August 30, 2019

Tata Steel Limited: Rating reaffirmed

Summary of rating action

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

**Instrument details are provided in Annexure-1*

Rationale

The rating reaffirmation takes into account Tata Steel Limited's (TSL) status as a strategically important entity of the Tata Group, and the demonstrated support from the promoter, Tata Sons Private Limited (TSPL, rated [ICRA]AAA (Stable)/ [ICRA]A1+), strengthening TSL's credit profile. TSL enjoys a high degree of financial flexibility for Being a part of the Tata Group. TSL's rating further factors in its 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, which not only imparts cost-efficiency, but also partially hedges the company's profits against volatility in raw material prices. TSL's captive mines meet 100% and 30% of the company's domestic iron ore and coking coal requirements respectively, 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 Tata Steel Group completed an aggressive domestic inorganic expansion in FY2019, which saw its domestic steelmaking capacity increase from 13 million tonne per annum (mtpa) to 19.6-mtpa, supported by the acquisitions of the erstwhile Bhushan Steel Limited (now renamed Tata Steel BSL Limited, TSBSL) and steelmaking assets of Usha Martin Limited (UML). TSBSL has an attractive product portfolio in the flat product segment, with a substantial presence among institutional customers spread across automotive, white-goods and engineering sectors. In its first year of operation under the Tata Steel management, the 5.6 mtpa integrated steel plant of TSBSL at Meramandali (in Odisha) has seen its capacity utilisation rate increasing to over 70% in FY2019 from less than 55% during the pre-acquisition period, helping it contribute around 10% to the consolidated Group EBITDA[1] in FY2019. ICRA expects TSBSL's capacity utilisation rates to further improve in FY2020 as well, which coupled with the ongoing cost reduction measures would support earnings growth for TSBSL in the current fiscal as well even in a scenario of softer steel spreads.

In addition to the inorganic acquisitions, TSL is undertaking a 5-mtpa brownfield expansion at Kalinganagar, which is expected to exert pressure on the free cash flows, leverage, and coverage indicators in the medium term, and exposes the company to execution risks as well. However, these growth plans provide an opportunity to have a greater footprint in the growing domestic market. The short-term rating also reflects TSL's low and volatile profitability from TSL's international operations. ICRA notes that TSL's European steel business witnessed a sharp drop in profitability in Q1 FY2020, primarily led by a contraction in EU[2] steel spreads amid concerns over a slowdown in economic growth in TSL's key markets in the Euro region. ICRA notes that the operating environment for the UK steel business remains

[1] Earnings before interest, tax, depreciation and amortisation
[2] European Union

challenging, given the added uncertainty surrounding Brexit. After the JV with thyssenkrupp AG was called off in May 2019, a structural resolution for a sustainable European operation is awaited and remains a key driver of the consolidated profits and accruals.

The short-term rating also incorporates TSL's exposure to regulatory risks, given its presence in the highly regulated iron ore and coal mining operations, and the inherent cyclicality in the steel industry, leading to volatility in earnings. ICRA notes that TSL's consolidated operating margins contracted from 17.9% in Q1 FY2019 to 15.0% in Q1 FY2020, and given the further weakness in steel prices in the current quarter, the profitability is expected to sequentially weaken further in Q2 FY2020 as well. However, ICRA expects domestic steel demand conditions to be better in the second half of the current fiscal, which is expected to shore up TSL's profitability to an extent. TSL's rating also incorporates its exposure to forex risks, given that around 56% of its consolidated debt (as on March 31, 2019) is denominated in foreign currency, whereas around 80% of the consolidated FY2019 EBITDA is generated from the Indian operations of TSL and its subsidiaries. However, the close linkages between dollar movements and steel prices provide a natural hedge to TSL, partly mitigating forex risks. Going forward, ICRA expects TSL's liquidity profile to remain adequate, supported by the strong underlying earnings from the Indian steel business, high financial flexibility, and a sizeable liquidity headroom of Rs. 15,284-crore as on March 31, 2019, comprising a combination of undrawn bank lines and cash and liquid investments.

Outlook: NA

Key rating drivers and their description

Credit strengths

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 it enjoys a strong relationship with the banking ecosystem, which strengthens its credit profile. The rating assigned to TSL factors in the high likelihood of its parent, TSPL, extending financial support to TSL. ICRA notes that there has been a demonstrated track record of TSPL extending timely financial support to TSL in the past, as evident during the rights issue of Rs. 12,800-crore[3] 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.

