

20<sup>th</sup> July, 2020

1]  
The Secretary  
The Calcutta Stock Exchange Limited  
7, Lyons Range  
Kolkata- 700 001  
Scrip code: 10023915

2]  
Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400 051  
Scrip code: MAITHANALL

**Sub: Investor Presentation on Audited Financial Results  
for the year ended on 31<sup>st</sup> March, 2020**

Dear Sir/Madam,

We are enclosing herewith the Investor Presentation on the Audited Financial Results for the year ended on 31<sup>st</sup> March, 2020.

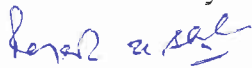
This information is submitted to you pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and appropriate dissemination.

Thanking you,

Yours faithfully,

For Maithan Alloys Limited



**Rajesh K. Shah**  
Company Secretary

Encl: a/a

cc: The Corporate Relationship Department  
BSE Limited  
1<sup>st</sup> Floor, New Trading Ring, Rotunda Building,  
P.J. Towers, Dalal Street, Fort, Mumbai- 400 001  
Script Code: 590078



# maithan alloys ltd

Investor Presentation

July 2020

This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Maithan Alloys Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.



## VISION

To be India's premiere Alloy Company that is built on the solid foundation of shareholder trust, customer commitment, employee satisfaction and sustainable communities

Consistently delivering on our promises backed by meticulous hard work is our motto for ensuring success always!

## MISSION

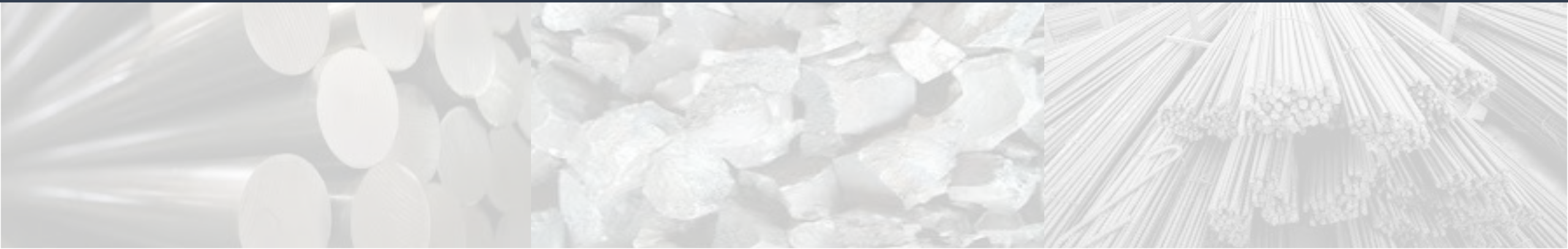
### To be India's premiere Alloy Company

- Promising Excellent Shareholder Value
- Nurturing our Employees
- Utmost Commitment to our Customers
- Care for our Communities

## VALUES

- Commitment
- Loyalty
- Integrity
- Rigour
- Teamwork

# Maintaining the Maithan Edge





## Efficiency

Lowest in the Cost Curve  
Optimum Capacity Utilization  
Higher Tonnage product



## Strong Credibility

Strong credibility in the market right from suppliers to end customers



## Optimising Facilities for Maximising Returns

Source raw materials based on our product mix which largely remains stable  
PPAs with efficient power supplying utilities  
Stable Asset turnover ratios with zero debt



## Diversified Customer Base

International clients across 35 countries  
Low Concentration Risk as exposure to no client is more than 10% of its exports  
Expanding into emerging Asian economies



## Expansion Plans

Organic & Inorganic Growth Opportunities

## Largest Manufacturer



India's largest Manganese Alloy Producer and Exporter

## 20 Years Rich Experience

20  
years.

Two decades of experience and continuous growth

## Niche Products



Basket of the most valuable Techno-Commercial Products

## Robust Balance Sheet



Net Cash Company

**Credit Rating:**

CARE AA  
CRISIL AA  
CARE/CRISIL A1+



**Increased Stockholder's Return**

ROCE Increased by + 3,100 bps

ROE Increased by + 1,300 bps



**Revenue Growth**

Increased by +11% CAGR



**EBITDA**

Increased by +29% CAGR



**Profit After Tax**

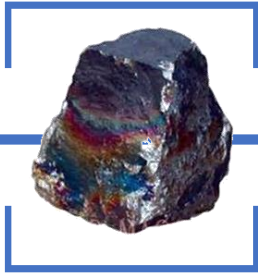
Increased by +64% CAGR



**Net Cash**

Position of **Rs. 634** Crores as on March 2020

**Ferro alloys enhance steel strength, durability, anti-corrosion and anti-stain properties and acts as de-oxidant for Steel Manufacturing**



## Ferro Manganese

- An alloy of iron and manganese
- Used in steel products wherein silicon content needs to be controlled at low levels
- Used in flat steel, manganese-rich steel and stainless-steel manufacturing



## Ferro Silicon

- An alloy of iron and silicon
- Silicon acts as a steel oxidant
- Used primarily in special steels and in small quantities in mild steel



## Silicon Manganese

- An alloy of silicon and manganese
- Cost-effective blend of silicon and manganese
- Consumed in all steel products. Used in higher quantities in 200 series stainless steel, alloy steel and manganese steel

## Visakhapatnam (SEZ) 72.0 MVA

- **Smelters:** 4 x MVA 18.0 MVA
- **Products:** Ferro Manganese/ Silicon Manganese
- **Raw Material:** Manganese Ore, Coke, Coal
- **Sourcing:** Imports 90% ; Domestic 10%
- **User Industry:** Steel



Quality remains the core to everything that we do. We achieved the ISO 9001 certification in 2003. This achievement makes a part of a world-recognized Quality Management System that helps us meet the expectations and needs of our customers every time.

