June 15, 2023

Tata Steel Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	22500.00	22500.00	[ICRA]A1+; Reaffirmed
Total	**22500.00**	**22500.00**	

**Instrument details are provided in Annexure-1*

Rationale

The rating action takes into account Tata Steel Limited's (TSL) large scale of operations globally, and its status as a leading producer of high-quality steel with significant vertical integration and captive raw material linkages for its Indian operations. This imparts cost efficiency and partially hedges the company's profits against volatility in raw material prices. TSL's captive mines meet almost 100% and 16-20% of the company's iron ore and coking coal requirements, respectively for its standalone domestic operations, giving the company a distinct competitive advantage over its peers. The rating also takes into consideration TSL's diversified product portfolio in the flat and long product categories, characterised by a high share of value-added and branded products, which support higher margins and strengthen TSL's operating profile. The rating reaffirmation also reflects TSL's status as a strategically important entity of the Tata Group, and the demonstrated support from the promoter, Tata Sons Private Limited (Tata Sons, rated [ICRA]AAA (Stable)/[ICRA]A1+), strengthening TSL's credit profile.

In FY2023, TSL, like other primary steel producers, witnessed a steep contraction in steel spreads that can be attributed mainly to a disproportionate increase in key input costs. Notwithstanding a sequential moderation in profits in FY2023 from the high levels recorded in FY2022, the financial risk profile of the company remains comfortable because of the aggressive deleveraging done since FY2021. The company's net debt levels, after declining to Rs. 51,049 crore as on March 31, 2022, increased to Rs.67,810 crore as on March 31, 2023, but the same was still ~36% lower than Rs.1,04,779 crore recorded as on March 31, 2020. This deleveraging has helped to keep its credit metrics at comfortable levels in FY2023 despite a sharp decline in earnings. This is reflected by the company's consolidated net debt/OPBDITA, which stood at 2.1 times in FY2023 against 0.8 times in FY2022, but still significantly better than 6.2 times witnessed in FY2020. While domestic steel prices have been on a declining trend since the start of FY2024 as a result of falling Asian steel prices, domestic steelmakers are expected to get relief from a moderation in input costs, especially coking coal, which as per ICRA's opinion, will help in maintaining the current year spreads in line with FY2023 levels. A moderation in input costs, along with increased deliveries in the India business from the recently acquired Neelachal Ispat Nigam Limited (NINL) is expected to support a modest 3-4% increase in TSL's operating profits at the consolidated level in FY2024, partly offset by the weak European operations. Additionally, with the stated intent of the management to deleverage further, ICRA expects the company's consolidated net debt/OPBDITA to remain below 2 times over the medium term, unless the company embarks on any large debt-funded inorganic expansion.

The rating, however, reflects the inherent cyclicality in the steel sector, which exposes the company to volatility in earnings. The rating also incorporates the subdued performance of TSL's international operations over the years, which led to a substantial funding support from the domestic business. The rating also incorporates TSL's exposure to regulatory risks, given its presence in the highly regulated iron ore and coal mining operations, and its exposure to forex risks, given that around 55% of its consolidated debt (as on March 31, 2023) is denominated in foreign currency, whereas around 85-90% of the consolidated EBITDA is generated from the Indian operations of TSL and its subsidiaries. However, close linkages between dollar movements and steel prices provide a natural hedge to TSL, which along with the company's forex hedging policy partly mitigate forex risks.

ICRA had earlier noted (Link) the proposed amalgamation of Tata Steel Long Products Limited (TSLPL, rated at [ICRA]A1+; On Rating Watch with Developing Implications), The Tinplate Company of India Limited (TCIL, rated at [ICRA]AA; On Rating Watch with Developing Implication /[ICRA]A1+; On Rating Watch with Developing Implication), Tata Metaliks Limited (TML, rated at [ICRA]AA; On Rating Watch with Developing Implication /[ICRA]A1+; On Rating Watch with Developing Implication), TRF Limited, The Indian Steel & Wire Products Limited (ISWPL, rated at [ICRA]A; On Rating Watch with Developing Implication /[ICRA]A1; On Rating Watch with Developing Implication), Tata Steel Mining Limited (TSML), S&T Mining Company Limited (STMCL) into TSL, subject to receipt of requisite statutory and regulatory approvals. Through the proposed amalgamation, the management aims to simplify the Group's organisational structure, fast track management decision making, and realise synergies associated with greater operational integration of products/ raw materials across the steelmaking value chain, common procurement systems, shared marketing/distribution systems, and rationalisation of logistics costs. Following the amalgamation, the Group will also be able to significantly reduce its regulatory expenses associated with the consumption of captive iron ore for its various steelmaking units. Amalgamation of seven entities with its parent having a stronger credit profile and the expected synergy benefits, which when materialised, would have a favourable impact on the credit profile of TSL.

