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AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
TATA STEEL LIMITED

1. We have audited the standalone results of **TATA STEEL LIMITED** ("the Company") and reviewed the unaudited consolidated results of the Company, its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") and its share of the profit of the associate companies for the quarter and nine months ended 31 December 2011 presented in the accompanying statement of Financial Results ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our audit/review.

2. (i) We conducted our audit of the standalone results presented in the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

(ii) We conducted our review of the consolidated results presented in the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

3. (a) Attention is invited to the Note 2 to the statement regarding change in accounting policy for recognition of actuarial valuation change of Rs. 3,005.48 crores in the pension funds of Tata Steel Europe Ltd, a subsidiary, for reasons specified therein. Had the company followed the previous practice of recognizing actuarial valuation changes in the profit and loss account,

i) the consolidated profit before tax for the quarter and nine months ended 31 December 2011 would have been lower by Rs.719.97 crores and Rs. 3,067.19 crores respectively;

ii) the consolidated tax expense for the quarter and nine months ended 31 December 2011 would have been lower by Rs. 25.65 crores and Rs. 61.71 crores respectively; and

iii) the consolidated profit after taxes, minority interest and share of associates for the quarter and nine months ended 31 December 2011 would have been lower by Rs. 694.32 crores and Rs. 3,005.48 crores respectively.

(b) i) The Statement reflects the a) group's share of Revenues of Rs. 25,657.17 crores and Rs.76,936.89 crores for the quarter and nine months ended 31 December 2011 respectively and b) group's share of Loss after Taxes, Minority Interest and Share of Profits of Associates of Rs. 2,329.79 crores and Rs. 3,142.09 crores for the quarter and nine months ended 31 December 2011 respectively, as considered in the consolidated results relating to overseas subsidiaries whose financial results and other financial information have been audited/reviewed by the auditors in the respective countries.

(ii) The Statement reflects the a) group's share of Revenue of Rs.46.85 crores and Rs.194.83 crores for the quarter and nine months ended 31 December 2011 and b) group's share of Profit after Taxes, Minority Interest and Share of Profits of Associates of Rs. 8.41 crore and Rs.16.40 crores for the quarter and nine months ended 31 December 2011 respectively, as considered in the consolidated results, relating to a subsidiary in India whose financial results and other financial information have been audited by another auditor.

iii) The Statement reflects the a) group's share of Profit after Taxes, Minority Interest and Share of profits of Associates of Rs. 0.75 crore and Rs. 2.42 crores for the quarter and nine months ended 31 December 2011, as considered in the consolidated results relating to an associate whose financial results and other financial information have been audited by another auditor.

The reports of those auditors have been furnished to us and our report in so far it relates to the amounts included in respect of these subsidiaries and the associate is based solely on the reports of those auditors.

(c) (i) The Statement reflects the a) group's share of Revenue of Rs.722.10 crores and Rs. 4,572.30 crores for the quarter and nine months ended 31 December 2011 respectively and b) Group's share of profit after Taxes, Minority Interest and Share of Profits of Associates of Rs. 188.93 crores and Rs. 3,034.55 crores for the quarter and nine months ended 31 December 2011 respectively, as considered in the consolidated results relating to certain subsidiaries and joint ventures whose financial results and other financial information have not been audited/reviewed by their auditors.

(ii) The Statement reflects the group's share of Loss after Taxes, Minority Interest and Share of Profits of Associates of Rs. 0.25 crore and Rs. 10.85 crores for the quarter and nine months ended 31 December 2011 respectively, as considered in the consolidated results relating to certain associates whose financial results and other financial information have not been audited/ reviewed by their auditors.

(d) In case of certain associates, the financial statements as at 31 December 2011 are not available. In the absence of their financial statements as at 31 December 2011 the net share of profit/loss of these associates have not been included in the consolidated results.

4. (i) In our opinion and to the best of our information and according to the explanations given to us, the Statement in so far as it relates to the standalone results:

(a) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and

(b) gives a true and fair view of the net profit and other financial information of the Company for the quarter and nine months ended 31 December 2011.

(ii) Based on our review and read with our comments in paragraph 3(a) and 3(b) above and subject to our comments in paragraph 3(c) and 3(d) above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies in so far as the consolidated results for the quarter and nine months ended 31 December 2011, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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5. Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholdings and the number of shares as well as the percentage of shares pledged/encumbered in respect of the aggregate amount of promoter and promoter group in terms of Clause 35 of the Listing Agreements from the details furnished by the Management and the particulars relating to the undisputed investor complaints from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

N. Venkatram
Partner
(Membership No. 71387)

Mumbai, 9 February, 2012