

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF TAYO ROLLS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **TAYO ROLLS LIMITED** ("the Company") for the Quarter and six months ended 30 September, 2015 ("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 is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
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 investor complaints disclosed in Part II - Select Information for the Quarter and six months ended 30 September, 2015 of the Statement, from the details furnished by the Management.

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



*Alka Chadha*

Alka Chadha  
Partner

(Membership No. 93474)

**TAYO ROLLS LIMITED**

Corporate Identity Number : L27105JH1968PLC000818

Office : Annex – 2, General Office, Tata Steel Limited, Jamshedpur- 831 001, INDIA

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**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2015**

PART I		Rupees in Lakhs					
	Particulars	Quarter ended 30.09.2015	Previous Quarter ended 30.06.2015	Quarter ended 30.09.2014	Six months ended 30.09.2015	Six months ended 30.09.2014	Year ended 31.03.2015
		***	Unaudited	***	Unaudited	Unaudited	(Audited)
1	Net sales/income from operations (Net of excise duty)	3,951	2,764	3,121	6,715	6,551	13,463
	Other Operating Income	60	155	230	215	320	707
	<b>Total income from operations (net)</b>	<b>4,011</b>	<b>2,919</b>	<b>3,351</b>	<b>6,930</b>	<b>6,871</b>	<b>14,170</b>
2	<b>Expenditure</b>						
a)	Cost of materials consumed	1,649	1,483	1,575	3,132	2,834	5,034
b)	Purchases of stock-in-trade	0	0	33	0	33	43
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-370	-567	-346	-937	-775	-65
d)	Employee benefits expense	1,002	1,010	899	2,012	1,800	3,865
e)	Depreciation and amortisation expense	394	376	253	770	635	1,305
f)	Consumption of Stores	556	559	625	1,115	1,135	2,108
g)	Power and Fuel	676	672	796	1,348	1,590	3,026
h)	Other Expenditure	947	711	663	1,658	1,495	3,380
	<b>Total Expenditure</b>	<b>4,854</b>	<b>4,244</b>	<b>4,498</b>	<b>9,098</b>	<b>8,747</b>	<b>18,696</b>
3	<b>Profit (+)/Loss(-) from operations before Other Income, Finance cost and Exceptional items (1-2)</b>	<b>-843</b>	<b>-1,325</b>	<b>-1,147</b>	<b>-2,168</b>	<b>-1,876</b>	<b>-4,526</b>
4	Other Income	101	48	31	149	70	131
5	<b>Profit (+)/Loss (-) before Finance cost and Exceptional Items (3+4)</b>	<b>-742</b>	<b>-1,277</b>	<b>-1,116</b>	<b>-2,019</b>	<b>-1,806</b>	<b>-4,395</b>
6	Finance costs	220	369	406	589	833	1,573
7	<b>Profit (+)/Loss (-) after Finance cost but before Exceptional Items (5-6)</b>	<b>-962</b>	<b>-1,646</b>	<b>-1,522</b>	<b>-2,608</b>	<b>-2,639</b>	<b>-5,968</b>
8	<b>Exceptional Items</b>						
	- Provision for impairment of non-current assets	0	0	0	0	0	-794
9	<b>Profit (+)/Loss(-) from ordinary activities before Tax (7+8)</b>	<b>-962</b>	<b>-1,646</b>	<b>-1,522</b>	<b>-2,608</b>	<b>-2,639</b>	<b>-6,762</b>
10	<b>Tax Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
11	<b>Net Profit (+)/Loss(-) for the period after Tax (9-10)</b>	<b>-962</b>	<b>-1,646</b>	<b>-1,522</b>	<b>-2,608</b>	<b>-2,639</b>	<b>-6,762</b>
12	Extraordinary Item (net of tax expense)	0	0	0	0	0	0
13	<b>Net Profit (+)/Loss(-) for the period after Tax (11-12)</b>	<b>-962</b>	<b>-1,646</b>	<b>-1,522</b>	<b>-2,608</b>	<b>-2,639</b>	<b>-6,762</b>
14	Paid-up Equity share capital (Face value of Rs.10/-each)	1,026	1,026	1,026	1,026	1,026	1,026
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						-19,332
16	<b>Earning Per Share (EPS)</b>						
a)	Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualized)	-9.38	-16.04	-14.84	-25.42	-25.72	-65.90
b)	Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	-9.38	-16.04	-14.84	-25.42	-25.72	-65.90
<b>PART II</b>							
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
1	Public Shareholding						
a)	Number of Shares	2,748,568	2,748,568	2,748,568	2,748,568	2,748,568	2,748,568
b)	Percentage of Shareholding	26.79	26.79	26.79	26.79	26.79	26.79
2	Promoter and promoter group shareholding						
a)	Pledged/Encumbered	Nil	Nil	Nil	Nil	Nil	Nil
	- Number of Shares						
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)						
	- Percentage of shares (as a % of the total share capital of company)						
b)	Non-encumbered						
	- Number of Shares	7,512,367	7,512,367	7,512,367	7,512,367	7,512,367	7,512,367
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	73.21	73.21	73.21	73.21	73.21	73.21
<b>B</b>	<b>INVESTOR COMPLAINTS</b>						
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	Nil					
	Disposed off during the quarter	Nil					
	Remaining unresolved at the end of the quarter	Nil					

