Deloitte
Haskins & Sells

Chartered Accountants
Bengal Intelligent Park
Building Alpha, 1st Floor
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Salt Lake Electronics Complex
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India

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**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
TATA METALIKS LIMITED**

1. We have audited the accompanying statement of Standalone Financial Results of **TATA METALIKS LIMITED** ("the Company") and reviewed the Consolidated Unaudited Financial Results of the Company and its subsidiary Tata Metaliks Kubota Pipes Limited (the Company and its subsidiary constitute "the Group") for the quarter and six months ended 30 September 2013 (" the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II – Select Information referred to in paragraph 4 below. This Statement has been prepared on the basis of the related interim financial statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement, based on our audit/review of the related interim financial statements.

2. (i) We conducted our audit of the standalone results presented in the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   (ii) We conducted our review of the consolidated results presented in the statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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3. (i) In our opinion and to the best of our information and according to the explanations given to us, the Statement in so far as it relates to the standalone financial results:

   (a) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and

   (b) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the quarter and six months ended 30 September 2013.

   (ii) Based on our review conducted as stated in paragraph 2(ii) above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholdings and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements from the details furnished by the Management and the particulars relating to the investor complaints disclosed in Part II - Select Information for the quarter and six months ended 30 September 2013 of the Statement, from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.302009E)

**Abhijit Bandyopadhyay**
Partner
(Membership No. 54785)

Kolkata, 30 October, 2013

TATA METALIKS LIMITED

TATA CENTRE (10th Floor), 43, J L Nehru Road, KOLKATA - 700 071

STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2013

PART I

(Rs. in lacs)

| Sr. No | Particulars | 3 months Ended 30.09.2013 Audited | 3 months Ended 30.06.2013 Audited | 3 months Ended 30.09.2012 Audited | 6 months Ended 30.09.2013 Audited | 6 months Ended 30.09.2012 Audited | Year Ended 31.03.2013 Audited |
|---|---|---|---|---|---|---|---|
| 1. | **Income from operations** | | | | | | |
| | a) Net Sales/ Income from Operations (Net of excise duty) | **26,067** | 28,003 | 17,586 | **54,070** | 37,769 | 84,219 |
| | b) Other Operating Income | **786** | 84 | 589 | **870** | 1,469 | 2,219 |
| | **Total Income from operations (Net)** | **26,853** | 28,087 | 18,175 | **54,940** | 39,238 | 86,438 |
| 2. | Expenditure | | | | | | |
| | a) Cost of materials consumed | **18,996** | 19,530 | 14,534 | **38,526** | 32,951 | 73,682 |
| | b) Changes in inventories of finished goods and work-in-progress | **1,522** | 2,764 | 1,278 | **4,286** | 1,564 | (3,723) |
| | c) Employees benefit expense | **621** | 609 | 747 | **1,230** | 1,400 | 3,341 |
| | d) Depreciation and amortisation expense | **402** | 401 | 392 | **803** | 789 | 1,610 |
| | e) Other expenses | **4,197** | 4,146 | 1,488 | **8,343** | 3,982 | 10,271 |
| | **Total expenses** | **25,738** | 27,450 | 18,439 | **53,188** | 40,686 | 85,181 |
| 3. | **Profit/(Loss) from operations before other income, finance costs and exceptional Items (1-2)** | **1,115** | 637 | (264) | **1,752** | (1,448) | 1,257 |
| 4. | Other Income | **11** | 13 | 62 | **24** | 775 | 799 |
| 5. | **Profit/(Loss) from ordinary activities before finance costs and exceptional Items (3+4)** | **1,126** | 650 | (202) | **1,776** | (673) | 2,056 |
| 6. | Finance costs | **547** | 573 | 639 | **1,120** | 928 | 1,941 |
| 7. | **Profit/(Loss) from ordinary activities after finance costs but before exceptional Items (5-6)** | **579** | 77 | (841) | **656** | (1,601) | 115 |
| 8. | Exceptional items | **-** | - | - | **-** | - | (5,569) |
| 9. | **Profit (+) / Loss (-) from ordinary activities before tax (7 + 8)** | **579** | 77 | (841) | **656** | (1,601) | (5,454) |
| 10. | Tax expense | **-** | - | - | **-** | - | - |
| 11. | **Net Profit (+) / Loss (-) from ordinary activities after tax (9 - 10)** | **579** | 77 | (841) | **656** | (1,601) | (5,454) |
| 12. | Extraordinary Items | **-** | - | - | **-** | - | - |
| 13. | **Net Profit (+) / Loss (-) for the period (11 +12) (Refer 14 & 15 below for Profit/Loss from continuing and discontinuing operations)** | **579** | 77 | (841) | **656** | (1,601) | (5,454) |
| 14. | **Net Profit / (Loss) for the period from continuing operations** | **713** | 437 | (177) | **1,150** | (342) | 2,412 |
| 15. | **Net Profit / (Loss) for the period from discontinuing operations** | **(134)** | (360) | (664) | **(494)** | (1,259) | (7,866) |
| 16. | Paid-up equity share capital (Face value Rs.10/- per share) | **2,529** | 2,529 | 2,529 | **2,529** | 2,529 | 2,529 |
| 17. | Reserve excluding Revaluation reserves as per balance sheet of previous accounting year | | | | | | (5,824) |
| 18. | Earnings per share (EPS) | | | | | | |
| | a). Basic and Diluted EPS before Extraordinary items (Rs.) (Not annualised for quarters and six months ended) | **2.29** | 0.30 | (3.33) | **2.59** | (6.33) | (21.57) |
| | b). Basic and Diluted EPS after Extraordinary items (Rs.)(Not annualised for quarters and six months ended) | **2.29** | 0.30 | (3.33) | **2.59** | (6.33) | (21.57) |
| 19. | Debt Equity ratio | **4.88** | 5.67 | 3.36 | **4.88** | 3.36 | 5.26 |
| 20. | Debt Service Coverage Ratio | **0.73** | 1.13 | (0.32) | **0.84** | (0.73) | 0.16 |
| 21. | Interest Service Coverage Ratio | **2.06** | 1.13 | (0.32) | **1.59** | (0.73) | 1.06 |

