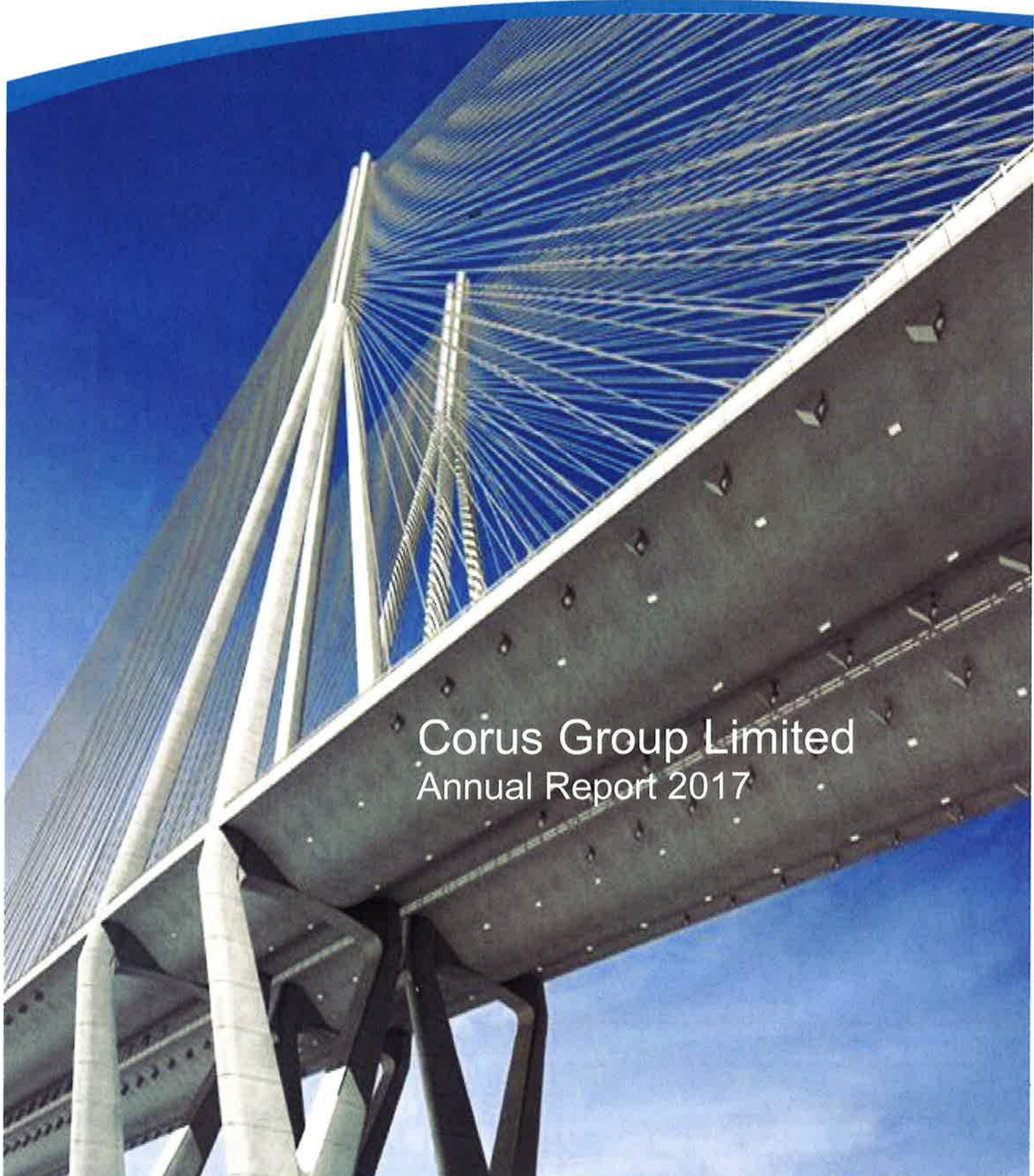


TATA STEEL



Corus Group Limited
Annual Report 2017

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A. Directors and advisors

Directors

NK Misra
H Matheson

Company secretary

SV Gidwani

Registered office

30 Millbank
London
SW1P 4WY

Company number

03811373

Auditor

Deloitte LLP
Statutory Auditor,
London,
United Kingdom

B. Strategic report

Introduction

The directors present the Strategic report, together with the audited financial statements, of Corus Group Limited ('the Company') for the year ended 31 March 2017. These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework', a framework for entities that apply the presentation, recognition and measurement requirements of EU-adopted IFRS but with reduced disclosures and also ensures compliance with any relevant legal requirements applicable to it.

Principal activities

The Company is a wholly owned subsidiary of Tata Steel Netherlands Holdings BV ('TSNH'). Group financial statements have not been prepared as the Company is a wholly owned indirect subsidiary within the Tata Steel Europe Limited ('TSE') Group which has prepared consolidated financial statements for the year to 31 March 2017. The Company is exempt from the obligation to prepare and deliver group financial statements under section 400 of the Companies Act 2006.

The principal activity of the Company is that of an investment holding company. Further details of the investments are shown in note 5 and 13 of the financial statements.

