

# Tata Capital Limited

Results: Q1 FY 2023 - 24



# Our Purpose

Responsible financial partner  
fulfilling India's aspirations

# Our Purpose Pillars

1

## Lead with Trust

We respect and reinforce the trust that is placed in us. **We are the partner the country can rely on**

2

## Better Together

We actively collaborate with customers, partners, employees, group companies, communities; **their success is our success**

3

## Futuready

We innovate and leverage technology to anticipate, serve and shape future needs; **setting the path for others to follow**

4

## Faster forward

We bring speed and simplicity; **accelerating the pace at which the future becomes the present**

5

## Capital & More

We serve the customer through the life-cycle of needs; **We are facilitators and counsellors in helping customers achieve their dreams**

6

## Delivering Delight

We go above and beyond to care and make people happy; **We deliver delight to all stakeholders**



# Our Vision

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**To be a leading organization on Growth, Shareholder Returns,  
Customer Experience and be an Employer of Choice**

# Tata Capital:

## Flagship Financial Services Company of the Tata Group



**INR 1,27,662 Cr**

Loan book

**76%**

Secured book

**3.6 Mn**

Customers

Reached **500**  
Branches in Jul'23



**Profitable since inception**



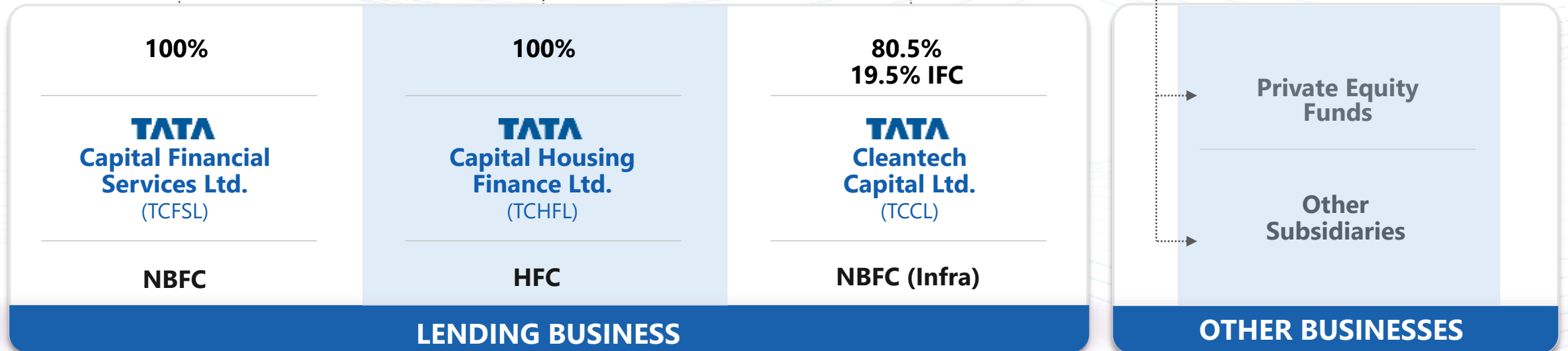
**Rated AAA** by Crisil, ICRA, India Ratings

# Corporate Structure



**TATA CAPITAL**

Count on us



Note: On 28<sup>th</sup> Mar 2023, the Board of Directors have approved the merger by way of a Scheme of Arrangement of TCFSL and TCCL with Tata Capital. The Scheme will become effective upon fulfilment of all the conditions set out in the Scheme including approvals from the NCLT and other regulators; During the quarter, the RBI and Stock Exchange(s) (NSE & BSE) have accorded their 'No-Objection' for the Scheme and necessary application has been filed with the NCLT for approval of the Scheme.



