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Initial Public Offer of equity shares on the main board of the Stock Exchanges in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



TATA TECHNOLOGIES
TATA TECHNOLOGIES LIMITED



(Please scan this QR code to view the Red Herring Prospectus)

Our Company was incorporated as 'Core Software Systems Private Limited' at New Delhi, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 22, 1994 issued by the Registrar of Companies, NCT of Delhi and Haryana. On March 29, 1996, the entire paid up share capital of our Company was transferred in favour of four public limited companies, namely, Tata Industries Limited, Sheba Properties Limited, Ewart Investments Limited and Investa Limited and our Company became a deemed public company as per Section 43A(1) of the Companies Act, 1956 with effect from the same date and subsequently the name of our Company was changed to 'Core Software Systems Limited' by deletion of the word 'Private'. Subsequently, upon acquisition by four public limited companies from the Tata group, the name of our Company was changed to 'Tata Technologies (India) Limited', and a fresh certificate of incorporation was issued by the Registrar of Companies, NCT of Delhi and Haryana on November 15, 1996. Thereafter, the registered office of our Company was changed from the NCT of Delhi to the state of Maharashtra and a certificate of registration of the order of the Company Law Board bench confirming the change of state dated February 10, 1999 was issued by the Registrar of Companies, Maharashtra at Pune ("RoC"). Upon conversion of our Company from a deemed public company under Section 43A to a public limited company, a fresh certificate of incorporation was issued dated September 26, 2000 by the RoC. Subsequently, the name of our Company was changed to 'Tata Technologies Limited' and a fresh certificate of incorporation dated February 8, 2001, was issued by the RoC. For further details in relation to the changes in the name and registered office of our Company, see 'History and Certain Corporate Matters' beginning on page 212 of the Red Herring Prospectus dated November 13, 2023 filed with RoC ("RHP" or "Red Herring Prospectus").

Registered and Corporate Office: Plot No. 25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune - 411 057, Maharashtra, India
Telephone: +91 20 6652 8090; Contact Person: Vikrant Gandhe, Company Secretary and Compliance Officer; E-mail: ipo@tatatechnologies.com; Website: www.tatatechnologies.com; Corporate Identity Number: U72200PN1994PLC013313

PROMOTER OF OUR COMPANY: TATA MOTORS LIMITED

INITIAL PUBLIC OFFER OF UP TO 60,850,278 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF TATA TECHNOLOGIES LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION THROUGH AN OFFER FOR SALE (THE "OFFER") OF UP TO 46,275,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY TATA MOTORS LIMITED (THE "PROMOTER SELLING SHAREHOLDER"), UP TO 9,716,853 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ALPHA TC HOLDINGS PTE. LTD., UP TO 4,858,425 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY TATA CAPITAL GROWTH FUND I (TOGETHER WITH ALPHA TC HOLDINGS PTE. LTD., THE "INVESTOR SELLING SHAREHOLDERS" AND TOGETHER THE PROMOTER SELLING SHAREHOLDER AND INVESTOR SELLING SHAREHOLDERS ARE REFERRED TO AS, THE "SELLING SHAREHOLDERS"). THIS OFFER INCLUDES A RESERVATION OF UP TO 2,028,342 EQUITY SHARES (CONSTITUTING UP TO 0.50% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) AGGREGATING UP TO ₹[●] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF UP TO 6,085,027 EQUITY SHARES (CONSTITUTING UP TO 10.00% OF THE OFFER) AGGREGATING UP TO ₹[●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE TML SHAREHOLDERS (THE "TML SHAREHOLDERS RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION AND THE TML SHAREHOLDERS RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●]% AND [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL, RESPECTIVELY.

DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS, AND THEIR RESPECTIVE WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE			
NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)^
Tata Motors Limited	Promoter Selling Shareholder	Up to 46,275,000 Equity Shares, aggregating up to ₹ [●] million	7.40
Alpha TC Holdings Pte. Ltd.	Investor Selling Shareholder	Up to 9,716,853 Equity Shares, aggregating up to ₹ [●] million	25.10
Tata Capital Growth Fund I	Investor Selling Shareholder	Up to 4,858,425 Equity Shares, aggregating up to ₹ [●] million	25.10

^ As certified by Manian and Rao, Chartered Accountants pursuant to their certificate dated November 13, 2023.

Tata Technologies Limited is a global engineering services company offering product development and digital solutions, including turnkey solutions, to global original equipment manufacturers and their Tier 1 suppliers.

