

Reconciliation of I-GAAP Financials to Local Statutory Accounts - March 2016

0010220

Tata Steel International (America) Inc

USD

| | Profit/(Loss) after Tax | Net Assets | Commentary on Differences |
|------------------------------------|-------------------------|--------------------|----------------------------------|
| I-GAAP as per GRS: | 1,864,380 | 162,108,900 | |
| Differences: | | | |
| GAAP Difference | (400,230) | 54,573 | Pension Adjustment |
| Audit/Late Adjustment | | | |
| Different Year End than March 2016 | | | |
| Other | 4,850 | 11,527 | Accumulated Rounding Differences |
| Total Difference | (395,380) | 66,100 | |
| Local Statutory Accounts: | 1,469,000 | 162,175,000 | |
| Check (Should be Zero) | 0 | 0 | |

Notes:

Entities should input the numbers recorded in their local statutory accounts (in the same currency) for Profit/(Loss) after Tax and Net Assets into row 25 of this spreadsheet. The values entered in row 11 are the values recorded in GRS under Indian GAAP. Any difference between the two numbers should be reconciled by using the categories provided (shown in green shaded cells). Any 'Other' adjustments require a description of what the adjustment relates to. The 'Check' in row 25 should be zero before the spreadsheet is submitted to Group Finance.

Profit/(Loss) after Tax is the Indian GAAP definition which, in GRS, is Profit after Tax (20050009) less Share of JV/Associate Result (25510009).

Commentary on Differences (column F) should be used to provide further explanations. Expected information to be given in this column would include the following:

- Local GAAP Adjustment - What are the major GAAP adjustments (e.g. deferred tax) and what value arises because of this
- Late Adjustment - Details on what has been adjusted between GRS submission and completion on statutory accounts
- Different Year End - The year end used in the Statutory accounts
- Other - Full explanation of adjusting factors

Signature 6-29-16

**TATA STEEL INTERNATIONAL (AMERICAS) HOLDINGS INC.
AND SUBSIDIARIES**
(A Wholly Owned Subsidiary of Corus (Overseas Holdings) International Limited (UK))

**SUPPLEMENTARY CONSOLIDATING STATEMENT OF OPERATIONS INFORMATION
FOR THE YEAR ENDED APRIL 2, 2016**
(Dollars in thousands)

| | TSIAHI | TSIAI | TSC | Limitada | Kalzip Inc. | Eliminations | Consolidated |
|---|-------------------|-----------------|-------------|----------------|----------------|--------------|-------------------|
| NET SALES | \$ - | \$ 293,520 | \$ - | \$ - | \$ 25 | \$ - | \$ 293,545 |
| COST OF PRODUCTS SOLD | - | <u>281,488</u> | - | - | <u>87</u> | - | <u>281,575</u> |
| GROSS MARGIN | - | 12,032 | - | - | (62) | - | 11,970 |
| SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES | <u>598</u> | <u>11,520</u> | <u>(7)</u> | <u>5</u> | <u>(36)</u> | - | <u>12,080</u> |
| INCOME (LOSS) FROM OPERATIONS | (598) | 512 | 7 | (5) | (26) | - | (110) |
| OTHER (INCOME) EXPENSE: | | | | | | | |
| Interest income | (2,892) | (1,251) | - | - | - | 1,284 | (2,859) |
| Interest expense | 1,284 | - | - | - | 35 | (1,284) | 35 |
| Loss (gain) on foreign currency transactions | - | <u>277</u> | - | - | - | - | <u>277</u> |
| INCOME (LOSS) BEFORE INCOME TAX | 1,010 | 1,486 | 7 | (5) | (61) | - | 2,437 |
| INCOME TAX EXPENSE (BENEFIT) | <u>5,142</u> | <u>17</u> | - | <u>12</u> | - | - | <u>5,171</u> |
| NET INCOME (LOSS) | <u>\$ (4,132)</u> | <u>\$ 1,469</u> | <u>\$ 7</u> | <u>\$ (17)</u> | <u>\$ (61)</u> | <u>\$ -</u> | <u>\$ (2,734)</u> |

The supplementary consolidating information is presented using a cost method of accounting for investments in subsidiaries.

