

98/SL/SHR/2017



August 7, 2017

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

Stock Code: 504961

Website: listing.bseindia.com

Re: outcome of the Board Meeting

Dear Sir/Madam,

Please find enclosed herewith unaudited financial results of the Company as on 30th June, 2017 along with limited review report of the auditors thereon, as approved by the Board of Directors at their meeting held today.

The meeting started at 12.30 p.m. and concluded at 3.30 p.m.

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.

Thanking You;
For Tayo Rolls Limited

(Prashant Kumar)
Company Secretary &
Compliance Officer



TAYO ROLLS LIMITED

Regd. Office : 3, Circuit House Area (North-East), Road No. 11, P.O. & P.S. - Bistupur, Jamshedpur-831 001, Jharkhand, INDIA
Works Office : Large Scale Industrial Estate, Gambaria-832 108, Jharkhand, INDIA



AMK & ASSOCIATES
Chartered Accountants

Stesalit Tower 303, 3rd Floor
E 2-3, Block EP & GP
Sector V, Salt Lake
Kolkata-700091
Ph- 033-40697147

Sunshine Tower, 7th Floor,
Unit No.: 716,
Senapati Bapat Marg, Dadar (West)
Mumbai- 400013
Ph- 022-24322838

Limited Review Report

To
The Board of Directors
TAYO Rolls Limited

We have reviewed the accompanying statement of unaudited financial results of TAYO Rolls Limited (“the Company”) for the Quarter Ended 30 June, 2017 (“the statement”) being submitted by the Company pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5th July, 2016. This statement is the responsibility of the Company’s Management and has been approved by the Board of Directors on 7th August, 2017. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review of Interim Financial Information Performed by 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 financial statements are 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.





AMK & ASSOCIATES
Chartered Accountants

Stesalit Tower 303, 3rd Floor
E 2-3, Block EP & GP
Sector V, Salt Lake
Kolkata-700091
Ph- 033-40697147

Sunshine Tower, 7th Floor,
Unit No.: 716,
Senapati Bapat Marg, Dadar (West)
Mumbai- 400013
Ph- 022-24322838

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 31st March, 2017 and the Company's current liabilities exceeded its current assets as at 30th June, 2017. 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.

Our report is not qualified in respect of this matter.

For AMK & Associates
Chartered Accountants

Bhupendra Kumar Bhutia
Partner
(M.No. 059363)

Kolkata
7th August, 2017



TAYO ROLLS LIMITED

Registered Office : 3, Circuit House Area (North-East), Road No-11, Bistupur, 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, 2017

Rupees in Lakhs

Particulars	Quarter ended		Year ended	
	30.06.2017 Unaudited	31.03.2017 Audited	30.06.2016 Unaudited	31.03.2017 Audited
I Revenue from operations	26	202	1,873	4,664
II Other income	14	501	73	602
III Total income (I + II)	40	703	1,946	5,266
IV Expenses				
a) Cost of materials consumed	-	55	297	900
b) Changes in inventories of finished goods, stock in trade and work in progress	-	(15)	135	1,988
(c) Excise duty on sale of goods	-	57	163	443
(d) Employee benefits expense	358	138	847	2,206
(e) Finance costs	392	419	420	1,686
(f) Depreciation and amortization expense	9	205	163	695
(g) Consumption of stores	-	241	190	673
(h) Power and fuel	4	8	305	414
(i) Other expenses	194	285	410	2,037
Total expenses (IV)	957	1,393	2,930	11,042
V Loss before exceptional items and tax (III - IV)	(917)	(690)	(984)	(5,776)
VI Exceptional Items (Refer note 'b')	605	351	(2,870)	(2,519)
VII Loss before tax (V - VI)	(312)	(339)	(3,854)	(8,295)
VIII Tax expense:	-	-	-	-
IX Loss for the year (VII - VIII)	(312)	(339)	(3,854)	(8,295)
X Other comprehensive income				
Items that will not be reclassified to profit and loss				
(a) Remeasurement gains / (losses) on defined benefit plans	-	-	-	-
(b) Equity instruments through other comprehensive income	-	(2)	4	2
Total other comprehensive income for the period (X)	-	(2)	4	2
XI Total comprehensive income/(loss) for the period (IX + X)	(312)	(341)	(3,850)	(8,293)
XII Paid-up equity share capital (Face value : Rs.10 per share)	1,026	1,026	1,026	1,026
XIII Other equity				(43,292)
XIV Earnings per share (EPS) (of Rs 10/- each) (not annualised)				
i) Basic and diluted EPS before extraordinary items for the period	(3.04)	(3.30)	(37.56)	(80.84)
ii) Basic and diluted EPS after extraordinary items for the period	(3.04)	(3.30)	(37.56)	(80.84)

