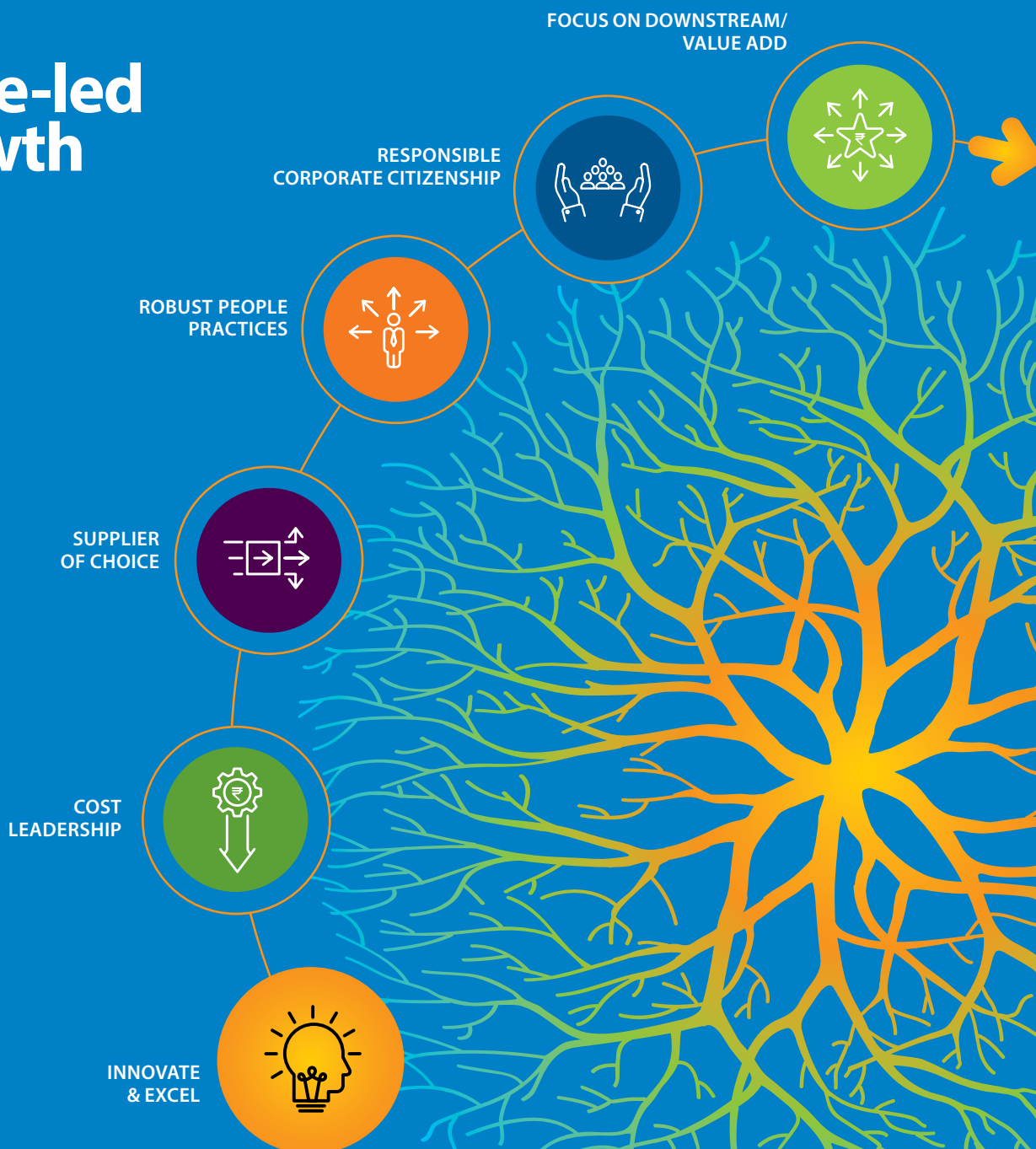


Value-led Growth



About this report

Tata Metaliks Ltd. presents its first Integrated Report and Annual Accounts 2017-18. Through this Report, the Company highlights to all its stakeholders a narrative on its financial and non-financial performance during the Financial Year 2017-18, along with information on its governance, strategy and its outlook. The key non-financial aspects include the Company's operations and its environmental and social performance.

