Deloitte Haskins & Sells

Chartered Accountants
Bengal Intelligent Park
Building Alpha, 1st Floor
Block - EP & GP, Sector - V
Salt Lake Electronics Complex
Kolkata - 700 091
India

Tel. : +91 (33) 6612 1000
Fax : +91 (33) 6612 1001

**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, 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 and Six Months ended September 30, 2015.



Deloitte
Haskins & Sells

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 Six Months Ended September 30, 2015 of the Statement, from the details furnished by the Management.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 302009E)

Alka Chadha
Partner
(Membership No. 94374)

Kolkata, October 16, 2015

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, 2015

(Rs. In Lacs)

Part I

Particulars	3 Months ended 30.09.2015 (Audited)	Preceding 3 months ended 30.06.2015 (Audited)	Corresponding 3 months ended 30.09.2014 in the previous year (Audited)	Year to date figures for current period ended 30.09.2015 (Audited)	Year to date figures for previous period ended 30.09.2014 (Audited)	Previous accounting year ended 31.03.2015 (Audited)
1 **Income from operations**						
a) Net Sales/Income from operations (net of excise duty)	**15,071**	14,193	20,590	**29,264**	39,920	76,623
b) Other operating income	**160**	1	523	**161**	1,506	2,350
Total Income from operations (net)	**15,231**	14,194	21,113	**29,425**	41,426	78,973
2 **Expenses**						
a) Cost of materials consumed	**9,479**	11,420	14,643	**20,899**	27,366	58,620
b) Purchase of stock-in-trade	**780**	-	-	**780**	-	-
c) Changes in inventories of finished goods and stock-in-trade	**1,616**	(268)	997	**1,348**	385	(568)
d) Employee benefits expense	**728**	893	771	**1,621**	1,508	3,515
e) Depreciation and amortisation expenses	**323**	318	308	**641**	584	1,294
f) Other expenses	**2,504**	1,744	2,199	**4,248**	3,858	7,483
Total Expenses	**15,430**	14,107	18,918	**29,537**	33,701	70,344
3 Profit / (Loss) from Operations before other income, finance cost and exceptional Items (1-2)	**(199)**	87	2,195	**(112)**	7,725	8,629
4 Other Income	**915**	934	1,283	**1,849**	2,329	5,548
5 Profit from ordinary activities before finance costs and exceptional items (3 + 4)	**716**	1,021	3,478	**1,737**	10,054	14,177
6 Finance Cost	**58**	57	79	**115**	162	530
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	**658**	964	3,399	**1,622**	9,892	13,647
8 Exceptional items	-	-	-	-	-	-
9 Profit from ordinary activities before tax (7 + 8)	**658**	964	3,399	**1,622**	9,892	13,647
10 Tax expense	**89**	255	1,146	**344**	3,210	4,458
11 Net Profit from ordinary activities after tax (9 - 10)	**569**	709	2,253	**1,278**	6,682	9,189
12 Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13 Net Profit for the period (11 - 12)	**569**	709	2,253	**1,278**	6,682	9,189
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						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)	**3.70**	4.60	14.63	**8.30**	43.39	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)	**3.70**	4.60	14.63	**8.30**	43.39	59.67
See accompanying note to the financial results						

TATA SPONGE IRON LIMITED

Regd. Office : Joda , Post- Joda

Dist- Keonjhar, Orissa, Pin Code 758 034

PART II

SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER, 2015

Particulars	3 months ended 30.09.2015 (Audited)	Preceding 3 months ended 30.06 2015 (Audited)	Corresponding 3 months ended 30.09.2014 in the previous year (Audited)	Year to date figures for current period ended 30.09.2015 (Audited)	Year to date figures for previous period ended 30.09.2014 (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	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

	Particulars	3 months ended 30.09.2015
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	-

TATA SPONGE IRON LIMIITED

Regd. Office : Joda , Post- Joda

Dist- Keonjhar, Orissa, Pin Code 758 034

SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTMBER 2015

(Rs. In Lacs)

