



**Tata Metaliks Limited reports Financial Results for the quarter and year ended
March 31, 2020**

Kolkata, June 11, 2020: Tata Metaliks Limited (“TML”) yesterday declared its Financial Results for the quarter and financial year ended on March 31, 2020. TML recorded revenue from operations of Rs 522 Crores and PBT of Rs 96.5 Crores for the said quarter. For FY’20, the Company recorded **revenue from operations of Rs 2,051 Crores and PBT of Rs 202 Crores**. The Board of Directors recommended a **dividend of Rs 2.50 per fully paid equity share** (face value of Rs 10 each) for the year ended March 31, 2020.

Highlights of the Company’s performance are:

- In Q4 FY’20 TML achieved **growth in PBT of around 70% and 75%** over Q4 FY’19 and Q3 FY’20 respectively.
- The Company’s **delivery of Pig Iron (PI) in Q4 FY’20 was higher by around 14%** compared to Q4 FY’19 and lower than Q3 FY’20 by around 8%;
- Ductile Iron (DI) Pipe delivery for the quarter was **25% lower** compared to Q4 FY’19 due to disruption in operation and sales in March 2020 but marginally (1%) higher than Q3 FY’20.
- Higher realisation for both Pig Iron and DI Pipe, improved plant performance, raw material cost optimisation (cost of coke & coal was lower by around 10-15% compared to Q3 FY’20) and higher coal injection along with oxygen enrichment, helped TML achieve an **operating margin of around 24%** (compared to 16% and 14% in Q3 FY’20 and Q4 FY’19 respectively) despite lower sales volume that got impacted due to suspension of supply chain owing to the lockdown in second half of March 2020.

With cost of raw materials at lower levels, stable blast furnace performance and all-time best fuel rates, PI business achieved its best ever operational performance in Q4 FY’20. However, due to COVID-19 lockdown, the slowdown in the PI market is inevitable. In DI Pipe business, despite slightly weaker sentiment and slowdown in the economy in FY’20, TML performed well throughout the year with stable sales volume and price realisation as a result of its customer-centric approach and judicious choice of projects in water and sanitation sector. DI pipe plant delivered a solid performance with benchmark efficiency parameters in Q4 FY’20.

Managing Director’s Comments

Mr. Sandeep Kumar, who has been re-appointed as Managing Director of Tata Metaliks Limited for a further period of 3 years w.e.f. July 01, 2020, subject to the approval of the shareholders said: “Significantly improved blast furnace performance and excellent DI Pipe plant operations with strong cost focus coupled with increase in market prices helped the Company improve the **operating margin to around 24% in Q4 from 16% in Q3 FY’20**. However, there remains uncertainty on the demand front owing to Covid-19 pandemic and its full Impact is not fully ascertainable; the Pig Iron business is seeing the effects of the lockdown with most foundries struggling at 50-60% capacity owing to labour and demand constraints. Deliveries of DI Pipes have resumed and have picked up quite well which gives a sense of optimism for the year. The Company has been focused on conserving cash and is fully geared up to manage any liquidity challenges that might arise due to the pandemic’s effect on the economy. We are optimistic that Govt. and International funding agencies will continue to provide necessary funds for water, sanitation and irrigation infrastructure projects which will keep the overall demand of DI Pipes at a satisfactory level.

Completion timeline for Company’s DI Pipe expansion project which is currently under implementation, will get extended owing to the recent lockdowns that have impacted the supplies of imported equipment and shortage of labour.

TATA METALIKS LIMITED

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Performance Highlights:

Figures in Rs. Cr unless specified

FY'19	FY'20		Q4 FY'20	Q3 FY'20	Q4 FY'19
283,454	313,992	Pig iron sales (t)	79,487	86,189	69,574
235,671	217,712	DI pipe sales (t)	54,326	53,727	72,002
313.88	300.42	EBITDA - from continuing operations	122.97	81.36	83.70
57.64	65.06	Depreciation	17.46	16.99	15.32
43.26	33.14	Finance cost	9.01	9.14	11.54
212.98	202.22	PBT - from continuing operations	96.50	55.23	56.84
181.89	165.96	PAT	77.04	45.91	64.35
71.84	59.09	Earnings per Share (Rs.)	27.43	16.35	25.41

Tata Metaliks Limited is a subsidiary of Tata Steel which started its commercial production in 1994. It has its manufacturing facilities at Kharagpur, West Bengal, India which produces Pig Iron and Ductile Iron pipes.

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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