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CIN : L27101OR1984PLC001354

REF: BAL/SEC/2018
January 15, 2018

The Secretary,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

Dear Sir,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 we are enclosing herewith the presentation to be made to the Investors/analysts.

Further, the presentation is also being uploaded in the website of the Company at the link www.balasorealloys.com in accordance with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
For **Balasore Alloys Limited**

Trilochan Sharma
President & Company Secretary



Balasure Alloys Limited

This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Balasore 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 whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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We are...

● One of the large producers of Ferrochrome in the Country



● Having captive Chrome ore Mines

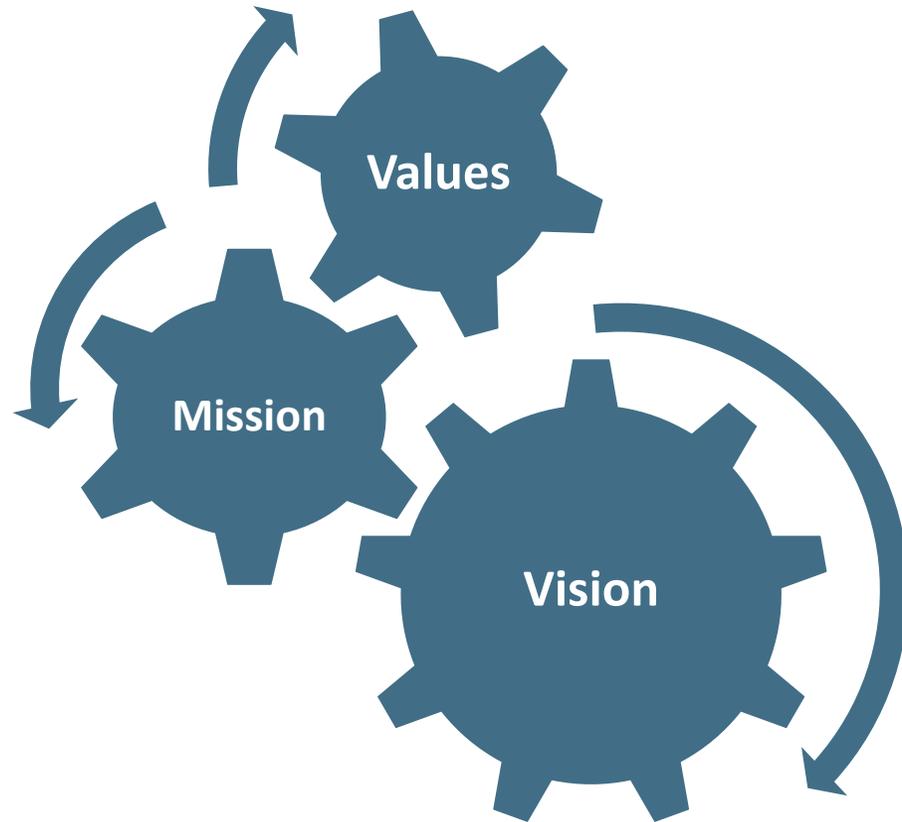


● Globally Preferred supplier to Stainless Steel Producers and allied industries



● One of the low cost producer globally due to fully integrated business model





Target : 1 million MT production by 2022

VISION

To be an organization that continuously achieves economic value by optimizing resources through operational excellence, enabled by technology and driven by innovation to meet customer satisfaction to maximize the value of all the stakeholders

MISSION

To be amongst the world's Top Five new generation Ferrochrome companies: in our products, in the manner in which we service our clients, in our work ethics, and in our culture of societal integration

Values

- Zero Harm:** Provide a safe working environment for our staff and contractors
- Integrity:** Act according to agreed ethical standards and take responsibility for our actions
- Focus on Core Business:** Concentrate on providing key deliverables within our businesses
- Caring for People:** Manage our people with the same passion and dedication
- Cost Consciousness:** Manage the business in most cost-effective way and continuously explore new competitive practices
- Respect:** Treat all individuals with dignity and respect

Product Profile



Ferrochrome (FeCr) is an alloy of chromium and iron containing between 50% and 70% chromium

Main End Usage

Stainless Steel

Alloys Steel

Cookware & cutlery

Medical Equipment's

Energy, heavy industries & construction

Automotive & Transportation

Ferro Chrome provides strengthening of Steel, gives lustre, shiny appearance and resistance to corrosion

Demand for FeCr – depends on demand flow for Stainless Steel (SS)

~2.3 MT of Chrome ore

~1 MT Ferro Chrome

~4 MT of Stainless Steel

Fully Integrated Business Model



Mines Resources

- Captive Chrome ore mines with proven resources of ~34 Million MT
- Mines are situated in Sukinda valley, Odisha, which is around 176 kms from Company's Ferro chrome plant at Balasore and 28 kms from Company's Ferro chrome Plant at Sukinda



Manufacturing Ferro Chrome

- Company produces two types of Ferro Chrome:
 - ✓ High Carbon Ferro Chrome
 - ✓ Low Silicon Ferro Chrome
- Current capacity of Ferro Chrome is ~160,000 MTPA



Used in Stainless Steel Industry

- ~75% of the Ferro Chrome produced is used in Stainless Steel Industry
- Chrome content increase toughness, heat resistance, increases hardness penetrability and provides corrosion resistance

...with Fundamentals in place



Captive Mining

- Captive Chrome ore mines with resources of ~34 Mn MT which will take care of the Ferro Chrome production of the Company for the life of the mining lease



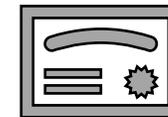
Manufacturing

- Capacity to produce ~1,60,000 MTPA Ferro Chrome
- No effluent is discharged out of the plant premises



Technology

- Advanced Technologies and equipment like ELKEM and MINTEK Jig
- Uses advanced control systems acquired from Rockwell Automation
- Implemented SAP ECC 6.0 EHP. This also includes BI/BO
- Acquired license for SAP HANA software in 2017 for which implementation will start in next few months



Quality Certifications

- Only Company globally, to have Japanese **JIS** product certification & German **DIN** product registration for Ferrochrome
- BIS certified (Indian Quality Standard) for Ferro Chrome
- NABL Accreditation ISO/IEC 17025:2005 for Quality Lab
- ISO Certification: QMS 9001:2015, EMS 14001:2015, OHSAS 18001:2007, ISMS 27001:2013, SA 8000:2014
- Company has implemented Integrated Management System (IMS) integrating all business processes across the value chain



Management Team

- The Team has background, proven track record & Vision to succeed
- Created strong working culture across the organization
- Committed to strive collectively as a team for continuous improvement



Global Presence

- Sells its products in Europe, USA, Japan, South Korea, China and Taiwan etc apart from India
- Exports constitute more than ~80 % of the total revenue



Long Term Clients

- Long term relationship with some of the leading Stainless Steel manufacturers across the world
- Relations with customers for past many decades



Awards & Recognition

- Recognised as Three Star Export House
- Received Various awards
 - TPM Excellence IMEA Award
 - International Business Excellence
 - IT Award by CII

Captive Mines for 50 years

- ~**97%** of the chrome ore resources of India are in Sukinda valley
- ~**10** Companies have Chrome ore Mining lease in Odisha, India
- BAL Mines situated in Sukinda valley, Odisha around 176 kms from Ferro Chrome plant at Balasore and 28 kms from Ferro Chrome Plant at Sukinda
- The mining lease over an area of 64.463 hectares was executed in favour of BAL for 30 years (till year 2030) and as per the new amended mining law, lease is deemed to be extended for 50 years (till year 2050)



Avg. Landed Cost of Chrome ore in **China** is ~**2X** of **BALs** landed Cost of Chrome Ore

BAL is one of the **Lowest Cost Producers** globally, making its business more **Resilient to Depressed Prices**

Manufacturing Capacities

Plant Facilities



Balgopalpur, Odisha

Manufacturing Capacity : **145,000** MTPA, planned to increase to **160,000** MTPA



Sukinda, Odisha

Manufacturing Capacity : **15,660** MTPA, planned to increase to **24,696** MTPA

Production (MT)



