

TRANSPARENT Capital

Dalmia Refractories

Overview of the company

Dalmia Refractories Limited (DRL) is a part of one of India's oldest business conglomerates, Dalmia Bharat Group which was set up in **1973**.

DRL (previously Shri Nataraj Ceramics and Chemical Industries Ltd.) is a **pioneer in High Alumina refractory bricks** for the Indian cement industry.

DRL enjoys over 50% market share in High Alumina refractory bricks.

Dalmia Refractories is a preferred partner to major Indian cement manufacturers. The Company also executes supply and installation projects for various green and brown field projects for customers across India.

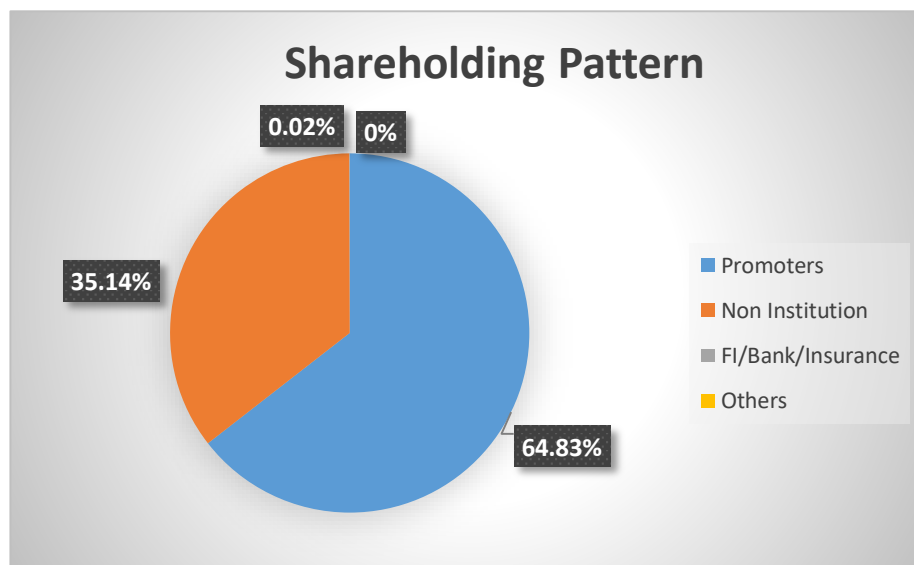
The Company offers calcined bauxite, stoneware, fire clay bricks, and alumina bricks. Dalmia also offers conventional castables, special castables, and ramming masses & mortars.

Headquartered in New Delhi and operates 2 manufacturing plant at **Dalmiapuram (Tamil Nadu)** and **Khambalia (Gujarat)**.

Strengths

Provide end-to-end turnkey solutions for projects having its R&D centre dedicated to develop value added products/services to customers.

Shareholding Pattern



Board of Directors

Mr. Sameer Nagpal- Managing Director

Mr. C. Nagaratnam- Independent Director

Mr. M.K. Doogar- Independent Director

Mr. Deepak Thombre- Independent Director

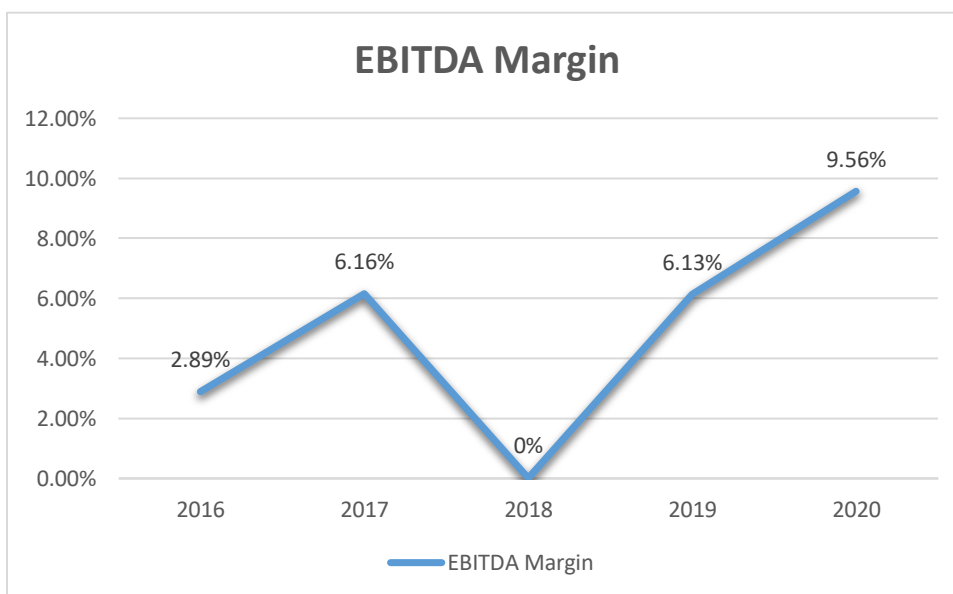
Ms. Leena Rawal- Non Executive Director

Mr. C.N. Maheshwari- Chief Executive Officer

Financial Overview

Margin Ratios

Particulars	2020	2019	2018	2017	2016
Core EBITDA Margin (%)	9.56	6.13	0.00	6.16	2.89
EBIT Margin (%)	8.47	4.90	0.00	1.14	2.27
Pre Tax Margin (%)	7.56	4.08	0.00	0.00	0.78
PAT Margin (%)	6.03	3.56	0.00	0.00	0.55
Cash Profit Margin (%)	8.84	7.54	3.25	5.55	2.27



Performance Ratio

Particulars	2020	2019
ROA (%)	5.95	2.34
ROE (%)	9.72	3.48
ROCE (%)	11.79	4.32
Asset Turnover(x)	0.99	0.66
Sales/Fixed Asset(x)	2.15	1.51
Working Capital/Sales(x)	14.79	27.75

The company's ROA has increased from 2.34% to 5.95% which shows that the company is obtaining good returns from the assets used in the company.

The ROCE of the company has increased drastically from 4.32% to 11.79% in FY 2020.

Growth Ratio

Particulars	2020	2019
Net Sales Growth (%)	46.86	11.15
Core EBITDA Growth (%)	86.36	305.30
EBIT Growth (%)	153.75	306.74
PAT Growth (%)	149.18	321.65
EPS Growth (%)	149.18	321.65

Valuation Ratios

Particulars	2020	2019
EV/Net Sales	0.12	0.09
EV/ Core EBITDA	1.09	0.97
EV/EBIT	1.46	1.76
EV/CE	0.12	0.06

The valuation ratios given above are the increasing for most of the companies as compared to their previous years. This shows good signs for the company.

Financial Stability Ratios

Particulars	2020	2019
Total Debt/Equity (x)	0.20	0.11
Current Ratio (x)	1.21	1.08
Quick Ratio (x)	0.54	0.51
Interest Coverage (x)	9.31	5.93

The current ratio and quick ratio has improved as compared to the previous year which shows a good liquidity position by the company.

The interest coverage ratio is 9.31 times in year FY 2020 as compared to 5.93 times in FY 2019. This shows that the company is having good EBIT figures and more earnings cushion even after paying off its interest.