



SL/SHR/8/33

Date: February 12, 2016

To,
The General Manager – Corporate Services,
Bombay Stock Exchange Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 504961

website: www.listing.bseindia.com

Sub: Outcome of Board Meeting

Dear Sir/Madam,

Please find enclosed herewith Audited Financial Results of the Company for the 3rd quarter and nine months ended 31st December, 2015 along with Auditors Report thereon as approved by the Board of Directors at their meeting held on 12.02.2016.

This is in compliance with Regulation 30 of the SEBI (LODR) Regulations, 2015.

You are requested to kindly take the same on record.

Thanking You,
Yours faithfully,

For Tayo Rolls Limited

**PRASHANT
T KUMAR**

Digitally signed by PRASHANT
KUMAR
DN: cn=PRASHANT KUMAR
c=IN o=Personal
Reason: I attest to the accuracy
and integrity of this document
Location:
Date: 2016-02-12 17:23+05:30



(Prashant Kumar)
Company Secretary & Compliance Officer

Encl: As above

TAYO ROLLS LIMITED

Regd. Office : Annex-2, General Office, Tata Steel Limited, Jamshedpur-831 001, Jharkhand, INDIA
Corporate & Works Office : Large Scale Industrial Estate, Gamharia-832 108, Jharkhand, INDIA

Office Phone : 91-657-2231355/6627101/103/140/141/142, Marketing Phone : 91-657-6627117/127, E-mail : tayoregd@tayo.co.in

Fax : 91-657-6627143/200, website : www.tayo.co.in, Corporate Identity Number : L27105JH1968PLC000818

A TATA Enterprise

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS
TO THE BOARD OF DIRECTORS OF
TAYO ROLLS LIMITED**

1. We have audited the standalone financial results for the Nine Months ended 31 December, 2015 in the accompanying Statement of Standalone Financial Results for the Quarter and Nine Months ended 31 December, 2015 ("the Statement") of **TAYO ROLLS LIMITED** ('the Company'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related interim financial statements in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of the related interim financial statements for the nine months ended 31 December, 2015 and conclusion on the unaudited financial results for the quarter ended 31 December, 2015.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

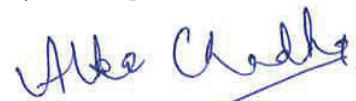
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

3. As more fully described in Note 'c' of the Statement, the financial statements have been prepared on realisable value as Management has concluded that the going concern basis of preparation is not appropriate because of the financial condition of the Company. The assets and liabilities have been restated to their realisable values only to the extent identified and estimated by Management. In the absence of any external valuation of realisable values and sufficient evidence to support that all adjustments to liabilities and recorded assets have been identified and made, there may be other adjustments required to adjust realisable values of reported assets and liabilities or record additional liabilities.

Q

4. In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the paragraph 3 above*, the Statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the nine months ended 31 December, 2015.
5. Attention is invited to Note 'f' of the Statement regarding results for the quarter ended 31 December, 2015 being balancing figures between the audited figures in respect of the nine months ended 31 December, 2015 and the published six months unaudited figures up to 30 September, 2015. Our report is not modified in respect of this matter.

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



Alka Chadha
Partner

(Membership No. 93474)

New Delhi, 12 February, 2016

TAYO ROLLS LIMITED

Office : Annex - 2, General Office, Tata Steel Limited, Jamshedpur- 831 001, INDIA
Corporate Identity Number : L2710BJH1968PLC000818

