January 25, 2016

Dy. General Manager
BSE Limited
Corporate Relationship Department
New Trading Ring (1st Floor)
Rotunda Building
P J Towers, Dalal Street
Fort, Mumbai – 400 001.

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza (5th Floor)
Plot No. C/1, G. Block
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

Dear Sir,

Sub : Analysts and Investors Call/Presentation on 25th January, 2016 at 4:00 p.m.

Pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that there will be a call with Analyst/Investors today at 4:00 p.m. wherein the Managing Director of the Company will discuss the Q3 - FY 2015-16 performance of the Company. A Copy of the Analysts' presentation is enclosed for your reference and also uploaded the same on the Company's website, i.e. www.tatasponge.com .

This is for your kind information and record.

Thanking you,

Yours faithfully,
for Tata Sponge Iron Limited

(Sanjay Kasture)
Company Secretary and Compliance Officer

TATA SPONGE IRON LIMITED





Presentation to Investors and Analysts

25th January 2016

Location



TATA SPONGE



Tata Sponge is located at Bileipada, in Keonjhar District of Odisha

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Key highlights

- The Q3'16 production (1,09,202 MT) is the highest ever and despatch (1,07,856 MT) is the second highest in the Company's history.

- **Apr. to Dec.'15 performance**

✓ Total revenue Rs.460 cr. (PY Rs.661 cr.)
✓ Operating EBIDTA Rs.8 cr. (PY Rs.101 cr.)
✓ PBT Rs.23 cr. (PY Rs.121 cr.)
✓ PAT Rs.18 cr. (PY Rs.83 cr.)
✓ EPS Rs.11.70 (PY Rs.54.11)

- ICRA has reaffirmed the (ICRA) AA (stable) rating for Fund based Term loan of Rs.304.35 cr. and Fund bases cash credit of Rs.110.00 Cr.. ICRA has also reaffirmed (ICRA) A1+ for Non Fund Based Limits of Rs.313.15 cr.

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Global steel scenario

Rising exports at predatory prices to intensify trade remedial actions

- World Crude Steel production in 9MCY15 fell by 2.5% – most regions continue to witness a decline.
- Chinese steel exports continue to increase even at prices below marginal cost as domestic demand falls faster than production cuts – resulting in a global supply glut.

Global crude steel production - 9MCY15 (% YoY growth)

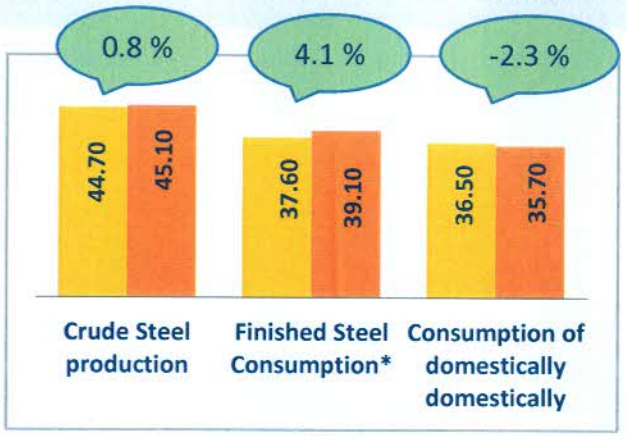


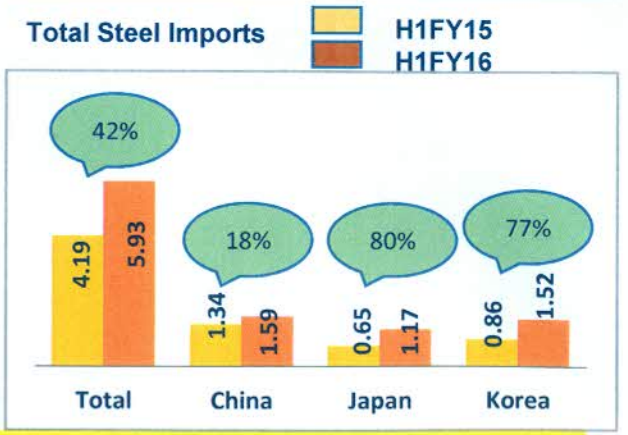
Source: World Steel Association, World Steel Dynamics, Bloomberg and JSW Steel

