

## **About TATA Capital Unlisted Equities**

Comprehensive overview of price and performance of Tata Capital Unlisted Equities  
In the vast swath of the Indian financial sector, certain names represent a history of trust and reliability. Tata Sons Limited, one of the country's leading conglomerates, has always been at the forefront of driving excellence across multiple sectors. A notable subsidiary under its umbrella is Tata Capital.

### **Fundamentals of the Establishment and Growth of Tata Capital**

Emerging from the distinguished pedigree of Tata Sons Limited, Tata Capital embodies the principles of trust and customer focus that are the hallmark of the Tata Group. A one-stop financial solutions partner, Tata Capital is more than just a company; it is a promise to a wide range of individual, corporate, and institutional clients.

This promise extends across various financial segments, ensuring comprehensive services to meet the diverse financial requirements of its customers.

At the core of Tata Capital's offering are several specialized subsidiaries, each serving a niche segment, ensuring that the needs of each customer, be it retail or corporate, are carefully considered.

**Dig deeper:** A closer look at Tata Capital's offerings

**Tata Capital Financial Services Limited:** Under this subsidiary, Tata Capital offers a wide range of financial services. Services range from corporate finance, and trade finance to leasing and rural finance. This diversification enables Tata Capital to provide effective solutions regardless of your financial needs.

**Tata Capital Housing Finance Limited:** This subsidiary enters the real estate and housing sector, making the dream of home ownership a reality. It goes beyond just offering mortgages. Tata Capital recognizes the diverse needs in the housing sector and offers services such as construction financing and affordable housing segments to ensure that everyone can own a piece of their dream, irrespective of their income bracket.

**Tata Cleantech Capital Limited:** Tata Capital recognizes the growing importance of sustainable clean energy globally. With this subsidiary, Tata Capital has established its position in the renewable energy sector. The company has positioned itself as a key player in facilitating and enabling the transition to renewable sources by providing financing and advisory services.

**Tata Securities Limited:** Tata Capital has further diversified its offerings and expanded its presence in the investment banking sector. Besides providing services related to investment banking, the subsidiary also acts as a distributor of third-party financial products specially tailored for mutual funds and institutional investors.

## **A summary of TATA Capital's product portfolio:**

**Consumer Loans:** TATA Capital offers loans catering to various consumer needs, including personal loans, home loans, car loans, and two-wheeler loans. These loans are designed to help individuals fulfill their desires, be it financing the purchase of a home or a car or other personal expenses.

**Business Loans:** We offer business loans to support the growth and expansion plans of Small and Medium Enterprises (SMEs). These loans can be used for working capital, business expansion, purchasing equipment, and more.

**Loans for Two-Wheelers and Cars:** TATA Capital offers financing options for the purchase of two-wheelers and cars to make it easier for individuals to own their preferred mode of transportation.

**Home Loans:** TATA Capital offers home loans to help individuals buy or build a home. These loans usually cover a significant portion of the property cost and can be repaid over a long period.

**Personal Loans:** TATA Capital personal loans are unsecured loans that can be used for a variety of purposes such as medical emergencies, weddings, travel, education, and other personal expenses.

**Real Estate Secured Loans:** Customers can obtain loans using their residential or commercial property as collateral. These loans are typically used for business expansion, debt consolidation, and other critical capital needs.

**Working Capital Financing:** TATA Capital offers working capital financing solutions to help businesses manage their day-to-day operating costs and maintain a healthy cash flow.

**Working Capital Loans:** This type of loan helps businesses acquire machinery, equipment, and tools required for business operations.

**Secured Loans:** Customers can use their investments in stocks, mutual funds, bonds, and other financial securities as collateral for loans for various purposes.

**Insurance Services:** TATA Capital offers insurance products such as general and life insurance to provide financial protection against unforeseen circumstances.

**Credit Cards:** TATA Capital offers credit cards with a range of features and benefits to suit different spending and lifestyle preferences.