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2015

PART I	Particulars	Rupees in Lakhs					
		3 months ended 31.12.2015	Preceding 3 months ended 30.09.2015	Corresponding 3 months ended in the previous period 31.12.2014	Year to date figures for current period ended 31.12.2015	Year to date figures for previous period ended 31.12.2014	Previous year ended 31.03.2015
		(See note 'F' below)	(Unaudited)	(See note 'F' below)	(Audited)	(Unaudited)	(Audited)
1	Income from Operation						
a)	Net sales/income from operations (Net of excise duty)	3,110	3,951	3,311	9,825	9,862	13,463
b)	Other Operating Income	98	60	109	313	429	707
	Total Income from operations (net)	3,208	4,011	3,420	10,138	10,291	14,170
2	Expenditure						
a)	Cost of materials consumed	889	1,649	1,216	4,021	4,050	5,034
b)	Purchases of stock-in-trade	-	-	1	-	34	43
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	355	(370)	81	(582)	(695)	(65)
d)	Employee benefits expense	860	1,002	951	2,872	2,751	3,865
e)	Depreciation and amortisation expense	390	394	350	1,160	985	1,305
f)	Consumption of stores	588	556	557	1,703	1,693	2,108
g)	Power and fuel	452	676	838	1,800	2,420	3,026
h)	Other expenses	1,006	947	667	2,664	2,170	3,380
	Total Expenditure	4,540	4,854	4,661	13,638	13,408	18,696
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,332)	(843)	(1,241)	(3,500)	(3,117)	(4,526)
4	Other income	9	101	1	158	71	131
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,323)	(742)	(1,240)	(3,342)	(3,046)	(4,395)
6	Finance costs	360	220	384	949	1,217	1,573
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(1,683)	(962)	(1,624)	(4,291)	(4,263)	(5,968)
8	Exceptional items [See note (c)]	(7,788)	-	-	(7,788)	-	(794)
9	Profit/(Loss) from ordinary activities before Tax (7 + 8)	(9,471)	(962)	(1,624)	(12,079)	(4,263)	(6,762)
10	Tax Expense	-	-	-	-	-	-
11	Profit/(Loss) from ordinary activities after tax (9 + 10)	(9,471)	(962)	(1,624)	(12,079)	(4,263)	(6,762)
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11+12)	(9,471)	(962)	(1,624)	(12,079)	(4,263)	(6,762)
14	Paid-up Equity share capital (Face value of Re.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	Earning Per Share (EPS) (not annualised)						
i)	Basic and diluted EPS before extraordinary items	(92.30)	(9.38)	(15.83)	(117.72)	(41.54)	(65.90)
ii)	Basic and diluted EPS after extraordinary items	(92.30)	(9.38)	(15.83)	(117.72)	(41.54)	(65.90)

**SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE
QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2015**

Rupees in Lakhs

Particulars	3 months ended 31.12.2015	Preceding 3 months ended 30.09.2015	Corresponding 3 months ended in the previous period 31.12.2014	Year to date figures for current period ended 31.12.2015	Year to date figures for previous period ended 31.12.2014	Previous year ended 31.03.2015
	(See note 'f' below)	Unaudited	(See note 'f' below)	(Audited)	(Unaudited)	(Audited)
1. Segment Revenue (net sale/ income from each segment should be disclosed under this head)						
(a) Roll operation	2,594	3,103	2,890	7,790	8,524	11,656
(b) Pig iron operation	383	668	316	1,694	1,173	1,562
(c) Ingot operation	448	688	824	1,814	1,618	1,978
(d) Engg forgings	139	348	165	665	497	746
(e) Others	144	5	45	161	63	125
Total	3,708	4,812	4,240	12,124	11,875	16,067
Less: Inter segment revenue	491	700	819	1,828	1,513	1,766
Net sales / income from operations	3,217	4,112	3,421	10,296	10,362	14,301
2. Segment results Profit/(Loss) before tax and interest from each segment						
(a) Roll operation	(1,242)	(602)	(884)	(3,081)	(2,643)	(3,632)
(b) Pig iron operation	113	35	(163)	330	79	175
(c) Ingot operation	(110)	(58)	(93)	(204)	(182)	(294)
(d) Engg forgings operation	(210)	(110)	(131)	(496)	(346)	(600)
(e) Others	126	(7)	31	109	46	(44)
Total	(1,323)	(742)	(1,240)	(3,342)	(3,046)	(4,395)
(i) Finance costs	(360)	(220)	(384)	(949)	(1,217)	(1,573)
(ii) Exceptional item	(7,788)	-	-	(7,788)	-	(794)
Total Profit / (Loss) before tax	(9,471)	(962)	(1,624)	(12,079)	(4,263)	(6,762)
3. Capital employed (Segment assets - Segment liabilities)						
(a) Roll operation	4,548	10,733	10,545	4,548	10,545	12,051
(b) Pig Iron operation	680	574	58	680	58	871
(c) Ingot operation	904	3,183	1,883	904	1,883	3,219
(d) Engg forgings operation	604	2,805	1,163	604	1,163	2,659
(e) Unallocable assets (net)	(12,022)	(13,110)	(7,055)	(12,022)	(7,055)	(13,606)
Total	(5,286)	4,185	6,594	(5,286)	6,594	5,194