Indian economy and steel industry

"Dumping" of steel a serious concern

- Domestic steel industry continues to suffer from surge in imports – especially from China, Japan, and Korea; consumption of domestically produced steel fell by 2.3%YoY in 1HFY16 as total steel imports surged by 42%YoY .
- H1 FY16 Finished steel exports fell by 26%YoY. Excess availability continue to dent market sentiments.
- With restart of new mining capacities, domestic iron ore prices correct on the back of improving supply.
- Activity levels shows an uptick, monetary easing supportive of growth; recent IP data print is encouraging, needs to sustain the momentum.
- Public spending on a few infrastructure segments (highways, ports, power transmission, etc.) is picking up .
- Increase in public spending and progress of policy reforms are key to kick-start the investment cycle .





Source: JPC .All figures are in million tonnes, * Apparent finished steel consumption net of double counting effect

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Operating Performance

Quarter ended				Financial performance	Year-to-date	
CY Q3	CY Q2	CY Q1	PY Q3		CY	PY
1,09,202	67,436	83,761	95,873	Production sponge iron (MT)	2,60,399	2,78,345
1,07,856	77,678	80,283	96,552	Sale of sponge iron (MT)	2,65,817	2,81,332
49.23	32.50	35.63	43.17	Generation of Power (MKWH)	117.36	132.64
35.32	21.76	24.01	30.02	Sale of Power (MKWH)	81.09	93.06

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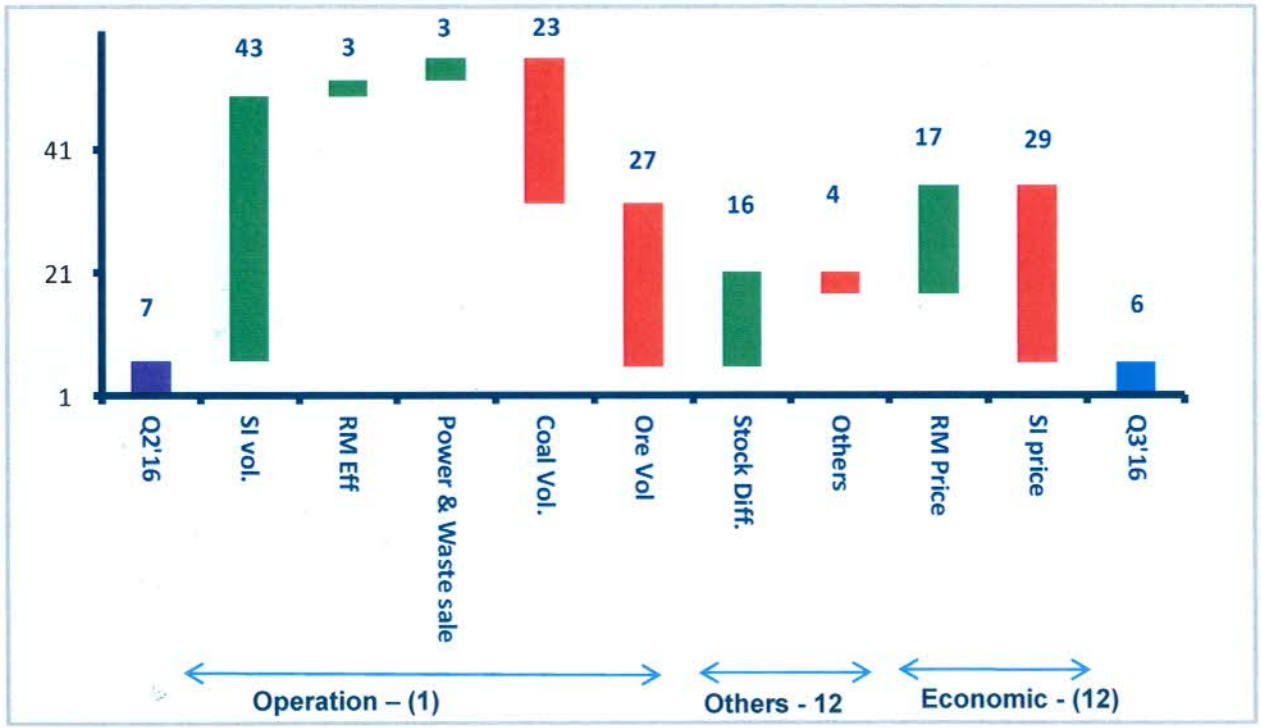
Financial Performance

