MOODY'S
RATINGS

Rating Action: Moody's Ratings upgrades ratings of four non-financial corporates following update to sovereign linkages' methodology

29 May 2026

Singapore, May 29, 2026 -- Moody's Ratings (Moody's) has today taken rating actions on four non-financial corporates following the publication of its cross-sector methodology, Impact of Sovereign Credit Quality on Issuer Ratings (https://ratings.moodys.com/rmc-documents/466165).

In particular, we have taken the following rating actions:

1) Upgraded Tata Consultancy Services Limited's (TCS) long-term local currency issuer rating to A2 from Baa1;

2) Upgraded Infosys Limited's long-term local currency issuer rating to A2 from Baa1;

3) Upgraded Reliance Industries Limited's long-term local currency issuer rating and its foreign currency senior unsecured ratings to Baa1 from Baa2; and

4) Upgraded Tata Steel Ltd.'s long-term foreign currency issuer rating to Baa2 from Baa3.

The outlook on all ratings remains stable.

RATINGS RATIONALE

On 28-May, we published an updated cross-sector methodology, Impact of Sovereign Credit Quality on Issuer Ratings, replacing our previous June 2019 framework. The update mainly (1) revises how we assess when issuers can be rated above their sovereign; (2) clarifies the treatment of issuers with diversified international operations; (3) refines our approach to government-related issuers, and (4) provides clearer guidance on how sovereign risk affects structured finance and covered bonds. It also includes minor edits to improve readability.

The updated methodology also highlights that credit enhancement -- whether explicit or implicit, such as support from a financially strong parent, which can be either foreign or domestic -- can in some cases mitigate risks associated with sovereign stress, including where such support allows certain issuers to be rated above the sovereign.

ENTITY SPECIFIC CONSIDERATIONS

-- Tata Consultancy Services Limited (TCS)

TCS' local currency issuer rating has been upgraded to A2 from Baa1, reflecting the application of our revised cross-sector methodology, which allows highly resilient and globally diversified issuers to be rated three or more notches above the sovereign, subject to the local currency ceiling. As a result, TCS is now rated A2, in line with India's local currency ceiling, while any foreign currency debt issuance would be constrained by India's A3 foreign currency ceiling.

TCS is a leading global IT services and solutions provider, benefiting from a highly diversified revenue base across geographies and sectors, strong and consistent profitability, excellent liquidity, a debt-free balance sheet, and sustained robust free cash flow generation. Its long track record of strong operating performance and conservative financial management support consistently strong credit metrics. These strengths underpin its ability to be rated significantly above the sovereign.

In an unconstrained scenario, or absent sovereign rating limitations, TCS' intrinsic credit strength would support a rating higher than the assigned A2, indicating headroom in its credit profile to absorb stress while maintaining strong credit quality. TCS is only one of two companies to be rated at four notches above the Indian sovereign.

-- Infosys Limited (Infosys)

Infosys' local currency issuer rating has been upgraded to A2 from Baa1, reflecting the application of our revised cross-sector methodology, which allows highly resilient and globally diversified issuers to be rated three or more notches above the sovereign, subject to the local currency ceiling. As a result, Infosys is now rated A2, in line with India's local currency ceiling, while any foreign currency debt issuance would be constrained by India's A3 foreign currency ceiling.

Infosys is a leading global IT services and solutions provider, benefiting from a highly diversified revenue base across geographies and sectors, strong and consistent profitability, excellent liquidity, a debt-free balance sheet, and sustained robust free cash flow generation. Its long track record of strong operating performance and conservative financial management support consistently strong credit metrics. These strengths underpin its ability to be rated significantly above the sovereign. In an unconstrained scenario, or absent sovereign rating limitations, Infosys' intrinsic credit strength would support a rating higher than the assigned A2, indicating headroom in its credit profile to absorb stress while maintaining strong credit quality. Infosys is only one of two companies to be rated at four notches above the Indian sovereign.

