



# A Study on Home Loan Products and Services at Tata Capital Limited and its Impact on Housing Finance in Pune

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## Abstract—

The rapid expansion of the housing finance sector in India has made home loans a central instrument in enabling homeownership and driving economic growth. This study aims to examine the home loan products and services offered by Tata Capital Limited, a leading Non-Banking Financial Company (NBFC) in India, and evaluate their impact on housing finance in Pune. A descriptive research design was employed, and primary data was collected through a structured questionnaire from 100 respondents including working professionals, salaried individuals, businessmen, and self-employed persons across Pune. The study analyses borrower demographics, loan preferences, awareness of products, repayment patterns, and satisfaction levels associated with home loan services at Tata Capital Limited. The findings reveal that 60% of respondents are male, with the 30–40 age group being the most active borrowers (40%). Private employees constitute the largest borrower segment (35%), and the 6–12 lakh income bracket shows the highest loan demand (35%). Interest rate remains the most critical parameter influencing loan decisions (50%), while buying a house or flat is the primary purpose (50%). The study concludes that Tata Capital Limited offers competitive, customer-centric home loan products, but challenges such as high processing fees, complex documentation, and awareness gaps must be addressed to enhance accessibility and customer satisfaction.

**Keywords—** Home Loan; Housing Finance; Tata Capital; NBFC; Mortgage; Interest Rate; Customer Satisfaction; Pune



## I. INTRODUCTION

The housing sector plays a pivotal role in the overall economic development of India. A well-functioning housing finance system enables individuals and families to fulfil their aspiration of homeownership, which in turn stimulates construction activity, employment generation, and long-term wealth creation. In India, Non-Banking Financial Companies (NBFCs) like Tata Capital Limited have emerged as significant players in the home loan market, complementing traditional banking institutions by offering flexible, customer-friendly financial products.

Home loans, also known as mortgages, allow borrowers to purchase, construct, renovate, or extend residential properties by borrowing funds from a financial institution and repaying them over a specified tenure through equated monthly instalments (EMIs). The parameters that influence a borrower's loan decision include interest rates, loan tenure, processing fees, eligibility criteria, and the quality of customer service.

Pune, as one of India's fastest-growing metropolitan cities, has witnessed a significant surge in housing demand driven by its expanding IT and manufacturing sectors, migrant workforce, and rising middle-class aspirations. This growing demand has made Pune a key market for housing finance companies like Tata Capital Limited.

This study aims to evaluate the home loan products and services of Tata Capital Limited, examine borrower profiles, analyse loan preferences, and assess the overall impact of these services on housing finance in Pune. The findings of this study will contribute to a better understanding of the home loan landscape and help stakeholders make more informed decisions.

## II. LITERATURE REVIEW

The role of housing finance in economic development has been extensively studied by researchers across India and globally. Prior studies highlight that a robust housing finance system supports economic stability by enabling homeownership, promoting wealth accumulation, and stimulating downstream industries such as construction, real estate, and consumer goods.

Research by the Reserve Bank of India (2024) and the National Housing Bank (2023) underscores the significant growth of the Indian housing finance sector, noting that NBFCs have increasingly captured market share by offering differentiated and flexible loan products. These institutions cater to segments that are often underserved by traditional commercial banks, including self-employed professionals and small business owners.

Several studies have identified interest rates, loan tenure, and credit scores as the primary determinants of home loan decisions. Borrowers are found to be highly sensitive to interest rate fluctuations, with even marginal differences influencing their choice of lender. CRISIL (2024) noted that private NBFCs like Tata Capital offer competitive interest rates and faster processing times, which are significant advantages over public sector banks.

The 2008 global financial crisis brought renewed attention to the risks associated with subprime lending and poor regulatory oversight in the mortgage sector. In India, regulatory frameworks by the RBI and National Housing Bank have since been strengthened to prevent predatory lending and protect consumer interests.

Despite substantial literature on housing finance at a macro level, there remains limited empirical research specifically focused on the performance and customer satisfaction of individual NBFCs in emerging urban markets like Pune. This study aims to address this gap by providing primary data-driven insights into Tata Capital Limited's home loan operations.

## III. METHODOLOGY

This study follows a descriptive research design to examine the home loan products, services, and customer preferences at Tata Capital Limited, Pune. The research focuses on understanding current practices, borrower profiles, usage patterns, and perceptions of individuals availing or considering home loans.

Primary data was collected through a structured questionnaire distributed to working professionals, salaried individuals, businessmen, and self-employed persons involved in or planning home loan transactions. A total of 100 respondents participated in the study, ensuring diversity across occupational categories, income groups, and age brackets.