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 cycle[4]. TSL India procures 100% of its iron ore requirement and around 30% 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. TSL is in the process of ramping up its captive iron ore production from the Khondbond iron ore mine from the prevailing 3 million tonne per annum (mtpa) to 8 mtpa. Additionally, Tata Steel Long Products Ltd. (erstwhile Tata Sponge Ltd.) during Q1 FY2020 has completed the registration and transfer of the Vijaya-2 iron ore mine and obtained required statutory approvals for operationalising the same. These measures are expected to help the steelmaker ensure iron ore security for the newly acquired steel plants of

[3] Comprising Rs. 8,000 crore fully paid shares issued at Rs. 510/share and Rs. 4,800 crore partly paid shares issued at Rs. 615/share of which Rs. 154/share has already been received upfront and the balance Rs. 461/share is callable later

[4] TSL's standalone steel business consistently reported healthy underlying EBITDA in the range of US$ 162/MT- US$ 235/MT of steel deliveries between FY2017 and FY2019

TSBSL (installed capacity of 5.6 mtpa) and Tata Steel Long Products Ltd. (installed capacity of 1 mtpa), leading to substantial cost savings.

Large scale of operations globally with a wide distribution reach – TSL has a high market share in the Eastern and Northern regions of India and its utilisation rate of its 13-mtpa domestic standalone capacity remained at 102% in FY2019. Globally, TSL stood as the 11th largest steel producer in CY2018, having a crude steel production of 27.3 million tonne (mt)[5], with operations spread across 26 countries and commercial presence in 50 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.

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 are in the value-added product categories, which fetch higher realisations, and in turn support its profitability. TSL has an established position in the domestic automobile flat product segment, with a market share of 42%. With the acquisition of Bhushan Steel and the alloy steel business of Usha Martin Limited, the Tata Steel Group is expected to further consolidate its leadership position in the domestic automotive market. 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.

Steady ramp-up in operations at TSBSL to support consolidated earnings and cash accruals – TSL has been steadily ramping up operations at the 5.6-mtpa integrated steel plant of TSBSL. In its first year of operations under the Tata Steel management, the company has generated a healthy EBITDA of Rs. 3,033-crore, supported by a steady ramp-up in operations, more than 30% improvement in PCI injection rates, and lower power consumption. In the current fiscal, ICRA expects the plant's capacity utilisation rates to remain in the range of 70-75%, which along with further reduction in power cost due to the acquisition of Bhushan Energy Limited in May 2019, is expected to help mitigate the impact of lower steel spreads to a large extent.

TSL has announced the merger of TSBSL with TSL, and the transaction would be concluded subject to regulatory approvals. The management has guided that given the synergies between TSL and TSBSL, the structural cost savings that could be realised would be around Rs. 1,500-crore annually.

Credit challenges

Volatile and low profitability from international operations; significant deterioration in performance of the European business in the current fiscal - TSL has been reporting low and volatile profitability from the European and South-East Asian operations. Tata Steel Europe has two large steelmaking hubs, one in the Netherlands (7.3 mtpa steel plant at Ijmuiden), and another in the United Kingdom (5.1-mtpa steel plant at Port Talbot). The Ijmuiden plant remains one of the lowest-cost steel producers in Europe, with self-sustaining operations. However, profitability from TSL's UK operations is constrained by factors such as a lack of captive raw material sources, intense competition from imports, high employee and power costs, and regulatory charges for CO_2 emissions. The UK steel business is yet to achieve cash-breakeven.

[5] Source: World Steel Association

In FY2019, TSL's European business generated an EBITDA of Rs. 5,414-crore (~US$ 80/MT[6] of steel deliveries), registering a YoY increase of 43%, supported by one-off gains from the bulk sale of emission receipts as well as profits derived from the sale of property. However, in the current fiscal, the performance of the European business has witnessed marked deterioration, with EBITDA/MT declining to just US$ 4/MT in Q1 FY2020, primarily led by a contraction in steel spreads amid concerns of a slowdown in economic growth in TSL's key markets in the Euro region. ICRA notes that the operating environment for the UK business remains especially challenging given the added uncertainty surrounding Brexit. With around 35-40% of the turnover of the UK business being met from exports, UK's trade relations with the rest of the world post its separation from the European Union, movement of the pound with respect to other major currencies, and the health of UK's steel intensive end-user industries would remain key drivers for a turnaround of the UK steel business.

