

Financial Results for Q2FY26

Tata Capital Limited records strong AUM growth, and highest ever quarterly PAT

Credit cost down by ~30bps sequentially

Tata Capital extends a warm welcome to its new investors and deeply appreciates their confidence in its franchise. With this trust comes a responsibility that the entire leadership team is fully committed to - executing with discipline, prudence, and an unwavering focus on long-term value creation.

Mumbai, October 28, 2025: A meeting of the Board of Directors of Tata Capital Limited (TCL) was held today to consider and approve the unaudited consolidated financial results for the quarter ended September 30, 2025.

Commenting on Q2FY26 financial results, **Mr. Rajiv Sabharwal, Managing Director & CEO**, Tata Capital said, "Q2FY26 was a strong quarter marked by broad-based momentum. Excluding Motor Finance, AUM grew 22% year-on-year, driven by sustained growth across all segments and PAT rose 33%⁽¹⁾ to ₹ 1,128 crore, reflecting the strength of our diversified and well-managed portfolio. Credit quality remains robust across categories, resulting in 30bps drop in annualized credit cost in Q2FY26 over Q1FY26. Further, we continue to leverage our digital and GenAI capabilities for improving customer experience and operating efficiency. On the macro front, the recent GST reduction is expected to provide a fillip to consumption, creating a supportive environment for higher growth in second half of FY26. We remain fully committed to build on this momentum and deliver consistently for all stakeholders".

On integration of Motor Finance business, he added "Following the Motor Finance acquisition, our focus has been on stabilizing key business metrics before accelerating growth. The integration is progressing well and remains on track with our plan. We have transitioned to a multi-OEM model and realigned the AUM mix towards used vehicles and small & light commercial vehicles. The underwriting and collection frameworks have been further strengthened. We aim to achieve a turnaround in the Motor Finance business and return to profitability by Q4FY26."

Representation of financial information:

- Tata Motors Finance Limited (Motor Finance) acquisition completed on May 8, 2025.
- For better understanding, we have presented figures both excluding and including Motor Finance business.
- While figures excluding Motor Finance can be compared on YoY and QoQ bases, figures including Motor Finance are best viewed on a QoQ basis.

(1) Adjusted for non-recurring income and expenses largely attributed to PE exit in Q2FY25.

CONSOLIDATED PERFORMANCE HIGHLIGHTS – Q2FY26 Excluding Motor Finance:

- **Assets under management** grew by 22% YoY to ₹ 2,15,574 crore as on September 30, 2025 from ₹ 1,76,637 crore as on September 30, 2024.
- **Net total income grew** by 28% YoY to ₹ 3,330 crore in Q2FY26 from ₹ 2,599 crore in Q2FY25.
- **Annualized operating expense on average net loan book** improved to 2.3% in Q2FY26 from 2.4% in Q2FY25.
- **Cost to income ratio** stood at 36.6% in Q2FY26 vs. 40.1% in Q2FY25.
- **Annualized credit cost** was 1.1% in Q2 FY26 vs. 1.4% in Q1FY26.
- **PAT (excluding non-recurring income)** grew by 33%⁽¹⁾ YoY to ₹ 1,128 crore in Q2FY26 from ₹ 849 crore⁽¹⁾ in Q2FY25. Including such income, PAT grew by 17% YoY.
- **Annualized ROE** at 14.9% in Q2FY26 vs. 13.7% in Q2FY25.
- **Gross stage 3** stood at 1.6% as of September 30, 2025.
- **Net stage 3** stood at 0.6% as of September 30, 2025.
- **Provision coverage ratio** stood at 64.0% as of September 30, 2025.

Particulars; ₹ crores	Q2FY25	Q1FY26	Q2FY26	YoY %	H1FY25	H1FY26	YoY %
Assets under management (net)	1,76,637	2,07,134	2,15,574	22%	1,76,637	2,15,574	22%
Net loan book	1,76,536	2,03,705	2,11,293	20%	1,76,536	2,11,293	20%
Net interest income	2,139	2,507	2,637	23%	4,137	5,147	24%
Fee income	370	506	588	59%	713	1,094	53%
Investment income	90	184	105	16%	182	289	59%
Net total income	2,599	3,197	3,330	28%	5,032	6,530	30%
Operating expense	1,043	1,077	1,220	17%	2,083	2,297	10%
Pre-provisioning operating profit	1,557	2,116	2,110	36%	2,949	4,232	43%
Loan losses and provisions	349	695	565	62%	584	1,260	116%
Profit before tax	1,208	1,425	1,545	28%	2,365	2,972	26%
PAT (excl. non-recurring income)⁽¹⁾	849	1,021	1,128	33%	1,702	2,151	26%
Non-recurring investment income ⁽¹⁾	116	-	-		123	-	
PAT attributable to owners	965	1,021	1,128	17%	1,825	2,151	18%

(1) Reflects non-recurring income and expenses largely attributed to PE exit

CONSOLIDATED PERFORMANCE HIGHLIGHTS – Q2FY26 Including Motor Finance:

- **Retail + SME** constitutes ~88% of gross loan book.
- **Retail unsecured** forms 11.6% of gross loan book.
- **Pan India network** of 1,479 branches across 27 states and union territories.
- **Focused** on improving business metrics in Motor Finance (~10% of gross loans) before accelerating growth.
- **AUM** grew by 3% QoQ to ₹ 2,43,896 crore as on September 30, 2025 from ₹ 2,37,508 crore as on June 30, 2025.
- **Net total income** grew by 4% QoQ to ₹ 3,774 crore in Q2FY26 from ₹ 3,626 crore in Q1FY26.
- **Annualized operating expense on average net loan book** of 2.6% in Q2FY26 vs. 2.4% in Q1FY26.
- **Cost to income ratio** stood at 39.7% in Q2FY26 vs. 36.8% in Q1FY26.
- **Annualized credit cost** of 1.3% in Q2FY26 vs. 1.6% in Q1FY26.
- **Profit after tax** grew by 11% QoQ to ₹ 1,097 crore in Q2FY26 from ₹ 990 crore in Q1FY26.
- **Annualized ROA** at 1.9% in Q2FY26 vs. 1.8% in Q1FY26.
- **Annualized ROE** at 12.9% in Q2FY26 vs. 12.5% in Q1FY26.
- **Gross stage 3** stood at 2.2% | **Net stage 3** stood at 1.1% | **Provision coverage ratio** stood at 52.8% as of September 30, 2025.
- **Total equity** as of Sep-25 at ₹ 35,081 crore and including primary portion of IPO at ₹ 41,777 crore.
- **Capital risk adequacy ratio** stood at 17.3% as of September 30, 2025 and 21.5% including the IPO proceeds.
- **Credit rating** of “AAA with stable outlook” from each of CRISIL, ICRA, CARE and India Ratings. S&P Global Ratings upgraded the long-term rating from ‘BBB-/Positive’ to ‘BBB/Stable’ and the short-term rating from ‘A-3’ to ‘A-2’.

Particulars; ₹ crores	Q1FY26	Q2FY26	QoQ %	H1FY26
Assets under management (net)	2,37,508	2,43,896	3%	2,43,896
Net loan book	2,28,579	2,34,991	3%	2,34,991
Net interest income	2,867	3,004	5%	5,870
Fee income	576	666	16%	1,241
Investment income	184	105	(43%)	289
Net total income	3,626	3,774	4%	7,400
Operating expense	1,335	1,497	12%	2,832
Pre-provisioning operating profit	2,291	2,277	(1%)	4,568
Loan losses and provisions	909	773	(15%)	1,682
Profit before tax	1,383	1,504	9%	2,886
PAT attributable to owners	990	1,097	11%	2,087

Material Subsidiary - Tata Capital Housing Finance Limited (TCHFL) Q2FY26 Performance

- **100% wholly owned** housing finance company
- **Assets under management** grew by 30% YoY to ₹ 75,636 crore as of September 30, 2025 from ₹ 58,257 crore as of September 30, 2024.
- **Net total income** increased by 37% YoY in Q2FY26 to ₹ 899 crore from ₹ 655 crore in Q2FY25.
- **Cost to income ratio** for Q2FY26 was 32.9% vs. 35.9% in Q2FY25.
- **Credit cost** for Q2FY26 was low at ₹13 crore, representing annualized credit cost of 0.1%.
- **Profit before tax** increased by 28% YoY in Q2FY26 to ₹ 590 crore from ₹ 460 crore in Q2FY25.
- **Profit after tax** increased by 28% YoY in Q2FY26 to ₹ 440 crore from ₹ 343 crore in Q2FY25.
- **Annualized ROA** at 2.4% in Q2FY26 vs. 2.4% in Q2FY25.
- **Annualized ROE** at 18.5% in Q2FY26 vs. 18.7% in Q2FY25.
- **Gross stage 3** stood at 0.8% | **Net stage 3** stood at 0.3% | **Provision coverage ratio** stood at 55.6% as of September 30, 2025.
- **Capital adequacy ratio** as of September 30, 2025 was 17.5%.

Particulars; ₹ crores	Q2FY25	Q1FY26	Q2FY26	YoY %	H1FY25	H1FY26	YoY %
Assets under management (net)	58,257	71,913	75,636	30%	58,257	75,636	30%
Net loan book	58,211	70,572	73,774	27%	58,211	73,774	27%
Net interest income	544	674	694	28%	1,078	1,369	27%
Fee income	90	134	181	101%	186	314	69%
Investment income	21	21	24	15%	37	44	21%
Net total income	655	828	899	37%	1,301	1,727	33%
Operating expenses	235	253	296	26%	475	549	15%
Pre-provisioning operating profit	420	575	603	44%	826	1,178	43%
Loan losses and provisions	(40)	23	13	~	(158)	36	~
Profit before tax	460	552	590	28%	984	1,142	16%
Profit after tax (PAT)	343	412	440	28%	733	852	16%

About Tata Capital

Tata Capital Limited (TCL) is the flagship financial services company of the Tata Group and a subsidiary of Tata Sons Private Limited. Tata Capital is a listed company and registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC) and has been categorized as an Upper Layer NBFC under the RBI's Scale Based Regulatory Framework. TCL conducts its lending business together with its material subsidiary Tata Capital Housing Finance Limited (TCHFL), which is registered with the National Housing Bank (NHB) as a Housing Finance Company (HFC) and is classified as a Middle Layer NBFC under the RBI's Scale Based Regulations.

TCL offers a comprehensive suite of over 25 lending products, catering to a diverse customer base comprising salaried and self-employed individuals, entrepreneurs, small businesses, small and medium enterprises, and corporates. In addition to its lending offerings, TCL also distributes third-party products such as insurance and credit cards, provides wealth management services, and acts as a sponsor and investment manager to private equity funds. TCL is rated "AAA with stable outlook" from each of CRISIL, ICRA, CARE and India Ratings. S&P Global Ratings upgraded the long-term rating from 'BBB-/Positive' to 'BBB/Stable' and the short-term rating from 'A-3' to 'A-2'. As of September 30, 2025 TCL's distribution network spans 1,479 branches across 27 states and union territories. For more information visit: <https://www.tatacapital.com/>

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