

January 31, 2020 *Revised*

Tata Capital Financial Services Limited: [ICRA]AAA(Stable) assigned

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Subordinated debt programme	0.00	500.00	[ICRA]AAA (Stable); assigned
Long term/Short term – Fund based/Non-fund based	25,000.00	25,000.00	[ICRA]AAA(Stable)/[ICRA]A1+; outstanding
NCD programme	13,293.45	13,293.45	[ICRA]AAA (Stable); outstanding
Subordinated debt programme	1,405.45	1,405.45	[ICRA]AAA (Stable); outstanding
Perpetual debt programme	1,086.55	1,086.55	[ICRA]AA+ (Stable); outstanding
Commercial paper	15,000.00	15,000.00	[ICRA]A1+; outstanding
Total	55,785.45	56,285.45	

*Instrument details are provided in Annexure-1

Rationale

Tata Capital Limited (TCL; rated [ICRA]A1+) is a holding company with a diversified presence in the lending business through its three key subsidiaries i.e. Tata Capital Financial Services Limited (TCFSL), Tata Capital Housing Finance Limited (TCHFL) and Tata Cleantech Capital Limited (TCCL). TCL's subsidiaries operate primarily in consumer loans, housing finance, vehicle finance, commercial finance, infrastructure finance and other financial services businesses. While arriving at the ratings for TCFSL, ICRA has considered the business and financial risk profiles of TCL and its subsidiaries as these entities have significant operational and management linkages and operate under the common Tata Capital brand.

The rating for TCL derives significant strength from its parentage, Tata Sons Limited (TSL; rated [ICRA]AAA(Stable)/[ICRA]A1+), which owned 94.23% of TCL's equity shares¹ as on September 30, 2019, and the strategic importance of the financial services business (housed under TCL and its subsidiaries) to the Tata Group. TCFSL, in turn, is a 100% subsidiary of TCL. The rating is also supported by TSL's stated intent of keeping TCL adequately capitalised on a consolidated basis and to continue maintaining significant ownership and management control in the company. The importance of the Tata Capital Group to TSL is also highlighted through the Rs. 2,500-crore capital infusion in FY2019 and further Rs. 1,000 crore in Q3FY2020. The rating also factors in the Group's diverse product mix, higher share of the retail loan book, diversified funding profile and financial flexibility arising from being a part of the Tata Group, improvement in the asset quality indicators and the healthy provision cover. The credit strengths are partially offset by the moderate earnings profile and relatively high level of consolidated gearing level, albeit improving on account of demonstrated capital support by TSL. ICRA believes the prudent capitalisation level is one of the key mitigants against delinquencies and other credit risks associated with the lending business.

¹ Balance held by Tata Investment Corporation Limited (2.32%), TCL Employee Welfare Trust (1.51%) and Others (1.94%)

ICRA takes note of TCFSL's scale of operations with assets under management (AUM) of Rs. 43,570 crore, as well as the moderate asset quality indicators (gross non-performing assets (GNPAs) and net NPAs (NNPAs) of 2.44% and 0.57%, respectively, as on September 30, 2019 compared to 3.31% and 0.44%, respectively, as on March 31, 2018). TCFSL's liquidity profile is supported by the adequate unutilised bank lines and liquidity available in the form of cash and liquid investments with further support in the form of the good financial flexibility enjoyed by the Group.

Key rating drivers and their description

Credit strengths

Strong parentage and strategic importance to the Group – TCFSL is wholly owned by TCL, which, in turn, is a majority-owned subsidiary of TSL (TSL held 94.23% equity shares of TCL as on September 30, 2019). 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. Given the importance of the financial services business to the Tata Group and TSL's stated intent to keep TCL adequately capitalised on a consolidated basis, ICRA expects TSL to continue to provide financial support to enable TCL to maintain a comfortable capitalisation and liquidity profile. ICRA also expects TSL to continue maintaining significant ownership and management control in TCL. The importance of the Tata Capital Group to TSL is also highlighted by the Rs. 2,500-crore capital infusion in FY2019 and further Rs. 1,000 crore in Q3FY2020. Any dilution in TCL's importance for TSL or in the expectation of support from TSL or a change in TSL's credit profile would be a key rating sensitivity.

