February 11, 2016

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

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**

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 due to excessive exports from China and other countries and the challenging conditions facing the global steel industry has triggered a review of Tata Steel's credit rating by Moody's. The corporate family rating has been downgraded by 2 notches.

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

Name of the Company	Credit Rating Agency	Type of Credit Rating	Existing	Revised
Tata Steel Limited	Moody's	Long term corporate family rating (CFR)	Ba1	Ba3
Tata Steel UK Holdings Ltd		Long term corporate family rating (CFR)	B2	B3
Tata Steel UK Holdings Ltd		Probability of default rating	B2-PD	B3-PD

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
Parvatheesam K
Company Secretary

Encl: As Above

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's downgrades Tata Steel to Ba3 from Ba1 and TSUKH to B3 from B2; outlook negative

Global Credit Research - 11 Feb 2016

Singapore, February 11, 2016 -- Moody's Investors Service has downgraded Tata Steel Limited's (Tata Steel) corporate family rating (CFR) by two notches to Ba3 from Ba1.

At the same time, Moody's has downgraded Tata Steel UK Holdings Limited's (TSUKH) CFR and probability of default rating to B3/B3-PD from B2/B2-PD.

The outlook on all ratings is negative.

RATINGS RATIONALE

"The rating actions reflect the weaker-than-expected operating performance of Tata Steel in its key operating markets of India, Europe and Southeast Asia as a result of persistently weak steel prices. Furthermore, with no respite expected from the downward pressure on international steel prices, we anticipate the company's leverage and coverage metrics to remain weakly positioned for the next 12 to 18 months," says Kaustubh Chaubal, a Moody's Vice President and Senior Analyst.

Consolidated reported leverage -- as indicated by debt/reported EBITDA -- stood at approximately 9x at end-December 2015, which is well beyond the tolerance level for a Ba category rating.

Tata Steel's results for the nine months of the fiscal year ending March 2016 (April -- December 2015) were extremely weak, with reported consolidated revenue of INR876.4 billion and consolidated underlying EBITDA of INR56.2 billion, down 17% and 49% respectively from a year ago.

Tata Steel's India (TSI) business revenues and underlying EBITDA were also down 11% and 38% respectively, at INR276.9 billion and INR52 billion, over the same period. TSI accounts for approximately 32% of consolidated revenue and 92% of underlying EBITDA. On a standalone basis TSI's leverage -- as measured by adjusted debt to EBITDA - was approximately 6.5x at December 2015.

The rating action also incorporates the impact of the recent Government of India (Baa3 positive) announcement of the imposition of a minimum import price (MIP) on certain grades of steel shipped into the country for a six-month period.

"While earlier measures by the government -- in the form of increases in import duties and the imposition of a 20% safeguard duty on certain categories of HRC -- had proved inadequate, we expect the MIP to be more effective, given it covers some 173 grades of steel imports and the setting of minimum prices for such imports. This measure should allow domestic steel companies to raise prices, although gradually," says Chaubal, who is also Moody's Lead Analyst for Tata Steel and TSUKH.

Moody's notes that Tata Steel has effected a price increase of INR1,500/tonne (approximately $22) since the announcement of the MIP. Such price increases -- combined with the 3 mtpa Kalinganagar operation coming online -- will result in an improvement in TSI's operating performance in FY2017.

"That said, the continuing weak operating performance of Tata Steel's European and Southeast Asian operations, and the group's debt-laden balance sheet, will moderate any correction in leverage. We forecast consolidated debt/EBITDA for FY2017 to be around 6.5x-7.5x," adds Chaubal.

Tata Steel's European operations reported net revenue of INR511.5 billion for April-December 2015, down 15%, and an underlying EBITDA loss of INR2.41 billion versus EBITDA of INR32 billion over last year.

The downgrade of TSUKH's ratings reflects: (1) the downgrade of parent Tata Steel's ratings to Ba3 from Ba1; (2) the challenging industry conditions evident in Europe, with a stressed pricing environment caused by high levels of competition from cheaper imported products from Asia and Russia; and (3) our expectation that TSUKH's credit profile will remain weak, with leverage in double digits, given current depressed steel prices and weak utilization rates. At the same time, TSUKH's ratings continue to benefit from a two-notch uplift for support from Tata Steel.

Tata Steel remains one of the principal operating entities within the Tata Group. Moody's favorably notes that Tata Sons' (unrated) participation in acquiring some of the Tata group holdings from Tata Steel earlier this year -- as a demonstration of financial support -- is already reflected in the one-notch rating uplift to Tata Steel's ratings.

Notwithstanding the recent positive measures implemented by the Indian government for the domestic steel sector, the negative outlook for all the ratings reflects our expectation that global market conditions will remain challenging, with a further risk to the downside, and that Tata Steel's consolidated credit metrics will remain pressured for the next 12 to 18 months.

Moody's could downgrade Tata Steel's rating if: (1) its profitability remains weak, with consolidated EBIT margins below 5% on a sustained basis because of a lack of improvement in EBITDA/tonne; (2) its ability to generate operating cash flows deteriorates because of weak sales and unfavorable market dynamics; or (3) its financial metrics fail to show any signs of improvement over the next few months.

Specific financial indicators which Moody's would consider for a downgrade include adjusted debt/EBITDA remaining above 6.5x, or EBIT/interest coverage remaining below 1.5x.

An upgrade of Tata Steel's rating is unlikely in the near term, given today's multi-notch downgrade and the negative outlook, and our expectation that the industry's challenging conditions will keep the company's credit metrics weakly positioned for the rating.

However, we could change the outlook on Tata Steel's CFR to stable if: (1) domestic steel prices continue on their recovery path, or -- on the back of an increase in steel volumes -- Tata Steel shows a substantial improvement in profitability, with consolidated EBITDA/tonne in the INR6,000 -- INR7,000 range; or (2) the company is successful in preserving cash flow during the current downturn by cutting capex, such that free cash flows turn positive.

Adjusted consolidated leverage trending towards 4.5-5.0x would constitute a leading indicator for a change in the outlook for Tata Steel's CFR.

As to TSUKH's ratings, given today's downgrade, we do not anticipate any positive rating pressure. Moreover, the sale of the long products business and erasing the negative EBITDA impact of its UK facilities on TSUKH's credit metrics would be critical for us to consider revising the outlook to stable.

Credit metrics that would support such an action include adjusted debt/EBITDA trending towards 7.0x and EBIT/interest coverage of at least 1x, on a sustained basis.

We could downgrade TSUKH's ratings further if there is a prolonged deterioration in market conditions in Europe, such that TSUKH is unable to return its EBITDA to positive over the next few months. A failure to adequately recapitalize the business or inability to access bank lines could also result in further negative ratings pressure. Any revision in our support assumptions from Tata Steel could also lead to a ratings downgrade.

The principal methodology used in these ratings was the Global Steel Industry methodology published in October 2012. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

Tata Steel Limited is an integrated steel company headquartered in Mumbai. It acquired the operations of Corus plc -- now known as Tata Steel UK Holdings Limited -- in January 2007.

In FY2015, Tata Steel's business spanned 24 countries. It is one of the leading steel makers globally, with crude steel production of 26.85 million tonnes in FY2015. Jamshedpur in India produced some 9.07 mt, while its European operations and Southeast Asian operations added 15.17 mt and 2.61 mt respectively, in FY2015.

Production from the company's greenfield expansion at Odisha -- with 3 mtpa in capacity -- is expected to commence in FY2017.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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