



57/SL/SHR/69

July 18, 2016

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

Stock Code: 504961

Website: www.listing.bseindia.com

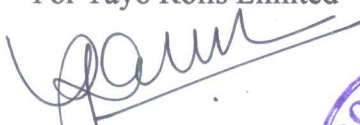
Dear Sir/Madam,

Please find enclosed herewith unaudited financial results of the Company as on June 30, 2016, along with limited review report of the auditors thereon as approved by the Board of Directors at their meeting held today.

This is in compliance to the Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

You are requested to kindly take the same on record.

Yours faithfully,
For Tayo Rolls Limited


(Prashant Kumar)
Company Secretary &
Compliance officer



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

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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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 ended 30 June, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), 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 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 provides 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 aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 'b' of the statement wherein it is indicated that the Company has accumulated losses and its net worth has been fully eroded. The Company has incurred a net loss during the current quarter and the previous year ended 31 March, 2016 and the Company's current liabilities exceeded its current assets as at 30 June, 2016. These conditions along with other matters set forth in Note b, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the financial results of the Company have not been prepared on a going concern basis for the reasons stated in the said note.



**Deloitte
Haskins & Sells**

Our report is not qualified in respect of this matter.

5. We have not reviewed the financial results and other financial information for the Quarter ended 30 June, 2015 which have been presented solely based on the financial information compiled by the Management.
6. We have not reviewed the financial results and other financial information for the Quarter ended 31 March, 2016 and Year ended 31 March, 2016, which have been presented solely based on the financial information compiled by the Management.

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



Alka Chadha

Alka Chadha
Partner
(Membership No. 93474)

KOLKATA, 18 July, 2016

TAYO ROLLS LIMITED

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

Corporate Identity Number : L27105JH1968PLC000818

Web site: www.tayo.co.in E-mail Id: tayoregd@tayo.co.in

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2016

| PART I | | Rupees in Lakhs | | | |
|---------------|--|-----------------------------|--|--|-------------------------------|
| | Particulars | Quarter ended 30.06.2016 | Preceding quarter ended 31.03.2016 | Corresponding quarter ended 30.06.2015 | Year ended 31.03.2016 |
| | | (Reviewed) | (Unaudited) (See note 'd') | (Unaudited) (See note 'd') | (Unaudited) (See note 'd') |
| 1 | Income from operations | | | | |
| a) | Gross sales/income from operations | 1,751 | 2,664 | 3,064 | 13,596 |
| | Less: Excise duty | 163 | 286 | 300 | 1,393 |
| | Net sales/income from operations | 1,588 | 2,378 | 2,764 | 12,203 |
| b) | Other operating income | 122 | 94 | 155 | 407 |
| | Total income from operations (net) | 1,710 | 2,472 | 2,919 | 12,610 |
| 2 | Expenditure | | | | |
| a) | Cost of materials consumed | 297 | 572 | 1,483 | 4,593 |
| b) | Purchases of stock-in-trade | - | - | - | - |
| c) | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 135 | 1,211 | (567) | 629 |
| d) | Employee benefits expense | 847 | 1,047 | 976 | 3,888 |
| e) | Depreciation and amortisation expense | 163 | 114 | 492 | 1,630 |
| f) | Consumption of stores | 190 | 351 | 559 | 1,875 |
| g) | Power and fuel | 305 | 421 | 672 | 2,221 |
| h) | Other expenses | 410 | 632 | 711 | 3,317 |
| | Total expenditure | 2,347 | 4,348 | 4,326 | 18,153 |
| 3 | Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2) | (637) | (1,876) | (1,407) | (5,543) |
| 4 | Other income | 73 | 20 | 48 | 178 |
| 5 | Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4) | (564) | (1,856) | (1,359) | (5,365) |
| 6 | Finance costs | 420 | 398 | 373 | 1,360 |
| 7 | Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6) | (984) | (2,254) | (1,732) | (6,725) |
| 8 | Exceptional items | 2,870 | 1,126 | - | 8,914 |
| 9 | Profit / (Loss) from ordinary activities before tax (7 + 8) | (3,854) | (3,380) | (1,732) | (15,639) |
| 10 | Tax expenses | - | - | - | - |
| 11 | Profit / (Loss) from ordinary activities after tax (9 + 10) | (3,854) | (3,380) | (1,732) | (15,639) |
| 12 | Extraordinary items (net of tax expense) | - | - | - | - |
| 13 | Net Profit / (Loss) for the period (11+12) | (3,854) | (3,380) | (1,732) | (15,639) |
| 14 | Other comprehensive income | 4 | 34 | (32) | (64) |
| 15 | Total comprehensive income (13+14) | (3,850) | (3,346) | (1,764) | (15,703) |
| 16 | Paid-up Equity share capital (Face value of Rs. 10/-each) | 1,026 | 1,026 | 1,026 | 1,026 |
| 17 | Reserves excluding revaluation reserves as per balance sheet of previous accounting year | | | | (34,954) |
| 18 | Earning per share (EPS) | | | | |
| i) | Basic and diluted EPS before extraordinary items for the period, for the year to date and for the previous year (not annualized) | (37.56) | (32.94) | (16.88) | (152.41) |
| ii) | Basic and diluted EPS after extraordinary items for the period, for the year to date and for the previous year (not annualized) | (37.56) | (32.94) | (16.88) | (152.41) |

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**SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE
QUARTER ENDED 30 JUNE, 2016**

