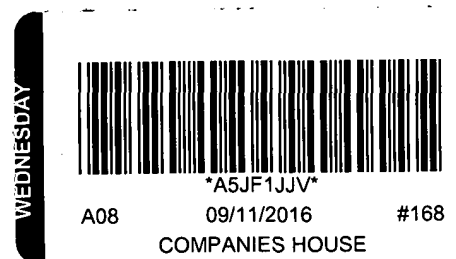


BLASTMEGA LIMITED
REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR
ENDING 31 MARCH 2016



Registered No: 02987085

Blastmega Limited Report and Accounts for the year ended 31 March 2016

Directors

British Steel Directors (Nominees) Limited
SV Gidwani

Company Number

02987085

Registered office

30 Millbank
London
SW1P 4WY

Blastmega Limited Report and Accounts for the year ended 31 March 2016

Directors' report for the year ended 31 March 2016

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

Principal activity, review of the business and future developments

The Company is a wholly owned subsidiary of Tata Steel UK Limited ('TSUK'), which is a wholly owned subsidiary within the Tata Steel Europe Limited ('TSE') Group. The principal activity of the Company is that of a holding company for part of TSUK's investment in Corus Engineering Steels (Holdings) Limited. The company is exempt from the obligation to prepare and deliver group accounts under s400 of the Companies Act 2006.

The Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year and preceding financial period. It is anticipated that the Company will remain dormant for the foreseeable future.

The Company has chosen to present the financial statements in accordance with FRS 102 '*The Financial Reporting Standard Applicable in the UK and Republic of Ireland*', which entitles the Company to adopt the exemption in paragraph 35.10 of FRS 102 allowing the Company to retain its previous accounting policies, (prepared under UK GAAP), until there is any change to balances or the company undertakes new transactions.

The annual financial statements have not been audited because the Company is entitled to the exemption provided by section 480 of the Companies Act 2006 relating to dormant companies and its members have not required the Company to obtain an audit of these financial statements in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

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 & Accounts, which does not form part of this report.

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in their exercise of their powers, including any liabilities relating to the defense of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted by them as officers or employees of the Company.

Principal risks and uncertainties

Group risks are discussed in the TSE Annual Report and Accounts, which does not form part of this report.

Employees

The Company has no employees, as shown in Note 3 of this report on page 5.

Blastmega Limited Report and Accounts for the year ended 31 March 2016

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

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 Group's activities. The Company operates in accordance with ISO 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).

Going concern

On 29 March 2016, following a recommendation from Tata Steel Limited ("TSL"), the Company's ultimate shareholder, the directors of Tata Steel Europe Limited ("TSE") resolved to consider all possible restructuring options including the potential divestment of Tata Steel UK Limited ("TSUK"). This process has started and remains ongoing but, pending its conclusion, the outcome of the restructuring or sale remain uncertain. The Blastmega Limited Board has assessed the potential impact of a restructuring or sale of TSUK on Blastmega Limited including the recoverability of the intercompany loan receivable with TSUK.

Based on the mandate of the ultimate parent of the Company, TSL, on 29 March 2016, the Board of TSE announced that it 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 potential transactions by TSE is underway and representatives of TSE remain engaged in discussions with the UK and Welsh Government to facilitate the restructuring options. In the absence of a conclusive outcome of a restructuring, sale or another strategic solution there exists an uncertainty over the recoverability of the intercompany loan of £1,658.

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 loan was not recoverable.

Directors

The directors of the Company as at 31 March 2016 and who held office during the period are listed on page 1.

