

Marching Ahead

Towards a Stronger and Sustainable Future

CONSISTENCY | CREDIBILITY | COMMITMENT



About the Report

The Integrated Report & Annual Accounts 2022-23 is a critical communication document for Shareholders and other Stakeholders. It aims to provide our Stakeholders with a concise, complete, and transparent assessment of our ability to create long-term value. This Report offers a holistic overview of our multi-dimensional Value Creation, covering both tangible and intangible, and financial and non-financial aspects of the business.

All our Six Strategic Pillars are considered and integrated into the Key Performance Indicators (KPIs) used for measuring our Performance against Strategy. Our Strategic Pillars are anchored to our Core Values and are key to managing our resources and relationships. The Report presents a balanced insight into our overall performance and showcases our governance structure, operating environment, operating risks & opportunities and business outlook. Apart from financial performance, the Report covers the non-financial aspects, including operational, environmental and social performance. This Report highlights how we are working in a cohesive manner to enhance Value for our Stakeholders and contribute to the United Nations Sustainable Development Goals (SDGs).

We remain focused on our roadmap for decarbonisation to attain carbon neutrality targets, as well as identifying the key levers to realise our carbon neutrality objectives. We are also in advanced stages to integrate Task Force on Climate-related Financial Disclosures (TCFD) to our overall business framework.

Standards and Frameworks

The Report is prepared in accordance with the Integrated Reporting framework of the International Integrated Reporting Council (IIRC) (now consolidated into IFRS

Foundation) and discloses performance against Key Performance Indicators (KPIs) relevant to Tata Metaliks, which are aligned with Global Reporting Initiative (GRI), the requirements of Business Responsibility and Sustainability Reporting issued by the Securities and Exchange Board of India (SEBI), TCFD, and the United Nations SDGs. It discloses performance based on set Key Performance Indicators (KPIs) relevant to Tata Metaliks Limited ('TML'/Tata Metaliks')

Financial and statutory information in this Report is presented adhering to the requirements of:

- The Companies Act, 2013 (including the Rules made thereunder)
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Secretarial Standards issued by The Institute of Company Secretaries of India

Scope and Boundary

This Report provides the performance of Tata Metaliks Limited (TML) for FY 2022-23 (April 1, 2022 – March 31, 2023) covering its manufacturing operations at Village Maheshpur, PO: Samraipur, Gokulpur, Kharagpur, Paschim Midnapur - 721301, West Bengal, Corporate Office at Tata Centre, 10th Floor, 43, J. L. Nehru Road, Kolkata 700071, sales & marketing activities, value chain initiatives and community initiatives, among others. Previous years' figures are provided to facilitate comparison and demonstrate progress.

Materiality

Tata Metaliks conducts materiality assessment exercises with key stakeholder groups to identify the issues that could

potentially impact its value-creation abilities. The issues are revisited regularly to understand their degree of importance in the current external and internal context and are incorporated accordingly into strategic priorities.

Assurance

An assurance on financial statements has been provided by independent auditors Price Waterhouse & Co Chartered Accountants LLP and on non-financial statements by Bureau Veritas (BV) as per AA1000 standard. The certificate issued by BV is available on our website at <https://www.tatametaliks.com/investor/annual-reports/>

Management Responsibility

To optimise governance oversight, Risk Management and controls, the contents of this Report have been reviewed by the Managing Director and various Senior Executives of our Company.

Forward-looking Statements

Certain statements in the Report are forward-looking. These include statements other than historical facts, including those on the financial position, business strategy, Management plans and objectives for future operations. Such statements include words such as 'believes', 'expects', 'may', 'will', 'plans', 'outlook' etc. regarding future operational/financial performance. These are based on reasonable assumptions/data that may be incorrect/imprecise and, not intended to be a guarantee of the future. Actual results could differ materially due to various factors. We neither assume any obligation nor intend to update/revise any forward-looking statements, as a result of new information/future events or otherwise.