Quarter ended				Financial performance	Year-to-date	
CY Q3	CY Q2	CY Q1	PY Q3		CY	PY
1,09,202	67,436	83,761	95,873	Production (MT)	2,60,399	2,78,345
35.32	21.76	24.01	30.02	Sale of Power (MKWH)	81.09	93.06
12,877	15,427	17,680	22,283	Operating revenue (Rs./t)	15,065	22,372
139	152	142	215	Turnover (operating income) Rs. crore	433	629
-	-	(11)	-	Write down of inventory Rs. crore	(11)	-
3	**1**	**4**	**18**	**EBITDA Rs. crore**	**8**	**101**
2	1	3	8	EBITDA margin (%)	2	16
9	9	9	9	Other income Rs. crore	27	32
6	**7**	**10**	**22**	**PBT Rs. crore**	**23**	**121**
4	4	6	10	PBT margin (%)	5	18
5	**6**	**7**	**17**	**PAT Rs. crore**	**18**	**83**
4	3	5	7	PAT (%)	4	13
3.40	**3.70**	**4.60**	**10.72**	**EPS (Rs.)**	**11.70**	**54.11**

Variance analysis –Q3'16 Vs. Q2'16

Rs Crore

Drop in NR was significantly offset by higher production and drop in RM price



Negative figure Positive figure

1. Sales volume higher by 30,178 MT. (Actual 1,07,856MT and Q2'16 77,678 MT).

2. Production 41,766 MT higher than Q2'16 (Actual 1,09,202 MT and Q2'16 67,436MT).

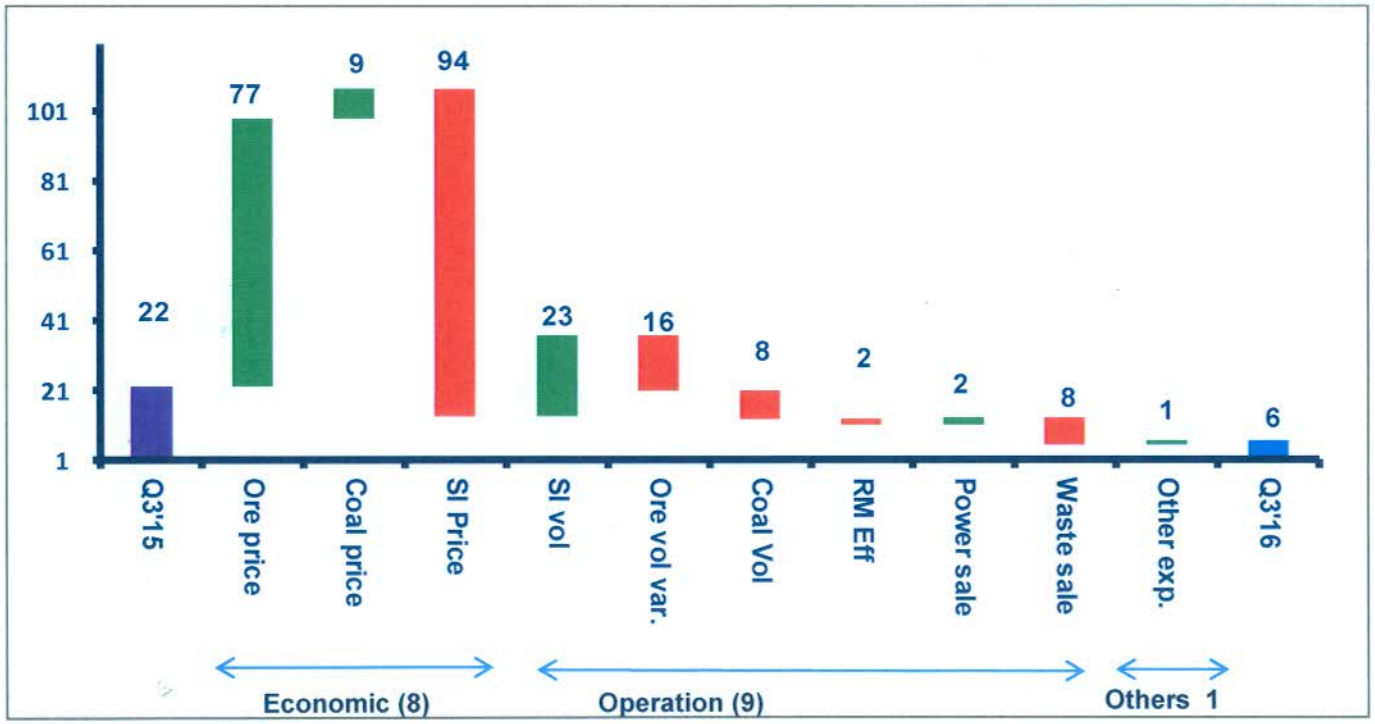
3. Landed cost of ore fall by Rs.748/t and coal of Rs.427/t as compared to Q2'16. It means a drop in RM cost of Rs 1650 per tonne of sponge iron.