# Business Segments

## LENDING BUSINESS



### Retail

Home Loans, Personal Loans, Business Loans, Two-Wheeler Loans, Used Car Loans, Affordable Housing Loans, Loan against property, Loan against securities, Comm. Vehicle Loans, Construction Equipment Finance, Equipment Finance, Leasing, Consumer Durables, Micro Loans



### SME

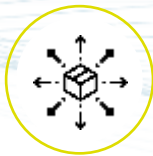
Channel Finance, Invoice Discounting, Factoring, Term Loans, Working Capital loans



### Corporate

Term Loans, Structured Finance & Syndication, Construction Finance, Cleantech Financing

## DISTRIBUTION, ADVISORY & INVESTING BUSINESS



### Distribution

Insurance & Credit Cards



### Wealth Management

Wealth management services & distribution



### Moneyfy

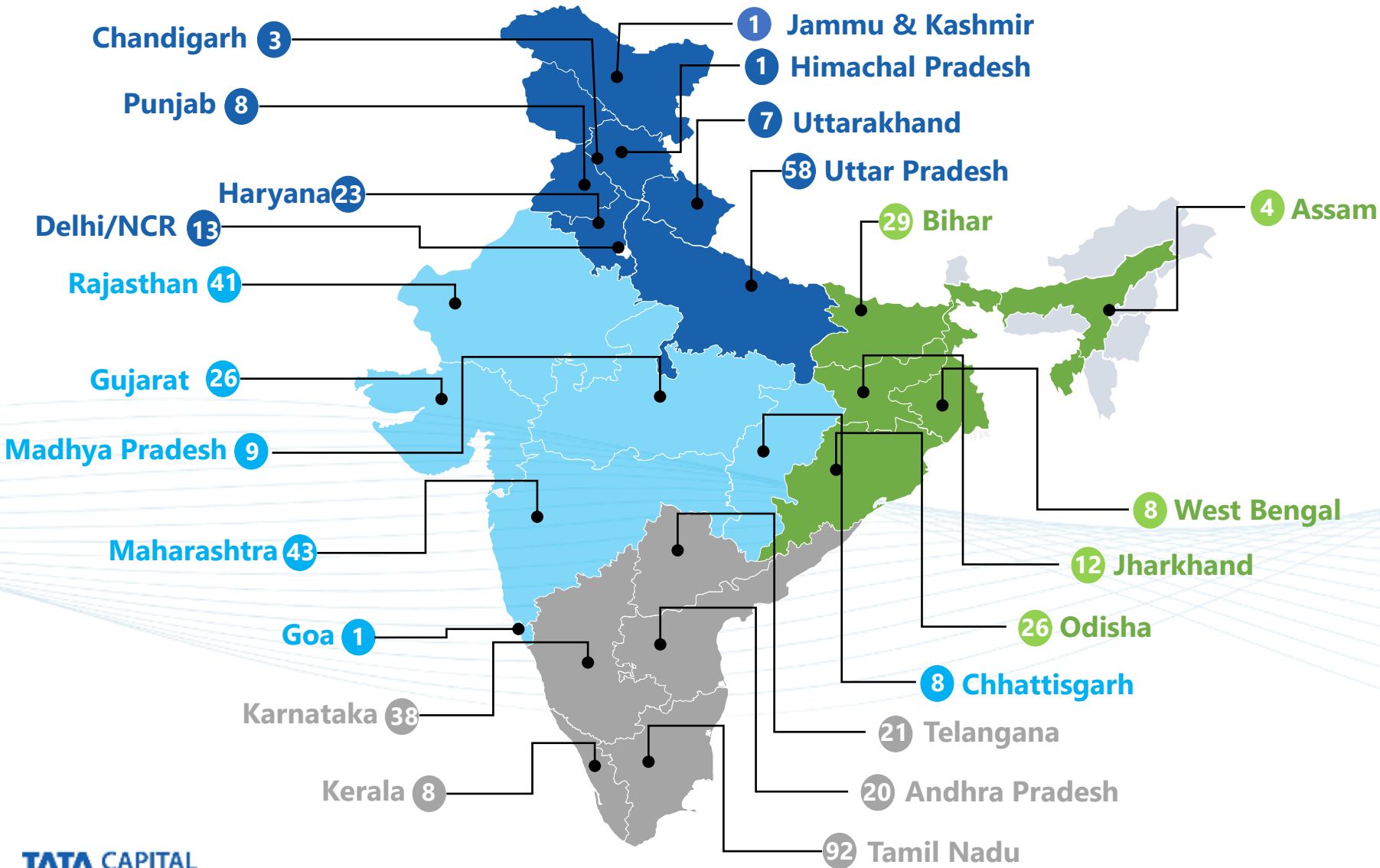
Digital financial planning platform



### Private Equity

Growth Fund, Healthcare Fund

# Expanding reach



Reached  
500 branches  
in Jul'23

47 branches  
added in Q1 FY24



# Strengthening our Brand through focused campaigns

TATA CAPITAL

Don't listen to free advice

Cha  
Cha  
Cha

#SunoSabkiKaroDilKi

#SunoSabkiKaroDilKi



#PhatseHomeLoans

Investments se ~~complication~~ hatao

Moneyfy  
By TATA CAPITAL

pe aa jao

Download Now

#Moneyfy

# 'Digital' @ heart of our transformation



## Reimagining customer experience

New website gaining traction;  
Traffic up by 1.6x Y-o-Y

Enabling unified customer experience and seamless e2e digital journeys

Accelerated No-touch, paperless disbursements

Increased Business from Direct to Customer Channel



## Bringing delight to service

Continued instant self-service focus; higher servicing from Digital platforms

Enhanced Multi-lingual capability

Using conversational service capabilities

Enhanced marketing & communication engine



## Rethinking how we operate

Using intelligent automation across value chain to continually improve cost efficiencies

Leveraging data and analytical models to improve metrics across businesses & functions

Deep focus on automation & data-led collection capabilities



## Simplifying partner journeys

'Smart Assist' platform enabling e2e seamless journeys

95% adoption across all products

Enabling better partner productivity, convenient supervision and ability to serve anytime, anywhere



## Embracing ecosystems for growth

Leverage partnerships – Tata Digital, Fintech ecosystem and broader Group – to launch digital first products across retail, mortgage & channel finance

Comprehensive API stack to enable e2e digital / STP partner journeys

## Key Digital initiatives during Q1 FY24

1<sup>st</sup> in industry to launch ChatGPT in Chatbot on Website & App

Launch of revamped App for seamless customer onboarding & servicing experience