There have been no significant changes to the principal activities in the year under review. The directors are not aware, at the date of this report, of any likely changes in the Company's activities in the next year.

Business review

The Company is managed as an integral part of the TSE Group. The business issues impacting TSE have been disclosed in the Business review section of the Strategic report in its Annual Report.

The Company's directors do not believe that key performance indicators (or discussion thereof) are appropriate for an understanding of the development, performance or position of the Company. The performance of TSE, which includes the Company, is discussed in its Annual Report, which does not form part of this report.

Results

The loss for the year after taxation amounts to £558m (2016: loss of £478m) which includes a permanent diminution of £525m in the value of the Company's investment in Tata Steel UK Limited.

Employees

The Company had no employees in either the current or prior year, as shown in note 2 of the financial statements.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Company's activities. The Company operates in accordance with TSE Group policies. Activities designed to minimise the Company's impact on the environment include improving its energy use efficiency and reducing the production of waste (both hazardous and non-hazardous).

Principal risks and uncertainties

Investments in subsidiary undertakings

The Company holds a number of investments in subsidiary companies. Although the directors are satisfied that the recoverable amount of the investments is not less than their book value, there is a risk that in future years the book value may become impaired.

Going concern

Tata Steel Europe Limited ('TSE') and its subsidiaries are financed in part through the Senior Facilities Agreement and other long term loans introduced by the parent from time to time and in part through working capital support provided by Tata Steel Global Procurement Co. Pte Limited ('TSGP') a subsidiary of Tata Steel Limited ('TSL'), under arrangements which have been authorised, and are supported, by TSL. TSL has approved the continued provision of working capital support to TSE and its subsidiaries (including the Company) and the operations of TSE's material subsidiaries, including in the Netherlands and the UK, subject to certain restrictions which in respect of the Company's wholly owned subsidiary Tata Steel UK ('TSUK') includes agreement on a Regulated Apportionment Arrangement ('RAA') of the British Steel Pension Scheme ('BSPS').

B. Strategic Report

The trading performance of the TSE Group, including the UK, in FY 2016/17 has continued to require financial support from TSL. It is thought that this may well continue but at a much-reduced level during FY 2017/18, when the outlook is much improved.

Further very material evidence of continued TSL support is seen in the commitment of TSL affiliates to provide the required financing of c.£550m which will need to be paid by the Company's wholly owned subsidiary TSUK to achieve the RAA of the BSPS obligations of TSUK and the other BSPS employer entities. The completion of the RAA with relation to the BSPS, which was the subject of the TSL announcement on 16 May 2017, constitutes a material event for TSUK, and in its absence it is expected that there would be a very large BSPS funding deficit which could cast significant doubt about TSUK's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business. Until the conclusion of the process, there continues to be a material uncertainty as to whether the BSPS restructuring will be completed.

For these reasons, while the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future, they have concluded that until the RAA process is concluded there exists a material uncertainty which may cast significant doubt about TSUK's ability to continue as a going concern. The Company has considered the position of TSUK, its arrangements with TSUK and the mitigating actions that could be taken and on this basis the directors of the Company have concluded that it is appropriate to prepare these financial statements on a going concern basis. However, if TSUK were not a going concern, adjustments might be required to the financial statements. However, the Directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if TSUK was not a going concern as it is not practicable to identify or quantify them.

Future developments and subsequent events

The Company has no significant future developments to report under this section.

Approved by the Board of Directors and signed on behalf of the Board



NK Misra

Director

14 July 2017

C. Directors' report

The Board

The directors of the Company are listed on page 2.

Dividends

No dividends were paid or proposed in the year (2016: £nil).

The directors do not recommend that a final dividend be paid.

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, that the Company may indemnify any director of the Company in respect of any losses or liabilities he or she may incur in connection with any proven or alleged negligence, default, breach of duty or breach of trust in relation to the Company (including by funding any expenditure incurred or to be incurred by him or her). In addition, directors and officers of the Company and its subsidiaries are covered by Directors' & Officers' liability insurance.

Information disclosed in the Strategic report

In accordance with section 414C (11) of the Companies Act 2006 the directors have chosen to disclose the following information in the Company's Strategic report:

- Factors likely to affect the Company's future development and position;
- The Company's employees; and
- Going concern disclosure.

Statement as to disclosure of information to the Company's auditor

Each director in office at the date of this Directors' report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the relevant steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Deloitte LLP acted as auditor of the Company for the year ended 31 March 2017. It is the intention of the Directors to appoint PriceWaterhouseCoopers LLP as auditor for the year ending 31 March 2018.

