Tata Capital Limited

1st October, 2025

IPO Details

IPO Date	October 6, 2025 to October 8, 2025
Face Value	₹10 per share
Price Band	₹310 to ₹326 per share
Lot Size	46 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	47,58,24,280 shares (aggregating up to ₹15,511.87 Cr)
Fresh Issue	21,00,00,000 shares (aggregating up to ₹6,846.00 Cr)
Offer for Sale	26,58,24,280 shares of ₹10 (aggregating up to ₹8,665.87 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	4,03,48,69,037 shares
Share Holding Post Issue	4,24,48,69,037 shares
QIB Shares Offered	23,73,12,140 (49.87%)
Retail Shares Offered	16,61,18,498 (34.91%)
NII (HNI) Shares Offered	7,11,93,642 (14.96%)
Retail (Min & Max) shares	46 Shares & 598 shares
Retail (Min & Max) application amount	₹14,996 & ₹1,94,948
S-HNI (Min shares & application amount)	644 shares & ₹2,09,944
S-HNI (Max shares & application amount)	3,036 shares & ₹9,89,736
B-HNI (Min shares & application amount)	3,082 shares & ₹10,04,732
Basis of Allotment	Thu, Oct 9, 2025
Initiation of Refunds	Fri, Oct 10, 2025
Credit of Shares to Demat	Fri, Oct 10, 2025
Listing Date	Mon, Oct 13, 2025
Cut-off time for UPI mandate confirmation	5 PM on Wed, Oct 8, 2025
Promoters	Tata Sons Private Limited
Registrar	MUFG Intime India Pvt.Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Tata Capital Limited is the flagship financial services company of the Tata group and a subsidiary of Tata Sons Private Limited, the holding company of the Tata group and the Promoter of the Company. Tata group is one of India's most distinguished business groups, comprising companies across 10 verticals such as automotive, technology, steel, financial services, aerospace and defence, and consumer and retail. The "Tata Group" brand was recognised as the most valuable brand in India as per the Brand Finance India 100 2025 report.

The company operates an omni-channel distribution model that combines their wide branch network, a robust partner ecosystem, and a strong digital presence, all of which work together to deliver a superior customer experience. They have an extensive pan-India distribution network comprising 1,516 branches across 27 States and Union Territories, as at June 30, 2025. The company's branches are typically staffed with an in-house team responsible for customer engagement, acquisition, loan processing, documentation and servicing.

The Revenue of the Company increased by 57.14% and Profit after Tax rose by 9.86% from FY24 to FY25.

Objects of the Issue

- Offer for sale - Rs. 8665.87 Crore
- Augmentation of the Company's Tier – I capital base to meet the Company's future capital requirements including onward lending - Rs. 6846 Crore

Financial Details

Particulars (Amount in Crores)	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations			
Interest Income	25719.8	16366.5	11910.9
Dividend Income	24.0	36.2	0.8
Rental Income	272.3	203.4	269.3
Fees and Commission Income	1779.7	1045.8	569.6
Net gain on fair value changes	280.5	490.0	63.7
Net gain on derecognition of associates	0.0	32.8	814.6
Net gain on derecognition of financial instruments	236.5	0.0	0.0
Total Revenue from Operations	**28312.7**	**18174.7**	**13628.8**
Other income	57.1	23.6	8.6
Total Income	**28369.8**	**18198.2**	**13637.5**
Expenses			
- Finance Cost	15029.6	9568.2	6600.6
- Impairment of investment in associates	-23.3	10.1	7.7
- Net losses on derecoginition of associates	2.2	0.0	0.0
- Impairment on Financial Instruments	2826.8	592.3	574.3
- Employee benefit expenses	2812.3	1850.1	1294.2
- Depreciation and amortization	390.0	287.5	226.0
- Other expenses	2411.2	1486.6	1144.8
Total expenses	**23448.7**	**13794.8**	**9847.6**
Share of Profit/(Loss) in associate entity	-2.6	-11.6	146.7
Profit/(Loss) before tax	**4918.5**	**4391.9**	**3936.6**
Tax expense/(credit)	1263.5	1065.1	990.8
Profit/(Loss) After Tax	**3655.0**	**3326.8**	**2945.8**
PAT Margin (%)	**12.88%**	**18.28%**	**21.60%**
Basic EPS (in Rs.)	**9.3**	**8.6**	**8.4**

Key Metrics	Mar-25	Mar-24	Mar-23
Net Interest Margin Ratio (%)	5.2	5	5.1
Gross Stage 3 Loans Ratio (%)	1.9	1.5	1.7
Provision Coverage Ratio (%)	58.5	74.1	77.1
Net Stage 3 Coverage Ratio (%)	0.8	0.4	0.4

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Competitive Strengths

- **Flagship Company of Tata Group:** The company is the flagship financial services company of the Tata group, which is one of India's most distinguished business groups, with a legacy of over 150 years. The Promoter, Tata Sons Private Limited, is the holding company of the Tata group. Tata group (a) comprises companies across 10 verticals such as automotive, technology, steel, financial services, aerospace and defence, and consumer and retail; (b) is a global enterprise headquartered in India, with operations in more than 100 countries across six continents and (c) has the most diversified presence across industries in India.

