

**TATA STEEL**

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**Staalverwerking en Handel BV.**

**Annual report 2016**

## **A. Introduction**

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### **Financial statement 2016, closing on 31<sup>st</sup> March 2016**

#### **Introduction**

##### **Tata Steel Ltd.**

Staalverwerking en Handel B.V., registered office in IJmuiden and having offices in Velsen-Noord, The Netherlands, is a 100% subsidiary of Tata Steel Nederland B.V. The European holding company is Tata Steel Europe Ltd. This company is a 100% subsidiary of TS Global Holdings Pte. Ltd, a non listed company in Singapore. Tata Steel Ltd. Is the ultimate parent company. Tata Steel Ltd. is established in Mumbai, India and is listed on the Mumbai Stock Exchange, India (BSE), the National Stock Exchange (NSE), the Calcutta Stock Exchange Assn. Limited and the Luxembourg Stock Exchange.

##### **Consolidation**

The consolidated financial statement of Staalverwerking en Handel B.V. and its subsidiaries are not part of this financial statement, since the company utilizes the exemption as permitted in article 408b, Civil Code 2.

The financial data of Staalverwerking en Handel B.V. en its subsidiaries are part of the published consolidated financial statement of Tata Steel Nederland B.V.

The company has also not drafted a cash flow overview since this cash flow overview is part of the consolidated financial statement of Tata Steel Nederland B.V.

The address of this firm has been taken up on page 7 of this report.

Within the Tata group Staalverwerking en Handel B.V. acts as a intermediate holding company.

## B. Annual report

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### Balance sheets (for appropriation of the profit)

Per 31 March	Enclosure	2016 (€k)	2015 (€k)
<b>Fixed assets</b>			
<b>Financial fixed assets</b>	1	238.691	238.691
		238.691	<b>238.691</b>
<b>Current assets</b>			
<b>Claims</b>	2	<b>1.282</b>	<b>7.247</b>
<b>Cash</b>	3	<b>94</b>	<b>4</b>
		240.067	245.942
<b>Total assets</b>			
<b>Liabilities</b>			
<b>Short-term loans of group companies</b>	4	(120.723)	(125.382)
<b>Short term debts to group companies</b>	5	(756)	(868)
Total liabilities		(121.479)	(126.250)
<b>Net Asset</b>		118.588	119.692
<b>Equity</b>			
<b>Share capital</b>	6	45.000	45.000
<b>Premium</b>	6	54.452	54.452
<b>Reserves</b>	6	20.240	19.072
<b>Unappropriated profit</b>	6	(1.104)	1.168
<b>Total of the equity</b>			

### Profit and Loss Account

For the financial period ended on 31 <sup>st</sup> March	Enclosure	2016 (€k)	2015 (€k)
<b>Total operating income</b>			<b>2.461</b>
Financial burden	7	(1.484)	(1.726)
Financial benefits		12	2
<b>Pre-tax results</b>		<b>(1.472)</b>	737
<b>Taxes</b>	8	<b>368</b>	431
<b>Income after tax</b>		<b>(1.104)</b>	1.168

## **B. Annual report**

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### **Summary of the most important principles for valuation and determination of results**

#### **General**

The financial statement has been drafted conform the generally accepted accounting principles for determination of results in The Netherlands, as determined in Part 9, Book 2 of the Civil Code.

The financial statement has been drafted on basis of the historical cost price. Unless otherwise indicated, have the assets and liabilities been valued against nominal value.

#### **Foreign currency**

Balance values in foreign currency are converted against the exchange rates that prevailed at the balance sheet date. In the profit and loss statement the assets and liabilities in foreign currencies are converted with the average rates. Where currency hedging agreements were entered into, the conversion takes place using the rates set out in these agreements.

Rate differences that arise from transactions that are associated with business activities are credited or charged to the operating result. Other rate differences – to include long-term claims and liabilities – are justified under the financial assets and liabilities. Rate differences that arise from the conversion of the capital values of the foreign associations are justified in favour of or charged to the equity.

This also applies to rate differences on loans that are intended to cover the currency risk on foreign associations and rate differences on loans to or from foreign associations that can be considered as increased, respectively reduced investment in the association.

#### **Financial fixed assets**

In the company's Balance sheet the group companies and non-consolidated are taken up on basis of the cost-price. The cost-price is determined as being the part of Staalverwerking en Handel B.V. in the nett assets per 31 December 2000. Provisions are formed if due to events or circumstances it can be expected that the amount for which interest have been taken up in the balance, are possibly not recouped. The income from these interest consists of the dividends that have been determined till the balance sheet date.

#### **Claims**

Claims are taken up after deduction of the provisions for dubious debtors.

#### **Debts**

Debts that expire within one year are marked as short-term.

#### **Taxes**

With the calculation of the taxes over the profit or loss and over direct mutations in the reserves, the actual tax tariffs are assumed. The difference between the tax amounts calculated in this manner and the tax amounts on basis of the calculation of the result conform the tax-code is entered on the Balance sheet as a latent tax liability or asset (in accordance with the period-allocation method).

In general no provisions are entered into the Balance sheet for deferred tax liabilities related to land and interest in subsidiaries and related companies. Deferred tax liabilities are not activated if there is insufficient certainty that these will be compensated in the future.