Unlocking value for Stakeholders by using our six capitals and executing our strategic pillars

Our Six Strategic Pillars



Innovate and Excel



Cost Leadership



Supplier of Choice



Robust People Practices



Responsible Corporate Citizenship




Focus on Downstream/ Value-add

Our Capitals




Financial



Manufactured




Intellectual



Human



Social and Relationship



Natural

Our Stakeholders



Investors



Customers



Employees



Government



Suppliers/Partners



Community

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Robust People Practices

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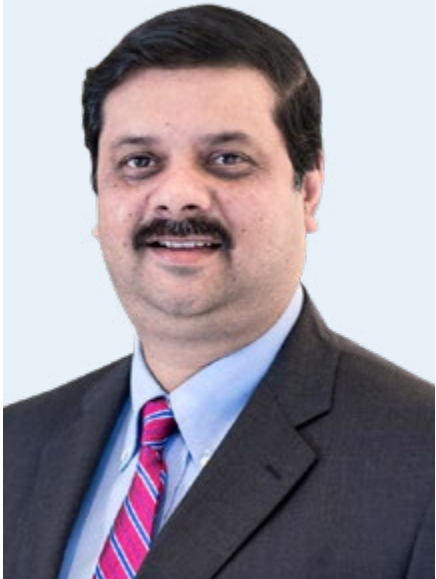
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Your Company continued to demonstrate agility and deep resilience backed by a strong focus on operational performance improvement, fiscal discipline and cost optimisation.

Koushik Chatterjee
Chairman



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More information at
www.tatametaliks.com

Marching Ahead

Towards a Stronger and Sustainable Future

CONSISTENCY | CREDIBILITY | COMMITMENT

In an evolving business environment, we at Tata Metaliks have demonstrated deep resilience, further solidifying our position as a strong and credible enterprise dedicated to creating a Safer and more Sustainable future.

Our relentless commitment lies in ensuring Safety and Well-being of our People, with the ultimate goal of achieving 'Zero Harm' to propel us towards attaining Safety Excellence. We continue to consistently provide our People with industry-leading practices and a collaborative culture, which enables a rewarding journey of shared success.

At Tata Metaliks, we continue to embrace energy-efficient technologies and sustainable operations, to drive our Carbon Neutrality agenda and uphold our Environmental, Social, and Governance (ESG) commitments.

Aligned to our Group ethos, our impactful CSR interventions are uplifting countless families, empowering their aspirations and paving their way for a Sustainable and Optimistic future.

To support these efforts, we have a robust Governance framework, serving as a critical enabler for our ESG commitments.

With a firm focus on value-accretive Growth, we forge ahead by fostering Collaboration and Synergy across all functional areas. Our aim remains to enhance Stakeholder Value by Aligning, Integrating, and Accelerating our offerings with speed and agility.

As we are Marching Ahead towards a Stronger and Sustainable Future, our commitment remains steadfast in touching millions of lives along the Journey.

Our Identity

We are fulfilling our vision of 'Reaching Tomorrow First' by providing innovative products and services to customers globally. With our firm commitment to running the business with a focus on our six strategic pillars, we are providing value to all our Stakeholders.

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of FY 2022-23**

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Highlights of FY 2022-23

Stronger Foundations for Consistent Progress

We maintained our fiscal prudence



₹3,260 crore
Revenue from Operations

₹211 crore
EBITDA

₹101 crore
Profit Before Tax

₹26
Earnings Per Share

We empowered our people



4,300+
Safety Training Sessions (Nos.)