Approved by the Board of Directors and signed on behalf of the Board



NK Misra

Director

14 July 2017

D. Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 '*Reduced Disclosure Framework*' and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

E. Independent auditor's report to the members of Corus Group Limited

We have audited the financial statements of Corus Group Limited for the year ended 31 March 2017 which comprise the income statement, the balance sheet, the statement of changes in equity, the presentation of financial statements and accounting policies and the related Notes 1 to 13. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those Standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially

inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – carrying value of assets relating to Tata Steel UK Limited ('TSUK')

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Strategic Report on page 3 and 4 and within the presentation of the financial statements and accounting policies concerning the material uncertainty relating to completion of the Regulated Apportionment Arrangement ('RAA') in respect of the British Steel Pension Scheme ('BSPS'). The completion of the RAA in relation to the British Steel Pension Scheme ('BSPS') constitutes a material event for the Company's wholly owned subsidiary, Tata Steel UK Limited ('TSUK'), and in its absence it is expected that there would be a very large BSPS funding deficit which could cast significant doubt about TSUK's ability to continue as a going concern. These conditions, along with the other matters explained in the Strategic Report on page 3 and 4 and within the presentation of the financial statements and accounting policies indicate the existence of a material uncertainty which may cast significant doubt about TSUK's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business. The directors have considered the position of TSUK, the Company's arrangements with TSUK and the mitigating actions it could take and on this basis the directors have concluded that it is appropriate to prepare the financial statements of the Company on a going concern basis. However, if TSUK were not a going concern, adjustments might be required to the financial statements in respect of the Company's relationship with TSUK. The financial statements do not include the adjustments that would result if TSUK were unable to continue as a going concern.

E. Independent auditor's report to the members of Cours Group Limited

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

D. Winstone

Daryl Winstone (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

14 July 2017

F1. Income statement

For the financial year ended 31 March

	Note	2017 £m	2016 £m
Operating costs	1	(525)	(445)
Operating loss		(525)	(445)
Finance costs	3	(33)	(33)
Loss before taxation		(558)	(478)
Taxation	4	-	-
Loss after taxation		(558)	(478)

The result in the current and prior year derives entirely from continuing activities.

All references to 2017 in the financial statements, the Presentation of financial statements and accounting policies and the related notes 1 to 13 refer to the financial year ended 31 March 2017 or as at 31 March 2017 as appropriate (2016: the financial year ended 31 March 2016 or as at 31 March 2016).

Statement of comprehensive income

The Company has no other gains and losses other than these included in the income statement above, and therefore no separate statement of comprehensive income has been presented.

Notes and related statements forming part of these financial statements appear on pages 14 to 16.

F2. Balance Sheet

As at 31 March

	Note	2017 £m	2016 £m
Non-current assets			
Investments in subsidiary undertakings	5	434	906
TOTAL ASSETS		434	906
Current liabilities			
Other payables	6	(19)	(19)
		(19)	(19)
Non-current liabilities			
Inter-group borrowings	7	(781)	(748)
Provisions	9	(4)	(4)
		(785)	(752)
TOTAL LIABILITIES		(804)	(771)
NET ASSETS		(370)	135
Equity			
Share capital	10	1,750	1,750
Share premium	11	507	454
Other reserves		133	133
Accumulated deficit		(2,760)	(2,202)
TOTAL EQUITY		(370)	135

The financial statements on pages 9 to 16 were approved by the Board of Directors and signed on its behalf by:

NK Misra

..... 2017

Corus Group Limited

Registered No: 03811373

Notes and related statements forming part of these financial statements appear on pages 14 to 16.

F3. Statement of changes in equity

	Share capital £m	Share premium £m	Other reserves £m	Accumulated deficit £m	Total equity £m
Balance as at 31 March 2016	1,750	454	133	(2,202)	135
Total comprehensive income for the year	-	-	-	(558)	(558)
Issue of share capital (Notes 10 & 11)	-	53	-	-	53
Balance as at 31 March 2017	1,750	507	133	(2,760)	(370)

Notes and related statements forming part of these financial statements appear on pages 14 to 16.

F4. Presentation of financial statements and accounting policies

I Basis of preparation

Corus Group Limited is a private limited company incorporated in London in the United Kingdom under the Companies Act 2006. The functional and presentational currency of the Company is sterling.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. FRS 101 'Reduced Disclosure Framework' ('FRS 101') as issued by the Financial Reporting Council became effective for accounting periods beginning on or after 1 January 2015. The Company underwent a transition from reporting under United Kingdom Accounting Standards (UK GAAP) to FRS 101 during the year ended 31 March 2016. As such these financial statements are prepared in accordance with FRS 101. In the transition to FRS 101, the Company applied IFRS 1; 'First-time adoption of International Financial Reporting Standards', whilst ensuring its assets and liabilities are measured in compliance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the relevant disclosure exemptions available under that standard in relation to IAS 1, presentation of comparative information in respect of investments in subsidiaries; IAS 7, presentation of a cash flow statement; IAS 8, standards not yet effective; IFRS 7, financial instruments disclosures and IAS 24, related party transactions with Tata Steel group companies.

The Company has elected to measure its investments in subsidiaries and joint ventures at cost less, where appropriate, allowances for impairment.

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in the current and prior year.

Group financial statements have not been prepared as the Company is a wholly owned indirect subsidiary of Tata Steel Europe Limited ('TSE'), which has prepared consolidated financial statements for the year ended 31 March 2017.