TATA METALIKS LIMITED

TATA CENTRE (10th Floor), 43, J L Nehru Road, KOLKATA - 700 071

**PART II SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2013**

| | | 3 months Ended 30.09.2013 Audited | 3 months Ended 30.06.2013 Audited | 3 months Ended 30.09.2012 Audited | 6 months Ended 30.09.2013 Audited | 6 months Ended 30.09.2012 Audited | Year Ended 31.03.2013 Audited |
|---|---|---|---|---|---|---|---|
| A. | **Particulars of Shareholding** | | | | | | |
| 1. | Public shareholding | | | | | | |
| | - Number of shares | **12,620,410** | 12,620,410 | 12,619,860 | **12,620,410** | 12,619,860 | 12,620,410 |
| | - Percentage of shareholding | **49.91%** | 49.91% | 49.90% | **49.91%** | 49.90% | 49.91% |
| 2. | Promoters and promoter group Shareholding | | | | | | |
| | a) Pledged/Encumbered | | | | | | |
| | - Number of shares | - | | - | - | - | - |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | - | | - | - | - | - |
| | - Percentage of shares (as a % of the total share capital of the company) | - | | - | - | - | - |
| | b) Non-encumbered | | | | | | |
| | - Number of shares | **12,667,590** | 12,667,590 | 12,668,140 | **12,667,590** | 12,668,140 | 12,667,590 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | **100%** | 100% | 100% | **100%** | 100% | 100% |
| | - Percentage of shares (as a % of the total share capital of the company) | **50.09%** | 50.09% | 50.10% | **50.09%** | 50.10% | 50.09% |

| | | Quarter Ended 30.09.2013 |
|---|---|---|
| **B.** | **Investor Complaints** | |
| | Pending at the beginning of the quarter | **1** |
| | Received during the quarter | **26** |
| | Disposed of during the quarter | **26** |
| | Remaining unresolved at the end of the quarter | **1** |

TATA METALIKS LIMITED

TATA CENTRE (10th Floor), 43, J L Nehru Road, KOLKATA - 700 071

STANDALONE STATEMENT OF ASSETS AND LIBILITIES

(Rs. in lacs)