A convenience sampling method was used, where respondents were selected based on accessibility and availability. The questionnaire was designed to capture information related to demographics, income levels, loan requirements, loan tenure preferences, CIBIL scores, reasons for selecting Tata Capital, and satisfaction with the service process.

The collected data was analysed using descriptive techniques such as percentage analysis, comparative analysis, and trend interpretation. Results are presented using tables and charts to ensure clarity and ease of understanding.



#### IV. COMPANY PROFILE

<b>Name of Company</b>	TATA Capital Limited
<b>Type of Company</b>	Private (Non-Banking Financial Company – NBFC)
<b>Industry</b>	Financial Services
<b>Headquarters</b>	Mumbai, Maharashtra, India
<b>Chairman</b>	N. Chandrasekaran
<b>Managing Director &amp; CEO</b>	Rajiv Sabharwal

Tata Capital Limited is a prominent financial services company in India, operating as a subsidiary of Tata Sons Private Limited, one of India's largest and most respected conglomerates. Established in 2007, Tata Capital provides a wide range of financial products and services to retail, corporate, and institutional customers across the country. The company has built a strong reputation for its customer-centric approach, innovative financial solutions, and adherence to high ethical standards.

#### V. RESULTS AND DISCUSSION

The findings of the study provide a comprehensive picture of the home loan borrower profile, loan preferences, and perceptions of Tata Capital Limited's services in Pune. All data presented below is based on responses from 100 participants.

**TABLE 1: GENDER**

GENDER	NO OF RESPONDENTS	PERCENTAGE
Male	60	60%
Female	40	40%
Total	100	100%

(Source: Primary Data)

Interpretation: The data indicates that 60% of home loan applicants are male and 40% are female. This reflects the relatively higher financial independence and stable income base of male respondents, who are more actively engaged in formal employment across various sectors in Pune. Female participation, while significant at 40%, suggests a growing awareness and financial capacity among women borrowers.

**TABLE 2: AGE**

AGE	NO OF RESPONDENTS	PERCENTAGE
Below 30 Years	5	5%
30–40 Years	40	40%
40–50 Years	30	30%
50–60 Years	20	20%
Above 60 Years	5	5%
Total	100	100%

(Source: Primary Data)

Interpretation: The 30–40 age group constitutes the largest segment of borrowers at 40%, followed by 40–50 years at 30%. This is consistent with the fact that individuals in the 30–40 age bracket typically have stable incomes, longer repayment horizons, and a strong motivation to establish homeownership. Borrowers above 60 years represent only 5%, as lenders typically restrict loan tenures for older applicants.

**TABLE 3: OCCUPATION**

OCCUPATION	NO OF RESPONDENTS	PERCENTAGE
Government Employee	30	30%
Private Employee	35	35%
Businessman	25	25%
Self-Employed Professional	10	10%
Total	100	100%

(Source: Primary Data)

Interpretation: Private sector employees form the largest borrower category at 35%, followed by government employees at 30% and businessmen at 25%. This indicates strong demand for home loans among formally employed individuals. Self-employed professionals represent the smallest group at 10%, possibly due to documentation complexity and income variability affecting eligibility.

**TABLE 4: ANNUAL INCOME (SALARIED)**

INCOME RANGE	NO OF RESPONDENTS	PERCENTAGE
Below 2 Lakhs	15	15%
2–6 Lakhs	20	20%
6–12 Lakhs	35	35%
Above 12 Lakhs	30	30%
Total	100	100%

(Source: Primary Data)

Interpretation: Respondents with an annual income between 6–12 lakhs show the highest interest in home loans at 35%, followed by those earning above 12 lakhs at 30%. Income is a primary determinant of loan eligibility, and individuals in the middle-to-upper income range have both the repayment capacity and the motivation to invest in residential property.

**TABLE 5: BUSINESS TURNOVER**

TURNOVER	NO OF RESPONDENTS	PERCENTAGE
Below 7 Lakhs	10	10%
7–20 Lakhs	20	20%
20–50 Lakhs	35	35%
50 Lakhs–1 Crore	25	25%
Above 1 Crore	10	10%
Total	100	100%

(Source: Primary Data)

Interpretation: Among business respondents, 35% have a turnover between 20–50 lakhs. Businesses in this range typically have sufficient financial documentation to support home loan applications. Higher-turnover businesses (above 1 crore) often have access to diversified financing options and thus represent a smaller percentage of home loan seekers.

