opportunities elsewhere, but then that was not the case with you?

A: Experiments, newness, and freshness of ideas does fascinate me! In my growing years my curiosity to reach out and connect with end consumers made me venture into a

Experiments, newness, and freshness of ideas does fascinate me!

project which required service-delivery of the highest standards. My venture into a food business, by opening and managing a specialized and a niche restaurant was one such big step taken by me. The feeling to better connect with customers on a one-to-one basis, especially where freshness, hygiene, and tastes play a key part, in one way, did help me in understanding the cement business consumers today and that has therefore helped me in my cement business too. Today consumer's role in cement is one of the key drivers for success. The experience in directly connecting with customers, today has helped in offering products and services which are more tailored to customer needs, right from general plastering use to foundation specific usage.

Q: At a personal level do you have ambitions to venture more into other businesses barring cement or this will continue to remain your core area of expertise and operations. In addition, would you want your mother to always guide and assist you in driving this business or do you think that you should be given a complete free hand to drive your businesses forward?

A: Today, we have expanded beyond just cement. We have created premium brands, products, and services like Premium Supremo Cement. This itself speaks loudly that even in just

As we grow, our foundation will need stronger support from all ends and together we will ensure that our businesses will grow

a product like cement we are going towards niche requirements. We are into value-added businesses - like Ready-Mix Concrete (RMC), gypsum plaster, Autoclaved Aerated Concrete (AAC) blocks, putty, and white cement. These are signs of expertise and competence, that we are looking beyond just basic cement. Going forward with changing scenarios, we understand as customers become more educated, our requirements, our way of delivery will change – this is what we are also working on. As we grow, our foundation will need stronger support from all ends and together we will ensure that our businesses will grow.

Q: You have already joined UCWL as an Executive Director. To me, it is clearly a sign of your interest in the cement business but beyond that, it is also a sign that you first want to understand more about the business before you step into a leadership role in the larger entity of JKLC. Is my reading correct and if not, what were the reasons to choose UCWL and not JKLC? Was it your own conscious decision to take charge of UCWL first and then move to JKLC or was it the guidance of your elders?

A: UCWL is a subsidiary of the mother company JKLC. UCWL being a relatively new entity, as in, its newness being under a new brand name, it became important for me to be part of an entity that is in the process of creating its path. Hence being part of the leadership of this core entity is a step to try, create, and solidify new relationships – and UCWL was the way!

It became important for me to be part of an entity like UCWL that is in the process of creating its path

Also, it is a mix of guidance and inner self-belief to step forward to take and drive leadership roles here.

Q: Please tell me more about your role at UCWL. What are the functions of business that you are currently in charge of and what are the core areas of your expertise?

A: Overall functions ranging from decisions on manufacturing, new projects, financials, marketing, new innovations. Few examples of these are break-out-new-ideas, implementation of Waste Heat Recovery Systems (WHRS), solar energy systems and our digitalisation drives to name a few.

Q: Tell me some of your experiences of being part of the cement industry after taking charge of UCWL, which has left a mark in your memory?

A: Even in the lockdown, this is one industry which has kept India's economic wheel running. In the beginning, I had said that I wanted to be a part of India's progress. During the recent cases of lockdown when our product and services have kept hopes working, people employed, and beyond that, we all tirelessly ensured that nothing stops. This is a memory that I cherish! These experiences drive our inner momentum for the future too.

Q: How frequent are your visits to UCWL's factory and do visit the ground as well to understand real-time ground realities?

A: Yes, I do. The time spent by me at our plants on a regular basis, helps me to connect with different ongoing projects, share time with employees, review the Research & Development (R&D) that is underway, evaluate future projects, and even helps me connect with development activities for health and hygiene related projects that are

being undertaken in the surrounding areas.

Q: Going forward, how would you like UCWL to be placed? Do you think its merger with JKLC is more fruitful or do you believe it should continue to operate as a separate entity? What are your thoughts around merger of UCWL into JKLC?

A: There are pluses and minuses of both these aspects, which time will tell! Let's wait and watch...

Q: Immediately after joining UCWL, what were your observations as

There is nothing like being an outsider! (as in, for me into the cement industry)

an outsider to the cement industry that you believe that could be easily rectified or addressed for bettering the directional long-term operational performance of UCWL and the industry?

A: There is nothing like being an outsider! I am blessed to have an illustrious father and mother who have been somehow instrumental in driving this industry forward in India. The prospects of the industry would best be seen, when in future we see more consumption of cement in India's landscape. For this, UCWL should be a major cement manufacturer, not just in terms of volume, but also in terms of quality and its service offering.

