March 27, 2025

Tyger Capital Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper	50.00	50.00	[ICRA]A1+; reaffirmed
Total	**50.00**	**50.00**	

**Instrument details are provided in Annexure I*

Rationale

To arrive at the rating, ICRA has taken a consolidated view of Tyger Capital Private Limited (TCPL) (erstwhile Adani Capital Private Limited) and Tyger Home Finance Private Limited (THFPL).

The rating action factors in TCPL's strengthened capitalisation profile, following its acquisition by Bain Capital in FY2024. Bain Capital, through BCC Atlantis II Pte Ltd (BCC Atlantis), infused about Rs. 1,005 crore and acquired a 93% stake in TCPL (which, in turn, acquired THFPL, making it a wholly-owned subsidiary) in March 2024. As a result, TCPL's consolidated net worth strengthened to Rs. 1,739 crore[1] (managed gearing: 2.9 times) as of December 2024 from Rs. 834 crore in December 2023. A further Rs. 225 crore is expected to be infused in H1 FY2026 upon the conversion of the share warrants. ICRA notes that TCPL's financial flexibility has also improved after the equity infusion, helping it raise adequate on-balance sheet funding (Rs. 1,500 crore raised in 9M FY2025 vis-à-vis Rs. 1,290 crore in FY2024) from diverse sources.

The rating reaffirmation also factors in TCPL's healthy asset quality, notwithstanding some increase in delinquencies in 9M FY2025. The consolidated 90+ days past due (dpd[2]) inched up to 2.4% as of December 2024 from 2.2% as of March 2024, with micro, small and medium enterprise (MSME) and commercial vehicle loans coming under some pressure. Consequently, the management is focused on strengthening its underwriting and collection processes.

The rating considers the moderate track record of TCPL and THFPL, which began operations in 2017 and 2018, respectively, and their subdued earnings profile. TCPL's consolidated return on managed assets {profit after tax (PAT)/average managed assets (AMA)} declined to 1.2% in FY2024 (1.3% in 9M FY2025) from 2.8% in FY2023, impacted by elevated operating costs due to branch expansion undertaken during the year and lower gains from direct assignment (DA) and co-lending. Its ability to enhance its operating efficiency on a sustained basis would be key for improving its profitability.

Key rating drivers and their description

Credit strengths

Comfortable capitalisation profile – Bain Capital (via its investment vehicle – BCC Atlantis) acquired a 93% stake in TCPL in March 2024. As a part of the acquisition, BCC Atlantis infused approximately Rs. 1,005 crore of equity into TCPL in March 2024. Out of this, Rs. 198 crore was used for buying out the entire shareholding of Adani Finserve in THFPL and an additional Rs. 150 crore was infused by TCPL as primary equity in THFPL. TCPL's consolidated net worth increased to Rs. 1,674[3] crore as of March

[1] *Consolidated net worth net of goodwill is Rs. 1,687 crore as of December 2024*

[2] *Computed based on the on-balance sheet loan book*

[3] *Consolidated net worth net of goodwill is Rs. 1,622 crore as of March 2024*

2024 {Rs. 1,739 crore as of December 2024 (provisional)} from Rs. 777 crore as of March 2023. Correspondingly, the consolidated managed gearing[4] improved significantly to 2.6 times as of March 2024 (2.9 times as of December 2024) from 4.4 times as of March 2023. A further infusion of Rs. 225 crore is expected by September 2025 via the conversion of the share warrants outstanding. ICRA expects TCPL's capitalisation profile to be sufficient to meet the envisaged growth targets (compound annual growth rate (CAGR) of about 30% to 40%) over the medium term. On a consolidated basis, the managed gearing would remain below 5 times over the next 2-3 years.

