



**Tata Metaliks Limited reports Financial Results for the quarter ended
June 30, 2021**

Company records highest-ever quarterly Profit Before Tax of Rs 134 crores

Kolkata, July 13, 2021: Tata Metaliks Limited (“TML”) today declared its Financial Results for the quarter ended on June 30, 2021. The Company recorded Revenue from operations of Rs 603 Crores and PBT of Rs 135 Crores for the quarter ending June’21.

As the second wave of Covid hit the country, fresh lockdowns were declared in several states in Apr-June quarter. Restrictions were imposed in various parts of the country including in West Bengal where intra-state transportation was stopped. Govt of West Bengal also came out with an order capping workforce to 50% for many of the industries. This affected business adversely in Q1 especially the Company’s production and sales volume of DI pipes.

Highlights of the business performance are as follows-

- The Company in Q1 FY’22 has achieved a **growth in PAT of ~26% over Q4 FY’21** despite lower production of the DI pipe plant, which mainly got affected due to order of the Govt. on workforce restrictions.
- Demand for Pig Iron (PI) got impacted adversely in Q1 due to Covid second wave as major Foundry clusters operated at 30-40% capacity. However, the Company achieved **highest ever quarterly PI deliveries of 89 KT that was achieved** on the back of a jump in exports. Record Sales volumes coupled with strong price realisation, along with stable blast furnace operations, raw materials cost optimization and higher coal injection have helped the Company achieve its **best ever quarterly profits**.
- DI Pipe business however took a beating with operations impacted due to Govt. restrictions on workforce deployment up to a maximum of 50% which resulted in lower production & despatches. Deliveries in Q1 FY’22 were lower by ~ 34% compared to Q4 FY’21.
- The quarter saw a steep rise in domestic iron ore prices by ~ 45 - 50% compared to Q4 FY’21 mainly due to continued supply constraints in Odisha from merchant mines. Domestic coke prices in Eastern India however dropped by ~8% q-o-q, as major buyers in Eastern India preferred coal to coke conversion to take advantage of lower coal cost. Domestic coke cost started to rise again from mid-June in line with increasing price of coal in the international market.
- Despite significant increase in price of major raw materials, the Company achieved an operating margin of ~26% compared to ~22% in Q4 FY’21, owing to strong PI volumes and much better PI prices. The expansion of Coke oven through BOOT basis and the new Captive Power Plant (CPP 4), both of which got commissioned in Q4 FY’21 also helped to control coke cost and power costs respectively. This benefit in power cost would continue in the coming months though the full benefits would be available once the new DI Pipe project gets commissioned later this financial year.

Managing Director’s Comments

Mr. Sandeep Kumar, Managing Director of Tata Metaliks said: “The Company has delivered strong results primarily due to record sales and booming prices of Pig Iron. DI Pipe business got impacted mainly due to Covid induced restrictions by State Govts. However, demand for DI pipes continues to remain robust on the back of significantly increased allocation in this year’s Union budget for water infrastructure. Strong demand coupled with record increases in raw material prices have started having an effect on DIP prices which have already seen a rise of 25-30% compared to last year.

TATA METALIKS LIMITED

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The DI Pipe expansion project being built on Industry 4.0 concept with high levels of automation and digitalisation has also got impacted owing to Covid pandemic and the 1st phase is now expected to be commissioned in Q4 FY'22."

Performance Highlights:

Figures in Rs. crores unless specified

FY'21		Q1 FY'22	Q4 FY'21	Q1 FY'21
287	Pig iron sales (KT)	89	80	32
194	DI Pipe sales (KT)	50	75	27
397.36	EBIDTA	156.99	145.87	11.25
67.13	Depreciation	16.15	15.97	19.62
23.60	Finance costs	6.01	5.97	8.10
306.63	PBT - from continuing operations	134.83	123.93	(16.47)
219.81	PAT	94.72	74.99	(12.36)
73.55	Earnings per Share – Basic (Rs.)	29.99	23.75	(4.40)
69.61	Earnings per Share – Diluted (Rs.)	29.99	23.75	(4.40)

Tata Metaliks Limited is a subsidiary of Tata Steel which was established in 1990. It has its manufacturing facilities at Kharagpur, West Bengal, India which produces Pig Iron and DI Pipes. The plant annually produces around 550,000 tonnes of hot metal, out of which over 200,000 tonnes is converted into DI Pipes and the rest into Pig Iron.

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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