## Kalyaneshwari 48.75 MVA

- **Smelters:** 2 x 5.0 MVA ; 1 x 6.5 MVA; 1 x 8.25 MVA ; 2 x 12.0 MVA
- **Products:** Ferro Manganese/ Silicon Manganese
- **Raw Material :** Manganese Ore, Coke, Coal
- **Sourcing :** Imports 65%, Domestic 35%
- **User Industry:** Steel



International standard for Health & Safety was achieved by Maithan in 2016. The addition of this certification has been a new feather in our cap-making us stronger and taking our successes a step forward to include the health and safety not only of our processes but also our people.

## Byrnihat 16.5 MVA

- **Smelters:** 2 x 8.2 MVA
- **Products:** Ferro Silicon
- **Raw Material:** Quartz, Coke, Coal
- **Sourcing:** Domestic 100%
- **User Industry:** Steel

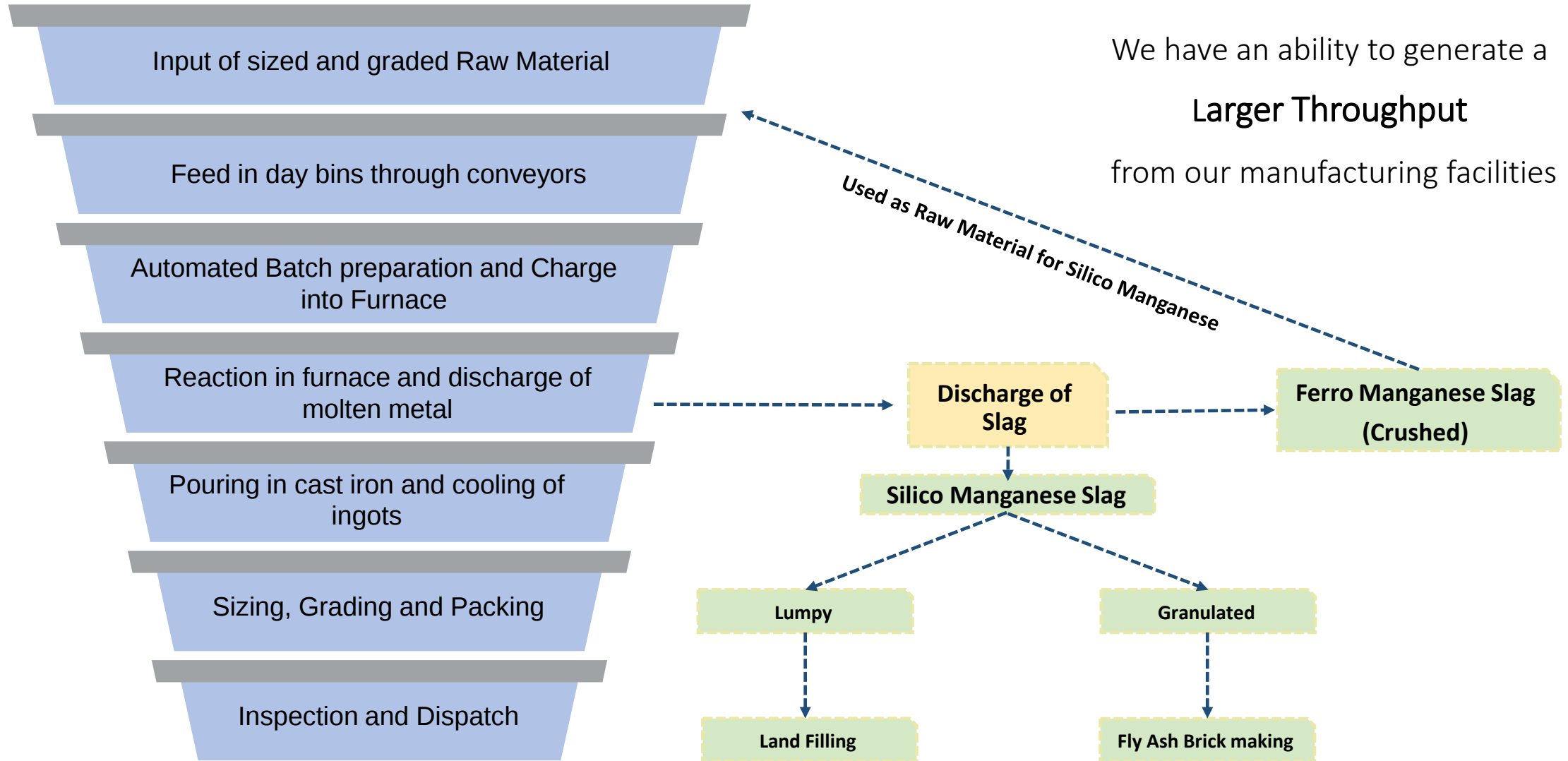


We have already started the processes to be ISO14001 compliant. It's a standard that sets out criteria for an environmental management system. With this certification, we aim to map out a framework that we will follow to set-up an effective environmental management system.

## WHY IMPORT ORE ?



- **Quality Product**
- **Variety of Grades Leading to better Product Mix**
- **Logistic Advantage**



