

Deloitte Haskins & Sells

Chartered Accountants
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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 and Six Months ended September 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 statements, 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 Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms
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 profit and other financial information of the Company for the Quarter and Six Months ended September 30, 2013.



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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 and Six Months Ended September 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)

Kolkata , September 24 ,2013

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, 2013

Part I						(Rs. In Lacs)
Particulars	3 Months ended 30.09.2013 (Audited)	Preceding 3 months ended 30.06.2013 (Audited)	corresponding 3 months ended 30.09.2012 in the previous year (Audited)	Year to date figures for current period ended 30.09.2013 (Audited)	Year to date figures for previous period ended 30.09.2012 (Audited)	Previous accounting year ended 31.03.2013 (Audited)
1 Income from operations						
a) Net Sale from operations (net of excise duty)	18,029	16,082	18,850	34,111	37,400	77,695
b) Other Income	251	362	708	613	1,060	1,881
Total Income from operations (net)	18,280	16,444	19,558	34,724	38,460	79,576
2 Expenses						
a) Cost of consumed	13,693	12,312	12,756	26,005	28,509	59,578
b) Purchased Goods	-	-	-	-	-	-
c) Change in stocks of finished goods	298	(249)	1,870	49	(1,124)	(217)
d) Employee's expense	621	672	531	1,293	1,109	2,878
e) Depreciation and amortisation expenses	448	444	447	892	900	1,788
f) Other	1,474	1,327	1,150	2,801	2,577	5,324
Total Expenses	16,534	14,506	16,754	31,040	31,971	69,351
3 Profit from operations before other income, finance cost and exceptional items (1-2)	1,746	1,938	2,804	3,684	6,489	10,225
4 Other Income	956	741	920	1,697	1,591	3,156
5 Profit from operations before finance costs and exceptional items (3 + 4)	2,702	2,679	3,724	5,381	8,080	13,381
6 Finance Costs	49	47	16	96	17	791
7 Profit from operations after finance costs but before exceptional items (5-6)	2,653	2,632	3,708	5,285	8,063	12,590
8 Exceptional	-	-	-	-	-	-
9 Profit from operations before tax (7 + 8)	2,653	2,632	3,708	5,285	8,063	12,590
10 Tax expenses	820	828	1,131	1,648	2,515	4,047

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11 Net Profit from ordinary activities after tax (9 - 10)	1,833	1,83,637	5,548	8,543
12 Extraordinary items (net of tax expenses)	-	- -	-	-
13 Net Profit for the period (11 - 12)	1,833	1,83,637	5,548	8,543
14 Paid up equity share capital (Face value : Rs.10 per share)	1,540	1,51,540	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)	11.90	11 23.62	36.03	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)	11.90	11 23.62	36.03	55.47
See accompanying note to the financial results				

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PART II						
SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER, 2013						
Particulars	3 months ended 30.09.2013 (Audited)	Preceding 3 months ended 30.06.2013 (Audited)	corresponding 3 months ended 30.09.2012 in the previous year (Audited)	Year to date figures for current period ended 30.09.2013 (Audited)	Year to date figures for previous period ended 30.09.2012 (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	7,006,446	7,006,446	7,006,446	7,006,446
-Percentage of shareholdings	45.50	45.50	45.50	45.50	45.50	45.50
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	8,393,554	8,393,554	8,393,554	8,393,554	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	100	100.00
- Percentage of shares (as a % of the total share capital of the company)	54.50	54.50	54.50	54.50	54.50	54.50
B	3 months ended 30.09.2013					
INVESTOR COMPLAINTS						
Pending at the beginning of the quarter	-					
Received during the quarter	1					
Disposed of during the quarter	1					
Remaining unresolved at the end of the quarter	-					

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SECT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30 SEPTEMBER 2013						
						(Rs. In Lacs)
Part:	3 months ended 30.09.2013 (Audited)	Preceding 3 months ended 30.06.2013 (Audited)	corresponding 3 months ended 30.09.2012 in the previous year (Audited)	Year to date figures for current period ended 30.09.2013 (Audited)	Year to date figures for previous period ended 30.09.2012 (Audited)	Previous accounting year ended 31.03.2013 (Audited)
Rev. Business Segment :						
Sp. business	17,382	15,574	NA	32,956	NA	NA
Pos. business	1,176	1,151		2,327		
Other	-	-		-		
Total	18,558	16,725		35,283		
Lessegment revenue	(278)	(281)		(559)		
Net income from operation	18,280	16,444		34,724		
Segment results before finance costs, exceptional items and tax:						
Sp. business	1,331	1,474		2,805		
Pos. business	574	539		1,113		
Other	-	-		-		
Und income/ (expenditure)	797	666		1,463		
Total results before finance costs, exceptional items and tax	2,702	2,679		5,381		
Finance cost	49	47		96		
Profit (loss) before exceptional items and tax	2,653	2,632		5,285		
Extra items:	-	-		-		
Profit (loss) before tax	2,653	2,632		5,285		
Le : expense	820	828		1,648		
Net / (Loss)	1,833	1,804		3,637		
Se Capital Employed :						
Sp. business	15,142	14,474		15,142		
Pos. business	3,628	3,998		3,628		
Other	-	-		-		
Und	48,814	47,279		48,814		
Total	67,584	65,751		67,584		

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(Rs. In Lacs)

STATEMENT OF ASSETS AND LIABILITIES	As at 30.09.2013	As at 31.03.2013
	Audited	Audited
A EQUITY AND LIABILITIES		
1 Share holders' Funds		
(a) Share Capital	1,540	1,540
(b) Reserves and Surplus	66,044	62,407
Sub-total - Shareholders' funds	67,584	63,947
2 Non- current liabilities		
(a) Deferred Tax Liabilities (net)	2,728	2,980
(b) Other long term liabilities	-	1
(c) Long-term provisions	601	545
Sub-total - Non- current liabilities	3,329	3,526
3 Current Liabilities		
(a) Short-term borrowings	-	-
(b) Trade Payables	3,676	5,071
(c) Other current liabilities	4,595	3,682
(d) Short-term provisions	3,933	5,258
Sub-total - Current Liabilities	12,204	14,011
TOTAL - EQUITY AND LIABILITIES	83,117	81,484
B ASSETS		
1 Non- current asstes		
(a) Fixed Assets	17,103	17,729
(b) Non current investments	186	86
(c) Long term loans and advances	17,211	17,082
(d) Other non-current assets	2	2
Sub-total - Non- current asstes	34,502	34,899
2 Current Assets		
(a) Current investments	12,330	12,683
(b) Inventories	7,683	5,864

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(c) Trade receivables	1,710	2,036
(d) Cash and cash equivalents	24,249	23,448
(e) Short-term loans and advances	2,225	2,098
(f) Other current assets	418	456
Sub-total - current assets	48,615	46,585
TOTAL	83,117	81,484

Notes :

- (1) The above results have been noted in the Audit committee and approved at the meeting of the Board of Directors held on October 24, 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 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 sold primarily in India there is no reportable secondary segment i.e. Geographical Segment. As sale of power has become reportable from the quarter ended June 30, 2013 comparat years 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. 3,250 lacs on the ground that there w commissioning the Radhikapur coal block allotted to the Company along with M/s Seaw Industries Limited and SPS Sponge Iron Limited. The Company contends that the delay in co 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 applie 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 invoca the MoC and the hearing is in process. Pending disposal of the MoC of the Company's application seeking extension of the normative date of production and the disposal of the Co 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 September 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

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Jamshedpur, 24