

Industrial Minerals Magazine

Dalmia-OCL chief talks tough on refractories



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The ‘odd man out’ turning round Dalmia-OCL’s fortunes

“This is one of the toughest assignments of my working career,” 49-year-old Sameer Nagpal, chief executive officer of refractories manufacturer Dalmia-OCL Ltd, acknowledges when asked about the challenges he has faced.

The young and approachable CEO admits that he is less experienced than some of his peers – but believes this gives him an edge that his competitors lack.

“I am not a refractories professional and, in some ways, find myself as the odd man out in this industry. However, I believe our industry needs outside perspective as it has been very inward-looking. Fresh ideas will rejuvenate this industry and overall help India become a major player,” he says.

His appointment, he adds is a “turnaround assignment” – meaning it is up to him to change the fortunes of the company, currently the second-largest refractories producer in India.

“This is a turnaround assignment, which is always tough and complex. Our company had

Sameer Nagpal has been charged with turning Indian refractories producer Dalmia-OCL into an international brand and he is convinced he can do it.

significantly lagged behind and lost share when multinational refractory producers armed with advantages such as their long association with the industry, technological superiority and raw materials advantage entered or expanded their existing operations in India.

“My job is to develop and execute a sharp strategy which builds on our strengths and simultaneously work at strengthening the areas where we are weak,” he explains.

With five manufacturing units in India and China, Dalmia-OCL manufactures a full range of refractories for iron and steelmaking. In its portfolio are Dalmia Seven -a JV with Seven Refractories which specialises in advanced monolithics, and Germany’s GSB Group which specialises in high-performance lances and snorkels.

Dalmia-OCL is a part of Dalmia Bharat Group, one of the leading cement companies in India with a net worth of around 100 billion rupees (\$1.43 billion). Meanwhile Dalmia-OCL represents two entities: Dalmia Refractories and OCL Refractories, which together cater to a wide range of industries including iron and steel, cement, glass and non-ferrous metals.

The company, which commissioned its first refractory plant in 1954 has grown into one of the largest composite refractory makers in India. The company produces silica, basic burnt magnesia carbon, fireclay and high alumina bricks, continuous casting, slide gate refractories, castables and precast blocks basic, silica high alumina ramming masses/mortars. Globally, Dalmia-OCL is among a few select producers of coke oven silica bricks.

In January this year, Dalmia-OCL acquired German-based GSB Group GmbH, a specialty refractory maker.

“GSB Group is a highly focused refractory producer and has a very strong customer presence in Europe, one of the most important refractory consuming markets in the world,” Nagpal explains.

“With this acquisition, Dalmia-OCL will get access to some of the largest and reputed refractory customers like Arcelor Mittal, Thyssenkrupp etc, providing it with geographical diversity. Presence in Germany will also enable Dalmia-OCL to source key talent for its worldwide operations.

Additionally, it will allow Dalmia-OCL to bring GSB technology to service some of the largest steel producers like Tata Steel and JSW in India, who are leading consumers of refractory products” he adds.

Growth markets

“We take great pride that Dalmia-OCL is the fastest growing refractory company in India,” Nagpal says. “Our revenues from refractory



Sameer Nagpal says his appointment is a “turnaround assignment” meaning it is up to him to change the fortunes of the company



Nagpal's advice to the younger generation? "To pick up work they will love to do"

operations are expected to be in excess of \$110 million during the current financial year, ending on March 31, 2019 (Indian financial year: April 1, 2018 - March 31, 2019).

"We are expecting a significant jump in exports of refractories from Indian operations in the coming years. Currently, exports account for nearly 10 % of our total revenue. However, we are very optimistic that we should be able to double this figure in the next two years."

"Currently, some of the most important export markets for us are the Middle East and Africa regions. We also export to some European countries like Italy and Ukraine. In the near vicinity, Bangladesh is an important market for us. We are expanding our footsteps in Russia and the South American region and expect that these countries will become important export destinations for us in next three to four years," he adds.

Ambitious start

It is not surprising that Nagpal is ambitious.

At 49 years old, he already has 22 years of experience in business, working across different fields but having a firmly-developed

expertise in starting, turning around and scaling up businesses.

Prior to working at Dalmia-OCL, Nagpal served as CEO of Shalimar Paints. Before that he was vice president and business unit head of building solution group at Zicom Electronic Security Systems, where he scaled up the business in a tough market environment – immediately following the global economic downturn. Before Zicom, Nagpal held the title of director of building systems & services at Carrier Airconditioning & Refrigeration Ltd.

"I have spent time across various industries including air-conditioning, surveillance & security systems and paints," Nagpal explains.

"I have worked in both multinational corporations and Indian companies. This has given me wide exposure to challenges and opportunities in different sectors and helped me with the transformation I am leading at Dalmia-OCL."

Nagpal holds a Bachelor's degree in mechanical engineering from Delhi Technology University (formerly Delhi College of Engineering) and has a post graduate diploma in business management

from the Indian Institute of Management in Kolkata.

India first

Clearly, Nagpal is set on conquering the international market. But he also acknowledges that the Indian refractory industry will have a "significant" role to play in the development of steel and cement industry in the coming years.

"India's crude steel and finished steel production increased to 102.34 [million tonnes] and 104.98 [million tonnes] in 2017-2018, respectively," he explains. "The country is expected to overtake Japan to become the world's second largest steel producer soon. The National Steel Policy, 2017, has envisaged 300 million tonnes of production capacity by 2030-31."

"With 502 million tonnes per year of cement production capacity as of 2018, India is the second largest cement producer in the world. The cement production capacity is estimated to touch 550 [million tonnes] by 2020. The top 20 companies account for around 70% of the total production. A total of 210 large cement plants together account for 410 million tonnes of installed capacity in the country, while 350 mini cement plants make up the rest."

The company is investing inwardly too. Dalmia-OCL is now in the process of setting up a new monolithics line at its plant in Katni, in the central Indian state of Madhya Pradesh.

"[This] will be the most advanced manufacturing line for this product in India. This line is expected to be commissioned by April [2019]," Nagpal said.

Love what you do

It is hard to believe he has managed to fit so much into his 22 years of business, but Nagpal ascertains that the key to getting the balance right is to love what you do. This, he affirms is more important than a hefty pay packet.

"I have never struggled with work life balance," he admits. "I believe if you love what you do at work as much as you love your family, they balance out on their own. Hence, I advise youngsters to pick up work they will love to do and not what pays more money."

Easy to say when you are the CEO of a growing business, but Nagpal clearly works hard and continues to develop his skills. In the last five years he has been linked to several international business schools.

"I have had the good fortune of finding myself in several challenging assignments during my professional career. These situations have taught me good lessons of management and life," Nagpal said.

"It has been a very satisfying experience so far but we have a long way to go to realize our dream of being an Indian multinational in the refractory industry."