(See accompanying notes to the financial results)



SEGMENT INFORMATION FOR THE QUARTER ENDED 30 JUNE, 2017

Rupees in Lakhs

Particulars	Quarter Ended			Year Ended
	30.06.2017	31.03.2017	30.06.2016	31.03.2017
	Unaudited	Audited	Unaudited	Audited
Segment revenue				
Roll Operation	39	124	1,155	2,817
Pig Iron Operation	-	8	551	1,493
Ingot Operation	-	-	35	35
Engg Forgings	-	70	170	354
Unallocated	1	501	70	602
Total	40	703	1,981	5,301
Less-Inter Segment Revenue			35	35
Total Revenue	40	703	1,946	5,266
Segment Results Profit / (Loss) before tax and interest from each segment				
Roll Operation	(306)	(345)	(556)	(3,713)
Pig Iron Operation	(122)	(247)	91	(11)
Ingot Operation	(33)	(2)	(88)	(265)
Engg Forgings Operation	(60)	(29)	(57)	(514)
Net loss for the period (before finance costs, tax and exceptional items)	(521)	(623)	(610)	(4,503)
Less-Finance Costs	392	419	420	1,686
Less-Exceptional Item (net)	(605)	(351)	2,870	2,519
Add- Other Unallocable expenditure net off unallocable income	4	(352)	(46)	(413)
Total Profit / (loss) before Tax	(312)	(339)	(3,854)	(8,295)
Particular	As at 30.06.2017 Unaudited	As at 31.03.2017 Audited	As at 30.06.2016 Unaudited	
SEGMENT ASSETS				
Roll Operation	2,525	3,432	5,745	
Pig Iron Operation	1,053	1,117	2,986	
Ingot Operation	463	474	690	
Engg Forgings Operation	881	985	1,349	
	4,922	6,008	10,770	
Unallocated Asset	2,494	2,779	3,586	
TOTAL ASSETS	7,416	8,787	14,356	
SEGMENT LIABILITIES				
Roll Operation	4,014	5,529	4,819	
Pig Iron Operation	1,376	1,346	1,634	
Ingot Operation	28	40	279	
Engg Forgings Operation	174	425	907	
	5,592	7,340	7,639	
Unallocated Liabilities	44,402	43,713	44,495	
TOTAL LIABILITIES	49,994	51,053	52,134	

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. 312 lakhs during the quarter ended 30 June, 2017 (incurred a loss of Rs 8,295 lakhs during the year ended 31 March, 2017). The accumulated losses as on date amounting to Rs. 49,110 lakhs has eroded the net worth of the Company and the Company's current liabilities exceeded 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 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.

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, 9 March, 2017 and 15 May, 2017. The Company, post expiry of the revised VSS scheme on 20 May, 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. During the quarter ended 30 June, 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. 605 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.

The Board of Directors at their meeting held on 3 July, 2017 has decided to refer the Company to the National Company Law Tribunal under Section 10 of the Insolvency and Bankruptcy Code, 2016 for Corporate Insolvency Resolution Process. Subsequently, on 13 July, 2017, the Company has filed relevant application before the National Company Law Tribunal under Section 10 of the Insolvency and Bankruptcy Code, 2016.

- 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 27 October, 2016. The Company has filed a Writ Petition before the Honourable Jharkhand High Court against the rejection order. The matter is sub-judice.

- d. During the quarter ended 30 June, 2017, the Company has allotted 76,25,000, 7.17% Non-Cumulative Redeemable Preference Shares aggregating to Rs. 7,625 lakhs to Tata Steel Limited, the promoter of the Company on preferential basis.
- e. The Board of Directors at their meeting held on July 31, 2017 have approved the shifting of Registered Office of the company from: Annex-2, General Office, Tata Steel Limited, Bistupur, Jamshedpur- 831001 to: 3, Circuit House Area (North-East), Road No-11, Bistupur, Jamshedpur- 831 001.
- f. The above financial results for the quarter ended 30 June, 2017 were reviewed by the audit committee at their meeting held on 7 August, 2017 and approved and taken on record by the Board of Directors of the Company at their meeting held on 7 August, 2017.

For TAYO ROLLS LIMITED

(V. S. N. Murty)
Director
DIN: 00092348

Kolkata;
7 August, 2017

