

TULIP UK HOLDINGS (NO.3) LIMITED

REPORT AND ACCOUNTS

FOR THE FINANCIAL YEAR

ENDED 31 MARCH 2013



Registered No. 05934885

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

	Pages
Directors and advisors	2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 14

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Directors and advisors

Directors

NK Misra
S Hasan
K Chatterjee

Secretary

S Gidwani

Company Number

05934885

Registered office

30 Millbank
London
SW1P 4WY

Auditor

Deloitte LLP
Cardiff

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Directors' Report for the year ended 31 March 2013

The directors present their report and the audited financial statements for the year ended 31 March 2013

Business review and principal activities

The Company is a wholly owned subsidiary of Tulip UK Holdings (No 2) Limited which is a wholly owned subsidiary within the Tata Steel Europe Limited (TSE) Group

The principal activity of the Company is that of an investment holding Company for the group's investment in Tata Steel UK Holdings Limited. Further details of the investments are shown in notes 8 and 9 to the accounts

No change in the Company's activities in the foreseeable future is envisaged

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 the TSE Annual Report, which does not form part of this report

Financial instruments

The Company's activities do not expose it to significant price risk, liquidity risk or cash flow risk. The Company's financial liabilities are amounts owed to group undertakings, for which the credit risk is limited. The Company has not issued financial instruments to change its exposure to any of the above risks

Going concern

The financial position of the Company is such that it is in a net assets position with limited exposure to cash flow, liquidity or credit risk. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

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 defence 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, which does not form part of this report. There are no risks that are specific to the Company

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Directors' report for the year ended 31 March 2013 continued

Environment

TSE 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 group policies. Activities designed to minimise the Company's impact on the environment include improving our energy use efficiency and reducing the production of waste (both hazardous and non-hazardous).

Employees

The Company had no employees in either the current or prior year, as shown in note 5 of the accounts.

Directors

The current directors and those who held office during the year are listed on page 2.

Results and dividends

The loss for the year after taxation amounted to £34,091k (2012 £32,755k).

The directors do not recommend that a dividend be paid and no dividends were paid or proposed during the year (2012 £nil).

Auditor

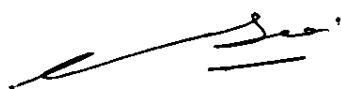
Each of the persons who is a director at the date of approval of this report confirms that

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as a director to make himself/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 s 418 of the Companies Act 2006.

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.

By order of the Board



NK Misra
Director
4 July 2013
Registered No 05934885

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

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). 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards 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.

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Independent auditor's report to the members of Tulip UK Holdings (No.3) Limited

We have audited the financial statements of Tulip UK Holdings (No 3) Limited for the year ended 31 March 2013 which comprise the Profit and loss account, the Balance sheet and accounting policies and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Independent Auditor's report to the members of Tulip UK Holdings (No.3) Limited continued

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 by the Company, 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

Andrew Wright

Andrew Wright (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cardiff, United Kingdom

4 July 2013

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Profit and loss account for the year ended 31 March 2013

	Notes	12 months to 31 March 2013 £000	12 months to 31 March 2012 £000
Operating result	2	-	-
Interest receivable and other similar income	3	28,008	23,583
Interest payable and other similar charges	4	(62,099)	(56,279)
Loss on ordinary activities before taxation		(34,091)	(32,696)
Taxation	7	-	(59)
Loss on ordinary activities after taxation	14	(34,091)	(32,755)

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

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and the historical cost equivalents

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

The notes on pages 10 to 14 form part of these accounts

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Balance sheet as at 31 March 2013

