



February 20, 2019

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Maharashtra, India.
Scrip Code: 500470/890144

The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.
Maharashtra, India.
Symbol: TATASTEEL/TATASTEELPP

Dear Sirs/Madam,

Sub: Intimation of Revision in Ratings under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

This has reference to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended (the "Regulations").

Moody's Investors Service has upgraded Tata Steel Limited's corporate family rating (CFR) by one notch to Ba2 from Ba3.

In accordance with the said Regulation(s), please find below the details of revision in ratings for Company:

Name of the Company	Credit Rating Agency	Type of Credit Rating	Existing	Revised
Tata Steel Limited	Moody's	Long term corporate family rating (CFR)	Ba3	Ba2

The report from the credit rating agency covering the rationale for revision in credit rating is enclosed.

This is for your information and records.

Yours faithfully,
Tata Steel Limited

Parvatheesam K
Company Secretary &
Chief Legal Officer (Corporate & Compliance)

Encl: As Above

TATASTEEL LIMITED

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Corporate Identity Number L27100MH1907PLC000260

Press Release

Rating Action: Moody's upgrades Tata Steel to Ba2; stable outlook

Moody's Investors Service has upgraded Tata Steel Ltd.'s corporate family rating (CFR) to Ba2 from Ba3.

The outlook is stable.

RATING RATIONALE

"The upgrade of Tata Steel's CFR reflects the sustained improvement in the company's credit profile, stemming principally from strong operating efficiencies and vertical integration, as well as stable demand and price conditions in its major market," says Kaustubh Chaubal, a Moody's Vice President and Senior Credit Officer.

Tata Steel's CFR is supported by its significant, diversified and growing operating base and its globally cost competitive steel operations in India, with the latter being a function of its ownership of key raw materials.

These factors, alongside favorable industry dynamics in its key operating market in India have translated into the company's sustained track record of improving credit metrics. Tata Steel's leverage, as measured by adjusted debt/EBITDA, is on an improving trajectory and will fall below 3.5x by March 2020 from 4.1x at March 2018 and 3.9x at March 2019. EBIT/interest coverage will remain above 3.0x.

Tata Steel's key market is still India, which accounts for 57% of its global steel volumes sold, 54% of consolidated revenues, and 85% of consolidated EBITDA; a result of the strong operating environment and the company's backward integration into producing its key own raw materials of iron ore and coking coal. During the first nine months of the fiscal year ending 31 March 2019, Tata Steel's Indian operations generated an EBITDA/ton of INR17,270 (\$240); more than three times the profitability of its European operations.

Consequently, strong growth prospects in India augur well for Tata Steel. And, the successful integration of Bhushan Steel Ltd.'s (Bhushan) steel assets in 2018 and the proposed acquisition of the steel business of Usha Martin have further cemented Tata Steel's business profile.

Moody's expects India's steel consumption to grow at 5.5%-6.0% annually over the next one-two years, supported by the country's strong domestic demand, in turn propelled by the government of India's (Baa2 stable) spending on infrastructure projects and good prospects in the automotive industry. At the same time, consolidation in India's steel sector and limited new capacity commissioning over the 18-24 months will keep industry utilization levels in check and help pricing discipline.

Tata Steel's CFR continues to incorporate a one-notch uplift, reflecting Moody's expectation of timely, ongoing and extraordinary support from its parent, Tata Sons Ltd.

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The stable outlook reflects Moody's expectation that Tata Steel's strong operating performance will translate into a sustained improvement in credit metrics.

The stable outlook also incorporates Moody's expectation that Tata Steel will remain selective in its acquisitions, funding them with a prudent mix of debt and equity and allowing only a temporary spike in adjusted debt/EBITDA leverage.

Moody's could upgrade the CFR if the company maintains adjusted debt/EBITDA below 3.75x and EBIT/interest coverage in excess of 3.0x, both on a sustained basis.

A downgrade of the rating is unlikely in the near term, given today's rating action. Nevertheless, a sharp shift in industry conditions that triggers declining sales volumes and dents pricing and profitability would pressure the rating. Specific metrics indicative of downward rating pressure include adjusted debt/EBITDA in excess of 4.5x or EBIT/interest coverage below 2.75x.

Negative rating pressure could also build if the company undertakes any large debt financed acquisition without an immediate and meaningful counterbalancing effect on earnings resulting in a sustained increase in leverage. Execution risks pertaining to a timely and seamless integration of the acquired businesses could also pressure the rating.

The principal methodology used in this rating was Steel Industry published in September 2017. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

Tata Steel is the world's 10th largest steel company by production capacity; achieving 25.1 mt of crude steel production in 2017. The company operates geographically diversified plants across 26 countries. At 31 March 2018, its nameplate capacity totalled 27.5 mtpa, of which, 12.7 mt was in India, 12.4 mt in Europe and 2.4 mt in Southeast Asia.

Tata Steel's Indian business also includes the 5.6 mt operations of Bhushan Steel Ltd., which was acquired in May 2018, and the acquisition of one mt steel of Usha Martin Ltd.'s steel business, announced in September 2018.

In fiscal 2018 (the year ended 31 March 2018), Tata Steel reported consolidated revenues of INR1.3 trillion and consolidated EBITDA of INR220 billion. For the same period, the company's European operations, housed under Tata Steel UK Holdings, reported revenues of INR600 billion and EBITDA of INR38 billion.

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