# Strong Client Relationships

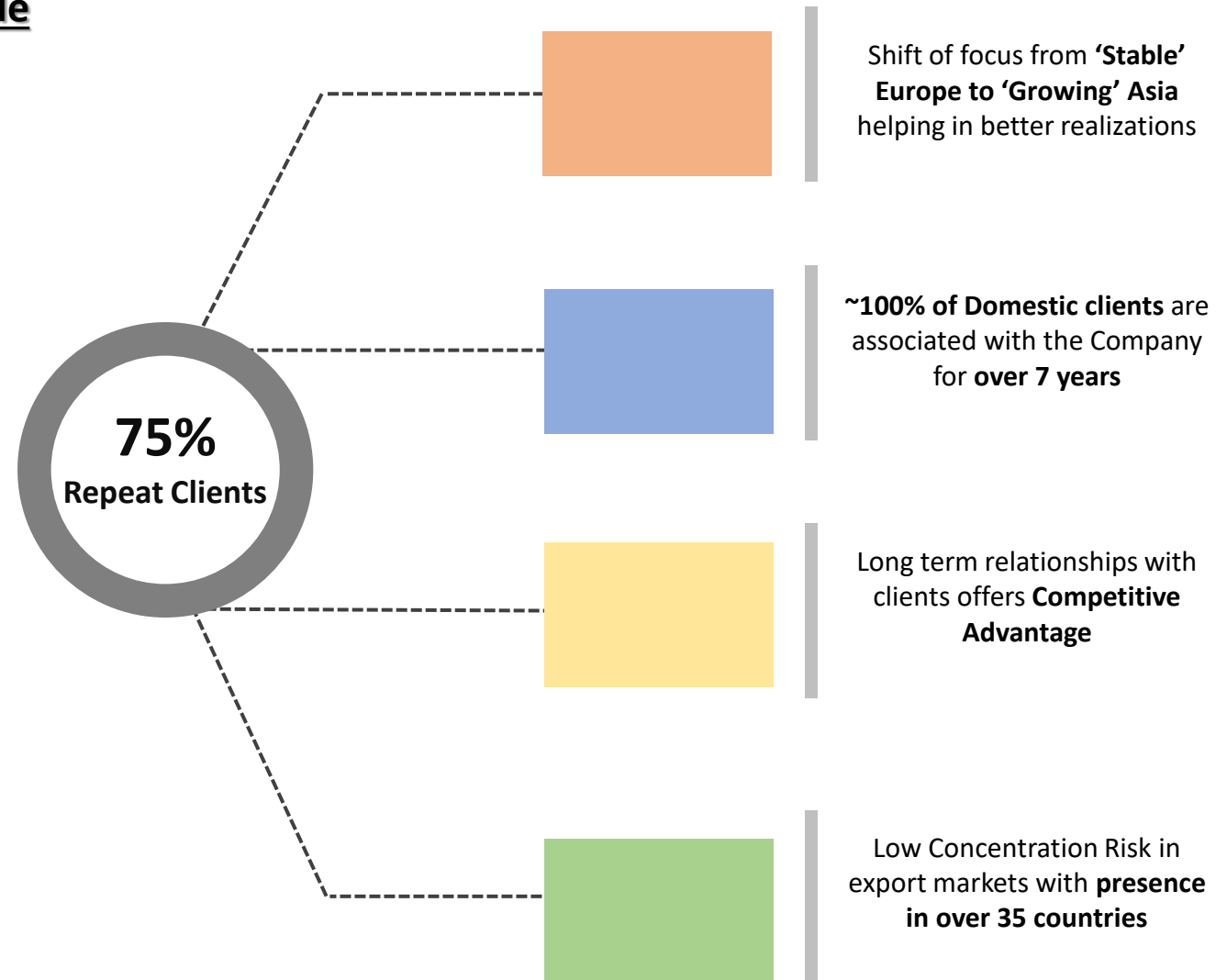
## Association with SAIL and JSL being more than a decade



"We are pleased to have formed a partnership with Maithan Alloys and we truly appreciate their commitment to quality and customer service. They have put forth all efforts to accomplish our needs amid our dynamic priorities and have always delivered to the deadlines set by us."

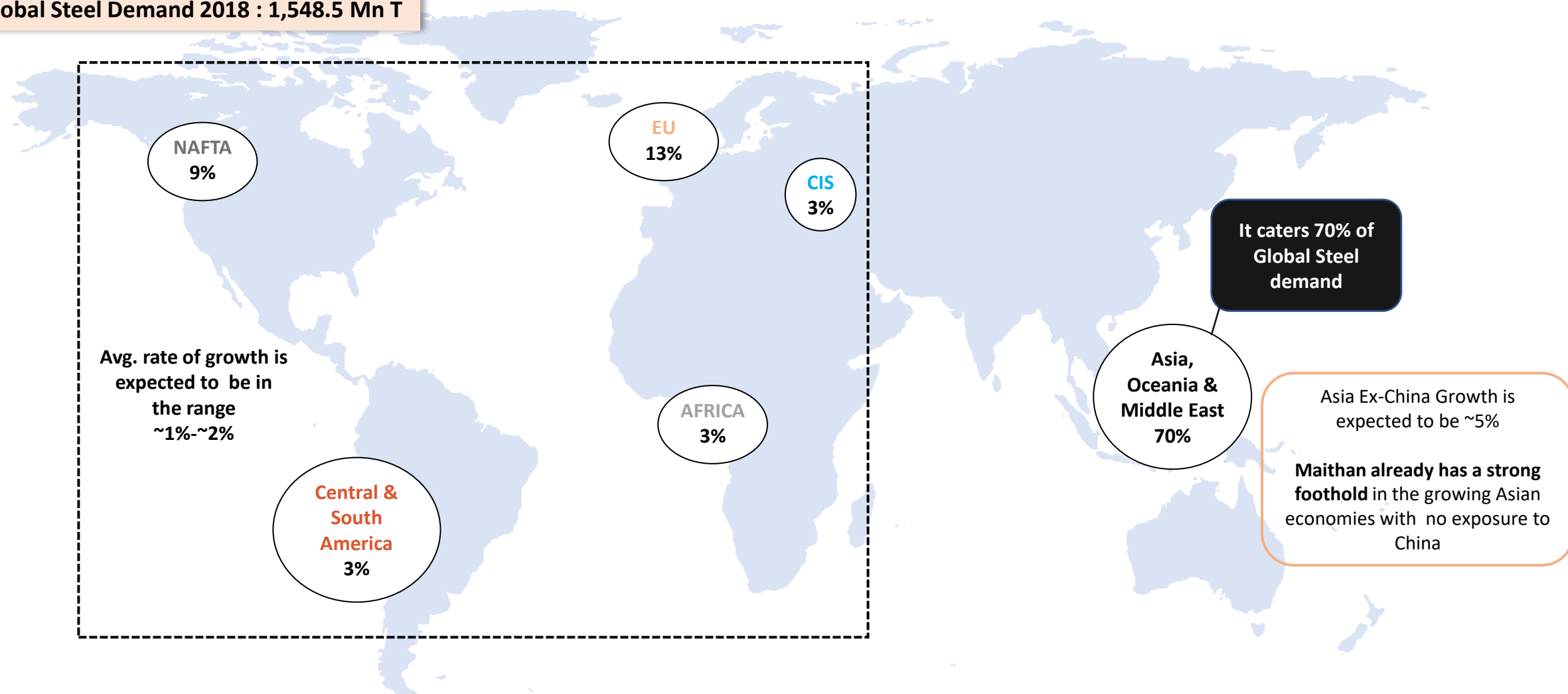


"From the beginning of our association with Maithan Alloy, we found the team to 100% committed to achieving customer service at any cost. M/s. Maithan Alloys are extremely professional and competent. We are very impressed with their ability to include continuous improvement in work processes."