This Integrated Report aims to provide an account of the material issues that the Company faced during the year under review and their impact on its value-creation process and outcomes, in a balanced and concise manner.

Standards and Framework

The non-statutory sections of the Report follow the International Integrated Reporting Council (IIRC) recommended International Integrated Reporting <IR> Framework. The other statutory reports, including the Directors' Report, Management Discussion and Analysis (MDA) and the Corporate Governance Report, are as per the Companies Act, 2013 (including the rules framed thereunder), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the revised Secretarial Standards issued by The Institute of Company Secretaries of India. The Sustainability information in the Report is based on the GRI G4 guidelines. The financial statements are as per the Indian Accounting Standards.

Scope and Boundary of the Report

The reported information for the Financial Year 2017-18 covers the Company's manufacturing operations at Village Maheshpur, P.O. Samraipur, District Paschim Medinipur, West Bengal and its corporate office at Tata Centre, 10th Floor, 43, J. L. Nehru Road, Kolkata-700071. The Report also covers

the Company's sales and marketing activities, as well as other community initiatives. Comparative figures for the last 3 years have been incorporated, wherever thought fit, in the Report to provide a holistic view to the stakeholders.

Materiality

The Report presents information on all the issues that are identified as material by the stakeholders and the Company. These issues have significant business impacts and are key to the Company's value-creation process. The Report discloses information on those material matters, which will enable investors and other interested stakeholders to make informed decisions about their engagement with the Company.

Leadership Responsibility

The Company's Senior Management, under the Managing Director's supervision, have reviewed the Report content and ensured the accuracy of the information disclosed. The Board Members of the Company have provided the required governance oversight and ensured risk management and controls.

Welcome to our integrated report

Integrated Report

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For further information, log on to
www.tatametaliks.com

For over two decades, we are pursuing value and volume-led growth by offering innovative products and services to our discerning customers across geographies.

Focus on meeting changing customer and market requirements, meticulous attention to product quality, continuous improvement on materials and process efficiency along with manufacturing excellence have contributed significantly to our growth story in FY 2017-18.

We are continuously offering value-added products developed to meet customers' specific requirements. Our differentiated product and service offerings in the market,

reinforced through our '3-D Customer Promise' (**Develop** deep insight, **Deliver** outstanding products and services, **Delight** customers at all touch points), have demonstrated our customer-centric culture and enriched customer experiences.

Our growth aspirations are underpinned by the time-honoured ethics and values of the Tata Group and we will continue to nurture our core values as we look forward to the future.

With supportive Government policies and a thrust on infrastructure development in India and many other parts of the world, we are seeing a larger opportunity landscape unfolding before us.

We are driving value-led growth with focus and fortitude for all stakeholders for today, tomorrow and beyond.

Key highlights of FY 2017-18

Turnover

₹ 1,894 Crore

34%
y-o-y growth ↑

Profit after tax

₹ 159 Crore

37%
y-o-y growth ↑

Hot Metal production

4,99,540 MT

31%
y-o-y growth ↑

Ductile Iron (DI) pipe production

2,08,355 MT

11%
y-o-y growth ↑



AT A GLANCE

Our value-creation highlights

Refer page 14

Financial Capital

We judiciously deploy the funds that we raise and ensure that we enhance and add value to the financial resources that our business generates for our stakeholders.

Turnover

₹ 1,894 Crore

EBITDA

₹ 297 Crore

PAT

₹ 159 Crore

Manufactured Capital

We optimally use manufacturing assets for our production processes and add value through the products we manufacture.

