

INTER METAL DISTRIBUTION

French Simplified Joint Stock Company

3 Allée des Barbanniers

92230 GENNEVILLIERS

The auditor's report on the annual accounts

The financial period ended on March 31st 2017

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To the stakeholder,

In accordance with the assignment entrusted to us by you, we hereby report to you for the financial year ended March 31st 2017 on:

- The financial audit of the company INTER METAL DISTRIBUTION, as attached to this report
- The justification of our assessments
- The specific verifications and information required by law

The annual accounts were drawn up by the Chairman. Our role is to express an opinion on these annual accounts, based on our audit.

I. Opinion on the annual accounts

We conducted our audit in accordance with professional standards applicable in France: those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures. It also consists in appreciating the accounting principles used, significant estimates made as well as the overall presentation of the statements. We believe that our audit has provided us with sufficient relevant information which to base our opinion.

We certify that the annual statements are, in accordance with the French rules and principles, regular and sincere, and give a faithful idea of the result of the past fiscal year, and of the financial situation and assets of the company at the end of the fiscal year.

II. Justification of the assessments

Pursuant to the provisions of article L. 823-9 of the French Commercial Code relating to the grounds for our assessments, we inform you that the assessments we made to make our opinion focused on the appropriateness of the accounting policies applied.

The assessments thus given are based on our audit of the annual accounts taken as a whole and have therefore contributed to our opinion as presented in the first part of this report.

III. Specific verifications and information

We also carried out, in accordance with the rules and principles of accounting generally accepted in France, the special verifications prescribed by law.

We have no comments on the truth and fairness of the information on the financial position and financial statements presented on the Chairman's report and on the documents addressed to the sole partner.

Neuilly-sur-Seine, June 12 2017

The external auditor

Deloitte & Associates

Mark BATHGATE

INTER METAL DISTRIBUTION S.A.S

**3 Allée des Barbanniers
92230 GENNEVILLIERS**

Financial statements as on 31 March 2017

ASSETS

<i>Categories</i>	<i>Amount 81111</i>	<i>Prov Amount.</i>	<i>03/31/17</i>	<i>03/31/2016</i>
Uncalled subscribed capital				
INTANGIBLE ASSETS				
Formation expenses				
Development costs				
Concessions, patents et similar rights	14625	14625		
Commercial funds				
Other intangible assets				
Advances, down payments, intangibles				
TANGIBLE ASSETS				
Lands				
Constructions				
Technical installations, plant, equipment	31726	21586	10140	1 3205
Other tangible assets	43938	43875	63	63
Current assets				
Advances and deposits				
LONG-TERM INVESTMENTS				
Investments by the equity method				
Other Investments				
Receivable attached to holdings				
Other financial assets				
Loans				
Other long-term investments	1467		1467	1467
FIXED ASSETS	91756	80806	11670	14735
INVENTORY AND WORK IN PROGRESS				
Raw material, supplies				
Ongoing goods production				
Ongoing service production				
Intermediate and finished products				
Merchandises	931008		931 008	661 087
Advances and deposits paid on order				
RECEIVABLES				
Receivables from suppliers and attached accounts	10348100		10348100	419611 2
Other receivables	5 647137		5 647137	486334
Subscribed capital, called, unpaid				
OTHERS				
Short-term investments (including treasury shares :)				
Cash assets				
ADJUSTING ACCOUNTS				
Prepaid expenses	64939		64939	61 112
CURRENT ASSETS	16 991 184		16 991 184	9 754 645
Loan issuance costs amortized over the loan term Bond redemption premium Unrealised losses on foreign exchanges				
OVERALL TOTAL	17 802 940	80 086	17 002 854	9 769 380