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AND SUBSIDIARIES**

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SUPPLEMENTARY CONSOLIDATING BALANCE SHEET INFORMATION

AS OF APRIL 2, 2016

(Dollars in thousands)

| ASSETS | TSAIHI | TSAI | TSC | Limitada | Kalzip Inc. | Eliminations | Consolidated |
|--|-------------------|-------------------|--------------|-----------------|--------------------|---------------------|---------------------|
| CURRENT ASSETS: | | | | | | | |
| Cash and cash equivalents | \$ 4,587 | \$ 1,688 | \$ - | \$ 89 | \$ - | \$ - | \$ 6,364 |
| Accounts receivable — net of allowance for doubtful accounts | - | 23,233 | - | - | - | - | 23,233 |
| Accounts receivable from affiliates | 33 | 107,238 | 84 | - | 91 | (106,845) | 601 |
| Inventories — net of allowance for obsolescence | - | 39,747 | - | - | - | - | 39,747 |
| Loan receivable from affiliates | 216,113 | 50,730 | - | - | - | (50,730) | 216,113 |
| Prepaid expenses and other current assets | 45 | 7,117 | - | - | - | 125 | 7,287 |
| Total current assets | <u>220,778</u> | <u>229,753</u> | <u>84</u> | <u>89</u> | <u>91</u> | <u>(157,450)</u> | <u>293,345</u> |
| FIXED ASSETS: | | | | | | | |
| Machinery, equipment, and leasehold improvements | - | 2,127 | - | - | 864 | - | 2,991 |
| Less accumulated depreciation and amortization | - | 2,048 | - | - | 864 | - | 2,912 |
| Net fixed assets | <u>-</u> | <u>79</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>79</u> |
| OTHER ASSETS: | | | | | | | |
| Investments in affiliates | 44,172 | - | - | - | - | (44,172) | - |
| Deferred tax and other assets | 11,231 | 43 | - | - | - | - | 11,274 |
| Total other assets | <u>55,403</u> | <u>43</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(44,172)</u> | <u>11,274</u> |
| TOTAL | <u>\$ 276,181</u> | <u>\$ 229,875</u> | <u>\$ 84</u> | <u>\$ 89</u> | <u>\$ 91</u> | <u>\$ (201,622)</u> | <u>\$ 304,698</u> |

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SUPPLEMENTARY CONSOLIDATING BALANCE SHEET INFORMATION

AS OF APRIL 2, 2016

(Dollars in thousands)

| | TSIAHI | TSIAI | TSC | Limitada | Kalzip Inc. | Eliminations | Consolidated |
|--|-------------------|-------------------|--------------|--------------|----------------|---------------------|-------------------|
| LIABILITIES AND STOCKHOLDER'S EQUITY | | | | | | | |
| CURRENT LIABILITIES: | | | | | | | |
| Trade payables | \$ - | \$ 3,523 | \$ - | \$ 37 | \$ - | \$ - | \$ 3,560 |
| Accrued and other current liabilities | 28 | 15,989 | 15 | 26 | 3 | (73) | 15,988 |
| Retirement and postretirement benefit obligations—current | - | 101 | - | - | - | - | 101 |
| Loans payable due to affiliates | 126,587 | 43,689 | - | - | 7,091 | (106,845) | 70,522 |
| Total current liabilities | <u>126,615</u> | <u>63,302</u> | <u>15</u> | <u>63</u> | <u>7,094</u> | <u>(106,918)</u> | <u>90,171</u> |
| OTHER LONG-TERM LIABILITIES: | | | | | | | |
| Retirement and postretirement benefit obligations—net of current portion | - | 4,359 | - | - | - | - | 4,359 |
| Intercompany debt—long-term | 50,730 | - | - | - | - | (50,730) | - |
| Other | - | 39 | - | - | - | - | 39 |
| Total other long-term liabilities | <u>50,730</u> | <u>4,398</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(50,730)</u> | <u>4,398</u> |
| Total liabilities | <u>177,345</u> | <u>67,700</u> | <u>15</u> | <u>63</u> | <u>7,094</u> | <u>(157,648)</u> | <u>94,569</u> |
| STOCKHOLDER'S EQUITY (DEFICIT): | | | | | | | |
| Common stock | 652,380 | 8,902 | 186 | 216 | - | (9,302) | 652,382 |
| Additional paid-in capital | 159,611 | 36,206 | 573,370 | 3 | - | (607,758) | 161,432 |
| Retained earnings (accumulated deficit) | (713,155) | 122,522 | (573,487) | (165) | (7,003) | 573,086 | (598,202) |
| Accumulated other comprehensive loss | - | (5,455) | - | (28) | - | - | (5,483) |
| Total stockholder's equity | <u>98,836</u> | <u>162,175</u> | <u>69</u> | <u>26</u> | <u>(7,003)</u> | <u>(43,974)</u> | <u>210,129</u> |
| TOTAL | <u>\$ 276,181</u> | <u>\$ 229,875</u> | <u>\$ 84</u> | <u>\$ 89</u> | <u>\$ 91</u> | <u>\$ (201,622)</u> | <u>\$ 304,698</u> |

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(Concluded)