	Notes	31 March 2013 £000	31 March 2012 £000
Fixed assets			
Investments			
Investments in subsidiary undertakings	8	<u>4,443,500</u>	<u>4,373,717</u>
		4,443,500	4,373,717
Current assets			
Debtors amounts falling due within one year	10	4,049	4,049
Debtors amounts falling due after more than one year	10	<u>11,653</u>	<u>11,442</u>
		15,702	15,491
Creditors amounts falling due within one year	11	<u>(7,319)</u>	<u>(7,375)</u>
Net current assets		8,383	8,116
Total assets less current assets		<u>4,451,883</u>	<u>4,381,833</u>
Creditors amounts falling due after more than one year	12	<u>(1,079,506)</u>	<u>(975,365)</u>
Net assets		<u>3,372,377</u>	<u>3,406,468</u>
Capital and reserves			
Called up share capital	13	3,503,707	3,503,707
Profit and loss account	14	<u>(131,330)</u>	<u>(97,239)</u>
Equity shareholders' funds	15	<u>3,372,377</u>	<u>3,406,468</u>

The accounts on pages 8 to 14 were approved by the Board on 4 July 2013 and were signed on its behalf by -


 NK Misra
 Director
 Tulip UK Holdings (No 3) Limited
 Registered No 05934885

The notes on pages 10 to 14 form part of these accounts

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Notes to the accounts

1. Presentation of accounts and principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the UK. The principal important accounting policies, which have been applied consistently in the current and prior year, are set out below.

(i) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards in the UK (UK GAAP). Group accounts have not been prepared as the Company is a wholly owned subsidiary within TSE, which has prepared consolidated accounts for the year ended 31 March 2013.

As set out in the Directors' report, the board of directors have assessed the ability of the Company to continue as a going concern and, as a result of this assessment, these financial statements have been prepared on a going concern basis.

The principal accounting policies, which have been applied consistently throughout the year and the preceding year are set out below.

(ii) Use of estimates

The preparation of accounts in line with generally accepted accounting principles 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 accounts, and
- (iii) reported amounts of income and expenses during the reporting year.

Actual results could differ from those estimates. Significant estimates are not relevant.

(iii) Financial instruments

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.

(iv) Fixed asset investments

Fixed asset investments are stated at cost. Provisions are made for any permanent diminution in value.

(v) Cash flow statement

In accordance with the exemption allowed by paragraph 5(a) of Financial Reporting Standard 1 (revised 1996), a cash flow statement for the Company has not been provided.

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Notes to the accounts

1. Principal accounting policies (continued)

(vi) Related party disclosures

In accordance with the exemption allowed by paragraph 3 (c) of Financial Reporting Standard 8, no disclosure is made of transactions with other member companies of the Group qualifying as related parties

(vii) Taxation

Current 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 substantively enacted by the balance sheet date.

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. 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 balance sheet date.

2. Operating result

The auditor's remuneration for the audit of the Company's accounts was £2,000 (2012: £2,000). The auditor's remuneration was borne by Tata Steel UK Limited in both years.

3. Interest receivable and similar income

	12 months to 31 March 2013 £000	12 months to 31 March 2012 £000
Interest receivable on loans to subsidiary undertakings	28,008	23,583
	28,008	23,583

4. Interest payable and similar charges

	12 months to 31 March 2013 £000	12 months to 31 March 2012 £000
Interest payable on loans from parent undertakings	62,099	56,279
	62,099	56,279

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Notes to the accounts

5 Employees

The Company has no employees other than the directors (2012 nil)

6. Directors emoluments

No directors received any emoluments during the year in respect of their services to the Company (2012 £nil) The emoluments of the directors that are also directors of the intermediate parent Company TSE, are disclosed in the TSE Report and Accounts

7. Taxation

	12 months to 31 March 2013 £000	12 months to 31 March 2012 £000
Current tax		
UK corporation tax on profits for the period	-	-
Prior year charge/(credit)	-	59
Current tax charge/(credit)	-	59
The current tax charge/(credit) reconciles with the standard rate of corporation tax as follows		
Loss on ordinary activities before taxation	(34,091)	(32,696)
Tax on result at standard rate of 24% (2012 26%)	(8,182)	(8,501)
Effects of		
Tax losses not recognised	4,394	6,205
Non deductible costs	72	77
Group relief surrendered free of charge	3,716	2,219
Prior year charge/(credit)	-	59
	-	59