4.3
Training Effectiveness
(On a Scale of 5)

4.15
Engagement Score
(On a Scale of 5)

We strengthened our operations



562 KT
Hot Metal Production

237 KT
Highest Annual Coke
Plant Production

24 MW
Highest Annual Captive
Power Generation

98%
Best-ever Hot Metal
Yield of Blast Furnace

659 KT
Best-ever Gross Sinter and
Finished Pipe Production

300 KT
Highest Yearly Finished
Pipe Production

We broadened our community outreach



₹681 lakh
Contribution for CSR

7,100+ hours
Employee Volunteering
for CSR

55,000+
Lives Impacted through
CSR Programmes

We remain committed to environmental stewardship



>73%
Water Recycled per Day

98%
Materials Recycled
Back into Process

B
CDP - Climate Change
Disclosure score

A-
CDP - Supplier Engagement
score

We fortified our governance mechanism



50%
Independent Directors

98%
Board Committee
Meeting Attendance

95%
Board Meeting Attendance



Corporate Identity

Growth Ready for a Brighter Tomorrow

Tata Metaliks Limited (TML), a subsidiary of Tata Steel, is one of India’s leading producers of superior quality Pig Iron (PI) and Ductile Iron Pipes (DIP). Combining customer-centricity with technical efficiency, we have retained our position of being the supplier of choice. We serve our customers with superior quality products and service offerings, setting industry benchmarks.

Our enhanced production capacity, with superior technologies, enhanced automation and digitalisation, will not only improve our cost efficiencies but will propel our business to a safer and sustainable future. Our consistent focus on strengthening our commitment to Safety, environmental, social and governance performance will also drive our growth journey towards sustainable value-creation.



Vision Statement
Reaching Tomorrow First



Core Values

- 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.



One Mission
Tata Metaliks strives to become a sustainable organisation through significant contribution to India’s foundry, water and sanitation sectors by optimum utilisation of human resource, material and assets, responsible use of energy and water resource, being guided by its values.

- 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.

Manufacturing Excellence

We have a state-of-the-art manufacturing plant at Kharagpur, West Bengal, India which produces the finest quality Pig Iron and Ductile Iron Pipes. With our highly mechanised and automated second DI pipe

plant, we are well-positioned to further enhance value to all our Stakeholders. Our plant enjoys strategic proximity to the iron ore mines in Odisha and Jharkhand, Haldia and Kolkata port for import of coal, export of PI/DIP, and PI and DIP markets

of East. This helps us not only in being competitive on inbound and outbound road and rail logistics costs but also keep a check on our Scope 3 carbon footprint.



Hot Metal
6 LTPA



Pig Iron
3.45 LTPA



Ductile Iron Pipe
3 LTPA

Key Certifications



Our Credit Rating

- Long-term Facilities [ICRA] AA
- Short-term Facilities [ICRA] A1+

Business Segments

Designed for Delivering Excellence Every day

TML specialises in offering two main products: Pig Iron (PI) and Ductile Iron Pipe (DIP). Our Blast Furnaces use iron ore, sinter, coke and fluxes to produce Hot Metal. This Hot Metal is partly converted into DIP for applications in water infrastructure and other sectors, while the remaining is cast into Pig Iron (PI) for use in the casting industry.

Pig Iron (PI)

Pig Iron (PI) is an intermediate product of a commodity nature, used in foundries for the production of iron castings. Although PI customers' purchase decisions are largely price-centric, we have, over the years, commoditised the same by providing significantly higher value as compared to our peers. We have been consistently recognised by our customers for our high-quality products having an ideal shape and size that reduces energy consumption in foundries.

We convert the tacit needs of our customers into value propositions viz. (a) consistency in product chemistry; (b) customised services to help customers improve their production cost and efficiency. 'Tata eFee', Our Pig Iron brand, has 14 primary grades and a few customised options as raw materials for different types of casting applications.

Did you know?

