

November 4, 2010

**CARE ASSIGNS 'CARE AA+' RATING TO NCD ISSUE OF
TATA CAPITAL LTD.**

CARE has assigned 'CARE AA+' [Double A Plus] rating to the proposed issue of Non Convertible Debentures (NCD) of Tata Capital Ltd. (TCL) of Rs.200 crore. Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk.

Instrument / Facility	Amount Rated (Rs cr)	Rating ¹	Remark
Non Convertible Debentures	200	CARE AA+ (Double A Plus)	Assigned

Rating Rationale

The rating factors in TCL's strong parentage (TCL being subsidiary of Tata Sons Ltd.), demonstrated support of the Tata group, both, by way of capital support as well as offering of in-house business opportunities (lending opportunities offered by the "Tata Ecosystem" comprising dealers/vendors and other business constituents/relationships affiliated with the group companies). The rating also factors in the brand equity of the parent company which would aid TCL in scaling up its volumes beyond the group related business as well as render it with strong resource raising capabilities.

The rating is however constrained by TCL's relatively limited track record of operations, its ability to lend competitively given the presence of established players in an intensely aggressive corporate and retail lending market and its ability to maintain asset quality with rising business volumes.

Company Profile

TCL is a subsidiary of Tata Sons Limited providing a wide spectrum of financial services (both fund based as well as non-fund based). TCL is having / planning to have the various business verticals like Retail Finance, Construction Equipment Finance, SME loans, Distribution and Broking of Financial Products, Wealth Management, Investment Banking and Private Equity either on its books or its subsidiary companies. It has already set up

¹ Complete definitions of the ratings assigned are available at www.careratings.com

some of these business verticals. TCL recorded PAT of Rs.50 crore during FY10 on total income of Rs.1,379 crore. TCL reported capital adequacy ratio of 21.44% as on March 31, 2010 with Gross NPA ratio and net NPA ratios of 2.34% and 1.77% respectively. TCL reported PAT of Rs.25 crore during Q1FY11.

Analyst Contact:

Name: Vijay Agrawal

Tel # 022-6754 3416

Email: vijay.agrawal@careratings.com

Name: Abhinav Sharma

Tel # 022-6754 3508

Email: abhinav.sharma@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. P N Sathees Kumar

Executive Vice President – Marketing

Mobile: +91-9820416004

mail:sathees.kumar@careratings.com

Mr. Ankur Sachdeva

Vice President – Marketing (SME)

Mobile: +91-9819698985

E-mail: ankur.sachdeva@careratings.com

Mr. Vivek Palan

Manager – Banking & Finance

Mobile: +91-98206 06406

E-mail:vivek.palan@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr. Mehul Pandya Regional Manager 32 TITANIUM Praladnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr. Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail : Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E-mail: sukanta.nag@careratings.com</p>	<p>Ms. Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>