

Deloitte Haskins & Sells

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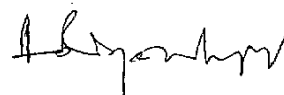
INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF TATA SPONGE IRON LIMITED

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, 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 of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) 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, 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 Nine Months Ended December 31, 2013 of the Statement, from the details furnished by the Management.

For DELOITTE HASKINS & SELLSChartered Accountants
(Firm Registration No. 302009E)**Abhijit Bandyopadhyay**
Partner
(Membership No.054785)**Jamshedpur, January 17, 2014**

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, 2013

Part I							(Rs. In Lacs)
Particulars	3 Months ended 31.12.2013 (Audited)	Preceding 3 months ended 30.09.2013 (Audited)	corresponding 3 months ended 31.12.2012 in the previous year (Audited)	Year to date figures for current period ended 31.12.2013 (Audited)	Year to date figures for previous period ended 31.12.2012 (Audited)	Previous accounting year ended 31.03.2013 (Audited)	
1 Income from operations							
a) Net Sales/Income from operations (net of excise duty)	19,325	18,029	19,625	53,436	57,025	77,695	
b) Other Operating Income	517	251	353	1,130	1,413	1,881	
Total Income from operations (net)	19,842	18,280	19,978	54,566	58,438	79,576	
2 Expenses							
a) Cost of materials consumed	13,837	13,693	15,829	39,843	44,337	59,578	
b) Purchase of Finished Goods	-	-	-	-	-	-	
c) Changes in inventories of finished goods	(664)	298	(619)	(615)	(1,742)	(217)	
d) Employee benefits expense	655	621	608	1,948	1,716	2,878	
e) Depreciation and amortisation expenses	446	448	451	1,338	1,351	1,788	
f) Other expenses	1,985	1,474	1,429	4,786	3,982	5,324	
Total Expenses	16,259	16,534	17,698	47,300	49,644	69,351	
3 Profit from Operations before other income, finance cost and exceptional Items (1-2)	3,583	1,746	2,280	7,266	8,794	10,225	
4 Other Income	873	956	762	2,570	2,329	3,156	

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5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	4,456	2,702	3,042	9,836	11,123	13,381
6	Finance Cost	883	49	110	978	126	791
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	3,573	2,653	2,932	8,858	10,997	12,590
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	3,573	2,653	2,932	8,858	10,997	12,590
10	Tax expense	1,142	820	874	2,789	3,390	4,047
11	Net Profit from ordinary activities after tax (9 - 10)	2,431	1,833	2,058	6,069	7,607	8,543
12	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13	Net Profit for the period (11 - 12)	2,431	1,833	2,058	6,069	7,607	8,543
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						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)	15.79	11.90	13.36	39.41	49.40	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)	15.79	11.90	13.36	39.41	49.40	55.47
	See accompanying note to the financial results						

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PART II						
SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2013						
Particulars	3 months ended 31.12.2013 (Audited)	Preceding 3 months ended 30.09.2013 (Audited)	corresponding 3 months ended 31.12.2012 in the previous year (Audited)	Year to date figures for current period ended 31.12.2013 (Audited)	Year to date figures for previous period ended 31.12.2012 (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						
Particulars	3 months ended 31.12.2013					
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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SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 31 DECEMBER 2013

Particulars	3 months ended 31.12.2013 (Audited)	Preceding 3 months ended 30.09.2013 (Audited)	corresponding 3 months ended 31.12.2012 in the previous year (Audited)	(Rs. In Lacs)		
				Year to date figures for current period ended 31.12.2013 (Audited)	Year to date figures for previous period ended 31.12.2012 (Audited)	Previous accounting year ended 31.03.2013 (Audited)
Revenue by Business Segment :						
Sponge business	18,484	17,382		51,440		
Power business	1,705	1,176		4,032		
Others	-	-		-		
Total	20,188	18,558		55,471		
Less: Intersegment revenue	(346)	(278)		(905)		
Net sales / income from operation	19,842	18,280		54,566		
Segment results before finance costs, exceptional items and tax:						
Sponge business	2,692	1,331		5,497		
Power business	987	574		2,100		
Others	-	-		-		
Unallocated income/ (expenditure)	777	797		2,240		
Total segment results before finance costs, exceptional items and tax	4,456	2,702		9,836	NA	NA
Less: Finance cost	883	49		978		
Profit/(Loss) before exceptional items and tax	3,573	2,653		8,858		
Exceptional items:	-	-		-		
Profit / (Loss) before tax	3,573	2,653		8,858		
Less : Tax expense	1,142	820		2,789		
Net Profit/(Loss)	2,431	1,833		6,069		
Segment Capital Employed :						
Sponge business	9,875	15,142		9,875		
Power business	3,718	3,628		3,718		
Others	-	-		-		
Unallocated	56,422	48,814		56,422		
Total	70,015	67,584		70,015		

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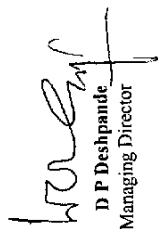
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Notes :

- (1) The above results have been noted in the Audit committee and approved at the meeting of the Board of Directors held on January 17, 2014.
- (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 quarter ended June 30, 2013 comparatives for prior 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 was a delay in commissioning the Radhikapur coal block allotted to the Company along with M/s Seav 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 December 31, 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

Jamshedpur, 17 January, 2014