April 01, 2016

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 (the "Regulations").

The sharp fall in international steel prices and the challenging conditions facing the global steel industry triggered a review of Tata Steel’s credit rating by Fitch. The Long-Term Foreign Currency Issuer Default Rating (IDR) has been downgraded by 1 notch.

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

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Credit Rating Agency</th>
<th>Type of Credit Rating</th>
<th>Existing</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Steel Limited</td>
<td>Fitch Ratings</td>
<td>Long-Term Foreign Currency IDR</td>
<td>BB+</td>
<td>BB</td>
</tr>
<tr>
<td>Tata Steel UK Holdings Ltd</td>
<td></td>
<td>Long-Term Foreign Currency IDR</td>
<td>B+</td>
<td>B</td>
</tr>
<tr>
<td>ABJA Investment Co. Pte. Ltd.</td>
<td></td>
<td>Issue rating on the Company’s guaranteed senior unsecured notes</td>
<td>BB+</td>
<td>BB</td>
</tr>
</tbody>
</table>

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

[Signature]

Parvatheesam K
Company Secretary

Encl: As Above
Fitch Downgrades Tata Steel and Tata Steel UK; Places on RWE

Fitch Ratings-Singapore/Sydney-01 April 2016: Fitch Ratings has downgraded Tata Steel Limited's (TSL) Long-Term Foreign Currency Issuer Default Rating (IDR) to ‘BB’ from ‘BB+/Stable’ and placed it on Rating Watch Evolving (RWE).

Unsecured notes issued by TSL have also been downgraded to ‘BB’ from ‘BB+’ and placed on RWE. The agency has also downgraded the Long-Term Foreign Currency IDR for TSL’s wholly owned subsidiary, Tata Steel UK Holdings Limited (TSUKH), to ‘B’ from ‘B+/Stable’ and placed it on RWE. A full list of rating actions is provided at the end of this commentary.

The downgrade reflects the decline in TSL's profitability and jump in leverage during the financial year ending 31 March 2016 (FY16), following challenging market conditions for its operations in India and overseas, especially in the UK. The downgrade in TSUKH reflects the downgrade of its parent, TSL, and the weak operating environment in the UK and more broadly across Europe.

The RWE reflects uncertainty following TSL's announcement on 29 March 2016 that it is exploring all options for portfolio restructuring in Europe, including the potential divestment of its UK operations, in part or in whole. Considerable uncertainty remains on timing and how the group and its debt will be structured going forward. Fitch believes TSL’s disposal of its UK operations, in part or whole, will result in a change to TSL’s ratings.

KEY RATING DRIVERS

Weaker Profitability in India: Profitability of TSL's Indian operations has been impacted by weak steel price realisation in 9MFY16. Its consolidated EBITDA per ton declined to about INR7,400/tonne (USD110/t) in 9MFY16 from INR11,400/t in FY15, hit by a INR7,150/t fall in realisation. Steel producers globally are suffering from weak demand and overcapacity, with current global capacity utilisation at a low last seen during the 2008 global financial crisis. In India, demand growth was a tepid 4.7% in 9MFY16, which was met largely by a 29% yoy increase in imports.

Recent actions by the Indian government, such as the imposition of a minimum import price following a 20% safeguard duty on imports to protect domestic manufacturers, have provided some relief, with domestic steel prices rising around INR4,000/t from January 2016 lows. However, prices are still about 20% lower than the average for FY15. Fitch says increased competition among domestic producers to support utilisation rates will
likely constrain further price hikes in the near term, given domestic steel capacity is scheduled to jump about 15 million tonnes over 2H15 and 2016.

European Operations Under Stress: TSL’s overseas business reported EBITDA losses consecutively in 2Q and 3QFY16, hit by weak performance in the UK. Its operations in Europe and UK in particular, have faced poor steel-raw material spreads and relatively high operating costs. Price realisation in Europe has faced pressure from cheap Chinese and Russian imports amid weak regional demand.

TSL has taken steps to cut costs, including shutting down its plates business in the UK and laying off around 3,000 employees. The company is also focusing on value-added products and profitable market segments, such as the automotive sector. Recognising the need for further action, TSL is now exploring the sale of its UK business, in part or whole.

Jump in Leverage: Fitch estimates TSL’s consolidated net debt to EBITDA leverage will jump to 11.6x in FY16, from 5.8x in the previous year, due to poor profitability. Leverage is likely to remain high at 8.2x in FY17 and 5.7x by FY18. Fitch's forecast assumes a gradual improvement in realisations and a return to profitability for overseas operations in FY18. However, further details on restructuring in Europe may change this forecast.