-- Reliance Industries Limited (RIL)

RIL's rating has been upgraded to Baa1 from Baa2, reflecting its fundamentally strong and resilient credit profile, supported by its large scale, diversified operations, and leading market positions across oil-to-chemicals, digital, and retail sectors. RIL benefits from counter-cyclical business segments, significant international exposure (with over one-third of revenues derived from exports), and limited reliance on government-linked revenues, which underpin its ability to generate stable earnings across cycles. These attributes are consistent with entities that can be rated two notches above the sovereign under the revised methodology.

RIL has consistently demonstrated impeccable project execution and financial discipline, including being among the first Indian corporates to publicly commit to and achieve a net debt zero position, while maintaining conservative financial policies consistent with a higher rating level. Its excellent liquidity profile (with around $25 billion of cash against modest debt), strong and sustained cash flow generation, and robust access to domestic and international capital markets further support its credit strength. These attributes align with an unconstrained credit view higher than its Baa1 rating. However, the rating remains capped at two-notches above India's Baa3 sovereign rating, reflecting RIL's meaningful linkages to the domestic economy, particularly through its large and growing digital and retail businesses, which anchor its operations to India's macroeconomic and policy environment.

-- Tata Steel Ltd. (Tata Steel)

Tata Steel's issuer rating has been upgraded to Baa2 from Baa3.The Baa2 rating includes a one-notch uplift, reflecting expectation of extraordinary support from its parent Tata Sons in a stress scenario. This is based on our assessment of Tata Sons' ability and willingness to support Tata Steel. This aligns with our revised cross-sector methodology that allows for entities to be rated above the sovereign after incorporating credit enhancement from a financially strong domestic parent. Tata Steel continues to benefit from its close association with Tata Sons and the broader Tata Group, including the strength of the Tata brand, which supports its access to funding and relationships with lenders and investors.

OUTLOOK

-- Tata Consultancy Services Limited (TCS)

The stable outlook reflects our expectation that TCS' large operating scale and competitive market position will continue to support the company's revenue and earnings growth over the next 12-18 months and help the company to maintain its substantial cash reserves and solid balance sheet.

-- Infosys Limited (Infosys)

The stable outlook reflects our expectation that Infosys' large operating scale and competitive market position will continue to support revenue and earnings growth over the next 12-18 months and help the company to maintain its substantial cash reserves and solid balance sheet.

-- Reliance Industries Limited (RIL)

The stable outlook on RIL's ratings is in line with the stable outlook of the Indian sovereign rating. The stable outlook also reflects our expectation that the company's earnings will continue to grow across most of its business segments, such that its credit metrics will remain solidly positioned for its ratings over the next 1-2 years.

-- Tata Steel Ltd. (Tata Steel)

The stable outlook reflects our view that Tata Steel's earnings will strengthen and credit metrics will stay appropriate for the current rating, as the company progresses on its growth plans.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

-- Tata Consultancy Services Limited (TCS)

Upward rating momentum is limited since TCS' rating is already at the same level as India's local currency ceiling. The rating can be upgraded to A1 if India's local currency ceiling is raised to A1.

TCS's fundamental credit profile is stronger than its A2 rating and can accommodate some weakening in its operating and financial metrics.

Downgrade pressure on the rating could arise if TCS: (1) provides support to its affiliates other than through its parent, Tata Sons Private Ltd.; (2) undertakes large debt-funded acquisitions or significantly increases returns to shareholders, undermining its credit profile; or (3) experiences significant deterioration in operating performance.

Specific credit metrics indicative of a lower rating include sustained negative free cash flow (after dividends, share repurchases, capital spending, and acquisitions) or a significant weakening in TCS's balance sheet liquidity.

TCS' rating would be downgraded to A3 if India's local currency ceiling is lowered to A3.

-- Infosys Limited (Infosys)

Upward rating momentum is limited since Infosys' rating is already at the same level as India's local currency ceiling. The rating can be upgraded to A1 if India's local currency ceiling rating is raised to A1.

Infosys' fundamental credit profile is stronger than its A2 rating and can accommodate some weakening in its operating and financial metrics. Downgrade pressure on the rating could arise if Infosys' credit profile weakens materially due to 1) large debt-funded acquisitions or ; 2) a material increase in shareholder payments or ; 3) a significant deterioration in operating performance.