Aggressive debt-funded domestic growth plans to expose the company to execution risks and exert pressure on the debt coverage metrics in the medium term – The Tata Steel Group has actively participated in the ongoing stressed asset resolution process of steel companies. In May 2018, TSL has acquired a 72.65% controlling stake in TSBSL for a consideration of Rs. 35,232.6-crore for its 5.6-mtpa integrated steel plant at Odisha. Subsequently, in April 2019, TSL has acquired the 1-mtpa alloy steel business of Usha Martin Limited for a consideration of around Rs. 4,350-crore (including stamp duty). In addition, the company is currently undertaking a 5-mtpa brownfield expansion at Kalinganagar Phase II at a budgeted cost of around Rs. 23,500-crore. Given these sizeable debt-funded capacity addition plans, TSL's debt coverage metrics and free cash flows are expected to remain suppressed in the near to medium term. On the back of a correction in domestic and global steel prices in FY2020 thus far, TSL's consolidated earnings and debt protection metrics are expected to be weaker than our earlier estimates. Consequently, ICRA expects TSL's consolidated total debt/OPBITDA[7] to remain in the range of 4.0- 4.5 times in FY2020, weaker than the earlier estimate of 3.4 times for the year, and a reported 3.3 times in FY2019. In FY2020, ICRA also expects a deterioration of the consolidated interest cover from 3.8 times in FY2019 to around 2.5 – 3.0 times in FY2020. However, these expansion plans present an opportunity to increase TSL's market share in the growing domestic market. Moreover, ICRA notes that the ongoing Phase II brownfield expansion at Kalinganagar includes a 2.2-mtpa cold rolling mill and a pellet plant, which are expected to support an improvement in profitability due to greater value addition and cost savings.

Inherent cyclicality of 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 mitigates earnings volatility for the India 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 disruption in FY2015 and FY2016 due to regulatory issues, and the company resorted to external purchases during that period. Also, the company had to pay compensations to the State Government towards excess mining of iron and manganese ore in Odisha following the order of the Hon'ble Supreme Court.

Exposure to forex risks - Around 56% of TSL's consolidated debt (as on March 31, 2019) was denominated in foreign currency. This exposes TSL to forex risks, more so because of the reliance on Indian operations to partly service debt obligations of overseas subsidiaries. However, the close linkages between dollar movements and steel prices provide a natural hedge to TSL, partly mitigating forex risks.

Liquidity position

[6] Excluding the one-off gains, the EBITDA/MT from the European business stood at around US$ 49/MT in FY2019

[7] Operating profits before interest, tax, depreciation, amortisation

TSL has targeted to take its domestic steelmaking capacity from the prevailing 19.6-mtpa to 30-mtpa in 2025, which includes the ongoing Kalinganagar Phase II expansion. Given the sizeable capex plans, TSL's free cash flows are expected to remain subdued or in the negative territory over the near to medium term. TSL's senior facility arrangement (SFA) accumulating to around Rs. 17,425-crore as on March 31, 2019 is due for repayment between FY2020 and FY2022, which leads to a rise in scheduled debt maturity in the medium term. ICRA notes that in the past, in CY2010, and again in CY2014, the company had refinanced the SFA facilities in Europe, and given the ongoing capital commitments for the Kalinganagar Phase II, refinancing of the SFA would support the company's free cash flows after debt repayment in the near to medium term.

In FY2020, on a consolidated basis, TSL has scheduled debt service obligations of around Rs. 9,700-crore, budgeted capex of around Rs. 8,300-crore[8], and some planned investments in associates and JVs, against which ICRA expects the consolidated net cash accruals to be around Rs. 11,800-crore, leading to an external financing requirement of around Rs. 6,250-crore. ICRA notes that this requirement can be comfortably met from TSL's existing on-tap available liquidity of Rs. 15,284-crore, comprising of a mix of cash and liquid investments and sanctioned undrawn bank lines. In addition, TSL's liquidity profile is further supported by its high financial flexibility, as reflected by its ability to raise borrowings at competitive interest rates.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Ferrous Metals Entities
Parent/Group Support	Parent Company: Tata Sons Private Limited (TSPL) ICRA expects TSPL 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 TSPL and TSL also 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. As on March 31, 2019, the Company had 237 subsidiaries/step-down subsidiaries, 28 JVs and 26 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 33.1 mt. The company has 19.6 mt of crude steel capacity in India, and the remaining capacity mainly in Europe. TSL has targeted to increase its domestic steel capacity to 30 mtpa by 2025. In addition to the acquisition of BSL, 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 and Singapore. 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.

In FY2019, the company reported a consolidated net profit of Rs. 9,098.3 crore on an operating income of Rs. 1,67,301.5 crore compared to a consolidated net profit of Rs. 17,762.8 crore on an operating income of Rs. 1,32,314.9 crore in the previous year.