Single LoS made live in SME & Corporate business

# Analytics across customer lifecycle



**Better conversion and pricing**



**Improve cross-sell & Products per Customer**



**Increase Straight through decision making**



**Improve collection efficiency**



**Drive productivity and efficiency**

## Acquisition & Cross-sell

Leads from existing base & group ecosystem

Prospect Marketing

Pre-approved offers

Segmentation and profitability models

## Underwriting & Disbursement

Decision scorecards

Decision tree for policy refinement

Risk based pricing

Channel scorecards

## Lifecycle Management & Retention

Bureau Watch

Proactive retention models

Pricing Model/CLTV/ Customer risk profiling

Early warning signals

## Collection & Recovery

Scorecards built using LR/DT/ML algorithms

Models used for allocation, self cure, representation strategy, X bucket and flow bucket collections, Settlement and Repo



# Driving **businesses digitally**



## Customer Acquisition

**95%**

customers onboarded through digital platforms

**108%**

growth in pre-approved disbursements for the year

**62%**

PL disbursed through online channels

**120+**

Partnerships across ecosystem



## Process Transformation

**100%**

applications on Cloud

**82%**

of retail logins use scorecard

**180+**

APIs used across ecosystem

**8L+**

ops transactions handled by bots for the quarter



## Customer Experience

**86%**

Digital Adoption

**9.9L**

service requests handled digitally for the quarter

**130+**

services on digital channels

**96%**

Channel Finance drawdown through online channels



## Collections

**92%**

collections through digital

**35+**

models used across collections management

**100%**

Digital app enabled collections workforce

**50%**

Digital payments through BBPS





# Financial Performance

(Consolidated)



# Key takeaways [1/2]



Recorded strong growth of 36% Y-o-Y in disbursals during Q1 FY24; Retail disbursals grew by 45% Y-o-Y over the same period



Loan book grew by 32% Y-o-Y to INR 1,27,662 Cr; up by 6% Q-o-Q on a quarterly basis. Over the past 12 months, loan book incrementally grew by INR 30,804 Cr



Loan book continues to remain granular, with Retail + SME book contributing in excess of 80%



NIM+ Other Revenue increased by 28% Y-o-Y to INR 1,837 Cr; the growth was partially moderated by higher cost of funds



Credit costs stood at 0.3% in Q1 FY24; lower by 70 bps on a Y-o-Y basis supported by superior asset quality and strong collection efficiencies – better than pre-covid levels



RoA for the quarter increased by 10 bps to 2.3% as against 2.2% for FY23 (excluding one-time gains of INR 561 Cr in FY23)