**TABLE 6: TYPE OF RESIDENCE**

TYPE OF RESIDENCE	NO OF RESPONDENTS	PERCENTAGE
Own House	20	20%
House Owned by Parents	20	20%
Rented House	60	60%
Total	100	100%

(Source: Primary Data)

Interpretation: A significant 60% of respondents currently live in rented accommodation, which is a strong driver of home loan demand. These individuals are motivated to transition to homeownership to achieve financial stability and eliminate rental expenses. The 20% living in parental homes also represents a segment seeking independent residential ownership.

**TABLE 7: BANK TYPE PREFERENCE**

TYPE OF BANK	NO OF RESPONDENTS	PERCENTAGE
Public Bank	40	40%
Private Bank / NBFC	60	60%
Total	100	100%

(Source: Primary Data)

Interpretation: 60% of respondents prefer private banks or NBFCs like Tata Capital for home loans, citing faster processing, better customer service, and flexible product offerings. Public sector banks, while trusted, are perceived as having more bureaucratic procedures and slower disbursement timelines.

**TABLE 8: TYPE OF LOAN REQUIRED**

TYPE OF LOAN	NO OF RESPONDENTS	PERCENTAGE
Personal Loan	10	10%
Business Loan	10	10%
Auto Loan	10	10%
Home Loan	55	55%
Loan Against Property	5	5%
Two Wheeler Loan	10	10%
Total	100	100%

(Source: Primary Data)

Interpretation: Home loans constitute the highest demand at 55% of all loan types, reflecting the priority that respondents place on homeownership. This validates Tata Capital's strategic focus on housing finance as a core product offering. Other loan categories each account for 10% or less, indicating home loans are the primary financial need.

**TABLE 9: TYPE OF HOME LOAN**

TYPE OF HOME LOAN	NO OF RESPONDENTS	PERCENTAGE
Buying House/Flat	50	50%
Construction Loan	15	15%
Top-Up Loan	10	10%
Home Expansion Loan	15	15%
Balance Transfer	10	10%



TYPE OF HOME LOAN	NO OF RESPONDENTS	PERCENTAGE
Total	100	100%

(Source: Primary Data)

Interpretation: Half of all respondents (50%) seek a home loan specifically for buying a house or flat, confirming that outright property purchase is the dominant motivation. Construction and home expansion loans together account for 30%, reflecting active housing development activity in and around Pune. Balance transfer and top-up loans each account for 10%, indicating a smaller but notable segment seeking to optimize existing loan terms.

**TABLE 10: PREFERRED LOAN TENURE**

TENURE	NO OF RESPONDENTS	PERCENTAGE
2–5 Years	20	20%
5–10 Years	20	20%
10–20 Years	40	40%
30 Years	20	20%
Total	100	100%

(Source: Primary Data)

Interpretation: A tenure of 10–20 years is most preferred by 40% of respondents, as it balances manageable EMI amounts with a reasonable total interest cost. Shorter tenures of 2–5 years and 5–10 years are chosen by borrowers with higher disposable income, while 30-year tenures attract those prioritising lower monthly outflows despite higher total interest payments.

**TABLE 11: KEY LOAN PARAMETERS**

PARAMETER	NO OF RESPONDENTS	PERCENTAGE
Loan Amount	20	20%
Interest Rate	50	50%
Processing Fees	30	30%
Total	100	100%

(Source: Primary Data)

Interpretation: Interest rate is overwhelmingly the most critical parameter for 50% of respondents when selecting a home loan. Processing fees influence 30% of decisions, while the loan amount itself is a direct consideration for 20%. This underscores the importance of competitive pricing by financial institutions to attract and retain home loan customers.

**TABLE 12: CIBIL SCORE DISTRIBUTION**

CIBIL SCORE	NO OF RESPONDENTS	PERCENTAGE
Below 700	20	20%
750–800	40	40%
800–850	30	30%
Above 850	10	10%
Total	100	100%

(Source: Primary Data)

Interpretation: The majority of respondents (40%) have CIBIL scores in the 750–800 range, which is generally sufficient for loan approval. 30% fall in the 800–850 range, representing a creditworthy segment that qualifies for better interest rates. Only 10% have scores above 850, while 20% fall below 700, indicating that a significant minority may face eligibility challenges. Regular EMI payments are the most effective way to maintain and improve CIBIL scores.

**TABLE 13: REASON FOR CHOOSING TATA CAPITAL**

REASON	NO OF RESPONDENTS	PERCENTAGE
Service Quality	30	30%
Easy Procedure	25	25%
Advertisement	10	10%
Trustworthiness	20	20%
Helpful Staff	15	15%
Total	100	100%

(Source: Primary Data)

Interpretation: Service quality is the primary reason cited by 30% of respondents for choosing Tata Capital, followed by easy procedures (25%) and trustworthiness (20%). The Tata brand is widely associated with reliability and ethical business practices, which reassures borrowers making long-term financial commitments. Helpful staff and accessible processes further reinforce the company's competitive positioning in the home loan market.

