



61/SL/SHR/2017

May 22, 2017

The Secretary – Listing Department,  
Bombay Stock Exchange Limited,  
Floor 25, P J Towers,  
Dalal Street,  
Mumbai – 400 001.

**Stock Code: 504961**

Website: [listing.bseindia.com](http://listing.bseindia.com)

Re: **Audited Annual Accounts as on 31.03.2017**

Dear Sir/Madam,

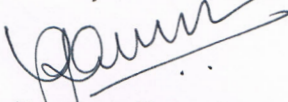
Please find enclosed herewith Audited financial results of the Company as on March 31, 2017 along with Auditors Report thereon, as approved by the Board of Directors at their meeting held today. We certify that the Annual Audited Accounts doesn't contain any qualification.

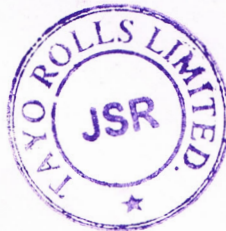
No dividend is recommended by the Board of Directors for FY 2016-17.

These disclosures are in compliance to Regulation 33 of the SEBI (Listing Obligations and 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](mailto:tayoregd@tayo.co.in)  
Fax : 91-657-6627143/200, website : [www.tayo.co.in](http://www.tayo.co.in), Corporate Identity Number : L27105JH1968PLC000818

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

1. We have audited the accompanying Statement of Financial Results of **TAYO ROLLS LIMITED** ("the Company") for the year ended 31 March, 2017 ("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 compiled from the related Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Ind AS financial statements.

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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements 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; and
  - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss and Total comprehensive loss and other financial information of the Company for the year ended 31 March, 2017.
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 net loss during the current and previous years and the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 'b', indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the financial statements of the Company have been prepared on other than going concern basis for the reasons stated in the said Note. The assets have been stated at the lower of their historic cost and estimated net realisable values and the liabilities have been stated at the values at which they are expected to be discharged.
- Our opinion is not modified in respect of this matter.
5. The Statement includes the results for the Quarter ended 31 March, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year which were subject to limited review by us.

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



*Alka Chadha*

**Alka Chadha**  
Partner  
(Membership No. 93474)

**KOLKATA, 22 May, 2017**

**TAYO ROLLS LIMITED**

Registered 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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH, 2017**

**PART I**

Rupees in Lakhs

Particulars	Quarter ended	Year ended	
	31.03.2017 Audited (see note 'h')	31.03.2017 Audited	31.03.2016 Audited
I Revenue from operations	202	4,664	14,003
II Other income	501	602	178
<b>III Total income (I + II)</b>	<b>703</b>	<b>5,266</b>	<b>14,181</b>
<b>IV Expenses</b>			
a) Cost of materials consumed	55	900	4,593
b) Changes in inventories of finished goods, stock in trade and work in progress	(15)	1,988	629
(c) Excise duty on sale of goods	57	443	1,393
(d) Employee benefits expense	138	2,206	3,888
(e) Finance costs	419	1,686	1,360
(f) Depreciation and amortization expense	205	695	1,675
(g) Consumption of stores	241	673	1,875
(h) Power and fuel	8	414	2,221
(i) Other expenses	285	2,037	3,317
<b>Total expenses (IV)</b>	<b>1,393</b>	<b>11,042</b>	<b>20,951</b>
<b>V Loss before exceptional items and tax (III - IV)</b>	<b>(690)</b>	<b>(5,776)</b>	<b>(6,770)</b>
VI Exceptional Items (Refer note 'b')	351	(2,519)	(8,914)
<b>VII Loss before tax (V - VI)</b>	<b>(339)</b>	<b>(8,295)</b>	<b>(15,684)</b>
VIII Tax expense:	-	-	-
<b>IX Loss for the year (VII - VIII)</b>	<b>(339)</b>	<b>(8,295)</b>	<b>(15,684)</b>
X Other comprehensive income			
Items that will not be reclassified to profit and loss			
(a) Remeasurement gains / (losses) on defined benefit plans	-	-	(65)
(b) Equity instruments through other comprehensive income	(2)	2	1
<b>Total other comprehensive income for the period (X)</b>	<b>(2)</b>	<b>2</b>	<b>(64)</b>
XI Total comprehensive income/(loss) for the period (IX + X)	<b>(341)</b>	<b>(8,293)</b>	<b>(15,748)</b>
XII Paid-up equity share capital (Face value : Rs.10 per share)	<b>1,026</b>	<b>1,026</b>	<b>1,026</b>
XIII Other equity		(43,292)	(34,999)
XIV Earnings 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 annualised)	(3.30)	(80.84)	(152.86)
ii) Basic and diluted EPS after extraordinary items for the period, for the year to date and for the previous year (not annualised)	(3.30)	(80.84)	(152.86)