Q: UCWL has already announced a major expansion and is on the verge of more than doubling its capacity. Were you the key driver for this capacity expansion decision? If yes, what gave you the confidence of an aggressive expansion at UCWL, especially given the fact that the

profit margins for now at UCWL are yet to be bridged with industry peers? In addition, JKLC has a much healthier balance sheet vs. UCWL, and therefore what were the reasons to choose UCWL for the first major expansion at your group?

A: As replied earlier, we want to see cement consumption in India grow. The insights for prospects of cement consumption are quite clear from its changing economic landscape and the government's resolve to make India one of the topmost economies globally. UCWL has a chance to expand and reach areas, where, because of industry-based factors, for JKLC it would not have been possible. Hence the expansion. Also, both the plants and their respective expansion projects are in-line with the market's future requirements, and it is not a case of internal competition within our group.

Q: What is your long-term goal and ambition for UCWL – both in terms of capacity and as well as profitability?

A: Scale up both - volumes and

profitability - by matching ourselves to market requirements.

Q: I have been briefly interacting with you for few years now but I have not yet presented you my supply-chain thesis. I got the opportunity to present my thesis to many other industry promoters and even many senior members of your own management team at JKLC. The core argument of my supply-chain thesis is that as far as production efficiencies are concerned the incremental delta that could be captured here by various industry players is limited. On the other hand, I also argue that there is a huge delta that can be captured in the marketing and outward logistic equation of cement business operations. Will you agree with this? Any feedback about our supply-chain thesis if you received the chance to read our thesis? Or have any of your colleagues at JKLC discussed our thesis with you in person?

A: Our team has been working on efficiency parameters and deploying

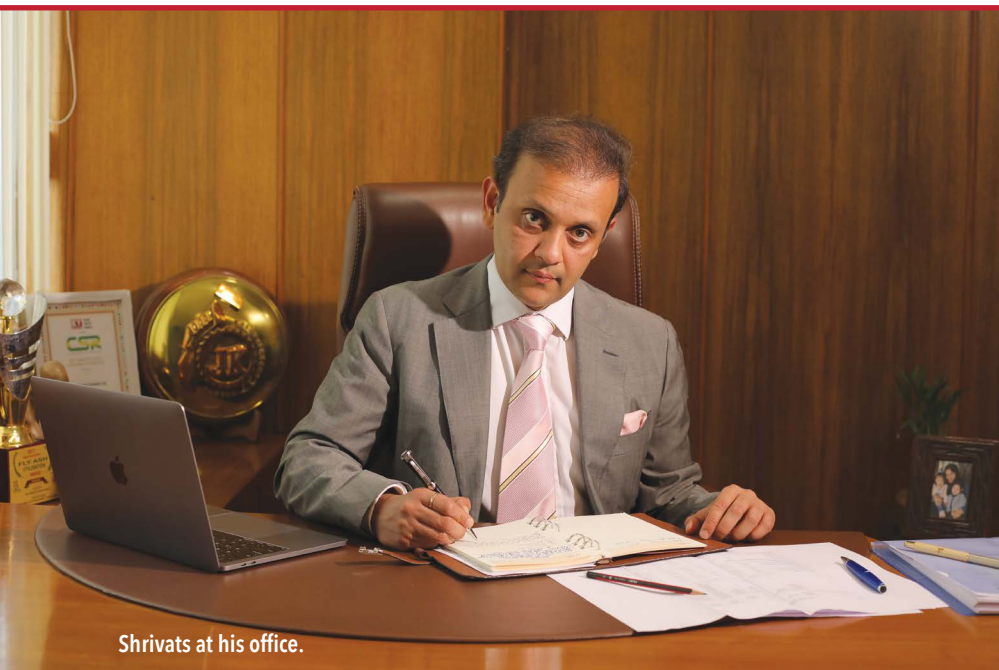
tools and resources for optimum supply-chain efficiencies.

Q: Particularly, as far as JKLC is concerned, I see a great and huge opportunity on various aspects of my supply-chain thesis. Will you agree that a lot can be unfolded at JKLC with regards recalibration of supply-chain and ground business practices?

A: As informed earlier, scope for improvements always exists and our team keeps looking out at ways and means for optimization of supply-chain efficiencies.

Q: One of the core arguments of my thesis is also that the NextGen promoters of the industry will help the industry gain new insights and the way the NextGen will like to see the industry operate, it may be a little different from the way their predecessors have operated the industry. Most of the NextGen promoters whom I have interviewed in my earlier edition of supply-chain thesis are in tandem and they too believe that they think very differently. Will you also agree to this? Being one of the NextGen industry promoters, will you agree that you will be able to get a new energy, thought process to both UCWL and JKLC, and help them scale even newer heights in the future with some structural changes to conventional business practices?

