January 12, 2021

Tata Steel Limited: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Commercial Paper Programme	15,000.00	15,000.00	[ICRA]A1+ outstanding
Total	**15,000.00**	**15,000.00**	

**Instrument details are provided in Annexure 1;*

Material Event

On January 1, 2021, Tata Steel Limited (TSL) announced the completion of transfer of its 51% stake in Jamshedpur Continuous Annealing and Processing Company Private Limited (JCAPCPL, rated [ICRA]A1+) and its 50% stake in Tata BlueScope Steel Private Limited (TBSPL) to Tata Steel Downstream Products Limited (TSDPL, rated [ICRA]AA- (Stable)/ [ICRA]A1+), a wholly-owned subsidiary of TSL. As a consideration, TSL has received 17,40,77,940 fresh shares of TSDPL[1] for transferring its 51% stake in JCAPCPL and 50% stake in TBSPL.

Impact of the Material Event

TSL's short-term rating remains unchanged at [ICRA]A1+ as the above event does not have any material impact on the credit profile of the company in ICRA's opinion. TSL is reorganising its India business into four clusters with a view to simplify its corporate structure. ICRA understands that TSDPL has been identified as the anchor entity for downstream business. Accordingly, TSL's investments held in JCAPCPL & TBSPL have been transferred to TSDPL, and it continues to be a wholly-owned subsidiary of TSL.

The previous detailed rating rationale is available on the following link: [Click here]

[1] TSDPL equity valued at Rs. 129/share by an independent valuer

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About ICRA Limited:

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