Key rating drivers and their description

Credit strengths

Financial risk profile continues to remain comfortable despite a moderation in earnings in FY2023 – In FY2023, TSL, like other primary steel producers, witnessed a steep contraction in steel spreads mainly owing to a disproportionate increase in key input costs. Notwithstanding the sequential moderation in profits in FY2023 from the high levels recorded in FY2022, the financial risk profile of the company remains comfortable because of the aggressive deleveraging done since FY2021. The company's net debt levels, after declining to Rs.51,049 crore as on March 31, 2022, increased to Rs.67,810 crore as on March 31, 2023, but the same was still ~36% lower compared to Rs.1,04,779 crore recorded as on March 31, 2020. This deleveraging has helped to keep its credit metrics at comfortable levels in FY2023 despite a sharp decline in earnings. This is reflected by the company's consolidated net debt/OPBDITA, which stood at 2.1 times in FY2023 against 0.8 times in FY2022, but still significantly better than 6.2 times witnessed in FY2020. While domestic steel prices have been on a declining trend since the start of FY2024 owing to falling Asian steel prices, domestic steelmakers are expected to get relief from a moderation in input costs, especially coking coal, which as per ICRA's opinion, will help in maintaining the current year spreads in line with FY2023 levels. A moderation in input costs, along with increased deliveries in the India business from the recently acquired NINL is expected to support a modest 3-4% increase in the operating profits for TSL at the consolidated level in FY2024, partly offset by the weak European operations. Additionally, with the stated intent of the management to deleverage further, ICRA expects the company's consolidated net debt/OPBDITA to remain below 2 times over the medium term, unless the company embarks on any large debt-funded inorganic expansion.

Large scale of operations globally with a wide distribution reach – Globally, TSL was the 10th largest steel producer in CY2022, having a crude steel capacity of 35 million tonne per annum (mtpa)[1], with operations spread across 26 countries and commercial presence in 79 countries. A large scale of operation leads to synergies associated with shared marketing and distribution functions, shared logistics and raw material procurement channels, shared research and development functions, and shared business support functions. TSL has a high market share in the eastern and northern regions of India. ICRA notes that TSL has been able to operate the steel assets in India at capacity utilisation levels of close to 100% across business cycles owing to its superior product quality and wide distribution network.

Diversified product mix with a high share of value-added products – TSL's product portfolio spans across the flat and long product categories and is characterised by a high share of value-added and branded products. Over 50% of TSL's sales take place in the value-added product categories, which fetch higher realisations, and in turn support its profitability. TSL has an

[1] Source: World Steel Association

established position in the domestic automobile flat product segment. In addition, TSL has been able to roll out a wide array of branded products, catering to the needs of the B2C segment, leveraged technology and digital platforms to directly reach the steel consumer, and has also developed a portfolio of products and solutions made from steel (like 'Nest-In', 'Pravesh' steel door, 'Nestudio'), which help in partly mitigating the cyclicality associated with the steel business. The recent acquisition of NINL's 1-mtpa steelmaking capacity gives TSL the option for future growth in the fast-growing long product segment. While only ~25% of the company's finished steel capacity in India is in the long-product segment at present, the same is likely to increase, going forward, as TSL has plans to scale up NINL's capacity to around 5 mtpa over the next few years.

Captive iron ore and coking coal mines provide cost efficiency and partly insulate profitability of domestic operations from volatility in raw material prices – TSL's standalone steel business remains one of the lowest cost steel producers globally, consistently reporting healthy earnings through the cycles[2]. TSL's 19.6-mtpa standalone India operations procure almost 100% of its iron ore requirement and 16-20% of its coking coal requirement from its captive mines. As a result, TSL's domestic profitability has remained partly insulated from the volatility in raw material prices. In addition to fulfilling its own needs, TSL's captive iron ore mines supply iron ore to its other Group entities in India. Further, TSL's subsidiary, Tata Steel Long Products Limited has a captive iron ore mine with a peak rated capacity of 2.5 mtpa, and NINL has a large iron ore mine with reserves of around 100 mt.