Hot Metal production

4,99,540 MT

Ductile Iron (DI) pipe production

2,08,355 MT

Pig Iron (PI) sales

2,90,902 MT

DI pipe sales

2,09,475 MT

Intellectual Capital

With the proprietary knowledge we possess and the innovations we drive to improve our processes and products, we add value to our business outcomes.

Number of Business Excellence Projects

154

Estimated cost savings through improvement projects

₹ 40 Crore

Increase in number of Business Excellence projects from FY 2016-17

19%

Human Capital

Collective skills and experience of our workforce add value to our business outcomes.

0.11

Lost Time Injury
Frequency Rate
(LTIFR)

59%

Decrease in
LTIFR since
FY 2015-16

Zero

Fatalities

4%

Health Index
improvement
since FY 2015-16

6%

Women
officers in
our workforce

21%

Improvement
in employee
engagement
score since
FY 2015-16

Social and Relationship Capital

Our relationships with our stakeholders in the value-chain and communities around us ensure long-term value-creation and our social license to operate.

Supplier base

PI division

1,291

DI pipes division

1,618

Customer satisfaction index

PI division

90

DI pipes division

88*

Natural Capital

While we depend on the raw-materials sourced from nature, we ensure that through our efficient operations, we impact the natural environment minimally.

91%

Materials
recycled back
into process

181%

Increase in
amount of water
recycled since
FY 2015-16

CSR spend

₹ 3.24 Crore

CSR beneficiaries

10,000+

*For FY 2016-17

AT A GLANCE

Strengthening a value-smart enterprise

Tata Metaliks is one of India's leading producers of high-quality Pig Iron (PI) and Ductile Iron (DI) pipes. We are a subsidiary of Tata Steel Limited and operate our state-of-the-art manufacturing plant near Kharagpur, West Bengal.

We produce hot metal using iron ore lumps, sinter, coke and fluxes, of which approximately 40% is converted to DI pipes through a series of value adding processes and the balance is cast into foundry grade PI.

Our manufacturing location is equidistant from Tata Steel's iron ore mines in Odisha and Jharkhand (which are the primary sources of iron ore), Haldia port (mainly used for import of coal and coke, principal raw materials), Howrah foundry belt (key market for pig iron)

and DI pipes markets of East (about 50% of sales). This strategic benefit reduces logistics costs for production and sale of PI and DI pipes.

We remain focussed on consistent growth and improving cost competitiveness. We have implemented multiple improvement projects during the reporting period to increase productivity, optimise costs and reduce overall carbon footprint.

We offer innovative products to our customers and are setting industry benchmarks through quality products and service offerings. We offer a variety of branded products customised to meet specific user needs.

1994

Commencement of Pig Iron production

Tata eFee

World's first branded Pig Iron - 47% of turnover

2009

Commencement of DI pipe production

Tata Ductura

Value-added product DI pipe - 53% of turnover



Our vision

Reaching Tomorrow First

Our mission

Sustainability of Purpose

We strive to become a sustainable organisation through significant contribution to India's foundry, water and sanitation sectors through optimum utilisation of men, material and assets, responsible use of energy and water resource, being guided by our values.

Our values

Our guiding force

Pioneering

We will be bold and agile, courageously taking on challenges, using deep customer insight to develop innovative solutions.

Integrity

We will be fair, honest, transparent and ethical in our conduct; everything we do must stand the test of public scrutiny.

Excellence

We will be passionate about achieving the highest standards of quality, always promoting meritocracy.

Unity

We will invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect.

Responsibility

We will integrate environmental and social principles in our businesses, ensuring that what comes from the people goes back to the people many times over.