- Farmers in India have long relied on manual labour to help with various activities on the farm. Our innovative PI technology is changing by making farming tools such as ploughs, tractors, harvesters and irrigation pumps
- Our PI has a higher packing density leading to a higher melting point. It helps foundries save energy and in turn, contributes to the environment
- We are casting the future of the engineering and automotive industry with our customised and reliable PI

Pig Iron Stockyard



Brand Promise



'Tata eFee' is a branded Pig Iron with product USPs of inherent shape and size that reduce energy consumption in foundries

'e' Energy efficient

'Fe' Iron

'e' Environment-friendly

Product Advantages

- Economical and environment-friendly, it reduces energy consumption in foundries
- Melts faster and reduces carbon footprint
- Leads to optimum void distribution in cupola furnace and packing density in induction furnace

Application Areas

Our PI is suitable for various kinds of castings in industries such as:

- Automotive
- Agriculture
- Engineering and Industrial
- Power
- Ductile Iron Pipes and Fittings
- Sanitary and Decorative Castings
- Railways
- Aluminium Smelters

Six reasons for preferring Tata eFee

1

Consumes lower coke in cupola and lower power in induction furnace

2

Highest surface area to mass ratio

3

Melts faster

4

Provides optimum void distribution in cupola and higher packing density in induction furnace

5

Available in customised specifications

6

Offers customised technical services for the improvement of foundry operations

Technical Service

- Charge mix and melting
- Moulding and Core Making
- Project-based Consultancy
- Pollution Control
- Customised Training
- Testing Facility

Presence

- Dominant position in Eastern, Western and Northern India
- International footprint is spread across several countries



Business Segments

Ductile Iron Pipe

Ductile Iron Pipe (DIP) is an end product in the value chain, used for the transmission of potable water, wastewater and water for irrigation purposes. Durability, energy savings while in service, recyclability and high expected lifespan make DIP environmentally far superior product over other piping materials.

We have strategically shifted our focus to the DIP business due to the Government’s increased focus on water supply through several schemes like Jal Jeevan Mission and Atal Mission for Rejuvenation and Urban Transformation (AMRUT), among others.

Our value proposition remains timely delivery and consistency in quality viz. coating thickness, physical appearance, ultimate tensile strength and elongation, which are significant for long product life. Being manufactured under strict quality control, ‘Tata Ductura’ is a preferred choice for customers engaged in water infrastructure projects.

We manufacture 5.5 m standard length pipes of 80-1200 mm diameter belonging to K class and C class with BIS, ISO, BSEN and WRAS certifications. From consultation services to providing engineering solutions, we offer Value Management to our Customers across the world, helping them transform possibilities into business.

Did you know?

- Our DI Pipes are not prone to permeation, hence preventing the leaching of toxins and providing better protection from contamination. With long-term reliability against harmful chemicals, it is the preferred choice of customers
- Around 80-90% of our product can be recycled after its useful life making it an environment-friendly option for water and sewage systems
- Our DI Pipes are strong enough to withstand the most severe conditions, from high-pressure applications to heavy earth and traffic loads to unstable soil conditions making this a preferred choice for water projects



DI Pipe Stockyard



Brand Promise



India’s preferred brand for use in water, sanitation and irrigation industries due to its superior internal lining, easy fitment and strict control over dimensions

‘Duct’ Ductile Iron

‘Ura’ Ventura, which means happiness and contentment

World of Opportunities

- The next five years are expected to see heavy Government investment in areas of rural and urban development and irrigation. Around 7-8% of the total investment is expected to be dedicated to consulting and knowledge-based services
- With more than 80% of the available workforce currently unskilled, there is a significant opportunity to invest in skill development services
- The current market is highly fragmented, with few organised players and low-quality standards prevailing
- Opportunity exists to shape and lead a fragmented market that is in its nascent stage, offering a potential for first-mover advantage

Value-added Solutions

We are emerging as a one-stop solution by offering a bouquet of services aimed at the water industry.

Detailed Project Report (DPR)

We provide services for timely preparation of Detailed Project Report (DPR) by the best Engineers across the country with state-of-the-art technology. Our services are differentiated with value-added offerings, multiple options for technology and for better reliability, and sensitivity analysis for better decision-making.