Tata Steel Europe Limited ('TSE') and its subsidiaries are financed in part through the Senior Facilities Agreement and other long term loans introduced by the parent from time to time and in part through working capital support provided by Tata Steel Global Procurement Co. Pte Limited ('TSGP') a subsidiary of Tata Steel Limited ('TSL'), under arrangements which have been authorised, and are supported, by TSL. TSL has approved the continued provision of working capital support to TSE and its subsidiaries (including the Company) and the operations of TSE's material subsidiaries, including in the Netherlands and the UK, subject to certain restrictions which in respect of the Company's wholly owned subsidiary Tata Steel UK ('TSUK') includes agreement on a Regulated Apportionment Arrangement ('RAA') of the British Steel Pension Scheme ('BSPS'). The trading performance of the TSE Group, including the UK, in FY 2016/17 has continued to require financial support from TSL. It is thought that this may well continue but at a much-reduced level during FY 2017/18, when the outlook is much improved.

Further very material evidence of continued TSL support is seen in the commitment of TSL affiliates to provide the required financing of c.£550m which will need to be paid by the Company's wholly owned subsidiary TSUK to achieve the RAA of the BSPS obligations of TSUK and the other BSPS employer entities. The completion of the RAA with relation to the BSPS, which was the subject of the TSL announcement on 16 May 2017, constitutes a material event for TSUK, and in its absence it is expected that there would be a very large BSPS funding deficit which could cast significant doubt about TSUK's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business. Until the conclusion of the process, there continues to be a material uncertainty as to whether the BSPS restructuring will be completed.

For these reasons, while the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future, they have concluded that until the RAA process is concluded there exists a material uncertainty which may cast significant doubt about TSUK's ability to continue as a going concern. The Company has considered the position of TSUK, its arrangements with TSUK and the mitigating actions that could be taken and on this basis the directors of the Company have concluded that it is appropriate to prepare these financial statements on a going concern basis. However, if TSUK were not a going concern, adjustments might be required to the financial statements. However, the Directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if TSUK was not a going concern as it is not practicable to identify or quantify them.

II Use of estimates and critical accounting judgements

The preparation of financial statements in accordance with FRS 101 requires management to make estimates and assumptions that affect the:

- (i) reported amounts of assets and liabilities;
- (ii) disclosure of contingent assets and liabilities at the date of the financial statements; and
- (iii) reported amounts of income and expenses during the year.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below.

Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to impairment of investments and provisions created for environmental remediation. Each of these areas relies upon a number of estimates and judgements which are subject to uncertainty and which may lead to an adjustment within the next financial year.

A significant part of the Company's capital is invested in group undertakings. Determining whether these assets are impaired requires an estimation of enterprise value (EV). The EV calculation uses EBITDA forecasts based on the most recently approved financial budgets and strategic forecasts approved by the Board. Further details on the Company's impairment review and key assumptions are set out in note 5.

F4. Presentation of financial statements and accounting policies

Estimates in calculating provisions for environmental remediation are based on previous experience and third party advice and are reassessed on a regular basis. Judgement is required in assessing the likely costs and the timing of those costs. Further details on the Company's provisions can be found in note 10.

The detailed accounting policies for each of these areas are outlined in section III below.

III Accounting policies

(a) Financing items

Interest expenses are expensed as incurred.

(b) Taxation

The tax (charge)/credit represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years ("temporary differences") and it further excludes items that are never taxable or deductible ("permanent differences").

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Liabilities are not recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Both current and deferred tax items are calculated using the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. This means using tax rates that have been enacted or substantially enacted by the end of the reporting period. Deferred tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, deferred tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise, deferred tax is recognised in the income statement.

(c) Provisions

Provisions for environmental remediation are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. This involves a series of management judgements and estimates that are based on past experience of similar events and third party advice where applicable. Where appropriate and relevant those provisions are discounted to take into consideration the time value of money.

(d) Financial assets and liabilities

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The detailed accounting treatment for such items can differ, as described in the following sections:

(i) Financial liabilities

Financial liabilities are classified according to the substance of the individual contractual arrangements.

(ii) Inter-group borrowings

Interest-bearing inter-group borrowings are initially recorded at their fair value which is generally the proceeds received. These borrowings are subsequently measured at amortised cost.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(e) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost, which includes transaction expenses. Impairment losses are made if events or circumstances indicate that the carrying amount may not be recoverable. Income from investments in subsidiary undertakings comprises dividends declared up to the balance sheet date and, where relevant, is shown before deduction of overseas withholding taxes. This principle is applied to all investments except for the investment in Tata Steel UK Limited which is recorded as the aggregate of the nominal value of shares issued to acquire the investment and fair value of other consideration given.

F5. Notes to the financial statements

For the financial year ended 31 March 2017

1. Operating costs

	2017	2016
	£m	£m
Costs by type:		
Impairment losses related to investments in subsidiary undertakings (Note 5)	525	445
	525	445

The auditor's remuneration for the audit of the Company's financial statements was £2,000 (2016: £2,000). The auditor's remuneration was borne by the Company's wholly owned subsidiary company Tata Steel UK Limited ('TSUK'), in both the current and prior year. There were no non-audit fees in the current or prior year.

2. Employees' and directors' emoluments

The Company has no employees. No director received any remuneration during the year in respect of their services to the Company (2016: nil).

