

In Harmony with Environment



TATA SPONGE IRON LIMITED

33rd Annual Report, 2015-16

Board of Directors



Chairman - Mr. A. M. Misra



Mr. D. K. Banerjee
Independent Director



Mr. P. C. Parakh
Independent Director



Mr. Manoj T. Thomas
Independent Director



Dr. O. N. Mohanty
Independent Director



Mr. Krishnava Dutt
Independent Director



Mr. R. Ranganath
Non-Executive Director



Mr. D. P. Deshpande
Managing Director



Mr. Sanjay Kumar Pattnaik
Executive Director



Mrs. Meena Lall
Non-Executive Director

**COMMITTEES OF BOARD**

[As on 25th April, 2016]

AUDIT COMMITTEE

Mr. P.C. Parakh	Chairman
Mr. D.K. Banerjee	Member
Dr. O.N. Mohanty	Member
Mr. R. Ranganath	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Manoj T. Thomas	Chairman
Mr. D.K. Banerjee	Member
Mr. A.M. Misra	Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Krishnav Dutt	Chairman
Mr. P.C. Parakh	Member
Mr. D.P. Deshpande	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. R. Ranganath	Chairman
Mr. Manoj T. Thomas	Member
Mr. D.P. Deshpande	Member
Mr. S.K. Pattnaik	Member

ETHICS & COMPLIANCE COMMITTEE

Mrs. Meena Lall	Chairman
Mr. Krishnav Dutt	Member

RISK MANAGEMENT COMMITTEE

Mr. D.P. Deshpande	Chairman
Mr. S.K. Pattnaik	Member

COMMITTEE OF BOARD

Mr. A.M. Misra	Chairman
Mr. D.K. Banerjee	Member
Dr. O.N. Mohanty	Member
Mr. R. Ranganath	Member
Mr. D.P. Deshpande	Member
Mr. S.K. Pattnaik	Member

MANAGEMENT TEAM

Mr. D.P. Deshpande	Managing Director
Mr. S.K. Pattnaik	Executive Director
Mr. Partha Chattopadhyay	Chief Operating Officer (Sponge Iron Business)
Mr. Ujjwal Chatterjee	Chief Business Development Officer
Mr. S.K. Mishra	Chief Financial Officer
Mr. Sanjay Kasture	Company Secretary

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The Thirty-third Annual General Meeting of Tata Sponge Iron Limited will be held at "Lake View Officers' Recreation Centre", TSIL Township, Joda, Dist - Keonjhar, Odisha - 758 034, on Tuesday, the 26th July, 2016 at 10:00 a.m.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

CORPORATE INFORMATION

Registered Office & Works	Post Joda Dist Keonjhar Odisha 758 034 Tel No : (06767) 284236 Fax No : (06767) 278159 E-mail : investorcell@tatasponge.com Website : www.tatasponge.com CIN : L27102OR1982PLC001091	Bankers	State Bank of India Canara Bank
Registrars & Share Transfer Agent	M/s. TSR Darashaw Limited. 6-10 Haji Moosa Patrawala Industrial House 20, Dr. E. Moses Road Near Famous Studio Mahalaxmi Mumbai 400 011. Tel No : (022) 66568484 Fax No : (022) 66568494 E-mail : csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com	Auditors	M/s. Deloitte Haskins & Sells Chartered Accountants
		Cost Auditors	M/s.Shome & Banerjee Cost Accountants
		Secretarial Auditor	M/s. S. M. Gupta & Co. Company Secretaries

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear Shareholder,

You may recall that we had sent you a letter dated March 01, 2016, informing you about the "Green Initiative" taken by Ministry of Corporate Affairs ("MCA"), Government of India and to support that, the intention of the Company to effect electronic delivery of documents including the annual reports, notices etc. to the members at the email address registered for the said purpose. Pursuant to the aforesaid letter, we received favorable response from the shareholders.

