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 ended June 30, 2015 ("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 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 ended June 30, 2015.

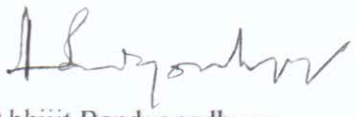


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4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered 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 Ended June 30, 2015 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, July 21, 2015

TATA SPONGE IRON LIMITED

Regd. Office : Joda , Post- Joda

Dist.- Keonjhar, Orissa, Pin Code 758 034

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2015

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

Particulars	3 Months ended 30.06.2015 (Audited)	Preceding 3 months ended 31.03.2015 (Refer Note 6)	Corresponding 3 months ended 30.06.2014 in the previous year (Audited)	Previous accounting year ended 31.03.2015 (Audited)
1 **Income from operations**				
a) Net Sales/Income from operations (net of excise duty)	**14,193**	15,985	19,330	76,623
b) Other Operating Income	**1**	48	982	2,350
Total Income from operations (net)	**14,194**	16,033	20,312	78,973
2 **Expenses**				
a) Cost of materials consumed (Refer Note 5)	**11,203**	13,410	12,723	57,892
b) Purchase of Finished Goods	**-**	-	-	-
c) Changes in inventories of finished goods	**(268)**	(1,026)	(612)	(568)
d) Employee benefits expense	**893**	1,170	737	3,515
e) Depreciation and amortisation expenses	**318**	407	276	1,294
f) Other expenses	**1,964**	2,653	1,659	8,211
Total Expenses	**14,110**	16,614	14,783	70,344
3 Profit from Operations before other income, finance cost and exceptional Items (1-2)	**84**	(581)	5,529	8,629
4 Other Income	**937**	2,353	1,046	5,548
5 Profit from ordinary activities before finance costs and exceptional items (3 + 4)	**1,021**	1,772	6,575	14,177
6 Finance Cost	**57**	223	83	530
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	**964**	1,549	6,492	13,647
8 Exceptional items	**-**	-	-	-
9 Profit from ordinary activities before tax (7 + 8)	**964**	1,549	6,492	13,647
10 Tax expense	**255**	692	2,064	4,458
11 Net Profit from ordinary activities after tax (9 - 10)	**709**	857	4,428	9,189
12 Extraordinary items (net of tax expenses)	**-**	-	-	-
13 Net Profit for the period (11 - 12)	**709**	857	4,428	9,189
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				77,977
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)	**4.60**	5.56	28.75	59.67
b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised)	**4.60**	5.56	28.75	59.67
See accompanying note to the financial results				

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PART II

SELECT INFORMATION FOR THE QUARTER ENDED 30 JUNE, 2015

Particulars	**3 Months ended 30.06.2015 (Audited)**	Preceding 3 months ended 31.03.2015 (Audited)	Corresponding 3 months ended 30.06.2014 in the previous year (Audited)	Previous accounting year ended 31.03.2015 (Audited)
A PARTICULARS OF SHAREHOLDING				
1 Public shareholding				
- Number of Shares	**7,006,446**	7,006,446	7,006,446	7,006,446
-Percentage of shareholdings	**45.50**	45.50	45.50	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	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
- Percentage of shares (as a % of the total share capital of the company)	**54.50**	54.50	54.50	54.50

	Particulars	**3 months ended 30.06.2015**
B	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 30 JUNE, 2015

(Rs. In Lacs)

Particulars	3 Months ended 30.06.2015 (Audited)	Preceding 3 months ended 31.03.2015 (Refer Note	Corresponding 3 months ended 30.06.2014 in the previous year (Audited)	Previous accounting year ended 31.03.2015 (Audited)
Revenue by Business Segment :				
Sponge business	**13,296**	14,892	19,046	74,224
Power business	**1,223**	458	1,661	5,778
Others	-	-	-	-
Total	**14,519**	15,350	20,707	80,422
Less: Intersegment revenue	**(325)**	683	(394)	(1,449)
Net sales / income from operation	**14,194**	16,033	20,313	78,973
Segment results before finance costs, exceptional items and tax:				
Sponge business	**(722)**	561	4,434	6,535
Power business	**816**	3	1,209	4,220
Others	-	-		-
Unallocated income/ (expenditure)	**927**	1,208	933	3,422
Total segment results before finance costs, exceptional items and tax	**1,021**	1,772	6,576	14,177
Less: Finance cost	**57**	223	83	530
Profit /(Loss) before exceptional items and tax	**964**	1,549	6,493	13,647
Exceptional items:	-	-	-	-
Profit / (Loss) before tax	**964**	1,549	6,493	13,647
Less : Tax expense	**255**	692	2,064	4,458
Net Profit /(Loss)	**709**	857	4,429	9,189
Segment Capital Employed :				
Sponge business	**18,974**	16,896	13,709	16,896
Power business	**3,954**	4,508	3,020	4,508
Others	-			
Unallocated	**57,298**	58,113	59,881	58,113
Total	**80,226**	79,517	76,610	79,517

Notes :

(1) The above results have been noted in the Audit committee and approved at the meeting of the Board of Directors held on July 21, 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". Further, as the Company's products are sold primarily in India there is no reportable secondary segment i.e. Geographical Segment.

(3) a. In the month of November 2012, Ministry of Coal ("MoC") issued notices to the Company for invocation of bank guarantee ("BG") of Rs. 3,250 lacs submitted towards performance of conditions for allocation of coal block. The Hon'ble High Court of Delhi vide its order dated October 30, 2014 has granted a stay on invocation of bank guarantee. The High Court also directed the Company to keep the bank guarantee valid till August 31, 2015 by which the Union of India has been directed to take a decision. Pending finalisation of the matter, the BG amount continues to be disclosed as a contingent liability.

b. During pendency of the aforesaid matters in Delhi High Court, 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. The carrying value of investments made in Radhikapur East Coal Block as on June 30, 2015 is Rs. 18,063.65 lacs.

c. Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India has promulgated Coal Mines (Special Provision) Rules, 2014 ("Rules") for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the successful bidder will be called upon to pay to the prior allocattee the expenses incurred by the prior allocatee towards land and mine infrastructure. Pursuant to MoC's directive seeking the details of expenses vide letter dated December 26, 2014, the Company has furnished the required statement of expenses on January 5, 2015. Based on the Rules and necessary legal opinion obtained by the company, no provisions are considered necessary during the current quarter.

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(4) Other Income as shown in item no 4 of the financial results for preceding 3 months ended and previous accounting year ended March 31, 2105 includes an amount of Rs. 1295 lacs being reversed of provisions made in earlier year in respect of indirect tax litigation based on favorable orders from competent authorities.

(5) Cost of raw material consumed as shown in item no 2(a) of the financial results for 3 month ended June 30, 2015 includes an amount of Rs. 1,111 lacs on account of write down in the value of imported iron ore inventory as required under Accounting Standard -2 Valuation of Inventories.

(6) The figures of the last quarter of the previous year are the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the 3rd quarter of the previous financial year .

(7) 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, 21 July, 2015