\*\*\* Represents balancing figure between six months period ended 30.09.2015 and 3 months period ended 30.06.2015. (Previous 6 months period ended 30.09.2014 and 3 months period ended 30.06.2014)

**SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE  
QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER,2015**

(Rs in Lakhs)

Particulars	Quarter ended 30.09.2015	Preceding 3 Months ended 30.06.2015	Corresponding Quarter ended 30.09.2014	Six Months ended 30.09.2015	Six Months ended 30.09.2014	Previous Year ended 31.03.2015
	***	Unaudited	***	Unaudited	Unaudited	(Audited)
1. Segment Revenue (net sale/ income from each segment should be disclosed under this head)						
(a) Roll Operation	3103	2093	2621	5196	5634	11656
(b) Pig Iron Operation	668	643	424	1311	857	1562
(c) Ingot Operation	688	678	413	1366	794	1978
(d) Engg Forgings Operation	348	178	219	526	332	746
(e) Others	5	12	12	17	18	125
Total	4812	3604	3689	8416	7635	16067
Less: Inter Segment Revenue	700	637	307	1337	694	1766
<b>Net sales / Income from Operations</b>	<b>4112</b>	<b>2967</b>	<b>3382</b>	<b>7079</b>	<b>6941</b>	<b>14301</b>
2. Segment Results (Profit)(+)/Loss(-) before tax and interest from Each segment)						
(a) Roll Operation	-602	-1237	-1093	-1839	-1725	-3632
(b) Pig Iron Operation	35	182	156	217	242	175
(c) Ingot Operation	-58	-36	-9	-94	-89	-294
(d) Engg Forgings Operation	-110	-176	-168	-286	-215	-600
(e) Others	-7	-10	-2	-17	-19	-44
Total	-742	-1277	-1116	-2019	-1806	-4395
(I) Finance cost	-220	-369	-406	-589	-833	-1573
(ii) Exceptional Item (Net)	0	0	0	0	0	-794
<b>Total Profit / ( - ) Loss Before Tax</b>	<b>-962</b>	<b>-1646</b>	<b>-1522</b>	<b>-2608</b>	<b>-2639</b>	<b>-6762</b>
3. Capital Employed (Segment assets - Segment Liabilities)						
(a) Roll Operation	10733	11068	11201	10733	11201	12051
(b) Pig Iron Operation	574	864	298	574	298	871
(c) Ingot Operation	3183	3155	2629	3183	2629	3219
(d) Engg Forgings Operation	2805	2711	2819	2805	2819	2659
(e) Unallocable Assets (Net)	-13110	-12651	-11028	-13110	-11028	-13606
<b>Total</b>	<b>4185</b>	<b>5147</b>	<b>5919</b>	<b>4185</b>	<b>5919</b>	<b>5194</b>