For supporting and furthering this initiative, we once again appeal to you that if you hold shares in :-

- electronic form**, please intimate your current email address to your Depository Participant (DP). The same will be deemed to be your registered email address for serving notices/ documents.
- physical form**, please send a letter intimating your email address, duly signed by the first/sole holder as per the specimen signature recorded with the Company to our Registrar & Transfer Agent quoting your full name and folio number to their following address :

TSR Darashaw Limited

Unit: Tata Sponge Iron Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, (Nr. Famous Studio),
Mahalaxmi, Mumbai – 400 011

Please note that all such documents shall be made available on the Company's website (www.tatasponge.com) and the same shall also be kept open for inspection at the Registered Office of the Company during the business hours.

Please note that, as a member of the Company, you will be entitled to be furnished, free of cost with a copy of such communication / document upon receipt of a requisition from you.

We are sure that you would appreciate your Company's desire to participate in the "Green Initiative" taken by MCA and in support for this noble initiative, you will opt for electronic mode of communication.

Thanking you,

For **Tata Sponge Iron Limited**

Sanjay Kasture
Company Secretary

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am happy to present before you the performance of your Company for the financial year 2015-16.

It was a difficult year as your company faced major challenges on two fronts.

The first challenge was the renovation of kiln 1, which has been in operation since 1986. The kiln had outlived its useful life after 29 years of service. During the shutdown of 115 days, the old shell was dismantled and a new shell in its place was installed. I compliment the project and the operating teams that soon after the commissioning; the kiln started operating at its rated capacity. In order that our customers do not suffer shortage of Sponge Iron during the shutdown period, the company undertook the manufacture of Sponge Iron, about 22000Tons, in nearby plants under its supervision to supplement production at its own unit. As a result, the company sold 3,87,793 Tons in FY 2015-16 which was 6.8% higher than the previous year's sale of 3,62,912 Tons. However, due to shutdown of kiln 1, the power generation was lower at 163 MU compared to 173 MU generated in the previous year.

The second challenge was on the market front. The demand in the Steel sector continued to remain sluggish, and also due to cheaper imports, the price of Sponge Iron plunged, seriously affecting the margin. Even though, we sold higher volumes this year, the net revenue from operations was lower at Rs.574 crs compared to Rs.790 crs. the previous year. Consequently, the Profit After Tax was lower at Rs. 30.83 crs. compared to Rs. 91.89 crs. In the previous year. Notwithstanding the drop in profit, the Board is happy to recommend a Dividend of Rs.10 per share (100%), as in the previous year.

The Board has also evaluated growth projects to leverage the healthy financial reserve that your company has, however a final decision will be taken when improvement is visible in the Steel Market. The company is following up with the Government for an early refund of expenses incurred in the development of Radhikapur coal block which was de-allocated last year.

The company has continued to progress in its journey towards excellence following the guidelines of the Tata Business Excellence Model. The company has won the Safety Award and also an Award for Environmental Performance from the State Government. Your company reinforces its commitment to Society by improving the quality of life of people living in surrounding villages. Accordingly, drinking water through pipes have been provided to more than 1000 families, five villages have been provided with toilets, and also educational facilities have been provided in 50 Schools.

I would like to thank all the employees along with their Union representatives for an overall good performance in the year in the face of major challenges, and you shareholders for reposing your faith in the Management team.

Kolkata
25th April, 2016

(A M Misra)
Chairman

NOTICE

THE THIRTY-THIRD ANNUAL GENERAL MEETING OF TATA SPONGE IRON LIMITED will be held on Tuesday, the 26th July, 2016 at "Lake View Officers' Recreation Centre", TSIL Township, Joda, Dist Keonjhar, Odisha 758 034, at 10:00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the :-
 - a) Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March, 2016 and the Reports of the Board of Directors and the Auditors thereon; and
 - b) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2016 and the Report of the Auditors thereon.
2. To declare dividend of Rs. 10/- per Equity share of Rs. 10/- each for Financial Year 2015-16.
3. To appoint a Director in place of Mr. Ranganath Raghupathy Rao (DIN 06725337), who retires by rotation and is eligible for re-appointment.
4. Appointment of Auditors
To pass the following resolution as an Ordinary Resolution:-