PART II

(Rs in Lakhs)

| Particulars | Quarter ended | Preceding quarter ended | Corresponding quarter ended | Previous year ended |
|--|-----------------|-------------------------|-----------------------------|---------------------|
| | 30.06.2016 | 31.03.2016 | 30.06.2015 | 31.03.2016 |
| | (Reviewed) | (Unaudited) | (Unaudited) | (Unaudited) |
| 1. Segment revenue | | | | |
| (a) Roll operation | 1,155 | 1,641 | 2,345 | 10,378 |
| (b) Pig iron operation | 551 | 674 | 663 | 2,439 |
| (c) Ingot operation | 35 | 328 | 684 | 2,148 |
| (d) Engg forgings | 170 | 443 | 200 | 1,194 |
| (e) Others | 70 | 20 | 12 | 178 |
| | 1,981 | 3,106 | 3,904 | 16,337 |
| Less: Inter segment revenue | 35 | 328 | 637 | 2,156 |
| | 1,946 | 2,778 | 3,267 | 14,181 |
| Less: Excise duty | 163 | 286 | 300 | 1,393 |
| Sales / Income from operations | 1,783 | 2,492 | 2,967 | 12,788 |
| 2. Segment results profit/(loss) before tax and interest from each segment | | | | |
| (a) Roll operation | (556) | (1,454) | (1,319) | (4,702) |
| (b) Pig iron operation | 91 | (191) | 182 | 139 |
| (c) Ingot operation | (88) | (78) | (36) | (282) |
| (d) Engg forgings operation | (57) | (148) | (176) | (644) |
| Total | (610) | (1,871) | (1,349) | (5,489) |
| (i) Finance costs | 420 | 398 | 373 | 1,360 |
| (ii) Exceptional items | 2,870 | 1,126 | - | 8,914 |
| (iii) Other unallocable expenditure net off unallocable income | (46) | (15) | 10 | (124) |
| Total profit / (loss) before tax | (3,854) | (3,380) | (1,732) | (15,639) |
| 3. Capital employed (Segment assets - Segment liabilities) | | | | |
| (a) Roll operation | 926 | 225 | 11,068 | 225 |
| (b) Pig Iron operation | 1,352 | 987 | 864 | 987 |
| (c) Ingot | 411 | 687 | 3,155 | 687 |
| (d) Engg forgings | 442 | 282 | 2,711 | 282 |
| (e) Unallocable assets (net) | (40,909) | (36,109) | (37,673) | (36,109) |
| Total | (37,778) | (33,928) | (19,875) | (33,928) |

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Notes:

- a 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 December 18, 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 these Appeals.

- b The Company has incurred a loss of Rs. 3,854 lakhs during the quarter ended 30 June 2016 (incurred a loss of Rs. 15,639 lakhs during the year ended 31 March, 2016), and the accumulated losses as on date amounting to Rs. 44,376 lakhs has eroded the net worth of the Company. The Company's current liabilities exceeds 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 other than going concern basis. Accordingly, the assets have been stated at the lower of their historic cost and estimated net realisable value and the liabilities have been stated at the values at which they are expected to be discharged. A loss of Rs. 8,914 lakhs during the previous year ended 31 March, 2016 (Rs. 1,126 for the quarter ended 31 March 2016), classified as exceptional item, had been recognised as the difference between the realisable values and the historical carrying amounts of these assets and liabilities. The Board of Directors in the meeting held on 26 May 2016 had approved a Voluntary Separation Scheme (VSS Scheme) for employees and a phase wise suspension of operations. Pursuant to the VSS Scheme an expenditure of Rs. 2,870 lakhs has been recognised as exceptional item. The Board of Directors had referred the Company to the Board for Industrial and Financial Reconstruction (BIFR) as required under the First proviso of section 15 (1) of The Sick Industrial Companies (Special Provisions) Act, 1985 and the Company is registered with BIFR on 23 March 2016.

- c The above financial results were reviewed by the Audit Committee at their meeting held on 18 July, 2016 and approved and taken on record by the Board of Directors of the Company at their meeting held on 18 July, 2016.
- d The Company adopted Indian Accounting Standard ("Ind AS") from April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34. The financial results includes results for the quarter ended 31 March, 2016, quarter ended 30 June, 2015 and year ended 31 March, 2016, which have not been subject to audit/limited review (results for the earlier periods prepared as per Indian Generally Accepted Accounting Principles were subject to limited review in respect of quarter ended 30 June, 2015 and audit in respect of year ended 31 March, 2016. Further, the figures for the quarter ended 31 March, 2016 were the balancing figures between audited figures in respect of full financial year ended 31 March, 2016 and audited year to date figures up to 31 December, 2015.) and the management has exercised necessary due diligence to ensure that financial results provide a true and fair view of its results for those periods.

- e Reconciliation between financial results, as previously reported referred to as "Previous GAAP" and Ind AS for the quarters/year presented are as under:

| Particulars | (Rs in Lakhs) | | |
|---|-----------------------------|-----------------------------|--------------------------------------|
| | Quarter ended 30.06.2015 | Quarter ended 31.03.2016 | Previous year ended 31.03.2016 |
| Net loss under Previous GAAP | (1,646) | (3,609) | (15,688) |
| Actuarial (gain)/loss on employee defined benefit funds recognised in Other comprehensive income | 33 | (34) | 65 |
| Net depreciation impact of items of inventories transferred to property, plant and equipment | (115) | 267 | - |
| Amortisation of processing fees on borrowing | (4) | (4) | (16) |
| Effect of measuring investment at fair value through profit and loss | | | |
| Net loss for the period under Ind AS | (1,732) | (3,380) | (15,639) |
| Other comprehensive income (Includes actuarial gain / (loss) and charge in fair value of investments in equity instruments) | (32) | 34 | (64) |
| Total comprehensive income under Ind As | (1,764) | (3,346) | (15,703) |

Jamshedpur
18 July, 2016

For TAYO ROLLS LIMITED

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