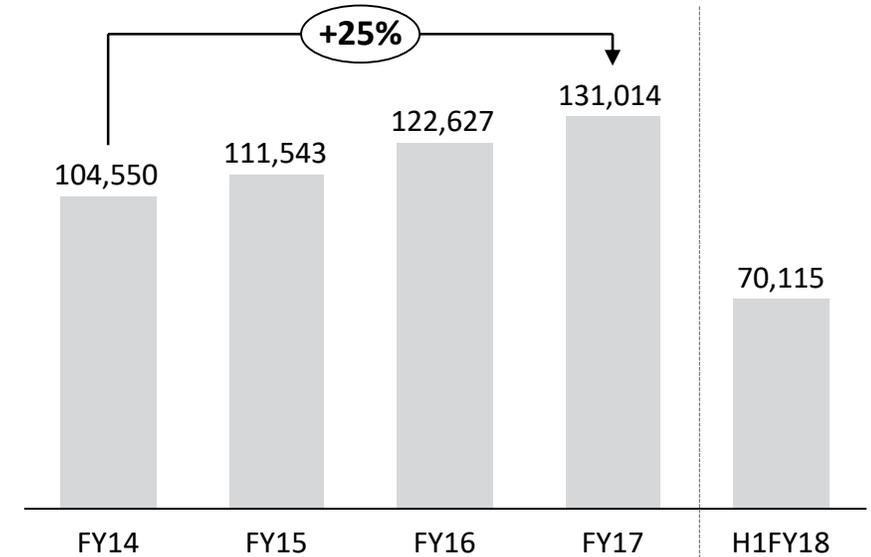
Lumps



Chips



Powder



- Plant is well connected with Road, Rail, Port and Power Transmission Lines
- Power is drawn from NESCO, a utility Company of Govt. of Odisha and Indian Energy Exchange

Quality Certifications



L-5200025070



- **Three Star Export House status** or equivalent certificate for over 15 years and won many awards of excellence in various segments

Product Certifications:

- **JIS, Japanese Quality Standard** - only Company globally in the Ferro Chrome Business to obtain the product certification JIS G2303 : 1998 from JQA
- **BIS, certified, Indian Quality Standard** for Ferro Chrome – obtained the product certification IS 1170 : 1992 from BIS

Product Registration:

- **DIN, German Quality Conformity**- only Company in the Ferro Chrome Business to register the product Globally to DIN17565 : 2004-02

QC – R&D Laboratory Accreditation:

- **NABL, ISO/IEC/17025:2005 Accreditation** – laboratory accredited from NABL

ISO Certifications:

- Plant has QMS (9001:2015), EMS (14001:2015), OHSAS (18001:2007), EMS (50001:2011), AMS (55001:2014) and Information Security Management system ISMS (27001:2013) certification and recommended for Social Accountability (SA) (8000:2014) certification
- Company has implemented **Integrated Management System (IMS)** integrating all business processes across the value chain



Business Excellence

- Company implementing Business Excellence framework to maximize value of business as designed by Malcolm Balridge, USA
- Overall integration of business processes for achieving world class performance

TPM

- Total Productive Management (Maximize the value from all spheres of activities)

Integrated Management System

- Integrates all business processes across the value chain in addition to integrating the processes involved in Management initiatives and all forms of ISO Management System

Six Sigma

- Improve critical business processes & optimize Man, Machine, Resource & Method

Lean Management

- Identification & Eliminate waste through Continuous improvement, focusing the flow of the product from raw material to finished goods at the pull of customer in pursuit of Zero Defect

Risk Management

- Review of effective processes for identification of risks by Managing, Monitoring and Mitigating
- Reputed audit firms and internal checks and balances

SOP/ SMP

- Standardization and documentation of all the operating processes and maintenance practices

Dr A K Bhattacharyya : Non-Executive Independent

Dr. A. K. Bhattacharya is a B.Com. (Hons) graduate, M. Com, FCA, FCMA, Diploma in management Accountancy, D. Phil. He was a Director of IMI Kolkata and Ex- Professor for Finance and Control, in IIM Kolkata and was Member of National Group of Accounting Standard Board of the ICAI, CASB, IRDA and Thesis Advisory Committee of West Bengal University of Technology

Prof. S K Majumdar : Non-Executive Independent

Prof. S. K. Majumdar has experience and expertise in Quality & Risk Management, Operations Research and Reliability modeling. He is a BE (Metallurgy) Calcutta University, PG-Diploma -SQC & OR, PhD (Engineering) from IIT Kharagpur

Mr K P Khandelwal : Non-Executive Independent

Mr. Kashi Prasad Khandelwal is B.Com. (Hons.), LLB, FCA, DISA, CAAT. He is a practicing Chartered Accountant for more than 40 years with wide experience in audit, taxation, banking and finance. He was a member of Centre Council of the ICAI

Mr S K Pal : Non-Executive Independent

Mr. S. K. Pal has been on the Board since 2003 and holds B.Sc.(Hons.), M.Tech. (Chemical Engg. & Chem. Technology). He has substantial experience in finance and risk management. He is a retired General Manager from Allahabad Bank

Mr Shantanu Mohapatra : Non-Executive Independent

Mr. Shantanu Mohapatra is a former, Director of Mining, Govt. of India and comes with rich experience in mining and exploration. He is a B.Sc. Tech (Hons.) graduate from IIT Kharagpur, with special focus in Applied Geology & Geo-Physics

Mr K C Raut : Nominee Director - SBI

Mr. Krishna Chandra Raut is M.A. in English Literature & having experience of over 35 years in banking sector. He started his career in 1970 as probationary officer in SBI and retired there from as Chief General Manager in the year 2005

Dr. Samuel Nwabuokey Onyeabor : Non – Executive Director

Dr. Samuel is having more than 43 years of rich and vast experience in Techno Commercial and General Management functions. Dr. Samuel's array of exposure percolates to areas like Project Execution, Operation, manufacturing, commercial matters including Management of Quality System and Modern Management Initiatives etc

Mr Anil Sureka : Managing Director

Mr Anil Sureka was the Executive Director (Finance) in JSW Ispat Steel Ltd. and had been handling various functions such as finance, commercial, supply chain, human resources etc. He has over 40 years of corporate experience in reputed organizations. He is a commerce graduate and an Associate Member of the Institute of Company Secretaries of India

Mr Janarthanam Govindasamy : Director-Operations

Mr. Janarthanam Govindasamy is a BE Mechanical Engineering, PG in Metallurgy from Anna University and MBA from IGNOU, New Delhi. Has experience of about 37 years in reputed Organizations like BHEL, KCP, Ashok Leyland, TEXMACO, Laxmi Precision Screws, Unitherm Engineers, & Sundaram Fasteners. He was Director-Operations of Gontermann-Peipers (India)

Ms. Mita Jha : Executive Director – HR

Ms Mita Jha is having more than 20 years of diverse experience in Human Resource Management, Training, TQM in leading Multinational and Indian Organizations viz. Amcor Flexibles India Pvt. Limited, VLCC Health Care Limited, Franklin Templeton Asset Management (India) Private Limited etc

Mr Nikunj Pansari : Director-Finance & Accounts

Mr. Nikunj Pansari is a B.Com (Hons), MBA in Finance from International Management Institute, Belgium. He has also completed post graduate programme in planning and Entrepreneurship. He has experience of about 10 years in Accounting & Audit Function, Finance, Treasury & Risk Management, and Cost Accounting