Our presence



1. Algeria
2. Bahrain
3. Bahrain
4. Bangladesh
5. Cameroon
6. Croatia
7. Egypt
8. Ethiopia
9. France
10. Italy
11. Ivory Coast
12. Jordan
13. Kenya
14. Kuwait
15. La Reunion
16. Lebanon
17. Malta
18. Mauritius
19. Morocco
20. Nepal
21. Oman
22. Pakistan
23. Philippines
24. Qatar
25. Seychelles
26. Sierra Leone
27. Singapore
28. Spain
29. Sri Lanka
30. Switzerland
31. Taiwan
32. Tanzania
33. Turkey
34. UAE
35. Vietnam
36. Zambia

AT A GLANCE



Our quality accreditation

Our products and processes are certified by industry-recognised bodies.

Pig Iron

- > ISO 9001, ISO 14001, OHSAS 18001
- > NABL Certificate for QA lab

DI pipes

- > ISO 9001, ISO 14001 and OHSAS 18001
- > NABL Certificate for QA lab
- > IS 8329
- > Certificate of Product Conformity - BS EN 545 and BS EN 598
- > Kite Mark Certification - BS EN 545
- > Kite Mark Certification - BS ISO 2531
- > WRAS Approved Concrete, Cement and Mortar - Pressure Pipes
- > WRAS Approved Coatings, Paints & Linings - Factory Applied Pipe & Fittings Coatings

Our products and brands

We manufacture and market a range of high-quality branded products in Pig Iron and DI pipes, backed by end-to-end customised service support for customers. Our brand promise is guided by three essential elements

Develop, Deliver and Delight.



Our product is suitable for various kinds of castings in industries like:

- > Automobile
- > Agriculture and tractor
- > Engineering and industrial
- > Power generation
- > DI pipes and fittings
- > Sanitary and decorative
- > Railways and other castings
- > Aluminium smelters

Pig Iron

Range: 14 primary grades and few customised options for different types of casting applications

We developed the world's first branded Pig Iron, 'Tata eFee'. The USP of Tata eFee is its unique shape and size that reduces energy consumption in foundries. Ever since its launch in 2011, we have been a supplier of choice of foundries all across the country due to its superior value-in-use.

'e'

Energy efficient

'Fe'

Iron

'e'

Environment friendly



DI Pipes are used for diverse applications:

- > Distribution of potable water
- > Sewage and waste water
- > Irrigation
- > Industrial usage in power plants

DI Pipes

Range: Diameter - 80 mm to 800 mm

DI pipe production at our Kharagpur plant commenced in the year 2009. Since, then Tata Ductura has been offering solutions to its customers across the world, in terms of superior product quality, supply and service, helping them transform possibilities into business with the brand promise of Delivering the Best – Any time, Every time. The combination of the latest technology, with a dedicated and competent workforce, ensures that customer requirements are specifically met in every aspect.

'Duct'

Ductile Iron

'ura'

Ventura, which means happiness and contentment



MILESTONES

Our value creation journey



Capacity building

1990-92

- > Incorporated as Tata Korf Metals West Bengal Limited
- > Plant construction commenced at Kharagpur
- > The Company's name changed to Tata Metaliks

1994

- > Plant commissioned with an initial capacity of ~0.9 LTPA

2005

- > Commissioned the 2nd Mini Blast Furnace (MBF) (installed capacity increased to 3.45 LTPA)

2006

- > Bought PI plant at Redi, Maharashtra (installed capacity increased to 6.5 LTPA)

2007

- > Entered into a joint venture with Kubota for DI pipe business

Enhancing resilience

2008

- > Amid global financial crisis, the Company booked significant mark-to-market losses in raw materials and finished goods

2009

- > Commissioned DI pipe plant at Kharagpur (1 LTPA). However, there was delay in obtaining requisite approvals for commercial operation

2011

- > Pig Iron plant at Redi, Maharashtra was shut down

Consolidation drive

2013

- > DI pipe business became a wholly owned subsidiary of the Company
- > Commissioned Sinter Plant

Turnaround period

2014

- > Improved DI pipe production and optimised manufacturing process parameters