3. Finance costs

	2017	2016
	£m	£m
Interest payable on loans from group undertakings	26	26
Interest payable on loans from subsidiary companies	7	7
	33	33

4. Taxation

	2017	2016
	£m	£m
Total tax charge	-	-
	-	-

The total income statement (charge)/credit for the year can be reconciled to the accounting loss as follows:

	2017	2016
	£m	£m
Loss before taxation	(558)	(478)
Loss multiplied by the standard UK corporation tax rate of 20% (2016: 20%)	(112)	(96)
Effects of:		
Non-deductible impairment on fixed asset investments	105	89
Group relief surrendered free of charge	7	7
	-	-

Corporation tax is calculated at 20% of the taxable loss for the year.

Deferred tax assets have not been recognised in respect of total tax losses of £212m (2016: £146m).

F5. Notes to the financial statements

5. Investments in subsidiary undertakings

	Shares in subsidiary undertakings £m
Cost at 1 April 2016	3,380
Additions	106
Disposals	(53)
Cost at 31 March 2017	3,433
Impairment as at 1 April 2016	(2,474)
Impairment losses recognised in the year	(525)
Impairment as at 31 March 2017	(2,999)
Net book value at 31 March 2017	434
Net book value at 31 March 2016	906

On 31 May 2016, the Company purchased shares in Tata Steel France Rail SAS (TSFR) from the parent company, TSNH, for a total consideration of €70m (£53m). The company issued one £0.50 ordinary share to TSNH in exchange for 4,669,018 ordinary shares (100% of the issued share capital) in TSFR.

On 31 May 2016, the Company sold shares in TSFR to a subsidiary company, TSUK, for a total consideration of €70m (£53m). TSUK issued one £0.50 ordinary share to the company in exchange for 4,669,018 shares (100% of issued share capital) in TSFR. As a result the Company has an additional investment in TSUK of €70m (£53m).

The carrying values of the Company's investments are tested annually for impairment using an enterprise value (EV) calculation. The calculation in 2017 uses EBITDA forecasts based on the most recently approved financial budgets and strategic forecasts approved by the Board which cover a period of four years. Key assumptions for the EV calculation are those regarding expected changes to selling prices and raw material costs, EU steel demand, exchange rates, and an EU steel industry EV/EBITDA ratio of 6.99. Changes in selling prices, raw material costs, exchange rates and EU steel demand are based on expectations of future changes in the steel market based on external market sources. The EV/EBITDA ratio of 6.99 is derived from the EV/EBITDA ratios for EU steel companies that are comparable to TSE. The outcome of the test at 31 March 2017 resulted in a permanent diminution of £525m (2016: £445m) in the value of the Company's equity investment in Tata Steel UK Limited due to weaker market conditions in mainly the European steel market, which are expected to remain weak over the near and medium term.

In 2008, Tata Steel UK Holdings Limited ('TSUKH') borrowed the ordinary share capital in Corus International (Overseas Holdings) Limited from Corus International Limited ('CI') by means of a stock lending transaction. The terms of the stock loan are such that TSUKH is required to return the shares to CI, on demand. TSUKH sold these shares to the Company for £437m and holds an option over the Company to repurchase these shares.

A full list of the Company's interests is disclosed in the Appendix to these financial statements, including indirectly held investments.

6. Other payables

As at 31 March	2017 £m	2016 £m
Amounts owed to group companies	16	16
Amounts owed to subsidiary undertakings	3	3
	19	19

7. Inter-group borrowings

As at 31 March	2017 £m	2016 £m
Amounts owed to group companies	603	577
Amounts owed to subsidiary undertakings	178	171
	781	748

The amounts owed to group and subsidiary undertakings incur interest charged at LIBOR +3.50%. No date has been fixed for repayment.

F5. Notes to the financial statements

8. Commitments and guarantees

The Company has given a guarantee in respect of the borrowings of a fellow subsidiary company, which amounted to £42,961 as at 31 March 2017 (2016: £50,504). This guarantee is indemnified by TSUKH.

9. Provisions

As at 31 March	2017	2016
	£m	£m
At beginning and end of year	4	4
Analysed as:		
Non-current liabilities	4	4

The provisions relate to environmental provisions in respect of previously disposed operations for which the timing of any potential expenditure is uncertain.

10. Share capital

The share capital of the Company is shown below:

Authorised	2017	2016
	£m	£m
4,499,999,999 ordinary shares of 50p each	2,250	2,250
Allotted, called up and fully paid	2017	2016
	£m	£m
3,499,265,479 ordinary shares of 50p each (2016: 3,499,265,478 ordinary shares of 50p each)	1,750	1,750

The Company has one class of ordinary shares which carry no right to fixed income.

During the year the Company issued one ordinary 50p share, with an aggregate nominal value of 50p, for a total consideration of €70m (£53m). The share issue was in relation to the purchase of TSFR from the parent company TSNH.

