

INTER METAL DISTRIBUTION

Simplified Joint Stock Company
3 Allée des Barbaniers
92230 GENNEVILLIERS

Auditor's report **concerning the annual financial statements** Financial year ending on 31st March 2015

Sole partner of,

In accordance with our appointment as Statutory Auditors by your General Meeting, we hereby present our report to you for the financial year ended on 31st March 2015 on:

- the audit of the annual financial statements of INTER METAL DISTRIBUTION company, as attached to the present report;
- The justification of our assessment;
- The specific verifications and information required by the law.

The annual financial statements were approved by the President. It is our duty, on the basis of our audit, to express an opinion on the financial statements.

I. Opinion concerning the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit consists in examining, by sampling, the decisive elements justifying the amounts and information contained in the said financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We consider that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

INTER METAL DISTRIBUTION

We certify that the consolidated financial statements are a faithful presentation of the assets, the financial position and the results of all of the companies within the scope of consolidation at the end of this financial year in accordance with French accounting rules and principles.

II. Justification for our assessments

In accordance with the requirements of Article L.832-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the matters that we reviewed the impairment testing method as well as the cash flow projections and assumptions used for the tests.

Thus the assessments made in this way fall within the framework of our auditing approach to the annual financial statements, taken as a whole, and hence contributed to formation of our opinion without reservations, expressed in the first part of the present report.

III. Specific verifications and information

We have also, in conformity with professional standards applicable in France, made specific verifications required by the laws in force.

We have no comment to make concerning the sincerity and the agreement with the annual accounts of the information provided within the report on the management of the Board of Directors and within the documents addressed to shareholders, concerning the financial situation and the annual accounts.

Neuilly-sur-Seine, date 25th June 2015
Statutory Auditors
Deloitte & Associés

R J Alex LEGON

ASSET BALANCE SHEET

<i>Sections</i>	<i>Gross amount</i>	<i>Amort / Prov</i>	<i>31/03/2015</i>	<i>31/03/2014</i>
Subscribed non-paid capital				
INTANGIBLE ASSETS				
Installation cost				
Development costs				
Franchises, patents, and similar rights	14 625	14 625		
Goodwill				
Other intangible assets				
Advance and down payment for intangible assets				
TANGIBLE FIXED ASSETS				
Land				
Constructions				
Technical installation, industrial equipment and tools	31 726 43 938	15 347 43 573	16 379 63	19 543 63
Other tangible fixed assets				
Assets under construction				
Advances and deposits				
FINANCIAL ASSETS				
Equity interests evaluated on an equity basis				
Other equity interests				
Receivables from participations				
Other fixed investments				
Loans				
Other financial fixed assets	1 467		1 467	1 467
FIXED ASSETS	91 756	73 847	17 909	21 073
INVENTORIES AND WORKS IN PROGRESS				
Raw materials, procurement supplies				
Work-in progress goods				
Work-in progress of services and production				
Intermediate and finished goods				
Goods	903 050		903 050	824 870
Advances and prepayments on orders				
RECEIVABLES				
Clients receivables and related accounts	7 135 751		7 135 751	8494517
Other receivables	3 935 264		3 935 264	6 056 917
Subscribed capital called but unpaid				
MISCELLANEOUS				
Investments in transferable securities (including their own shares:)				
Assets				
ADJUSTMENT ACCOUNTS - ASSETS	47 177		47 177	59 399
Expenses paid in advance				
CURRENT ASSET	12 021 242		12 021 242	15 435 702
Debt issuing expenses which can be allocated to future fiscal year				
Bond redemption premium				
Conversion differences - Assets				
GENERAL TOTAL	12 112 998	73 847	12 039 151	15 456 775