A deferred tax asset is not recognised in respect of tax losses of £70,853k (2012 £55,728k) due to uncertainty of utilisation

The forthcoming phased reduction in the corporation tax rate to 20% is not anticipated to materially affect the future tax charge

8. Investments in subsidiary undertakings

	Shares in subsidiary undertakings £000	Loans to subsidiary undertakings £000	Total £000
Cost and net book value			
At 1 April 2012	3,947,479	426,238	4,373,717
Additions	-	69,783	69,783
At 31 March 2013	3,947,479	496,021	4,443,500

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Notes to the accounts

8. Investments in subsidiary undertakings (continued)

During the year ended 31 March 2013, the Company loaned £49m to Tata Steel UK Holdings Limited. Interest is being charged at LIBOR +5% and is being rolled into the loan on a 6 monthly basis. The Company also made an interest free loan of £3m to Tata Steel UK Holdings Limited.

9. Investments

The Company holds 100% of the ordinary share capital in Tata Steel UK Holdings Limited, a Company incorporated in England and Wales.

10. Debtors

	31 March 2013 £000	31 March 2012 £000
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	4,049	4,049
Amounts falling due after more than one year:		
Amount owed by subsidiary undertakings	11,653	11,442
	15,702	15,491

11. Creditors: amounts falling due within one year

	31 March 2013 £000	31 March 2012 £000
Amounts owed to parent undertakings	7,319	7,375
	7,319	7,375

12. Creditors: amounts falling due after more than one year

	31 March 2013 £000	31 March 2012 £000
Amount owed to parent undertakings	1,079,506	975,365
	1,079,506	975,365

On 7 November 2012, Tata Steel Global Holdings Pte assigned certain loans receivable from Tulip UK Holdings (No. 3) Limited to Tata Steel Europe Limited, in consideration for shares in Tata Steel Europe Limited. At the year ended 31 March 2013, the total amount outstanding with Tata Steel Global Holdings Pte Limited, including principal and rolled interest, is £583m and the total amount outstanding with Tata Steel Europe Limited is £496m.

Included in the amount outstanding with Tata Steel Europe Limited is an interest free loan of £3m. For the remaining loans, with both Tata Steel Europe Limited and Tata Steel Global Holdings Pte Limited, interest is being charged at LIBOR +5% and is being rolled into the loan on a 6 monthly basis. The loans are due for repayment in 2018.

Tulip UK Holdings (No.3) Limited Report and Accounts for the year ended 31 March 2013

Notes to the accounts

13. Called up share capital

	31 March 2013 £000	31 March 2012 £000
Authorised		
5,000,000,000 ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
	2013 £'000	2012 £'000
Allotted, called up and fully paid		
3,503,707,157 ordinary shares of £1 each	<u>3,503,707</u>	<u>3,503,707</u>

14. Reserves

	Profit and loss account £000
Balance at 1 April 2012	(97,239)
Loss for the year	<u>(34,091)</u>
Balance at 31 March 2013	<u>(131,330)</u>

15. Reconciliation of movements in shareholders' funds

	31 March 2013 £000	31 March 2012 £000
Opening shareholders' funds	3,406,468	3,439,223
Loss for the financial year	<u>(34,091)</u>	<u>(32,755)</u>
Closing shareholders' funds	<u>3,372,377</u>	<u>3,406,468</u>

16 Ultimate holding Company

Tulip UK Holdings (No 2) Limited is the Company's immediate parent Company, which is registered in England and Wales. TSE is the intermediate holding Company, which is registered in England and Wales, and is the smallest group to consolidate these financial statements.

Copies of the report and accounts for TSE may be obtained from the Secretary, 30 Millbank, London, SW1P 4WP.

Tata Steel Limited, 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.