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Tata Metaliks Limited reports Financial Results for the quarter and nine months ended December 31, 2016

Tata Metaliks Limited (“TML”) has declared its Financial Results for the third quarter (Q3FY’17) ended December 31, 2016. TML recorded Turnover of Rs.318 Crores and Profit After Tax of Rs.19.52 Crores for the quarter ended December 31, 2016. For the nine months ended December 31, 2016, TML recorded Turnover of Rs.995 Crores and Profit After Tax of Rs.75.68 Crores.

Consolidated Performance Highlights:

All figures in Rs. crores unless specified

FY’16	9M FY’17	9M FY’16		Q3FY’17	Q2FY’17	Q3FY’16
291,908	168,273	229,226	Pig iron sales (t)	42,556	66,403	81,097
130,739	116,841	82,591	DI pipe sales (t)	39,471	37,731	26,177
1,390	995	1,010	Turnover	318	343	317
217.14	150.00	142.38	EBIDTA	43.08	45.82	47.33
32.97	24.08	25.28	Depreciation	8.39	8.00	8.11
45.88	26.01	28.84	Finance costs	9.32	8.42	8.49
-	-	-	Exceptional items	-	-	-
138.29	99.91	88.26	PBT	25.37	29.40	30.73
112.27	75.68	74.10	PAT	19.52	21.73	26.46
44.39	29.93	29.30	Earnings per Share (Rs.)	7.72	8.60	10.47

- PBT in Q3FY’17 is lower than Q2FY’17 by 13% because of high cost of coal and coke and lower hot metal production due to shutdown of one of the blast furnace for capital repair.
- DI pipe business in Q3FY’17 recorded 5% higher sales than Q2FY’17 as a result of improved demand and increased pipe production.
- Pig iron price realization in Q3FY’17 improved by 19% as compared to Q2FY’17, but its sales dropped 36% because of blast furnace shutdown as indicated above.
- The outlook of DI pipes business is encouraging as the demand from water and irrigation sectors is expected to be healthy and higher sales in future would be supported by enhanced plant capacity.
- Company is working on improving its order book in larger diameter pipes.

- Outlook for Q4FY'17 for pig iron business would be challenging as benefit of downward movement of coal and coke prices may not reflect immediately in the costs. However, full utilization of 10 MW of captive power in Q4FY'17 for internal operations would improve TML's cost structure.

Managing Director's Comments

Mr Sanjiv Paul, Managing Director of Tata Metaliks Limited said: "The Company's DI pipe business is delivering a robust performance in view of all round improvement in plant operation, capacity enhancement of plant and healthy market demand in water and irrigation sectors. However, high cost of coal and coke, shut down of one blast furnace for capital repair for part of Q4FY'17 and subdued pig iron demand are some of the immediate concern areas for the Company. Post-merger of DI pipe and pig iron businesses, the simplified supply chain structure of the merged entity along with benefits of utilisation of captive power and coke would improve Company's cost competitiveness.

Disclaimer

Statements in this press release describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors.