

Auditors' Report on Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF TATA STEEL LIMITED

1. We have audited the attached Consolidated Balance Sheet of TATA STEEL LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2009, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements have been approved by the Board of Directors of the Company. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. This Standard requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.
3. (a) Attention is invited to the Note 11(d) of Schedule N to the financial statements regarding change in accounting policy for recognition of actuarial valuation change of Rs. 5496.58 crores (net of taxes) [Gross: Rs. 6098.20 crores] in the pension funds of Tata Steel Europe Limited, a subsidiary, for reasons specified therein. Had the company followed the previous practice of recognizing actuarial valuation changes in the profit and loss account, the deferred tax expense would have been lower by Rs. 601.62 crores and the profit after taxes, minority interest and share of profits of associates would have resulted in a loss of Rs. 545.68 crores.
 - (b) i) The financial statements of Singapore Branch and of overseas subsidiaries whose financial statements reflect total assets (net) of Rs. 64,833.26 crores as at 31st March, 2009, total revenue of Rs. 123,165.92 crores and net cash flows amounting to Rs. 682.74 crores have been audited by auditors in the respective countries.
 - ii) The financial statements of certain subsidiaries in India, whose financial statements reflect total assets (net) of Rs. 491.42 crores as at 31st March, 2009, total revenue of Rs. 800.41 crores and net cash flows amounting to Rs. 5.72 crores have been audited by other auditors.

Our report is based solely on the report furnished by these auditors.

- (c) As stated in Note 13 and 14 of Schedule N, in the case of certain other subsidiaries and joint ventures of the Company, having total assets (net) of Rs. 500.95 crores as at 31st March, 2009 and total revenue of Rs. 4,208.55 crores for the year ended 31st March, 2009 and in the case of associate companies having a carrying value of Rs. 175.00 crores as at 31st March, 2009 the figures used for the consolidation are based on the management's estimates and are not audited by their auditors.

- (d) As stated in Note 1 of Schedule N, in case of certain associates, the financial statements as on 31st March, 2009 are not available. The investments in these associates valued at Re 1 each in the Financial Statements of the Company, have not been adjusted in Consolidated Financial Statements in the absence of their financial statements as on 31st March, 2009.
4. Subject to the matters referred to in paragraphs 3 (c) and 3 (d) and read with our comments in paragraph 3 (a) above :
- (a) We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards ("AS") 21, Consolidated Financial Statements, AS 23 Accounting for Investments in Associates in Consolidated Financial Statements and AS 27 Financial Reporting of Interests in Joint Ventures, as notified under the Companies (Accounting Standards) Rules, 2006.
- (b) Based on our audit and on consideration of the reports of the other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;
- (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date;
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants,

P. R. RAMESH
Partner.
Membership No.: 70928

Mumbai, 25th June, 2009