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Tata Capital Files for IPO as Tata Sons Plans Major Share Sale

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Tata Capital Ltd., the financial services arm of the Tata Group, has filed its draft red herring prospectus with the Securities and Exchange Board of India (SEBI), marking the start of its highly anticipated initial public offering (IPO).

The IPO will consist of a fresh issue of up to 210 million equity shares and an offer-for-sale of 265.82 million shares by existing stakeholders. Tata Sons, which holds around 88.6

percent of Tata Capital, plans to sell up to 230 million shares, while the International Finance Corporation (IFC) will offload about 35.8 million shares.

The offering is expected to raise approximately ₹17,000 to ₹17,200 crore, making it one of the largest IPOs in India's financial services sector this year. Proceeds from the fresh issue will be used to strengthen the company's capital base for future lending and for general corporate purposes.

The public listing is also in line with regulatory requirements. The Reserve Bank of India has classified Tata Capital as an upper-layer non-banking financial company, which mandates a public listing by the end of September 2025.

For the financial year ending March 2025, Tata Capital reported a net profit of ₹3,664.66 crore, up from ₹3,150 crore in the previous year. The company's core operating income stood at over ₹28,300 crore, with a consolidated loan book of ₹2.22 trillion, 62 percent of which was from retail lending.

The IPO will be managed by a consortium of leading investment banks, including Kotak Mahindra Capital, BNP Paribas, Citigroup Global Markets, Axis Capital, ICICI Securities, JP Morgan, and SBI Capital Markets, among others.

If completed as planned, the listing will not only provide fresh capital for Tata Capital's growth strategy but also unlock value for Tata Group stakeholders. Market analysts view the move as a significant milestone for both the company and the Indian financial sector.