(See accompanying notes to the financial results)

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**TAYO ROLLS LIMITED**  
**Corporate Identity Number : L27105JH1968PLC000818**  
**Part II : AUDITED BALANCE SHEET AS AT 31 MARCH, 2017**

<b>ASSETS</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>Non-current assets</b>		
(a) Property, plant and equipment	6,236	6,934
(b) Capital work-in-progress	-	42
(c) Other intangible assets	1	2
(d) Financial assets		
(i) Investments		
Other investments	-	27
(ii) Other financial assets	6	111
(e) Non-current tax asset	491	449
(f) Other non-current assets	199	275
<b>Total non-current assets</b>	<b>6,933</b>	<b>7,840</b>
<b>Current assets</b>		
(a) Inventories	771	3,752
(b) Financial assets		
(i) Trade receivables	114	2,956
(ii) Cash and cash equivalents	779	508
(iii) Bank balance other than (ii) above	1	1
(iv) Other financial assets	70	66
(c) Other current assets	119	393
<b>Total current assets</b>	<b>1,854</b>	<b>7,676</b>
<b>Total assets</b>	<b>8,787</b>	<b>15,516</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	1,026	1,026
(b) Other equity	(43,292)	(34,999)
<b>Total equity</b>	<b>(42,266)</b>	<b>(33,973)</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	27,984	25,469
(b) Provisions	-	751
<b>Total non-current liabilities</b>	<b>27,984</b>	<b>26,220</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	12,253	10,646
(ii) Trade payables	2,522	4,185
(iii) Other financial liabilities	1,478	2,249
(b) Provisions	2,508	1,640
(c) Current tax liabilities (net)	123	123
(d) Other current liabilities	4,185	4,426
<b>Total current liabilities</b>	<b>23,069</b>	<b>23,269</b>
<b>Total liabilities</b>	<b>51,053</b>	<b>49,489</b>
<b>Total equity and liabilities</b>	<b>8,787</b>	<b>15,516</b>

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SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED 31 MARCH, 2017

Rupees in Lakhs

Particulars	Quarter ended	Year ended	
	31.03.2017	31.03.2017	31.03.2016
	Audited (see note 'h')	Audited	Audited
Segment revenue			
Roll operation	124	2,817	10,378
Pig iron operation	8	1,493	2,439
Ingot operation	-	35	2,148
Engg forgings operation	70	354	1,194
Unallocated	501	602	178
<b>Total</b>	<b>703</b>	<b>5,301</b>	<b>16,337</b>
Less: Inter segment revenue	-	35	2,156
<b>Total revenue</b>	<b>703</b>	<b>5,266</b>	<b>14,181</b>
Segment results profit/(loss) before tax and interest from each segment			
Roll operation	(345)	(3,713)	(4,785)
Pig iron operation	(247)	(11)	155
Ingot operation	(2)	(265)	(281)
Engg forgings operation	(29)	(514)	(636)
<b>Net loss for the period (before finance costs, tax and exceptional items)</b>	<b>(623)</b>	<b>(4,503)</b>	<b>(5,547)</b>
Less: Finance costs	419	1,686	1,360
Less: Exceptional item (net)	(351)	2,519	8,914
Add: Other unallocable expenditure net off unallocable income	(352)	(413)	(137)
<b>Total profit / (loss) before tax</b>	<b>(339)</b>	<b>(8,295)</b>	<b>(15,684)</b>
Particulars	As at	As at	
	31.03.2017	31.03.2016	
	Audited	Audited	
<b><u>SEGMENT ASSETS</u></b>			
Roll operation	3,432	7,488	
Pig iron operation	1,117	2,629	
Ingot operation	474	1,115	
Engg forgings operation	985	971	
	<b>6,008</b>	<b>12,203</b>	
Unallocable assets	2,779	3,313	
<b>TOTAL ASSETS</b>	<b>8,787</b>	<b>15,516</b>	
<b><u>SEGMENT LIABILITIES</u></b>			
Roll operation	5,529	6,586	
Pig iron operation	1,346	1,642	
Ingot operation	40	428	
Engg forgings operation	425	689	
	<b>7,340</b>	<b>9,345</b>	
Unallocable liabilities	43,713	40,144	
<b>TOTAL LIABILITIES</b>	<b>51,053</b>	<b>49,489</b>	

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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 Ind AS 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 these Appeals. The matter is sub-judice.