Mr Dhiren K. Nath : Director-Operations

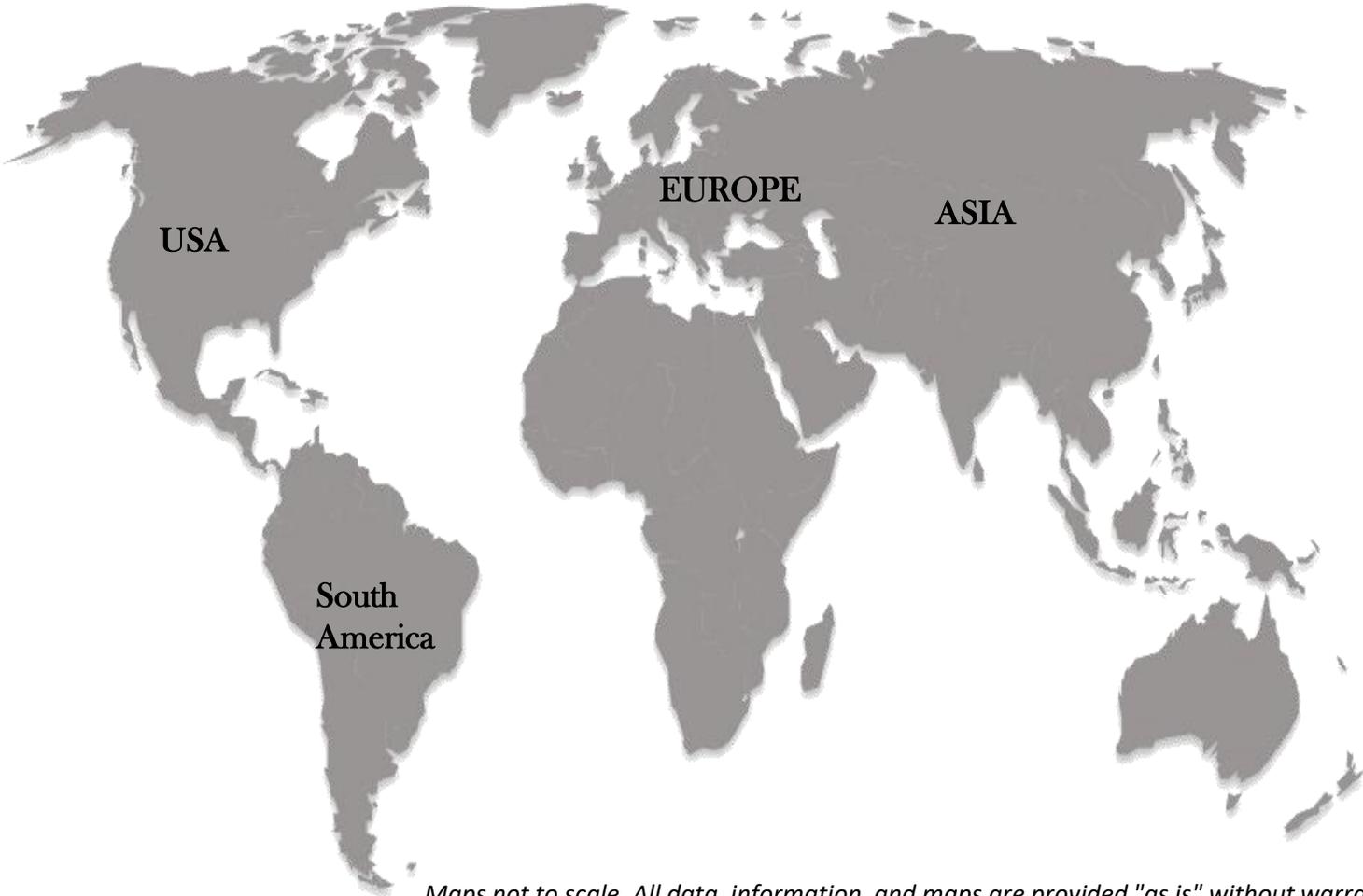
Mr. Nath is qualified BE Metallurgical Engineer from Indian Institute of Metals, MBA in Marketing from IGNOU, New Delhi and has done a specialized course in FeCr Production from Outokumpu – Tornio, Finland. He was the first person certified from India in Ferro Alloys as Quality Control Manager for Japanese Industrial Standards. He is also a certified auditor for Integrated Management System. Further, he has a long experience of about 36 years working in HAL, OSIL, OMC, IMFA, TSAL & BAL and was also Operation Head of plants at IMFA, TSAL & BAL

Strong Management Team

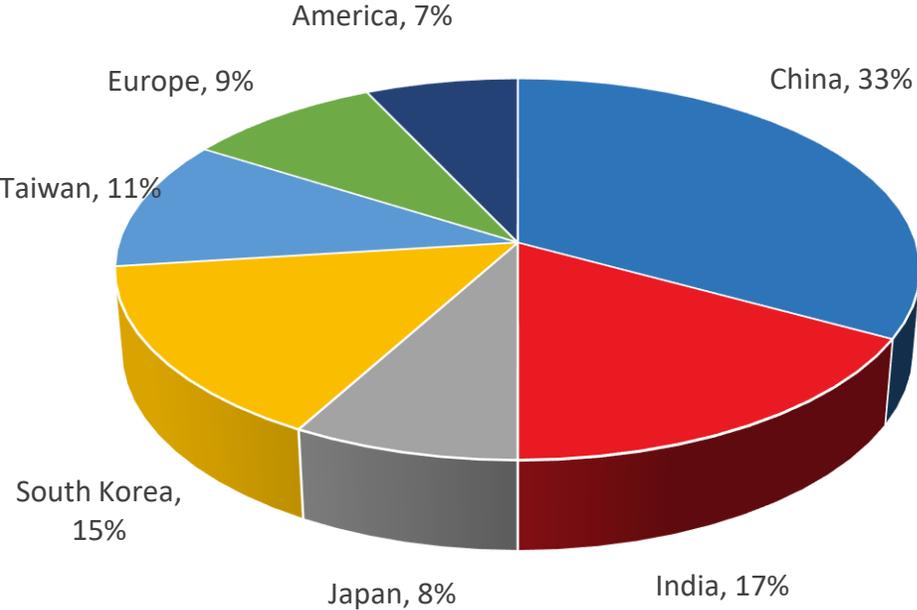


Diversified business across the Globe

Exports to top stainless steel manufactures in the world mainly to **Europe, USA, Japan, South Korea, Taiwan and China**



Sales Distribution (FY16-17)



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

Strong relationships with Major Stainless Steel Producers



BALASORE ALLOYS LIMITED

Asian Market



AICHI STEEL



SeAH Steel



福建福欣特殊鋼有限公司
FUJIAN FUXIN SPECIAL STEEL CO., LTD.

European & Other Markets



SWISS STEEL



Indian Market



USA



Awards & Recognitions

NALCO Best Meritorious Quality Circle Award

NALCO 2nd Runner up Quality Circle Award

Mines Safety Award - 2nd in overall Performance

IMEA Gold Award in Metal Category for Manufacturing Excellence

GO Green Award by Times of India

2017

2016

2015

2011

2010

2005

2006

2007

2008

2009

Rashtriya Udyog Gold Award

TPM Excellence
IMEA Award – Gold Award

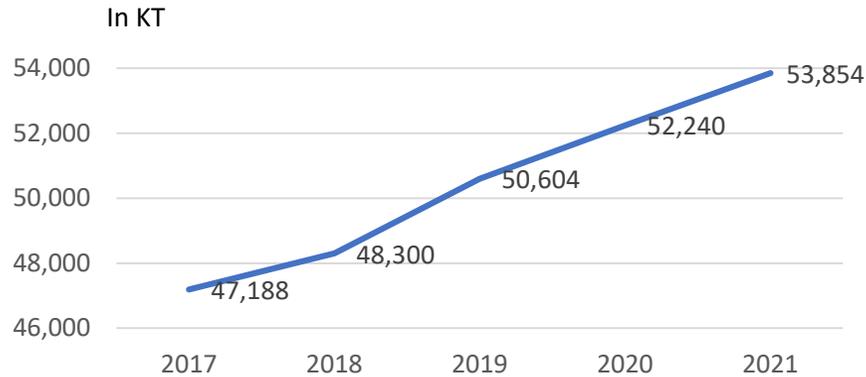
Manufacturing Excellence Award

International Business Excellence

IT Award by CII – Initiatives of Industry

Fully Geared to Accelerate Growth

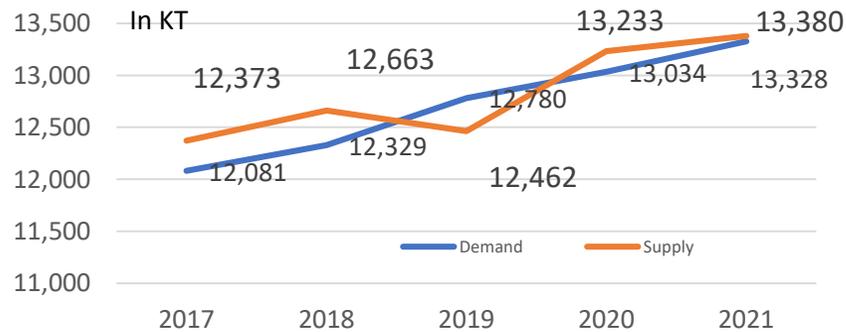
Global Stainless Steel Production Forecast