11. Share premium account

	Share premium account
	£m
As at 1 April 2016	454
Premium arising on issue of equity shares	53
As at 31 March 2017	507

12. Ultimate and immediate parent company

TSNH, a company registered in the Netherlands, is the Company's immediate parent company. TSE and TSUKH are intermediate holding companies, registered in England and Wales, with TSUKH the smallest group to consolidate these financial statements.

Copies of the Annual Report for TSUKH may be obtained from the Company Secretary, 30 Millbank, London, SW1P 4WY.

Tata Steel Limited (TSL), a company incorporated in India, is the ultimate parent company and controlling party and the largest group to consolidate these financial statements.

Copies of the Annual Report for TSL may be obtained from its registered office at Bombay House, 24 Homi Mody Street, Mumbai, 400 001.

13. Subsidiary undertakings

The Appendix F6 below shows a list of the Company's direct and indirect subsidiary, joint arrangement and associated undertakings as at 31 March 2017 pursuant to the requirement of The Company, Partnership and Groups (Accounts and Reports) Regulation 2015.

F6. Appendix

The direct and indirect subsidiary undertakings, joint ventures and associates of the Company at 31 March 2017 and their registered addresses are set out below. Country names are countries of incorporation. Undertakings operate principally in their country of incorporation.

Subsidiary undertakings

Steel producing, further processing or related activities:

Brazil

Tata Steel International (South America) Representacoes LTDA (ii) (iii) Santiago & Amboulos Advogados, Av. Rio Branco, 45 - 10º andar - Grupo 1013, Centro - Rio de Janeiro - RJ. CEP: 20090-003

Canada

Cogent Power Inc. (ii) (iii) 845 Laurentian Drive, Burlington, Ontario, Canada, L7N 3W7

Germany

Catnic GmbH (ii) (iii) Am Leitzelbach 16, Sinsheim, 74889, Germany

China

Tata Steel Speciality Service Centre Suzhou Co Limited (ii) (iii) (xv) Unit A, Building No 5, No 1 Qiming Road, Free Trade Zone B, Suzhou Industrial Park, Suzhou, China 215121

Tata Steel Speciality Service Centre Xian Co. Limited (ii) (iii) (xv) A2-1, Xi'an Bonded Logistics Centre, 8 Gangwu Avenue, Xi'an International Trade and Logistics Park, Xi'an Shaanxi, China 710026

Greece

Tata Steel International Hellas SA (ii) (iii) 5, Pigis Avenue, Melissia, 15127, Athens, Greece

India

Tata Steel International (India) Limited (ii) (iii) 412 Raheja Chambers, 213 Backbay Reclamation, Nariman Point, Mumbai 400 021, India

Ireland (Republic of)

Gamble Simms Metals Limited (ii) (iii) Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12

Lister Tubes Limited (ii) (iii) Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12

Stewarts & Lloyds of Ireland Limited (ii) (iii) 1 Stokes Place, St Stephens Green, Dublin 2

Walkersteelstock Ireland Limited (ii) (iii) Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12

Isle of Man

Crucible Insurance Company Limited (ii) (iii) Level 2, Samuel Harris House, 5-11 St. George's Street, Douglas, Isle of Man, IM1 1AJ

Mexico

Tata Steel International Mexico SA DE CV (ii) (iii) (formally known as Cogent Power SA de CV) No. 2001, Corporative Central Park, Torre 1, 16 Piso C, Col. Centro Sur, Queretaro, Queretaro CP 76090, Mexico

Nigeria

Tata Steel International (Nigeria) Limited (ii) (iii) Block 69a, Plot 8, Admiralty Way, Lekki Phase 1, Lagos, Nigeria

Norway

Tata Steel Norway Byggsystemer AS (ii) (iii) Roraskogen 2, Skien, N 3739, Norway

Poland

Tata Steel International (Poland) Limited 7, UL. Piastowska, Katowice, 40-005, Poland

Romania

Corus International Romania SRL (ii) (iii) 169 A Calea Floreasca, A Building, Campus 10, 4th Floor, Office 2039-2044, 1st District, Bucharest, Romania

South Africa

TS South Africa Sales Office Proprietary Limited (ii) (xii) 1st Floor, Kamogelo Suites, 39 Lakefield Avenue, Benoni, Gauteng, 1501, South Africa

Sweden

Surahammar Bruks AB (ii) (iii) Box 201, S-735 23, Surahammar, Sweden

UAE

Tata Steel International (Middle East) FZE (ii) (iii) PO Box 18294, Jebel Ali, Dubai, United Arab Emirates

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Ukraine

Corus Ukraine LLC (ii) (iii)

Office 16, Building 11/23B, Chekhivskiy Provulok / Vorovskogo Street, 01054 Kiev, Ukraine