[8] Excludes Rs. 4,340 crore acquisition funding of Usha Martin's steel business

Key consolidated financial indicators (audited)

	FY2018	FY2019	Q1 FY2020
Operating Income (Rs. crore)	1,32,314.9	1,67,301.5	35,947.1
PAT (Rs. crore)	17,762.8	9,098.3	702.0
OPBDIT/OI (%)	16.6%	18.2%	15.0%
RoCE (%)	19.8%	14.6%	-
Total Outside Liabilities/Tangible Net Worth + Minority Interest (times)[9]	2.5	2.4	-
Total Debt/OPBDIT (times)	4.2	3.3	5.0
Interest Coverage (times)	3.9	3.8	3.0
DSCR	2.4	2.2	-

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2020)					Rating History for the Past 3 Years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Rating	Rating	FY2019	FY2018	FY2017
					30-Aug-2019	21-May-2019	09-Jul-2018	28-Sep-2017	-
1	Commercial Paper	Short Term	15,000.00	4,750.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-

Amount in Rs. crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

[9] Assuming 90% equity credit for Rs. 2,500-crore perpetual hybrid securities

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE081A14AC1	Commercial Paper	21-Aug-19	NA	30-Sep-19	1000.00	[ICRA]A1+
INE502K07049	Commercial Paper	19-Aug-19	NA	30-Sep-19	750.00	[ICRA]A1+
INE081A14999	Commercial Paper	08-Aug-19	NA	30-Aug-19	1000.00	[ICRA]A1+
INE081A14AB3	Commercial Paper	31-Jul-19	NA	13-Sep-19	1500.00	[ICRA]A1+
INE081A14999	Commercial Paper	09-Jul-19		30-Aug-19	500.00	[ICRA]A1+
-	Commercial Paper – Unplaced	-	-	-	10,250.00	[ICRA]A1+

NA: Not Available *Source: NSDL*

Annexure-2: List of entities considered for consolidated analysis (as on 31.03.2019)

Sr. No.	Company Name	Ownership	Consolidation Approach
	Subsidiary and step-down subsidiaries		
1	ABJA Investment Co. Pte Ltd.	100.00%	Full Consolidation
2	Adityapur Toll Bridge Company Limited	88.50%	Full Consolidation
3	Tata Steel Special Economic Zone Limited	100.00%	Full Consolidation
4	The Indian Steel & Wire Products Ltd	95.01%	Full Consolidation
5	Jamshedpur Utilities & Services Company Limited	100.00%	Full Consolidation
6	Haldia Water Management Limited	60.00%	Full Consolidation
7	Kalimati Global Shared Services Limited	100.00%	Full Consolidation
8	Mohar Export Services Pvt Ltd	66.46%	Full Consolidation
9	NatSteel Asia Pte. Ltd.	100.00%	Full Consolidation
10	TS Asia (Hong Kong) Ltd.	100.00%	Full Consolidation
11	Rujuvalika Investments Limited	100.00%	Full Consolidation
12	T S Alloys Limited	100.00%	Full Consolidation
13	Tata Korf Engineering Services Ltd	100.00%	Full Consolidation
14	Tata Metaliks Ltd.	55.06%	Full Consolidation
15	Tata Steel Long Products Ltd (erstwhile Tata Sponge Iron Ltd.)	54.50%	Full Consolidation
16	TSIL Energy Limited	100.00%	Full Consolidation
17	Tata Steel (KZN) (Pty) Ltd.$	90.00%	Full Consolidation
18	T Steel Holdings Pte. Ltd.	100.00%	Full Consolidation
19	T S Global Holdings Pte. Ltd.	100.00%	Full Consolidation
20	Orchid Netherlands (No.1) B.V.	100.00%	Full Consolidation
21	NatSteel Holdings Pte. Ltd.	100.00%	Full Consolidation
22	Easteel Services (M) Sdn. Bhd.	100.00%	Full Consolidation
23	Eastern Steel Fabricators Philippines, Inc.	67.00%	Full Consolidation
24	NatSteel (Xiamen) Ltd.	100.00%	Full Consolidation
25	NatSteel Recycling Pte Ltd.	100.00%	Full Consolidation
26	NatSteel Trade International Pte. Ltd.	100.00%	Full Consolidation
27	NatSteel Vina Co. Ltd.	56.50%	Full Consolidation
28	The Siam Industrial Wire Company Ltd.	100.00%	Full Consolidation