Specific credit metrics indicative of a lower rating include sustained negative free cash flow (after dividends, share repurchases, capital spending, and acquisitions) or a significant weakening in the company's balance sheet liquidity.

Infosys' rating would be downgraded to A3 if India's local currency ceiling is lowered to A3.

-- Reliance Industries Limited (RIL)

Maintenance of RCF/net debt above 25%, net debt/EBITDA below 2.0x, and EBITDA/interest above 7.0x, would be critical for a higher rating.

Notwithstanding, RIL's ratings can be upgraded only if India's sovereign rating is upgraded, because the company's ratings are capped at two- notches above the sovereign rating.

RIL's credit metrics are extremely strong for its sovereign-constrained rating, and only a very substantial deterioration in the credit metrics could pressure its fundamental credit profile. Such deterioration could occur if (1) there is a protracted weakness in its operations, which results in significantly lower earnings, or (2) RIL increases its capital spending or makes large acquisitions or shareholder distributions that substantially increase its net borrowings.

Credit metrics indicative of such a scenario include RCF/net debt below 20%, adjusted net debt/EBITDA above 3.0x, and EBITDA/interest below 4.0x.

We could also downgrade RIL's rating if the Indian sovereign rating is downgraded.

-- Tata Steel Ltd. (Tata Steel)

Tata Steel's rating will only be upgraded if India's sovereign rating is upgraded to Baa2, and/or there is a change in our assessment of its parent's ability and willingness to provide extraordinary support.

An improvement in Tata Steel's fundamental credit profile will not automatically result in an upgrade of its rating to Baa1.

We will assess that there is an improvement in Tata Steel's fundamental credit profile if the company maintains conservative financial metrics through the cycle; greater geographic diversification that lowers its earnings and cash flow exposure to India's economic cycles; and good liquidity. Quantitative metrics indicative of an improvement include debt/EBITDA of less than 3.0x and EBIT/interest higher than 4.0x on a sustained basis.

A downgrade of India's sovereign rating to Ba1 will lead to a downgrade of Tata Steel's rating, even if there is no deterioration in its financial profile. Any revision to our assessment of support from Tata Sons could also prompt a review of the one-notch uplift in Tata Steel's rating.

Tata Steel's fundamental credit profile could weaken if the company pursues aggressive debt-funded growth or high shareholder returns, indicating a higher risk tolerance. Indicators of a deterioration by one notch include debt/EBITDA above 4.0x or EBIT/interest lower than 3.0x-3.5x on a sustained basis.

RATING METHODOLOGY

The principal methodology used in rating Tata Consultancy Services Limited and Infosys Limited was Business and Consumer Services published in February 2026 and available at https://ratings.moodys.com/rmc-documents/459827. The principal methodology used in rating Reliance Industries Limited was Investment Holding Companies and Conglomerates published in April 2023 and available at https://ratings.moodys.com/rmc-documents/401316. The principal methodology used in rating Tata Steel Ltd. was Steel published in September 2025 and available at https://ratings.moodys.com/rmc-documents/450336. Alternatively, please see the Rating Methodologies page onhttps://ratings.moodys.com for a copy of these methodologies.

The A2 rating assigned to TCS is three notches below its scorecard-indicated outcome of Aa2. This is due to the fact that TCS' rating is constrained by India's local currency ceiling of A2.

The A2 rating assigned to Infosys is two notches below its scorecard-indicated outcome of Aa3. This is due to the fact that Infosys' rating is constrained by India's local currency ceiling of A2.

For RIL and Tata Steel, the net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating 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.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

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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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Hui Ting Sim
Vice President - Senior Analyst

Jacintha Poh
Associate Managing Director

Releasing Office:
Moody's Investors Service Singapore Pte. Ltd.
71 Robinson Road #05-01/02
Singapore, 068895
Singapore

JOURNALISTS: 852 3758 1350
Client Service: 852 3551 3077