Diverse product mix; higher share of retail portfolio – The total AUM (on a combined basis for TCFSL+TCHFL+TCCL) grew to ~Rs. 76,570 crore as on September 30, 2019 (from ~Rs. 75,946 crore as on March 31, 2019 and Rs. 60,499 crore as on March 31, 2018) with retail loans comprising ~61% of the aggregate portfolio. The loan book is fairly diversified across various products in wholesale and retail lending. The wholesale loan book comprised corporate loans and credit substitutes and builder loans (21% of the total combined loan book), channel financing (10%), infrastructure and project loans (7%) and loan against shares (1%) as on September 30, 2019. ICRA also notes the relatively lower credit concentration of large exposures within the wholesale book compared to peers. The retail loan book comprised home loans (24% of the total combined loan book), home equity/loan against property (LAP; 17%), personal loans (9%), construction equipment financing (5%), auto financing (5%) and others (1%). While ICRA expects portfolio growth to moderate from the level seen in FY2019, the loan book is expected to remain well diversified across products and borrower/Group level exposures.

TCFSL's loan portfolio increased by ~21% to Rs. 44,022 crore as on March 31, 2019 from Rs. 36,319 crore as on March 31, 2018, driven by growth in the LAP, personal loan and business loan products in the retail finance segment and the corporate financing/leasing segment in the wholesale segment. As on September 30, 2019, the portfolio stood at Rs. 43,570 crore. As on September 30, 2019, ~51% of the loan book comprised retail loans with the balance ~49% comprising corporate loans. The composition of the loan book is expected to remain broadly similar in the near to medium term. Nevertheless, given the increasing competition, the company's ability to profitably grow the business volumes while maintaining control over fresh slippages would be a key monitorable.

Diverse borrowing profile and good financial flexibility – The Tata Capital Group enjoys good financial flexibility, being a part of the Tata Group, with access to funds at competitive rates of interest and from various sources.

TCL's consolidated funding profile is fairly diversified with a mix of non-convertible debentures, bank borrowings, and commercial paper. As on March 31, 2019, the overall capital market borrowings stood at ~51% of the total borrowings. The proportion of commercial papers in the overall funding mix declined to ~14% as on March 31, 2019 from 18% as on March 31, 2018. ICRA takes comfort from the company's cash flow from its short-term assets and its policy of maintaining adequate unutilised bank facilities as a liquidity backup.

TCFSL enjoys good financial flexibility, being a part of the Tata Group, with access to funds at competitive rates of interest. Its funding profile is fairly diversified with a mix of non-convertible debentures, bank borrowings, and commercial paper. As on September 30, 2019, the overall market borrowings stood at ~59% of the total borrowings. The proportion of commercial papers in the overall funding mix declined to ~11% as on September 30, 2019 from 16% as on March 31, 2019. ICRA takes comfort from the company's cash flow from its short-term assets and its policy of maintaining adequate unutilised bank facilities as a liquidity backup.

Comfortable asset quality and healthy provision cover – On an aggregate basis, TCL's asset quality indicators moderated with GNPA and NNPA of 2.02% and 0.58%, respectively, as on September 30, 2019, against 1.75% and 0.36%, respectively, as on March 31, 2019 owing to some fresh slippages in the current fiscal. Nevertheless, there has been an improvement in the asset quality indicators for the Group with the NPAs steadily declining over the last four years on the back of increased write-offs, controlled fresh slippages and expansion of the overall loan book. The overall provision cover was healthy at ~71% as on September 30, 2019. Going forward, ICRA expects the overall asset quality to remain comfortable and company to maintain healthy provision cover to protect the balance sheet against asset quality risk though some uptick is possible due to stress in some key lending segments and limited portfolio seasoning.