Source: CRU

1 tonne of SS requires ~250 kg of Ferro Chrome
 ~48 (000' KT) SS demand = Requires 12 (000' KT) of Ferro Chrome

Global Ferro Chrome Demand & Supply Forecast



Source: CRU

Balasure Capacity

Captive Mining Chrome ore having proven resources of **~34 Million MT**

↓ **~2.3 times**

Potential to produce Ferro Chrome for the life of the mining lease

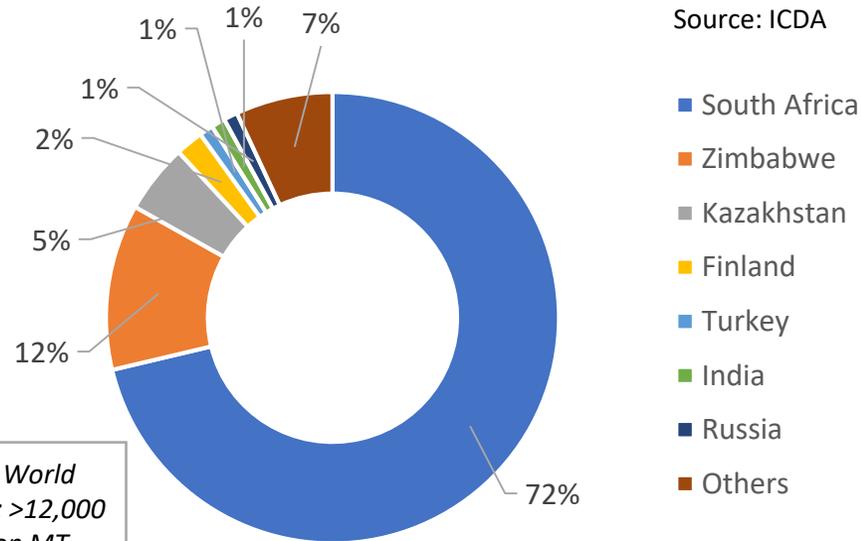
Current Capacity of Ferro Chrome **~160,000 MTPA**

Vision 2022

Marching Ahead

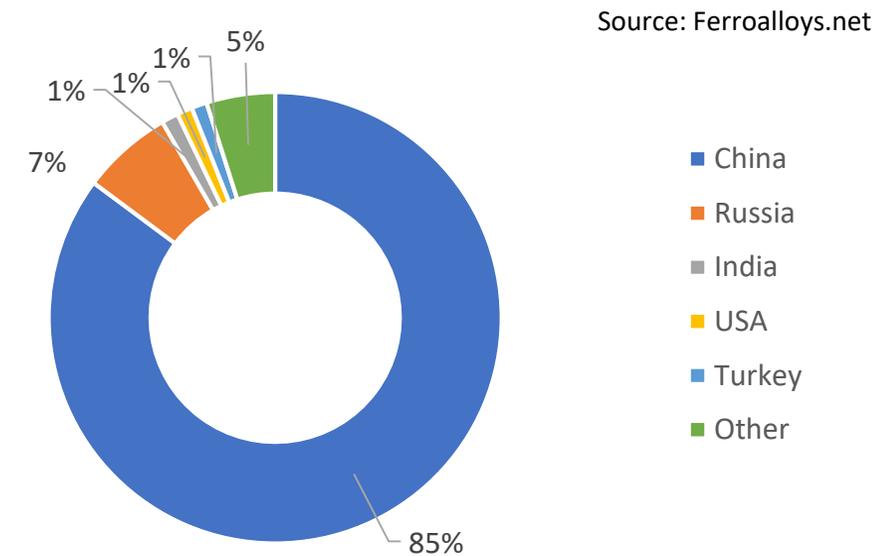
- Grow volume every year through organic & inorganic growth and operational optimization to reach **1 million MT production by 2022**
- Achieve **100% security for one of the major raw materials** (i.e. chrome ore) through vertical integration investment
- Outpace peers performance in terms of better EBITDA per ton

World Chrome ore Resources



Total World Deposit: >12,000 million MT

Main Chrome ore Importing Countries



- South Africa Chrome ore is lower in Grade
- High Grade Chrome ore reserve is about 10% only and mainly in Kazakhstan, Zimbabwe, Turkey, India etc
- Chrome ore from Kazakhstan is mainly used within the Country and in Russia

- China depends mainly on Chrome ore resources imports from South Africa
- Production Cost of usable Chrome ore in South Africa is higher
 - Predominantly due to Lower Grade which requires additional processing of the Chrome ore
 - Higher cost of manpower

Prices of Chrome Ore are being sustained globally, due to:

- Growth in Chrome Ore mining from current sources has remained more or less constant
- Limited new primary chrome mining projects planned
- Majority of existing reserves with integrated producers

Global Cost Competitiveness



Cents / lb	BAL	South Africa	Europe	CIS	India	Brazil	China
% Cr in FeCr	60.5	49.6	55.8	69.0	59.1	52.5	57.3
Chrome Ore Inputs	23.2	18.6	29.6	25.0	28.4	38.7	42.2
Reductants	11.5	13.5	13.5	11.5	16.7	11.9	11.1
Others	4.7	7.8	5.1	8.0	5.7	11.2	8.5
Energy	24.5	19.1	28.4	7.8	21.8	13.9	16.1
Other Operating Cost	1.0	5.6	7.6	3.4	1.8	2.5	2.8
Total Variable Cost	64.9	64.6	84.2	55.7	74.4	78.2	80.7

BAL is one of the low cost producers of Ferro Chrome mainly on the strength of its operational efficiency and captive Chrome ore mines

BAL is making constant efforts to reduce its energy & other operating cost, to further strengthen its global competitiveness

Zimbabwe Acquisition: To Become a Dominant Global player in Ferrochrome market

Zimbabwe Alloys Ltd (ZAL)

- 1st company in Africa to have a ferrochrome plant and historically a major producer of high-carbon ferrochromium
- Mining of Chrome ore and marketing of Chrome ore concentrates and manufacturing and marketing of high carbon Ferrochromium and Ferrosilicon chromium
- Mines & refines chrome ore to produce speciality ferrochromium alloys with proven and consistent quality for the world wide market
- Has **72.25 million tonnes** in Chrome Ore proven resources (36.268 Million Tonnes of Eluvial Chrome Ore resources & 35.979 Million tonnes of Lumpy Chrome Ore resources) spread across 19,780 hectares, covering only 15% of the claims area

Transaction

- Cash payment of USD 16.47 mn for acquisition of 70% shares
- Further payment of USD 74.26 mn to creditors and towards injection of working capital and for Capex
- Payment towards creditors and members of the company will be in a staggered manner



Value Proposition

Opportunity to become a Dominant player in the Global ferrochrome market and increase its market share and profitability, thereby maximizing value for all stakeholders

Assets

Mines

- Has proven resources of 72.25 million tonnes of chrome ore
- Readily available infrastructure and connected with rail, road, energy transmission, water, port, air networks and has fully equipped testing laboratory

Ferro Chrome Plant

- Plant has full-fledged infrastructure to produce Ferro Chrome/Alloys with three open submerged furnaces

Business Strategy

- Mining of Chrome ore will be initiated immediately and then gradually increase the production to 1.15 million TPA
- MOUs with reputed buyers to export large volumes of chrome products on long term basis
- Modernize all 3 existing furnaces, Ferro Alloy plant & Chrome ore beneficiation
- Ferro Chrome will be marketed in Europe, USA, Latin America, Japan, China and Korea

Maximizing Opportunities for Growth

- Unblock the value of mine and maximize Ferrochrome Production and increase the Market Share
- Build marketing and technical capabilities which allow to improve value added product mix, grow market share, sustain margins over the cycle and strengthen the loyalty in partnering with stable and long term customers
- Continuous Product & Process Improvement through innovation

