



**Tata Metaliks Limited reports Financial Results for the quarter ended
September 30, 2019**

Kolkata, Oct 29, 2019: Tata Metaliks Limited (“TML”) today declared its Financial Results for the second quarter (Q2 FY’20) that ended on September 30, 2019. TML recorded revenue from operations of Rs 511 Crores (compared to Rs 499 Cr in Q1 FY20) and PAT of Rs 23 Crores for quarter (Q2). Highlights of the Company’s performance are:

- TML achieved a growth in PAT of 20% in Q2 FY20 over Q1 FY’20.
- Pig Iron (PI) sales have been higher by 7% while Ductile Iron (DI) Pipe sales are up 5% q-o-q.
- DI Pipe business performed well with increased sales volume and improved price realization despite weak sentiment and slowdown in overall economy.
- On the market front, domestic demand of PI was weak due to slow-down in automobile sector and liquidity issues, coupled with muted exports. As a result major suppliers diverted their supplies to the domestic market, causing over-supply and therefore lower price realisation.
- Company’s blast furnaces faced operational issues during Q2 FY’20 and refractory repairs have been carried out, subsequent to which performance has improved significantly in October.

The outlook for H2 FY’20 and beyond for the DI Pipe business is optimistic with government’s stated intent on further strengthening and investing in water projects. The outlook for Pig Iron market is however uncertain and dependent more on the general economic recovery. With indication of raw materials prices bottoming out and expected improvement in blast furnace operations, overall profitability for Pig Iron business in H2 should also look up.

Managing Director’s Comments

Mr. Sandeep Kumar, Managing Director of Tata Metaliks said: “While DI pipe business performed well in Q2 FY’20 with highest-ever second quarter sales of around 56 KT, the Pig Iron business pulled down the overall profitability of the Company due to un-planned furnace shut-downs and depressed Pig Iron market. Improved refractory condition of furnaces, increased coal injection and oxygen enrichment rates, enhanced hot metal throughput along with softer raw material prices are expected to improve performance of Pig Iron business in coming months. Normally, H2 is the better half for DI Pipe business and therefore efficient DI Pipe plant performance coupled with healthy order load should help improve overall profitability of the company. Company’s DI Pipe expansion project is progressing on schedule with major orders for plant & machinery and construction work already placed.”

TATA METALIKS LIMITED

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Performance Highlights:

Figures in Rs. Cr. unless specified

FY'19		Q2 FY'20	Q1 FY'20	Q2 FY'19
283,454	Pig Iron sales (t)	76,739	71,577	83,984
235,671	DI Pipe sales (t)	56,033	53,626	50,734
312.96	EBITDA	46.53	49.14	86.53
57.64	Depreciation	16.13	14.48	13.49
43.26	Finance costs	7.65	7.34	10.02
212.06	PBT	22.75	27.31	63.02
181.89	PAT	23.39	19.62	47.53
71.84	Earnings per Share (Rs.) - Basic	8.32	6.99	18.79
71.73	Earnings per Share (Rs.) – Diluted	8.32	6.21	18.79

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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