January 20, 2016

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza (5th Floor)
Plot No. C/1, G. Block
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400 051.

Dear Sir,

Sub : Submission of audited financial results for three/nine months ended December 31 2015

Ref : Regulation 33 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to inform you that the Board of Directors of Tata Sponge Iron Limited at its meeting held on January 20, 2016, has approved the audited financial results for three/nine months ended December 31, 2015. The said results are attached herewith.

Thanking you,

Yours faithfully,
for Tata Sponge Iron Limited

(Sanjay Kasture)
Company Secretary

TATA Sponge Iron Limited
PO Joda Dist Keonjhar Orissa 758 034 India
Tel 91 6767 278178 Fax 278129 Email: info@tatasponge.com, Website : www.tatasponge.com
CIN: L27102OR1982PLC001091

# Deloitte Haskins & Sells

Chartered Accountants
Bengal Intelligent Park
Building Alpha, 1st Floor
Block - EP & GP, Sector - V
Salt Lake Electronics Complex
Kolkata - 700 091
India

Tel. : +91 (33) 6612 1000
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**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF TATA SPONGE IRON LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **TATA SPONGE IRON LIMITED** ("the Company") for the Quarter and Nine Months ended December 31, 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related interim financial statements in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Deloitte**
**Haskins & Sells**

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

   (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the Quarter and Nine Months ended December 31, 2015.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 302009E)

Alka Chadha

**Alka Chadha**
Partner
(Membership No. 93474)

**Kolkata, January 20, 2016**

**TATA SPONGE IRON LIMIITED**

**Regd. Office : Joda , Post- Joda**

**Dist.- Keonjhar, Orissa, Pin Code 758 034**

**CIN : L27102OR1982PLC001091**

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2015**

**Part I** **(Rs. In Lacs)**

| Particulars | 3 Months ended 31.12.2015 (Audited) | Preceding 3 months ended 30.09.2015 (Audited) | Corresponding 3 months ended in the previous year 31.12.2014 (Audited) | Year to date figures for current period ended 31.12.2015 (Audited) | Year to date figures for previous year ended 31.12.2014 (Audited) | Previous year ended 31.03.2015 (Audited) |
|---|---|---|---|---|---|---|
| 1 **Income from operations** | | | | | | |
| a) Net Sales/Income from operations (Net of excise duty) | **13,878** | 15,071 | 20,718 | **43,142** | 60,638 | 76,623 |
| b) Other operating income | **11** | 160 | 796 | **172** | 2,302 | 2,350 |
| **Total Income from operations (net)** | **13,889** | 15,231 | 21,514 | **43,314** | 62,940 | 78,973 |
| 2 **Expenses** | | | | | | |
| a) Cost of materials consumed | **11,140** | 9,479 | 17,360 | **32,039** | 44,781 | 58,620 |
| b) Purchase of stock-in-trade | **-** | 780 | - | **780** | - | - |
| c) Changes in inventories of finished goods and stock-in-trade | **(131)** | 1,616 | 73 | **1,217** | 458 | (568) |
| d) Employee benefits expense | **943** | 728 | 837 | **2,564** | 2,345 | 3,515 |
| e) Depreciation and amortisation expenses | **343** | 323 | 302 | **984** | 887 | 1,294 |
| f) Other expenses | **1,704** | 2,504 | 1,457 | **5,952** | 5,259 | 7,483 |
| **Total Expenses** | **13,999** | 15,430 | 20,029 | **43,536** | 53,730 | 70,344 |
| 3 Profit / (Loss) from Operations before other income, finance costs and exceptional items (1-2) | **(110)** | (199) | 1,485 | **(222)** | 9,210 | 8,629 |
| 4 Other Income | **826** | 915 | 866 | **2,675** | 3,195 | 5,548 |
| 5 Profit from ordinary activities before finance costs and exceptional items (3 + 4) | **716** | 716 | 2,351 | **2,453** | 12,405 | 14,177 |
| 6 Finance Costs | **57** | 58 | 145 | **172** | 307 | 530 |
| 7 Profit from ordinary activities after finance costs but before exceptional items (5-6) | **659** | 658 | 2,206 | **2,281** | 12,098 | 13,647 |
| 8 Exceptional items | **-** | - | - | **-** | - | - |
| 9 Profit from ordinary activities before tax (7 + 8) | **659** | 658 | 2,206 | **2,281** | 12,098 | 13,647 |
| 10 Tax expense | **135** | 89 | 555 | **479** | 3,766 | 4,458 |
| 11 Net Profit from ordinary activities after tax (9 - 10) | **524** | 569 | 1,651 | **1,802** | 8,332 | 9,189 |
| 12 Extraordinary items (net of tax expenses) | **-** | - | - | **-** | - | - |
| 13 Net Profit for the period (11 - 12) | **524** | 569 | 1,651 | **1,802** | 8,332 | 9,189 |
| 14 Paid up equity share capital (Face value : Rs.10 per share) | **1,540** | 1,540 | 1,540 | **1,540** | 1,540 | 1,540 |
| 15 Reserves excluding revaluation reserves as per balance sheet of previous accounting year | | | | | | 77,977 |
| 16 Earnings Per share (EPS) (Face value : Rs.10 per share) | | | | | | |
| a) Basic and diluted EPS before extraordinary items (not annualised) | **3.40** | 3.70 | 10.72 | **11.70** | 54.11 | 59.67 |
| b) Basic and diluted EPS after extraordinary items (not annualised) | **3.40** | 3.70 | 10.72 | **11.70** | 54.11 | 59.67 |
| See accompanying note to the financial results | | | | | | |