1. Sponge iron NR decreased by Rs.2,662/t. (Actual Rs.11,614/t and Q2'16 Rs.14,276/t).

Variance analysis –Q3'16 Vs. Q3'15

Rs Crore

Lower NR could not be fully offset by higher production , so lower PBT

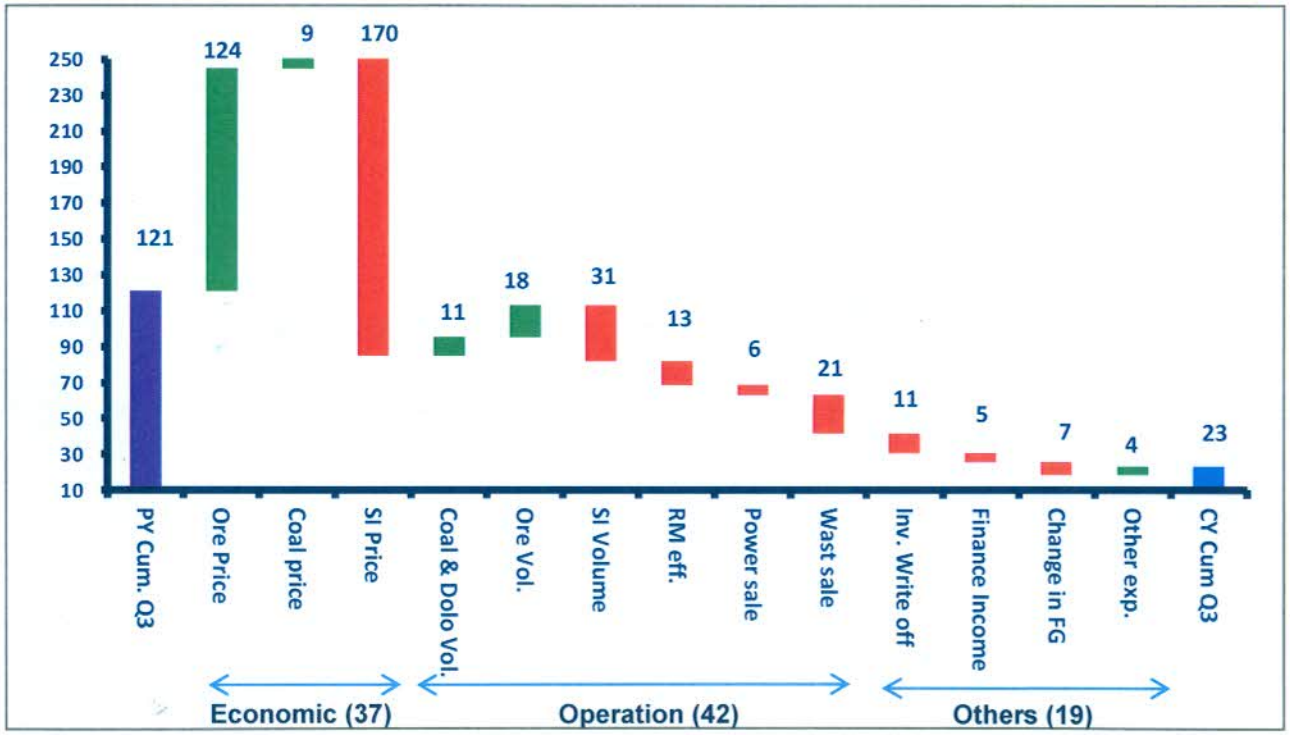


1. Landed cost of ore fell by Rs.4,251/t and coal by Rs.881/t as compared to Q3'15. Total drop in RM cost about Rs 8000 per tsi.
2. Sponge iron NR lower by Rs.8,698/t. (Actual Rs.11,614/t and Q3'15 Rs.20,313/t).
3. Sales volume higher by 11,304 MT. (Actual 1,07,856 MT and Q3,15 96,552 MT).
