

May 13, 2024

Tata Capital Housing Finance Limited: rating withdrawn for matured instruments

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|--------------------------------------|-------------------------------------|---------------------------------|
| Retail bonds programme (incl. NCDs and subordinated debt) | 3,547.62 | 3,547.62 | [ICRA]AAA (Stable); outstanding |
| Retail bonds programme (incl. NCDs and subordinated debt) | 1,452.38 | 0 | [ICRA]AAA (Stable); withdrawn |
| Subordinated debt programme | 1,450.50 | 1,450.50 | [ICRA]AAA (Stable); outstanding |
| Subordinated debt programme | 25.00 | 0 | [ICRA]AAA (Stable); withdrawn |
| Long term fund based/non-fund based | 10,500 | 10,500 | [ICRA]AAA (Stable); outstanding |
| NCD programme | 8,743.00 | 8,743.00 | [ICRA]AAA (Stable); outstanding |
| Commercial paper | 8,000.00 | 8,000.00 | [ICRA]A1+; outstanding |
| Total | 33,718.50 | 32,241.12 | |

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the Rs. 1,452.38-crore retail bonds programme and Rs. 25 crore subordinated debt programme as there is no amount outstanding against the rated instrument and the withdrawal is in accordance with ICRA's policy on withdrawal of credit ratings.

The previous detailed rating rationale, which captures the key rating drivers and their description, liquidity position, rating sensitivities and key financial indicators is available at the following link: [Click here](#)

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable Rating Methodologies | ICRA's Credit Rating Methodology for Non-Banking Finance Companies Policy on withdrawal of credit ratings |
| Parent/Group Support | Ultimate Parent/Investor: Tata Sons Limited TCL is a majority-owned subsidiary of TSL, which held 94.6% of TCL's equity shares as on March 31, 2024. TCL enjoys strong financial and operational support from TSL, which, in the past, has included access to capital, management and systems, and supervision by a strong board. TCL also enjoys strong commitment from TSL as TCL (through its subsidiaries) is the primary financial services lending arm for the Tata Group. |
| Consolidation/Standalone | While arriving at the ratings, ICRA has considered the consolidated performance of TCL and its key subsidiaries given the strong operational and financial synergies between the companies. <i>Details are mentioned in Annexure II.</i> |

About the company

Tata Capital Housing Finance Limited (TCHFL) is a 100% subsidiary of Tata Capital Limited (TCL) and was incorporated for providing long-term housing finance. The company's incorporation was an integral part of TCL's plan to augment its existing product pipeline in the retail segment. TCHFL is registered with National Housing Bank as a housing finance company. It commenced its lending operations in July 2009 and had a total portfolio of ~Rs. 43,254 crore as on September 30, 2023. The company reported a profit after tax (PAT) of Rs. 1,148 crore on a total income of Rs. 5,189 crore in FY2024 compared to a PAT of Rs. 821 crore on a total income of Rs. 3,818 crore in FY2023.

Tata Sons Limited

Tata Sons Limited, founded in 1917 by the Tata Group's founder, Shri JN Tata, is the principal holding company for the Tata Group and the owner of the Tata brand and the associated trademark. Charitable trusts own most of TSL's shareholding at 66%. While income from dividends and profit generated on the sale of investments constitute the principal revenue source for the company, it also includes royalty fees earned from Group companies for using the Tata brand. Such fees are, however, largely spent on brand promotion. TCS, one of the largest software companies in India and the highest contributor to TSL in terms of revenues and profits, was spun off into a separate entity in FY2005. Currently, TSL's equity investments are spread across seven major industry segments and include investments in flagship concerns like TCS, Tata Steel Limited, The Tata Power Company Limited, Tata Motors Limited, Tata Chemicals Limited, Titan Company Limited and Tata Consumer Products Limited, among others.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| S. No. | Instrument | Current Rating (FY2025) | | | | Chronology of Rating History for the Past 3 Years | | | | |
|--------|--------------------------------------|-------------------------|--------------------------|--|-------------------------------|---|--------------------|-------------------------------------|-----------------------|-------------------------|
| | | Type | Amount Rated (Rs. crore) | Amount Outstanding as of Apr-30-24 (Rs. crore) | Date and rating in FY2025 | Date and rating in FY2024 | | Date and rating in FY2023 | | Date & rating in FY2022 |
| | | | | | May-13-24 | Nov-24-23 | Apr-26-23 | Feb-21-23 Dec-09-22 Nov-01-22 | Sep-6-22 May-26-22 | Jan-20-22 |
| 1 | Long term fund based/non-fund based | Long term | 10,500 | 8,197.44* | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | - | - | - | - |
| 2 | Non- convertible debenture programme | Long term | 8,743 | 7,533.1 | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
| 3 | Subordinated debt programme | Long term | 1,450.50 | 1,248.00 | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
| 4 | Subordinated debt programme | Long term | 25.00 | 0 | [ICRA]AAA (Stable); withdrawn | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
| 5 | Retail bond programme | Long term | 3,547.62 | 547.62 | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
| 6 | Retail bond programme | Long term | 1,452.38 | 0 | [ICRA]AAA (Stable); withdrawn | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) | [ICRA]AAA (Stable) |
| 7 | Commercial paper programme | Short term | 8,000 | 2,200 | [ICRA] A1+ | [ICRA] A1+ | [ICRA] A1+ | [ICRA] A1+ | [ICRA] A1+ | [ICRA] A1+ |