"RESOLVED that subject to the provisions Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, M/s. Deloitte, Haskins & Sells, Chartered Accountants (ICAI Registration No.302009E), the retiring auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Fourth (34) Annual General Meeting of the Company to be held in the year 2017 to audit the financial statements of the company for the Financial Year 2016-17 at such remuneration plus applicable taxes, out of pocket expenses etc., as may be mutually agreed upon between the Board of Directors and the Auditors."

SPECIAL BUSINESS

5. Ratification of Cost Auditors' remuneration
To pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, as amended from time to time, the Company does hereby ratify the remuneration of Rs. 1.80 lakh (Rupees one lakh and eighty thousand only) (excluding taxes, cess etc.), plus out of pocket expenses, payable to Messrs Shome & Banerjee, Cost Accountants, (Registration No.000001), who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of cost records of the Company as may be ordered by the Central Government under the Act and Rules framed thereunder, for the financial year ending 31st March, 2017."
6. Approval of Material Related Party Transactions:
To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution::

"RESOLVED THAT pursuant to the provisions of Regulation 23 (4) of Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations, 2015"] and other relevant provisions of the Companies Act, 2013 read with related Rules thereto, consent of the members be and is hereby accorded to the transactions to be entered with Tata Steel Limited and Tata International Singapore PTE Limited (as detailed in the Explanatory Statement annexed to the Notice), under a contract or an arrangement, for a sum not exceeding Rs. 250 cr per annum, for each such related party as defined under Regulation 2(zb) of SEBI Listing Regulations, 2015, during financial year 2016-17 and each subsequent financial year, till the termination of said contract or arrangement.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer, Company Secretary or any other officer of the Company to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved ratified and confirmed in all respects."
7. Re-appointment of Mr. Digambar Pandurang Deshpande as Managing Director:
To consider and if thought fit to pass, with or without modification, the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (the "Act"), and Rules made there under, as amended from time to time, read with Schedule V to the Act, and Article 112 of the Articles of

Association of the Company, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Digambar Pandurang Deshpande (DIN 02526471) as the Managing Director of the Company with effect from 1st April, 2016 to 31st October, 2016 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Digambar Pandurang Deshpande."

"RESOLVED FURTHER THAT the Board or Committee be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Notes :

- 1) Explanatory statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item No. 5 to 7 above is annexed hereto. The relevant details of Directors seeking appointment/reappointment under item No 3 and 7 above pursuant to Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT JODA, DIST-KEONJHAR, ODISHA, PIN 758 034, NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING.**
- 3) The Register of Members and Share Transfer Books will remain closed from 6th July, 2016, (Wednesday) to 8th July, 2016 (Friday), both days inclusive.
- 4) Dividend, if declared, will be paid to those shareholders, whose names appear on the Company's Register of Members/Register of Beneficial Owners as on 5th July, 2016 (Tuesday). The payment will be made on or after 31st July, 2016.

Your dividend warrant is valid for payment by the Company's Bankers for three months from the date of issue. Thereafter, please contact our Share Registrars, M/s. TSR Darashaw Limited (formerly Tata Share Registry Ltd.) 6-10 Haji Moosa Patrawala Industrial House, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011, for revalidation of the warrants.