## B. Annual report

### Explanation to the balance sheet

#### 1. Financial fixed assets

X E 1.000, -	Participation in subsidiaries
Balance sheet value on 31 <sup>st</sup> March 2015	236.691
Mutations in 2016:	
Liquidation participation	
Balance sheet value per 31 <sup>st</sup> March 2016	238.691

In page 7 the legally required overview has been taken up from the names and any other data of the companies in which Staalverwerking en Handel B.V. had a stake at the end of March 2016.

#### 2. Claims

The claims concern only claims on subsidiaries and do not contain amount with a remaining duration of more than one year.

#### 3. Cash

The cash is formed by the bank balances.

#### 4. Short-term loans

The short-term loans of subsidiaries concern a loan of Tata Steel Nederland B.V. € 107.723k and a loan of Tata Steel Belgium Services NV. € 13.000k both with a duration of less than one year.

#### 5. Short-term debt

The short-term debt only concern debts to subsidiaries.

#### 6. Equity

(x € 1000,-)	Placed Share-capital	Premium reserve	Non-distributable reserve	General reserve	Undivided result	Total
Balance sheet value on 31 <sup>st</sup> March 2015	45.000	54.452	378	18.694	1.168	119.692
Over distributed result 2015	-	-	-	1.168	(1.168)	-
Over distributed result current year	-	-	-	-	(1.104)	(1.104)
Balance sheet value per 31 <sup>st</sup> March 2016	45.000	54.452	378	19.862	(1.104)	118.588

The placed share capital consists of 100,000 shares with a nominal value of 450€ each, together nominally 45,000,000€. All shares are fully paid.

In connection with a amendment of the status of 6 December 2007, the nominal value of the shares changed from f 1,000 to 450 €. For the difference a non-distributable reserve has been taken up of 378,022 €.

## B. Annual report

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### Explanation to the profit and loss account

#### 7. Financial income and expenses

X € 1.000	2016	2015
Interest liabilities	(1.484)	(1.726)
Financial burden	(1.484)	(1.726)
Interest assets	12	2
Received dividend	-	-
Financial benefits	12	2
	(1.472)	(1.724)

#### 8. Taxes

The company is for the corporate tax fiscally joined with its fiscal parent company Tata Steel Netherlands Holdings B.V., like many Dutch subsidiaries of this B.V. Within the fiscal unit Tata Steel Holdings Netherlands B.V. Within the fiscal unit Tata Steel Netherlands Holdings B.V. will, till further order, have the agreement that the firms will pay each year the owed company tax, as per the rates applicable for the year over their fiscal profit, to Tata Steel Netherlands Holdings B.V. With a fiscal loss of the company in a year, will Tata Steel Netherlands Holdings B.V. take up a tax compensation towards the company, also calculated on basis of the tariff applicable for the year.

#### Guarantees

Staalverwerking en Handel B.V. is part of the fiscal unit Tata Steel Netherlands holdings B.V. and can as a result be held liable for all tax liabilities of the fiscal unit.

#### Number of employees

The average number of active own employees in book year 2016, as well as book year 2015, was 0.

## B. Annual report

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### Other explanations and signing of the financial statement

#### Remuneration of and loans to directors

In the book year no amounts payable by the company as remuneration or other benefits to its directors.

For the directors of the company, there were no loans granted by the company by 31<sup>st</sup> March 2016.

#### Overview of capital interest

The financial data of Demka B.V. and its subsidiaries are part of the published consolidated financial statement of Tata Steel Nederland B.V. which is registered with the concerned chamber of commerce.

The office address of this company is mentioned below.

Name	Place	Participation %
Tata Steel Germany GmbH	Dusseldorf (Germany)	100,00
Tata Steel Nederland Star-Frame B.V.	Ijmuiden	100,00
Tata Steel Nederland Tubes B.V.	Qosterhout	100,00
Oremco Inc.	New York (VS)	70,00
SAB Profiel B.V.	IJsselstein	100,00
Corus Tubes Poland Spolka	Wroclaw (Poland)	2,00
Segal Scrl.	Ivoz-Ramet (Belgium)	0,001

#### Name and addresses of consolidating companies

The financial data of **Staalverwerking en Handel B.V.** are consolidated in the consolidated financial statement of **Tata Steel**

**Nederland B.V.** which is registered with the concerned chamber of commerce.

The office address of this company is mentioned below.

Tata Steel Nederland B.V.	Wenckebachstraat 1 Post box 10,000	1951 JZ Velsen-Noord 1970 CA IJMUIDEN
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#### Signing of the annual report

The financial statement 2016 ends on 31 March 2016 of Staalvenwerking en Handel B.V. is signed by its complete statutory board of directors.

Ijmuiden, 27<sup>th</sup> June 2016

E.A.M. Selie

## C. Other data

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### Other data

#### No audit

An audit with the financial statement is missing. Since Staalverwerking en Handel B.V. is a “small B.V.”, it does not have the duty to have the financial statement audited.

#### Statutory rules concerning the appropriation of profit

The profit shown in the adopted financial statement is available to the general meeting of shareholders. If, according to the adopted financial statement a loss is incurred in any year, which is not covered by a reserve or covered in any other manner, then no dividends are paid till such a loss has been recovered.

#### Proposal concerning the appropriation of the profit over 2016, ending 31 March 2016

At the general meeting of shareholders, it is proposed that the profit for the year 2016 ended 31.03.16 amounting to € 1,104 thousand in favor of the general reserve to add to.

**These accounts are a translated version for information purpose only, the original language version prevails in the event of any discrepancies between the English translation and the original.**