Strategically important entity to the Tata Group – TSL remains a strategically important entity to the Tata Group, which lends it a high degree of financial flexibility. TSL has a demonstrated track record of capital raising in both debt and equity markets, and enjoys a strong relationship with the banks, which strengthens its credit profile. The rating assigned to TSL factors in the high likelihood of its parent, Tata Sons, extending financial support to TSL. ICRA notes that there has been a demonstrated track record of Tata Sons extending timely financial support to TSL in the past, as evident during the rights issue of Rs. 12,800 crore in end-FY2018. ICRA expects such support from the parent to continue, if the need so arises, because of TSL's strategic importance to the Tata Group, and out of its need to protect its reputation.

Credit challenges

Volatile and low profitability from international operations – TSL has been reporting low and volatile profitability from the European operations. Tata Steel Europe has two large steelmaking hubs, one in the Netherlands (7 mtpa steel plant at Ijmuiden), and another in the United Kingdom (5 mtpa steel plant at Port Talbot). The European operations reported operating losses in H2 FY2023 due to falling steel spreads. The financial performance of the European operations is expected to remain subdued in H1 FY2024 on the back of a shutdown of the blast furnace in the Netherlands due to planned relining, and a subdued demand in its addressable markets on account of a slowdown in economic activity in Europe.

Inherent cyclicality in the steel sector – The inherent cyclicality in the steel industry exposes steelmakers to a high degree of earnings volatility, which in turn leads to swings in debt protection metrics. However, TSL's backward integration in raw materials, competitive conversion costs and an enriched product mix partly mitigate earnings volatility for the Indian steel business.

Exposure to regulatory risks, given its presence in the highly regulated iron ore and coal mining businesses – TSL's iron ore mining operations witnessed disruptions in FY2015 and FY2016 due to regulatory issues, and the company resorted to external purchases during that period, which had dented its margins. Also, the company had to pay compensation to the state government towards excess mining of iron and manganese ore in Odisha following the order of the Supreme Court. More recently, the amendment in the Mines and Mineral (Development and Regulation) Act led to an additional regulatory charge

[2] TSL's standalone steel business consistently reported healthy underlying EBITDA in the range of US$ 162/MT- US$ 392/MT of steel deliveries between FY2017 and FY2023

of 150% royalty on intergroup sale of iron ore fines and 250% royalty on intergroup sale of iron ore lumps, which adversely impacts the consolidated earnings.

Exposure to forex risks – Around 55% of TSL's consolidated debt (as on March 31, 2023) was denominated in foreign currency, whereas 85-90% of the consolidated operating profits is generated from the India business. This exposes TSL to forex risks, more so because of the reliance on Indian operations to partly service the debt obligations of overseas subsidiaries. However, close linkages between dollar movements and steel prices provide a natural hedge to TSL, which along with the company's forex hedging policy partly mitigate forex risks.

Environmental and Social Risks

Environmental considerations – Steel manufacturing is an energy intensive process and requires substantial use of fossil fuels, which results in greenhouse gas emissions, industrial waste generation, and environmental pollution. Increasing regulatory requirements to reduce greenhouse gas emissions and stricter air pollution standards may lead to higher costs for steel manufacturers in the medium term. This in turn leads to a greater focus on reducing the carbon footprint through various technological interventions, like increasing the share of renewables in the energy mix, increasing the share of steelmaking through the electrical route, shifting to green hydrogen technologies, reducing the fuel rate in furnaces, and setting up carbon capture utilisation and storage units among others. With many of these emerging low-carbon technologies yet to achieve commercial viability, this transition could entail a significant investment for metal manufacturers. The company has committed to achieve the Net Zero emission target by 2045. Initiatives taken by the company in this regard include reducing the blast furnace fuel rates, conducting a trial of continuous Coal Bed Methane (CBM) injection, injecting hydrogen in some of its blast furnaces, operating a carbon capture and utilisation plant at a pilot scale, increasing steel scrap usage, and enhancing the share of renewables in the electricity mix among others. The company has also set up its first scrap-based greenfield EAF steelmaking facility recently in India, which has a lower carbon intensity compared to the blast furnace route. Further, TSL faces the risk of physical climate change from floods and drought in the form of disruption in raw material availability due to extreme weather events and impact on water availability due to drought.