| | | Particulars | As at 30.09.2013 | As at 31.03.2013 |
|---|---|---|---|---|
| A | | **EQUITY AND LIABILITIES** | | |
| | 1 | **Shareholders' funds** | | |
| | | (a) Share Capital | 12,529 | 12,529 |
| | | (b) Reserves and surplus | (5,169) | (5,824) |
| | | **Sub-total Shareholders' funds** | 7,360 | 6,705 |
| | 2 | **Non-current liabilities** | | |
| | | (a) Long-term Borrowings | 7,000 | 8,000 |
| | | (b) Deferred tax liabilities (net) | 665 | 665 |
| | | (c) Long-term provisions | 534 | 532 |
| | | **Sub-total Non-current liabilities** | 8,199 | 9,197 |
| | 3 | **Current liabilities** | | |
| | | (a) Short-term borrowings | 23,029 | 21,473 |
| | | (b) Trade payables | 20,159 | 24,403 |
| | | (c) Other current liabilities | 11,023 | 11,462 |
| | | (d) Short-term provisions | 562 | 92 |
| | | **Sub-total current liabilities** | 54,773 | 57,430 |
| | | **TOTAL - EQUITY AND LIABILITIES** | 70,332 | 73,332 |
| B | | **ASSETS** | | |
| | 1 | **Non-current assets** | | |
| | | (a) Fixed assets | 27,015 | 26,618 |
| | | (b) Non Current Investments | 9,882 | 9,881 |
| | | (c) Long-term loans and advances | 5,687 | 5,710 |
| | | (d) Other non-current assets | 17 | 20 |
| | | **Sub-total - Non-current assets** | 42,601 | 42,229 |
| | 2 | **Current assets** | | |
| | | (a) Inventories | 9,717 | 16,761 |
| | | (b) Trade receivables | 15,494 | 12,122 |
| | | (c) Cash and cash equivalents | 102 | 177 |
| | | (d) Short-term loans and advances | 1,260 | 1,777 |
| | | (e) Other current assets | 1,158 | 266 |
| | | **Sub-total -Current assets** | 27,731 | 31,103 |
| | | **TOTAL - ASSETS** | 70,332 | 73,332 |

TATA METALIKS LIMITED

TATA CENTRE (10th Floor), 43, J L Nehru Road, KOLKATA - 700 071

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2013

PART I

(Rs. in lacs)

| Sr. No | Particulars | 3 months Ended 30.09.2013 Un Audited | 3 months Ended 30.06.2013 Un Audited | 3 months Ended 30.09.2012 Un Audited | 6 months Ended 30.09.2013 Un Audited | 6 months Ended 30.09.2012 Un Audited | Year Ended 31.03.2013 Audited |
|---|---|---|---|---|---|---|---|
| 1. | **Income from operations** | | | | | | |
| | a) Net Sales/ Income from Operations (Net of excise duty) | **31,695** | 34,093 | 20,628 | **65,788** | 42,779 | 96,792 |
| | b) Other Operating Income | **869** | 180 | 698 | **1,049** | 1,641 | 2,477 |
| | **Total Income from operations (Net)** | **32,564** | 34,273 | 21,326 | **66,837** | 44,420 | 99,269 |
| 2. | Expenditure | | | | | | |
| | a) Cost of materials consumed | **20,277** | 20,779 | 15,198 | **41,056** | 34,402 | 77,228 |
| | b) Changes in inventories of finished goods and work-in-progress | **1,511** | 3,598 | 1,660 | **5,109** | 691 | (4,292) |
| | c) Employees benefit expense | **1,164** | 1,063 | 1,191 | **2,227** | 2,227 | 5,059 |
| | d) Depreciation and amortisation expense | **784** | 743 | 699 | **1,527** | 1,373 | 2,822 |
| | e) Other expenses | **8,486** | 8,364 | 3,888 | **16,850** | 8,924 | 21,183 |
| | **Total expenses** | **32,222** | 34,547 | 22,636 | **66,769** | 47,617 | 102,000 |
| 3. | **Profit/(Loss) from operations before other income, finance costs and exceptional Items (1-2)** | **342** | (274) | (1,310) | **68** | (3,197) | (2,731) |
| 4. | Other Income | **15** | 16 | 58 | **31** | 773 | 782 |
| 5. | **Profit/(Loss) from ordinary activities before finance costs and exceptional Items (3+4)** | **357** | (258) | (1,252) | **99** | (2,424) | (1,949) |
| 6. | Finance costs | **1,037** | 1,063 | 1,128 | **2,100** | 1,852 | 3,872 |
| 7. | **Profit/(Loss) from ordinary activities after finance costs but before exceptional Items (5-6)** | **(680)** | (1,321) | (2,380) | **(2,001)** | (4,276) | (5,821) |
| 8. | Exceptional items | **-** | - | - | **-** | - | - |
| 9. | **Profit (+) / Loss (-) from ordinary activities before tax (7 + 8)** | **(680)** | (1,321) | (2,380) | **(2,001)** | (4,276) | (5,821) |
| 10. | Tax expense | **-** | - | - | **-** | - | - |
| 11. | **Net Profit (+) / Loss (-) from ordinary activities after tax (9 - 10)** | **(680)** | (1,321) | (2,380) | **(2,001)** | (4,276) | (5,821) |
| 12. | Extraordinary Items | - | - | - | - | - | (5,569) |
| 13. | **Net Profit (+) / Loss (-) for the period (11 +12) (Refer 16 & 17 below for Profit/Loss from continuing and discontinuing operations)** | **(680)** | (1,321) | (2,380) | **(2,001)** | (4,276) | (11,390) |
| 14. | **Minority Interest** | **-** | - | (751) | **-** | (1,306) | (2,680) |
| 15. | **Net Profit/(Loss) after taxes and minority interest (13 -14)** | **(680)** | (1,321) | (1,629) | **(2,001)** | (2,970) | (8,710) |
| 16. | **Net Profit / (Loss) for the period from continuing operations** | **(546)** | (961) | (1,716) | **(1,507)** | (3,017) | (3,524) |
| 17. | **Net Profit / (Loss) for the period from discontinuing operations** | **(134)** | (360) | (664) | **(494)** | (1,259) | (7,866) |
| 18. | Paid-up equity share capital (Face value Rs.10/- per share) | **2,529** | 2,529 | 2,529 | **2,529** | 2,529 | 2,529 |
| 19. | Reserve excluding Revaluation reserves as per balance sheet of previous accounting period | | | | | | (15,452) |
| 20. | Earnings per share (EPS) | | | | | | |
| | a). Basic and Diluted EPS before Extraordinary items (Rs.) (Not annualised for quarters and six months ended ) | **(2.69)** | (5.23) | (6.44) | **(7.92)** | (11.75) | (34.45) |
| | b). Basic and Diluted EPS after Extraordinary items (Rs.)(Not annualised for quarters and six months ended) | **(2.69)** | (5.23) | (6.44) | **(7.92)** | (11.75) | (34.45) |

