



IPO NOTE

TATA TECHNOLOGIES LIMITED



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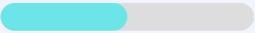
(For Listing Gain & Long Term)



ISSUE OFFER

| | |
|---------------------|--------------|
| Issue Opens on | NOV 22, 2023 |
| Issue Close on | NOV 24, 2023 |
| Total IPO size (cr) | 3,042.51 |
| Fresh issue (cr) | NIL |
| Offer For Sale (cr) | 3,042.51 |
| Price Band (INR) | 475- 500 |
| Market Lot | 30 |
| Face Value (INR) | 2 |
| Retail Allocation | 15% |
| Listing On | NSE, BSE |

ISSUE BREAK-UP (%)

| | | |
|----------------|---|-----|
| QIB Portion |  | 50% |
| NIB Portion |  | 15% |
| Retail Portion |  | 35% |

SHAREHOLDING (No. of Shares)

| | |
|------------------|-------------------|
| Pre Issue | Post Issue |
| 405,668,530 | 405,668,530 |

INDICATIVE TIMETABLE

| | |
|------------------------------------|------------|
| Finalisation of Basis of Allotment | 30-11-2023 |
| Refunds/Unblocking ASBA Fund | 01-12-2023 |
| Credit of equity shares to DP A/c | 04-12-2023 |
| Trading commences | 05-12-2023 |

Incorporated in 1994, Tata Technologies Limited is a leading global engineering services company that offers product development and digital solutions, including turnkey solutions, to global original equipment manufacturers (“OEMs”) and their tier 1 suppliers. The Company has deep domain expertise in the automotive industry and leverages this expertise to serve its clients in adjacent industries, such as aerospace and transportation and construction heavy machinery.

OBJECTS OF THE ISSUE

- Achieve the benefits of listing the Equity Shares on the Stock Exchanges;
- Carry out the Offer for Sale.

OUTLOOK & VALUATION

Tata Tech, a long-awaited IPO from the Tata Group, is here, and its name itself signifies trust among investors. The company has deep expertise in the automotive industry and differentiated capabilities to deal with emerging trends. It is a well-recognized brand with experienced promoters. Also, it has showcased strong financial growth in its past performance.

There might be some concerns, like any other business, like dependence on a few top clients and third-party vendors, risk related to foreign exposure, and a competitive industry.

Well, the IPO is coming at a very attractive valuation of 32.5x, and it's a great opportunity for investors. Thus, one should surely apply for this IPO for listing gain as well as for long-term benefits.



KEY MANAGERIAL PERSONNEL

01

Ajoyendra Mukherjee

Chairman and Independent Director of the Company. He was previously associated with Tata Consultancy Services Limited for almost four decades, where he held positions such as the head of business operations in Eastern India, Middle East and Africa, Switzerland, global head of CSR function, global head of energy and utilities practice and executive vice president and global head of human resources.

02

Warren Kevin Harris

Chief Executive Officer and Managing Director of the Company. He holds a bachelor's degree in engineering (technology), doctorate in philosophy and he has also completed the advanced management programme from Harvard Business School. He has been associated with the Company since October 1, 2005. He is currently a director of certain of Company's Subsidiaries.

03

Savitha Balachandran

Chief Financial Officer of the Company. She joined the Company on July 1, 2020. She is responsible for global finance and procurement in the Company. Prior to joining this Company, she was associated with the Company's Promoter, Tata Motors Limited.

04

Vikrant Gandhe

Company Secretary and Compliance Officer of the Company. He joined the Company on July 16, 2018. He is responsible for global company secretarial function in the Company. Prior to joining this Company, he was associated with Synchron Technologies Private Limited as a director - secretarial and legal and Tech Mahindra Limited as company secretary and compliance officer.



COMPANY PROFILE

- The Company endeavors to create value for its clients by helping them develop products that are safer, and cleaner and improve the quality of life for their end-customers.
- As a global organization, it brings together diverse teams from different parts of the world with multiple skill sets to collaborate in real time and solve complex engineering problems for its clients.
- The Company leverages its deep manufacturing domain knowledge to deliver value-added services to its clients in support of their digital transformation initiatives including product development, manufacturing, and customer experience management.
- The Company primarily categorizes its lines of business as: a) Services, which includes providing outsourced engineering services and digital transformation services to global manufacturing clients helping them conceive, design, develop, and deliver better products, and b) Technology Solutions, where it complements its service offerings with its Products and Education businesses.

COMPETITIVE STRENGTHS

- Deep expertise in the automotive industry.
- Differentiated capabilities in new age automotive trends – EVs, connected, and autonomous.
- Strong digital capabilities bolstered by proprietary accelerators.
- Marquee set of clients across anchor accounts, traditional OEMs, and new energy vehicle companies.
- Global delivery model enabling intimate client engagement and scalability.
- Proprietary e-learning platform leveraging its manufacturing domain knowledge to tap into the large upskilling and reskilling market.
- Well-recognized brand with experienced Promoter, board of directors and management team.

KEY STRATEGIES

- Deepen engagements within the existing client base.
- Target top ER&D spenders in select high-priority verticals and key geographies.
- Expand capabilities in digital engineering and embedded systems.
- Strengthening service delivery through capacity and capability building and optimizing delivery processes.
- Expand capabilities and enterprise client base in the education sector.

KEY CONCERNS

- This Offer consists of only an Offer for Sale.
- Its revenues are highly dependent on clients concentrated in the automotive segment. Also, The Company derives a major portion of its revenues from its top 5 clients.
- Exchange rate fluctuations in various currencies could materially and adversely impact its business.
- Certain of its Group Companies operate in a similar line of business, which may lead to competition with these entities.
- For its Products business, it relies on vendors and partners for software, many of which are single-source or limited-source suppliers.
- Intense competition in the market for engineering services could affect its pricing.


COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

| Name of the Company | Revenue | EPS | P/E | NAV | RONW(%) |
|----------------------------------|------------------|--------------|-------|--------|---------------|
| Tata Technologies Limited | 44,141.77 | 15.38 | - | 73.65 | 20.87% |
| Peer Group | | | | | |
| KPIT Technologies Limited | 33,650.38 | 14.10 | 80.31 | 61.58 | 22.91% |
| L&T Technology Services Limited | 80,136.00 | 110.80 | 37.47 | 470.66 | 23.54% |
| Tata Elxsi Limited | 31,447.23 | 121.26 | 61.55 | 334.92 | 36.21% |

FINANCIALS (RESTATED CONSOLIDATED)

| PARTICULARS (RS. IN MILLIONS) | FY 2023 | FY 2022 | FY 2021 |
|--------------------------------|-----------|-----------|-----------|
| Equity Share Capital | 811.34 | 418.07 | 418.07 |
| Other Equity | 29,083.37 | 22,383.54 | 21,003.47 |
| Net Worth | 29,894.71 | 22,801.61 | 21,421.54 |
| Total Borrowings | | | |
| Revenue from Operations | 44,141.77 | 35,295.80 | 23,809.11 |
| EBITDA | 9,086.86 | 6,944.64 | 4,305.36 |
| Profit before tax | 7,961.51 | 5,868.56 | 3,152.65 |
| NET PROFIT OF THE YEAR | 6,240.37 | 4,369.91 | 2,391.73 |


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