ASSETS

<i>Categories</i>	<i>03/31/17</i>	<i>03/31/2017</i>
Equity or individual capital (of which paid up : 76 225)	76 225	76 225
Issuance, merger and share premiums		
Revaluation surplus (including equivalence difference :)		
Legal reserve	76 22	7622
Statutory or contractual reserves		
Regulated reserves (including prov. Reserves. Short-term fluctuation)		
Other reserves (including purchase of original artists work)		
Retained earnings	3 538 645	3 431 156
RESULT OF THE FINANCIAL YEAR (profit or loss)	1 382 315	1 107 490
Investment grants		
Regulated reserves		
EQUITY	5 004 808	4 622 493
Proceeds from issues of participating securities		
Conditional advances		
OTHER EQUITY		
Reserves for liabilities		
Reserves for charges	334 286	290 382
RESERVES	334 286	290 382
FUNDING LIABILITIES		
Mandatory convertible borrowings		
Other mandatory borrowings		
Loans and other borrowing from credit institutions		
Borrowings and other financial liabilities(including equity participation)		
Advances and deposits received on current orders		
OPERATING LIABILITIES		
Accounts payable and related accounts	10 156 07	3 612 751
Tax and social security liabilities	1 486 651	1 176 017
OTHER LIABILITIES		
Accounts payable on fixed assets and related accounts		
Other liabilities	39 033	67 737
ADJUSTING ACCOUNTS		
Deferred revenue		
DEBTS	11 663 761	4 856 505
Unrealized exchange losses		
OVERALL TOTAL	17 002 854	9 769 380

Net profit in euros and cents **1 382 314, 88**

Balance sheet in euros end cents 17 002 854, 32

PROFIT-AND LOSS ACCOUNT (list view)

<i>Categories</i>	<i>France</i>	<i>Exportation</i>	<i>03/31/17</i>	<i>03/21/2016</i>
Sales of merchandises	3 759 220	55 815 585	59 574 805	47 430 465
Production of merchandise sold				
Production of services sold	79 132	999 776	1 078 908	1 026 037
NET SALES	3 838 352	56 815 361	60 653 713	48 456 502
Production transferred to inventory				
Capitalized production				
Operating subsidy				
Provision reversals, amortizations and provisions, transfers of financial charges			7633	2851
Other products				7645
OPERATING INCOME			60 661 345	48 446 997
Purchase of goods (including customs duty)			52 399 524	40 324 471
Inventory change (merchandises)			(226 922)	241 964
Purchase of raw materials and other supplies (and custom duty)			685	423
Inventory change (raw materials and supplies)				
Other purchases and external expenses			3 708 929	3 733 292
Taxes, duties and other levies			176 167	148 774
Wages and salaries			1 520 786	1 345 510
Payroll tax expenses			708 734	671 500
OPERATING ALLOWANCES				
On fixed assets : amortisations			3 065	3 174
On fixed assets: impairments				
On current assets : impairments				
Provision expenses			43 904	
Other charges			946	2210
OPERATING EXPENSES			58 292 819	46 471 319
INCOME FROM OPERATION			2 368 527	1 995 678
OPERATIONS IN COMMON				
Profit achieved and loss transferred				
Loss supported or transferred profit				
FINANCIAL REVENUES				
Financial income from equity interests				
Short-term investment revenues and permanent asset receivables				
Other interests and receivables				
Reversal of depreciations and provisions, transfer of financial charges				
Foreign exchange gains			3373	
Net income from sale of short-term investments				
FINANCIAL REVENUES			3373	
Financial appropriation for depreciation, amortization and provision			339 356	337 024
Interests payable and similar charges			3731	2809
Foreign exchange losses				
Net income from sale of short term investments				
FINANCIAL EXPENSES			343 086	339 833
FINAL INCOME			(339 714)	(339 833)
RESULT BEFORE TAX			2 028 813	1 665 846

PROFIT-AND-LOSS ACCOUNT (suite)

<i>Categories</i>	<i>03/31/17</i>	<i>03/31/16</i>
Non-recurring income on management operations	105 706	
Non-recurring income on capital transactions		
Financial appropriations for depreciations, amortizations and provisions		
NON-RECURRING INCOME	105 706	
Non-recurring expenses on management operations		
Non-recurring expenses on capital transactions		
Financial appropriations for depreciations, amortizations and provisions		
NON-RECURRING EXPENSES		
EXTRAORDINARY RESULT	105 706	
Employee profit-sharing		
Income tax liability	752 204	548 356
TOTAL INCOME	60 770 424	48 466 997
TOTAL EXPENSES	59 388 109	47 359 507
PROFIT OR LOSS	1 382 315	1 107 490

<p>ANNEX</p>

ACCOUNTING REGULATION AND POLICIES

The annual accounts are drawn up pursuant to the legal and regulatory provision applicable in France as per the Regulation 2016-07 dated 04/11/2016 of the ANC (France's national accounting standards body).