Source: Company, ICRA Research; *As on March 31, 2024

Complexity level of the rated instrument

| Instrument | Complexity Indicator |
|-------------------------------------|----------------------|
| NCD programme | Simple |
| Retail bonds programme | Simple |
| Subordinated debt programme | Simple |
| Commercial paper | Very Simple |
| Long term fund based/non-fund based | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details as on April 30, 2024

| ISIN | Instrument Name | Date of Issuance | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|--------------|-------------------------------------|------------------|-------------|---------------|--------------------------|----------------------------|
| INE033L07GN7 | Retail Bonds Programme # | 14-Jan-20 | 7.92% | 14-Jan-25 | 5.19 | [ICRA]AAA(Stable) |
| INE033L07GO5 | Retail Bonds Programme # | 14-Jan-20 | 8.01% | 14-Jan-25 | 54.15 | [ICRA]AAA(Stable) |
| INE033L07GP2 | Retail Bonds Programme # | 14-Jan-20 | 8.20% | 14-Jan-25 | 33.59 | [ICRA]AAA(Stable) |
| INE033L07GQ0 | Retail Bonds Programme # | 14-Jan-20 | 8.30% | 14-Jan-25 | 234.8 | [ICRA]AAA(Stable) |
| INE033L07GR8 | Retail Bonds Programme # | 14-Jan-20 | 8.01% | 14-Jan-28 | 1.2 | [ICRA]AAA(Stable) |
| INE033L07GS6 | Retail Bonds Programme # | 14-Jan-20 | 8.10% | 14-Jan-28 | 38.28 | [ICRA]AAA(Stable) |
| INE033L07GT4 | Retail Bonds Programme # | 14-Jan-20 | 8.30% | 14-Jan-28 | 11.79 | [ICRA]AAA(Stable) |
| INE033L07GU2 | Retail Bonds Programme # | 14-Jan-20 | 8.40% | 14-Jan-28 | 90.57 | [ICRA]AAA(Stable) |
| INE033L08270 | Retail Bonds Programme # | 14-Jan-20 | 8.55% | 14-Jan-30 | 78.05 | [ICRA]AAA(Stable) |
| NA^ | Retail Bonds Programme # | NA | NA | NA | 3,000.00 | [ICRA]AAA(Stable) |
| INE033L08171 | Subordinated Debt Programme | 26-Sep-14 | 10.15% | 26-Sep-24 | 48 | [ICRA]AAA(Stable) |
| INE033L08189 | Subordinated Debt Programme | 28-Apr-15 | 9.25% | 28-Apr-25 | 40 | [ICRA]AAA(Stable) |
| INE033L08197 | Subordinated Debt Programme | 22-Jul-15 | 9.25% | 22-Jul-25 | 35 | [ICRA]AAA(Stable) |
| INE033L08205 | Subordinated Debt Programme | 16-Sep-15 | 9.20% | 16-Sep-25 | 10 | [ICRA]AAA(Stable) |
| INE033L08213 | Subordinated Debt Programme | 21-Sep-15 | 9.20% | 19-Sep-25 | 15 | [ICRA]AAA(Stable) |
| INE033L08221 | Subordinated Debt Programme | 04-Nov-15 | 8.99% | 04-Nov-25 | 30 | [ICRA]AAA(Stable) |
| INE033L08239 | Subordinated Debt Programme | 15-Dec-15 | 9.00% | 15-Dec-25 | 25 | [ICRA]AAA(Stable) |
| INE033L08247 | Subordinated Debt Programme | 17-Dec-15 | 9.00% | 17-Dec-25 | 25 | [ICRA]AAA(Stable) |
| INE033L08254 | Subordinated Debt Programme | 15-Mar-16 | 9.00% | 13-Mar-26 | 20 | [ICRA]AAA(Stable) |
| INE033L08262 | Subordinated Debt Programme | 04-Aug-16 | 8.92% | 04-Aug-26 | 200 | [ICRA]AAA(Stable) |
| INE033L08288 | Subordinated Debt Programme | 11-Jan-21 | 7.33% | 10-Jan-31 | 50 | [ICRA]AAA(Stable) |
| INE033L08296 | Subordinated Debt Programme | 19-Apr-21 | 7.50% | 18-Apr-31 | 150 | [ICRA]AAA(Stable) |
| INE033L08304 | Subordinated Debt Programme | 14-Mar-22 | 7.50% | 12-Mar-32 | 25 | [ICRA]AAA(Stable) |
| INE033L08304 | Subordinated Debt Programme | 29-Mar-22 | 7.50% | 12-Mar-32 | 146 | [ICRA]AAA(Stable) |