BALANCE SHEET - LIABILITIES

<i>Sections</i>	<i>31/03/2015</i>	<i>31/03/2014</i>
Personal or legal capital (including actual payments: 76 225)	76 225	76 225
Premium contribution, issuance, merger Variation of revaluation (including the variation of equivalence)		
Legal reserve	7622	7622
Statutory, contractual reserves Untaxed reserves (including reserves for the current fluctuation provisions) Other reserves (including purchase of the original works by living artists)		
Balance brought forward	3 466 562	2 289 775
INCOME OF THE FINANCIAL YEAR (profit or loss)	964 593	964 593
Investment grants Regulated provisions		
EQUITY	4515003	3550410
Proceeds from issues of participating securities Contingent advances		
OTHER EQUITY CAPITALS		
Provisions for the risks Provisions for expenses	293 233	161 283
PROVISIONS	293 233	161 283
FINANCIAL DEBTS Convertible debenture loans Other debenture loans Loans and other borrowings from credit institutions Sundry borrowings and financial debts (including share borrowings) Advances and prepayments received on the current orders		
DEBTS FROM OPERATION		
Debts to suppliers and related accounts Fiscal and social debts	5 928 244 1 264 953	10 442 409 1 270 560
OTHER DEBTS Amounts payable on fixed assets and related accounts		
Other debts	37718	32113
ADJUSTMENT ACCOUNTS - ASSETS Unearned income		
DEBTS	7230915	11 745 082
Conversion differences liabilities		
GENERAL TOTAL	12 039 151	15 456 775

Income of the financial year in centimes

964 593,14

Total of the balance sheet in centimes

12 039 150,99

PROFIT AND LOSS ACCOUNTS (in list)

<i>Sections</i>	<i>France</i>	<i>Export</i>	<i>31/03/2015</i>	<i>31/03/2014</i>
Sale of goods	3 864 839	52 580 292	56 445 132	59 498 618
Production sold of goods *				
Production sold of services	76 910	962 759	1 039 669	1 257 087
NET TURNOVER	3 941 749	53 543 052	57 484 800	60 755 705
Production of inventory stocks				
Capitalised production				
Subsidies				
Write-back of depreciation and provision, transfer of charges				61 000
Other incomes			97250	45 180
OPERATING INCOME			57 582 051	60 861 885
Purchases of goods bought for resale (including customs duty)			49 704 070	53 440 671
Change in stocks of goods bought for resale			(78 181)	(497 656)
Purchases of raw materials and other supplies (incl. customs duty)				
Change in stocks of raw materials and other supplies				
Purchases and other external charges			3 663 786	3 246 356
Taxes, duties and similar levies			220 280	198 954
Wages and salaries			1 229 497	1 472 989
Payroll			637 285	725 482
OPERATING ALLOWANCE				
On assets: Exceptional depreciation				
On assets: depreciation and provisions			3 173	3475
On current asset of depreciations and provisions				
Allocation to provision				
Other expenses			131 950	(5 887)
			117756	40 898
OPERATING COSTS			55 629 615	58 625 281
OPERATION INCOME			1 952 435	2 236 604
JOINT OPERATIONS				
Profits transferred in or losses transferred out				
Profits transferred out or losses transferred				
FINANCIAL INCOMES				
Financial income from equity interests				
Incomes from the other securities and fixed assets receivables				
Other interests and similar income			1 110	1 216
Write-backs of depreciations, provisions and transferred expenses				
Deferred positive exchange differences				
Net income from sales of marketable securities				
FINANCIAL INCOMES			1 110	1 216
Financial depreciation, amortisations and provisions				
Interests and similar charges			424 542	481 486
Deferred negative exchange differences				117
Net charges from sales of marketable securities				
FINANCIAL EXPENSES			424 542	481 603
FINANCIAL INCOME			(423 432)	(480 387)
CURRENT INCOME BEFORE TAX ASSESSMENT			1 529 003	1 756 217

<i>Sections</i>	31/03/2015	31/03/2014
Non-recurring income on management operations		940
Non-recurring income on capital transactions		0
Write-backs of depreciations, provisions and transferred expenses		
EXTRAORDINARY INCOMES		940
Non-recurring charges on management operations		
Non-recurring expenses on capital transactions		21
Extraordinary depreciation, amortisations and provisions		5 582
EXTRAORDINARY CHARGES		5603
EXTRAORDINARY INCOME		(4663)
Employee profit sharing of the company		
Profit tax	564410	574767
TOTAL OF THE INCOMES	57 583 160	60 864 041
TOTAL OF THE CHARGES	56 618 567	59 687 254
PROFIT OR LOSS	964 593	1 176 787

ACCOUNTING POLICIES AND METHODS

The financial statements are prepared in accordance with legal and regulatory requirements applicable in France according to Regulation 2014-03 of ANC.