# Asian Economies to drive the Global Steel Demand

Global Steel Demand 2018 : 1,548.5 Mn T



Source: [www.worldsteel.org](http://www.worldsteel.org)

Note: Data for Global Finished Steel Demand

Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness



100 % FDI allowed in the mining sector & exploration of metal & non-metal ores under the Automatic Route



2017 Budget outlay of ~ Rs. 4 tn in infrastructure to drive domestic steel consumption



'Housing For All' to drive housing demand thereby benefitting steel industry



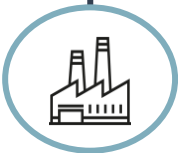
Anti-dumping Duty on Steel Products



India ranks 4<sup>th</sup> globally in terms of iron ore production



India has become the 2nd largest steel producer in FY19

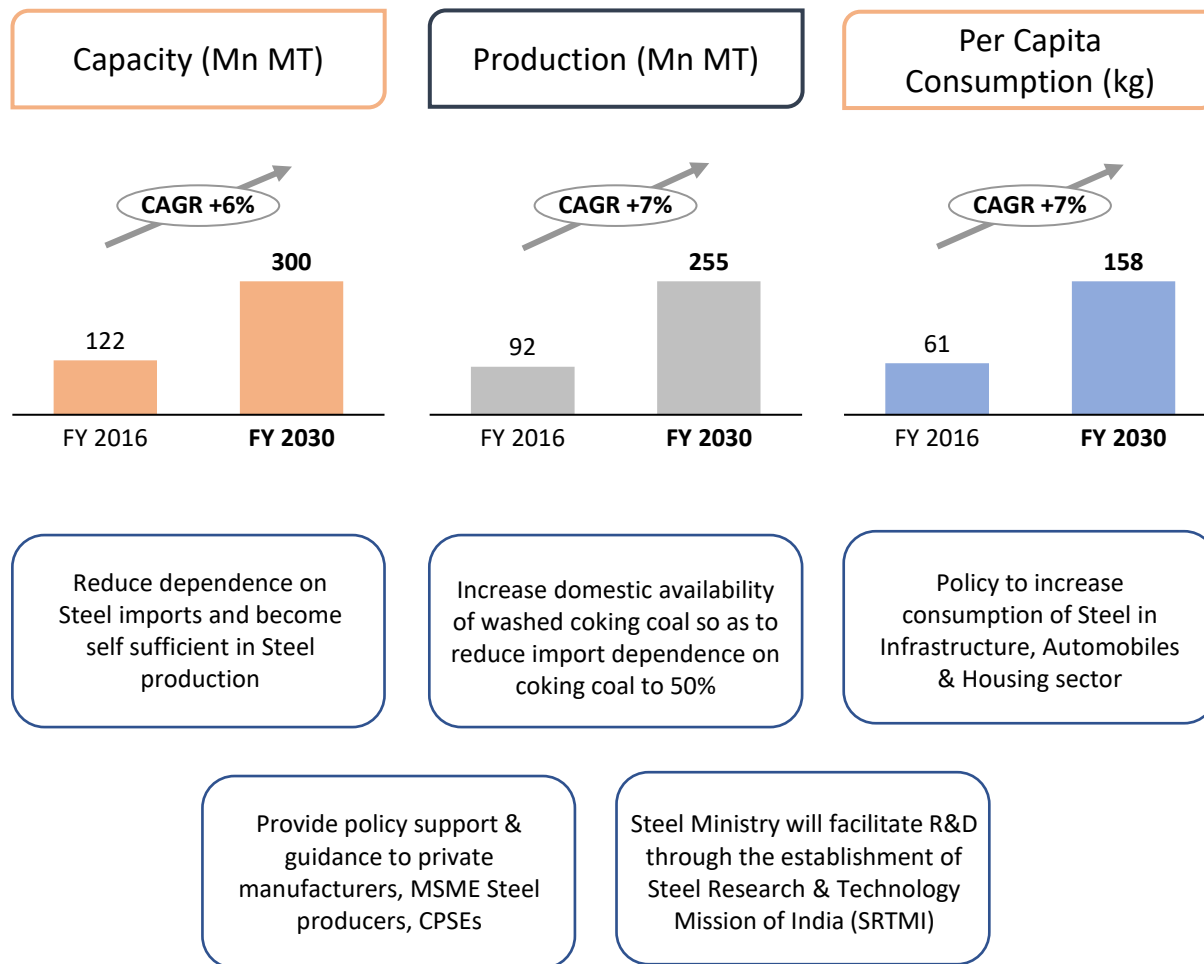


Steel Industry's Outlook to increase capacity to 300 Mn T by 2030 to drive demand for ferro alloys



India's GDP to grow by +7 % (IMF) over the next two years

## Alloy Producers to benefit from NSP 2017



~1.5% of Manganese Alloy is required to produce each tonne of Steel

## Why Advantage Maithan...



Gaining Market Share Globally and Domestically

World Crude Steel Demand  
**3% CAGR**  
since 2017

India Crude Steel Demand  
**7% CAGR**  
since 2017

Whereas...