### **Global Reach: Beyond Borders**

Though Tata Capital's heart beats in Mumbai, where it is headquartered, its influence is not limited to Indian shores. Recognizing the global nature of finance and the interconnectedness of today's world, the company has subsidiary offices in international financial centers such as Singapore and London.

This global presence enables Tata Capital to stay abreast of international financial trends and provide superior service to its clients.

### **Tata Capital Share Price: A Reflection of Success**

Market confidence in a company is often reflected in its share price. Tata Capital's share price has fluctuated between INR 550 and INR 600 per share, giving an idea of the company's robust performance and market confidence. Though the company is not listed on any major stock exchange, the fact that the Unlisted Tata Capital share price is in this range is a testament to the company's stability and growth trajectory.

### **Current Unlisted Tata Capital Share Price:**

Unlisted Tata Capital share price is ₹525 and assets under management are ₹1,167,560,000.

### **Financial Performance of Tata Capital Unlisted Equities for FY 21-22**

1. Tata Capital Limited, registered with RBI as a core investment company, is primarily engaged in lending business and invests primarily in its subsidiaries offering a wide range of services and products in the financial services sector.
2. Tata Capital Finance Services Limited, Tata Capital Housing Finance Limited and Tata Cleantech Chemical Limited are the three major subsidiaries engaged in lending business.
3. Tata Capital reported record profits for FY22. The company achieved this through expansion in Net Interest Margin (NIM), targeted control of operating costs and tightening of credit policies.
4. PAT increased from 124.5 billion to 180.1 billion.
5. Consolidated net interest income and other income for the year was Rs 5,364 crore. It grew 12% to Rs 4,775 crore in FY21.
6. NPAs declined to 0.6% in FY22 from 0.9% in FY21.
7. Return on equity increased from 12.4% in FY2020-21 to 15.3% in FY2021-22.
8. Total loans outstanding as on March 31, 2022 stood at Rs 90,121 crore, up 22%.
9. Further, book value increased from 28.79 to 33.82. Financial performance of Tata

### **Capital Unlisted Equities FY22-23**

1. All-time high PAT of Rs 2,975 Cr. demonstrated strong growth of 80% in FY23 driven by healthy Net Interest Margin (NIM) and growth in other income while keeping operating and credit costs under control.
2. Net Interest Margin (NIM) of Rs 7,023 Cr for FY23. Revenues last year were Rs 5,253 Cr, up 34% YoY.
3. NPAs further declined to 0.4%.
4. As of March 31, 2023, total loans grew 28% to Rs 1,209.4 crore
5. Book value has also increased from 33.82 to 48.36.
6. Return on equity is 17.3% in FY23 against 15.6% in FY22.

### Valuation risk of Tata Capital's unlisted shares

Tata Capital's unlisted shares are currently being offered at a price of Rs 550-600 per share. As of March 31, 2023, Tata Capital's book value is around Rs 50 per share. This means a price-to-book ratio (P/B) of over 11 times. This compares with the usual P/B multiples in the financial industry like NBFCs, banks, SFBS etc., where listed stocks are usually priced at the P/B multiple of the stock they are trading at. Anything below 5 seems quite high.

Tata Capital's rising P/B ratio has raised concerns over the exorbitant valuation of the stock. Anyone considering investing in this stock should proceed with caution and discretion, especially considering its valuation and its disconnect with the industry norm. We advise you to carefully consider the potential risks and rewards of investing in unlisted shares of Tata Capital before taking any decision.