- b. The Company incurred a loss of Rs. 339 lakhs and of Rs. 8,295 lakhs during the quarter and for the financial year ended 31 March, 2017 respectively. The accumulated losses as on date amounting to Rs. 48,798 lakhs has eroded the net worth of the Company and the Company's current liabilities exceeded its current assets during the year ended 31 March, 2017.

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 Ind AS financial statements and these Ind AS 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, classified as exceptional item was recognised for the year ended 31 March, 2016 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 (the VSS Scheme) for employees and a phase wise suspension of operations.

The Company issued a VSS circular on 31 May, 2016 to all on roll employees and having evaluated the response from employees subsequently revised the scheme on 5 September, 2016 and 9 March, 2017. The Company, post expiry of the revised VSS scheme on 15 March, 2017 has reviewed the remaining provision against the expenditure, and has considered the balance amount to be adequate to meet the present obligation and probable outflow to settle the current obligation. The provision of Rs. 2,870 lakhs pursuant to the VSS scheme has been recognised as an exceptional item during the year ended 31 March, 2017. During the quarter and year ended 31 March, 2017 the Company has undertaken negotiations for one time full and final settlement of vendors liabilities. Consequent to such settlement, a write back of excess liabilities over the settled amount aggregates to Rs. 351 lakhs and has been recognised as an 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. Meanwhile, the Ministry of Finance issued Notifications S.O. 3568 (E) & S.O. 3569 (E) dated 25 November, 2016 to the effect that SICA has been repealed with effect from 1 December, 2016 and all the references or inquiry pending before the BIFR and/ or AAIFR shall stand abated.

- c. The Board of Directors at their meeting held on 5 September, 2016 have decided to close the operations of the Company. Accordingly, on 6 September, 2016 the Company has filed closure application U/s 25-O of the Industrial Disputes Act, 1947 with the State Government Authorities. The application was rejected on

- d. 27 October, 2016. The Company has filed a Writ Petition in the Honourable Jharkhand High Court against the rejection order. The matter is sub-judice.
- e. During the year ended 31 March, 2017, the Company has allotted 29,05,000, 7.17% Non-Cumulative Redeemable Preference Shares aggregating to Rs. 2,905 lakhs to Tata Steel Limited, the promoter of the Company on preferential basis.
- f. During the year, the Company has disposed off its long term investments of 2,500 equity shares of HDFC Bank Limited at net proceeds of Rs. 29 lakhs. Other comprehensive income for the year ended 31 March, 2017 includes gain of Rs. 2 lakhs (as at 31 March, 2016: Rs 1 lakh).
- g. The above financial results for the year ended 31 March, 2017 were reviewed by the audit committee at their meeting held on 22 May, 2017 and approved and taken on record by the Board of Directors of the Company at their meeting held on 22 May, 2017.
- h. The Company adopted Indian Accounting Standard ("Ind AS") from 1 April, 2015 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Financial results for all the periods presented have been prepared in accordance with recognition and measurement principles of Ind AS.
- i. The results for the Quarter ended 31 March, 2017 are the balancing figures between audited figures in respect of the full financial year ended 31 March, 2017 and the published year to date figures upto the third quarter of the current financial year which were subject to limited review.
- j. Reconciliation between financial results as per Previous GAAP and Ind AS for the year is presented as under:

**Total comprehensive income reconciliation**

(Rupees in Lakhs)

Particulars	For the year ended 31.03.2016
Net loss under Previous GAAP	(15,688)
<b>Adjustments</b>	
Actuarial (gain)/loss on employee defined benefit plans recognised in other comprehensive income	65
Amortisation of processing fees on borrowing	(16)
Additional depreciation on items of inventories transferred to property, plant and equipment (net)	(134)
Reversal of charges on reclassification of item of stores and spares to raw materials/others.	89
Net loss for the year under Ind AS	(15,684)
Other comprehensive income (includes actuarial gain/(loss) and change in fair value of investments in equity instruments)	(64)
<b>Total comprehensive income/(loss) under Ind AS</b>	<b>(15,748)</b>

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j) Reconciliation of equity as per Previous GAAP and Ind AS for the previous year is presented as under:

(Rupees in Lakhs)

Particulars	As at 31.03.2016
Equity under Previous GAAP	(8,894)
Reclassification of redeemable preference shares as borrowings	(25,100)
Fair valuation of investments in equity instruments	27
Additional depreciation on items of inventories transferred to property, plant and equipment (net)	(134)
Unamortised processing fees on borrowing	39
Reversal of charges on reclassification of item of stores and spares to raw materials/others.	89
<b>Equity under Ind AS</b>	<b>(33,973)</b>

For TAYO ROLLS LIMITED



K. Shankar Marar  
Managing Director  
DIN – 06656658

Kolkata  
22 May, 2017

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