Non-revenue Water Management

Water is a scarce resource, critical to the existence of humanity. In India typically the water loss is to the tune of 40-50% of the total water consumption. While the developed world has started taking steps in terms of arresting water loss, the interventions in India are still at a nascent stage. Our Non-Revenue Water (NRW) Management service is a step to help India arrest significant water loss. Our experts, through in-depth analysis and use of acoustics-based technologies, help users to contribute to the water conservation programme and achieve significant cost savings.

Skill Development Institute

Skilled workforce is a critical resource for any project and is an opportunity to create Value. Accordingly, we have introduced a pioneering service to develop skilled human resources for water Infrastructure projects. We organise specific trainings for youth who become competent to be part of customers’ workforce in the implementation of their water infrastructure projects.

Design Engineering

The design of water system and network has a pivotal role to minimise the cost of the project and have hassle-free operation and maintenance. The choice of technology, pressure zoning for optimum flow, reliability, and maintainability of equipment, play a significant role in achieving the project objective. We provide design services where the best Engineering experts, with extensive experience, design projects using the latest hydraulic and analytics software.

Seven Reasons for Lifelong Durability

- | | | | |
|--|--|--|--|
| 1
Strict control of metal temperature for casting | 2
Sound chemical, metallographic and dimensional properties | 3
Quality of external coating with uniform zinc and bitumen/epoxy | 4
Internal grinding of cement mortar lining |
| 5
Extra-long type socket design | 6
Cut and chamfered spigot end for smooth entry | 7
Uniform thickness, roundness and straightness | |



Business Model

Sustained Value for Shared Prosperity

We aim to continuously deliver sustainable and profitable growth with an increased positive impact on society and the environment. Below, we illustrate, how we, with a responsible approach, use our resources to create value for customers, employees, business partners, Shareholders as well as for the society and the environment.

Inputs

**Financial Capital**

- Net Worth: ₹1,579 crore
- Net Debt: ₹(61.14) crore

**Manufactured Capital**

- HM Capacity: 6 LTPA
- DIP Capacity: 3 LTPA
- Captive Power Generation Rated Capacity: 29 MW
- Capex: ₹167 crore

**Intellectual Capital**

- % of employees involved in improvement projects: 90%
- Robots deployed in production: 25
- Capex on digital projects: ₹2.87 crore

**Human Capital**

- Employees on Roll: 1,638
- Investment in Employee Training and Development: ₹99 lakh
- Safety Training Sessions: 4,303
- Safety Visits (nos.): 7,260
- Employee Training Hours: 36,436