### 9MFY24 Results of Tata Capital

9MFY24 Results of Tata Capital		
Particulars (In Cr)	9MFY24	9MFY23
Nil	11788	8
Revenue from Operations	12774	9082
Employees Benefit Expenses	1328	1902
Other Expenses	1064	785
<b>Operating Profit</b>	<b>10382</b>	<b>7395</b>
Other Income	415	176
Depreciation	213	171
Finance Cost	6887	4679
PBT	3697	2721
Provisioning	303	359
Profit After Provisioning	3381	2470
Tax	819	609
<b>PAT</b>	<b>2562</b>	<b>1861</b>

### Fundamentals

Fundamentals			
TATA Capital	1020 Per Equity Share	Market Cap (in cr.)	364745.5
Unlisted Shares Price		P/E Ratio	109.69
Lot Size	848 Shares	P/B Ratio	14.84
52 Week High	1158	Debt to Equity	5.68
52 Week Low	440	ROE (%)	13.53
Depository	NSDL & CDSL	Book Value	66.38
PAN Number	AADCP9147P	Face Value	10
ISIN Number	INE976I01016		

**Financials (Figures in cr)**

<b>P&amp;L Statement</b>				
<b>P&amp;L Statement</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Interest Earned	8727	9090	11895	16366
Other Income	1260	1162	1741	1832
Interest Expended	5212	4889	6601	9568
Operating Expenses	1371	2041	2446	3346
Provisions and contingencies	1449	1080	574	592
PAT	1242	1851	2946	3327
eps	3.59	5.35	8.4	8.98
Gross NPA	2.2	1.9	1.71	1.71
Net NPA	0.5	0.6	0.4	0.38
<b>Financial Ratios</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Advances	73626	90121	116756	157760
Book Value	28.8	33.82	48.35	66.38
P/B	15.97	13.6	21.71	15.82
ROE (%)	12.45	15.8	17.37	13.53

<b>Balance Sheet</b>				
<b>Assets</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Fixed Assets	765	565	486	833
Cash and Balances	2026	2081	3058	6995
Investment	3823	7846	12658	7905
Advances	73626	90121	116756	157760
Other assestes	2690	1773	2604	3201
<b>TotalAssets</b>	<b>82930</b>	<b>102386</b>	<b>135562</b>	<b>176694</b>
<b>Liabilities</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Share Capital	3463	3463	3507	3703
FV	10	10	10	10
Reserves	6509	8249	13451	20878
Borrowing	63157	79330	106309	139646
Deposits	0	0	0	0
Other Liabilities	9801	11344	12295	12467
<b>TotalLiabilities</b>	<b>82930</b>	<b>102386</b>	<b>135562</b>	<b>176694</b>



<b>Cash-Flow Statement</b>				
<b>Cash- Flow Statement</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
PBT (%)	1614	2347	3936	4392
OPBWC	3194	3083	3948	4758
Term Deposit	0	0	0	0
Change in Investment	0	0	0	0
Change in Advances	-383	-17098	-26763	-40889
Change in Deposit	0	0	0	0
Other Changes	578	246	709	-5402
Working Capital Change	195	-16852	-26054	-46291
<b>Cash Generated From Operations</b>	<b>3389</b>	<b>-13769</b>	<b>-22106</b>	<b>-41533</b>
Tax	252	617	1083	-1223
<b>Cash Flow From Operations</b>	<b>3137</b>	<b>-14386</b>	<b>-23189</b>	<b>-40310</b>
Purchase of PPE	-61	-40	-207	-698
Sale of PPE	55	63	60	64
Purchase of Investment	-919291	-246751	-380770	-325
Sale of Investments	916755	244311	378996	5129
Others	-83	-200	-348	1587
<b>Cash Flow from Investment</b>	<b>-2625</b>	<b>-2617</b>	<b>-2269</b>	<b>5757</b>
Proceeds from Borrowing	66376	114447	82621	104439
Repayment of Borrowing	-69064	-97369	-56467	71655
Divided	-90	-82	-136	-74
Proceeds from Equity	260	200	796	1975
Others From Financing	-268	-141	-385	-142043
<b>Cash Flow from Financing</b>	<b>-2786</b>	<b>17055</b>	<b>26429</b>	<b>35952</b>
<b>Net Cash Generated</b>	<b>-2274</b>	<b>52</b>	<b>971</b>	<b>1399</b>
Cash at the Start	4302	2026	2081	3059
Cash at the End	2028	2078	3052	4458

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