The conventions below were applied in adherence to the principle of prudence, according to the basic principles of: Continuity of the operation, consistency of the accounting methods from one financial year to the next financial year, the independence of the financial years and in accordance with the general rules for establishing and presenting the annual financial statements.

TANGIBLE FIXED ASSETS

The tangible assets are evaluated at their acquisition cost (purchase price and accessories costs) The provisions for the depreciation are calculation according to the planned life period. The most recently rates charges are the following (L = Linear, D = Adjustable, E = Extraordinary)

Tangible assets	Depreciation for Depreciation:	Depreciation fiscally sustain (practise/apply)
Technical installations, equipments and tools	10 % L	10 % L
General fitting, fixtures	10 % L	10 % L
Transport equipment	20 % L	20 % L
Office equipment	20 % L	20 % L
Electronic	33 1/3 % L	33 1/3 L
Furniture	10%L	10%L

STOCKS

The stocks are evaluated according to the first-in, first out basis.

The gross value of the goods and the supplies includes the purchase price.

The method of accounting and inventory impairment was calculated based on changes in market prices.

RECEIVABLES

The receivables are recorded at their nominal value.

A provision for the depreciation is recognised in the event that their value is less than the gross value at the balance sheet.

RECOGNITION OF REVENUES

The revenue is recognized in accordance with "Incoterms" mentioned in the contract, usually at the time of delivery to the customer.

CHANGING OF THE EVALUATION METHOD

No change has been made in accounting policies during these periods of the financial year.

CENTRALISED CASH MANAGEMENT

In application of the agreement of the centralised cash management between the companies in TATA STEEL FRANCE HOLDINGS SAS, centralizing entity of the Cash for the Group's French companies, the company's position vis à vis, the credit provider for the central management of cash is subject to automatic compensation with the central treasury. As a result, any excess or short of the company towards the establishment of a credit shall be transferred, or covered by, TATA STEEL FRANCE HOLDINGS SAS respectively.

The balances transferred to, or covered by, TATA STEEL FRANCE HOLDINGS SAS, are presented in the balance sheet respectively in other receivables or other liabilities.

The company presents the balance sheet or availability Borrowings from the credit institutions, the balance of transactions that have not been subject to the closing of the financial year of a transfer, or coverage, TATA STEEL FRANCE HOLDINGS SAS.

On 31st March 2015, the surplus cash transferred to TATA STEEL HOLDINGS FRANCE SAS amount to € 2,431,579 and are presented in other receivables.

RENUMERATION OF THE BOARD OF DIRECTORS

We do not disclose this information because it would identify the persons concerned.

RECEIVABLES AND LIABILITIES RELATED TO BUSINESS

Receivables with related companies: 5 914 720 €

Debts with related companies: :2 608 832 €

During the fiscal year ended on 31st March 2015, the Company has not entered into transactions with related parties with significant importance and conditions which are not those of the market.

C.I.C.E.

The CICE is recorded at the rate of engagement is considered as and extent of the commitment of the corresponding compensation expense.

Accounting of CICE was carried out by the option of a reduction in personnel costs, crediting an account under 64 (ANC Information dated February 28, 2013 note).

It has not been pre-financing during fiscal 2013

EXPENSES AND FINANCIAL INCOMES REGARDING THE RELATED COMPANIES

Incomes with related companies: 110 €

TAX CONSOLIDATION

Since 1st January 2004, the company Inter Métal Distribution SAS is integrated in the taxation group of Tata Steel France Holdings SAS.

The tax consolidation convention provides that the Company pays to the Tata Steel France Holdings SAS the charge for the corporation tax which it is liable as if the incomes were reported independently.

