Deloitte
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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 Nine Months ended December 31, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of 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 specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) 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 profit and other financial information of the Company for the Quarter and Nine Months ended December 31, 2014.



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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 with the Stock Exchanges and the particulars relating to the investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months Ended December 31, 2014 of the Statement, from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 54785)

Kolkata, January 19, 2015

Deloitte Haskins & Sells
Chartered Accountants

TATA SPONGE IRON LIMITED

Regd. Office : Joda , Post- Joda

Dist- Keonjhar, Orissa, Pin Code 758 034

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2014

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

Particulars	3 Months ended 31.12.2014 (Audited)	Preceding 3 months ended 30.09.2014 (Audited)	Corresponding 3 months ended 31.12.2013 in the previous year (Audited)	Year to date figures for current period ended 31.12.2014 (Audited)	Year to date figures for previous period ended 31.12.2013 (Audited)	Previous accounting year ended 31.03.2014 (Audited)
1 **Income from operations**						
a) Net Sales/Income from operations (net of excise duty)	**20,718**	20,590	19,325	**60,638**	53,436	76,272
b) Other Operating Income	**796**	523	517	**2,302**	1,130	1,950
Total Income from operations (net)	**21,514**	21,113	19,842	**62,940**	54,566	78,222
2 **Expenses**						
a) Cost of materials consumed	**17,117**	14,643	13,837	**44,482**	39,843	54,706
b) Purchase of Finished Goods	-	-	-	-	-	-
c) Changes in inventories of finished goods	**73**	997	(664)	**458**	(615)	(169)
d) Employee benefits expense	**837**	771	659	**2,345**	1,960	2,684
e) Depreciation and amortisation expenses	**302**	308	446	**887**	1,338	1,775
f) Other expenses	**1,700**	2,199	1,981	**5,558**	4,774	6,467
Total Expenses	**20,029**	18,918	16,259	**53,730**	47,300	65,463
3 Profit from Operations before other income, finance cost and exceptional Items (1-2)	**1,485**	2,195	3,583	**9,210**	7,266	12,759
4 Other Income	**866**	1,283	873	**3,195**	2,570	3,542
5 Profit from ordinary activities before finance costs and exceptional items (3 + 4)	**2,351**	3,478	4,456	**12,405**	9,836	16,301
6 Finance Cost	**145**	79	883	**307**	978	1,322
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	**2,206**	3,399	3,573	**12,098**	8,858	14,979
8 Exceptional items	-	-	-	-	-	-
9 Profit from ordinary activities before tax (7 + 8)	**2,206**	3,399	3,573	**12,098**	8,858	14,979
10 Tax expense	**555**	1,146	1,142	**3,766**	2,789	4,862
11 Net Profit from ordinary activities after tax (9 - 10)	**1,651**	2,253	2,431	**8,332**	6,069	10,117
12 Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13 Net Profit for the period (11 - 12)	**1,651**	2,253	2,431	**8,332**	6,069	10,117
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						70,722
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	**10.72**	14.63	15.79	**54.11**	39.41	65.69
b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not	**10.72**	14.63	15.79	**54.11**	39.41	65.69
See accompanying note to the financial results						

PART II

SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2014

Particulars	**3 months ended 31.12.2014 (Audited)**	Preceding 3 months ended 30.09.2014 (Audited)	Corresponding 3 months ended 31.12.2013 in the previous year (Audited)	**Year to date figures for current period ended 31.12.2014 (Audited)**	Year to date figures for previous period ended 31.12.2013 (Audited)	Previous accounting year ended 31.03.2014 (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	**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

	Particulars	**3 months ended 31.12.2014**
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	**4**
	Disposed of during the quarter	**3**
	Remaining unresolved at the end of the quarter	**1**

SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2014

(Rs. In Lacs)

