

**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
TATA SPONGE IRON LIMITED**

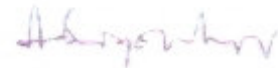
1. We have audited the accompanying Statement of Financial Results ("the Statement") of **Tata Sponge Iron Limited** ("the Company") for the quarter and six months ended 30 September, 2012, being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges. This Statement 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 statement, which has 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 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 misstatements. 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 of the net profit and other financial information of the Company for the quarter and six months ended 30 September, 2012.



4. Further, we also report that we have traced from the details furnished by the Registrars, the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, pledged / encumbered shares and non-encumbered shares of promoter and promoter group shareholders, in terms of Clause 35 of the Listing Agreements and the particulars relating to the undisputed investor complaints.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No.302009E)



Abhijit Bandyopadhyay
Partner
(Membership No.54785)

KOLKATA, 19 October ,2012

TATA SPONGE IRON LIMITED

Regd. Office : Joda , Post- Joda

Dist- Keonjhar, Orissa, Pin Code 758 034

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER, 2012

Part I Statement of Audited Results for the Quarter and Six Months Ended 30 September, 2012							(Rs. In Lacs)
Particulars	3 months ended 30.09.2012 (Audited)	Preceding 3 months ended 30.06.2012 (Audited)	corresponding 3 months ended 30.09.2011 in the previous year (Audited)	Year to date figures for current period ended 30.09.2012 (Audited)	Year to date figures for previous period ended 30.09.2011 (Audited)	Previous accounting year ended 31.03.2012 (Audited)	
1. Income from operations							
a) Net Sales/Income from operations (net of excise duty)	18,850	18,550	16,892	37,400	30,611	61,045	
b) Other Operating Income	708	352	570	1,060	1,130	2,349	
Total Income from operations (net)	19,558	18,902	17,372	38,460	31,941	63,394	
2. Expenses							
a) Cost of materials consumed	12,756	15,753	12,108	28,509	22,176	43,748	
b) Purchase of Finished Goods	-	-	-	-	-	-	
c) Changes in inventories of finished goods	1,870	(2,994)	421	(1,124)	(764)	27	
d) Employee benefits expense	531	578	426	1,109	955	2,031	
e) Depreciation and amortisation expenses	447	453	462	900	918	1,832	
f) Other expenses	1,150	1,427	1,431	2,577	2,779	6,290	
Total Expenses	16,754	15,217	14,848	31,971	26,564	53,933	
3. Profit from Operations before other income, finance cost and exceptional items (1-2)	2,804	3,685	2,524	6,489	5,377	9,461	
4. Other Income	920	671	622	1,591	1,070	2,299	
5. Profit from ordinary activities before finance costs and exceptional items (3 + 4)	3,724	4,356	3,146	8,080	6,447	11,760	
6. Finance Cost	16	1	6	17	6	553	
7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	3,708	4,355	3,140	8,063	6,441	11,207	
8. Exceptional items	-	-	-	-	-	-	
9. Profit from ordinary activities before tax (7 + 8)	3,708	4,355	3,140	8,063	6,441	11,207	
10. Tax expense	1,131	1,384	967	2,515	2,017	3,639	
11. Net Profit from ordinary activities after tax (9 - 10)	2,577	2,971	2,173	5,548	4,424	7,568	
12. Extraordinary items (net of tax expenses)	-	-	-	-	-	-	
13. Net Profit for the period (11 - 12)	2,577	2,971	2,173	5,548	4,424	7,568	
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						55,305	
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)	16.73	19.29	14.11	36.03	28.73	49.14	
b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised)	16.73	19.29	14.11	36.03	28.73	49.14	
See accompanying note to the financial results.							

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PART II						
Select information for the Quarter and Six Months ended 30 September, 2012						
Particulars	3 months ended 30.09.2012 (Audited)	Preceding 3 months ended 30.06.2012 (Audited)	corresponding 3 months ended 30.09.2011 in the previous year (Audited)	Year to date figures for current period ended 30.09.2012 (Audited)	Year to date figures for previous period ended 30.09.2011 (Audited)	Previous accounting year ended 31.03.2012 (Audited)
A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
- Number of Shares	7,006,446	8,740,486	8,674,864	7,006,446	8,674,864	8,740,486
- Percentage of shareholdings	45.50	56.76	56.33	45.50	56.33	56.76
2 Promoters and promoter group Shareholding						
a) Pledged/Encumbered						
- No. of shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non encumbered						
- No. of shares	8,393,554	6,659,514	6,725,136	8,393,554	6,725,136	6,659,514
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00	100.00	100	100.00
- Percentage of shares (as a % of the total share capital of the company)	54.50	43.24	43.67	54.50	43.67	43.24

Particulars		3 months ended 30.09.2012
B INVESTOR COMPLAINTS		
Pending at the beginning of the quarter		3
Received during the quarter		-
Disposed of during the quarter		3
Remaining unresolved at the end of the quarter		-

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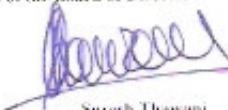
Dist- Kronghar, Orissa, Pin Code 758 034

		(Rs. In Lacs)	
STATEMENT OF ASSETS AND LIABILITIES		As at 30.09.2012	As at 31.03.2012
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	Share holders' Funds		
	(a) Share Capital	1,540	1,540
	(b) Reserves and Surplus	60,854	55,305
	Sub-total - Shareholders' funds	62,394	56,845
2	Non- current liabilities		
	(a) Deferred Tax Liabilities (net)	3,082	5,276
	(b) Long-term provisions	264	247
	Sub-total - Non- current liabilities	3,346	5,523
3	Current Liabilities		
	(a) Short term borrowings	3,153	
	(b) Trade Payables	3,902	4,636
	(c) Other current liabilities	2,940	1,546
	(d) Short-term provisions	5,798	6,586
	Sub-total - Current Liabilities	15,793	12,768
	TOTAL - EQUITY AND LIABILITIES	81,513	73,136
B	ASSETS		
1	Non- current assets		
	(a) Fixed Assets	18,356	18,981
	(b) Non-current investments	80	80
	(c) Long-term loans and advances	16,646	16,367
	(d) Other non-current assets	2	2
	Sub-total - Non- current assets	35,084	35,430
2	Current Assets		
	(a) Current investments	13,747	2,437
	(b) Inventories	9,491	8,874
	(c) Trade receivables	3,027	2,752
	(d) Cash and cash equivalents	18,819	22,066
	(e) Short-term loans and advances	917	1,079
	(f) Other current assets	428	198
	Sub-total - current assets	46,429	37,806
	TOTAL	81,513	73,136

Notes

- Figures for the previous period/year have been regrouped and reclassified to conform to the classification of current period, where necessary.
- Sponge iron is the only reportable segment in accordance with the Accounting Standard 17 - Segment Reporting issued pursuant to the Companies (Accounting Standards) Rules, 2006.
- The above results have been approved at the meeting of the Board of Directors held on 19 October, 2012.
- The Company has become subsidiary of Tata Steel Limited with effect from 28 August, 2012 pursuant to acquisition of 17,34,040 shares through an open offer of shares to the public at the rate of Rs. 375 each.

For and on behalf of the Board of Directors



Suresh Thawani
Managing Director

Jamshedpur, 19 October, 2012