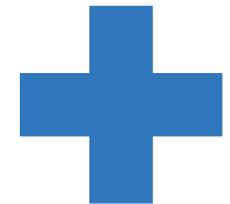
Ensure Profitability

- Continuous drive for cost reduction & benchmarking with global companies
- Continue to reduce cost base per ton and improve efficiency
- Grow volume every year through organic & inorganic growth and operational optimization
- Achieve 100% security for one of the major raw materials (ie Chrome ore) through vertical integration investments
- Outpace peers performance in terms of better EBITDA per ton

Creating Values that differentiates

- Ensure continuous training, career development and “Best place to work” in the Sector
- Deliver best safety performance in peer group
- Creating and developing customer centric values of our products

Marching Ahead



Sustainable Growth

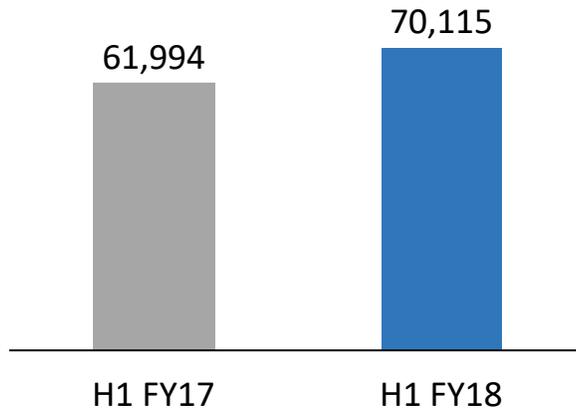
Performance Highlights



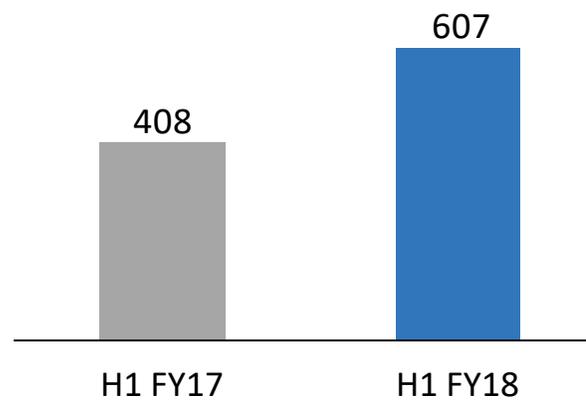
Half Year Performance Highlights

Rs. Crore

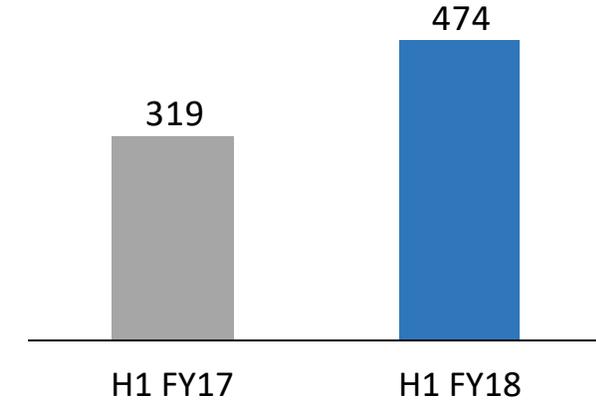
Production (MT)