TATA METALIKS LIMITED

TATA CENTRE (10th Floor), 43, J L Nehru Road, KOLKATA - 700 071

**CONSOLIDATED SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED**

**(Rs. in lacs)**

| | | 3 months Ended 30.09.2013 Un Audited | 3 months Ended 30.06.2013 Un Audited | 3 months Ended 30.09.2012 Un Audited | 6 months Ended 30.09.2013 Un Audited | 6 months Ended 30.09.2012 Un Audited | Year Ended 31.03.2013 Audited |
|---|---|---|---|---|---|---|---|
| 1 | **Segment Revenue** | | | | | | |
| | Pig Iron | **26,853** | 28,087 | 18,175 | **54,940** | 39,238 | 86,438 |
| | Ductile Iron Pipe | **10,698** | 11,425 | 7,312 | **22,123** | 14,008 | 31,258 |
| | Total | **37,551** | 39,512 | 25,487 | **77,063** | 53,246 | 117,696 |
| | Less: Inter Segment Revenue | **(4,987)** | (5,239) | (4,161) | **(10,226)** | (8,826) | (18,427) |
| | **Net Sales/Revenue from Operations** | **32,564** | 34,273 | 21,326 | **66,837** | 44,420 | 99,269 |
| 2 | **Segment Results** | | | | | | |
| | Pig Iron | **1,126** | 650 | (203) | **1,775** | (674) | 2,056 |
| | Ductile Iron Pipe | **(769)** | (908) | (1,040) | **(1,676)** | (1,739) | (3,974) |
| | Total | **357** | (258) | (1,243) | **99** | (2,413) | (1,918) |
| | Less: Inter Segment eliminations | **-** | - | 9 | **-** | 11 | 31 |
| | **Total Segment results before interest and tax** | **357** | (258) | (1,252) | **99** | (2,424) | (1,949) |
| | **Finance Costs** | **1,037** | 1,063 | 1,128 | **2,100** | 1,852 | 3,872 |
| | **Profit/(loss) before exceptional items and tax** | **(680)** | (1,321) | (2,380) | **(2,001)** | (4,276) | (5,821) |
| | **Exceptional items** | **-** | - | - | **-** | - | (5,569) |
| | **Profit/(loss) before tax** | **(680)** | (1,321) | (2,380) | **(2,001)** | (4,276) | (11,390) |
| | **Tax** | **-** | - | - | **-** | - | - |
| | **Net Profit/(loss) after tax** | **(680)** | (1,321) | (2,380) | **(2,001)** | (4,276) | (11,390) |
| 3 | **Capital Employed** | | | | | | |
| | Pig Iron | **33,664** | 35,725 | 37,760 | **33,664** | 37,760 | 32,454 |
| | Ductile Iron Pipe | **14,319** | 15,683 | 18,712 | **14,319** | 18,712 | 17,664 |
| | Unallocated | | | | | | |
| | Total | **47,983** | 51,408 | 56,472 | **47,983** | 56,472 | 50,118 |

