

TAYO ROLLS LIMITED

Office : Annex – 2, General Office, Tata Steel Limited, Jamshedpur- 831 001, INDIA
Corporate Identity Number : L27105JH1968PLC000818

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

PART I		Rupees in Lakhs					
		3 months ended 31.12.2015 (See note 'f' below)	Preceding 3 months ended 30.09.2015 (Unaudited)	Corresponding 3 months ended in the previous period 31.12.2014 (See note 'f' below)	Year to date figures for current period ended 31.12.2015 (Audited)	Year to date figures for previous period ended 31.12.2014 (Unaudited)	Previous year ended 31.03.2015 (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 item: [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 Expenses	-	-	-	-	-	-
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 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	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)

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**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

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- (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