

TAYO ROLLS LIMITED
Office : Annex – 2, General Office, Tata Steel Limited, Jamshedpur- 831 001, INDIA
Corporate Identity Number : L27105JH1968PLC000818
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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2016

PART I	Particulars	Rupees in Lakhs				
		Quarter ended			Nine months ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	
1	Income from operations					
a)	Gross sales/income from operations	460	1,308	3,472	3,519	10,932
b)	Other operating income	452	369	98	943	313
	Total income from operations (net)	912	1,677	3,570	4,462	11,245
2	Expenditure					
a)	Cost of materials consumed	213	335	889	845	4,021
b)	Purchases of stock-in-trade	-	-	-	-	-
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	902	966	355	2,003	(582)
d)	Employee benefits expense	464	757	897	2,068	2,842
e)	Depreciation and amortisation expense	163	164	508	490	1,514
f)	Consumption of stores	9	233	469	432	1,520
g)	Power and fuel	4	97	452	406	1,800
h)	Excise duty	100	22	400	386	1,165
i)	Other expenses	347	1,096	968	1,752	2,606
	Total expenditure	2,202	3,670	4,938	8,382	14,886
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,290)	(1,993)	(1,368)	(3,920)	(3,641)
4	Other income	19	9	9	101	158
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,271)	(1,984)	(1,359)	(3,819)	(3,483)
6	Finance costs	393	454	364	1,267	961
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(1,664)	(2,438)	(1,723)	(5,086)	(4,444)
8	Exceptional items (see note b)	-	-	7,788	2,870	7,788
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	(1,664)	(2,438)	(9,511)	(7,956)	(12,232)
10	Tax expenses	-	-	-	-	-
11	Profit / (Loss) from ordinary activities after tax (9 + 10)	(1,664)	(2,438)	(9,511)	(7,956)	(12,232)
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net Profit / (Loss) for the period (11+12)	(1,664)	(2,438)	(9,511)	(7,956)	(12,232)
14	Other comprehensive income / (loss)	(2)	2	37	4	(29)
15	Total comprehensive income / (loss) (13+14)	(1,666)	(2,436)	(9,474)	(7,952)	(12,261)
16	Paid-up Equity share capital (Face value of Rs. 10/-each)	1,026	1,026	1,026	1,026	1,026
17	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 annualised)	(16.22)	(23.76)	(92.69)	(77.54)	(119.21)
ii)	Basic and diluted EPS after extraordinary items for the period, for the year to date and for the previous year (not annualised)	(16.22)	(23.76)	(92.69)	(77.54)	(119.21)

(See accompanying notes to the financial results)

**SEGMENT INFORMATION FOR THE
QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2016**

PART II		Rupees in Lakhs				
		Quarter ended			Nine months ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
Particulars		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed
1.	Segment Revenue					
	(a) Roll operation	533	1,008	3,050	2,693	8,740
	(b) Pig Iron operation	274	660	402	1,485	1,765
	(c) Ingot operation	-	-	448	35	1,820
	(d) Engg Forgings operations	105	9	161	284	748
	(e) Unallocated	19	9	9	101	158
	Total	931	1,686	4,070	4,598	13,231
	Less: Inter Segment Revenue	-	-	491	35	1,828
	Total revenue	931	1,686	3,579	4,563	11,403
2.	Segment results Profit/(Loss) before tax and interest from each segment					
	(a) Roll operation	(921)	(1,891)	(1,210)	(3,368)	(3,154)
	(b) Pig Iron operation	(147)	292	45	236	262
	(c) Ingot operation	(140)	(35)	(108)	(263)	(202)
	(d) Engg Forgings operations	(70)	(358)	(209)	(485)	(495)
	Total	(1,278)	(1,992)	(1,482)	(3,880)	(3,589)
	(i) Finance costs	393	454	364	1,267	961
	(ii) Exceptional Item (Net)	-	-	7,788	2,870	7,788
	(iii) Other unallocable expenditure net off unallocable income	(7)	(8)	(123)	(61)	(106)
	Total Profit / (Loss) before tax	(1,664)	(2,438)	(9,511)	(7,956)	(12,232)
				As at	As at	As at
				31.12.2016	30.09.2016	31.12.2015
				Reviewed	Reviewed	Reviewed
3.	SEGMENT ASSETS			3,032	4,307	10,331
	(a) Roll operation			1,208	1,726	2,579
	(b) Pig Iron operation			474	590	1,353
	(c) Ingot operation			1,071	1,107	1,268
	(d) Engg Forgings operations			5,785	7,730	15,531
	Unallocable assets			3,542	3,349	2,417
	TOTAL ASSETS			9,327	11,079	17,948
4.	SEGMENT LIABILITIES			6,065	5,274	5,954
	(a) Roll operation			1,489	1,719	1,898
	(b) Pig Iron operation			47	59	449
	(c) Ingot operation			476	921	664
	(d) Engg Forgings operations			8,077	7,973	8,965
	Unallocable liabilities			43,130	43,320	39,470
	TOTAL LIABILITIES			51,207	51,293	48,435