**Maithan Alloys Production has grown CAGR of 16%** since 2007



**Mr. S. C. Agarwalla**  
**Chairman and Managing Director**

- 30 years of rich experience in Ferro Alloys industry
- Has a strong understanding of business processes and excellent communication and human management skills



**Mr. Subodh Agarwalla**  
**Whole Time Director and CEO**

- B.Tech from IIT BHU and M.B.A. from IIM Bangalore
- At age of 41 years is the Whole Time Director and CEO and strengthens the operational activities of the Company
- Focuses on project setup, corporate planning and business development, planning & budgeting



**Mr. Sudhanshu Agarwalla**  
**President and CFO**

- M.B.A. from XLRI Jamshedpur
- 15 Years of experience in Finance, Marketing and Procurement in the Ferro Alloys Industry



**Mr. S. C. Agarwalla**

(Chairman and Managing Director)

- 30 years of rich experience in Ferro Alloys industry
- Has a strong understanding of business processes and excellent communication and human management skills



**Mr. Subodh Agarwalla**

(Whole Time Director and CEO)

- B.Tech from IIT BHU and M.B.A. from IIM Bangalore
- Strengthens the operational activities of the Company



**Mr. Nand Kishore Agarwal**

(Independent Director)

Accounts, Finance and Tax Laws



**Mr. Ashok Bhandari**

(Independent Director)

Finance and negotiation with banks, governments and technology & equipment suppliers



**Mr. Vivek Kaul**

(Independent Director)

Entrepreneurship and Entrepreneurship Ecosystem Development, industrial knowhow, application development.



**Mr. Palghat K Venkatramani**

(Independent Director)

- Banking with specialty in Industrial Finance and staff training
- Foreign Exchange and Management Accountancy



**Mrs. Kalpana Biswas Kundu**

(Independent Director)

Banking Sector, Accounts and Finance

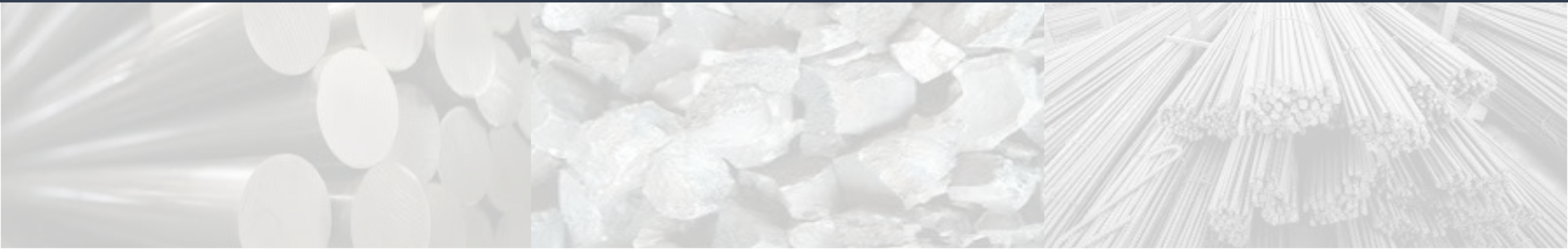


**Mr. Parasanta Chattopadhyay**

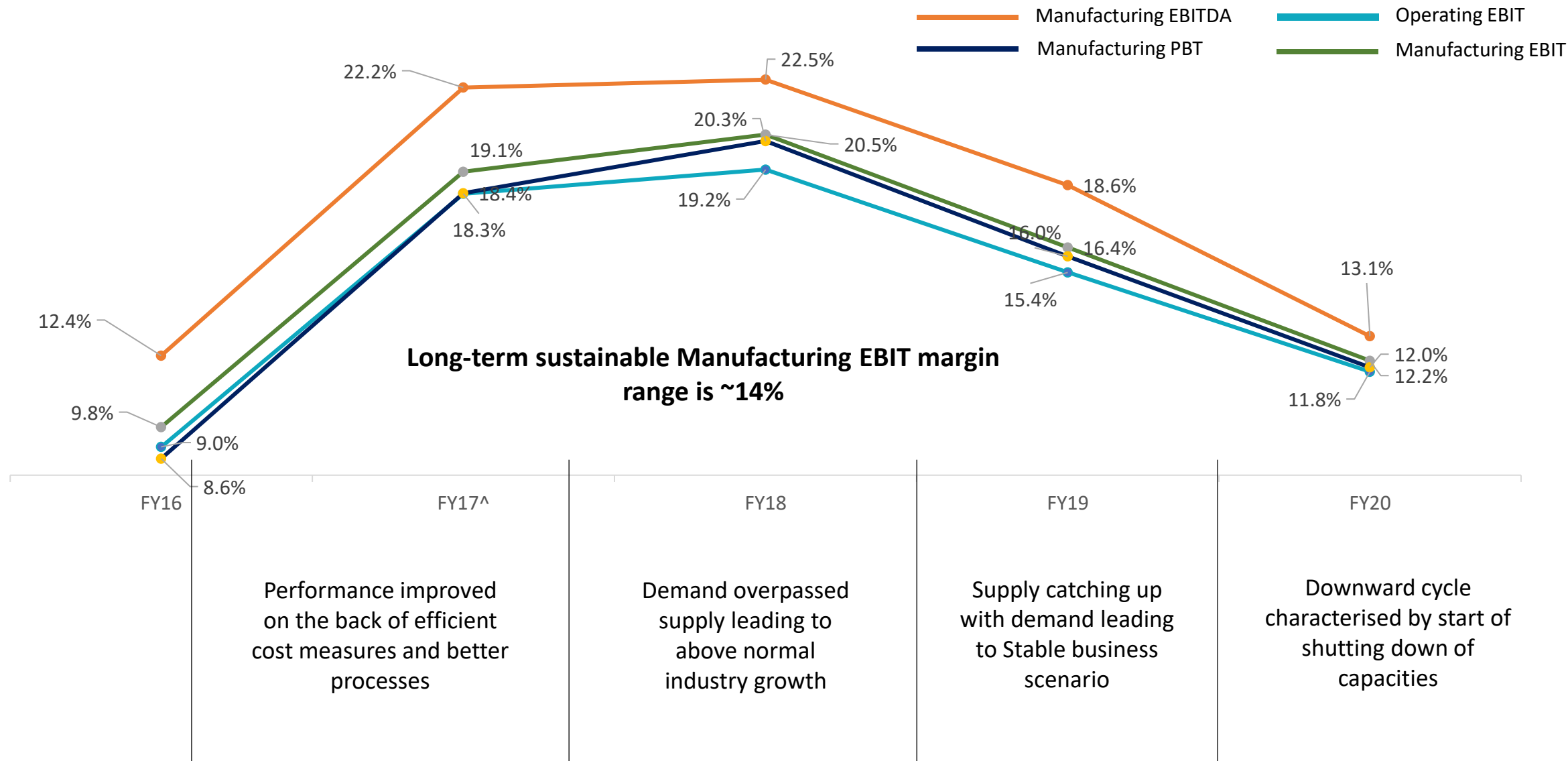
(Non Executive Director)