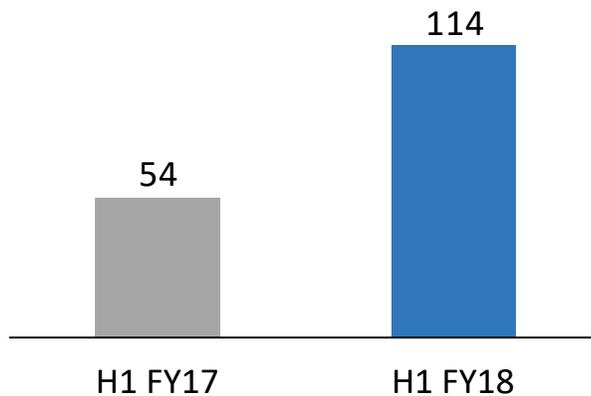
Revenue



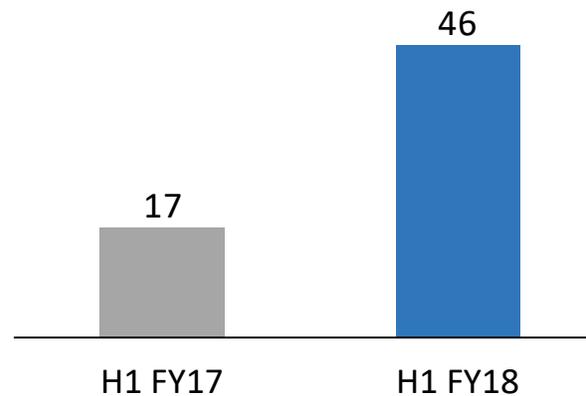
Revenue from Exports



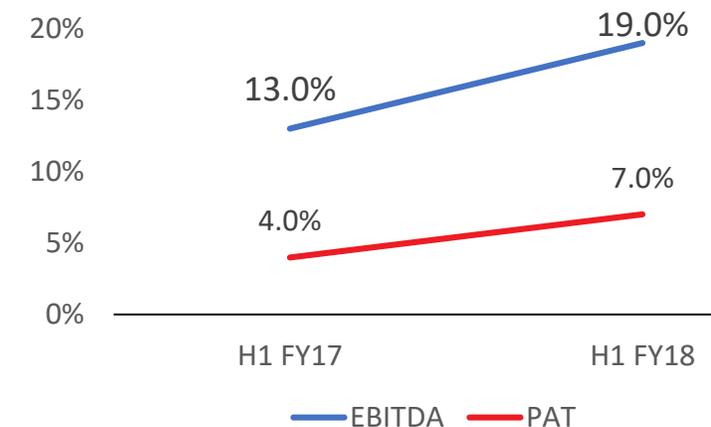
EBITDA



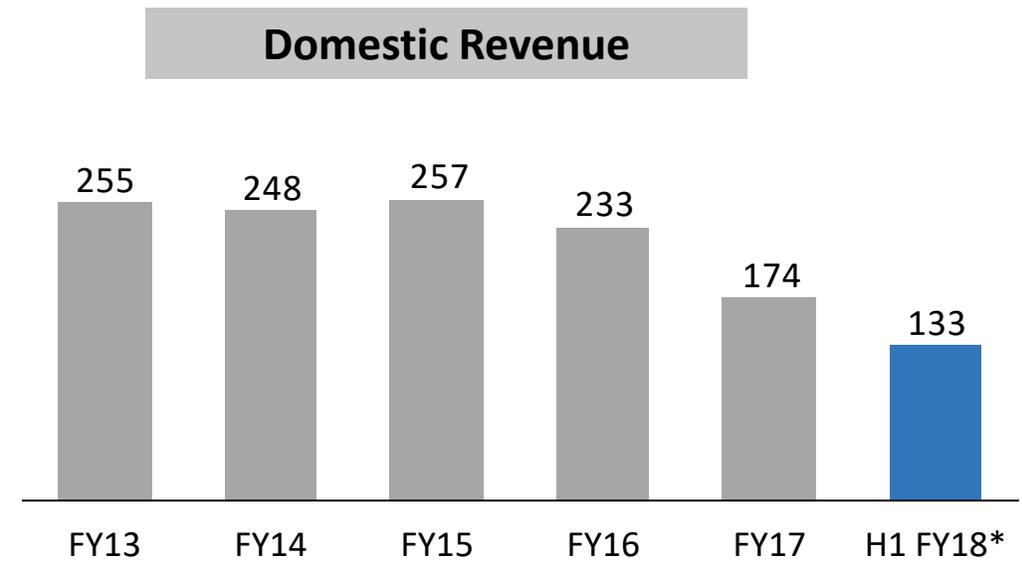
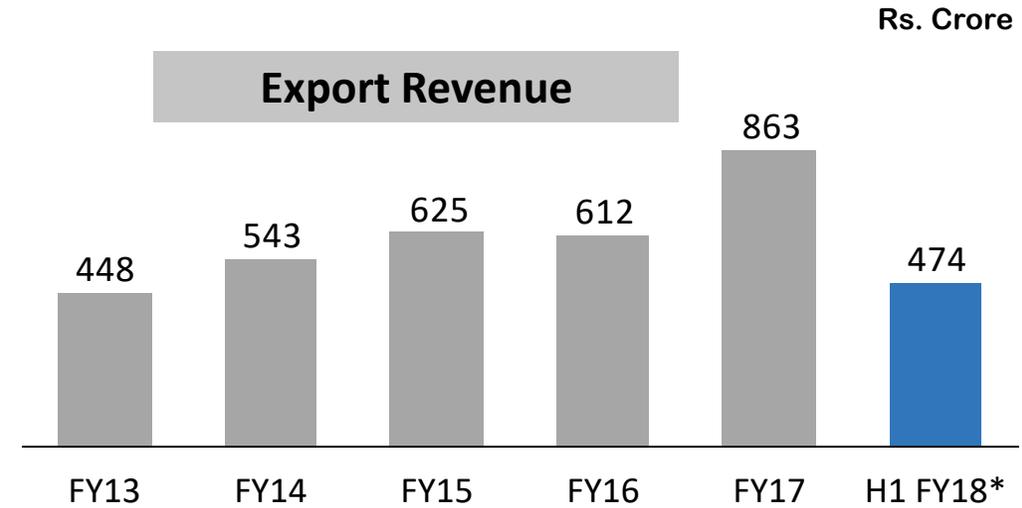
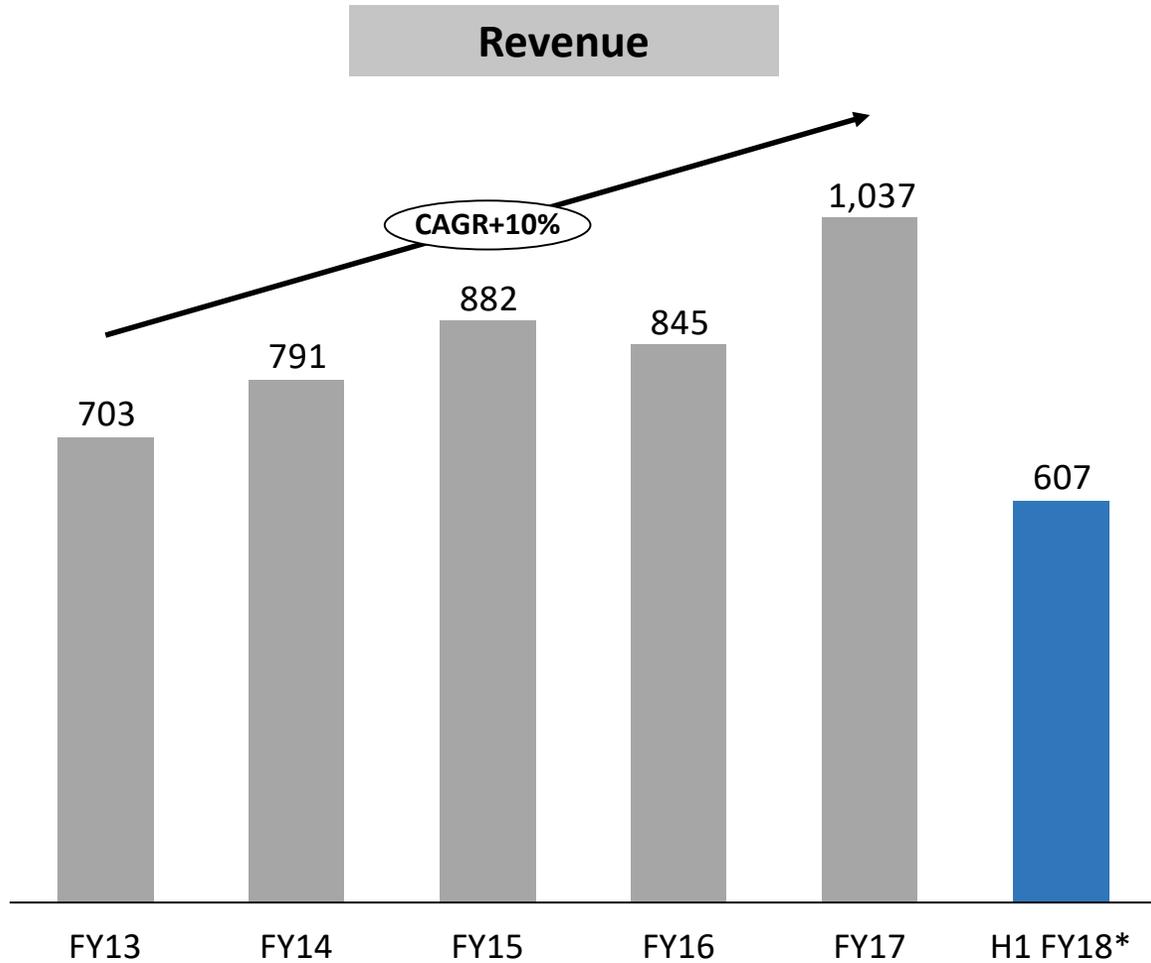
PAT