Social considerations – Social risks for steel manufacturers manifest from health and safety aspects of employees involved in the manufacturing activities. Casualties/ accidents at the operating units due to gaps in safety practices could lead to production outages for steel manufacturers like TSL and invite penal actions from regulatory bodies. The sector is exposed to risks related to labour and protests/social issues by local communities, which might impact expansion/modernisation plans. Also, the adverse impact of environmental pollution in nearby localities could trigger local criticism. Some of the key initiatives taken by the company in this aspect include regular safety audits at all locations and the implementation of the Fatality Risk Control Programme. As a part of its community outreach initiatives for its Indian operations, Tata Steel has incorporated a wholly-owned subsidiary called Tata Steel Foundation, which drives Tata Steel's engagement with the local community in the areas where Tata Steel operates within India.

Liquidity position: Adequate

TSL's liquidity position has been assessed as adequate, supported by free cash/bank/liquid investment balances of around Rs.17,083 crore as on March 31, 2023 and healthy retained cash flow of Rs. 20,000-25,000 crore annually expected over the medium term. Against these sources of cash, the company has a capex commitment of around Rs.16,000 crore and debt repayment obligations of around Rs.11,000 crore at the consolidated level in FY2024. Overall, ICRA expects TSL to be able to comfortably meet its capex commitments and service its debt obligations largely through internal sources of cash. In addition, TSL's liquidity profile is supported by the financial flexibility that it enjoys for being a strategically important entity of the Tata Group.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Pressure on TSL's rating could arise in case of any large debt-funded expansion without any commensurate increase in earnings, resulting in a deterioration in the consolidated credit metrics and liquidity profile.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Ferrous Metals Industry
Parent/Group Support	Parent Company: Tata Sons Private Limited (Tata Sons) ICRA expects Tata Sons to be willing to extend financial support to TSL, should there be a need, given its strategic importance to the Tata Group, and out of its need to protect its reputation. Both Tata Sons and TSL share the common Tata name, which in ICRA's opinion, would persuade TSPL to provide financial support to TSL to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of TSL which included 143 subsidiaries/step-down subsidiaries, 24 JVs and 20 Associates that are enlisted in Annexure 2.

About the company

TSL is a part of the widely diversified Tata Group. TSL has an annual crude steel capacity of 35 mtpa. The company has 21.6 mt of crude steel capacity in India, and the remaining capacity in Europe and Thailand. TSL has plans to increase its domestic steel capacity to 40 mtpa by 2030. TSL is planning to increase the capacity at Kalinganagar to 8 mtpa from the present 3 mtpa. Tata Steel Europe was formed by the takeover of the erstwhile Corus Plc by TSL. The company also has operations in Thailand. The product profile of the company comprises both long and flat products. In addition to different varieties of steel, it is also a large producer of ferro-chrome products.

Key financial indicators (Audited)

TSL Consolidated	FY2022	FY2023
Operating Income (Rs. crore)	243,959.2	243,352.7
PAT (Rs. crore)	41749.3	8075.3
OPBDIT/OI (%)	26.6%	13.3%
PAT/OI (%)	17.1%	3.3%
Total Outside Liabilities/ (Tangible Net Worth+ Minority Interest) (times)	1.4	1.7
Total Debt/OPBDIT (times)	1.2	2.6
Interest Coverage (times)	11.9	5.1

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA – Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of June 15, 2023 (Rs. crore)	Date & Rating in	Date & Rating in FY2023		Date & Rating in FY2022		Date & Rating in FY2021	
					Jun 15, 2023	Oct 04, 2022	Jun 23, 2022	Feb 09, 2022	Sep 30, 2021	Jan 12, 2021	Sep 30, 2020
1	Commercial Paper (CP)	Short Term	22,500.00	7750.00	**[ICRA]A1+**	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial Paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: Click Here

