

December 29, 2009

CARE REAFFIRMS THE RATINGS ASSIGNED TO VARIOUS DEBT/FACILITIES OF TATA CAPITAL LTD.

CARE has retained the existing '**CARE AA+**' [**Double A plus**] rating to the NCDs of Tata Capital Ltd aggregating to Rs.2350 crore. CARE has also retained the existing '**CARE AA**' [**Double A**] rating to the Subordinate Debt of Tata Capital Ltd aggregating to Rs.1000 crore (Outstanding as on Oct 31, 2009: Rs.362.45 crore). Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk.

CARE has also reaffirmed the '**CARE AA+**' [**Double A plus**] rating to Long Term Bank Facilities of Tata Capital Ltd. Facilities with this rating are considered to offer high safety for timely servicing of debt obligations. Such facilities carry very low credit risk. Further, CARE has also reaffirmed existing '**PR1+**' [**PR One plus**] rating to the short-term bank facilities of Tata Capital Ltd. This rating is applicable to facilities having a tenure upto one year. Facilities with this rating would have strong capacity for timely payment of short-term debt obligations and carry lowest credit risk.

NCDs aggregating to Rs.2350 crore	'CARE AA+'
Subordinated Debt aggregating to Rs.1000 crore	'CARE AA'
Long Term Bank Facilities aggregating to Rs.2510 crore	'CARE AA+'
Short Term Bank Facilities aggregating to Rs.500 crore	'PR1+'

The rating factors in TCL's strong parentage (TCL being a subsidiary of Tata Sons Ltd., the 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, it's 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.

Background

Formerly known as 'Primal Investments and Finance Limited', **TCL is a subsidiary of Tata Sons Limited.** The name of the Company was changed to 'Tata Capital Limited' w.e.f. May 8, 2007 The company's role (as "Primal Investments") prior to this period was restricted primarily to investments in a few Tata group companies.

TCL provides a wide spectrum of Financial Services – both fund based as well as non-fund based. TCL and / or its subsidiary companies have / planning to have the following business verticals: Retail Finance, Construction Equipment Finance, SME loans, Distribution and Broking of Financial Products, Wealth Management, Investment Banking and Private Equity.

TCL recorded a PAT of Rs.4.74 crore on a Total Income of Rs.893.97 crore in FY09. TCL's lending profile is dominated by its corporate portfolio that constitutes about 59% of the total advances as of March 31, 2009 [Sep 09, 61%] with retail loans accounting for the balance. FY09 was the first full year of retail operations of TCL. The total loan book of TCL stood at around Rs.8108 crore as on March 31, 09. Gross and Net NPA stood at 0.95% and 0.66% as on March 31, 2009 respectively. TCL's CAR stood at 17.06% as on March 31, 2009.

Analyst Contact

Analyst Contact: Milind Gadkari

Tel # 6754 3466

Mobile # 98217 12848

Email: milind.gadkari@careratings.com

CARE 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. Ankur Sachdeva

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@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 6631 1821/22 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager No.G1, Canopy Royal Manor, Near Manipal Hospital, Rustombagh, Off Airport Road, Bangalore - 560 017. Tel – 080 2520 5575 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 2849 7812/2849 0811 Mobile – 91766 47599 E-mail :ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 302, 'Priya Arcade' 8-3-826, Yellareddyguda, Srinagar Colony, Hyderabad - 500 073. Tel – 040 6675 8386 Mobile – 91600 04563 E-mail: rahul.patni@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>