Asset quality remains healthy, notwithstanding recent increase in delinquencies – The asset quality has remained healthy in the past, with the standalone 30+ and 90+ dpd at 6.5% and 2.1%, respectively, in March 2024 (3.8% and 1.3%, respectively, in March 2023). Delinquencies increased slightly in 9M FY2025, with the 30+ and 90+ dpd at 8.3% and 2.9%, respectively. Some weakening in collections was seen in segments such as MSME loans, commercial vehicles and tractors. The company moderated its disbursements in some of segments, including MSME loans, as a response to the increase in delinquencies. TCPL's write-offs (including losses on repossessed assets) remained stable at 0.8% (of the opening assets under management (AUM); provisional and annualised) in 9M FY2025 vis-à-vis 0.9% in FY2024. These write-offs were largely due to losses in the MSME segment and on the repossession of vehicles in the tractor and commercial vehicle segments. The provision cover for stage 3 loans remained range-bound at 41% as of December 2024 (43% in March 2024) vis-à-vis 39% in March 2023. The net stage 3 loans to net worth ratio was comfortable at 4.2% as of December 2024 compared to 2.8% in March 2024. ICRA expects the asset quality metrics and credit costs to remain range-bound as the company increases its focus on strengthening its underwriting and collection processes.

Credit challenges

Moderate scale of operations – TCPL and THFPL have a moderate track record, having commenced operations in 2017 and 2018, respectively. The consolidated AUM rose at a robust CAGR of 21% over the past three years, reaching Rs. 4,924 crore as of March 2024, and stood at Rs. 6,094 crore as of December 2024. As of December 2024, MSME loans were the largest segment accounting for 31% of the consolidated AUM, followed by tractor loans at 30%, housing loans at 17%, commercial vehicle loans at 10%, loans against property (LAP) at 8%, and supply chain financing at 4%.

ICRA notes that the company had slowed down its disbursements in the MSME segment in 9M FY2025 due to the observed overleveraging among borrowers and industry-wide challenges in collections. Disbursements in the other segments remained healthy. TCPL's consolidated AUM is expected to reach about Rs. 9,000 crore by March 2026. TCPL and THFPL have witnessed a robust branch expansion to 172 branches (8 states) as of March 2024 and 235 branches (8 states) as of December 2024 from 142 branches (8 states) as of March 2022, resulting in high operating expenses. The entities are expected to slow down their branch expansion while targeting an improvement in the AUM growth of their existing branches.

The company has an experienced management team, which has been instrumental in scaling up the business since its inception. Its senior management team has remained stable over the years and has been further strengthened by new additions years.

Subdued earnings profile – TCPL achieved a consolidated net profitability (PAT/AMA) of 1.2% in FY2024 (1.3% in 9M FY2025) vis-à-vis 2.8% in FY2023. The decline from the FY2023 level mainly due to higher operating cost on account of business expansion and lower gains from the transfer of assets (via assignment and co-lending) as the company had reduced these transactions over the last two years. Going forward, ICRA expects TCPL to maintain its off-balance sheet managed book (DA and co-lending) at 15-20% of the AUM. The profitability also continues to be impacted by elevated operating costs (as a percentage of AMA) at 4.5% in 9M FY2024 vis-à-vis 4.3% in FY2024 (5.4% in 9M FY2025). TCPL and THFPL have witnessed robust branch and employee base expansion over the last few years, which has constrained the operating efficiency. Going forward, a steady improvement in the same would be crucial for sustainably enhancing the profitability indicators.

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[4] *Managed gearing = (On-book debt + Off-book portfolio) / Net worth*

Liquidity position: Strong

The consolidated liquidity is characterised by cash and cash equivalents of Rs. 155 crore and undrawn sanctions of Rs. 248 crore as of February 2025. As such, the Group's liquidity position would be sufficient to meet the scheduled debt repayments (including interest) of Rs. 401 crore due during March-May 2025. The equity raise of Rs. 225 crore, which is planned to be infused before September 2025, would further strengthen the liquidity profile of the entities in the near term.

Funding is largely through bank borrowings, which constituted approximately 56% of the total borrowings as of December 2024. This was followed by non-convertible debentures (NCDs) at 24% (including subordinated debentures), pass-through certificates (PTCs) at 8%, and borrowings from non-banking financial companies (NBFCs) and financial institutions (FIs) at 8%, with National Housing Bank (NHB) refinance making up 3%.