Iron and steel industry, General Management, and Government liasoning

# Financials

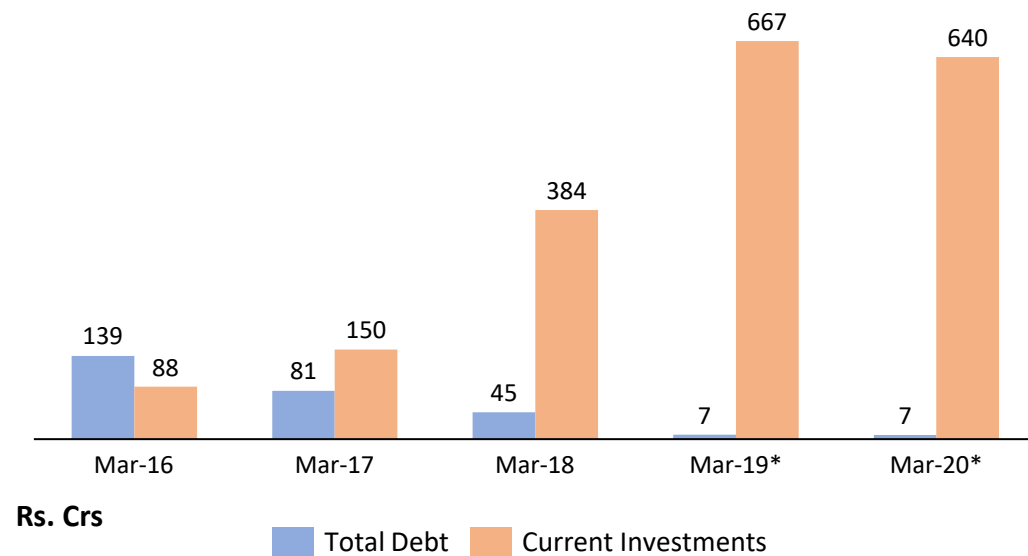


# Maintaining Sustainable Margins



## Debt & Current Investments

The Company proposes to incorporate a wholly owned subsidiary to take up the announced expansion project, primarily for manganese based ferro alloys, mainly through the internal accruals and reserves of the Company

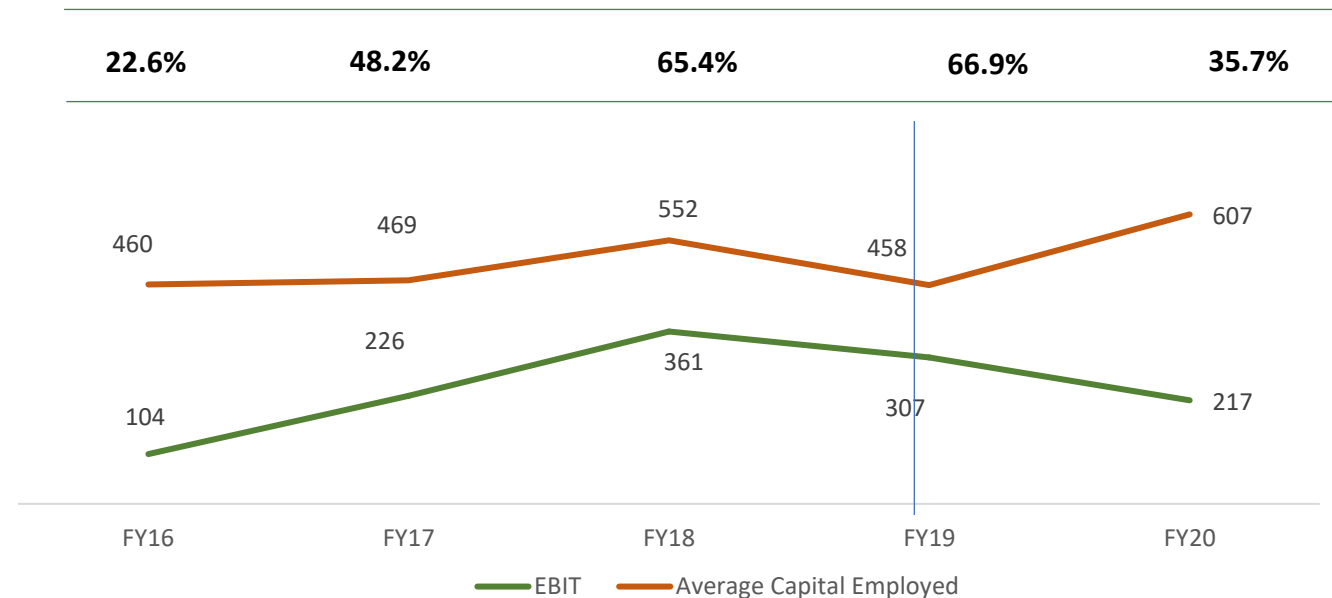


FY15 & FY16 numbers are as per IGAAP

\* On consolidated basis

## Operating RoCE (%)

Higher Return Ratio is because of prudent capital allocation and superlative operating efficiency