Given an accounting profit before income tax of € 1,529 k and after reinstatement provisions and non-deductible expenses and net reversals and non-taxable income, exercise releases a net positive income of € 1,693 k.

The tax debt to TATA STEEL HOLDINGS FRANCE SAS, tax group head, integrate the tax integration is prepared at the end of financial year to 564 k €.

INFORMATION ABOUT THE REGISTERED CAPITAL

	Number of securities	Nominal value
Number of securities at the end	5 000	15,25

VARIATION IN EQUITIES

Shareholder's equity at the opening of the financial year	3 550 410€
Variation during the financial year:	
Income on 31 st March 2015	964 593€
Payment of a dividend	
Shareholders' equity in the balance sheet for the year after AGM	4 515 003 €

**PROVISIONS FOR THE EMPLOYEE BENEFITS
RETIREMENT ALLOWANCE**

On 31st March 2015, net re-engagement vis-à-vis employees amounted to € 293,233, given dune partially covered by a contract with an insurance company with a value of € 19,966 at March 31, 2015 and is recognized as a provision for liabilities and charges.

Parameters for Inter Metal Distribution

Rate of increase in salaries	2 % constant
Inflation rate;	2% year
Age of the retirement	65 years for the executives
Age of the retirement	63 years for the non-executives
Mortality table	TF00-02
Mortality table	TPG 2005
Turn-over rate	From 16 years to 24 years 5%
	From 25 years to 29 years 5%
	From 30 years to 34 years 3%
	From 35 years to 39 years 3%
	From 40 years to 44 years 3%
	From 45 years to 49 years 3%
	More than 50 years 0%
Discount rate	1.17 %

D.I.F RIGHT

The total hours D.I. F. Is 1,475 hours on 31st December 2014.

OFF BALANCE SHEET

None

BANK GUARANTEE

- None

HIGHLIGHTS OF THE FINANCIAL YEAR

- None

EVENTS AFTER THE BALANCE SHEET DATE:

- None

<i>Sections</i>	<i>Starting of the financial year</i>	<i>Re-evaluation</i>	<i>Acquisit., applied</i>
INSTALLATION AND DEVELOPMENT EXPENSES OTHER ITEMS OF THE INTANGIBLE ASSETS	14 625		
Land			
Including components			
Constructions on own land			
Constructions on third-party land			
Const. Property, general fitting and fixtures	31 726		
Technical installations, industrial equipments and tools	18 577		
General installations, layout, developments			
Transport equipment			
Office and IT equipment, furniture	25 361		
Recoverable packaging and other			
Tangible fixed assets in progress			
Advances and deposits			
TANGIBLE FIXED ASSETS	75 664		
Equity interests valued on an equity basis			
Other equity interests			
Other fixed investments			
Loans and other long-term financial investments	1 467		
FINANCIAL ASSETS	1 467		
GENERAL TOTAL	91 756		

<i>Sections</i>	<i>Transfer</i>	<i>Assignment</i>	<i>End of financial year</i>	<i>Original value</i>
INSTALLATION AND DEVELOPMENT EXPENSES OTHER ITEMS OF INTANGIBLE ASSETS			14 625	
TANGIBLE				
Land				
Constructions on own land			31 726	
Constructions on third-party land			18 577	
Constructions, general installations, fixtures				
Technical installations, industrial equipments and tools				
Facilities, Property, other fitting and fixtures				
Transport equipment				
Office and IT equipment, furniture			25361	
Recoverable packaging and other				
Tangible fixed assets in progress				
Advances and deposits				
TANGIBLE ASSETS			75664	
Equity interests valued on an equity basis				
Other equity interests				
Other fixed investments				
Loans and other long-term financial investments			1 467	
FINANCIAL ASSETS			1467	
GENERAL TOTAL			91756	

