WALKERSTEELSTOCK IRELAND LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR

ENDED 31 MARCH 2016

Company No. 36453

Report and Accounts for the financial year ended 31 March 2016

Contents	**Pages**
Directors and Other Information	2
Directors' report	3 – 4
Statement of Directors Responsibilities	5
Independent Auditor's Report	6 - 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 14

Directors and Other Information

Board of Directors

E O'Reilly (resigned: 19 December 2016)
SV Gidwani
C Conway (resigned: 25 May 2016)
C Harvey (appointed: 20 December 2016)

Secretary and Registered Office

SV Gidwani

Tata Steel Service Centre
Steel House
Bluebell Industrial Estate
Bluebell Avenue
Dublin 12

Registered Number: 36453

Solicitors

Tata Steel Europe Limited
Legal Department
30 Millbank
London SW1P 4WY
United Kingdom

Auditor

Deloitte LLP
Bristol

Directors' Report for the financial year ended 31 March 2016

The directors present their report and the audited financial statements of the Company for the financial year ended 31 March 2016.

These financial statements have been prepared in accordance with 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.

Business review, principal activities and future developments
The principal activity of the Company is that of an investment holding company. The state of affairs of the Company is considered by the directors to be satisfactory.

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 Tata Steel Europe Limited (TSE), which includes the Company, is discussed in its Annual Report & Accounts, which does not form part of this report.

Results and dividends
The result for the financial year amounted to a loss of €487,793 (2015: €nil) which is due to an impairment of the Company's investment in The Steel Company of Ireland, which was sold after the balance sheet date for nominal consideration and impairment of debtor balances. All expenses associated with the Company have been borne by Tata Steel UK Limited (TSUK). The directors do not recommend the payment of a dividend (2015: €nil).

Principal risks and uncertainties
Group risks are discussed in the Tata Steel Europe (TSE) Annual report, which does not form part of this report. Risks specific to Walkersteelstock Ireland Limited are in relation to the trading performance of the investments held by the Company. This is monitored by the directors, primarily through communication with management of the companies and through the use of regularly updated forecasts. If the directors believe there is a permanent diminution in value, an impairment will be recognised.

Directors
The directors of the Company that also served during the financial year are set out below.

C Conway
E O'Reilly
SV Gidwani

C Conway resigned from the Company with effect from 25 May 2016 and E O'Reilly resigned from the Company with effect from 19 December 2016. C Harvey was appointed on 20 December 2016.

Directors' and secretary's interest
The directors and secretary who held office at 31 March 2016, and their families, had no interest in the shares of the Company or any other group company at 1 April 2015 and at 31 March 2016.

Subsidiaries
Details in respect of subsidiary companies are set out in Note 4 to the financial statements.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

Directors' Report for the financial year ended 31 March 2016 (continued)

Accounting records
The directors acknowledge their responsibilities under Sections 281 to 285 of the Companies Act 2014 to keep accounting records for the Company. The accounting records are kept at the following address: Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12, Ireland.

Going concern
On 29 March 2016, following a recommendation from Tata Steel Limited (TSL), the Company's ultimate shareholder, the directors of TSE resolved to consider all possible restructuring options including the potential divestment of TSUK and its subsidiaries. This process has started and remains ongoing but, pending its conclusion, the outcome of the restructuring or sale remain uncertain.

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 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 subject to certain restrictions.

Based on the mandate of TSL, on 29 March 2016, the Board of the TSE is evaluating all options for TSUK, including the potential divestment. On 8 July 2016, the board of TSL announced that it has decided to also look at alternative and more sustainable portfolio solutions for the European business, including discussions with strategic players in the steel industry in relation to a potential joint venture. Currently, the process of evaluation of a potential divestment is underway and representatives of TSE are engaged in discussions with the UK and Welsh Government to facilitate the restructuring options. In the absence of a conclusive outcome of the restructuring or sale, there exists a material uncertainty for the future of the Company.

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 there exists a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. 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 the Company were unable to continue as a going concern.

Post balance sheet events
On 31 May 2016, TSE disposed of its Long Products Europe business to Greybull Capital LLP, which included the Company's subsidiary The Steel Company of Ireland (SCOI) for nominal consideration.

