



**Tata Metaliks Limited reports Financial Results for the quarter ended
June 30, 2020**

Kolkata, July 31, 2020: Amidst the unprecedented disruptions in economic activity arising out of the COVID-19 pandemic, Tata Metaliks (“TML”) today declared its Financial Results for the first quarter (Q1 FY’21) ended on June 30, 2020.

The Covid-19 pandemic has impacted the industry’s performance during the quarter with TML recording revenue from operations of Rs 210 crores and Loss of Rs 16.47 crores before tax for quarter (Q1). Highlights of the Company’s performance are:

- Both production and dispatch were suspended sometime in the latter part of March’20 due to the nationwide lockdown announced by the Govt. With the gradual relaxation of lockdown including graded permission for increase in employee numbers by the Govt, Hot Metal production was resumed with one blast furnace in middle of May while the other one was started in June. While limited dispatches began in end-April, the same picked up in May and reached close to pre-Covid levels by mid-June.
- TML’s revenue from operations dropped 58% YoY to Rs 210 crores in Q1 FY’21 from Rs 499 crores in the corresponding quarter a year ago. The deliveries of Pig iron and Ductile Iron (DI) pipe were lower by 55% and 49% respectively during Q1 FY’21 compared to Q1 FY’20.
- The Company reported Q1 EBITDA at Rs 11.25 crores, down 77% YoY against Rs 49.35 crores in Q1 FY’20.

The Company stabilized its plant operations in June and smooth operations have continued in July despite the uncertainty and rising coronavirus infections across the country. Most of the foundry clusters across the country resumed production with capacity utilization of 50-70% in June which has improved further in July. With improving demand including healthy exports of pig iron and some limitations on supply side, the prices of Pig Iron are showing an upward bias. Q2 is normally a weak quarter for DI pipe business due to monsoons and the consequent slowdown of project activities.

Managing Director’s Comments

Mr. Sandeep Kumar, Managing Director of Tata Metaliks said: “The Company has had an almost vertical ramp-up of its production and sales of both the businesses in June’20 despite the uncertainty and restrictions due to the pandemic. The loss in Q1 was on expected lines due to curtailed operations but the Company has bounced back with the blast furnaces performing very well in June which is reflected in its high productivity, fuel rate & coal injection rates; the DI pipe plant operations have also done well in June with further visible improvement in July. Though there remains some uncertainty due to the pandemic, Pig Iron demand has shown a healthy pull despite foundries not yet back to their full capacities. DI pipe demand may be under pressure for next few months after which deliveries are expected to pick up. Increased government spending on infrastructure (including water, sanitation and irrigation infrastructure projects) is likely to be the key driver for a gradual recovery in the coming months. The Company has been focused on conserving cash and reducing working capital requirements to manage any liquidity challenges that might arise due to the pandemic’s effect on the economy; it has been successful in significantly bringing down its net borrowings in the quarter through a major effort towards reducing its inventory & debtors.”

TATA METALIKS LIMITED

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Performance Highlights:

Figures in Rs. Cr. unless specified

FY'20		Q1 FY'21	Q4 FY'20	Q1 FY'20
313,992	Pig iron sales (t)	32,105	79,487	71,577
217,712	DI pipe sales (t)	27,144	54,326	53,626
300.42	EBITDA	11.25	122.97	49.35
65.06	Depreciation	19.62	17.46	14.48
33.14	Finance costs	8.10	9.01	7.34
202.22	PBT – from continuing operations	(16.47)	96.50	27.53
165.96	PAT	(12.36)	77.04	19.62
59.09	Earnings per Share (Rs.)	(4.40)	27.43	6.99

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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