TCFSL's asset quality had been weak in the past with high slippages in the infrastructure segment, which the company subsequently wrote off. However, over the past few years, with increased write-offs, controlled fresh slippages and expansion of the overall loan book, the asset quality improved and the company reported GNPA of 2.44% as on September 30, 2019 (2.45% as on March 31, 2019 and 3.31% as on March 31, 2018) and a provision cover of 77% as on September 30, 2019 (84% as on March 31, 2019 and 73% as on March 31, 2018). Consequently, the NNPA were low at 0.57% (0.39% as March 31, 2019 and 0.90% as on March 31, 2018) while the solvency was low at 4.10% as on September 30, 2019, which provides comfort.

Credit challenges

Consolidated gearing remains relatively high; albeit improving on account of demonstrated support and stated intent of TSL to keep TCL Group's capitalisation adequate provides comfort – On a consolidated basis, TCL's capitalisation profile is supported by the capital infusion from the parent, reflected by the latest capital infusion of Rs. 2,500 crore in FY2019 and Rs. 1,000 crore in Q3FY2020 as well as TSL's stated intent to provide regular capital support to TCL to enable it to maintain an adequate capitalisation profile. Following the capital infusion in FY2019, TCL's consolidated gearing declined to 8.67 times as on March 31, 2019 from 11.75 times as on March 31, 2018. The gearing, nonetheless, remains at a relatively high level on a consolidated basis owing to relatively higher provision cover as compared to peers. ICRA expects financial support from the parent to reduce the gearing level further in the medium term.

TCL's capital adequacy, on a standalone basis, remains comfortable with a capital adequacy ratio (CAR) of 60%, significantly above the regulatory requirement of 30% for core investment companies (CICs), and a comfortable

leverage ratio of 0.71 times (against the regulatory requirement of maximum 2.5 times for CICs). The regulatory CARs of the three key subsidiaries of the Group remain comfortable with CAR and Tier I of TCFSL at 17.89% and 12.58%, respectively, TCHFL at 16.97% and 13.06%, respectively, and TCCL at 16.70% and 13.97%, respectively, as on September 30, 2019. ICRA believes the prudent capitalisation level is one of the key mitigants against delinquencies and other credit risks associated with the lending business. Given the strategic importance of TCL to the Tata Group, ICRA expects capital support from the parent to be forthcoming to keep TCL and its subsidiaries adequately capitalised.

TCFSL's capitalisation has been supported by regular capital infusions from its parent (Rs. 785 crore in FY2017 and Rs. 575 crore in FY2018 in the form of compulsorily convertible cumulative preference shares (CCCPS)). The parent infused an additional Rs. 1,025 crore in the form of CCCPS in FY2019. The company had converted CCCPS aggregating Rs. 656 crore and Rs. 1,889 crore on February 1, 2019 and September 30, 2019, respectively, into equity shares. Its capital adequacy stood at 17.89% (Tier I capital of 12.58%) as on September 30, 2019 compared to 16.84% (Tier I capital of 12.11%) as on March 31, 2019. The adjusted gearing also remained moderate at 6.43 times as on September 30, 2019.

Moderate earnings profile – TCL's consolidated profitability remains moderate as reflected by the return on assets (RoA) of 1.39% in FY2019 and 1.12% in FY2018. The Group's profitability has been moderate on account of higher operating expenses, higher credit costs and increased competition in key lending segments. TCL's net interest margins (NIMs) declined to 2.82% in FY2019 from 3.17% in FY2018 on account of the tightened liquidity environment. Profitability in FY2019 was supported by significant gains from the derecognition of investments in associates and fair value changes. However, despite the higher credit costs (0.90% in FY2019 from 0.55% in FY2018) and increase in operating expenses (2.31% in FY2019 from 2.10% in FY2018), the company reported RoA and RoE of 1.39% and 17.42%, respectively, in FY2019 compared with 1.12% and 17.19%, respectively, in FY2018. ICRA expects TCL's profitability to improve over the medium term with the scaling up of operations and a focus on better-yielding assets. Going forward, TCL's ability to manage recoveries or mitigate losses through the enforcement of security while arresting fresh slippages and thus keeping a check on the credit costs will have a strong bearing on its earnings profile.