# Key takeaways [2/2]



Asset quality as of Jun'23 remained best in class with GNPA at 1.5% (Jun'22: 1.9%), NNPA at 0.4% (Jun'22: 0.6%), and PCR at 73% (Jun'22: 71%); amongst highest PCR in industry



Our total loan loss provisions stood at 2.4% of the loan book as on Jun'23. The same is 2.1x of provisions required as per IRAC norms



Digital business grew by 1.9x as we continue to reimagine digital assets and invest significantly in our core systems / technologies, to provide best-in-class customer experience



Strengthen core technologies & digital capabilities, leverage partnerships and participate in ecosystem activities to expand distribution, target new segments and improve cross-sell



High focus on digitizing collections processes for better efficiencies and superior asset quality; 92% collections are through digital channels



Focus on employee engagement and retention leading to 18% Y-o-Y reduction in attrition levels

# Performance Highlights – Q1

Q1 FY24

INR 21,058 Cr

↑ 36%

INR 1,27,662 Cr

↑ 32%

INR 1,837 Cr

↑ 28%

0.4%

↓ 20 bps

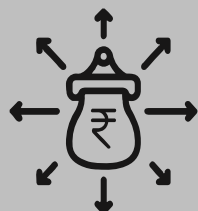
INR 701 Cr

↑ 25%

2.34%



Disbursals



Loan Book



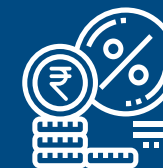
Income



Net NPA



PAT<sup>1</sup>



RoA<sup>1</sup>

INR 15,433 Cr

INR 96,858 Cr

INR 1,438 Cr

0.6%

INR 559 Cr

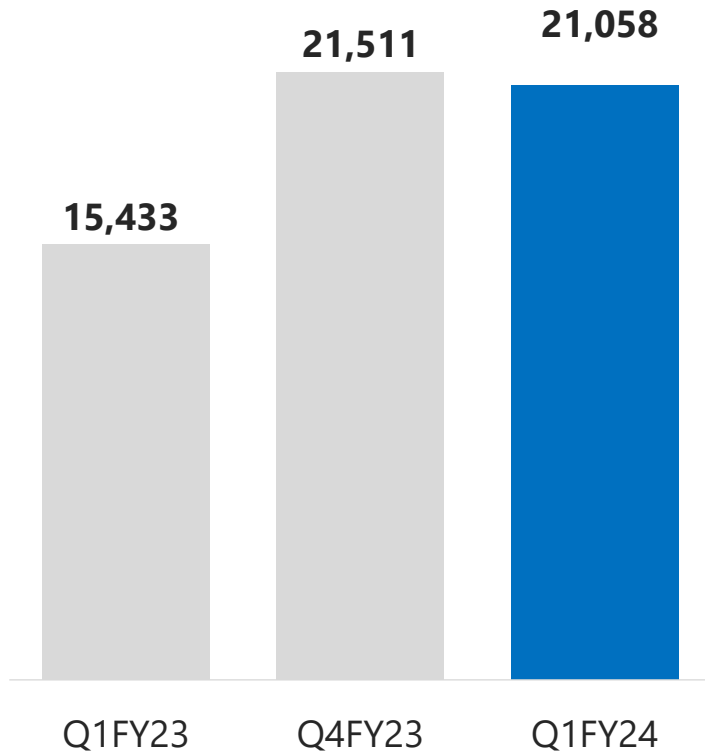