29	TSN Wires Co. Ltd.	60.00%	Full Consolidation
30	Tata Steel Europe Limited	100.00%	Full Consolidation
31	Apollo Metals Limited	100.00%	Full Consolidation
32	Automotive Laser Technologies Limited	100.00%	Full Consolidation
33	Beheermaatschappij Industriele Produkten B.V	100.00%	Full Consolidation
34	Bell & Harwood Limited	100.00%	Full Consolidation
35	Blastmega Limited	100.00%	Full Consolidation
36	Bore Samson Group Limited	100.00%	Full Consolidation
37	Bore Steel Limited	100.00%	Full Consolidation
38	British Guide Rails Limited	100.00%	Full Consolidation
39	British Steel Corporation Limited	100.00%	Full Consolidation
40	British Steel Directors (Nominees) Limited	100.00%	Full Consolidation
41	British Steel Engineering Steels (Exports) Limited	100.00%	Full Consolidation
42	British Steel Nederland International B.V.	100.00%	Full Consolidation
43	British Steel Service Centres Limited	100.00%	Full Consolidation
44	British Tubes Stockholding Limited	100.00%	Full Consolidation
45	C V Benine	76.92%	Full Consolidation
46	C Walker & Sons Limited	100.00%	Full Consolidation
47	Catnic GmbH	100.00%	Full Consolidation
48	Catnic Limited	100.00%	Full Consolidation
49	CBS Investissements SAS	100.00%	Full Consolidation
50	Cogent Power Inc.	100.00%	Full Consolidation
51	Tata Steel Mexico SA de CV	100.00%	Full Consolidation
52	Cogent Power Inc.	100.00%	Full Consolidation
53	Cogent Power Limited	100.00%	Full Consolidation
54	Color Steels Limited	100.00%	Full Consolidation
55	Corbeil Les Rives SCI	67.30%	Full Consolidation
56	Corby (Northants) & District Water Company Limited	100.00%	Full Consolidation
57	Cordor (C& B) Limited	100.00%	Full Consolidation
58	Corus CNBV Investments	100.00%	Full Consolidation
59	Corus Cold drawn Tubes Limited	100.00%	Full Consolidation
60	Corus Engineering Steels (UK) Limited	100.00%	Full Consolidation
61	Corus Engineering Steels Holdings Limited	100.00%	Full Consolidation
62	Corus Engineering Steels Limited	100.00%	Full Consolidation
63	Corus Engineering Steels Overseas Holdings Limited	100.00%	Full Consolidation
64	Corus Engineering Steels Pension Scheme Trustee Limited	100.00%	Full Consolidation
65	Corus Group Limited	100.00%	Full Consolidation
66	Corus Holdings Limited	100.00%	Full Consolidation
67	Corus International (Overseas Holdings) Limited	100.00%	Full Consolidation
68	Corus International Limited	100.00%	Full Consolidation
69	Corus International Romania SRL.	100.00%	Full Consolidation
70	Corus Investments Limited	100.00%	Full Consolidation
71	Corus Ireland Limited	100.00%	Full Consolidation
72	Corus Large Diameter Pipes Limited	100.00%	Full Consolidation

73	Corus Liaison Services (India) Limited	100.00%	Full Consolidation
74	Corus Management Limited	100.00%	Full Consolidation
75	Corus Primary Aluminium B.V.	100.00%	Full Consolidation
76	Corus Property	100.00%	Full Consolidation
77	Corus Service Centre Limited	100.00%	Full Consolidation
78	Corus Steel Service STP LLC	100.00%	Full Consolidation
79	Corus Tubes Poland Spolka Z.O.O	100.00%	Full Consolidation
80	Corus UK Healthcare Trustee Limited	100.00%	Full Consolidation
81	Corus Ukraine Limited Liability Company	100.00%	Full Consolidation
82	CPN (85) Limited	100.00%	Full Consolidation
83	Crucible Insurance Company Limited	100.00%	Full Consolidation
84	Degels GmbH	100.00%	Full Consolidation
85	Demka B.V.	100.00%	Full Consolidation
86	DSRM Group Plc.	100.00%	Full Consolidation
87	Esmil B.V.	100.00%	Full Consolidation
88	Europressings Limited	100.00%	Full Consolidation
89	Firsteel Group Limited	100.00%	Full Consolidation
90	Firsteel Holdings Limited	100.00%	Full Consolidation
91	Fischer Profil GmbH	100.00%	Full Consolidation
92	Gamble Simms Metals Limited	100.00%	Full Consolidation
93	Grant Lyon Eagre Limited	100.00%	Full Consolidation
94	H E Samson Limited	100.00%	Full Consolidation
95	Hadfields Holdings Limited	100.00%	Full Consolidation
96	Halmstad Steel Service Centre AB	100.00%	Full Consolidation
97	Hammermega Limited	100.00%	Full Consolidation
98	Harrowmills Properties Limited	100.00%	Full Consolidation
99	Hille & Muller GmbH	100.00%	Full Consolidation
100	Hille & Muller USA Inc.	100.00%	Full Consolidation
101	Hoogovens USA Inc.	100.00%	Full Consolidation
102	Huizenbezit 'Breesaap' B.V.	100.00%	Full Consolidation
103	Inter Metal Distribution SAS	100.00%	Full Consolidation
104	Layde Steel S.L.	100.00%	Full Consolidation
105	Lister Tubes Limited	100.00%	Full Consolidation
106	London Works Steel Company Limited	100.00%	Full Consolidation
107	Midland Steel Supplies Limited	100.00%	Full Consolidation
108	Montana Bausysteme AG	100.00%	Full Consolidation
109	Naantali Steel Service Centre OY	100.00%	Full Consolidation
110	Nationwide Steelstock Limited	100.00%	Full Consolidation
111	Norsk Stal Tynnplater AS	100.00%	Full Consolidation
112	Norsk Stal Tynnplater AB	100.00%	Full Consolidation
113	Orb Electrical Steels Limited	100.00%	Full Consolidation
114	Ore Carriers Limited	100.00%	Full Consolidation
115	Oremco Inc.	100.00%	Full Consolidation
116	Plated Strip (International) Limited	100.00%	Full Consolidation