| INE033L08312 | Subordinated Debt Programme | 19-Aug-22 | 8.15% | 19-Aug-32 | 129 | [ICRA]AAA(Stable) |
| INE033L08312 | Subordinated Debt Programme | 15-Mar-24 | 8.15% | 19-Aug-32 | 300 | [ICRA]AAA(Stable) |
| NA^ | Subordinated Debt Programme | NA | NA | NA | 202.5 | [ICRA]AAA(Stable) |
| INE033L07AU5 | Non-convertible Debentures | 09-Dec-14 | 9.22% | 09-Dec-24 | 200 | [ICRA]AAA(Stable) |
| INE033L07AZ4 | Non-convertible Debentures | 23-Jan-15 | 9.05% | 23-Jan-25 | 150 | [ICRA]AAA(Stable) |
| INE033L07DU9 | Non-convertible Debentures | 31-Aug-15 | 8.87% | 29-Aug-25 | 20 | [ICRA]AAA(Stable) |
| INE033L07DW5 | Non-convertible Debentures | 08-Oct-15 | 8.70% | 08-Oct-25 | 7.5 | [ICRA]AAA(Stable) |
| INE033L07EY9 | Non-convertible Debentures | 30-Jun-16 | 8.70% | 30-Jun-26 | 10 | [ICRA]AAA(Stable) |
| INE033L07HC8 | Non-convertible Debentures | 19-Jan-21 | 6.25% | 19-Jan-26 | 85 | [ICRA]AAA(Stable) |
| INE033L07HF1 | Non-convertible Debentures | 15-Jun-21 | 6.50% | 15-Jun-26 | 170 | [ICRA]AAA(Stable) |
| INE033L07HK1 | Non-convertible Debentures | 09-Nov-21 | 7.30% | 07-Nov-31 | 303 | [ICRA]AAA(Stable) |
| INE033L07HO3 | Non-convertible Debentures | 16-Feb-22 | 7.50% | 16-Feb-32 | 500 | [ICRA]AAA(Stable) |
| INE033L07HQ8 | Non-convertible Debentures | 18-May-22 | 7.75% | 18-May-27 | 178 | [ICRA]AAA(Stable) |
| INE033L07HQ8 | Non-convertible Debentures | 13-Jul-22 | 7.75% | 18-May-27 | 400 | [ICRA]AAA(Stable) |
| INE033L07HR6 | Non-convertible Debentures | 27-Jun-22 | 8.05% | 25-Jun-32 | 81.1 | [ICRA]AAA(Stable) |
| INE033L07HR6 | Non-convertible Debentures | 13-Jul-22 | 8.05% | 25-Jun-32 | 26.5 | [ICRA]AAA(Stable) |
| INE033L07HT2 | Non-convertible Debentures | 05-Aug-22 | 7.55% | 05-Aug-25 | 292 | [ICRA]AAA(Stable) |
| INE033L07HU0 | Non-convertible Debentures | 05-Aug-22 | 7.80% | 05-Aug-27 | 200 | [ICRA]AAA(Stable) |
| INE033L07HR6 | Non-convertible Debentures | 26-Aug-22 | 8.05% | 25-Jun-32 | 40 | [ICRA]AAA(Stable) |
| INE033L07HW6 | Non-convertible Debentures | 13-Sep-22 | 7.85% | 13-Sep-32 | 722 | [ICRA]AAA(Stable) |
| INE033L07HX4 | Non-convertible Debentures | 03-Nov-22 | 8.00% | 03-Nov-27 | 270 | [ICRA]AAA(Stable) |
| INE033L07HY2 | Non-convertible Debentures | 16-Nov-22 | 8.00% | 03-Nov-27 | 430 | [ICRA]AAA(Stable) |
| INE033L07HF1 | Non-convertible Debentures | 24-Jan-23 | 6.50% | 15-Jun-26 | 800 | [ICRA]AAA(Stable) |
| INE033L07HZ9 | Non-convertible Debentures | 08-Feb-23 | 7.96% | 08-May-26 | 300 | [ICRA]AAA(Stable) |
| INE033L07HQ8 | Non-convertible Debentures | 18-May-23 | 7.75% | 18-May-27 | 500 | [ICRA]AAA(Stable) |
| INE033L07IC6 | Non-convertible Debentures | 10-Jul-23 | 7.84% | 18-Sep-26 | 250 | [ICRA]AAA(Stable) |
| INE033L07IB8 | Non-convertible Debentures | 13-Dec-23 | 8.10% | 13-Dec-28 | 898 | [ICRA]AAA(Stable) |
| INE033L07HQ8 | Non-convertible Debentures | 27-Feb-24 | 7.75% | 18-May-27 | 400 | [ICRA]AAA(Stable) |
| INE033L07ID4 | Non-convertible Debentures | 24-Jan-24 | 8.04% | 19-Mar-27 | 300 | [ICRA]AAA(Stable) |
| NA^ | Non-convertible Debentures | NA | NA | NA | 1,209.90 | [ICRA]AAA(Stable) |
| NA | Long term fund based non-fund based | NA | NA | NA | 8,197.44 | [ICRA]AAA(Stable) |