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
INE081A14DV5	CP	April 12, 2023	-	June 26, 2023	2000.00	[ICRA]A1+
INE081A14DX1	CP	April 26, 2023	-	June 23, 2023	1000.00	[ICRA]A1+
INE081A14EA7	CP	May 22, 2023	-	June 22, 2023	750.00	[ICRA]A1+
INE081A14EB5	CP	May 29, 2023	-	June 29, 2023	2000.00	[ICRA]A1+
INE081A14EC3	CP	June 5, 2023	-	August 29, 2023	2000.00	[ICRA]A1+
Not placed	CP	-	-	-	14750	[ICRA]A1+

Source: *Company*

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
ABJA Investment Co. Pte. Ltd.	100.00%	Full consolidation
Indian Steel & Wire Products Ltd.	95.01%	Full consolidation
Tata Steel Utilities and Infrastructure Services Limited	100.00%	Full consolidation
Mohar Export Services Pvt. Ltd	66.46%	Full consolidation
Rujuvalika Investments Limited	100.00%	Full consolidation
Tata Steel Mining Limited	100.00%	Full consolidation
Tata Korf Engineering Services Ltd.	100.00%	Full consolidation
Tata Metaliks Limited	60.03%	Full consolidation
Tata Steel Long Products Limited	74.91%	Full consolidation
T Steel Holdings Pte. Ltd.	100.00%	Full consolidation
Tata Steel Downstream Products Limited	100.00%	Full consolidation
The Tinplate Company of India Limited	74.96%	Full consolidation
Tata Steel Foundation	100.00%	Full consolidation
Jamshedpur Football and Sporting Private Limited	100.00%	Full consolidation
Bhubaneshwar Power Private Limited	100.00%	Full consolidation
Creative Port Development Private Limited	51.00%	Full consolidation
Angul Energy Limited	99.99%	Full consolidation
Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Ltd.)	100.00%	Full consolidation
Bhushan Steel (South) Ltd.	100.00%	Full consolidation
Tata Steel Technical Services Limited (formerly Bhushan Steel (Madhya Bharat) Ltd.)	100.00%	Full consolidation
Bhushan Steel (Australia) PTY Ltd.	100.00%	Full consolidation
S & T Mining Company Limited	50.00%	Full consolidation
Medica TS Hospital Pvt. Ltd.	51.00%	Full consolidation
Tata Steel Advanced Materials Limited (formerly Tata Steel Odisha Limited)	100.00%	Full consolidation
Haldia Water Management Limited	60.00%	Full consolidation
Kalimati Global Shared Services Limited	100.00%	Full consolidation
Tata Steel Special Economic Zone Limited	100.00%	Full consolidation
Tata Pigments Limited	100.00%	Full consolidation
Adityapur Toll Bridge Company Limited	88.50%	Full consolidation
Neelachal Ispat Nigam Limited	74.67%	Full consolidation
Ceramat Private Limited	90.00%	Full consolidation
Tata Steel TABB Limited	100.00%	Full consolidation
T S Global Holdings Pte. Ltd.	100.00%	Full consolidation
Orchid Netherlands (No.1) B.V.	100.00%	Full consolidation
The Siam Industrial Wire Company Ltd.	100.00%	Full consolidation
TSN Wires Co. Ltd.	60.00%	Full consolidation
Tata Steel Europe Limited	100.00%	Full consolidation
Apollo Metals Limited	100.00%	Full consolidation
British Steel Corporation Limited	100.00%	Full consolidation
British Steel Directors (Nominees) Limited	100.00%	Full consolidation
British Steel Nederland International B.V.	100.00%	Full consolidation
C V Benine	76.92%	Full consolidation
Catnic GmbH	100.00%	Full consolidation
Catnic Limited	100.00%	Full consolidation
Tata Steel Mexico SA de CV	100.00%	Full consolidation
Cogent Power Limited	100.00%	Full consolidation

