

TATA STEEL

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Demka B.V.

Annual report 2016

A. Introduction

Financial statement 2016, closing on 31st March 2016

Tata Steel Ltd.

Demka B.V., registered office in IJmuiden and having offices in Velsen-Noord, The Netherlands, is a 100% subsidiary of Beheermaatschappij Industriële Producten B.V. indirectly a 100 % subsidiary of Tata Steel Netherlands B. V.

The ultimate European parent company is Tata Steel Europe Limited. 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 Bombay Stock Exchange, India (BSE), the National Stock Exchange (NSE) and the Luxembourg Stock Exchange.

Consolidation

The consolidated financial statement of Beheermaatschappij Industriële Producten 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 Beheermaatschappij industriële Producten 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 parent company has been taken up on page 7 of this report.

The company does not perform more operations.

B. Annual report

Balance sheets

(for appropriation of the profit)

Per 31 March	Enclosure	2016 (€k)	2015 (€k)
Current assets			
Claims	1	150	141
Cash	2	8.796	8.807
		8.946	8.948
TOTAL ASSETS		8.946	8.948
Liabilities			
Short-term loans of group companies	3	(156)	(50)
TOTAL LIABILITIES		(156)	(50)
NETT ASSETS		8.790	8.898
Equity			
Share capital	4	6.153	6.153
Premium	4	2.201	2.201
Reserves	4	544	544
Unappropriated profit	4	(108)	19
Total of the equity		8.790	8.898

Profit and Loss Account

For the financial period ended on 31 st March	Enclosure	2016 (€k)	2015 (€k)
Total operating income	5	(166)	-
Financial burden		-	-
Financial assets	6	22	26
Pre-tax results		(144)	26
Taxes	7	36	(7)
Income after tax		(108)	19

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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.

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.

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Explanation to the balance sheet

1. Claims

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

2. Cash

The cash is formed by the bank balances and permanent deposits.

3. Short-term loans

The short-term debt only concern debts to subsidiaries.

4. Equity

(x € 1000,-)	Placed Share- capital	Premium reserve	Non- Distributable reserve	Deficit reserve	Undivided result	Total
Balance sheet value on 31 st March 2015	6.153	2.201	2.405	(1.880)	19	8.898
Over distributed result 2015	-	-	-	19	(19)	-
Over distributed result current year	-	-	-	-	(108)	(108)
Balance sheet value per 31 st March 2016	6.153	2.201	2.405	(1.861)	(108)	8.790

The placed share capital consists of 12 shares with a nominal value of 227 € each, together nominally 27.093 € ordinary shares with a nominal value of each, together nominal € 6,152,835. All shares are fully paid.

B. Annual report

Explanation to the profit and loss account

5. Operating income

X € 1.000	2016	2015
Other operating costs	(166)	-
Total operating income	(166)	-

6. Financial income and expenses

X € 1.000	2016	2015
Interest liabilities	-	-
Financial burden	-	-
Interest assets	22	26
Financial benefits	22	26
	22	26

7. 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. it will apply, until further notice, that the company will each year take, as a debt towards Tata Steel Netherlands Holdings B.V., the corporate tax that it owes as per the applicable tariff over the fiscal profit. 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

Demka 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.

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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 31st 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.

Tata Steel Nederland B.V.	Wenckebachstraat 1 Post box 10,000	1951 JZ Velsen-Noord 1970 CA IJMUIDEN
Beheermaatschappij Industriële Producten B.V.	Wenckebachstraat 1 Post box 10,000	1951 JZ Velsen-Noord 1970 CA IJMUIDEN

Signing of the annual report

The financial statement 2016 ends on 31st March 2016 of Demka B. V. is signed by its complete statutory board of directors. Ijmuiden, 27th June 2016

Ijmuiden, 27th June 2016

Sd/-

J.E. Van Dort

C. Other data

Other data

No audit

An audit with the financial statement is missing. Since Demka 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 has been proposed to charge the loss of the book year, amounting to 108 € thousand, to the general reserves.

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.