LMM

- (a) In accordance with the approval of shareholders at the Extra-ordinary General Meeting held on 12 May, 2014, the Company has allotted 1,600,000, 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 2 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) had raised rectified energy bill dated 10 June, 2013 for Rs. 27,203 lakhs (later claim revised to Rs. 26,361 lakhs). The rectified energy bill was challenged separately before the Honourable Jharkhand High Court. The Company has also contested the judgment dated 2 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 3 July, 2013. The demand raised by JSEB has been considered as contingent liability in the financial statements.

JSEB had also initiated Certificate proceedings for recovery of Rs. 26,361 lakhs against the Company and Board of Directors, which was challenged before the Certificate Officer. The Certificate Officer in his Order dated 12 December, 2015 has absolved the Directors from any liability to the extent the Certificate amount is considered. He also directed JSEB to raise revised bills and the Company to pay the same within 15 days of the Order. JSEB has raised the revised bill dated 24 December, 2015 for Rs. 21,804 lakhs. The Company has also challenged the Order dated 12 December, 2015 of the Certificate Officer before the Division Bench of the Jharkhand High Court.

On 18 December, 2015, the Division Bench of Jharkhand High Court has passed its Order that "No Coercive Action" shall be initiated against the Company during pendency and final hearing of the Appeals. The next date for hearing is fixed on 01 March, 2016.

- (c) The Company has incurred a loss of Rs. 9,471 lakhs and Rs 12,079 lakhs during the quarter and nine months ended 31 December, 2015 respectively (incurred a loss of Rs. 6,762 lakhs during the year ended 31 March, 2015) and the accumulated losses as on date amounting to Rs. 36,854 lakhs has eroded the net worth of the Company. The Company's current liabilities are more than its current assets.

The Company's operating results continue to be materially affected by various factors, particularly high pricing pressures due to overcapacity in roll industry, general economic slowdown and unavailability of future financing. Considering, these factors the going concern assumption is not appropriate for preparing the financial statements and these financial statements have been prepared on a realisable value basis. Certain assets and liabilities recorded and reported in the balance sheet have been stated at their realisable values as identified and estimated by management. A loss of Rs. 7,788 lakhs, classified as exceptional item has been recognised as the difference between the realisable values and the historical carrying amounts of these assets and liabilities.

- (d) The auditors in their audited report have given their qualification as follows:

"As disclosed in Note 'c' to the Statement, the financial statements have been prepared on realisable value as Management has concluded that going concern basis of preparation is not appropriate because of the financial condition of the Company. The assets and liabilities have been restated to their realisable values only to the extent identified and estimated by Management. In the absence of any external valuation of realisable values and sufficient evidence to support that all adjustments to liabilities and recorded assets have been identified and made, there may be other adjustments required to adjust realisable values of reported assets and liabilities or record additional liabilities."

An external review of the internal assessment will be conducted.

- (e) In view of erosion of net worth, the Board has decided to refer the Company to Board for Industrial and Financial Reconstruction (BIFR) as required u/s 15 (1) of The Sick Industrial Companies (Special Provisions) Act 1985.
- (f) Results for the quarter ended 31 December, 2015 are the balancing figures between the audited figures in respect of the nine months ended 31 December, 2015 and the published six-months unaudited figures up to 30 September, 2015.
- (g) The above financial results were reviewed by the Audit Committee at their meeting held on 12 February, 2016 and approved and taken on record by the Board of Directors of the Company at their meeting held on 12 February, 2016.
- (h) Figures for corresponding period/previous year have been rearranged /regrouped, wherever necessary.

For TAYO ROLLS LIMITED



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

Kolkata
12.02.2016