TCFSL's NIMs improved to 5.2% in H1 FY2020 from 4.6% in FY2019 due to an improvement in yields and stable cost of funds. However, lower non-interest income (0.4% of ATA in H1 FY2020 from 1.0% in FY2019), higher credit costs (1.9% of ATA in H1 FY2020 from 1.0% in FY2019) and moderate operating expenses (2.9% of ATA in H1 FY2020 from 3.1% in FY2019) resulted in a decline in the RoA and RoE to 0.4% and 2.9%, respectively, in H1 FY2020 from 1.0% and 8.4% (including CCCPS in adjusted net worth), respectively, in FY2019. Going forward, with the company's increased focus on the better-yielding portfolio, the blended yields are expected to improve leading to improved NIMs. Further, TCFSL's ability to manage recoveries or mitigate losses through the enforcement of security while arresting fresh slippages and thus keeping a check on the credit costs will have a strong bearing on its earning profile.

Liquidity position: Strong

The Group's liquidity profile is strong at the consolidated level. As on December 31, 2019, total combined (TCL+TCFSL+TCHFL+TCCL) repayments for next 6 months stood at Rs. 21,660 crore of which WCDL constitute ~Rs. 5,403 crore. As on December 31, 2019, combined cash and liquid investments stood at ~Rs. 679 crore. Additionally, the total sanctioned unused bank lines maintained across subsidiaries aggregating to Rs. 11,406 crore as on

December 31, 2019 and expected inflows of ~Rs. 17,000 crore over the next six months provide comfort regarding the consolidated liquidity profile of the Group. TCL also enjoys strong financial flexibility to mobilise long-term funding on the back of its established track record and strong parentage.

Rating sensitivities

Positive triggers – Not applicable

Negative triggers – A significant change in the shareholding pattern of TCFSL or a reduction in the stake of TSL in TCL, a change in the expectation of support from the parent (TSL) or a deterioration in TSL’s credit profile could warrant a rating downgrade. Negative pressure on the ratings could arise if there is a deterioration in the asset quality with the consolidated GNPA remaining above 5% on a sustained basis or on a deterioration in TCL’s consolidated capitalisation profile on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA’s Credit Rating Methodology for Non-Banking Finance Companies Impact of Parent or Group Support on an Issuer’s Credit Rating
Parent/Group Support	Ultimate Parent/Investor: Tata Sons Limited TCL is a majority-owned subsidiary of TSL, which held 94.23% of TCL’s equity shares as on September 30, 2019. TCFSL, in turn, is a 100% subsidiary of TCL. 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 for TCFSL, ICRA has considered the consolidated performance of TCL and its subsidiaries conducting business as finance companies, given the strong operational and financial synergies between the companies. <i>Details are mentioned in Annexure-2.</i>

About the company

Tata Capital Financial Services Limited (TCFSL) was incorporated in November 2010 and is a wholly-owned subsidiary of Tata Capital Limited (TCL). It is registered as a non-deposit accepting NBFC with the Reserve Bank of India (RBI). In FY2012, TCFSL took over TCL’s lending operations, which included the financing of non-Tata vehicles and construction equipment, working capital finance for corporates and SMEs, and unsecured retail finance.

As on September 30, 2019, the company’s total credit book stood at Rs. 43,570 crore, of which 49% was from the wholesale segment, primarily comprising working capital loans to corporates (26%) and bill discounting and channel financing (18%). The balance comprised the retail portfolio including home equity (15%), unsecured business loan (16%), construction equipment (9%), financing for automobiles (9%), and tractors (2%). In H1 FY2020, the company reported a net profit of Rs. 87.40 crore on a total income of Rs. 2,989.87 crore against a net profit of Rs. 437.10 crore on a total income of Rs. 5,585.66 crore in FY2019.

Tata Capital Limited

TCL is a subsidiary of Tata Sons Limited, which holds 94.23% of TCL. The rest is held by Tata Investment Corporation Limited, TCL Employee Welfare Trust and others.

TCL is registered as a CIC and is the holding company of various financial services of the Group including Tata Capital Financial Services Limited (TCFSL), Tata Capital Housing Finance Limited (TCHFL), and Tata Cleantech Limited (TCCL). TCL also holds strategic and private equity investments in some companies. TCL reported a standalone net profit of Rs. 27.53 crore in FY2019 on a total standalone asset base of Rs. 9,573 crore against a net profit of Rs. 36.56 crore on a total asset base of Rs. 7,279.12 crore in FY2018.