Please encash your dividend warrants immediately as the dividend amounts remaining unclaimed/unpaid at the expiry of 7 years from the date that becomes due for payment are required to be transferred by the Company to the Investor Education and Protection Fund established under Section 125 in terms of Section 124 of the Companies Act, 2013.
- 5) The unclaimed dividend for the financial years 1993-94 and 1994-95 has been transferred to the General Revenue Account of Central Government and for the years 1995-96 to 2007-08 has been transferred to Investor Education and Protection Fund. Members, who have not encashed their dividend warrant for 1993-94 and 1994-95, are, therefore, requested to claim the amount from the Ministry of Corporate Affairs (MCA), Odisha, Corporate Bhawan, 3rd Floor, Plot No. 9(P), Sector 1, CDA, Cuttack - 753 014.
- 6) Members, who have not encashed their dividend warrants issued for the years 2008-09 to 2014-15 are requested to immediately forward the same for revalidation to our Share Registrars at their address given under (4) above, and get the encashment at the earliest.
- 7) Shareholders are requested to notify their bank particulars giving the name of the bank and the branch and the nature of account and also any change of address to the Company's Registrar and Share Transfer Agent, M/s. TSR Darashaw Ltd. Shareholders are hereby intimated that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
- 8) In order to provide better service to the shareholders, the Company has introduced Electronic Clearing Service (ECS) for payments of dividend. Shareholders desirous of availing ECS facility may provide the required information to our Share Registrars at their address given under (3) above.
- 9) Shareholders are hereby informed that the bank particulars given by them at the time of opening a depository account will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants. The bank mandate for shares held in physical form will not be applied for shares held in electronic form.
- 10) Section 72 of the Companies Act, 2013, extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificates in physical form and willing to avail this facility may make nomination in Form SH 13, which may be sent on request. However, in case of demat holdings; the shareholders should approach to their respective depository participants for making nominations.
- 11) Members, who have multiple accounts in identical names or joint names in same order are requested to intimate M/s. TSR Darashaw Ltd., the Ledger Folios of such accounts to enable the Company to consolidate all such share holdings into one account.

12) Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendments Rules, 2015, and regulation 44 of Listing Regulations the Members are provided with the facility to cast their vote electronically, through e-voting services provided by NSDL.
- II. The Company has appointed Ms. Manjari Sinha (ACS-26617, & CP No. -9724), Practising Company Secretary, 27, Tulsi Bhawan, Bistupur, Jamshedpur 831 001, as the Scrutinizer for conducting the entire process including e-voting in a fair and transparent manner.
- III. The facility for voting, either through electronic voting or polling paper shall also be made available at the Annual General Meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- IV. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- V. Members can opt for only one mode of voting, i.e. either by e-voting or voting at Annual General Meeting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast at Annual General Meeting shall be treated as invalid.
- VI. The instructions for e-voting are as under:
 - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depository Participant(s)) :
 - (i) Open email and also open PDF file, namely "Tata Sponge e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL : <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login.
 - (iv) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
 - (v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - (vi) Once the e-voting home page opens, click on e-Voting > Active Voting Cycles.
 - (vii) Select "EVEN" (E-voting Event Number - 104062) of Tata Sponge Iron Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to investorcell@tatasponge.com or evoting@tatasponge.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy) :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (e Voting Event Number) + USER ID and PASSWORD/PIN
 - (ii) Please follow all steps from Sl.No.A(ii) to Sl.No.A(xii) above, to cast vote.
- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no. 1800-222-990.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- IX. The e-voting period commences on 23rd July, 2016 (Saturday) 9-00 a.m. IST and ends on 25th July, 2016 (Monday) 5-00 p.m. IST. During this period shareholders' of the company holding shares either in physical form or in dematerialised form, as on 19th July, 2016, i.e. the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast vote again.
- X. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, voting through ballot form, as well as voting at the meeting through ballot.
- XI. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on www.evoting.nsdl.com.
- XII. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
- XIII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tatasponge.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.
- XIV. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9-00 a.m. to 5-00 p.m.) on all working days, including the date of the Annual General Meeting of the company.

By Order of the Board of Directors

Kolkata
25th April, 2016

Sanjay Kasture
Company Secretary

Registered Office:
Post Joda
Dist. - Keonjhar
Odisha - 758 034
CIN-L27102OR1982PLC001091
Website: www.tatasponge.com