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 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 has incurred a loss of Rs. 1,664 Lakhs and Rs. 7,956 Lakhs during the quarter and nine months ended 31 December 2016, respectively and the accumulated losses as on date amounting to Rs. 48,478 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. 7,788 lakhs, classified as exceptional item was recognised during nine month ended 31 December, 2015 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 had been recognised as exceptional item for the quarter ended 30 June 2016. During the previous quarter, the Company issued a revised VSS circular applicable to all workmen. The Company as on 31 December 2016 has reviewed the remaining provision amounting to Rs.1,314 lakhs against the expenditure post expiry of the revised VSS scheme on 20 September 2016, and had considered this to be adequate to meet the present obligation and probable outflow to settle the obligation.

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 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.



- d. During the quarter, the Company has allotted 18 lakhs 7.17% Non Cumulative Redeemable Preference Shares aggregating to Rs. 1800 Lakhs to Tata Steel Limited, the promoter of the Company on preferential basis.
- e. During the quarter, the Company has disposed off its long term investments of 2,500 equity shares in HDFC Bank Limited at net proceeds of Rs. 29.23 lakhs. Other Comprehensive Income/loss for the quarter and nine months ended 31 December, 2016 includes loss of Rs. 2.56 Lakhs and gain of Rs. 3.66 Lakhs respectively in respect thereof.
- f. The above financial results were reviewed by the audit committee at their meeting held on 13 February, 2017 and approved and taken on record by the Board of Directors of the Company at their meeting held on 13 February, 2017.
- g. The Company adopted Indian Accounting Standards (Ind AS) from 1 April, 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.
- h. Reconciliations between financial results, as previously reported referred to as "Previous GAAP" and Ind AS for quarters presented are as under:

Total Comprehensive Income /(Loss) Reconciliation

(Rupees in Lakhs)

Particulars	For Quarter ended 31 December, 2015	For Nine Months ended 31 December, 2015
Net loss under Previous GAAP	(9,471)	(12,079)
Actuarial (gain)/loss on employee defined benefit funds recognised in Other comprehensive income	(37)	30
Net depreciation impact of items of inventories transferred to property, plant and equipment	(118)	(354)
Reversal of charges on reclassification of item of stores and spares to raw materials.	119	183
Amortisation of processing fees on borrowing	(4)	(12)
Net loss for the period under Ind AS	(9,511)	(12,232)
Other comprehensive income (Includes actuarial gain / (loss) and change in fair value of investments in equity instruments)	37	(29)
Total comprehensive income under Ind AS	(9,474)	(12,261)

- i. Figures for the previous period have been regrouped wherever necessary.

For TAYO ROLLS LIMITED

K. Shankar

K. Shankar Marar
Managing Director
(DIN – 06656658)

Jamshedpur
13 February, 2017

TAYO ROLLS LIMITED

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

**EXTRACT OF STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED
31 DECEMBER, 2016**

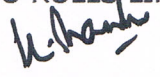
Sr. No	Particulars	Rs In lakhs	
		Nine months ending 31.12.2016	Corresponding nine months ended in the previous year 31.12.2015
		(Reviewed)	(Reviewed)
		(See note)	(See note b below)
1	Gross sales/income from operations	4,462	11,245
2	Net loss for the period (before tax and exceptional items)	(5,086)	(4,444)
3	Net loss for the period after tax (after exceptional items)	(7,956)	(12,232)
4	Total comprehensive income for the period [comprising profit / (loss) for the period (after tax) and other comprehensive income (after tax)]	4	(29)
5	Equity share capital	1,026	1,026
6	Earnings per share (before extraordinary items) (of Rs 10/- each)		
	Basic :	(77.54)	(119.21)
	Diluted:	(77.54)	(119.21)

Note:

- a) The above is an extract of the detailed format of Quarterly/Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Annual Financial Results are available on the Stock Exchange website.
- b) The Company adopted Indian Accounting Standards (Ind AS) from 1 April, 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.
- c) The above financial results were reviewed by the audit committee at their meeting held on 13 February 2017 and approved and taken on record by the Board of Directors of the Company at their meeting held on 13 February 2017.

Jamshedpur
13 February, 2017

For TAYO ROLLS LIMITED


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