A: The core thought behind our organization has been to see and adapt ever changing innovations, processes which keeps us in sync with changing times. As a NextGen industry promoter, I have been adapting to processes that drives the business towards better efficiencies and growth. I have been pushing for speedier adaptations and I am sure with our deeper insights, the



Shrivats at his office.

market will see much better and more positive results vs. what they saw from us in the past.

Q: When it comes to UCWL and JKLC in particular, and because I have had an opportunity to visit almost all of your factories and many marketing offices too, I read that there is a great opportunity within JKLC as a parent company to improve its ground coordination among various teams at various functions. I believe, by doing this, there is a great and long-term structural earnings delta that can be unfolded for JKLC. Will you agree?

A: Internal changes, innovations, digitalization and ongoing adaptations of new tools and techniques is driving better coordination among our teams. We are sure, with more steps underway, we will move ahead on our cause to make agile teams at our companies for the future.

As a NextGen industry promoter, I have been adapting to processes that drives the business towards better efficiencies and growth

Q: How have ground officers adapted to changing market conditions?

A: Ground officers work on our parameters decided for them and they are properly communicated between them at different levels. As market changes, their parameters ratings and benchmarks too change to ensure better market adaptations.

Q: For delivering Sustainable Healthy Robust Earnings Everytime, how have you adapted?

A: With focus on better market rationalizations, it does help us to create market portfolios that give us better profitability at sustained market shares.

Q: Though currently you are not a part of JKLC senior management team but as a promoter of the company, do you take active participation in all JKLC management meetings, board meetings etc. Has there been any feedback from your end, which has helped JKLC inch up its performance. Can you share some of your experiences here?

A: Yes, I do. It is very heartening that management meetings in JKLC are very thought provoking, where key decisions are taken. My experiences and suggestions, *like for example*, taking care of employees for their well-being, health and safety and many other related add-on steps is one such fond memory for me. These suggestions were acted upon and followed as per government protocols during the recent COVID-19 pandemic.

Q: Talking a bit about costs, JKLC claims that it is inline with the best of industry peers when it comes to operating costs, but still, when I plot JKLC vs. industry's best there is some amount of marginal gap, which is visible. As I understand from the production teams, it is mainly because of relatively higher mining costs and power costs. I am told that upcoming WHRS will, to a large extent, help reduce this gap. However, how do you see this production cost differential for JKLC playing out. Do you believe that this is something that is bridgeable or do you think that this gap is here to stay?

A: Internal process changes and

technical improvements is the way of life at our company. We being among the best in the industry in some of these parameters are signs of our improvements. As we always look for cost rationalizations, cost improvements will happen and that will drive operating efficiencies. This is an ever-happening cycle, which we are continuously following now and we will continue to do this in the future too.

Internal process changes and technical improvements is the way of life at our company

Q: In its history, JKLC has always been expanding its capacity, more through organic routes. Your management teams have also said in almost all their roadshows and management call commentaries that they are proudly a conservative management, which to me is a correct thought process. Nevertheless, as you build your balance sheet strengths with this conservatism, in the long term, if there arises an opportunity for inorganic routes, as a NextGen promoter, will you be open for inorganic growth. Your personal thoughts around this?

A: Opportunities of growth are always looked at both, *organically and inorganically*. Our management team believes that as per the conditions that may exist in the future, we will be adapting ourselves to the optimum path to ensure a healthy bottom-line for ourselves.

Q: In all of JKLC's public commentaries, the management has also said that there is potential for brownfield expansions at your group companies at almost all of

We will be adapting ourselves to the optimum path to ensure a healthy bottom-line for ourselves

your existing sites. Your brownfield expansions can be at a much lower costs vs. industry's capex cost. Will you look forward to grow your capacities only at existing locations or will you scout for newer locations and geographies? Is being a pan-India player something on your wish list for the longer term?

A: We are here to grow, so that we can *in one way or the other*, best serve India's future growth requirements. Given the available opportunities, market dynamics, and technical feasibilities, our company keeps assessing each opportunity and the decision that follows will be governed by a collective decision at our end.

Q: What are the long-term and short-term goals for your organisation – say, next 5 years and 10 years?

A: Being among the leading cement manufacturers and being the preferred choice among the industry's consumers.

Q: Some of your other NextGen industry promoters believe that the best way to make an organisation grow and prosper is to make an 'entrepreneur' within every employee of the organisation. Will you agree?

A: We do believe in the sense of entrepreneurship in our employees and some of the innovations and changes in responsibilities at our end are a result of same.

Q: Some of your peers also believe that the biggest success mantra at any organisation is to welcome

failure whole-heartedly. In fact some of your peers follow a practice of rewarding failures too, and this energizes all the employees to try more and experiment more for better success. Are you open and willing to give all your employees the freedom to try and experiment to the best of their abilities, to come up with new ideas, which could eventually help JKLC discover some newer elements in business methodologies?