2.37%

Q1 FY23

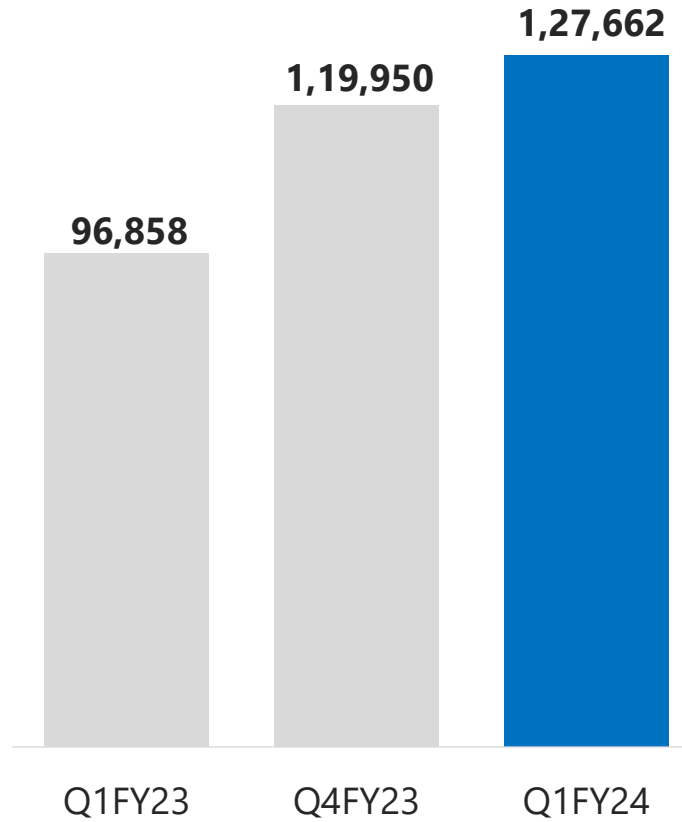


# Disbursals & Loan Book

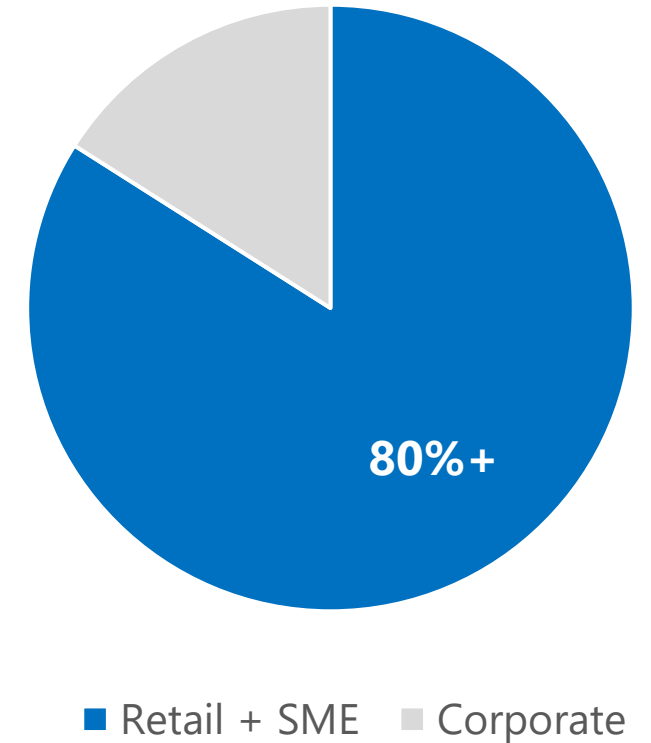
**Disbursals:**  
**36% YoY Growth**



**Loan Book:**  
**32% YoY Growth**

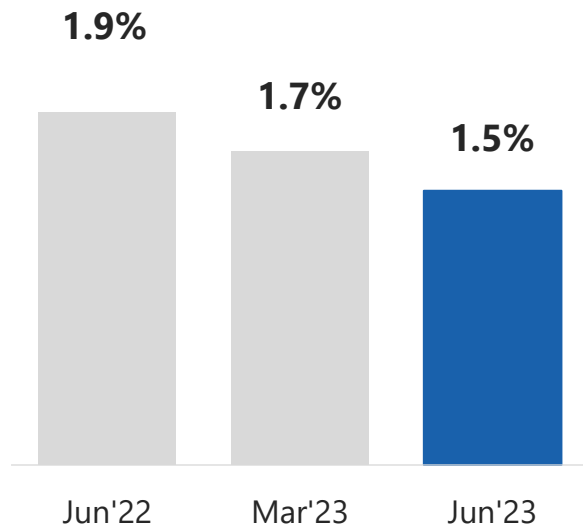


**Retail + SME Loan Book: 80%+**

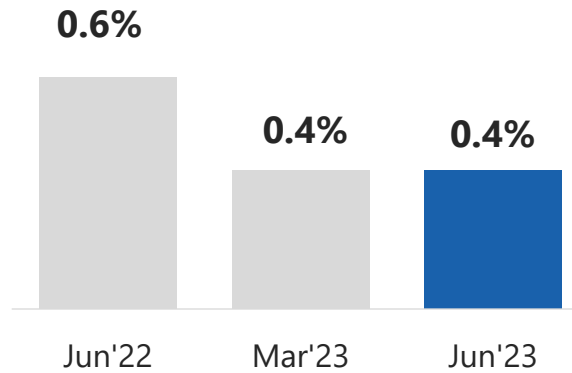


# Asset Quality

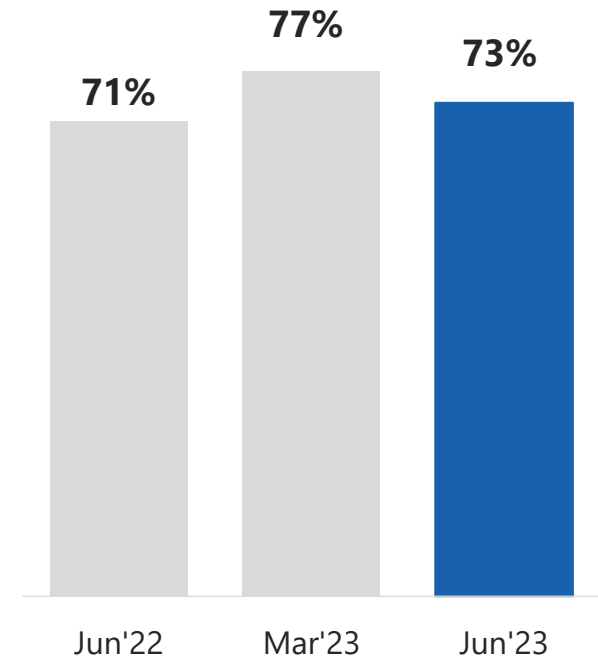
### Gross Stage III (%)



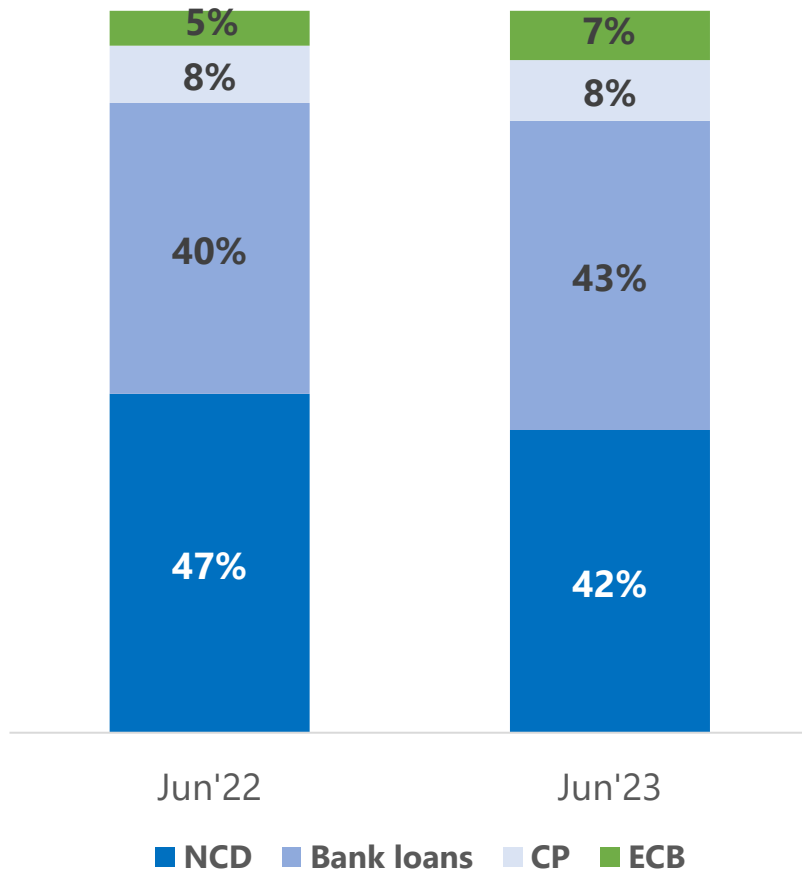
### Net Stage III (%)



### PCR (%)



# Liability Mix



**Diversified funding mix** including ECBs as well as public NCDs



Well-articulated capital **raising plan with a focus on raising more granular, sticky liabilities**