Auditor
Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Signed on behalf of the board

SV Gidwani
Director

C Harvey
Director

15th February 2017

Statement of the Directors' responsibilities

The directors' are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework ("relevant financial reporting framework"). 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

Independent Auditor's Report to the Members of Walkersteelstock Ireland Limited

We have audited the financial statements of Walkersteelstock Ireland Limited for the financial year ended 31 March 2016 which comprise the Profit & Loss Account, the Balance Sheet, and the related notes 1 to 9. The relevant financial reporting framework that has been applied in their preparation is FRS 101 *'Reduced Disclosure Framework'*.

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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 auditors' 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 auditors

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 and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish 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 Walkersteekstock Ireland Limited Report and Accounts 2016 for the financial year ended 31 March 2015 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 assets, liabilities, and financial position of the Company as at 31 March 2016 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework; and in particular with the requirements of the Companies Act 2014.

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the Directors report and in Note 1 to the financial statements concerning the company's ability to continue as a going concern.

The uncertainty over the completion of the restructuring or potential sale of the Company's parent, TSUK and the provision of working capital support to TSUK along with the other matters set out in note 1 indicate the existence of a material uncertainty which may cast significant doubt over the ability of the Company to continue as a going concern and therefore, it may be unable to realise its

Independent Auditor's Report to the Members of Walkersteelstock Ireland Limited (continued)

assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Andrew Wright

Andrew Wright FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

16-2-2017

Profit and loss account for the financial year ended 31 March 2016

	Notes	31 March 2016 €	31 March 2015 €
Other operating costs		(487,793)	-
Operating loss	2	(487,793)	-
Loss on ordinary activities before taxation		(487,793)	-
Taxation	5	-	-
Loss for the financial year		(487,793)	-

The Company has no gains or losses other than as above and therefore no separate statement of total comprehensive income has been presented.

The loss on ordinary activities before taxation derives entirely from continuing activities.

Balance sheet as at 31 March 2016

	Notes	31 March 2016 €	31 March 2015 €
Fixed assets			
Investments in subsidiaries	4	**1,617,863**	1,733,917
Current assets			
Debtors	5	-	371,739
Net current assets		-	371,739
Total assets		**1,617,863**	2,105,656
Creditors: amounts falling due after more than one year	6	**(1,618,002)**	(1,618,002)
Net assets		**(139)**	**487,654**
Capital and reserves			
Share capital	7	**9,760,030**	9,760,030
Share premium		**1,617,851**	1,617,851
Accumulated deficit		**(11,378,020)**	(10,890,227)
Total equity		**(139)**	**487,654**

The financial statements were approved by the Board of Directors on 15th February 2017 and are signed on its behalf by:

SV Gidwani
Director

C Harvey
Director

Statement of changes in equity

	Share capital €	Share premium €	Accumulated deficit €	Total equity €
Balance as at 31 March 2015	9,760,030	1,617,851	(10,890,227)	**487,654**
Total comprehensive loss for the period	-	-	(487,793)	**(487,793)**
Balance as at 31 March 2016	**9,760,030**	**1,617,851**	**(11,378,020)**	**(139)**

Notes to the financial statements

1. Principal accounting policies

The financial statements have been prepared in accordance with FRS 101 *'Reduced Disclosure Framework'.* The Company has undergone transition to FRS 101 during the period.

The Company meets the definition of a qualifying entity under FRS 100 *'Application of Financial Reporting Requirements'* issued by the Financial Reporting Council in the UK, and promulgated by the Institute of Chartered Accountants in Ireland. FRS 101 *'Reduced Disclosure Framework'* ('FRS 101') becomes effective for accounting periods beginning on or after 1 January 2015. The Company has undergone transition from reporting UK and Irish GAAP to FRS 101 during the year. As such these financial statements were prepared in accordance with FRS 101. In the transition to FRS 101, the Company has applied IFRS 1; first-time adoption of International Financial Reporting Standards, whilst ensuring its assets and liabilities are measured in compliance with FRS 101. No transition notes have been prepared for the opening balance sheet as there have been no effects of transition to 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 chosen to early adopt the amendments to FRS 100 and 101 (September 15), updated for the EU Accounting Directive. One of the key aspects of the amendments include the removal of the requirement to present a third balance sheet on adoption of IFRS 1.

