

**INDEPENDENT AUDITORS' REPORT
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 ended June 30, 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 express an opinion on the Statement, based on our audit of the related interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting notified under the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit of 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.
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 Clause 41 of the Listing Agreements with the Stock Exchanges; and
 - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profits and other financial information of the Company for the Quarter ended June 30, 2013



4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding 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 and the particulars relating to the investor complaints disclosed in Part II - Select Information for the Quarter Ended June 30, 2013 of the Statement, from the details furnished by the Management.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No. 302009E)



Abhijit Bandyopadhyay
Partner
(Membership No.054785)

Joda , July 23 ,2013



TATA SPONGE IRON LIMITED

Regd. Office : Joda , Post- Joda

Dist- Keonjhar, Orissa, Pin Code 758 034

STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2013

Part I					(Rs. in Lacs)
Particulars	3 months ended 30.06.2013 (Audited)	Preceding 3 months ended 31.03.2013 (Audited)	Corresponding 3 months ended 30.06.2012 in the previous year (Audited)	Previous accounting year ended 31.03.2013 (Audited)	
1 Income from operations					
a) Net Sales/Income from operations (net of excise duty)	16,082	20,670	18,550	77,695	
b) Other Operating Income	362	468	352	1,881	
Total Income from operations (net)	16,444	21,138	18,902	79,576	
2 Expenses					
a) Cost of materials consumed	12,312	15,241	15,753	59,578	
b) Purchase of Finished Goods	-	-	-	-	
c) Changes in inventories of finished goods	(249)	1,525	(2,994)	(217)	
d) Employee benefits expense	672	1,162	578	2,878	
e) Depreciation and amortisation expenses	444	437	453	1,788	
f) Other expenses	1,327	1,342	1,427	5,324	
Total Expenses	14,506	19,707	15,217	69,351	
3 Profit from Operations before other income, finance cost and exceptional Items (1-2)	1,938	1,431	3,685	10,225	
4 Other Income	741	827	671	3,156	
5 Profit from ordinary activities before finance costs and exceptional items (3 + 4)	2,679	2,258	4,356	13,381	
6 Finance Cost	47	665	1	791	
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	2,632	1,593	4,355	12,590	
8 Exceptional items	-	-	-	-	
9 Profit from ordinary activities before tax (7 + 8)	2,632	1,593	4,355	12,590	
10 Tax expense	828	657	1,384	4,047	
11 Net Profit from ordinary activities after tax (9 - 10)	1,804	936	2,971	8,543	
12 Extraordinary items (net of tax expenses)	-	-	-	-	
13 Net Profit for the period (11 - 12)	1,804	936	2,971	8,543	
14 Paid up equity share capital (Face value : Rs.10 per share)	1,540	1,540	1,540	1,540	
15 Reserves excluding revaluation reserves as per balance sheet of previous accounting year				62,407	
16 Earnings Per share (EPS)					
a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualised)	11.72	6.08	19.29	55.47	
b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised)	11.72	6.08	19.29	55.47	
See accompanying note to the financial results					

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PART II				
SELECT INFORMATION FOR THE QUARTER ENDED 30 JUNE, 2013				
Particulars	3 months ended 30.06.2013 (Audited)	Preceding 3 months ended 31.03.2013 (Audited)	corresponding 3 months ended 30.06.2012 in the previous year (Audited)	Previous accounting year ended 31.03.2013 (Audited)
A PARTICULARS OF SHAREHOLDING				
1 Public shareholding				
- Number of Shares	7,006,446	7,006,446	8,740,486	7,006,446
-Percentage of shareholdings	45.50	45.50	56.76	45.50
2 Promoters and promoter group Shareholding				
a) Pledged/Encumbered				
- No. of shares	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil
b) Non-encumbered				
- No. of shares	8,393,554	8,393,554	6,659,514	8,393,554
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	54.50	54.50	43.24	54.50

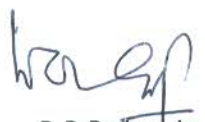
	Particulars	3 months ended 30.06.2013
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	1
	Received during the quarter	-
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	-

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SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30 JUNE 2013	
	(Rs. In Lacs)
Particulars	3 months ended 30.06.2013
Revenue by Business Segment :	
Sponge business	15,573.93
Power business	1,151.69
Others	-
Total	16,725.62
Less: Intersegment revenue	281.14
Net sales / income from operation	16,444.48
Segment results before finance costs, exceptional items and tax:	
Sponge business	1,474.74
Power business	538.93
Others	-
Unallocated income/ (expenditure)	665.49
Total segment results before finance costs, exceptional items and tax	2,679.16
Less: Finance cost	46.61
Profit /(Loss) before exceptional items and tax	2,632.55
Exceptional items:	-
Profit / (Loss) before tax	2,632.55
Less : Tax expense	828.00
Net Profit /(Loss)	1,804.55
Segment Capital Employed :	
Sponge business	14,473.68
Power business	3,997.96
Others	-
Unallocated	53,743.24
Total	72,214.88

- 1) The above results have been noted in the Audit committee and approved at the meeting of the Board of Directors held on 23 July, 2013.
- 2) The Company has identified sale of power as separate business segment other than sale of sponge iron from the quarter ended June 30, 2013 considering the requirements under Accounting Standard - 17 on "Segment Reporting" as notified under Companies (Accounting Standards) Rules, 2006 and accordingly the disclosures have been made. Further, as the Company's products are sold primarily in India there is no reportable secondary segment i.e. Geographical Segment. As sale of power has become reportable from the current quarter comparatives are not applicable.
- 3) The Company had received a notice on November 23, 2012 from the Ministry of Coal (MoC) for encashment of bank guarantee (BG) of Rs. 3250 lacs on the ground that there was a delay in commissioning the Radhikapur coal block allotted to the Company along with M/s Scaw Industries Limited and SPS Sponge Iron Limited. The Company contends that the delay in commissioning of the project is mainly attributable to both Central and State Governments in granting permissions/ approvals for various critical milestones. Further, the Company has also applied to the MoC for extension of the normative date of production on account of the above delays which is still pending. The Company had moved to Hon'ble High Court of Delhi against the revocation of BG by the MoC and the hearing is in process. Pending disposal by the MoC of the Company's application seeking extension of the normative date of production and the disposal of the Company's case before the Hon'ble High Court of Delhi, the amount has been disclosed as a contingent liability in the financial statements for the period ended June 30, 2013.
- 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
 Joda, 23 July, 2013