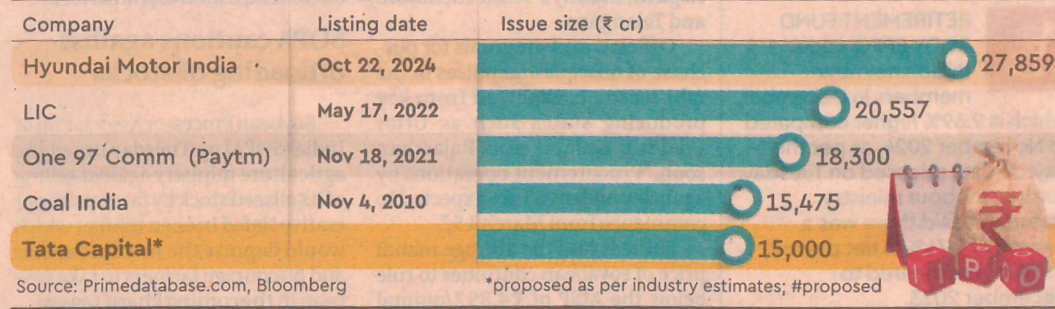


Tata Capital set to float ₹15,000-cr IPO

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SACHIN KUMAR
Mumbai, February 25

THE BIG ONES SO FAR



THE BOARD OF Tata Capital -- the financial services arm of Tata Group -- on Tuesday approved plans for an initial public offering (IPO), which would comprise fresh issuance of 230 million equity shares and an offer for sale by existing shareholders.

The company, in which Tata Sons holds a 92.83% stake, is expected to raise nearly ₹15,000 crore through the share sale, according to sources, making it the fifth-largest IPO after the listing of Hyundai Motor, LIC, Paytm and Coal India shares.

The IPO is expected to happen before September 2025 - the deadline for meeting the upper-layer NBFC guidelines of the Reserve

Bank of India (RBI).

In September 2022, RBI had classified Tata Capital Financial Services as an upper-layer systemically important NBFC. In January this year, the banking sector regulator retained the company on the list.

This classification mandates the adoption of enhanced regulatory frameworks and listing within three years.

Tata Sons is the second company from Tata Group in the upper-layer systemically important list.

Tata Capital's IPO would mark the group's second listing in two decades after Tata Technology's initial public offering in November 2023.

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Tata Capital IPO...

THE BOARD also approved a rights issue of up to ₹1,504 crore to the existing shareholders, setting the record date as February 25.

The OFS "will be subject to market conditions, receipt of applicable approvals, regulatory clearances and other relevant considerations", the company said in a filing to the stock exchanges.

The approval for the IPO boosted Tata Investment Corp's shares, which surged up to 10% following the announcement. The company held 80.7 million shares of Tata Capital as of March 31, according to its annual report.

Tata Capital is the holding company for the group's three lending businesses - Tata Capital Financial Services, Tata Capital Housing Finance and Tata Cleantech Capital - and three investment and advisory businesses: Tata Securities, Tata Capital Singapore and private equity.

During FY24, Tata Capital posted its highest-ever consolidated net profit of ₹3,150 crore, a growth of 37% from last year. It



maintained a credit cost of 0.5% and delivered return on equity (RoE) of 17.6% for the year.

Tata Capital had assets under management of ₹1.58 lakh crore as of March 2024, up from ₹1.19 lakh crore a year earlier.

Tata Capital caters to the diverse needs of retail, housing, small and medium enterprises and corporate customers across India with a network of over 900 branches. Its wide range of offerings include credit cards to consumer finance, microfinance and private equity.