Operating RoCE = EBIT / Average Capital Employed

EBIT = (EBIT – Other Income)

Capital Employed = (Equity + Debt - Current Investments)

# Consolidated Financials – Q4 FY20\*

| Particulars (Rs. Crs.)  | Q4 FY20    | Q4 FY19    | Q3 FY20    |
|-------------------------|------------|------------|------------|
| <b>Revenue</b>          | <b>406</b> | <b>549</b> | <b>469</b> |
| Raw Material            | 219        | 319        | 286        |
| Employee Expenses       | 11         | 12         | 11         |
| Power                   | 81         | 93         | 92         |
| Other Expenses          | 42         | 36         | 25         |
| <b>Operating EBITDA</b> | <b>54</b>  | <b>88</b>  | <b>54</b>  |
| Depreciation            | 4          | 4          | 4          |
| <b>Operating EBIT</b>   | <b>50</b>  | <b>84</b>  | <b>50</b>  |
| Other Income            | 30         | 7          | 28         |
| Finance costs           | 1          | 1          | 1          |
| <b>PBT</b>              | <b>79</b>  | <b>90</b>  | <b>77</b>  |
| Tax                     | 15         | 20         | 13         |
| <b>PAT</b>              | <b>64</b>  | <b>70</b>  | <b>64</b>  |

\*As per IND-AS

# Consolidated Profit & Loss Statement

| Particulars (Rs. Crs.)                   | FY20*        | FY19*        | FY18*        | FY17*        | FY16         |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenue (Net of Excise Duty/ GST)</b> | <b>1,831</b> | <b>1,988</b> | <b>1,879</b> | <b>1,342</b> | <b>1,151</b> |
| Raw Material                             | 1,067        | 1,126        | 970          | 628          | 597          |
| Employee Expenses                        | 42           | 44           | 45           | 33           | 23           |
| Power                                    | 361          | 373          | 367          | 280          | 315          |
| Other Expenses                           | 128          | 122          | 121          | 130          | 89           |
| <b>Operating EBITDA</b>                  | <b>233</b>   | <b>323</b>   | <b>376</b>   | <b>271</b>   | <b>127</b>   |
| Depreciation                             | 16           | 16           | 15           | 25           | 23           |
| <b>Operating EBIT</b>                    | <b>217</b>   | <b>307</b>   | <b>361</b>   | <b>246</b>   | <b>104</b>   |
| Other Income                             | 66           | 26           | 19           | 8            | 4            |
| Finance costs                            | 4            | 6            | 4            | 10           | 12           |
| <b>PBT</b>                               | <b>279</b>   | <b>327</b>   | <b>376</b>   | <b>244</b>   | <b>96</b>    |
| Tax                                      | 57           | 72           | 84           | 64           | 17           |
| <b>PAT</b>                               | <b>222</b>   | <b>255</b>   | <b>292</b>   | <b>180</b>   | <b>79</b>    |

\*As per IND-AS

# Consolidated Balance Sheet as at 31<sup>st</sup> March, 2020

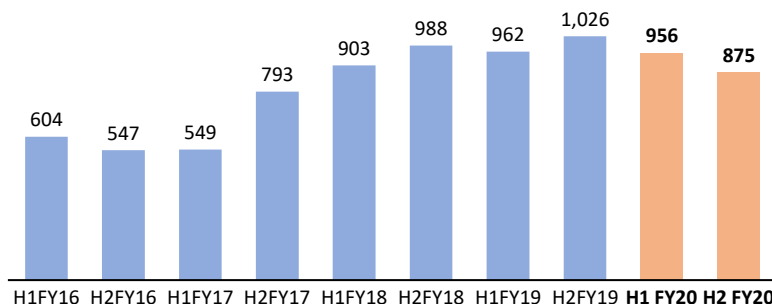
| Particulars (Rs. Crs.)              | Mar-20       | Mar-19       |
|-------------------------------------|--------------|--------------|
| <b>Equity</b>                       | <b>1,293</b> | <b>1,113</b> |
| Equity share capital                | 29           | 29           |
| Other Equity                        | 1,263        | 1,083        |
| Non-Controlling Interest            | 1            | 1            |
| <b>Non-current Liabilities</b>      | <b>37</b>    | <b>35</b>    |
| Financial liabilities               |              |              |
| i. Lease Liabilities                | 4            | 4            |
| ii. Borrowings                      | 0            | 0            |
| Provisions                          | 3            | 2            |
| Deferred tax liabilities (net)      | 30           | 28           |
| Other non-current liabilities       | 1            | 1            |
| <b>Current Liabilities</b>          | <b>186</b>   | <b>371</b>   |
| Financial liabilities               |              |              |
| i. Borrowings                       | 7            | 3            |
| ii. Trade payables                  | 75           | 246          |
| iii. Other financial liabilities    | 24           | 27           |
| Provisions                          | 2            | 1            |
| Current tax liabilities (net)       | 5            | 0            |
| Other current liabilities           | 73           | 93           |
| <b>Total Equity and Liabilities</b> | <b>1,516</b> | <b>1,519</b> |

| Particulars (Rs. Crs.)         | Mar-20       | Mar-19       |
|--------------------------------|--------------|--------------|
| <b>Non-Current Assets</b>      | <b>265</b>   | <b>279</b>   |
| Property, plant and equipment  | 195          | 229          |
| Capital Work-in-Progress       | 1            | 0            |
| Intangible Assets              | 1            | 0            |
| Right of Use Assets            | 21           | 0            |
| Financial Assets               |              |              |
| i. Investments                 | 4            | 6            |
| ii. Other Financial Assets     | 33           | 33           |
| Non-Current Tax Assets (net)   | 6            | 6            |
| Other Non-Current Assets       | 4            | 4            |
| <b>Current Assets</b>          | <b>1,251</b> | <b>1,240</b> |
| Inventories                    | 277          | 261          |
| Financial assets               |              |              |
| i. Investments                 | 2            | 622          |
| ii. Trade receivables          | 281          | 257          |
| iii. Cash and cash equivalents | 625          | 17           |
| iv. Bank balances              | 13           | 29           |
| v. Loans                       | 1            | 0            |
| vi. Other financial assets     | 2            | 4            |
| Other current assets           | 50           | 51           |
| <b>Total Assets</b>            | <b>1,516</b> | <b>1,519</b> |