**Natural Capital**

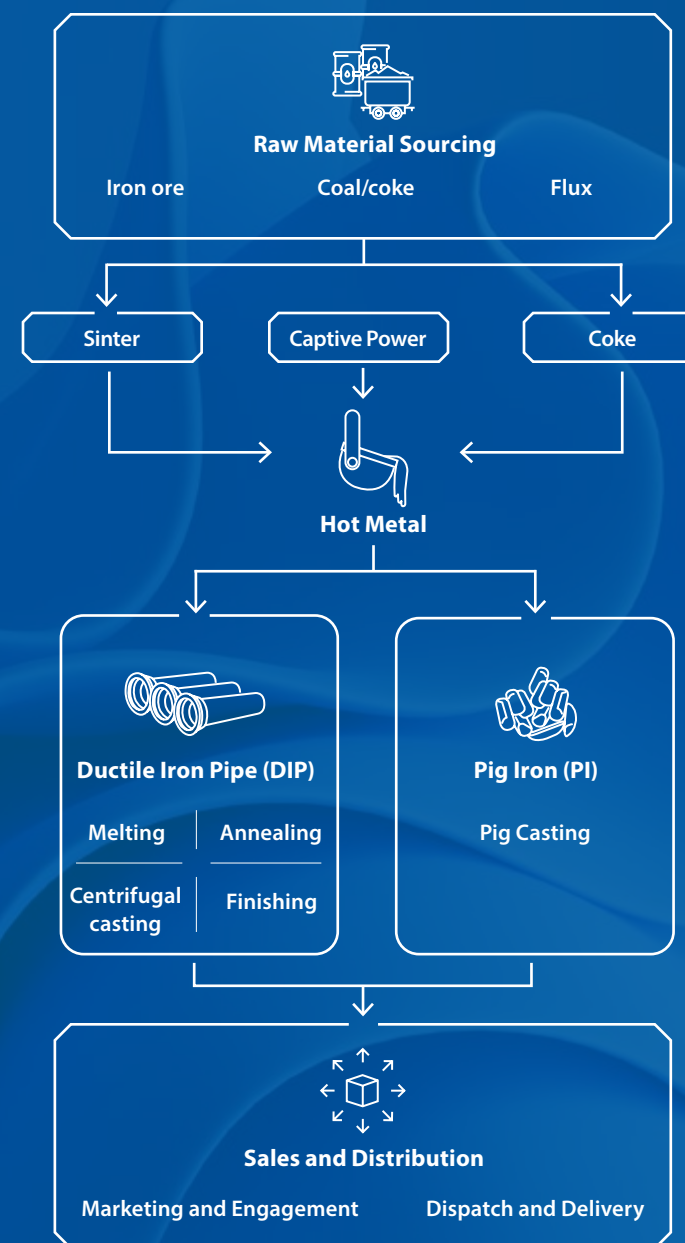
- Energy Intensity
 - PI: 18.49 GJ/THM, DIP: 1.84 GJ/TFP
- Water Consumption Intensity:
 - PI: 1.41 m³/THM
 - DIP: 1.49 m³/TFP
- Inbound Raw Material
 - Iron Ore: 929 KT
 - Coal: 68 KT
 - Coke: 333 KT
 - Flux: 178 KT
- Capex on Environment: ₹12 crore

**Social and Relationship Capital**

- Supplier Base: 1,079
- CSR Contribution: ₹6.81 crore

LTPA: Lakh Tonnes per Annum
GJ/THM: Giga Joules per Tonne of Hot Metal,
GJ/TFP: Giga Joules per Tonne of Finished Pipe

Key Business Activities and Processes



Outcomes

**Financial Capital**

- Turnover: ₹3,260 crore
- EBITDA: ₹211 crore
- PAT: ₹81 crore
- Return on Net Worth: 5%
- Dividend: 50% (face value of ₹10 each)
- Market Capitalisation: ₹2,370 crore (as on March 31, 2023)

**Manufactured Capital**

- HM Production: 5.62 Lt
- Finished DIP Production: 3 Lt
- Captive Power Generated: 24 MW

**Intellectual Capital**

- Number of kaizens undertaken: 466
- Savings from Improvement Projects: ₹89 crore

**Human Capital**

- Fatalities: 1
- LTIFR: 0.27
- Training Effectiveness: 4.3 (on 5)
- Diversity % Women in workforce (permanent): 7.5%
- Employee Engagement Score: 4.15 (on 5)

**Natural Capital**

- Water Recycled/Day: 2,550 m³/day
- Materials Recycled back into process: 98%
- Carbon Emission Intensity:
 - PI: 1.86 t CO₂e/THM
 - DIP: 0.48 t CO₂e/TFP

**Social and Relationship Capital**

- CSI: PI 93.9, DI: 86.3
- Repeat Sales to Customers (PI): 93%
- Sales to key and Elite DIP Customers: 61%
- CSR Outreach: 55,000+
- Employee Volunteering Hours: 7,191

THM: Tonne of Hot Metal
TFP: Tonne of Finished Pipe
CSI: Customer Satisfaction Index
CSR: Corporate Social Responsibility

Our Performance

In FY 2022-23, we delivered a resilient performance, demonstrating strength across a wide range of metrics. We strategically enhanced our future readiness by increasing our Ductile Iron Pipe capacity, resulting in robust operational performance across all our business segments. Moreover, we continued to prioritise our Safety and digital transformation initiatives to drive Efficiency and Innovation, while making notable advancements in our Sustainability efforts.

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