Company Name	Ownership	Consolidation Approach
Corbeil Les Rives SCI	67.30%	Full consolidation
Corby (Northants) & District Water Company Limited	100.00%	Full consolidation
Corus CNBV Investments	100.00%	Full consolidation
Corus Engineering Steels (UK) Limited	100.00%	Full consolidation
Corus Engineering Steels Limited	100.00%	Full consolidation
Corus Group Limited	100.00%	Full consolidation
Corus Holdings Limited	100.00%	Full consolidation
Corus International (Overseas Holdings) Limited	100.00%	Full consolidation
Corus International Limited	100.00%	Full consolidation
Corus International Romania SRL.	100.00%	Full consolidation
Corus Investments Limited	100.00%	Full consolidation
Corus Ireland Limited	100.00%	Full consolidation
Corus Liaison Services (India) Limited	100.00%	Full consolidation
Corus Management Limited	100.00%	Full consolidation
Corus Property	100.00%	Full consolidation
Corus UK Healthcare Trustee Limited	100.00%	Full consolidation
Crucible Insurance Company Limited	100.00%	Full consolidation
Degels GmbH	100.00%	Full consolidation
Demka B.V.	100.00%	Full consolidation
00026466 Limited (Formerly known as Firsteel Group Limited)	100.00%	Full consolidation
Fischer Profil GmbH	100.00%	Full consolidation
Gamble Simms Metals Limited	100.00%	Full consolidation
H E Samson Limited	100.00%	Full consolidation
Hadfields Holdings Limited	100.00%	Full consolidation
Halmstad Steel Service Centre AB	100.00%	Full consolidation
Hille & Muller GmbH	100.00%	Full consolidation
Hille & Muller USA Inc.	100.00%	Full consolidation
Hoogovens USA Inc.	100.00%	Full consolidation
Huizenbezit Breesaap B.V.	100.00%	Full consolidation
Inter Metal Distribution SAS	100.00%	Full consolidation
Layde Steel S.L.	100.00%	Full consolidation
London Works Steel Company Limited	100.00%	Full consolidation
Montana Bausysteme AG	100.00%	Full consolidation
Naantali Steel Service Centre OY	100.00%	Full consolidation
Norsk Stal Tynnplater AS	100.00%	Full consolidation
Norsk Stal Tynnplater AB	100.00%	Full consolidation
Orb Electrical Steels Limited	100.00%	Full consolidation
Oremco Inc.	100.00%	Full consolidation
Rafferty-Brown Steel Co Inc Of Conn.	100.00%	Full consolidation
S A B Profiel B.V.	100.00%	Full consolidation
S A B Profil GmbH	100.00%	Full consolidation
Service Center Gelsenkirchen GmbH	100.00%	Full consolidation
Service Centre Maastricht B.V.	100.00%	Full consolidation
Societe Europeenne De Galvanisation (Segal) Sa	100.00%	Full consolidation
Staalverwerking en Handel B.V.	100.00%	Full consolidation
Surahammar Bruks AB	100.00%	Full consolidation
Swinden Housing Association Limited	100.00%	Full consolidation
Tata Steel Belgium Packaging Steels N.V.	100.00%	Full consolidation
Tata Steel Belgium Services N.V.	100.00%	Full consolidation
Tata Steel France Holdings SAS	100.00%	Full consolidation
Tata Steel Germany GmbH	100.00%	Full consolidation
Tata Steel IJmuiden BV	100.00%	Full consolidation
Tata Steel International (Americas) Holdings Inc	100.00%	Full consolidation
Tata Steel International (Americas) Inc	100.00%	Full consolidation
Tata Steel International (Czech Republic) S.R.O	100.00%	Full consolidation
Tata Steel International (France) SAS	100.00%	Full consolidation
Tata Steel International (Germany) GmbH	100.00%	Full consolidation
Tata Steel International (South America) Representacoes LTDA	100.00%	Full consolidation
Tata Steel International (Italia) SRL	100.00%	Full consolidation
Tata Steel International (Middle East) FZE	100.00%	Full consolidation
Tata Steel International (Nigeria) Ltd.	100.00%	Full consolidation
Tata Steel International (Poland) sp Zoo	100.00%	Full consolidation
Tata Steel International (Sweden) AB	100.00%	Full consolidation
Tata Steel International (India) Limited	100.00%	Full consolidation