Rating sensitivities

Positive factors – Not applicable

Negative factors – A sustained increase in the managed gearing beyond 5 times and a deterioration in the asset quality profile (90+ dpd rising beyond 5.0%), impacting the earnings profile, would lead to a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Non-Banking Finance Companies
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the consolidated financial statements of TCPL and THFPL

About the company

Tyger Capital Private Limited (TCPL; erstwhile Adani Capital Private Limited) is a non-deposit taking systemically important NBFC, classified in the middle layer of the scale-based regulations. It was incorporated in 2016 and primarily provides business loans, tractor loans, commercial vehicle loans and supply chain financing. The company was acquired by Bain Capital from the Adani Group in March 2024 through its investment vehicle – BCC Atlantis II Pte Ltd. Following the acquisition, BCC Atlantis holds a 92.5% stake in TCPL while the balance is held by Greenlight Advisors LLP (held by the Managing Director (MD) & Chief Executive Officer (CEO) – Mr. Gaurav Gupta and his family). Further, Tyger Home Finance Private Limited (THFPL; erstwhile Adani Housing Finance Private Limited) was acquired by TCPL simultaneously in March 2024, making it a wholly-owned subsidiary of TCPL. It has been operating as a housing finance company (HFC) since 2018 and is focused on housing loans and loan against property.

Bain Capital is a private investment firm founded in 1984, with approximately $185 billion in assets under management. The acquisition of TCPL marks Bain Capital's first total control transaction in India and is expected to have a medium to long-term holding period. Bain Capital is involved in private equity, public equity, fixed income, credit, venture capital and real estate investments across multiple sectors, industries, and geographies. It has more than 1,700 team members spread across 25 offices worldwide. Bain Capital has experience in investing in a diversified set of financial services businesses in India and across the globe, including Axis Bank, 360 One WAM Limited (formerly known as IIFL Wealth), Judo Bank, L&T Finance Holdings, Legacy Corporate Lending, (proposed investment in Manappuram Finance), etc.

TCPL's AUM stood at Rs. 4,577.7 crore as of December 2024 (Rs. 3,885.4 crore as of March 2024). The consolidated AUM stood at Rs. 6,093.8 crore as of December 2024 (Rs. 4,923.9 crore as of March 2024). TCPL reported a consolidated net profit of Rs. 63.6 crore on a managed asset base of Rs. 6,089.3 crore in FY2024 compared with Rs. 105.1 crore and Rs. 4,358.6 crore, respectively, in FY2023. It reported a provisional consolidated net profit of Rs. 61.3 crore on a managed asset base of Rs. 6,893.6 crore in 9M FY2025.

Key financial indicators (audited)

TCPL	Standalone			Consolidated		
	Ind-AS Audited FY2023	Ind-AS Audited FY2024	Ind-AS Provisional* 9M FY2025 (P)	Ind-AS Audited FY2023	Ind-AS Audited FY2024	Ind-AS Provisional* 9M FY2025 (P)
Total income	517.5	579.3	523.6	603.7	584.5	642.0
Profit after tax	90.7	59.6	56.6	105.1	63.6	61.3
Total managed assets	3,668.2	5,435.4	5,663.7	4,358.6	6,089.3	6,893.6
Return on managed assets	2.9%	1.3%	1.4%	2.8%	1.2%	1.3%
Managed gearing (times)	4.6	2.1	2.1	4.4	2.6	2.9
Gross stage 3	1.5%	2.1%	2.5%	1.5%	2.2%	2.4%
CRAR	20.3%	35.6%	28.7%	NA	NA	NA

*Source: Company, ICRA Research; Amount in Rs. crore; *Provisional numbers; Managed gearing = (on-book debt + off-book portfolio)/net worth*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2025)			Chronology of rating history for the past 3 years					
				FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs Crore)	March 27, 2025	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short Term	50.00	[ICRA]A1+	MAR-27-2024	[ICRA]A1+	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
Yet to be placed	Commercial paper	NA	NA	NA	50.00	[ICRA]A1+

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Tyger Capital Private Limited	-	Full consolidation
Tyger Home Finance Private Limited	-*	Full consolidation

** Wholly-owned subsidiary of TCPL*

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