4. Production 13,329 MT higher than Q3'15 (Actual 1,09,202 MT and Q3'15 95,873 MT).

Variance analysis – CY cum Q3 Vs. PY cum Q3

Rs Crore

Fall in NR, lower sales impacted PBT by 81%



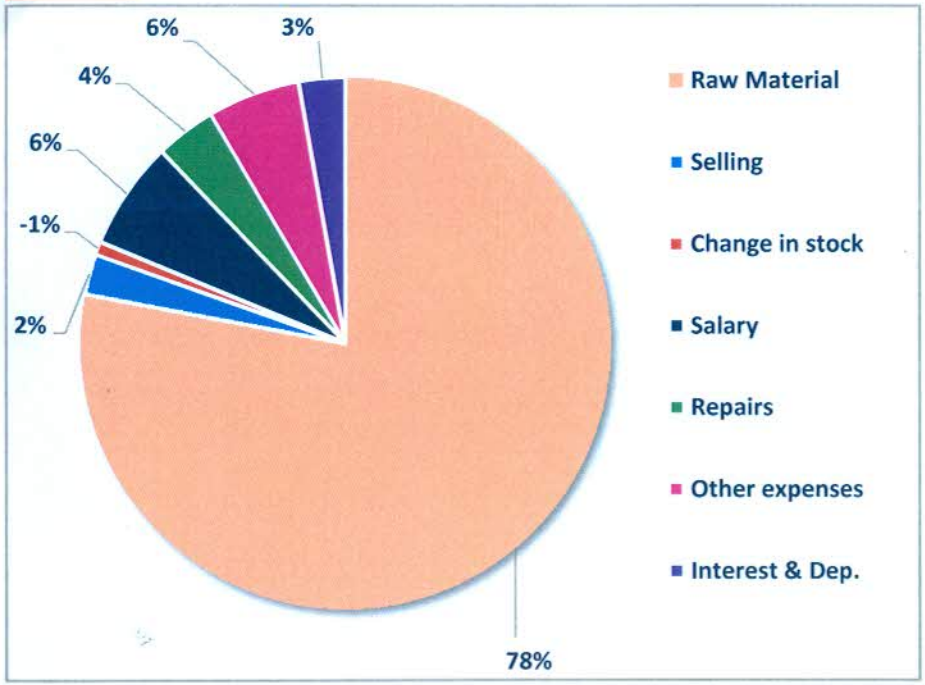
Negative figure Positive figure

1. Landed cost of ore lower by Rs.2,818/t and coal of Rs.398/t as compared to PY. RM cost lower by Rs 5150 per tsi.
2. Sponge iron NR decreased by Rs.6,377/t. (Actual Rs.13,883/t and PY Rs.20,260/t).
3. Production 17,946 MT lower than PY (Actual 2,60,399 MT and PY 2,78,345 MT).
4. Sales volume lower by 15,515 MT. (Actual 2,65,817 MT and PY 2,81,332 MT).