Maintained **adequate liquidity** along with a **well-managed ALM**

**Credit ratings**  
Rated AAA by

**CRISIL**  
An S&P Global Company



**ICRA**  
A MOODY'S INVESTORS  
SERVICE COMPANY

**India Ratings & Research**  
A Fitch Group Company

# Financial Performance

FY23	INR Cr	Q1 FY23	Q1 FY24	Y-o-Y Growth
74,995	Disbursals	15,433	21,058	36%
1,19,950	Loan book	96,858	1,27,662	32%
7,036	NIM + Other Revenue	1,438	1,837	28%
2,664	Operating expenses	586	758	29%
574	Credit cost	90	85	-6%
8	Diminution investment	140	1	
3,790	Profits before tax <sup>1</sup>	621	994	60%
2,975 <sup>2</sup>	Profits after tax <sup>1</sup>	559	701	25%

<sup>1</sup> Excluding one-time items PBT & PAT Y-o-Y growth stands at 31% & 30% respectively

<sup>2</sup> FY23 PAT includes one-time gains of INR 561 Cr



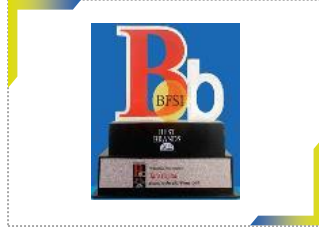
# Awards & Recognition



*'Asset Finance Company of the Year' & 'Best Mobile Initiative – The Mutual Fund Company' at Annual NBFC & Fintech Excellence Awards 2023*



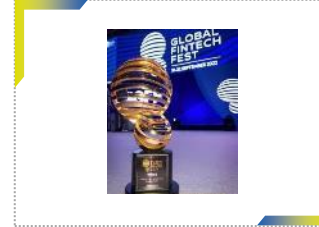
*ET BFSI Excellence award – Microfinance Team 2023*



*Best BFSI Brand- Economic Times Best BFSI Brands 2022*



*Multiple awards at Digital Customer Experience Confex and Awards, 2023*



*Best in class Wealth tech Solution Award at Global Fintech Awards 2022*



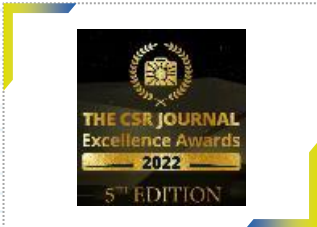
*Green Urja award – Top Private financing institution for RE and EE 2023*



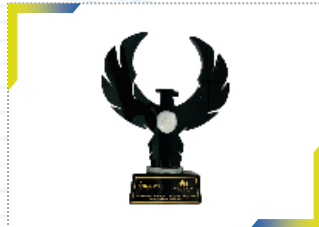
*Best Digital Customer Experience Transformation Initiative at Annual CX Excellence Awards - 2023*



*Audit Excellence Award at Annual Banking & Finance Audit Conclave, 2023*



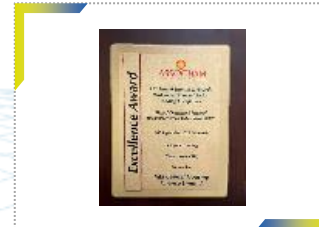
*The CSR Journal Excellence Awards (Environment) – 5<sup>th</sup> Edition, 2023*



*Best Digital Strategy (BFSI) – Search Engine Marketing, 2022*



*Best Digital Transformation at CX Innovation & Technology Summit & Awards, 2023*



*Excellence Award under 'Lending' category by ASSOCHAM, 2022*



*Excellence in Real estate finance (Metro) at Naredco Times Real Estate Conclave & Icons, 2023*



*Recognized as 'Most Ethical Procurement Company', Procurement Leadership Awards, 2023*

# Impacting Lives



## Climate Action

Water security  
Renewable energy

**~193,500**  
lives impacted



## Health

Cancer Care  
Treatment  
Eradication of  
curable blindness

**~ 351,500**  
lives impacted



## Education | Skilling

Scholarships  
Quality Primary  
Education  
Financial Literacy

**~ 323,000**  
lives impacted

**868,000+**  
beneficiaries through  
our programs

- Aligned to our group focus areas and Sustainable Development Goals (SDGs)
- Benefits the Socially and Economically underprivileged and Affirmative Action Communities
- Trusted partners to deploy

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