Benefit From Greenfield Plant: TSL is currently commissioning the first phase of its greenfield plant at Kalinganagar in Odisha, India, with a capacity of 3 million tonnes per annum. TSL expects to gradually increase output in FY17. Apart from increased sales, TSL would benefit from improved product mix from the new plant, as the plant will specialise in producing high-grade flat products. It will also be one of the most cost-efficient plant in the country. The bulk of the capex has been completed and TSL should begin deriving cash-flow benefits in FY17.

TSUKH Gains from TSL Support: TSUKH is unprofitable, with a weak standalone credit profile. The business continues to face weak local demand and high costs. However, TSUKH benefits from strategic ties with its parent, TSL, so its IDR includes a two-notch uplift in line with Fitch’s Parent and Subsidiary Linkage methodology.

Tata Group Support: TSL’s ratings also benefit from a one-notch uplift because of potential support from the Tata Group due to the former’s strategic importance to the group.

KEY ASSUMPTIONS
Fitch’s key assumptions within our rating case for the issuer include:
- Sales volume to decline 8% in FY17 due to lower steel production in the UK. Thereafter, volume assumed to grow by around 6% annually, with a ramp up of Indian capacity.
- Average sales realisation to improve 3% in FY17 and by 5% each over the next two years.
- Consolidated operating EBITDA margin to improve to 9% in FY17 then to 11% in FY18 (FY16: 6%). EBITDA per tonne would bounce back over FY17-18 to FY15 levels.
- Average annual capex of around INR70bn from FY17.
RATING SENSITIVITIES

TSL
The RWE will be resolved following a review of TSL’s credit profile once Fitch has more clarity around the portfolio restructuring exercise in Europe. An upgrade is likely if the proceeds of potential asset sales are used to repay debt, reducing leverage. However, if leverage increases due to significant closure costs for the UK operations, Fitch will downgrade the rating.

TSUKH
The RWE will be resolved following a review of the linkages between TSUKH and TSL and TSUKH's credit profile, once Fitch has more clarity around the portfolio restructuring exercise in Europe. If Fitch concludes that the linkage is enhanced or TSUKH's standalone profile improves, an upgrade is likely. A downgrade is likely if Fitch views that the linkage has weakened.

The full list of rating actions follows:

TSL
Long-Term Foreign Currency IDR downgraded to 'BB' from 'BB+'; placed on RWE
Senior unsecured rating: downgraded to 'BB' from 'BB+'; placed on RWE
USD500m 4.85% senior unsecured guaranteed notes due 2020 and USD1bn 5.95% senior unsecured guaranteed notes due 2024 issued by ABJA Investments Co Pte Ltd, a wholly owned subsidiary of TSL: downgraded to 'BB' from 'BB+'; placed on RWE

TSUKH:
Long-Term Foreign Currency IDR downgraded to 'B' from 'B+'; placed on RWE

Contact:

Primary Analyst
Akash Gupta
Associate Director
+65 6796 7242
Fitch Ratings Singapore Pte Ltd
6 Temasek Boulevard
#35-05 Suntec Tower Four
Singapore 038986

Secondary Analyst
Muralidharan R  
Director  
+65 6796 7236

Committee Chairperson  
Vicky Melbourne  
Senior Director  
+61 2 8256 0325

Media Relations: Leslie Tan, Singapore, Tel: +65 67 96 7234, Email: leslie.tan@fitchratings.com; Leni Vu, Sydney, Tel: +61 2 8256 0304, Email: leni.vu@fitchratings.com.

Additional information is available on www.fitchratings.com

Applicable Criteria
Corporate Rating Methodology - Including Short-Term Ratings and Parent and Subsidiary Linkage (pub. 17 Aug 2015) (https://www.fitchratings.com/cridesk/reports/report_frame.cfm?rpt_id=869362&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eeyJJeHAiOjE0NTk1NDkzOTMslnNlc3Npb25LZXkiOiJVUlVWlkzRExLRFBKwVQ2QUoyUEVCR05OSTNPWjVES0NLQ0xERjBain0.GMV1X1OasNklVotYkakuVBsy6rVJSQw_l1oWj-gSNPs)

Additional Disclosures
Dodd-Frank Rating Information Disclosure Form (https://www.fitchratings.com/cridesk/press_releases/content/ridf_frame.cfm?pr_id=1001864&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eeyJJeHAiOjE0NTk1NDkzOTMslnNlc3Npb25LZXkiOiJVUlVWlkzRExLRFBKwVQ2QUoyUEVCR05OSTNPWjVES0NLQ0xERjBain0.GMV1X1OasNklVotYkakuVBsy6rVJSQw_l1oWj-gSNPs)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS (http://fitchratings.com/understandingcreditratings). IN ADDITION, RATINGS DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE
'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

**Endorsement Policy** - Fitch’s approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (https://www.fitchratings.com/regulatory) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.