TATA SPONGE IRON LIMIITED

Regd. Office : Joda , Post- Joda

Dist.- Keonjhar, Orissa, Pin Code 758 034

CIN : L27102OR1982PLC001091

**SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015**

**(Rs. In Lacs)**

| Particulars | 3 Months ended 31.12.2015 (Audited) | Preceding 3 months ended 30.09.2015 (Audited) | Corresponding 3 months ended in the previous year 31.12.2014 (Audited) | Year to date figures for current period ended 31.12.2015 (Audited) | Year to date figures for previous year ended 31.12.2014 (Audited) | Previous year ended 31.03.2015 (Audited) |
|---|---|---|---|---|---|---|
| **1. Revenue by Business Segment :** | | | | | | |
| Sponge business | **12,566** | 14,420 | 20,419 | **40,282** | 59,332 | 74,224 |
| Power business | **1,701** | 1,111 | 2,447 | **4,035** | 5,740 | 6,198 |
| **Total** | **14,267** | 15,531 | 22,866 | **44,317** | 65,072 | 80,422 |
| Less: Intersegment revenue | **(378)** | (300) | (1,352) | **(1,003)** | (2,132) | (1,449) |
| Net sales / income from operations | **13,889** | 15,231 | 21,514 | **43,314** | 62,940 | 78,973 |
| **2. Segment results (Profit)(+)/ Loss (-) before finance costs, exceptional items and tax:** | | | | | | |
| Sponge business | **(1,097)** | (699) | 1 | **(2,518)** | 5,974 | 6,535 |
| Power business | **995** | 514 | 1,838 | **2,325** | 4,217 | 4,220 |
| Unallocated income/ (expenditure) (net) | **818** | 901 | 512 | **2,646** | 2,214 | 3,422 |
| **Total segment results before finance costs, exceptional items and tax** | **716** | 716 | 2,351 | **2,453** | 12,405 | 14,177 |
| Less: Finance costs | **57** | 58 | 145 | **172** | 307 | 530 |
| **Profit before exceptional items and tax** | **659** | 658 | 2,206 | **2,281** | 12,098 | 13,647 |
| **Exceptional items:** | - | - | - | - | - | - |
| **Profit before tax** | **659** | 658 | 2,206 | **2,281** | 12,098 | 13,647 |
| Less : Tax expense | **135** | 89 | 555 | **479** | 3,766 | 4,458 |
| **Net Profit for the period** | **524** | 569 | 1,651 | **1,802** | 8,332 | 9,189 |
| **3. Segment Capital Employed :** (Segment Assets - Segment Liabilities) | | | | | | |
| Sponge business | **12,080** | 16,083 | 16,728 | **12,080** | 16,728 | 16,896 |
| Power business | **3,984** | 3,848 | 3,273 | **3,984** | 3,273 | 4,508 |
| Unallocated | **65,255** | 60,864 | 60,513 | **65,255** | 60,513 | 58,113 |
| **Total** | **81,319** | 80,795 | 80,514 | **81,319** | 80,514 | 79,517 |

**Notes :**

(1) The above results have been noted in the Audit committee and approved at the meeting of the Board of Directors held on 20 January, 2016.

(2) In the month of November 2012, Ministry of Coal ("MoC") issued notices to the Company for invocation of bank guarantee of Rs. 3,250 lacs submitted towards performance of conditions for allocation of coal block against which the Company had filed a writ petition in the Hon'ble High Court of Delhi, which directed the Company to keep the bank guarantee valid till 30 November, 2015 by which date the MoC was directed to take a decision. Meanwhile the bank guarantee expired and had not been renewed, since no communication had been received from MoC. Subsequently, MoC issued a notice dated 28 December, 2015 stating that the bank guarantee be invoked and the aforesaid amount be deposited. Consequent to MoC's notice, the Company has moved to the Hon'ble High Court of Delhi, where the matter is pending adjudication. The Company has been advised and has obtained a legal opinion that as the orginal allocation has been declared illegal and cancelled by the Hon'ble Supreme Court, the bank gurantee pertaining to such allocation (which is non-est and void ab initio) shall consequently be deemed to be invalid and void ab initio. Pending finalisation of the matter, the amount continues to be disclosed as a contingent liability.

(3) (a) During pendency of the aforesaid matters in Hon'ble High Court of Delhi, the Hon'ble Supreme Court of India vide its order dated 24 September, 2014 has cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the Company on 7 February, 2006. The carrying value of investments made in Radhikapur East Coal Block as on 31 December, 2015 aggregates to Rs. 18,044.69 lacs.

(b) Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India has promulgated Coal Mines (Special Provision) Rules, 2014 ("Rules") for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the successful bidder will be called upon to pay to the prior allocatee the expenses incurred by the prior allocatee towards land and mine infrastructure. Pursuant to MoC's directive seeking the details of expenses vide letter dated 26 December, 2014, the Company has furnished the required statement of expenses on 5 January, 2015. Based on the Rules and necessary legal opinion obtained by the Company, no provision is considered necessary.

(4) Figures for the previous period/year have been regrouped and reclassified to conform to the classification of current period, where necessary.

For and on behalf of the Board of Directors

**D. P. Deshpande**
Managing Director

Kolkata, January 20, 2016