



NCL INDUSTRIES LIMITED

K Ravi
Managing Director

How would you summarize your company's journey since its inception?

I would say that we started with a bang – making a decent profit and declaring a 25% dividend in the very first full year of commercial operations. As pioneer of mini cement units, the Founder of our Group, Mr. Ramachandra Raju soon became the blue-eyed boy of All India Financial Institutions.

This had its flip side too. The financial institutions felt that he had the Midas Touch, and persuaded him to take over a few sick units for rehabilitation. He obliged. But it did not work exactly the way that the lenders hoped. In the efforts to rehabilitate sick units at the behest of lenders, some of our resources were put to sub-optimal use.

Mr. Ramachandra Raju was an entrepreneur in a hurry. He wanted to introduce innovative products much ahead of their times. Bison Panels from Germany, Seccolor pre-painted steel windows from Italy, Alltek paints from Sweden and pre-fab housing were examples. Resources of the company were committed to these projects, which had their teething troubles. As a result, we

did not have enough resources to meet the adverse time in a cyclical industry like cement.

In course of time, we overcame all the challenges. The innovative products introduced for the first time in the country overcame their teething problems, and established themselves. Looking back, his foresight has helped us. The philosophy of Growth and Innovative Products has been inherited and internalized by the next generation of leaders. We are always on the lookout for new technologies and new products.

What are some of the most significant milestones of the company in recent years?

Milestones, there are many in our journey of 4 decades. I can cite only a few of them. Graduating from mini cement to an integrated cement plant was a significant milestone. A series of expansion projects enabled us to grow to be a company with 2.7-million-ton capacity.

One time Settlement with the lenders with private finances raised purely using the personal credibility of the Founder was another.

Diversification into building materials and breaking free of the label of being a single product company producing cement was a significant milestone. NCL Group can now boast of a diverse range of building materials like partitions and ceilings, custom-made doors, windows and doors, paints, Putties AAC blocks and pre-fab structures. I don't know if any other Group can claim this distinction.

One achievement that we take considerable pride in is the manner in which we emerged from the gloom of Corporate Debt Restructure (CDR) with the lenders to the relative boom of expansion and growth. This was possible through bold initiatives of going for private placement of debentures to retire the bank debt and simultaneously plan expansion projects. Eye-brows were raised when we embarked on this plan. I am glad that we were able to prove the skeptics wrong, and returned to the comfort of profitability and growth.

The latest milestone in financial terms was the crossing the 1500 crore mark in turnover in 2021. We are at the striking distance of 2000 crores turnover. Recently we also crossed the 1000 crore mark in market capitalization.

What solutions/products does the company provide to create value for clients?

In a highly competitive field like cement, we have been able to create a brand leadership. Our Nagarjuna Cement commands a premium in coastal and north Andhra Pradesh. That we have been able to retain this position in the face of much larger players operating in the market is a matter of immense satisfaction.

Our Bison Panels and their variants are one of its kind products with multiple applications. It is heartening that Bison Boards are used in multiple applications like kitchens, partitions, false ceilings, panel houses and decking. The NCLdoor which we introduced recently are emerging as the bywords for quality, elegance and durability.

Ultimately, quality is the mantra that creates value for the client. I think we have succeeded in being identified with high quality.

What are the factors that give NCL industries an edge over its competitors?

As a mentioned earlier, our commitment to quality is a major factor. The other important factor is our ability to assess the situation and respond quickly to convert challenges into opportunities. One important indicator of this is the manner in which we marshalled our resources during the lock-down period during peak of COVID19. Meticulous homework and planning enabled us to plan our production, logistics and supplies. Timely co-ordination and maintenance of supplies to institutional customers

helped them to minimize disruption in implementation of their projects.

In a nutshell I can say our agility and nimbleness is what gives us the edge.

How has the pandemic affected your company? What steps did you take to tide over the crisis?

The pandemic did affect us in the Boards and Doors Division, since the retail markets were closed or sluggish. However, as I mentioned, we have been able to convert the challenge into an opportunity, particularly in the Cement Division.

After the initial shock of sudden announcement of lockdown wore off, we made a quick assessment of the situation. We coordinated with the Government Agencies to take measures for maintaining production and dispatches, while adhering to safety and social distancing norms. The Government also appreciated our pro-active initiatives, by giving us necessary permissions to operate, without compromising on health precautions. The meticulous planning and co-ordination helped. We could keep our production and sales activities going, and post financial results, which in fact surpassed our past best.

What are some of the key ESG initiatives by your company?

A significant portion of our energy requirement will be from green power – from the solar power facilities set up in different plant sites, and also the power generated from the Waste Heat Recovery Plant at Simhapuri. These are expected to account for 30% of our power

requirements.

On the social front, we have been focusing our CSR activities on the education, health and hygiene. NCL School and Junior College and Ramachandra Raju Memorial Health Center in Simhapuri provide free or subsidized education and medical treatment to the residents of the surrounding tribal villages. We have recently launched a campaign to encourage construction of toilets at every house in the village with the company's assistance.

Overall, I feel we have succeeded in improving the quality of life of the people in the vicinity of our plant sites.

In terms of Governance, transparency and fairness in all our dealings have been our guiding principles. We try to follow the motto of "When in doubt, disclose" propagated by Infosys Founder Mr. Narayana Murthy.

What is the company's growth strategy over the next 3-5 years?

It is two-pronged strategy. Wherever possible, expand the cement capacities by mergers and acquisitions. We are conscious that setting up green field projects is not an easy proposition with the existing regulations on mining licenses.

While cement is expected to be the mainstay in the foreseeable future, keep adding quality building materials to the product range of the company and group.