Company Name	Ownership	Consolidation Approach
Tata Steel International Iberica SA	100.00%	Full consolidation
Tata Steel Istanbul Metal Sanayi ve Ticaret AS	100.00%	Full consolidation
Tata Steel Maubeuge SAS	100.00%	Full consolidation
Tata Steel Nederland BV	100.00%	Full consolidation
Tata Steel Nederland Consulting & Technical Services BV	100.00%	Full consolidation
Tata Steel Nederland Services BV	100.00%	Full consolidation
Tata Steel Nederland Technology BV	100.00%	Full consolidation
Tata Steel Nederland Tubes BV	100.00%	Full consolidation
Tata Steel Netherlands Holdings B.V.	100.00%	Full consolidation
Tata Steel Norway Byggsystemer A/S	100.00%	Full consolidation
Tata Steel Sweden Byggsystem AB	100.00%	Full consolidation
Tata Steel UK Consulting Limited	100.00%	Full consolidation
Tata Steel UK Holdings Limited	100.00%	Full consolidation
Tata Steel UK Limited	100.00%	Full consolidation
Tata Steel USA Inc.	100.00%	Full consolidation
The Newport And South Wales Tube Company Limited	100.00%	Full consolidation
Thomas Processing Company	100.00%	Full consolidation
Thomas Steel Strip Corp.	100.00%	Full consolidation
TS South Africa Sales Office Proprietary Limited	100.00%	Full consolidation
Tulip UK Holdings (No.2) Limited	100.00%	Full consolidation
Tulip UK Holdings (No.3) Limited	100.00%	Full consolidation
UK Steel Enterprise Limited	100.00%	Full consolidation
Unitol SAS	100.00%	Full consolidation
Fischer Profil Produktions -und-Vertriebs - GmbH	100.00%	Full consolidation
Al Rimal Mining LLC	70.00%	Full consolidation
TSMUK Limited	100.00%	Full consolidation
Tata Steel Minerals Canada Limited	82.00%	Full consolidation
T S Canada Capital Ltd	100.00%	Full consolidation
Tata Steel International (Shanghai) Ltd.	100.00%	Full consolidation
Tata Steel (Thailand) Public Company Ltd.	67.90%	Full consolidation
Tata Steel Manufacturing (Thailand) Public Company Limited	99.90%	Full consolidation
T S Global Procurement Company Pte. Ltd.	100.00%	Full consolidation
Bowen Energy PTY Ltd.	100.00%	Full consolidation
Bowen Coal PTY Ltd.	100.00%	Full consolidation
Bowen Consolidated PTY Ltd.	100.00%	Full consolidation
Subarnarekha Port Private Limited	50.63%	Full consolidation
Mjunction services limited	50.00%	Equity Method
Tata NYK Shipping Pte Ltd.	50.00%	Equity Method
TM International Logistics Limited	51.00%	Equity Method
Industrial Energy Limited	26.00%	Equity Method
Andal East Coal Company Pvt. Ltd.	33.89%	Equity Method
Tata BlueScope Steel Private Limited	50.00%	Equity Method
Jamshedpur Continuous Annealing & Processing Company Private Limited	51.00%	Equity Method
Naba Diganta Water Management Limited	74.00%	Equity Method
Jamipol Limited	39.78%	Equity Method
Himalaya Steel Mills Services Private Limited	26.00%	Equity Method
Laura Metaal Holding B.V.	49.00%	Equity Method
Ravenscraig Limited	33.33%	Equity Method
Tata Steel Ticaret AS	50.00%	Equity Method
Texturing Technology Limited	50.00%	Equity Method
Air Products Llanwern Limited	50.00%	Equity Method
Hoogovens Court Roll Service Technologies VOF	50.00%	Equity Method
Minas De Benga (Mauritius) Limited	35.00%	Equity Method
Bluescope Lysaght Lanka (Pvt) Ltd	100.00%	Equity Method
Tata NYK Shipping (India) Pvt. Ltd.	100.00%	Equity Method
International Shipping and Logistics FZE	100.00%	Equity Method
TKM Global China Limited	100.00%	Equity Method
TKM Global GmbH	100.00%	Equity Method
TKM Global Logistics Limited	100.00%	Equity Method
Kumardhubi Fireclay & Silica Works Ltd.	27.78%	Equity Method
Kumardhubi Metal Casting and Engineering Limited	49.31%	Equity Method
Strategic Energy Technology Systems Private Limited	25.00%	Equity Method
Tata Construction & Projects Ltd.	27.19%	Equity Method
TRF Limited	34.11%	Equity Method