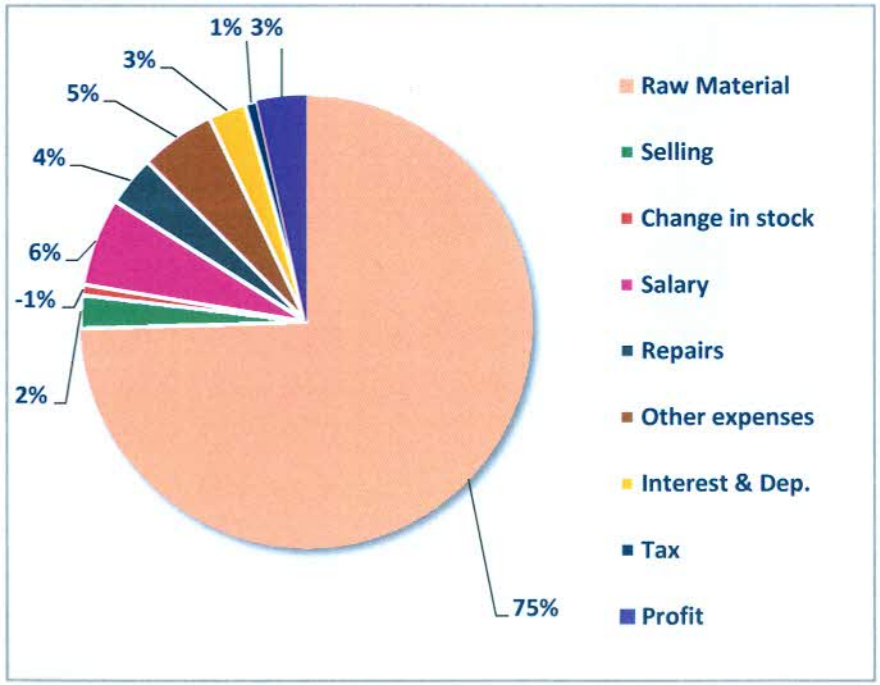
Cost and revenue distribution CY Q3

Fall in RM cost has not impacted the slices of the pie

COST



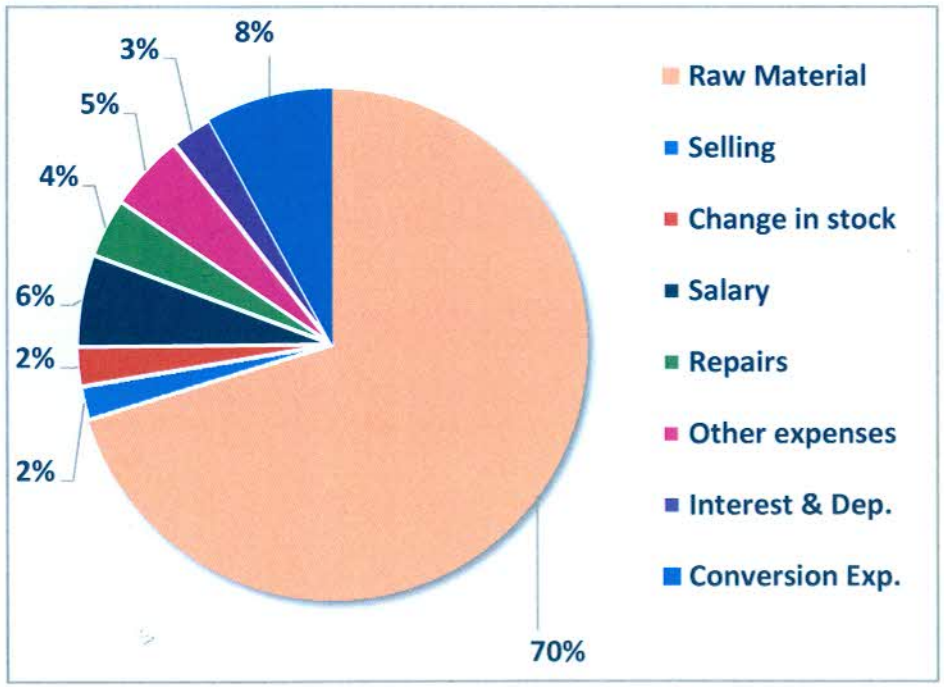
REVENUE



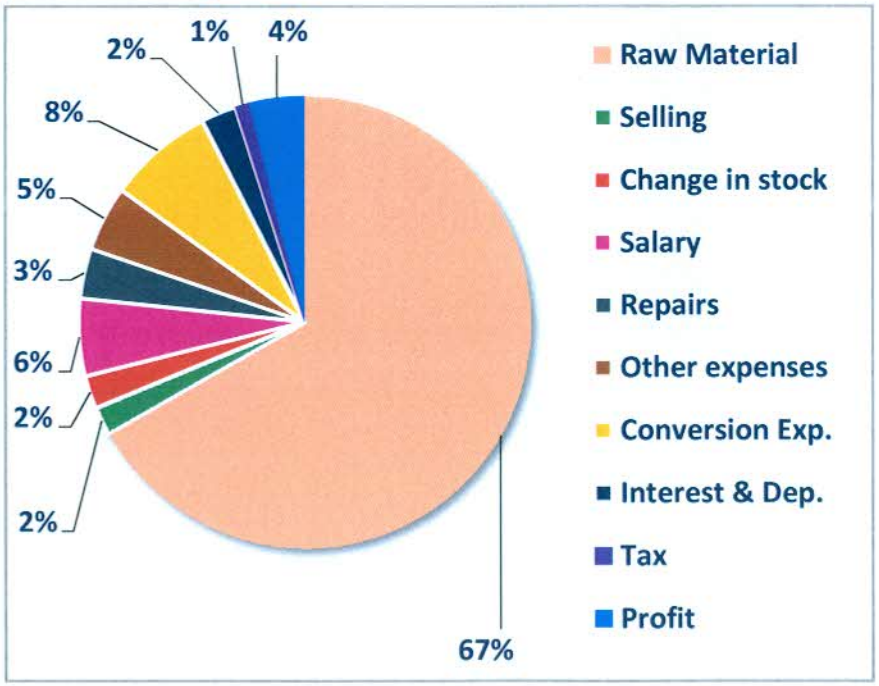
Cost and revenue distribution CY cum. Q3