The usual French accounting conventions have been applied in keeping with the principles of prudence and in compliance with the following underlying assumptions: continuity of operations, constant accounting methods from one fiscal year to the next, independence of fiscal years and in compliance with the general rules for drawing up and presentation of annual accounts.

PROPERTY PLANT AND EQUIPMENT

Property plant and equipment are assessed their acquisition cost (purchase price and incidental expenses)

Depreciations are calculated according to the expected life of the asset

The more commonly practiced rates are as follow (SL = Straight line depreciation; D = Declining balance depreciation; E = Exceptional depreciation)

Property plant and equipment	Depreciation tax purposes	Depreciation deductible of
Technical installations, plant, equipment	10 % SL	10 % SL
General equipment, fixtures and fittings	10 % SL	10 % SL
Transport equipment	20 % SL	20 % SL
Office supplies	20 % SL	20 % SL
Hardware	33 1/3 % SL	33 1/3 % SL
Furniture	10 % SL	10 % SL

INVENTORIES

The Inventories are assessed according to the first in and first out method.

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

The accounting and depreciation method of the inventories has been calculated according to the movement in prices of the market.

CLIENTS RECEIVABLES

Receivables are stated at their nominal value.

A provision for depreciation is set aside when the balance sheet value is less than the book value.

TURNOVER RECOGNITION:

The turnover is recognised according to the “incoterms” mentioned in the contract and in general at the time at the time of the delivery to the customer.

CHANGE IN THE ASSESSMENT METHOD

There has been no noticeable change in the assessment method during the fiscal year.

CENTRALIZED CASH MANAGEMENT

In application of the centralization cash management convention, linking the company TATA STEEL FRANCE HOLDING SAS, centralizing entity of the treasury of the French companies of the group, the company's position towards the establishment of the credit providing the centralized cash management is subject to automatic compensation with the central treasury. As a result, any surplus or overdraft of the company with respect to the credit facility is respectively transferred to, or hedged by, Tata Steel France Holding SAS.

Balances transferred to, or hedged by, Tata Steel France Holdings SAS are presented in the balance sheet respectively in Other Receivables or Other Liabilities.

The company presents in the balance sheet in Cash and Borrowings and Debts towards the credit institutions the balance of operations which were not subject at the close of the year to a transfer to, or a hedge By, Tata Steel France Holdings SAS.

As of 03/31/2017, the cash surpluses transferred to Tata Steel France Holding SAS is 5 441 745 € and are thus presented in Other Receivable

REMUNERATION PAID TO MEMBERS OF MANAGEMENT BODIES

We shall not divulge this information as this may allow the identification of the persons concerned.

RECEIVABLES AND LIABILITIES WITH AFFILIATED UNDERTAKINGS

Receivables owed by affiliated undertakings: € 5,603,298

Liabilities owed to affiliated undertakings: € 8,936,299

The company has not concluded any transactions with affiliated parties during the fiscal year closed on 31 March 2017, where that transaction is material and according to terms that are not under normal commercial conditions.

C.I.C.E.

The C.I.C.E. (tax credit for employment and competitiveness) is accounted for based on the commitment and is taken into consideration as and when the commitments of the corresponding compensation expenses are made. The accounting of the C.I.C.E. is carried out with through a reduction of the staff-related expenses, credit of a subsidiary account 64 (ANC, information note dated 28 February 2013).

There was no need for pre-financing during the 2015 fiscal year.

FINANCIAL INCOME AND EXPENSES WITH THE AFFILIATED UNDERTAKINGS

Income from affiliated undertakings: € 0

FISCAL INTEGRATION

Since January 1st 2004, the company Tata Steel International France S.A.S. is integrated into the fiscal group of Tata Steel International France S.A.S.