117	Precoat International Limited	100.00%	Full Consolidation
118	Precoat Limited	100.00%	Full Consolidation
119	Rafferty-Brown Steel Co Inc Of Conn.	100.00%	Full Consolidation
120	Round Oak Steelworks Limited	100.00%	Full Consolidation
121	Runblast Limited	100.00%	Full Consolidation
122	Runmega Limited	100.00%	Full Consolidation
123	S A B Profiel B.V.	100.00%	Full Consolidation
124	S A B Profil GmbH	100.00%	Full Consolidation
125	Seamless Tubes Limited	100.00%	Full Consolidation
126	Service Center Gelsenkirchen GmbH	100.00%	Full Consolidation
127	Service Centre Maastricht B.V.	100.00%	Full Consolidation
128	Societe Europeenne De Galvanisation (Segal) Sa	100.00%	Full Consolidation
129	Staalverwerking en Handel B.V.	100.00%	Full Consolidation
130	Steel StockHoldings Limited	100.00%	Full Consolidation
131	Steelstock Limited	100.00%	Full Consolidation
132	Stewarts & Lloyds Of Ireland Limited	100.00%	Full Consolidation
133	Stewarts And Lloyds (Overseas) Limited April 2, 2007	100.00%	Full Consolidation
134	Surahammar Bruks AB	100.00%	Full Consolidation
135	Swinden Housing Association Limited^^	100.00%	Full Consolidation
136	Tata Steel Belgium Packaging Steels N.V.	100.00%	Full Consolidation
137	Tata Steel Belgium Services N.V.	100.00%	Full Consolidation
138	Tata Steel Denmark Byggsystemer A/S	100.00%	Full Consolidation
139	Tata Steel Europe Distribution BV	100.00%	Full Consolidation
140	Tata Steel Europe Metals Trading BV	100.00%	Full Consolidation
141	Tata Steel France Batiment et Systemes SAS	100.00%	Full Consolidation
142	Tata Steel France Holdings SAS	100.00%	Full Consolidation
143	Tata Steel Germany GmbH	100.00%	Full Consolidation
144	Tata Steel IJmuiden BV	100.00%	Full Consolidation
145	Tata Steel International	100.00%	Full Consolidation
146	Tata Steel International (Americas) Inc	100.00%	Full Consolidation
147	Tata Steel International (Canada) Holdings Inc	100.00%	Full Consolidation
148	Tata Steel International (Czech Republic) S.R.O	100.00%	Full Consolidation
149	Tata Steel International (Denmark) A/S	100.00%	Full Consolidation
150	Tata Steel International (Finland) OY	100.00%	Full Consolidation
151	Tata Steel International (France) SAS	100.00%	Full Consolidation
152	Tata Steel International (Germany) GmbH	100.00%	Full Consolidation
153	Tata Steel International (South America) Representações LTDA	100.00%	Full Consolidation
154	Tata Steel International (Italia) SRL	100.00%	Full Consolidation
155	Tata Steel International (Middle East) FZE	100.00%	Full Consolidation
156	Tata Steel International (Nigeria) Limited	100.00%	Full Consolidation
157	Tata Steel International (Poland) sp Zoo	100.00%	Full Consolidation
158	Tata Steel International (Schweiz) AG	100.00%	Full Consolidation
159	Tata Steel International (Sweden) AB	100.00%	Full Consolidation
160	Tata Steel International (India) Limited	100.00%	Full Consolidation