Fall in RM cost has not impacted the slices of the pie

COST



REVENUE



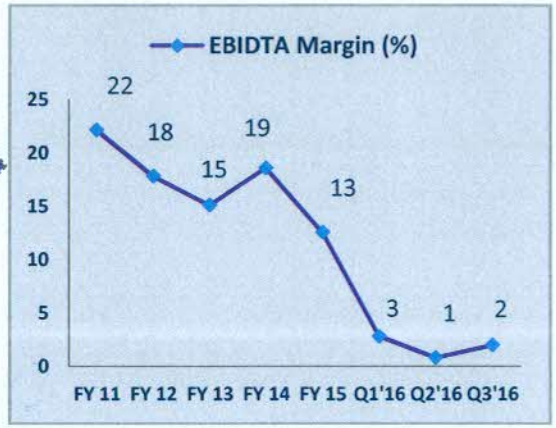
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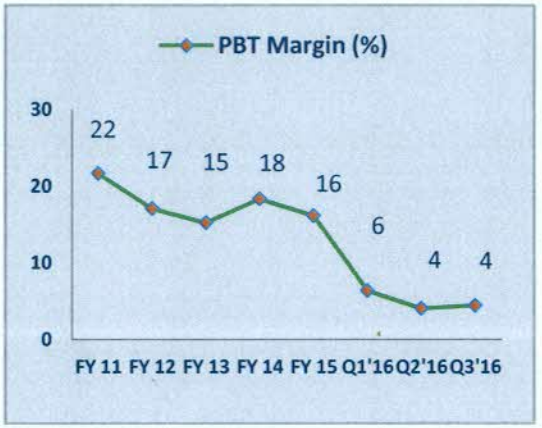
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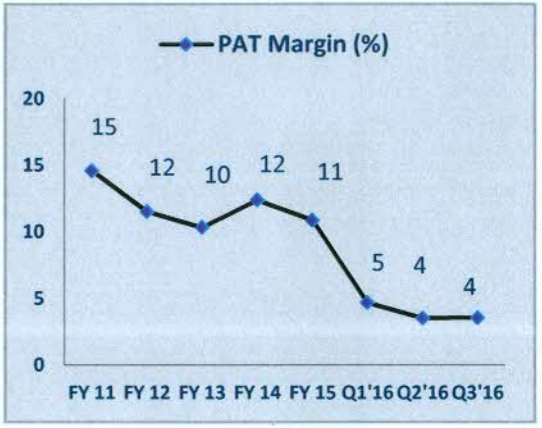