The tax consolidation agreement stipulates that the company pays Tata Steel France Holdings SAS the corporate tax charge it owes as if its results were declared autonomously. Given the size of Tata Steel International France S.A.S., we do not disclose this information because it would allow the identification of the persons concerned.

Considering the accounting profit of € 2,134,000 before corporate taxes and after integrating the provisions and the non-deductible expenses and deduction of the write-backs and non-taxable earnings, the fiscal year generated yielded a positive tax result of € 2,257,000.

The tax liability towards TATA STEEL FRANCE HOLDINGS S.A.S., the head of the tax group, is determined as € 752,000

INFORMATION THE SOCIAL CAPITAL

	Number of shares	Nominal Value
Number of shares at the closing date	5 000	15, 25

CHANGE OF EQUITY

Opening shareholder's equity	4 622 493 €
Current change	
Result March 31 st 2017	1 382 315 €
Dividend payment	(1 000 000) €
Equity at year-end closing after A.G.O.	5 004 808 €

PROVISION FOR EMPLOYEE BENEFITS RETIREMENT BENEFITS

As of 31 March 2017 the net liability with respect to the employees amounts to € 334,286 while taking into consideration a partial coverage by means of a contract signed with an insurance company whose value, as of 31 March 2017, amount to € 20,422 and which is recognised as provisions for risks and expenses.

Parameters specific to Inter Metal Distribution

Rates of salary increase	2 %
Rate of inflation	2 %
Age at retirement	65 yrs for managers
Age at retirement	63 yrs for non-managers
Mortality table	INSEE/TD/TV 2012-2014
Turn-over rates	
from 16 years old to 24 years old	5 %
from 25 years old to 29 years old	5 %
from 30 years old to 34 years old	3 %
from 35 years old to 39 years old	3 %
from 40 years old to 44 years old	0 %
from 45 years old to 49 years old	0 %
Discount rate	1.29 %

EVOLUTION OF THE D.I.F. (INDIVIDUAL TRAINING ENTITLEMENT)

The law no. 2014-288 dated 5 March 2014 regarding professional training, employment and social democracy has repealed the DIF and has been substituted, starting from 1 January 2015, by the CPF – the Personal Training Account.

OFF BANKSHEET

None

BANK GUARANTEE

- None

HIGHLIGHTS ON THE FISCAL YEAR

- None

SUBSEQUENT EVENTS TO THE FINANCIAL YEAR CLOSING

- None

**INFORMATION BALANCE SHEET
AND INCOME STATEMENT**

CAPITAL ASSETS

<i>Categories</i>	<i>Beginning of financial year</i>	<i>Réévaluation</i>	<i>Acquisit., fin. contributions</i>
FORMATION EXPENSES AND DEVELOPMENT COSTS			
OTHER INTAGIBLE FIXED ASSETS	14 625		
Lands			
<i>Including components</i>			
Buildings on own property			
Buildings on other property			
Buildings. General installations, other fixtures and fittings			
Techn. Install, plant and industrial material	31 726		
General Install., sundry fixtures, fittings	18 577		
Transport material	25 361		
Office supplies , hardware, furniture			
Recoverable packaging's and other			
Long-term investments in course			
Advances and deposits			
IMMOBILISATIONS CORPORELLES	75 664		
Value of securities using the equity method			
Other participations			
Other securities holdings			
Loans and other long-term investments	1 467		
LONG-TERM INVESTMENTS	1 467		
OVERALL TOTAL	91 756		

<i>Categories</i>	<i>Installment</i>	<i>Cession</i>	<i>End of the financial year</i>	<i>Original value</i>
FORMATION EXPENSES AND DEVELOPMENT COSTS				
OTHER INTAGIBLE FIXED ASSETS			14 625	
Lands				
Buildings on own property				
Buildings on other property				
Buildings.General installations, other fixtures and fittings				
Buildings on other property				
Buildings. General installations, other fixtures and fittings				
Tech install. ,plant, industrial equipement			31 726	
General. Install, sundry fixtures and fittings			18 577	
Transport material				
Office material, hardware, furniture			25 361	
Recoverable packaging's and other				
Tangible assets in course				
Advances et deposits				
TANGIBLE ASSETS			75 664	
Companies accounted for using the equity method				
Other participations				
Other securities holdings				
Prêts et autres immobilisations financières			1 467	
LONG-TERM INVESTMENTS			1 467	
OVERALL TOTAL			9 1756	