Company Name	Ownership	Consolidation Approach
Malusha Travels Pvt Ltd.	33.23%	Equity Method
European Profiles (M) Sdn. Bhd.	20.00%	Equity Method
GietWalsOnderhoudCombinatie B.V.	50.00%	Equity Method
Hoogovens Gan Multimedia *S.A.* De C.V.	50.00%	Equity Method
ISSB Limited	50.00%	Equity Method
Wupperman Staal Nederland B.V.	30.00%	Equity Method
9336-0634 Quebec Inc	33.33%	Equity Method
TRFSingapore Pte Limited	100.00%	Equity Method
TRF Holding Pte Limited	100.00%	Equity Method
Dutch Lanka Trailer Manufacturers Limited	100.00%	Equity Method
Dutch Lanka Engineering (Private) Limited	100.00%	Equity Method
Fabsec Limited	25.00%	Equity Method

Source: *Company*

ANALYST CONTACTS

Jayanta Roy
+91 33 7150 1120
jayanta@icraindia.com

Priyesh Ruparelia
+91 22 6169 3328
priyesh.ruparelia@icraindia.com

Ritabrata Ghosh
+91 33 7150 1107
ritabrata.ghosh@icraindia.com

Deepayan Ghosh
+91 33 7150 1220
deepayan.ghosh@icraindia.com

Arpit Arora
+91 124 4545388
arpit.arora@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

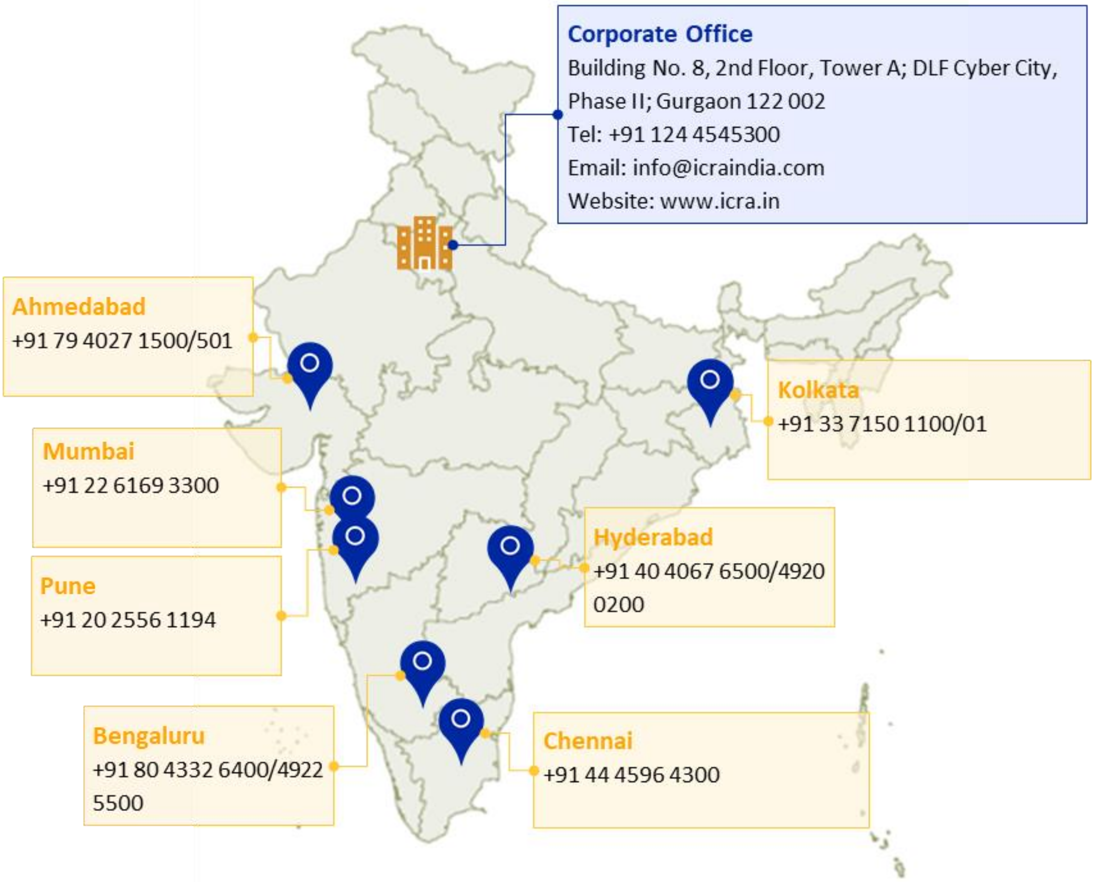
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.