On a consolidated basis, TCL reported a profit after tax (PAT) of Rs. 1,029 crore in FY2019 on a total asset base of Rs. 82,644 crore compared to Rs. 678 crore and Rs. 65,213 crore, respectively, in FY2018.

Tata Sons Limited

Tata Sons Limited, founded in 1917 by the Tata Group's founder, Shri JN Tata, is the principal holding company of the Tata Group and the owner of the Tata brand and associated trademarks. Charitable trusts own most of Tata Sons' shares 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, however, are largely spent on brand promotion. Tata Sons also provides certain Group-level services to Tata companies, key among them being facilitating business excellence within the Group by conducting training programmes (through Tata Quality Management Services) and by providing legal assistance and human resource (HR) services. TCS, one of the largest software companies in India and the highest contributor to Tata Sons in terms of revenues and profits, was spun off as a separate entity in FY2005. Currently, Tata Sons' 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, TTSL and Tata Global Beverages Limited, among others.

Key financial indicators – TCFSL (Standalone)

	FY2018	FY2019	H1 FY2020
Profit after Tax	403	437	87
Net Worth (adjusted)	*4,472	*5,933	6,019
Total Managed Portfolio	36,319	44,022	43,570
Total Assets	39,892	47,836	47,611
Return on Assets	1.08%	1.00%	0.37%
Return on Equity	*10.06%	*8.40%	2.93%
Gearing (times)	*7.18	*6.53	6.43
Gross NPA%	3.31%	2.45%	2.44%
Net NPA%	0.90%	0.39%	0.57%
Net NPA / Net Worth	*3.52%	*2.87%	4.10%
CAR%	16.68%	16.84%	17.89%

Amount in Rs. crore; Source: TCFSL, ICRA research; As per ICRA's calculations

*In ICRA's calculations, CCCPS of Rs. 1,889 crore as on March 31, 2019 and Rs. 1,520 crore as on March 31, 2018 were included in the net worth. If this is treated as borrowings (as reported under Ind-AS), the net worth would stand at Rs. 4,044 crore, gearing at 10.04 times, RoE at 12.50% and Net NPA/Net worth at 4.21% as on March 31, 2019 (net worth would stand at Rs. 2,952 crore, gearing at 11.39 times, RoE at 14.53% and Net NPA/Net worth at 5.34% as on March 31, 2018)

Key financial indicators – TCL (consolidated)

	FY2018	FY2019
Net Interest Income	1,918	2,087
Non-interest Income	735	1,641
Operating Expenses	1,271	1,705
Profit before Tax	1,045	1,358
Profit after Tax	678	1,029
Net Worth	4,799	8,118
Total Assets	64,397	81,826
Return on Assets	1.12%	1.39%
Return on Equity	17.19%	17.42%
Gearing (times)	11.75	8.67