- **Third Largest Diversified NBFC:** The company is the third largest diversified NBFC in India based on Total Gross Loans of ₹2,334.0 billion as at June 30, 2025 and the most comprehensive amongst large diversified NBFCs in India based on the number of loan product offerings, as at March 31, 2025. They offer a comprehensive suite of 25+ lending products catering to the financial requirements of a wide range of customers comprising salaried and self-employed individuals, entrepreneurs, small and medium enterprises and corporates.

- **Omni-channel Network Distribution:** The company has built an omni-channel distribution network which combines their pan-India branch network with an extensive network of external partners and digital platforms. This 'phygital' model enables them to customize their distribution strategy based on the customer profile, type of product, and location, thereby optimizing their distribution efforts and facilitating a seamless customer experience. As at June 30, 2025, they had a pan-India presence through 1,516 branches spanning 1,109 locations across 27 States and Union Territories.

- **Strong Asset Quality and Robust Risk Management Framework:** The company has one of the lowest Gross Stage 3 and Net Stage 3 Loans Ratio, and the third highest PCR among large diversified NBFCs in India. Their strong risk management framework covers a wide range of risks including credit, operational, market, information security, fraud and reputational risk among others.

- **Highest credit rating**: The company rated "AAA with stable outlook" from each of CRISIL, ICRA, CARE and India Ratings, and their commercial papers are rated "A1+" by each of CRISIL, ICRA and India Ratings, as at June 30, 2025. This is the highest possible credit rating for NBFCs in India. Their credit ratings enable them to borrow from a diverse pool of domestic and international lenders at competitive rates.

Key Risk Factors

- **Exposure to Collateral Recovery Risks –** The company offers various secured loans to their Retail, SME and Corporate customers. They receive collateral in the form of securities, residential, commercial and industrial properties, vehicles, construction equipment and industrial equipment, among others. In case of a customer default, they may face difficulties in locating or seizing the underlying collateral and there is no assurance that such collateral will be sufficient to cover the company losses.

- **Provisioning for Non-Performing Assets** – The company's provision coverage ratio was 53.9%, 63.5%, 58.5%, 74.1% and 77.1% as at June 2025, June 2024, Mar 2025, Mar 2024 and Mar 2023, respectively. Their inability to provide adequate provisioning coverage for non-performing assets may adversely affect their business, results of operations, cash flows and financial condition.

- **Risks Relating to Stage 3 Loans and Customer Defaults –** The company is subject to customer default risks, including delay or default in repayment of principal or interest on loans. Customers may default on their obligations as a result of various factors, such as bankruptcy, operational failure, lack of liquidity, lack of business, unemployment, adverse developments in the Indian and global economy, or adverse changes to interest rates. If customers fail to repay loans in a timely manner or at all, their financial condition, results of operations and cash flows will be adversely impacted.

- **Risks Relating to Retail Loan Portfolio** – The company's retail finance loans typically comprise loans to salaried, self-employed individuals and owners of small businesses such as home loans, loans against property, personal loans, car loans, commercial vehicle loans, construction equipment loans, loans against securities and education loans. Retail Finance comprised 62.3%, 58.9% and 56.7% of Total Gross Loans as at, FY25, FY24 and FY23, respectively. Any adverse developments that reduce demand for loans amongst retail customers and/or increase loan default rates amongst retail customers will adversely affect the business and results of operations.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	P/BV Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Tata Capital Limited	NA	10.00	37.86*	4.10^	8.6**	8.6**	11.20%	79.5
Peers:								
Bajaj Finance Limited	983	1.00	36.54	6.32	26.9	26.8	17.40%	155.6
Shriram Finance Limited	625	2.00	12.30	2.08	50.8	50.8	16.80%	300.3
Cholamandalam Investment and Finance Company Limited	1596	2.00	31.48	5.67	50.7	50.6	18.00%	281.5
L&T Finance Limited	248	10.00	23.40	2.42	10.6	10.6	10.30%	102.5
Sundaram Finance Limited	4342	10.00	25.47	3.66	170.5	170.5	13.80%	1187.8
HDB Financial Services Limited	756	10.00	27.59	3.80	27.4	27.3	14.60%	198.8

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares.
^P/BV calculated based on upper band price.

Summary

The Indian NBFC (Non-Banking Financial Company) sector provides financial services like lending but without a banking license, focusing on underserved markets and leveraging technology for innovative solutions. The sector has grown significantly, complementing traditional banks and driving credit growth for small businesses and households. Its regulatory framework has evolved under the RBI with a Scale-Based Regulatory (SBR) Framework to manage systemic risks associated with its expansion. Key drivers include digital adoption, diverse financial products, and growing demand from sectors like infrastructure, MSMEs, and housing.

Tata Capital Limited (TCL) is a diversified financial services company. The company is a flagship financial services company of Tata Group and a subsidiary of Tata Sons Private Limited. They are offering wide range of financial products and services to retail, corporate, and institutional customers. They have an extensive pan-India distribution network comprising 1,516 branches across 27 States and Union Territories.

The company will deploy ₹6,846 crore to augment its Tier 1 capital base to meet future capital requirements. The company has been growing at 28% over the last three years. The revenue mix comprises 63% from the retail finance segment, 26% from the SME finance segment, and the balance from corporate finance. Within the retail segment, the housing business is growing at over 30% and the consumer business at 25%, while the SME segment is expanding at 25%. These growth trends are key contributors to the company's overall performance.

While the valuation are fairly rich for the company, it reflects the prudent lending standards of the company.

Therefore, it is recommended to "**Subscribe**" to the IPO for long-term investment, considering its growth potential.

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