TSIL - Key Ratios

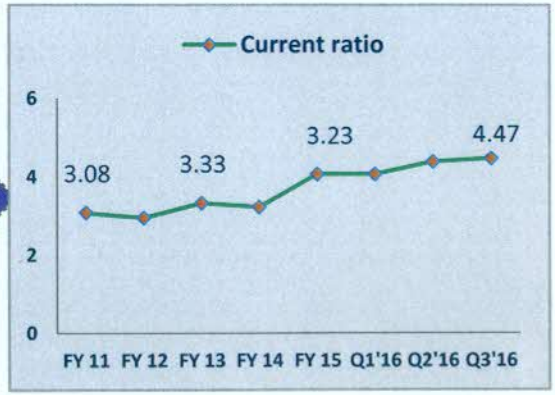
Profitabilty Ratios

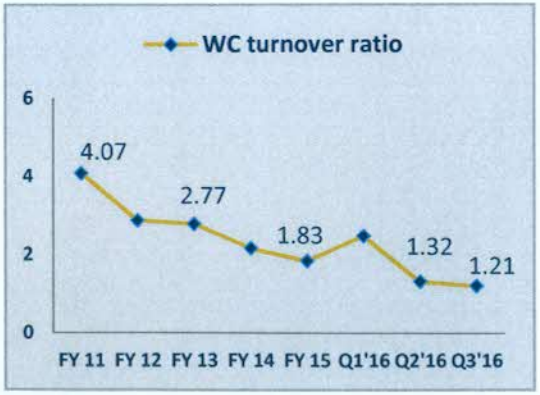


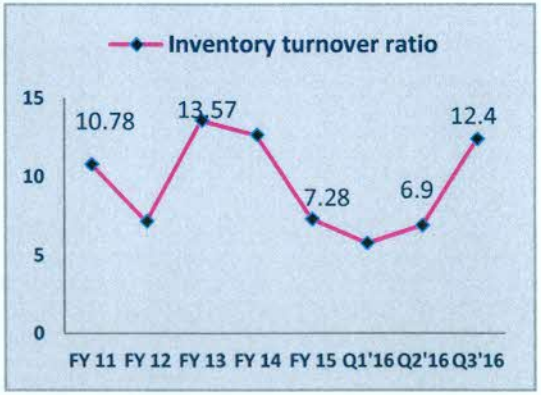




Working Capital Ratios







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Segment results

Rs Crore

	CY Q3'16	CY Cum. Q3'16	PY Q3'15	PY Cum. Q3'16
Sponge				
Revenue	125.66	402.82	**204.19**	593.32
Expenditure	136.63	428.00	**204.19**	533.58
Result	**(10.97)**	**(25.18)**	**(-)**	**59.74**
Power				
Revenue	17.01	40.35	**24.46**	57.40
Expenditure	7.06	17.10	**6.08**	15.23
Result	9.95	**23.25**	**18.38**	**42.17**
Un allocable				
Revenue	8.26	26.76	**8.66**	31.95
Expenditure	0.08	0.30	**3.53**	9.80
Result	**8.18**	**26.46**	**5.13**	**22.15**
Total Profit before interest	**7.16**	**24.53**	**23.51**	**124.06**
Less: Finance Cost	0.58	1.72	1.45	3.07
Total PBT	**6.58**	**22.81**	**22.06**	**120.99**

THANKS

End of Presentation