Amount in Rs. crore; Source: TCL, ICRA research; As per ICRA's calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Non-convertible Debentures	Proposed	NA	NA	4,171.25	[ICRA]AAA(Stable)
INE306N07CS1	Non-convertible Debentures	5-Sep-12	9.85%	5-Sep-22	50.00	[ICRA]AAA(Stable)
INE306N07HK7	Non-convertible Debentures	16-Dec-15	8.65%	16-Dec-20	10.00	[ICRA]AAA(Stable)
INE306N07HN1	Non-convertible Debentures	16-Mar-16	8.75%	16-Mar-21	7.00	[ICRA]AAA(Stable)
INE306N07HO9	Non-convertible Debentures	21-Mar-16	8.80%	19-Mar-21	10.00	[ICRA]AAA(Stable)
INE306N07IV2	Non-convertible Debentures	27-Oct-16	7.85%	25-Oct-19	35.00	[ICRA]AAA(Stable)
INE306N07IW0	Non-convertible Debentures	10-Nov-16	8.10%	10-Dec-19	23.00	[ICRA]AAA(Stable)
INE306N07IX8	Non-convertible Debentures	16-Nov-16	8.10%	16-Dec-19	75.00	[ICRA]AAA(Stable)
INE306N07JC0	Non-convertible Debentures	1-Mar-17	7.85%	28-Feb-20	25	[ICRA]AAA(Stable)
INE306N07JE6	Non-convertible Debentures	31-Mar-17	0.0791	31-Mar-22	40	[ICRA]AAA(Stable)
INE306N07JJ5	Non-convertible Debentures	9-Jun-17	7.87%	9-Jun-20	1015	[ICRA]AAA(Stable)
INE306N07JK3	Non-convertible Debentures	6-Jul-17	7.75%	6-Aug-20	50	[ICRA]AAA(Stable)
INE306N07JM9	Non-convertible Debentures	12-Jul-17	7.70%	10-Jul-20	25	[ICRA]AAA(Stable)
INE306N07JO5	Non-convertible Debentures	20-Jul-17	7.70%	28-Feb-22	75	[ICRA]AAA(Stable)
INE306N07JQ0	Non-convertible Debentures	16-Aug-17	7.69%	14-Jan-22	75	[ICRA]AAA(Stable)
INE306N07JR8	Non-convertible Debentures	29-Sep-17	7.50%	27-Sep-19	200	[ICRA]AAA(Stable)
INE306N07JU2	Non-convertible Debentures	12-Jan-18	ZCB	22-Jan-21	75	[ICRA]AAA(Stable)
INE306N07JV0	Non-convertible Debentures	22-Jan-18	8.25%	20-Jan-23	48	[ICRA]AAA(Stable)
INE306N07JX6	Non-convertible Debentures	23-Mar-18	8.28%	23-Mar-21	250	[ICRA]AAA(Stable)
INE306N07JW8	Non-convertible Debentures	24-Jan-18	8.20%	24-Jan-20	700	[ICRA]AAA(Stable)
INE306N07JZ1	Non-convertible Debentures	19-Jun-18	9.07%	19-Sep-19	540	[ICRA]AAA(Stable)
INE306N07KA2	Non-convertible Debentures	29-Jun-18	8.98%	27-Dec-19	185	[ICRA]AAA(Stable)
INE306N07KA2	Non-convertible Debentures	5-Jul-18	8.98%	27-Dec-19	180	[ICRA]AAA(Stable)
INE306N07KB0	Non-convertible Debentures	19-Jul-18	8.88%	20-Jan-20	395	[ICRA]AAA(Stable)
INE306N07KG9	Non-convertible Debentures	22-Oct-18	9.48%	8-Apr-22	112	[ICRA]AAA(Stable)
INE306N07KH7	Non-convertible Debentures	26-Oct-18	9.50%XIRR	26-Oct-21	326.2	[ICRA]AAA(Stable)
INE306N07KI5	Non-convertible Debentures	26-Nov-18	9.29%	20-Mar-20	75	[ICRA]AAA(Stable)
INE306N07KJ3	Non-convertible Debentures	30-Nov-18	9.32%XIRR	26-Jun-20	130	[ICRA]AAA(Stable)
INE306N07KB0	Non-convertible Debentures	6-Dec-18	8.88%	20-Jan-20	230	[ICRA]AAA(Stable)
INE306N07KK1	Non-convertible Debentures	19-Dec-18	9.25%	19-Dec-23	194	[ICRA]AAA(Stable)
INE306N07KL9	Non-convertible Debentures	19-Dec-18	9.25%	19-Dec-28	112	[ICRA]AAA(Stable)