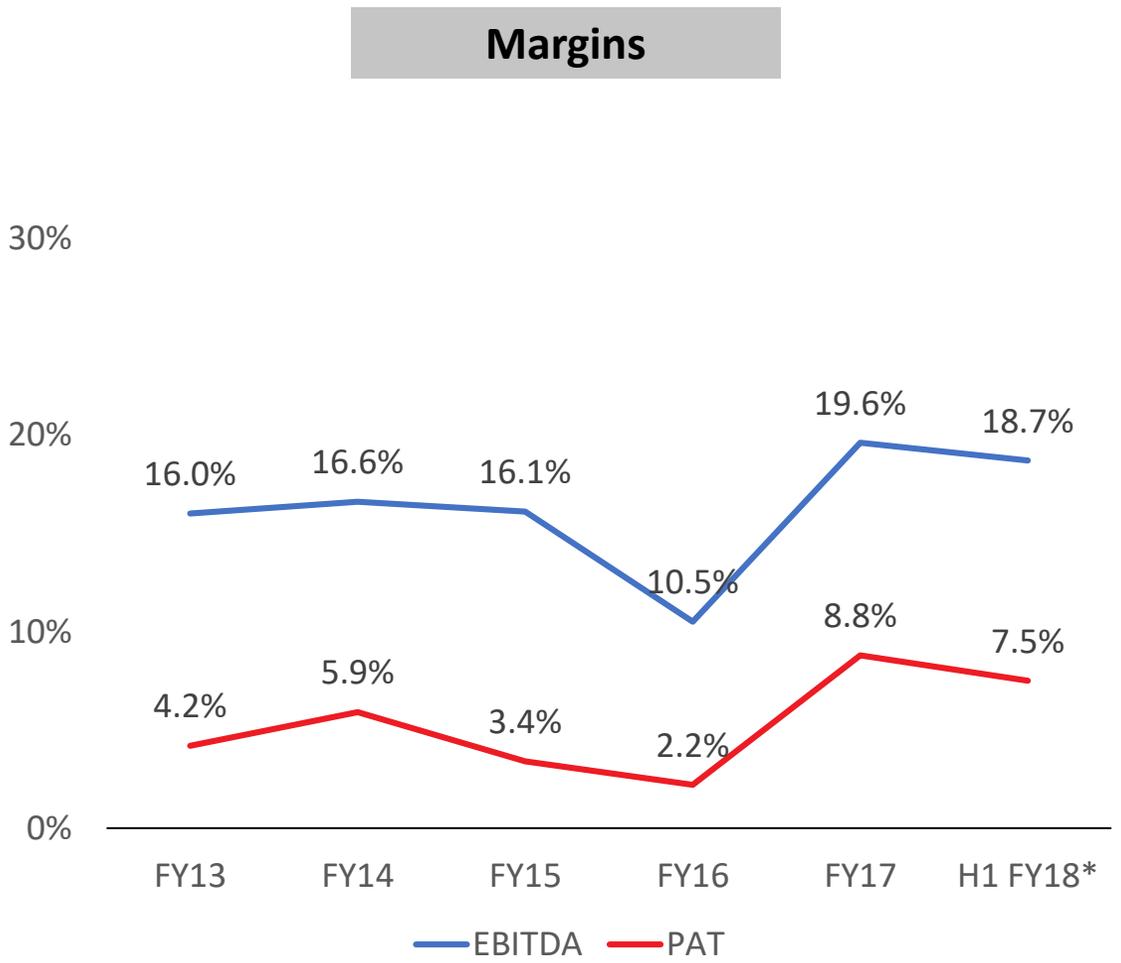
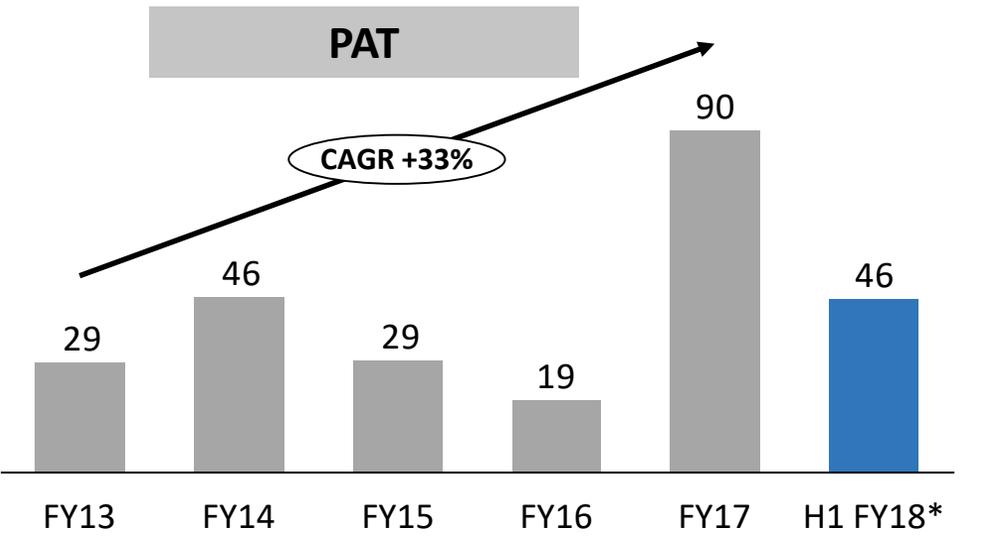
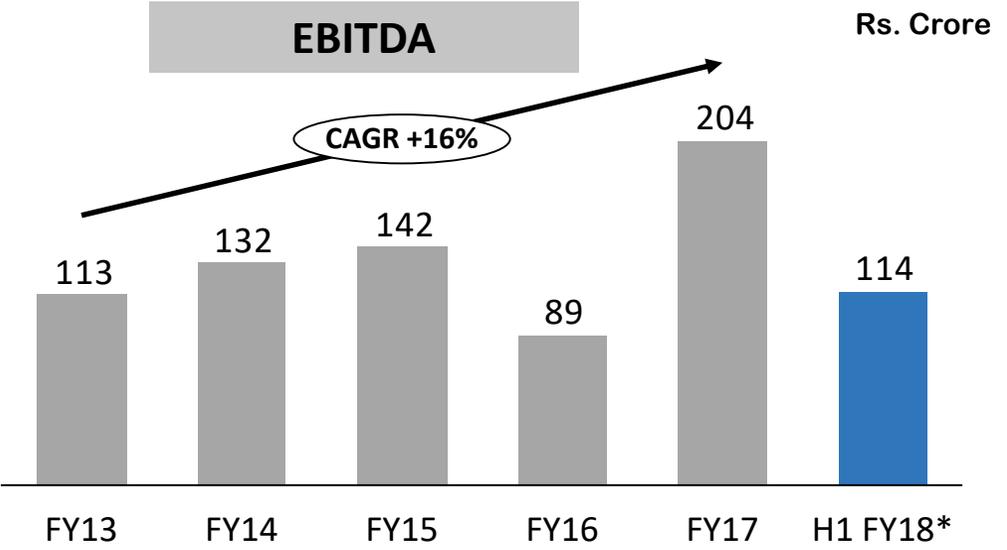
Margins



Revenue Breakup



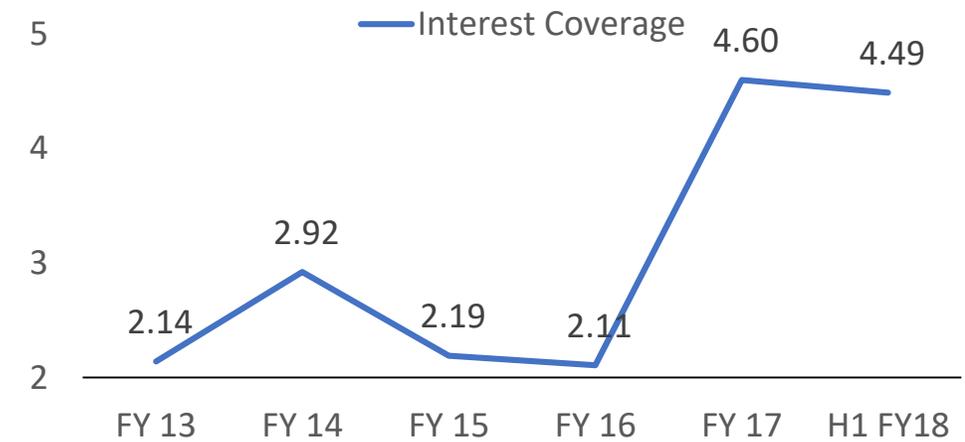
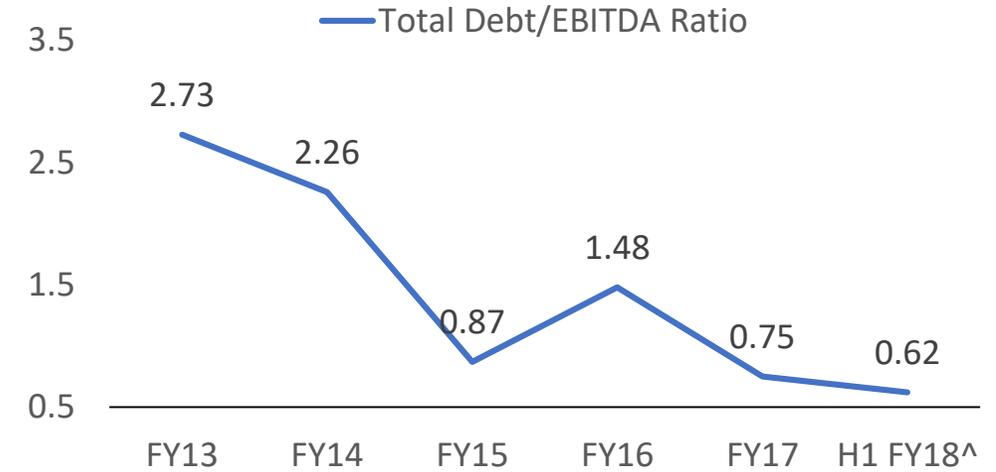
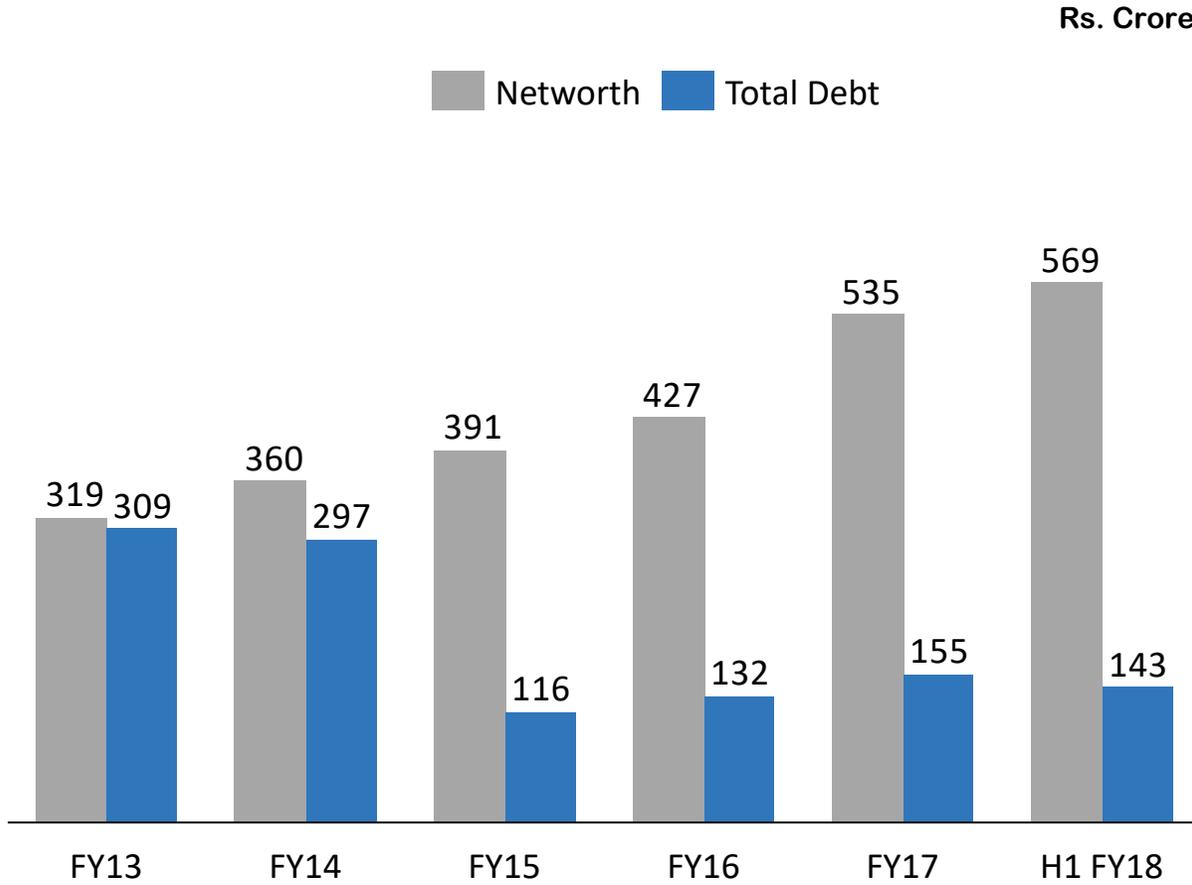
Margin Built-up



