Tata Metaliks reports Consolidated Financial Results for the quarter and half year ended September 30, 2016

24 October, 2016, Kolkata/ Jamshedpur: Tata Metaliks Limited ("TML") today declared its Consolidated Financial Results for the second quarter (Q2 FY'17) ended September 30, 2016. TML recorded consolidated Turnover of Rs.342 Crores and Profit After Tax of Rs.21.73 Crores for the quarter ended September 30, 2016. For the half year ended September 30, 2016, TML recorded consolidated Turnover of Rs.674 Crores and Profit After Tax of Rs.56.17 Crores.

Consolidated Performance Highlights:

All figures in Rs. crores unless specified

FY'16	H1 FY'17	H1 FY'16		Q2FY'17	Q1FY'17	Q2FY'16
423,299	204,464	207,452	Pig iron sales (t)	105,334	99,130	107,127
130,739	77,370	56,414	DI pipe sales (t)	37,731	39,639	27,489
217.14	106.92	95.05	EBIDTA	45.82	61.10	47.32
32.97	15.68	17.17	Depreciation	8.00	7.68	9.22
45.88	16.69	20.35	Finance costs	8.42	8.27	9.94
-	-	-	Exceptional items	-	-	-
138.29	74.55	57.53	PBT	29.40	45.15	28.16
112.27	56.17	47.64	PAT	21.73	34.44	20.23
44.39	22.21	18.84	Earnings per Share (Rs.)	8.60	13.61	8.00

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- PBT is Q2 FY'17 is lower than Q1 FY'17 because of unprecedented rise in price of coal and coke in international market which was not supported by any increase in market price of finished products. Global price of imported coal increased by 130% and that of imported coke by 50% during Q2 FY'17. On the other hand, price realisation of pig iron dropped by 5% in Q2 FY'17 as compared to Q1 FY'17.
- Despite foundry grade pig iron market remaining stagnant in terms of demand, the Company sold 12% more pig iron to the foundries in Q2 FY'17 as compared to Q1 FY'17.
- DI pipe demand during monsoon is low due to difficulties in pipe laying activities and therefore DI pipe sale was 5% lower in Q2 FY'17 as compared to Q1 FY'17.
- However, the medium to longer-term outlook of DI pipes is encouraging with several states planning execution of mega water supply and sewage projects. Historically also, it is seen that H2 of any year is better than H1 for investments in water infrastructure projects sponsored under central and state government programmes.
- Company is working on improving its order book position in view of its enhanced DI pipe capacity.
- Outlook for Q3FY'17 for pig iron business appears to be challenging as the coal and coke prices have increased very significantly and product prices are not increasing in the same proportion due to low demand of pig iron. However, full commissioning of coke plant and captive power plant projects in Q3 would enhance Company's cost competitiveness.

Managing Director's Comments

Mr Sanjiv Paul, Managing Director of Tata Metaliks said: *"The Company is going through a challenging external environment in terms of very high coal and coke prices, stagnation of demand in the market and liquidity issues with most of the infrastructure players. However, efforts are being made to improve realisations, reduce costs and improve quality further to deliver value to the customer of pig iron and DI pipes. As a result of increased DI pipe capacity, customer deliveries of higher value smaller sections of pipes have improved. Company is also planning to modernize and expand one of its blast furnaces through a proposed 70 days shut-down in Q3 FY'17, date of which will be finalised shortly. Post this modernization, along with stabilisation of newly commissioned* *coke and power plant, the medium to long term cost competitiveness of the Company would further improve."*

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.

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