United Kingdom

Automotive Laser Technologies Limited (ii) (iii)	30 Millbank London SW1P 4WY
B S Pension Fund Trustee Limited (ii) (iii)	17th Floor, 125, Old Broad Street, London, EC2N 1AR
Bell & Harwood Limited (ii) (iii)	30 Millbank London SW1P 4WY
Blastmega Limited (ii) (iii) (xi)	30 Millbank London SW1P 4WY
Bore Samson Group Limited (ii) (iii)	30 Millbank London SW1P 4WY
Bore Steel Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Guide Rails Limited (ii) (iii) (x)	30 Millbank London SW1P 4WY
British Steel Corporation Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Steel Directors (Nominees) Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Steel Engineering Steels (Exports) Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Steel Service Centres Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Steel Trading Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Tubes Stockholding Limited (ii) (iii)	30 Millbank London SW1P 4WY
C Walker & Sons Limited (ii) (iii)	30 Millbank London SW1P 4WY
Catnic Limited (ii) (iii) (viii) (ix)	30 Millbank London SW1P 4WY
Cogent Power Limited (ii) (iii) (x)	Orb Works, Stephenson Street, Newport, Gwent, NP19 0RB
Color Steels Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corby (Northants) & District Water Company Limited (ii) (iii)	PO Box 101 Weldon Road, Corby, Northamptonshire, NN17 5UA
Cordor (C & B) Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus CNBV Investments (i) (iii)	30 Millbank London SW1P 4WY
Corus Cold Drawn Tubes Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Engineering Steels (UK) Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Engineering Steels Holdings Limited (ii) (iii) (xi)	30 Millbank London SW1P 4WY
Corus Engineering Steels Limited (ii) (iii) (xi)	30 Millbank London SW1P 4WY
Corus Engineering Steels Overseas Holdings Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Engineering Steels Pension Scheme Trustee Limited (ii) (iii)	17th Floor 125 Old Broad Street, London, EC2N 1AR
Corus Holdings Limited (ii) (iii)	15 Atholl Crescent, Edinburgh, EH3 8HA
Corus International (Overseas Holdings) Limited (i) (iii)	30 Millbank London SW1P 4WY
Corus International Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Investments Limited (ii) (iii)	15 Atholl Crescent, Edinburgh, EH3 8HA
Corus Large Diameter Pipes Limited (ii) (iv) (v) (viii)	30 Millbank London SW1P 4WY
Corus Liaison Services (India) Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Management Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Property (i) (iii)	30 Millbank London SW1P 4WY
Corus Service Centre Limited (ii) (iii)	Hull's Hill, Lisburn, Co. Atrim, BT28 2SR
Corus UK Healthcare Trustee Limited (ii) (iii)	30 Millbank London SW1P 4WY
CPN (85) Limited (ii) (iii)	30 Millbank London SW1P 4WY
Dsrn Group Plc. (ii) (iii)	30 Millbank London SW1P 4WY
Europressings Limited (ii) (iii) (x)	30 Millbank London SW1P 4WY
Federated Property Services Limited (ii) (iii) (Xiii)	17th Floor 125 Old Broad Street, London EC2N 1AR
Firsteel Engineering Limited (ii) (iii)	30 Millbank London SW1P 4WY
Firsteel Group Limited (ii) (iii)	30 Millbank London SW1P 4WY
Firsteel Holdings Limited (ii) (iii)	30 Millbank London SW1P 4WY
Grant Lyon Eagre Limited (ii) (iii)	30 Millbank London SW1P 4WY
H E Samson Limited (ii) (iii)	30 Millbank London SW1P 4WY
Hadfields Holdings Limited (62.5%) (ii) (iii)	30 Millbank London SW1P 4WY
Hammermega Limited (ii) (iii)	30 Millbank London SW1P 4WY
Harrowmills Properties Limited (ii) (iii)	30 Millbank London SW1P 4WY
Kalzip Limited (ii) (iii)	Haydock Lane, Haydock, St Helens, Merseyside, WA11 9TY
London Works Steel Company Limited (ii) (iii)	30 Millbank London SW1P 4WY
Midland Steel Supplies Limited (ii) (iii)	30 Millbank London SW1P 4WY
Nationwide Steelstock Limited (ii) (iii)	30 Millbank London SW1P 4WY
Orb Electrical Steels Limited (ii) (iii)	Orb Works, Stephenson Street, Newport, NP19 0RB
Ore Carriers Limited (ii) (iv) (v) (viii)	30 Millbank London SW1P 4WY
Pension Services Limited (ii) (iii) (Xiii)	17th Floor 125 Old Broad Street, London, EC2N 1AR
Plated Strip International Limited (ii) (iii)	30 Millbank London SW1P 4WY
Precoat International Limited (i) (iii)	30 Millbank London SW1P 4WY
Precoat Limited (ii) (iii) (x)	30 Millbank London SW1P 4WY
Round Oak Properties Limited (ii) (iv) (xi)	15 Great Marlborough Street, London, W1V 1AF
Round Oak Steelworks Limited (ii) (iii)	30 Millbank London SW1P 4WY
Runblast Limited (ii) (iii)	30 Millbank London SW1P 4WY
Runmega Limited (ii) (iii)	30 Millbank London SW1P 4WY
Seamless Tubes Limited (ii) (iii)	30 Millbank London SW1P 4WY
Speciality Steel UK Limited (ii) (iii) (xiv)	7 Fox Valley Way, Stocksbridge, Sheffield, S36 2JA
Steel Stockholdings Limited (ii) (iv) (v)	30 Millbank London SW1P 4WY

