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

1. We have audited the Standalone Financial Results of **TATA STEEL LIMITED** ("the Company") and reviewed the Unaudited Consolidated Financial 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 / loss of its associates for the quarter ended June 30, 2015 presented in the accompanying Statement of Financial Results ("the Statement") being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II – Select Information referred to in Paragraph 7 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the standalone financial information and conclusion on the unaudited consolidated financial information for the quarter ended June 30, 2015 based on our audit and review of the related interim financial statements/ information, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting as per Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

2. (i) We conducted our audit of the Standalone Financial 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 Standalone Financial Results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Standalone Financial Results. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Standalone Financial Results presentation. We believe that our audit provides a reasonable basis for our opinion.

   (ii) We conducted our review of the Unaudited Consolidated Financial 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 Unaudited Consolidated Financial Results are free of material misstatement. 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 audit opinion.

3. (i) The Unaudited Consolidated Financial Results reflect (a) total revenue of Rs.19,986.37 crores for the quarter ended June 30, 2015; and (b) Group's share of Loss after Taxes,

Minority Interest and Share of Profits of Associates of Rs. 1,140.96 crores for the quarter ended June 30, 2015, as considered in the Unaudited Consolidated Financial Results relating to four overseas subsidiaries whose financial results and other financial information have been reviewed by the auditors in their respective countries.

(ii) The Unaudited Consolidated Financial Results reflect the Group's share of profit after taxes, minority interest and share of profit of an associate of Rs. 0.35 crore for the quarter ended June 30, 2015, as considered in the Unaudited Consolidated Financial Results relating to an associate whose financial results and other financial information have been reviewed by other auditors.

Accordingly, our report on the Unaudited Consolidated Financial Results in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the reports of such other auditors which have been furnished to us by the management.

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 Financial Results for the quarter ended June 30, 2015:
   (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 in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the quarter ended June 30, 2015.

   (ii) Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 3 above and based on the consideration of the unaudited interim financial statements of subsidiaries, jointly controlled entities and associates referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement in so far as it relates to the Unaudited Consolidated Financial Results for the quarter ended June 30, 2015, prepared in accordance with the Accounting Standards as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies for the quarter ended June 30, 2015, 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.

5. Attention is invited to the Note 2 to the Statement regarding accounting policy for recognition of actuarial valuation credit of Rs. 622.92 crore for the quarter ended June 30, 2015 respectively, in the pension funds of Tata Steel Europe Limited, a subsidiary, for reasons specified therein. Had the company recognised actuarial valuation changes in the Unaudited Consolidated Statement of Profit and Loss:

   i) The unaudited consolidated Profit Before Tax for the quarter ended June 30, 2015 would have been Rs. 1,873.23 crores;
   ii) the unaudited consolidated Profit After Taxes, Minority Interest and Share of Associates for the quarter ended June 30, 2015 would have been Rs. 1,385.88 crores.

   Our conclusion is not qualified in respect of this matter.

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6. (i) The Unaudited Consolidated Financial Results reflect (a) total revenue of Rs. 551.55 crores for the quarter ended June 30, 2015; and (b) Group's share of Loss after Taxes, Minority Interest and Share of loss of Associates of Rs. 248.26 crores for the quarter ended June 30, 2015, as considered in the Consolidated Financial Results relating to seventeen subsidiaries and five jointly controlled entities whose financial results and other financial information have not been reviewed by their auditors.

   (ii) The Unaudited Consolidated Financial Results reflect the Group's share of profit after taxes, minority interest and share of profit of associates of Rs. 0.04 crore for the quarter ended June 30, 2015, as considered in the Unaudited Consolidated Financial Results relating to an associates whose financial results and other financial information have not been reviewed by their auditors.

   (iii) In case of an associate, the financial statements as at June 30, 2015 are not available. The Group's share of profit after taxes and minority interest and share of loss of associate of Rs. NIL for the quarter ended June 30, 2015 as considered in the Unaudited Consolidated Financial Results are based on the reviewed financial statements as at December 31, 2014.

   (iv) In the case of eight associates the financial statements as at June 30, 2015 are not available. The investments in these companies are carried at Re. 1 each as at June 30, 2015. In the absence of their financial statements as at June 30, 2015 the Group's share of profit/loss of these associates have not been included in the Unaudited Consolidated Financial Results.

   Our conclusion is not qualified in respect of these matters.

7. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoter and promoter group shareholding, in terms of Clause 35 of the Listing Agreements with the stock exchanges from the details furnished by the Management and the particulars relating to the investor complaints disclosed in Part II – Select information for the quarter ended June 30, 2015 of the Statement, from the details furnished by the Registrars.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

N.VENKATRAM
(Partner)
(Membership No. 71387)

Mumbai, August 11, 2015