**TABLE 14: REQUIRED LOAN AMOUNT**

LOAN AMOUNT	NO OF RESPONDENTS	PERCENTAGE
Below 10 Lakhs	10	10%
10–20 Lakhs	30	30%
20–40 Lakhs	35	35%
40–60 Lakhs	15	15%
Above 60 Lakhs	10	10%
Total	100	100%

(Source: Primary Data)

Interpretation: The 20–40 lakh range is the most common loan requirement at 35%, consistent with mid-segment property prices in Pune's suburban and developing areas. 30% require loans between 10–20 lakhs, often for renovation or construction purposes. A smaller segment of 10% seeks loans above 60 lakhs, typically for premium properties or independent villas. Tata Capital's minimum home loan threshold of 10 lakhs aligns well with the bulk of demand in this market.

## VI. FINDINGS

- The majority of home loan applicants at Tata Capital Limited are male (60%), with the 30–40 age group being the most active borrower segment (40%).
- Private sector employees constitute the largest occupational category seeking home loans (35%), followed by government employees (30%) and businessmen (25%).
- Interest rate is the single most influential factor in home loan decision-making, cited by 50% of respondents, followed by processing fees (30%) and loan amount (20%).
- The majority of respondents (60%) currently reside in rented accommodation, indicating a strong underlying demand for homeownership in Pune.
- Buying a house or flat is the predominant purpose for availing home loans (50%), with construction and expansion loans accounting for a combined 30%.
- A loan tenure of 10–20 years is preferred by 40% of respondents, balancing affordability with total interest burden.
- The 20–40 lakh loan range is the most frequently required (35%), reflecting mid-segment property prices in Pune.
- CIBIL scores in the 750–800 range are most common (40%) among respondents, with 20% below 700 representing a segment with potential eligibility challenges.



- Service quality and trustworthiness are the top reasons for choosing Tata Capital, reflecting the strong brand equity of the Tata Group.
- Private banks and NBFCs are preferred over public banks by 60% of respondents due to faster processing and better customer service.

## VII. SUGGESTIONS

### Short-Term Recommendations:

- Streamline documentation requirements to reduce turnaround time and improve customer experience, especially for first-time homebuyers.
- Introduce digital onboarding and e-KYC processes to enable end-to-end online loan applications, catering to tech-savvy borrowers.
- Offer transparent fee structures and reduce processing charges to address the 30% of borrowers who cite fees as a concern.
- Strengthen customer support through dedicated loan counselling teams to assist borrowers in understanding eligibility, documentation, and repayment options.

### Long-Term Strategies:

- Develop tailored home loan products for women borrowers, self-employed professionals, and first-time buyers to increase market reach.
- Expand digital infrastructure to enable real-time loan tracking, automated EMI reminders, and digital repayment management.
- Build strategic partnerships with real estate developers in Pune to create bundled home loan and property purchase packages.
- Enhance risk assessment models to better evaluate non-traditional income sources such as freelance earnings and rental income.
- Conduct regular financial literacy campaigns to educate potential borrowers about CIBIL scores, interest rate types, and long-term mortgage planning.

## VIII. CONCLUSION

This study highlights the significant role that Tata Capital Limited plays in the housing finance ecosystem of Pune. As an NBFC with strong brand credibility, flexible product offerings, and a customer-centric approach, Tata Capital has positioned itself as a preferred lender for a diverse range of borrowers. The findings indicate that interest rates, ease of procedure, and service quality are the primary drivers of customer preference, and that the 30–40 age group of salaried and private sector employees constitutes the core borrower segment.

The high proportion of respondents currently in rented accommodation (60%) signals robust latent demand for home loans in Pune, particularly in the 20–40 lakh loan range. The preference for 10–20 year tenures reflects a pragmatic approach by borrowers balancing EMI affordability with total interest cost.

However, the study also identifies areas for improvement, including reducing processing fees, simplifying documentation for self-employed borrowers, and expanding digital capabilities. Addressing these challenges will enable Tata Capital to deepen its penetration in Pune's growing housing market and contribute more broadly to the goal of 'Housing for All' in India.

## IX. LIMITATIONS

- The study is limited to 100 respondents, which may not fully represent the broader population of home loan borrowers in Pune.
- Data is based entirely on primary responses, which may be subject to personal bias and subjective interpretation.
- The study is restricted to Tata Capital Limited and may not reflect the practices or performance of other housing finance providers.
- Timely collection of responses was constrained by the daily schedules and availability of respondents.
- The study was conducted within a limited time frame, which may restrict the depth of longitudinal analysis.



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