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Steelstock Limited (ii) (iii)	30 Millbank London SW1P 4WY
Stewarts and Lloyds (Overseas) Limited (ii) (iii)	15 Atholl Crescent, Edinburgh, EH3 8HA
Swinden Housing Association (ii) (iii)	Swinden House, Moorgate, Rotherham, South Yorkshire, S60 3AR, England
Tata Steel UK Consulting Limited (ii) (iii)	30 Millbank London SW1P 4WY
Tata Steel UK Limited (i) (iii)	30 Millbank London SW1P 4WY
The Newport and South Wales Tube Company Limited (ii) (iii) (x)	30 Millbank London SW1P 4WY
The Stanton Housing Company Limited (ii) (iii)	30 Millbank London SW1P 4WY
The Templeborough Rolling Mills Limited (ii) (iv) (v)	30 Millbank London SW1P 4WY
Toronto Industrial Fabrications Limited (ii) (iii) (x) (xi)	30 Millbank London SW1P 4WY
U.E.S. Bright Bar Limited (ii) (iii)	30 Millbank London SW1P 4WY
UK Steel Enterprise Limited (ii) (iii)	The Innovation Centre, 217 Portobello, Sheffield, S1 4DP
UKSE Fund Managers Limited (ii) (iii)	The Innovation Centre, 217 Portobello, Sheffield, S1 4DP
Walker Manufacturing and Investments Limited (ii) (iii)	30 Millbank London SW1P 4WY
Walkersteelstock Limited (ii) (iii)	30 Millbank London SW1P 4WY
Westwood Steel Services Limited (ii) (iii)	30 Millbank London SW1P 4WY
Whitehead (Narrow Strip) Limited (ii) (iii)	30 Millbank London SW1P 4WY

USA

Cogent Power Inc. (ii) (iii)	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, New Castle County, USA
Kalzip Inc. (ii) (iii)	161 Lincolnway, Suite C, Valparaiso, IN 46383 USA
Tata Steel International (Americas) Holdings Inc. (ii) (iii)	Wilmington Trust SP Services, Inc, 1105 N Market Place, Wilmington, DE, 19899, USA
Tata Steel International (Americas) Inc. (ii) (iii)	475 N. Martingale Road, Suite 400, Schaumburg, IL 60173 USA

Classification key:

- (i) Directly owned by the Company
- (ii) Indirectly owned by the Company
- (iii) Ordinary shares
- (iv) Ordinary A shares
- (v) Ordinary B shares
- (vi) Ordinary C shares
- (vii) Preference shares
- (viii) Deferred shares
- (ix) Deferred A shares
- (x) Cumulative redeemable preference shares
- (xi) Non-cumulative preference shares
- (xii) No share capital
- (xiii) Held in a fiduciary capacity on trust
- (xiv) Company sold on 2 May 2017
- (xv) Company sold on 4 July 2017

Unless indicated otherwise, subsidiary undertakings are directly or indirectly wholly owned by the Company.

F6. Appendix

Joint Arrangements

United Kingdom

Afon Tinplate Company Limited (64%) (i) (iv) (vi) (JV) (ATC)

Air Products Llanwern Limited (50%) (i) (ii) (JO) (JC)

BSR Pipeline Service Limited (50%) (i) (ii) (JO) (JC)

Caparo Merchant Bar plc (25%) (i) (ii) (JV) (AMB)

Ravenscraig Limited (33%) (i) (iii) (JV) (JC)

Texturing Technology Limited (50%) (i) (iii) (JO) (JC)

Afon Works, Bryntwyod, Swansea, UK, SA5 7LN

Hersham Place Technology Park, Molesey Road, Walton On Thames, Surrey, KT12 4RZ

PO Box 101 Weldon Road, Corby, Northamptonshire, NN17 5UA

Caparo House Scunthorpe Steel Works, Brigg Road, Scunthorpe, South Humberside, England, DN16 1XA

15 Atholl Crescent, Edinburgh, EH3 8HA

30 Millbank, London, SW1P 4WY

Associates

United Kingdom

Fabsec Limited (25%) (i) (iv) (JV)

ISSB Limited (50%) (i) (ii)

Cellbeam Ltd, Unit 516 Avenue E East, Thorp Arch Estate, Wetherby, West Yorkshire, England, LS23 7DB

Corinthian House, 17 Lansdowne Road, Croydon, Greater London, CR0 2BX

USA

Oremco, Inc. (30%) (ii) (iii)

60 E42 Street, New York, N.Y., 10165, USA

Classification key:

(i) Indirectly owned by the Company

(ii) Ordinary shares

(iii) Ordinary A shares

(iv) Ordinary B shares

(v) Voting shares

(vi) Preference shares

(JV) Joint Venture

(JO) Joint Operation

(JC) Jointly controlled

(ATC) The Company holds 50% of voting shares and 100% of preference shares (no rights attached unless there are arrears in dividends although they are convertible into ordinary shares on request).

(CMB) The Company holds 25% of the share capital. Although within the shareholder agreement there are reserved matters that are deemed 'relevant activities' that require unanimous consent of the shareholders and therefore imply joint control.

Corus Group Limited
30 Millbank
London
SW1P 4WY

Registered No: 03811373