The Company has elected to measure its investments in subsidiaries at cost and on transition to FRS 101 has elected to measure its investments at the previous GAAP carrying value at the date of transition.

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 period.

Accounting convention and group accounts

The accounts are prepared in accordance with the historical cost convention. The currency used in these financial statements is the Euro, denoted by the symbol "€", which is the Company's functional currency. Group financial statements have not been prepared as the Company is a wholly owned subsidiary of TSE, for which group financial statements are prepared.

Financial assets

All investments in group undertakings are held at cost value with provisions being made for any permanent impairment. Impairment reviews are carried out where there are events or changes in circumstances that indicate that the carrying amount of the investment may not be recoverable. Where there is an impairment loss it is recognized in the profit and loss accounts.

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").

Notes to the financial statements (continued)

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 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 period 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.

2. Operating Loss

	31 March 2016 €	31 March 2015 €
Costs by type:		
Impairment of investment in subsidiary undertaking	**116,054**	-
Impairment of debtors	**371,739**	-
	487,793	-

2. Director's emoluments and employee information

There were no employees during the period (2015: nil).

None of the directors received or waived any emoluments in respect of their services to the Company during the year (2015: €nil).

3. Taxation

	31 March 2016 €	31 March 2015 €
Tax charge	-	-

The total taxation amount for the year can be reconciled to the accounting loss as follows:

Loss before taxation	**(487,793)**	-
Loss multiplied by the standard corporation tax rate of 12.5% (2015: 12.5%)	**(60,974)**	-
Effects of:		
Permanent differences	**60,974**	-
	-	-

Notes to the financial statements (continued)

4. Investments in subsidiaries

	31 March 2016 €	31 March 2015 €
Cost at beginning and end of the financial year	**16,750,136**	16,750,136
Accumulated impairment losses at beginning of the financial year	**(15,016,219)**	(15,016,219)
Impairment loss recognised during the financial year	**(116,054)**	-
Net book value at end of financial year	**1,617,863**	1,733,917

On an annual basis a review of the Company's investments for impairment indicators is performed. The outcome of the test at 31 March 2016 resulted in a permanent diminution of €116,054 in the value of the Company's investment in The Steel Company of Ireland, which was sold after the balance sheet date (see note 8) for nominal consideration.

Name of undertaking as at 31 March 2016	Country of registration	Description of shares held	Proportion of nominal value of issued shares held
The Steel Company of Ireland Limited	Republic of Ireland	€1.269738 ordinary shares	100%
Lister Tubes Ltd	Republic of Ireland	€1.269738 ordinary shares	90%

5. Debtors: amounts due within one year

	31 March 2016 €	31 March 2015 €
Amounts owed by fellow group undertakings	**371,739**	371,739
Less: provision for impairment	**(371,739)**	-
	-	371,739

6. Creditors: amounts falling due within one year

	31 March 2016 €	31 March 2015 €
Amount owed to fellow group undertakings	**1,618,002**	1,618,002

Notes to the financial statements (continued)

7. Called up share capital

	31 March 2016 €	31 March 2015 €
Authorised share capital		
10,000,000 ordinary shares of €1.269738 each	**12,697,380**	12,697,380
Allotted, called up and fully paid		
7,686,649 ordinary shares of €1.269738 each	**9,760,030**	9,760,030

All shares are presented as equity in the balance sheet.

8. Events after the balance sheet date

On 31 May 2016, the TSE group disposed of its Long Products Europe business to Greybull Capital LLP, which included the Company's subsidiary The Steel Company of Ireland (SCOI) for nominal consideration. The investment has been fully written down during the period so there is no further financial impact of this disposal.

9. Ultimate parent company

The Company's immediate parent undertaking is Gamble Simms Metals Limited.

The Company is a subsidiary of TSE which is registered in England and Wales. The ultimate parent company and ultimate controlling party is Tata Steel Limited (TSL), which is registered in India. Copies of TSL's report and accounts may be obtained from Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001 India.