INE306N07KK1	Non-convertible Debentures	3-Jan-19	9.25%	19-Dec-23	97.5	[ICRA]AAA(Stable)
INE306N07KL9	Non-convertible Debentures	3-Jan-19	9.25%	19-Dec-28	23	[ICRA]AAA(Stable)
INE306N07KM7	Non-convertible Debentures	3-Jan-19	8.88%	10-Jun-22	40	[ICRA]AAA(Stable)
INE306N07KJ3	Non-convertible Debentures	10-Jan-19	ZCB	26-Jun-20	30	[ICRA]AAA(Stable)
INE306N07KN5	Non-convertible Debentures	10-Jan-19	8.95%	11-Jan-21	25	[ICRA]AAA(Stable)
INE306N07KO3	Non-convertible Debentures	16-Jan-19	8.94%	15-Jul-20	376	[ICRA]AAA(Stable)
INE306N07KP0	Non-convertible Debentures	16-Jan-19	8.82%	20-Mar-20	400	[ICRA]AAA(Stable)
INE306N07KQ8	Non-convertible Debentures	29-Jan-19	8.83%	29-Jun-20	350	[ICRA]AAA(Stable)
INE306N07KJ3	Non-convertible Debentures	23-Jan-19	9.32%XIRR	26-Jun-20	149	[ICRA]AAA(Stable)
INE306N07KG9	Non-convertible Debentures	23-Jan-19	9.48%	8-Apr-22	48.5	[ICRA]AAA(Stable)
INE306N07KK1	Non-convertible Debentures	15-Feb-19	9.25%	19-Dec-23	30	[ICRA]AAA(Stable)
INE306N07KL9	Non-convertible Debentures	15-Feb-19	9.25%	19-Dec-28	55	[ICRA]AAA(Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE306N07KR6	Non-convertible Debentures	21-Feb-19	8.85%	21-Feb-22	50	[ICRA]AAA(Stable)
INE306N07KY2	Non-convertible Debentures	25-Apr-19	8.45%	25-Apr-22	50	[ICRA]AAA(Stable)
INE306N07KZ9	Non-convertible Debentures	14-May-19	8.61%XIRR	6-Jul-22	21	[ICRA]AAA(Stable)
INE306N07LA0	Non-convertible Debentures	27-May-19	8.30%XIRR	27-May-24	50	[ICRA]AAA(Stable)
INE306N07JM9	Non-convertible Debentures	10-Apr-19	7.70%	10-Jul-20	100	[ICRA]AAA(Stable)
INE306N07KW6	Non-convertible Debentures	27-Mar-19	8.65%	26-Mar-21	525	[ICRA]AAA(Stable)
INE306N07KW6	Non-convertible Debentures	4-Jun-19	8.65%	26-Mar-21	150	[ICRA]AAA(Stable)
INE306N07KX4	Non-convertible Debentures	27-Mar-19	8.71%	25-Mar-22	282.5	[ICRA]AAA(Stable)
INE306N07LB8	Non-convertible Debentures	27-May-19	8.82%	27-May-24	218	[ICRA]AAA(Stable)
INE306N07LC6	Non-convertible Debentures	4-Jun-19	8.67%	15-Jan-25	30	[ICRA]AAA(Stable)
INE306N07LD4	Non-convertible Debentures	4-Jun-19	8.30%	4-Jun-21	108	[ICRA]AAA(Stable)
INE306N07LE2	Non-convertible Debentures	20-Jun-19	8.65%	20-Jun-24	88.5	[ICRA]AAA(Stable)
INE306N07LE2	Non-convertible Debentures	10-Jul-19	8.65%	20-Jun-24	100	[ICRA]AAA(Stable)
INE306N07LF9	Non-convertible Debentures	20-Jun-19	8.70%	20-Jun-29	273	[ICRA]AAA(Stable)
INE306N07LF9	Non-convertible Debentures	19-Jul-19	8.70%	20-Jun-29	100	[ICRA]AAA(Stable)
INE306N07LN3	Non-convertible Debentures	27-Sep-19	7.65%	13-Sep-21	50.00	[ICRA]AAA(Stable)
INE306N07KM7	Non-convertible Debentures	27-Sep-19	8.88%	10-Jun-22	10.00	[ICRA]AAA(Stable)
INE306N07LP8	Non-convertible Debentures	10-Dec-19	7.55%	10-Jun-22	25.00	[ICRA]AAA(Stable)
NA	Perpetual Debt Programme	Proposed	NA	NA	175	[ICRA]AA+(Stable)
INE306N08276	Perpetual Debt Programme	26-Mar-18	8.90%	Perpetual	125	[ICRA]AA+(Stable)
INE306N08268	Perpetual Debt Programme	11-Sep-17	0.0861	Perpetual	93	[ICRA]AA+(Stable)