TATA METALIKS LIMITED

TATA CENTRE (10th Floor), 43, J L Nehru Road, KOLKATA - 700 071

**CONSOLIDATED STATEMENT OF ASSETS AND LIBILITIES** **(Rs. in lacs)**

| | | Particulars | As at 30.09.2013 | As at 31.03.2013 |
|---|---|---|---|---|
| A | | **EQUITY AND LIABILITIES** | | |
| | 1 | **Shareholders' funds** | | |
| | | (a) Share Capital | 12,529 | 12,529 |
| | | (b) Reserves and surplus | (17,454) | (15,452) |
| | | **Sub-total Shareholders' funds** | (4,925) | (2,923) |
| | 2 | **Minority Interest** | | |
| | 3 | **Non-current liabilities** | | |
| | | (a) Long-term Borrowings | 15,715 | 18,096 |
| | | (b) Deferred tax liabilities (net) | 665 | 665 |
| | | (c) Long-term provisions | 615 | 596 |
| | | **Sub-total Non-current liabilities** | 16,995 | 19,357 |
| | 4 | **Current liabilities** | | |
| | | (a) Short-term borrowings | 26,669 | 25,427 |
| | | (b) Trade payables | 23,669 | 26,995 |
| | | (c) Other current liabilities | 16,984 | 16,428 |
| | | (d) Short-term provisions | 562 | 93 |
| | | **Sub-total current liabilities** | 67,884 | 68,943 |
| | | **TOTAL - EQUITY AND LIABILITIES** | 79,954 | 85,377 |
| B | | **ASSETS** | | |
| | 1 | **Non-current assets** | | |
| | | (a) Fixed assets | 44,377 | 43,618 |
| | | (b) Non Current Investments | 2 | 2 |
| | | (c) Long-term loans and advances | 5,971 | 5,800 |
| | | (d) Other non-current assets | 289 | 316 |
| | | **Sub-total - Non-current assets** | 50,639 | 49,736 |
| | 2 | **Current assets** | | |
| | | (a) Inventories | 13,988 | 21,727 |
| | | (b) Trade receivables | 10,981 | 8,858 |
| | | (c) Cash and cash equivalents | 193 | 901 |
| | | (d) Short-term loans and advances | 2,928 | 3,839 |
| | | (e) Other current assets | 1,225 | 316 |
| | | **Sub-total -Current assets** | 29,315 | 35,641 |
| | | **TOTAL - ASSETS** | 79,954 | 85,377 |

Notes:-

1. The Company is engaged in the manufacture of Pig Iron, which in the context of Accounting Standard (AS) 17 - Segment Reporting is considered as single business segment for standalone results.
2. The Company has purchased the entire shareholding of Kubota Corporation and Metal One Corporation in its subsidiary Tata Metaliks Kubota Pipes Limited on April 9, 2013. Consequently, Tata Metaliks Kubota Pipes Limited became a wholly owned subsidiary with effect from that date.
3. Other operating income for the quarter and six months ended 30 September,2013 includes sales tax incentive of Rs 688.10 lacs received from West Bengal Industrial Development Corporation.
4. The Board of directors at their meeting held on April 10, 2013 approved the scheme of amalgamation of the Company and its subsidiary, Tata Metaliks Kubota Pipes Limited with Tata Steel Limited with an appointed date of April 1, 2013. The Scheme is subject to approval of the High Court judicature of Bombay and Calcutta.
5. The above results were reviewed by the Audit Committee on 28 October 2013 and taken on record by the Board of Directors at its meeting held on 30 October 2013.
6. Figures of the previous quarter/periods have been re-arranged, where necessary

Place: Mumbai

Date : 30 October 2013

**Sanjiv Paul**

Managing Director