*As per Ind AS

Other FY's as per I-GAAP

Significantly Improved Financial Leverage



*As per Ind AS

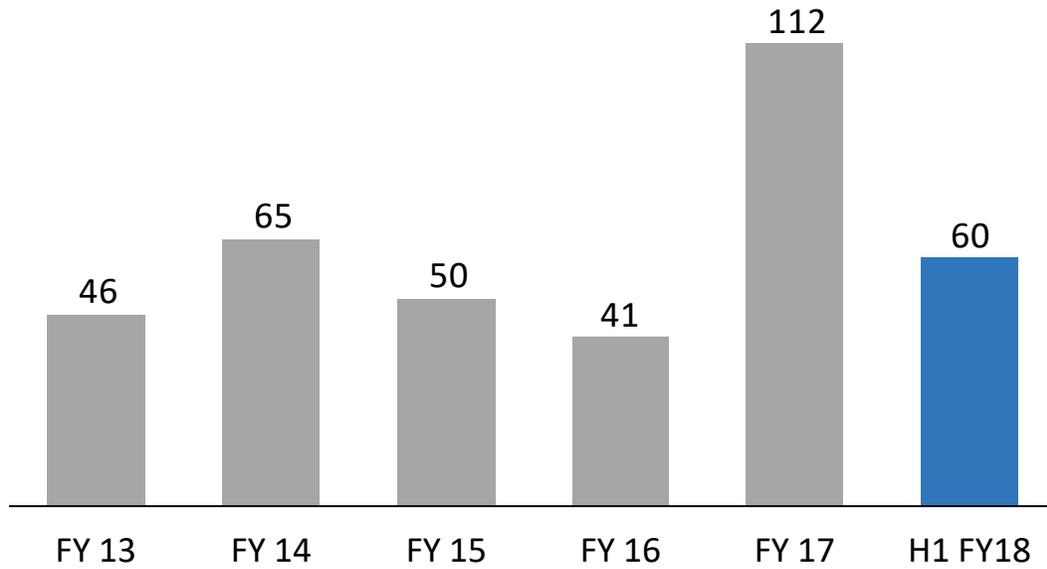
Other FY's as per I-GAAP

[^]On Annualized Basis

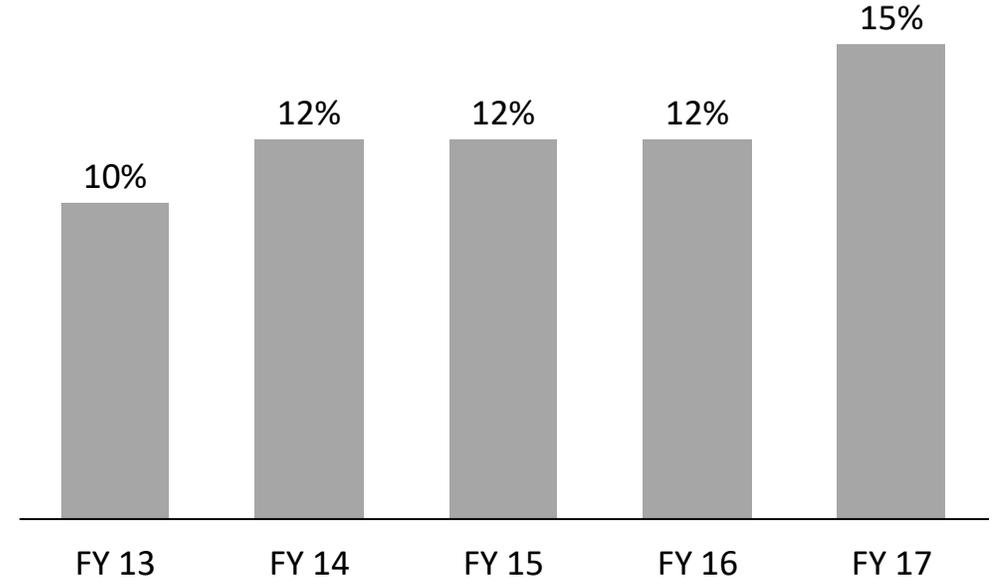
Consistent Dividend

Rs. Crore

Cash PAT



Dividend as % of FV



Profit & Loss Statement



Particulars (Rs. Crores)	Q2FY18	Q2FY17	Y-o-Y	Q1FY18	Q-o-Q	H1FY18	H1FY17	Y-o-Y
Total Revenue	310	240	29%	297	4%	607	408	49%
Operating Expenditures	253	206		240		494	354	
EBITDA	57	34	68%	57	-	114	54	111%
EBITDA Margin (%)	18%	14%		19%		19%	13%	
Depreciation	7	6		7		15	13	
EBIT	49	28	79%	50	-	99	41	142%
EBIT Margin (%)	16%	12%		17%		16%	10%	
Finance Cost	11	8		11		22	15	
Exceptional Items	0	0		0		0	0	
Profit before Tax	38	19	97%	39	-2%	77	26	199%
Tax	17	7		15		31	9	
Profit After Tax	21	12	81%	24	-10%	46	17	169%
PAT Margin (%)	7%	5%		8%		7%	4%	
EPS (Rs.)	2.4	1.5		2.7		5.1	2.2	
<i>FV per Share (Rs.)</i>	5.0	5.0		5.0		5.0	5.0	

Balance Sheet

Liabilities (Rs. Crores)	Sep - 17
Total Equity	961
Share capital	44
Other Equity	917
Non-current liabilities	50
Financial Liabilities	
Borrowings	8
Deferred Tax liabilities (Net)	26
Provisions	17
Current liabilities	666
Financial Liabilities	
Borrowings	135
Trade payables	305
Other current liabilities	109
Provisions	117
Total Liabilities	1,678

Asset (Rs. Crores)	Sep - 17
Non-current assets	1,224
Property Plant & Equipment	830
Intangible Assets	29
Capital Work in Progress	106
Financial Asset	
Investment	39
Loans	23
Others	4
Other Non Current Assets	194
Current assets	454
Inventories	194
Financial Assets	
Trade receivables	37
Cash and bank balances	24
Loans	28
Others	4
Other current assets	167
Total Assets	1,678



BALASORE ALLOYS LIMITED

Company :

Balasore Alloys Limited

CIN: L27101OR1984PLC001354

Dharmesh Lakhani

Director- Finance (Designated)

Email: dharmesh.lakhani@balasorealloys.com

SGA Strategic Growth Advisors

Investor Relations Advisors:

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

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