TSIL/SE/2019-20/77

July 29, 2019

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Scrip Code: 513010

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

Symbol: TATASPONGE

Dear Sir/ Madam,

Sub: **Press Release**

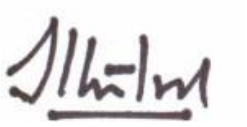
This has reference to our letter dated July 29, 2019.

Please find enclosed herewith a press release on financial results for the quarter ended June 30, 2019.

This is for your information and records.

Thanking You,

Yours faithfully,
For **Tata Sponge Iron Limited**



Sanjay Kasture
Chief Risk & Compliance Officer
and Company Secretary

Encl. as above

For immediate use **PRESS RELEASE**

Mumbai, July 29, 2019

Tata Sponge Iron Limited reports financial results for the quarter ended June 30, 2019

On 9th April 2019, Tata Sponge Iron Limited successfully acquired steel business of Usha Martin Limited. At the time of the acquisition, one out of the two blast furnaces was under major planned shutdown for relining work, which impacted the production and overall performance during 1QFY20. 1QFY20 performance was also impacted by subdued business sentiments and overall economic activity, which led to a decline in domestic steel and sponge prices. This coupled with elevated raw materials costs, impacted margins during the quarter. Further, the current quarter results include impact of depreciation and cost of funding to acquire the steel business, which has weighed on overall profitability.

The company has already started working on integration and stabilization of various operating units. It has identified synergies in various areas of operations, procurement and supply chain, including strategic sourcing of raw materials.

The company has obtained the required statutory approvals for operating its iron mines, during 1QFY20. The supply of Iron ore from the captive mines has commenced from July 2019 and is expected to ramp up in next couple of months. This is expected to improve performance in the subsequent quarters. The blast furnace has been successfully restarted after completing the relining work. We also expect an improvement in overall market sentiments and economic activity in later half of the year.

The company has started to improve overall working environment at the newly acquired steel business. Various capital projects are underway to bring it in line with Tata Steel's benchmark performances in the areas of environment, safety and operations.

Standalone and Consolidated Result Highlights

(Figures in Rs. crore unless otherwise specified)

Key profit & Loss account items	Standalone			Consolidated		
	1QFY20[1]	4QFY19	1QFY19	1QFY20[1]	4QFY19	1QFY19
Production ('000 tons)						
– Crude Steel	121	-	-	121	-	-
– Sponge	172	115	117	172	115	117
Deliveries ('000 tons)				-	-	-
– Saleable Steel	93	-	-	93	-	-
– Sponge	135	118	115	135	118	115
Turnover	**705**	**254**	**261**	**705**	**254**	**261**
Reported EBITDA	**24**	**23**	**60**	**24**	**23**	**60**
Depreciation	80	3	3	80	3	3
Finance cost	68	0.3	0.3	68	0.3	0.3
PBT before exceptional items	**(82)**	**36**	**69**	**(82)**	**36**	**69**
Exceptional Charges	(19)	-	-	(19)	-	-
Reported PAT (A)	**(86)**	**24**	**46**	**(86)**	**24**	**46**

Note: *1. 1QFY20 results include operations of the newly acquired steel business of Usha Martin Ltd., starting 9 April 2019, hence not comparable with previous periods.*

TATA Sponge Iron Limited
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Tel 91 6767 278178 Fax 278129 Email: info@tatasponge.com, Website : www.tatasponge.com
CIN: L27102OR1982PLC001091

About Tata Sponge Iron Limited

Tata Sponge Iron Limited is one of India's largest merchant sponge iron manufacturers. The company is engaged in the production of sponge iron by direct reduction method of iron ore and power generation from waste heat. The Company commenced its journey as IPITATA Sponge Iron Limited in 1982. It was a joint venture between Tata Steel Limited and the Industrial Promotion & Investment Corporation of Orissa Limited (IPICOL) for the production of sponge iron, based on the TISCO Direct Reduction (TDR) technology. Later, in 1991, Tata Steel acquired IPICOL's entire stake and Tata Sponge became an associate company of Tata Steel. Tata Sponge is now a subsidiary of Tata Steel, wherein Tata Steel holds 75.91% shareholding. The company produces and markets sponge iron, across India and in neighboring countries. Moreover, the Company also exports its surplus power from its two power plants to the parent company.

Recently, the Company has completed acquisition of steel business undertaking of Usha Martin Limited based in Gamharia, Jamshedpur, inter-alia comprising of a specialized ~1.0mtpa alloy steel manufacturing capacity in long products, a producing iron-ore mine, a coal mine under development and captive power plants**.**

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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