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities shall have the same meaning as defined in the Accounting Standards on Segment Reporting (AS - 17)

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Disclosure of assets and liabilities as per clause 41 (l) (ea) of the listing agreement  
for the half year ended 30 September, 2015

Standalone Statement of Assets and Liabilities		As at 30th September, 2015	As at 31st March, 2015
		Unaudited	Audited
Rupees in lakhs			
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' funds</b>		
	(a) Share Capital	26,126.13	24,526.13
	Reserves and surplus	(21,940.87)	(19,332.44)
	<b>Sub-total - Shareholders' funds</b>	<b>4,185.26</b>	<b>5,193.69</b>
2	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	1,194.35	1,990.60
	(b) Long-term provisions	1,741.59	1,648.67
	<b>Sub-total - Non-current liabilities</b>	<b>2,935.94</b>	<b>3,639.27</b>
3	<b>Current liabilities</b>		
	(a) Short-term borrowings	8,308.61	7,906.51
	(b) Trade payables	4,526.62	4,306.12
	(c) Other current liabilities	6,195.46	5,767.21
	(d) Short-term provisions	1,099.32	960.46
	<b>Sub-total - Current liabilities</b>	<b>20,130.01</b>	<b>18,940.30</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>27,251.21</b>	<b>27,773.26</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Fixed assets	14,934.42	15,326.62
	(b) Non-current investments	0.14	0.14
	(c) Long-term loans and advances	1,072.33	1,208.95
	<b>Sub-total - Non-current assets</b>	<b>16,006.89</b>	<b>16,535.71</b>
2	<b>Current assets</b>		
	(a) Inventories	6,442.84	5,719.67
	(b) Trade receivables	3,627.69	4,231.80
	(c) Cash and cash equivalents	607.94	587.10
	(d) Short-term loans and advances	507.56	642.61
	(e) Other current assets	58.29	56.37
	<b>Sub-total - Current assets</b>	<b>11,244.32</b>	<b>11,237.55</b>
	<b>TOTAL - ASSETS</b>	<b>27,251.21</b>	<b>27,773.26</b>

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- (a) In accordance with the approval of shareholders at the Extra-ordinary General Meeting held on May 12, 2014, the Company has allotted 16,00,000, 8.50% Non- cumulative Redeemable Preference Shares of Rs. 100/- each on preferential basis to Tata Steel Limited, the promoters of the Company.
- (b) Consequent to the judgment dated 2nd May, 2013 of Honourable Jharkhand High Court with regard to the applicability of power tariff structure on the Company's Induction Furnace Unit from January 2000, the Jharkhand State Electricity Board (JSEB) has raised rectified energy bill dated 10th June, 2013 for Rs.. 272.03 Crs(later claim revised to Rs. 263.61 Crores). The rectified energy bill has been challenged separately before the Honourable Jharkhand High Court. The Company has also contested the judgment dated 2nd May, 2013 on the applicability of power tariff structure by way of filing an appeal (Letters Patent Appeal) before the Honourable Jharkhand High Court which has been admitted on merit on 3rd July, 2013. The decision of the High Court is awaited. The demand raised by JSEB for Rs.263.61 crore has been considered as contingent liability in the financial statement.
- JSEB has also initiated Certificate proceedings for recovery of Rs 263. 61 Crores against the Company and Board of Directors, which has been challenged before the Certificate Officer. The appeal against bill of Rs.263.61 crores came up for hearing before the High Court and based on the fact that the matter is sub-judice before the Certificate Officer, the High Court refrained from passing the judgement and directed the Company to place the arguments before the Certificate Officer which has been complied with. The decision of Certificate Officer is awaited.
- (c) The above financial results were reviewed by the Audit Committee at their meeting held on 17.10.2015 and approved and taken on record by the Board of Directors of the Company at their meeting held on 17.10.2015
- (d) Figures for corresponding period/previous year have been rearranged /regrouped, wherever necessary.

Jamshedpur  
17.10.2015

For Tayo Rolls Limited

  
(K. Shankar Marar)  
Managing Director  
(DIN - 06656658)