



Tell us about the journey and key milestones of Maithan Alloys since its inception.

Our Company commenced ground-breaking in 1995 and commercial production was achieved in April 1997. We started our journey with a 10 MVA capacity in West Bengal in 1997 and scaled up to 49 MVA within a decade. In the next decade, we set-up 16 MVA and 72 MVA capacities in Meghalaya and Visakhapatnam, respectively. To add the definitive stamp of quality in all our products and processes, we achieved the ISO 9001 certification early in our journey and followed it with the ISO 18001 certification to add health and safety as our hallmarks.

Mr. Subodh Agarwalla, Director & CEO of Maithan Alloys Limited, is an inspiring leader. His foresight and decision-making skills have made him a formidable leader at the helm of Maithan Alloys, a leading player in the Ferro Alloys industry. In an interaction with Dun & Bradstreet, Mr. Agarwalla, shared his views on the business performance in view of the pandemic, and the company's future plans.

With a differentiated business model and a strong product portfolio, Maithan Alloys, today, enjoys the position of preferred supplier with a market share of 8%. Our marquee clientele across India is marked by long-term relationships with SAIL and Tata Steel among others.

What makes Maithan Alloys one of the leading low-cost manganese alloy producers in the world?

Maithan Alloys has taken many steps to reduce cost:

- i. Minimizing logistics cost: We set up the manufacturing facility in a potentially large but geographically constrained market.
- ii. Control on fixed costs: We procure only bought-out items from reliable vendors and design and construct our own furnaces.
- iii. Keep employee cost in check: In a non-bureaucratic, motivating environment, people are happy to work, and costs can be kept down.
- iv. Maximizing variable margin: We invest in R&D and evaluate multiple output products as well as incoming raw materials.
- v. Minimizing production loss: We focus on continuous improvement and ensure minimum bottlenecks and breakdowns in the operation equipment.

How would you summarize the performance of the ferro-alloys sector in recent years? How has the Company fared vis-à-vis its peers?

The global ferro-alloys market is poised to exceed US\$70 billion by 2025. 30-40% of the ferro alloys manufactured in India are exported. The Indian market size for Manganese Alloys stands at ~2.5 million tonnes. Maithan Alloys, with a strong product portfolio of excellent quality alloys, enjoys the position of preferred supplier in this competitive market.

Our proactive investments in manufacturing facilities and technologies have helped us service the growing needs of our customers on the one hand, while also enhancing capacity utilisation (>95%) and adapting our products around customer needs on the other.

The pandemic has hurt businesses across sectors. How have you managed to sustain growth and margins amid such challenging times?

Maithan Alloys has been focusing on enhancing capacity, improving product quality and throughput. We have reinforced our business model through an operational leanness that has strengthened our cost leadership across market cycles.

We have a benchmark setting low fixed cost of 5%. With raw materials, power and variable component

of 'other expenses' forming 80-82% of revenues, the outcome is an average 13-15% pre-tax profit and Operating ROCE exceeding 40%.

What are the initiatives you are focusing on over the next 3-5 years?

Business sustainability is a key mission we are focusing on as an organization. In line with this, we are also strengthening the sustainability of our vendors' business through sizable procurement and timely remuneration. To grow shareholder trust and enjoy customer commitment, we realize the importance of ensuring employee satisfaction. We are committed to providing a secure and stress-free working environment to all our employees.

In addition to consistently delivering on our promise to our stakeholders, we also care about our community. Education, housing, health, and sustainability are the 4 pillars we are building to strengthen our community. Recently, we have started work on setting up a non-profit educational institute at Kulti, West Bardhaman, West Bengal. We will continue to give back to the community as we keep growing.