Particulars	3 months ended 31.12.2014 (Audited)	Preceding 3 months ended 30.09.2014 (Audited)	Corresponding 3 months ended 31.12.2013 in the previous year (Audited)	Year to date figures for current period ended 31.12.2014 (Audited)	Year to date figures for previous period ended 31.12.2013 (Audited)	Previous accounting year ended 31.03.2014 (Audited)
Revenue by Business Segment :						
Sponge business	**20,419**	19,867	18,483	**59,332**	51,440	73,723
Power business	**2,447**	1,632	1,705	**5,740**	4,032	5,778
Others	-	-	-	-	-	-
Total	**22,866**	21,499	20,188	**65,072**	55,471	79,501
Less: Intersegment revenue	**(1,352)**	(386)	(346)	**(2,132)**	(905)	(1,279)
Net sales / income from operation	**21,514**	21,113	19,842	**62,940**	54,566	78,222
Segment results before finance costs, exceptional items and tax:						
Sponge business	**1**	2,271	2,692	**5,974**	5,496	10,526
Power business	**1,838**	1,170	987	**4,217**	2,100	3,040
Others	-	-		-	-	-
Unallocated income/ (expenditure)	**512**	37	777	**2,214**	2,240	2,735
Total segment results before finance costs, exceptional items and t	**2,351**	3,478	4,456	**12,405**	9,836	16,301
Less: Finance cost	**145**	79	883	**307**	978	1,322
Profit /(Loss) before exceptional items and tax	**2,206**	3,399	3,573	**12,098**	8,858	14,979
Exceptional items:	-	-	-	-	-	-
Profit / (Loss) before tax	**2,206**	3,399	3,573	**12,098**	8,858	14,979
Less : Tax expense	**555**	1,146	1,142	**3,766**	2,789	4,862
Net Profit /(Loss)	**1,651**	2,253	2,431	**8,332**	6,069	10,117
Segment Capital Employed :						
Sponge business	**16,728**	21,951	9,875	**16,728**	9,875	8,979
Power business	**3,273**	3,170	3,718	**3,273**	3,718	3,078
Others	-					-
Unallocated	**60,513**	53,742	56,422	**60,513**	56,422	60,205
Total	**80,514**	78,863	70,015	**80,514**	70,015	72,262

Notes :

(1) The above results have been noted in the Audit committee and approved at the meeting of the Board of Directors held on January 19, 2015.

(2) The Company has identified sale of power as separate business segment other than sale of sponge iron considering the requirements under Accounting Standard - 17 on "Segment Reporting" 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.

(3) a. The Hon'ble Supreme Court of India vide its order dated September 24, 2014 has cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the company on February 07, 2006.

b. The Ministry of Coal ("MoC") had earlier issued notices to the Company stating encashment of bank guarantee ("BG") of Rs. 3,250 lacs and de-allocation of the coal block on the ground that there has been delay in coal mining. The Hon'ble High Court of Delhi vide its order dated October 30, 2014 has directed MoC to take a decision in relation to the bank guarantee and accordingly MoC has issued a show cause notice dated January 16, 2015 The Company is in process of replying to the show cause notice. Pending finalisation of the matter, the amount continues to be disclosed as a contingent liability

c. The carrying value of investments made in Radhikapur East Coal Block as on December 31st, 2014 is Rs. 18,088.11 lacs.

The Government of India has promulgated Coal Mines (Special Provision) Second Ordinance, 2014 ("Ordinance") for allocation of the coal mines and matters related thereto. In terms of Section 9 of the Ordinance the proceeds arising out of land and mine infrastructure in relation to cancelled coal mines to be collected from successful bidders would be disbursed to the secured creditors and prior allottee of the coal mines in accordance with the relevant laws and rules prescribed thereunder. Pursuant to MoC's directive vide letter dated December 26, 2014 information relating to its investment made on land, infrastructure, and clearances obtained etc. have been furnished by the Company.

Considering the above, the payments made to Odisha Industrial Infrastructure Development Corporation (a Government of Odisha undertaking) and carrying value of fixed assets are considered recoverable and hence no further adjustments / provisions are considered necessary as at December 31, 2014.

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, 19 January, 2015