AMORTISATIONS

<i>Sections</i>	<i>Starting of the financial year</i>	<i>Allocations</i>	<i>Write off</i>	<i>End of financial year</i>
COST OF THE ESTABLISHMENT AND DEVELOPMENT OTHER INTANGIBLE ASSETS	14 625			14625
Land				
Constructions on own land				
Constructions on third-party land	1 2183	3 164		14 347
Constructions, general installations, fixtures	18 495			18 495
Technical installations, industrial equipments and tools				
Facilities, Property, other fitting and fixtures				
Transport equipment				
Office and IT equipment, furniture	25 379			25 379
Recoverable packaging and other				
TANGIBLE FIXED ASSETS	56 058	3 164		59 222
GENERAL TOTAL	70 683	3 164		73 847

BREAKDOWN OF CHANGES AFFECTING THE PROVISION FOR ACCELERATED DEPRECIATION

<i>Sections</i>	<i>Allocations</i>			<i>Write off</i>			<i>Transactions Depreciations Financial year end</i>
	<i>Time differential and others</i>	<i>Diminishing balance</i>	<i>Amort.fisc. exception.</i>	<i>Time differential and others</i>	<i>Diminishing balance</i>	<i>Amort.fisc. exception.</i>	
COST ESTAB. OTHER ASSET							
Land							
Construct.							
- on own land							
- on third party land							
- installations							
Install. Tech							
Install. Gen.							
Mat. Transp.							
Office equipment							
Packaging equip.							
TANGIBLE							
Security acquired							
TOTAL							

<i>Expenses distributed for several fiscal periods</i>	<i>Starting of the financial year</i>	<i>Increasing</i>	<i>Allocations</i>	<i>End of financial year</i>
Debt issuing expenses which can be allocated to future fiscal years				
Bond redemption premium				

PROVISIONS AND DEPRECIATIONS

Sections	Start of the financial year	Allocations	Write off	End of financial year
Provisions for the mining and oil deposits Provisions for the investment Provisions for the price rises Additional depreciation to benefit from fiscal incentives Of which, exceptional 30% premium Provisions for foreign investments before 01/01/92 Provisions for foreign investments post 01/01/92 Provisions for the start-up loans Other regulatory provisions				
REGULATED PROVISIONS				
Provisions for disputes Provisions for customer warranties Provisions for losses on futures markets Provisions for penalties and fines Provisions for foreign exchange losses Provisions for pensions and similar obligations Provisions for taxation Provisions for replacement of fixed assets Provisions for major repairs Provisions for social and fiscal charges on holiday pay accrual Other provisions for liabilities and charges	161 283	131 950		293 233
PROVISIONS FOR RISKS AND CHARGES	161 283	131 950	0	293 233
Provisions for intangible fixed assets Provisions for tangible fixed assets Depreciations for companies accounted for using the equity method Provisions against participating interests Provisions against other financial fixed assets Provisions against stocks and work in progress Provisions against trade receivables Other provisions for loss of value				
DEPRECIATIONS				
GENERAL TOTAL	161 283	131 950	0	293 233
Charges and reversals: operating Charges and reversals: financial Charges and reversals: Exceptional Impairment provision against equity accounted securities at year-end		131 950		

RECEIVABLES AND DEBTS

MATURITY OF RECEIVABLES	Gross amount	Up to 1 year	More than 1 year
Receivables from participations		1 467	7 135 751
Loans		7 135 751	
Other financial fixed assets			
Doubtful and disputed trade receivables	1 467		
Other trade receivables	7 135 751		
Representative of debt securities			
Receivables representing loaned securities			
Social security and other welfare agencies			
State and other local authorities: Taxes on the profits			
State and other local authorities: value added taxes (VAT)			
State and other local authorities: other taxes, duties and other similar levies	487 610	487 610	
State and other local authorities: Various receivables	3 442 614	3 442 614	
Group and associated	5 040	5 040	
Miscellaneous debtors	47 177	47 177	
Expenses paid in advance			
GENERAL TOTAL	11 119 659	11 119 659	
Loans granted during the financial year			
Loans granted during the financial year			
Loans and advances granted to shareholders			