INE306N08250	Perpetual Debt Programme	14-Jul-17	8.77%	Perpetual	50	[ICRA]AA+(Stable)
INE306N08235	Perpetual Debt Programme	21-Jun-17	9.05%	Perpetual	50	[ICRA]AA+(Stable)
INE306N08227	Perpetual Debt Programme	8-Mar-17	9.05%	Perpetual	40	[ICRA]AA+(Stable)
INE306N08219	Perpetual Debt Programme	13-Jan-17	9.00%	Perpetual	10	[ICRA]AA+(Stable)
INE306N08185	Perpetual Debt Programme	30-Jun-16	9.80%	Perpetual	50	[ICRA]AA+(Stable)
INE306N08144	Perpetual Debt Programme	23-Mar-16	9.80%	Perpetual	100	[ICRA]AA+(Stable)
INE306N08136	Perpetual Debt Programme	9-Feb-16	9.86%	Perpetual	100	[ICRA]AA+(Stable)
INE306N08128	Perpetual Debt Programme	2-Feb-16	9.86%	Perpetual	50	[ICRA]AA+(Stable)
INE306N08110	Perpetual Debt Programme	6-Jan-16	9.86%	Perpetual	50	[ICRA]AA+(Stable)
INE306N08060	Perpetual Debt Programme	16-Jul-15	9.99%	Perpetual	100	[ICRA]AA+(Stable)
INE306N08011	Perpetual Debt Programme	27-Mar-14	10.95%	Perpetual	93.55	[ICRA]AA+(Stable)
NA	Subordinated Debt Programme	Proposed	NA	NA	500	[ICRA]AAA(Stable)
NA	Subordinated Debt Programme	Proposed	NA	NA	200	[ICRA]AAA(Stable)
INE306N08359	Subordinated Debt Programme	13-Nov-19	8.65%	13-Nov-29	100	[ICRA]AAA(Stable)
INE306N08300	Subordinated Debt Programme	28-Dec-18	9.32%	28-Dec-28	200	[ICRA]AAA(Stable)
INE976I08110	Subordinated Debt Programme	24-Dec-09	9.95%	24-Dec-19	50	[ICRA]AAA(Stable)
INE976I08102	Subordinated Debt Programme	18-Dec-09	9.80%	18-Dec-19	150	[ICRA]AAA(Stable)
INE976I08094	Subordinated Debt	15-Dec-09	10.25%	43814	286.25	[ICRA]AAA(Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE976I08078	Programme Subordinated Debt Programme	30-Nov-09	ZCB	30-Nov-19	56.75	[ICRA]AAA(Stable)
INE976I08052	Subordinated Debt Programme	28-Oct-09	10.25%	28-Oct-19	73.95	[ICRA]AAA(Stable)
INE976I08060	Subordinated Debt Programme	28-Oct-09	9.80%	28-Oct-19	79	[ICRA]AAA(Stable)
INE976I08037	Subordinated Debt Programme	9-Sep-09	10.25%	9-Sep-19	170.4	[ICRA]AAA(Stable)
INE976I08029	Subordinated Debt Programme	4-Aug-09	10.50%	4-Aug-19	39.1	[ICRA]AAA(Stable)
NA	Commercial Paper Programme	NA	NA	7-365 days	15,000	[ICRA]A1+
NA	Long Term/Short Term – Fund Based/Non-fund Based Bank Lines	NA	NA	NA	20,000	[ICRA]AAA(Stable)/ [ICRA]A1+

Source: TCFSL

Annexure 2: List of entities considered for consolidated analysis

Company name	Ownership/Relationship	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	28.18%	Full consolidation
Tata Capital Innovation Fund	27.13%	Full consolidation
Tata Capital Growth Fund II	14.96%	Full consolidation
Tata Capital Growth II General Partners LLP	80%	Full consolidation
Tata Capital Healthcare Fund I	32.12%	Full consolidation
Tata Capital Pte Limited	100%	Full consolidation

Corrigendum

In 'rating history for last three years' section, updated the reference to the press release dated 15-Jun-17.

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