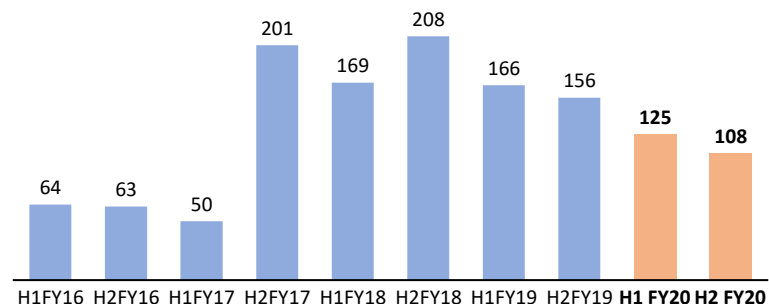
# Consolidated Cashflow Statement

| Particulars (Rs. Crs.)                                                | Mar-20        | Mar-19        |
|-----------------------------------------------------------------------|---------------|---------------|
| <b>Net Profit Before Tax</b>                                          | <b>279.3</b>  | <b>326.9</b>  |
| Adjustments for: Non Cash Items / Other Investment or Financial Items | -36.7         | -4.1          |
| <b>Operating profit before working capital changes</b>                | <b>242.6</b>  | <b>322.7</b>  |
| Changes in working capital                                            | -236.9        | 69.2          |
| <b>Cash generated from Operations</b>                                 | <b>5.7</b>    | <b>391.9</b>  |
| Direct taxes paid                                                     | 50.6          | 77.2          |
| <b>Net Cash from Operating Activities</b>                             | <b>-44.95</b> | <b>314.73</b> |
| <b>Net Cash from Investing Activities</b>                             | <b>696.2</b>  | <b>-275.6</b> |
| <b>Net Cash from Financing Activities</b>                             | <b>-42.5</b>  | <b>-54.1</b>  |
| <b>Net Decrease in Cash and Cash equivalents</b>                      | <b>608.7</b>  | <b>-15.0</b>  |
| Add: Cash & Cash equivalents at the beginning of the period           | 16.6          | 31.6          |
| <b>Cash &amp; Cash equivalents at the end of the period</b>           | <b>625.3</b>  | <b>16.6</b>   |

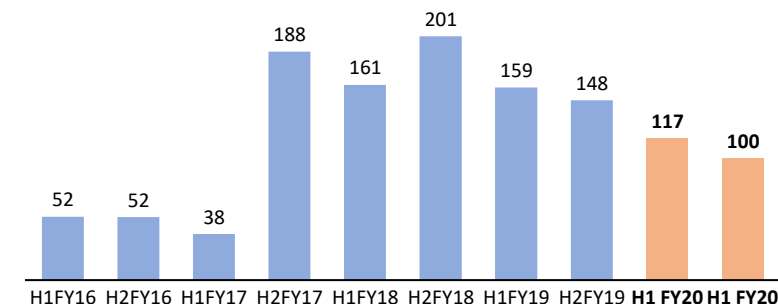
## Operating Income (Rs. Crs.)



## EBITDA (Rs. Crs.)



## EBIT (Rs. Crs.)



| Particulars (Rs. In Crs) | ROCE on Semi-Annual basis |        |        |        |        |        |        |         |         |         |
|--------------------------|---------------------------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
|                          | H1FY16                    | H2FY16 | H1FY17 | H2FY17 | H1FY18 | H2FY18 | H1FY19 | H2FY19  | H1 FY20 | H2 FY20 |
| Equity                   | 355.6                     | 394.7  | 421.8  | 592.4  | 711.4  | 875.1  | 995.9  | 1,120.0 | 1,185.7 | 1,292.8 |
| Long Term Debt           | 140.7                     | 122.1  | 79.6   | 60.0   | 40.7   | 19.7   | 7.8    | 3.7     | 3.5     | 0.0     |
| Short Term Debt          | 36.7                      | 17.3   | 8.2    | 17.1   | 7.0    | 25.0   | 0.0    | 3.4     | 0.2     | 6.8     |
| Cash & Cash Equivalents  | 59.7                      | 87.7   | 85.4   | 156.0  | 190.4  | 383.6  | 550.7  | 663.7   | 633.8   | 640.5   |
| Capital Employed         | 498.9                     | 500.0  | 469.6  | 603.6  | 622.8  | 586.9  | 500.8  | 506.3   | 597.5   | 700.3   |
| ROCE Half Year (%)       | 10.6%                     | 11.3%  | 8.7%   | 40.1%  | 29.7%  | 36.3%  | 32.1%  | 32.3%   | 22.9%   | 16.5%   |
| ROCE for Full year (%)   | 22.6%                     |        | 48.2%  |        | 65.4%  |        | 66.9%  |         | 35.7%   |         |

Every dollar is conservatively spent to generate higher ROCE

# THANK YOU

## Contact Details:

### Company

**Maithan Alloys Ltd.**

CIN: L27101WB1985PLC039503

**Mr. Rajesh K. Shah**

[rajesh@maithanalloys.com](mailto:rajesh@maithanalloys.com)

[www.maithanalloys.com](http://www.maithanalloys.com)

### Investor Relations Advisors

**Strategic Growth Advisors Pvt. Ltd.**

CIN: U74140MH2010PTC204285

**Ms. Neha Shroff/ Mr. Deven Dhruva**

[neha.shroff@sgapl.net](mailto:neha.shroff@sgapl.net) / [deven.dhruva@sgapl.net](mailto:deven.dhruva@sgapl.net)

**+91-7738073466 / +91-9833373300**

[www.sgapl.net](http://www.sgapl.net)