<i>MATURITY OF RECEIVABLES</i>	<i>Gross amount</i>	<i>Up to 1 year</i>	<i>More than 1 year</i>
Convertible debenture loans			
Other debenture loans			
Debt repayable within max. of 1 year at inception			
Debt repayable more than max. of 1 year at inception			
Sundry borrowings and financial debts			
Trade creditors and other accounts payable	5 928 244	5 928 244	
Receivables representing loaned securities	288 093	288 093	
Social security and other welfare agencies	230 509	230 509	
State: Taxes on the profits	564410	564410	
State: value added taxes (VAT)			
State: Tax payment bonds			
Other state taxes, duties and other similar levies	181 942	181 942	
Amounts payable on fixed assets and related accounts			
Group and associated			
Other debts	37718	37718	
Liabilities representing borrowed securities			
Unearned income			
GENERAL TOTAL	7 230 915	7 230 915	
Debt taken out during the financial year			
Debt repaid during the financial year			
Debt contracted with shareholders			

DETAILS OF THE EXPENSES TO BE PAID

31/03/2015

CHARGES TO BE PAID	744 307,92
DEBTS TO THE SUPPLIERS AND RELATED ACCOUNTS	282 898,32
408000 F. FACT N/P TATA STEEL MAUBEUGE	3 835,00
408001 FNP TRANSPORTS	101 101,00
4080 04 F.FACT NIP TATA STEEL 13 LITIGATIONS	27 853,00
408005 F.FACT N/P TATA STEEL STRIP 13	101 277,54
408006 F.FACT N/P HONORAIRES	10000,00
408007 F.FACT.N/P TATA STEEL COLORS	7028,04
408009 F.FA CT N/P UNITOL	11 803,74
408010 FNP EULER HERMES	8000,00
4081000 Frs invoices not received yet	12 000,00
FISCAL AND SOCIAL DEBTS	461 409,60
4282000 Debt prov / paid leave	83 855,00
4286000 prov. premiums	98 532,00
4382000 Social charges for the holidays to be paid	44 443,00
4386000 CS / premiums	52 638,00
4486100 training levy tax	4349,87
4486200 professional tax for training	3 273,73
448630 C VA E TO BE PAID	45 267,00
448640 Organic to be paid	119 051,00
448650 State taxes to be paid T.V.T.S.	10 00 000
TOTAL OF THE EXPENSES TO BE PAID	744 307,92

DETAILS OF THE EXPENSES TO BE PAID

<i>Type of expenses</i>	<i>Amount</i>	<i>Allocation in the account</i>
OTHER EXTRAORDINARY EXPENSES		6 712 000
TOTAL		

<i>Type of expenses</i>	<i>Amount</i>	<i>Allocation in the account</i>
OTHER EXTRACTORDINARY INCOMES		7 718 000
TOTAL		

DEFERRED AND CONTINGENT TAX

<i>Sections</i>	<i>Amount</i>
IMPORT TAX ON:	
Regulatory provisions	
Provisions for the price rises	
TOTAL INCREASE	
TAX PAID IN ADVANCE ON:	
<i>Temporarily non-deductible expenses (deduct the following year):</i>	
<i>Others</i>	85 899
<i>To be deducted later:</i>	
TOTAL REDUCTIONS	85 899
DIFFERED AND CONTINGENT TAX	(85 899)

IMPORT TAX ON:	
CREDIT CHARGE ON:	
NET DEFERRED TAX	

WORKFORCE MEAN

<i>Class Size</i>	<i>Salaried staff</i>	<i>Staff available to the company</i>
<i>Executives</i>	8	
<i>Agents, manager, technicians</i>		
<i>Employees</i>	4	
<i>Workers</i>	3	
TOTAL	15	

IDENTITY OF THE PARENT COMPANY CONSOLIDATION OF THE COMPANY ACCOUNTS

<i>Corporate name - headquarters</i>	<i>Form</i>	<i>Capital amount</i>	<i>% retained</i>
TATA STEEL Limited Registered office Bombay House 24, Homi Mody Street Mumbai -400001	Ltd.		

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.