

'More infrastructure projects will spur demand for cement'

Sanghi Industries Ltd is the flagship company of the Ravi Sanghi Group dealing in production and distribution of cement under the brand name Sanghi Cement. The cement is produced at one of the world's largest single stream, fully automatic state-of-the-art cement plant located at Sanghipuram in the Abdasa taluka of Kutch district of Gujarat.

The state-of-the-art technology is from Fuller International, USA, and the plant has capacity of 3.0 mtpa. The company produces superior quality 53 Grade OPC and PPC Cement and have revolutionized the way cement is produced and sold in India. The company has several firsts to its credit:

The first of its plant in India is to install cross belt analyzer for micro analysis of limestone to ensure consistent superior quality of cement and 100 per cent robotic control systems to ensure consistently superior strength and quality of operations.

It was the first company in India to have full-fledged infrastructure, from day one, such as 63 mw power plant, own jetty to cater the need of sea route transportation, desalination plant and road network. More facts were unearthed on the cement industry and the company from the excerpts of the interview.

The cement industry is experiencing a boom on account of overall growth in the economy where it is anticipated that the cement industry players will continue to increase their annual cement output at a compound annual growth rate of around 12 per cent during 2011-12 - 2013-14 to reach 303 mmt. What do you have to say about it?

The long term growth for the cement sector is positive with potential demand for cement to grow at 8-10 per cent in coming few years. However, the current cement production capacity is significantly higher than the current demand of around 270 mtpa. We expect supply



The key to spurring demand for cement is for the government to spend more on infrastructure, says Alok Sanghi, Director, Sanghi Industries Ltd in this interview with Remona Divekar. Excerpts:

New airports in major metro cities, the Golden Quadrilateral, Delhi-Mumbai Industrial Corridor (DMIC), Amritsar-Delhi-Calcutta corridor and dedicated freight corridors are examples of such projects taken up by the government.

Apart from these projects, various state governments are also engaged in activities, which are aimed at improving the infrastructure of the state. The Gujarat International Finance Tec-City in Gujarat is one of such examples.

Various states are also developing industrial clusters to ensure that infrastructure and development go parallel. As far as fiscal incentives are concerned, Union Budget had announced excise duty rationalization of packaged cement, which would help in lowering cement prices.

Since the company's inception how has the group scaled its upwards journey? Tell us about your experience.

The Sanghi Cement brand has come a long way since its formal launch in Gujarat state in the year 2003. The company has cemented its position to be recognized as one of the leading cement brand in the state with significant market share figures to support the claim.

This is a big achievement considering a company as young as 10 years. This has been possible with providing the best quality cement to the customer on consistent basis and providing them with the best service support required.

A well-defined environment policy and objectives which are monitored, reviewed and revised periodically.

Imparting regular training to enhance environment awareness and understanding.

Regular environmental audits for conforming to and improving environment standards.

In the cement making process power is the key element in achieving sustainable development. Over 25-30 pc production cost of cement is power. What are the efforts taken to improve efficiency to get more output for less power?

The company has reduced fuel costs by around 20 per cent through installation of captive power plant. Company installed 63 mw captive thermal power plants in fiscal 2009-10 and commenced generation from December 2009.

The thermal power plant is designed to use coal/lignite or a mixture of both as fuel for its operations. The MIS Cell and Energy

Steering Committee analyses the energy consumption parameters on daily basis with an intention to reduce the high and ever rising cost of energy in the manufacturing process, as well as to reduce its adverse impact on the environment.

The Committee constantly updates itself with the new developments in the field of energy including use of alternative resources and its viability for the use in our plant.

For the cement industry what are the major policy and fiscal initiatives taken by the government expected to catalyze infrastructure and industrial development in the region, spurring the demand for cement?

The key to spurring demand for cement is for governments spend more on infrastructure. In the past few years, the government has increased its focus on spending on public infrastructure projects like airports, highways, ports, bridges and development of tier-2 and tier-3 cities.

In domestic sales, the company has ensured its strong presence in the states of Gujarat and Rajasthan. The company is also increasing its presence in Maharashtra & Kerala. The company had been biggest exporter of bagged cement from India.

On the manufacturing and distribution front, with a clear vision of being one of the most efficient cement plants, the company ensured complete infrastructure built up like road network, logistic arrangements, own jetty, captive power plant and desalination plant, etc from day one of its operations.

Further, it invested heavily in making a truly green plant by strict adherence to international standards on all fronts be it manufacturing, HSE or CSR. The company today also boasts of being one of the lowest cost cement plant.

Over a period of time, the company has developed its distribution strengths by transporting its cement via sea route by investing in Cement Terminals at Navlakhi near Rajkot and Dharamtar in Mumbai. The company is working on increasing such sea route terminals especially on the western coast of the country.

The entire journey so far cannot exactly be termed as a bed of roses but it was a great learning experience for the company throughout and so far we feel we have achieved satisfactory results till date.

Green buildings, products and materials have established their footprints in India, coupled with technological revolution in the industry. How has the company revolutionized its product line up considering sustainability and 'Green' factors?

As a responsible corporate citizen and the call of the day, we too advocate the need of sustainable development and green factors. Since our launch of cement till the year 2010, we were producing and selling 53 grade OPC.

In the year 2010, we added PPC to our product line, which utilizes fly ash — a waste resource for production of cement. Hence, reducing the requirement of natural resources.

Further, on the sustainable development front we have taken following major initiatives.

Eco-friendly surface mining with the latest surface mining equipment ensuring near-zero dust generation.

Water resources -- Rainwater harvesting by converting mined pits into reservoirs and construction of check dams in the area, desalination plant for conversion of seawater to potable water, drip irrigation system for the green belt development, recycling of waste water by Root Zone Treatment System

Green-belt development -- plantation of four lakh trees, plantation of bio-diesel plant -- Jetropa.



to outstrip demand for the next two years as well due to the significant capacity lined up for expansion.

The company enjoys a reputation as one of the most efficient cement manufacturers in the world. How do you attain superior level through projects? What environment practices are followed?

The company has developed environment-friendly and safe mining practices and has received various awards for its mining practices and operational excellence over the years. With strict adherence to the ISO 14001:2004 standards, together with our 'clean & green' philosophy, a few of our practices are as follows:

Identifying and complying with all local environment legislation and regulation.