A: Our organization thrives on giving our human resources the ability to innovate and implement feasible and implementable ideas. We keep up taking projects through Cross Functional Teams (CFTs) and give these groups the task to take it to the desirable results. Failures are encouraged, which also leads to improvements in implementations.

We do believe in the sense of entrepreneurship in our employees

Q: Being one of the NextGen industry promoters, have you got a chance to interact with other NextGen industry promoters? Any friends that you have in the NextGen industry promoters?

A: When required, we keep exchanging our thoughts.

Q: What is that one thing about both UCWL and JKLC and the JK Group that you the love the most and which you will never like to change?

A: Our Core Values:

- Caring for people.
- Integrity including intellectual honesty, openness, fairness and trust.
- Commitment to excellence.

Q: What is that one thing that you believe should have not been there and which you will like to change under your leadership?

A: With regards our core values, I will like the organization to further build upon it. Today we exist because of our people. We have created that relationship, because of the trust earned and generated by our people!

We exist because of our people

Q: What will be your message to your investors as the NextGen leader and promoter at your group?

A: The confidence and trust invested upon us by our investors holds great value for us. Our complete team is working to take our companies to greater heights, and we do have a mountain of opportunities which together we can turn to achievable points of success.

Q: Most of your investors often share a feedback that they would like to see JKLC touch new highs in terms of operating margins. They all agree that there is a huge value that can be unfolded at JKLC with bold decisions and strong NextGen leaders as part of normal business succession plans. Can you give this assurance to your investors that you will be that 'change-agent' for JKLC?

A: It is a collective effort and I am sure the changes seen in the last couple of years are small but then, they are big steps. More are on the way and the confidence shown by the complete leadership team will help us to achieve new heights.

Q: One of the things that JKLC investors appreciate about the

The confidence and trust invested in us by our investors holds great value for us

company is that it is one of those rare manufacturers that listened to investors' advice, be it better dividend pay-outs, buy-backs, etc. and time and again, your group is never shy of taking any feedback in an objective way. As a NextGen leader for your companies, would you also like to engage yourselves more with investors at certain stage for objective feedback and to address their concerns?

A: Our systems are open, and till date every investor gets to connect with us. As a policy, a communication exchange with our investors helps us to make this company, a great company! Suggestions are encouraged and they will always will be encouraged and they will be welcomed too!

Q: Another area of rising importance within the cement industry is around the topic of sustainability. It is believed that this is something that would turn out to be a 'non-negotiable' for cement industry in times to come. Please tell me some of UCWL and JKLC initiatives around the topic of sustainability?

A: Yes, we are aware about the importance of sustainability in the cement industry and we are committed to works towards it. We do have a detailed sustainability report which can be accessed at:

I am sure the changes seen in the last couple of years are small but then, they are big steps

<https://www.jklakshmicement.com/the-sustainability-report/>

Q: Barring UCWL and JKLC, any cement companies that you look up to as an individual and which you will like JKLC to look up to?

A: We do hold great respect for market leaders both in terms of volumes and innovations.

Q: Your first day at office?

A: Dynamic, interesting, and very corporate!

I would like my children to carry forward our family values

Q: A day in cement industry, which has left a mark in your memory?

A: Laying the *foundation stone* for our Cement Mill – 3 at UCWL.

Q: What can we expect Shrivats Singhania to do when he is not at work?

A: Spending time with his family and travelling with family to new destinations.

Q: Your interests and hobbies?

A: Cooking, playing badminton, racing, and snooker.

Q: Something about your family?

A: Dedicated and passionate.

Q: Will you like your children to also join your family business to take the legacy of your family business forward or you are open for them to venture out with new avenues?

A: It is up to them but I would like them to carry forward our family values.

Q: Some of the achievements in your life, which you will like to talk about?

A: Nurturing people for an all-around

growth. Receiving different awards is an outcome of my efforts towards the same.

Q: Your role models?

A: My Mother *Smt. Vinitaji Singhania*, My Late Father *Shri Shripatji Singhania* and My Late Uncle *Shri Hari Shankarji Singhania*.

Q: A message from you to all your employees which you will like to pass on?

A: We are here to make a difference to our business.

Q: How will you like JKLC to be remembered, the day you hand over your company to your next successor?

A: As a company that is always there for its people, vendors, and all its stakeholders.

Q: Something about JK Group and your family that you are always proud about?

A: *The closeness*. We are one big family, which shares each other's success and failures together.

Q: To conclude, as I see, fresh talent

Fresh talent always encourages healthy development

can help the cement industry get new ideas and thought processes. There is significant scope for improvement in the way it operates through fresh thoughts and talents. Your thoughts around this?

A: Fresh talent always encourages healthy development, *and*, as we grow, new thoughts, ventures will keep the sense of entrepreneurship growing within the industry and also for our companies.