By order of the Board



SV Gidman
Director
19 July 2016

30 Millbank
London
SW1P 4NY

Blastmega Limited Report and Accounts for the year ended 31 March 2016

Balance sheet

As at 31 March

	Notes	2016 £	2015 £
Fixed assets			
Investments	4	93,000,000	93,000,000
Current assets			
Debtors	5	11,261	11,261
Cash at bank and in hand		10	10
		<u>11,271</u>	<u>11,271</u>
Creditors: amounts falling due within one year	6	(1,500)	(1,500)
Net current assets		<u>9,771</u>	<u>9,771</u>
Total assets less current liabilities		<u>93,009,771</u>	<u>93,009,771</u>
Capital and reserves			
Called up share capital	7	10	10
Share premium account		93,000,000	93,000,000
Profit and loss account		9,761	9,761
Shareholders funds		<u>93,009,771</u>	<u>93,009,771</u>
Equity		93,009,762	93,009,762
Non-equity		9	9
		<u>93,009,771</u>	<u>93,009,771</u>

- (a) For the year ended 31 March 2016 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.
- (b) The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.
- (c) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The accounts on pages 4 to 7 were approved and authorised for issue by the Board of Directors on 19 July 2016 and were signed on its behalf by:-



SV Gidwani
Director

The notes on pages 5 to 7 form part of these accounts.

Blastmega Limited Report and Accounts for the year ended 31 March 2016

Notes to the financial statements

1. Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the UK.

The Company meets the definition of a qualifying entity under FRS 100 '*Application of Financial Reporting Requirements*' issued by the Financial Reporting Council. FRS 102 '*The Financial Reporting Standard Applicable in the UK and Republic of Ireland*', ('FRS 102') as issued by the Financial Reporting Council becomes effective for accounting periods beginning on or after 1 January 2015. The Company has undergone transition from reporting under United Kingdom Accounting Standards (UK GAAP) to FRS 102 during the period.

As permitted by FRS 102 under paragraph 35.10, the Company has taken advantage of the exemption available under that standard in relation to the retention of the Company's previous accounting policies until there is any change to balances or the Company undertakes new transactions.

The key accounting policies, which have been applied consistently, are set out below:

(i) Basis of preparation

The accounts are prepared in accordance with the historical cost convention. As set out in the Directors' report, the board of directors have assessed the ability of the Group to continue as a going concern and these financial statements have been prepared on a going concern basis.

(ii) Fixed asset investments

Investments are stated at cost. Provisions are made for any permanent diminution in the value of investments.

Income from fixed asset investments comprises dividends declared up to the balance sheet date and interest receivable, shown, where relevant, before deduction of withholding tax.

(iii) Cash flow statement

In accordance with the dormant company exemption allowed by FRS 102, a cash flow statement for the Company has not been provided.

(iv) Related party disclosures

In accordance with the dormant company exemption allowed by FRS 102, the Company is not required to disclose related party transactions with other TSE group undertakings.

2. Operating costs

All costs associated with the Company were borne by TSUK.

Blastmega Limited Report and Accounts for the year ended 31 March 2016

Notes to the financial statements (continued)

3. Directors' emoluments and employees

No directors received any emoluments during the period in respect of their services to the company (2015: £nil).

The Company has no employees (2015: nil).

4. Investments

	2016 Shares in subsidiary undertakings £	2015 Shares in subsidiary undertakings £
Cost and net book value	<u>93,000,000</u>	<u>93,000,000</u>

The Company holds more than 10% of the ordinary share capital of the following company:

Company	Country of Incorporation	Proportion held (%)
Corus Engineering Steels (Holdings) Limited	England & Wales	50

5. Debtors

	2016 £	2015 £
Amounts falling due after more than one year		
Amounts due from parent	<u>11,261</u>	<u>11,261</u>
	<u>11,261</u>	<u>11,261</u>

The amounts due from parent are free of interest and no date has been fixed for the discharge of the debt.

6. Creditors: amounts falling due within one year

	2016 £	2015 £
Other creditors	<u>1,500</u>	<u>1,500</u>
	<u>1,500</u>	<u>1,500</u>

7. Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 ordinary share of £1 each	1	1
9 non-cumulative preference shares of £1 each	<u>9</u>	<u>9</u>
	<u>10</u>	<u>10</u>

Blastmega Limited Report and Accounts for the year ended 31 March 2016

Notes to the financial statements (continued)

8. Ultimate and immediate parent company

TSUK is the Company's immediate parent company, which is registered in England and Wales. TSE and Tata Steel UK Holdings Limited ('TSUKH') are intermediate holding companies, registered in England and Wales, with TSUKH the smallest group to consolidate these financial statements.

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