PROVISIONS AND DEPRECIATIONS

<i>Categories</i>	<i>Beginning of financial year</i>	<i>Provisions</i>	<i>Reversals</i>	<i>End of financial year</i>
START-UP AND DEVELOPMENT COSTS OTHER INTANGIBLE ASSETS	14 625			14 625
Lands				
Buildings on own property				
Buildings on other property				
Buildings.General installations, other fixtures and fittings				
Technical installations, plant, industrial equipment	18 521	3065		21 856
General installations, other fixtures and fittings	18 495			18 495
Transport material				
Office supplies, hardware and furniture	25 379			25 379
Recoverable packagings and other items				
TANGIBLE ASSETS	62 396	3065		65 461
OVERALL TOTAL	77 021	3065		80 086

MOVEMENT BREAKDOWN AFFECTING THE PROVISION FOR SPECIAL DEPRECIATION ALLOWANCES							
<i>Categories</i>	<i>Provisions</i>			<i>Reversals</i>			<i>Depreciations movements End of financial year</i>
	<i>Time differential and others</i>	<i>Declining balance basis</i>	<i>Exceptional fiscal depreciation</i>	<i>Time differential and others</i>	<i>Declining balance basis</i>	<i>Exceptional fiscal depreciation</i>	
FRAISETBL AUT. INC.							
Lands							
Buildings							
- Own prop.							
- Other prop.							
- Installations							
Tech. Install.							
Gén Install.							
Transp Mat. .							
Off. Suppl.							
Recov. Pack.							
TANGIBLE							
Shares Acquis.							
TOTAL							

<i>Charges spread over several years</i>	<i>Beginning of financial year</i>	<i>Increases</i>	<i>Provisions</i>	<i>End of financial year</i>
Loans issue costs amortized over the loan term Bond redemption premiums				

RESERVES AND DEPRECIATIONS

<i>Categories</i>	<i>Beginning of financial year</i>	<i>Provisions</i>	<i>Reversals</i>	<i>End of financial year</i>
Mining and soil resources provisions, Investment provisions Pricing escalation provisions Special depreciation allowance Of which exceptional de 30 % Surcharge for start-up loans Other tax-driven provisions				
REGULATED RESERVES				
Reserves for disputes Reserves for customer warranties Interest-loss reserves Reserves for penalties and fines Reserves for foreign exchange losses Reserves for pensions and similar obligations Reserves for income taxes Reserves pour replacements of assets Reserves for asset depreciations and impairments Reserves for social charges on paid leave Other reserves for possible losses	290 382	43 904		334 286
RESERVES FOR POSSIBLE LOSSES	290 382	43 904		334 286
Depreciations on property and equipment Depreciations on intangible assets Depreciations on equity affiliates Depreciations of investments in securities Other financial depreciation Depreciations stocks and work in progress Depreciations on the customer accounts Other depreciations				
DEPRECIATIONS				
OVERALL TOTAL	290 382	43 904		334 286
Allocation to depreciation and provisions Charges and reversals : financial Charges and reversals: exceptional Depreciation of the value of the securities using the equity method		43 904		

RECEIVABLES AND DEBTS

<i>STATEMENT OF DEBTS</i>	<i>Gross</i>	<i>1 year</i>	<i>More than a year</i>
Debts linked to undertakings			
Loans			
Other long-term investments			
Doubtful debts or disputes	1467	1467	
Other creditors	10 384 100	10 384 100	
Debts representing loaned securities Personnel			
Accounts payable			
Social Security and other liabilities			
Other taxes and duties recoverable:Income tax			
Other taxes and duties : value added tax	187 673	187 673	
State, other local authorities: other taxes, taxes, installent assimilated			
State, other local authorities : Sundry debts			
Group and associated	5 456 412	5 456 412	
Sundry debtors	3052	3052	
Deferred charges	64 939	64 939	
OVERALL TOTAL	16 06 643	16 06 643	
Amount of loans granted during the financial year			
Repayments received during the financial year			
Loans and advances to associates			