161	Tata Steel International Iberica SA	100.00%	Full Consolidation
162	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	100.00%	Full Consolidation
163	Tata Steel Maubeuge SAS	100.00%	Full Consolidation
164	Tata Steel Nederland BV	100.00%	Full Consolidation
165	Tata Steel Nederland Consulting & Technical Services BV	100.00%	Full Consolidation
166	Tata Steel Nederland Services BV	100.00%	Full Consolidation
167	Tata Steel Nederland Star-Frame BV	100.00%	Full Consolidation
168	Tata Steel Nederland Technology BV	100.00%	Full Consolidation
169	Tata Steel Nederland Tubes BV	100.00%	Full Consolidation
170	Tata Steel Netherlands Holdings B.V.	100.00%	Full Consolidation
171	Tata Steel Norway Byggsystemer A/S	100.00%	Full Consolidation
172	Tata Steel Sweden Byggsystem AB	100.00%	Full Consolidation
173	Tata Steel UK Consulting Limited	100.00%	Full Consolidation
174	Tata Steel UK Holdings Limited	100.00%	Full Consolidation
175	Tata Steel UK Limited	100.00%	Full Consolidation
176	Tata Steel USA Inc.	100.00%	Full Consolidation
177	The Newport And South Wales Tube Company Limited	100.00%	Full Consolidation
178	The Stanton Housing Company Limited	100.00%	Full Consolidation
179	The Templeborough Rolling Mills Limited	100.00%	Full Consolidation
180	Thomas Processing Company	100.00%	Full Consolidation
181	Thomas Steel Strip Corp.	100.00%	Full Consolidation
182	Toronto Industrial Fabrications Limited	100.00%	Full Consolidation
183	TS South Africa Sales Office Proprietary Limited	100.00%	Full Consolidation
184	Tulip UK Holdings (No.2) Limited	100.00%	Full Consolidation
185	Tulip UK Holdings (No.3) Limited	100.00%	Full Consolidation
186	U.E.S. Bright Bar Limited	100.00%	Full Consolidation
187	UK Steel Enterprise Limited	100.00%	Full Consolidation
188	UKSE Fund Managers Limited	100.00%	Full Consolidation
189	Unitol SAS	100.00%	Full Consolidation
190	Walker Manufacturing And Investments Limited	100.00%	Full Consolidation
191	Walkersteelstock Ireland Limited	100.00%	Full Consolidation
192	Walkersteelstock Limited	100.00%	Full Consolidation
193	Westwood Steel Services Limited	100.00%	Full Consolidation
194	Whitehead (Narrow Strip) Limited	100.00%	Full Consolidation
195	British Steel Trading Limited	100.00%	Full Consolidation
196	T S Global Minerals Holdings Pte Ltd.	100.00%	Full Consolidation
197	Al Rimal Mining LLC	70.00%	Full Consolidation
198	Kalimati Coal Company Pty. Ltd.	100.00%	Full Consolidation
199	TSMUK Limited	100.00%	Full Consolidation
200	T S Canada Capital Ltd	100.00%	Full Consolidation
201	Tata Steel Minerals Canada Limited	77.68%	Full Consolidation
202	Tata Steel International (Singapore) January 25, 2008	100.00%	Full Consolidation
203	Tata Steel International (Singapore) Pte. Ltd.	100.00%	Full Consolidation
204	Tata Steel International (Asia) Limited	100.00%	Full Consolidation

205	Tata Steel International (Shanghai) Ltd.	100.00%	Full Consolidation
206	Tata Steel (Thailand) Public Company Ltd.	67.90%	Full Consolidation
207	N.T.S Steel Group Plc.	99.76%	Full Consolidation
208	The Siam Construction Steel Co. Ltd.	99.99%	Full Consolidation
209	The Siam Iron And Steel (2001) Co. Ltd.	99.99%	Full Consolidation
210	T S Global Procurement Company Pte. Ltd.	100.00%	Full Consolidation
211	ProCo Issuer Pte. Ltd.	100.00%	Full Consolidation
212	Tata Steel Odisha Limited	100.00%	Full Consolidation
213	Tata Steel Processing and Distribution Limited	100.00%	Full Consolidation
214	Tayo Rolls Limited	54.91%	Full Consolidation
215	The Tata Pigments Limited	100.00%	Full Consolidation
216	The Tinplate Company of India Ltd	74.96%	Full Consolidation
217	Tata Steel Foundation	100.00%	Full Consolidation
218	Jamshedpur Football and Sporting PrivateLimited	100.00%	Full Consolidation
219	Sakchi Steel Limited	100.00%	Full Consolidation
220	Jugsalai Steel Limited	100.00%	Full Consolidation
221	Noamundi Steel Limited	100.00%	Full Consolidation
222	Straight Mile Steel Limited	100.00%	Full Consolidation
223	Bistupur Steel Limited	100.00%	Full Consolidation
224	Jamadoba Steel Limited	100.00%	Full Consolidation
225	Dimna Steel Limited	100.00%	Full Consolidation
226	Bhubaneshwar Power Private Limited	100.00%	Full Consolidation
227	Bamnipal Steel Limited	100.00%	Full Consolidation
228	Tata Steel BSL Limited	72.65%	Full Consolidation
229	Bhushan Steel (Orissa) Limited	100.00%	Full Consolidation
230	Bhushan Steel (South) Limited	100.00%	Full Consolidation
231	Bhushan Steel Madhya Bharat Limited	100.00%	Full Consolidation
232	Bhushan Steel (Australia) PTY Ltd.	90.97%	Full Consolidation
233	Bowen Energy PTY Ltd.	100.00%	Full Consolidation
234	Bowen Coal PTY Ltd.	100.00%	Full Consolidation
235	Bowen Consolidated PTY Ltd.	100.00%	Full Consolidation
236	Creative Port Development Private Limited	51.00%	Full Consolidation
237	Subarnarekha Port Private Limited	50.40%	Full Consolidation
	Joint Ventures		
1	Himalaya Steel Mill Services Private Limited	26.00%	Equity Method
2	mjunction services limited	50.00%	Equity Method
3	S & T Mining Company Private Limited	50.00%	Equity Method
4	Tata BlueScope Steel Private Limited	50.00%	Equity Method
5	BlueScope Lysaght Lanka (Pvt) Ltd	100.00%	Equity Method
6	Tata NYK Shipping Pte Ltd.	50.00%	Equity Method
7	Tata NYK Shipping (India) Private Limited	100.00%	Equity Method
8	Jamshedpur Continuous Annealing & Processing Company Private Limited	51.00%	Equity Method
9	T M Mining Company Limited	74.00%	Equity Method
10	TM International Logistics Limited	51.00%	Equity Method