Particulars	3 months ended 30.09.2015 (Audited)	Preceding 3 months ended 30.06.2015 (Audited)	Corresponding 3 months ended 30.09.2014 in the previous year (Audited)	Year to date figures for current period ended 30.09.2015 (Audited)	Year to date figures for previous period ended 30.09.2014 (Audited)	Previous accounting year ended 31.03.2015 (Audited)
Revenue by Business Segment :						
Sponge business	**14,420**	13,296	19,867	**27,716**	38,913	74,224
Power business	**1,111**	1,223	1,632	**2,334**	3,293	6,198
Others	-	-	-	-	-	-
Total	**15,531**	14,519	21,499	**30,050**	42,206	80,422
Less: Intersegment revenue	**(300)**	(325)	(386)	**(625)**	(780)	(1,449)
Net sales / income from operation	**15,231**	14,194	21,113	**29,425**	41,426	78,973
Segment results before finance costs, exceptional items and tax:						
Sponge business	**(699)**	(722)	1,539	**(1,421)**	5,973	6,535
Power business	**514**	816	1,170	**1,330**	2,379	4,220
Others	-	-	-	-	-	-
Unallocated income/ (expenditure)	**901**	927	769	**1,828**	1,702	3,422
Total segment results before finance costs, exceptional items and tax	**716**	1,021	3,478	**1,737**	10,054	14,177
Less: Finance cost	**58**	57	79	**115**	162	530
Profit /(Loss) before exceptional items and tax	**658**	964	3,399	**1,622**	9,892	13,647
Exceptional items:	-	-	-	-	-	-
Profit / (Loss) before tax	**658**	964	3,399	**1,622**	9,892	13,647
Less : Tax expense	**89**	255	1,146	**344**	3,210	4,458
Net Profit /(Loss)	569	709	2,253	**1,278**	6,682	9,189
Segment Capital Employed :						
Sponge business	**16,083**	18,974	21,951	**16,083**	21,951	16,896
Power business	**3,848**	3,954	3,170	**3,848**	3,170	4,508
Others	-	-	-	-	-	-
Unallocated	**60,864**	57,298	53,742	**60,864**	53,742	58,113
Total	**80,795**	80,226	78,863	**80,795**	78,863	79,517

Dist- Keonjhar, Orissa, Pin Code 758 034

(Rs. In Lacs)

STATEMENT OF ASSETS AND LIABILITIES	As at 30.09.2015 Audited	As at 31.03.2015 Audited
A EQUITY AND LIABILITIES		
1 Share holders' Funds		
(a) Share Capital	1,540	1,540
(b) Reserves and Surplus	79,255	77,977
Sub-total - Shareholders' funds	80,795	79,517
2 Non- current liabilities		
(a) Deferred Tax Liabilities (net)	2,325	2,304
(b) Other long term liabilities	-	-
(c) Long-term provisions	576	528
Sub-total - Non- current liabilities	2,901	2,832
3 Current Liabilities		
(a) Short-term borrowings	-	-
(b) Trade Payables	4,689	4,690
(c) Other current liabilities	2,143	1,756
(d) Short-term provisions	6,756	8,495
Sub-total - Current liabilities	13,588	14,941
TOTAL - EQUITY AND LIABILITIES	97,284	97,290
B ASSETS		
1 Non- current assets		
(a) Fixed Assets	17,453	16,764
(b) Non current investments	186	186
(c) Long term loans and advances	20,588	19,568
(d) Other non-current assets	2	2
Sub-total - Non- current assets	38,229	36,520
2 Current Assets		
(a) Current investments	25,611	20,614
(b) Inventories	8,835	10,845
(c) Trade receivables	2,540	888
(d) Cash and cash equivalents	20,085	25,151
(e) Short-term loans and advances	1,175	2,233
(f) Other current assets	889	1,039
Sub-total - current assets	59,055	60,770
TOTAL	97,284	97,290

TATA SPONGE IRON LIMITED

Regd. Office : Joda , Post- Joda

Dist- Keonjhar, Orissa, Pin Code 758 034

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 16, 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. 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 November 30, 2015 by which date 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 September 30, 2015 is Rs. 18,053.04 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.

(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, October 16 , 2015