| ISIN | Instrument Name | Date of Issuance | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|--------------|-------------------------------------|------------------|-------------|---------------|--------------------------|------------------------------|
| NA^ | Long term fund based non-fund based | NA | NA | NA | 2,302.56 | [ICRA]AAA(Stable) |
| INE033L14ML5 | Commercial Paper Programme | 17-May-23 | NA | 16-May-24 | 500 | [ICRA]A1+ |
| INE033L14MM3 | Commercial Paper Programme | 27-Jun-23 | NA | 26-Jun-24 | 500 | [ICRA]A1+ |
| INE033L14MN1 | Commercial Paper Programme | 19-Jul-23 | NA | 18-Jul-24 | 100 | [ICRA]A1+ |
| INE033L14ML5 | Commercial Paper Programme | 15-Feb-24 | NA | 16-May-24 | 500 | [ICRA]A1+ |
| INE033L14MZ5 | Commercial Paper Programme | 28-Feb-24 | NA | 29-May-24 | 400 | [ICRA]A1+ |
| INE033L14MN1 | Commercial Paper Programme | 18-Apr-24 | NA | 18-Jul-24 | 200 | [ICRA]A1+ |
| NA^ | Commercial Paper Programme | NA | NA | 7-365 days | 5,800.00 | [ICRA]A1+ |
| INE033L07GL1 | Retail Bonds Programme # | 14-Jan-20 | 8.00% | 14-Jan-23 | 29.93 | [ICRA]AAA(Stable); withdrawn |
| INE033L07GM9 | Retail Bonds Programme # | 14-Jan-20 | 8.10% | 14-Jan-23 | 1,422.45 | [ICRA]AAA(Stable); withdrawn |
| INE033L08122 | Subordinated Debt Programme | 15-Apr-13 | 9.70% | 15-Apr-23 | 25 | [ICRA]AAA(Stable); withdrawn |

Source: Company; ^Yet to be placed; # Including non-convertible debentures and subordinated debt

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

| Company Name | Ownership* | Consolidation Approach |
|---|------------|------------------------|
| Tata Capital Limited | Parent | Full consolidation |
| Tata Capital Financial Services Limited | 100% | Full consolidation |
| Tata Capital Housing Finance Limited | 100% | Full consolidation |
| Tata Cleantech Capital Limited | 80.50% | Full consolidation |
| Tata Securities Limited | 100% | Full consolidation |
| Tata Capital Growth Fund | 73.75% | Full consolidation |
| Tata Capital Special Situation Fund | 28.20% | Full consolidation |
| Tata Capital Innovation Fund | 27.79% | Full consolidation |
| Tata Capital Growth Fund II | 34.02% | Full consolidation |
| Tata Capital Healthcare Fund I | 32.17% | Full consolidation |
| Tata Capital Healthcare Fund II | 19.86% | Full consolidation |
| Tata Capital Pte Limited | 100% | Full consolidation |

Source: Company data; *By TCL

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Branches



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