11	International Shipping and Logistics FZE	100.00%	Equity Method
12	TKM Global China Ltd.	100.00%	Equity Method
13	TKM Global GmbH	100.00%	Equity Method
14	TKM Global Logistics Limited	100.00%	Equity Method
15	Industrial Energy Limited	26.00%	Equity Method
16	Jamipol Limited	39.78%	Equity Method
17	Nicco Jubilee Park Limited	25.31%	Equity Method
18	Medica TS Hospital Private Limited	26.00%	Equity Method
19	SEZ Adityapur Limited.	51.00%	Equity Method
20	Naba Diganta Water Management Limited	74.00%	Equity Method
21	Air Products Llanwern Limited	50.00%	Equity Method
22	Laura Metaal Holding B.V.	49.00%	Equity Method
23	Ravenscraig Limited	33.33%	Equity Method
24	Tata Steel Ticaret AS	50.00%	Equity Method
25	Texturing Technology Limited	50.00%	Equity Method
26	Hoogovens Court Roll Service Technologies VOF	50.00%	Equity Method
27	Minas De Benga (Mauritius) Limited	35.00%	Equity Method
28	Andal East Coal Company Private Limited	33.89%	Equity Method
	Associates		
1	Kalinga Aquatic Ltd	30.00%	Equity Method
2	Kumardhubi Fireclay & Silica Works Ltd	27.78%	Equity Method
3	Kumardhubi Metal Casting and Engineering Limited	49.31%	Equity Method
4	Strategic Energy Technology Systems Private Limited	25.00%	Equity Method
5	Tata Construction & Projects Ltd.	27.19%	Equity Method
6	TRF Limited.	34.11%	Equity Method
7	TRF Singapore Pte Limited	100.00%	Equity Method
8	TRF Holdings Pte Limited	100.00%	Equity Method
9	Dutch Lanka Trailer Manufacturers Limited	100.00%	Equity Method
10	Dutch Lanka Engineering (Private) Limited	100.00%	Equity Method
11	Dutch Lanka Trailer LLC	70.00%	Equity Method
12	Hewitt Robins International Ltd	100.00%	Equity Method
13	Hewitt Robins International Holdings Ltd	100.00%	Equity Method
14	Malusha Travels Pvt Ltd	33.23%	Equity Method
15	European Profiles (M) Sdn. Bhd.	20.00%	Equity Method
16	Albi Profils SRL	30.00%	Equity Method
17	GietWals Onderhoud Combinatie B.V.	50.00%	Equity Method
18	Hoogovens Gan Multimedia S.A. De C.V.	50.00%	Equity Method
19	ISSB Limited	50.00%	Equity Method
20	Wupperman Staal Nederland B.V.	30.00%	Equity Method
21	Fabsec Limited	25.00%	Equity Method
22	New Millennium Iron Corp.	26.18%	Equity Method
23	9336-0634 Québec Inc	33.33%	Equity Method
24	Bhushan Energy Limited	47.71%	Equity Method
25	Bhushan Capital & Credit Services Private Limited	42.58%	Equity Method

26	Jawahar Credit & Holdings Private Limited	39.65%	Equity Method

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