<i>STATEMENT OF DEBTS</i>	<i>Gross Amount</i>	<i>Within 1 year</i>	<i>More than 1 year,-5 years</i>	<i>More than 5 years</i>
Convertible bonds				
Other debenture bonds				
Borrowings and debts repayable within max.1 year at inception				
Borrowings and debts repayable after more than 1 year at inception				
Borrowings and other financial debts				
Suppliers and related accounts	10 156 077	10 156 077		
Personnel and related accounts	322 152	322 152		
Social security and other social organisms	228 271	228 271		
State: Income taxes	757 034	757 034		
State: value added tax	11 727	11 727		
State : caution bonds				
State: other taxes, taxes and similar	149 467	149 467		
Liabilities on long-term assets and linked liabilities				
Group et associated				
Other liabilities	39 033	39 033		
Debt securities representing borrowings				
Deferred income				
OVERALL TOTAL	11 663 761	11 663 761		
Amount of loans granted during the financial year				
Repayments received during the financial year				
Loans and advances to associates				

CHARGES IN DETAILS

31/03/2017

CHARGES TO PAY	1 734 911, 86
ACCOUNTS PAYABLE AND RELATED ACCOUNTS	1 142 208, 30
408000 F.FACT N/P TATA STEEL MAUBEUGE	239 417,00
408001 FNP TRANSPORTS	277 531,00
408004 F.FACT N/P TATA STEEL IJ LITIGES	34 417,00
408005 F.FACT N/P TATA STEEL STRIP IJ	526 422, 57
408006 F.FACT N/ HONORAIRES	35 902, 00
408007 F.FACT N/P TATA STEEL COLORS	23 461,31
408009 F.FACT N/P UNITOL	57,42
408100 Frs invoices not received	5 000, 00
TAX AND SOCIAL SECURITY	592 703,56
4282000 Prov/paid leave debts	90 151,95
4286000 Prov. premiums	137 500,00
4286100 Other payables	94 500,00
4382000 Social charges on paid leave	47 781,24
4386000 CS / premiums	73 303,00
4486100 Tax learning	4570,79
4486200 Professional tax training	5845,58
448630 Ç V A É to pay	44 656, 00
448640 Organic to pay	85 395,00
448650 State charges to be paid T.V.T.S.	9 000,00
TOTAL LIABILITY	1 734 911, 86

NON-RECURRING EXPENSES AND INCOME

<i>Nature of the expenses</i>	<i>Amount</i>	<i>Account posting</i>
NON-RECURRING EXPENSES		6720000
TOTAL		

<i>Nature of the products</i>	<i>Amount</i>	<i>Account posting</i>
NON-RECURRING INCOME	105 706	7718000
TOTAL	105 706	

**FINANCIAL COMMITMENTS, OTHER
INFORMATION**

AVERAGE COMPANY'S TOTAL WORKFORCE

<i>Workforce</i>	<i>Salaried personnel</i>	<i>Personnal available to the company</i>
Executives	9	
Supervisors, technicians		
Employees	6	
Workers	3	
TOTAL	18	

**IDENTITY OF PARENT COMPANY CONSOLIDATING
THE ACCOUNTS OF THE COMPANY**

<i>Corporate name– Head office</i>	<i>Form</i>	<i>Capital amount</i>	<i>% held</i>
Name of the Multinational company: TATA STEEL Ultimate Parent: TATA STEEL Entity submitting the CBCR: TATA STEEL LIMITED Jurisdiction: India TSL corporation tax reference: AAAC2803M(PERMANENT ACCOUNT NUMBER PAN) TSL Registered address Bombay House 24, Homi Mody Street Mumbai – 400 001 INDIA			

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.