The Offer is being made through the Book Building Process and in accordance with Regulation 6(1) of the SEBI ICDR Regulations
QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer | Employee Reservation Portion: Up to 2,028,342 Equity Shares | TML Shareholders Reservation Portion: Up to 6,085,027 Equity Shares

Transaction of shares aggregating up to 1% or more of the paid-up Equity Share capital of Company by Promoter and Promoter Group.

Sr. No.	Date of transfer	Name of the Transferor	Name of Transferee	Nature of Transfer	Number of Equity Shares	Percentage of pre-Offer share capital of the Company	Transfer price per Equity Share (in ₹)	Total consideration (in ₹ Million)
1.	October 25, 2023	Tata Motors Limited	TPG Rise Climate SF Pte. Ltd.	Secondary sale	36,509,794	9.00%	401.81	14,670.00
2.	October 25, 2023	Tata Motors Limited	Ratan Tata Endowment Foundation	Secondary sale	3,651,390	0.90%	401.81	1,467.16
3.	October 26, 2023	TMF Business Services Limited	Tata Motors Finance Limited	Pursuant to the Scheme of Arrangement	8,119,920	2.00%	N.A.	N.A.

For further details, please refer to "Disclosure of transaction of shares aggregating up to 1% or more of the paid-up Equity Share capital of Company by Promoter and Promoter Group" given below.

PRICE BAND: ₹ 475 TO ₹ 500 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH.

THE FLOOR PRICE IS 237.50 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 250.00 TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 AT THE CAP PRICE IS AS HIGH AS 32.53 TIMES AND AT THE FLOOR PRICE 30.90 TIMES.

BIDS CAN BE MADE FOR A MINIMUM OF 30 EQUITY SHARES AND IN MULTIPLES OF 30 EQUITY SHARES THEREAFTER.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RED HERRING PROSPECTUS AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER.

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated November 13, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on pages 123 to 133 of the RHP and provided below in the advertisement.

RISK TO INVESTORS

- Transfer of Equity Shares by Promoters:** Tata Motors Limited, Promoter of our Company, has undertaken secondary transfer of 40,161,184 Equity Shares of our Company on October 25, 2023 at a price of ₹ 401.81 per Equity Share, to TPG Rise Climate SF Pte. Ltd. and Ratan Tata Endowment Foundation, which is less than the Offer Price at lower end of the Price Band i.e. ₹475 per Equity Share and at higher end of the Price Band i.e. ₹500 per Equity Share.
- Revenue concentration from top 5 clients:** For the six-months period ended September 30, 2023 and September 30, 2022 and Fiscals 2023, 2022 and 2021, 57.36%, 63.94%, 60.49%, 50.60% and 55.29%, respectively, of our revenue from operations is derived from top 5 clients by revenue generated in each of the respective periods ("Top 5 Clients"). The loss of any of our Top 5 Clients, could result in material decline in our revenues, which may have a material adverse effect on our business, results of operations, cash flows and financial condition.
- Clients concentration in the automotive segment:** For the six-months period ended September 30, 2023 and September 30, 2022 and Fiscals 2023, 2022 and 2021, 69.09%, 76.56%, 70.94%, 64.51% and 66.08%, respectively, of our revenue from operations is derived from automotive segment. An economic slowdown or factors affecting the automotive segment may have an adverse effect on our business, financial condition and results of operations.
- Offer for Sale:** The Selling Shareholders, including our Promoter, will receive the entire proceeds from the Offer for Sale. Our Company will not receive or benefit from any proceeds from the Offer for Sale.
- Revenues denominated in foreign currencies:** For the six-months period ended September 30, 2023 and September 30, 2022 and Fiscals 2023, 2022 and 2021, 64.75%, 75.43%, 70.22%, 67.36% and 70.75%, respectively, of our revenue from operations are denominated in foreign currencies. Exchange rate fluctuations in various currencies in which our Company do business could materially and adversely impact our business, financial condition and results of operations.
- Non-compliance with the Companies Act, 1956:** Our Company made certain preferential allotments of equity shares during Fiscal 2001, 2007 and 2008, which were offered and/or allotted to more than 49 investors, which were in non-compliance with the Companies Act, 1956. Any proceeding or action by any regulatory authority or court, which may be initiated in the future, may have an adverse effect on our business, finances and results of operations.
- Negative cash flows from Operating Activities:** For Fiscal 2022 and the six-months period ended September 30, 2023, our net cash flow from operating activities was negative. We may continue to have negative cash flows in the future, which could adversely affect our liquidity and operations.

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- The Offer Price of the Equity Shares, price to earnings ratio (“P/E”) ratio, enterprise value (“EV”) to EBITDA ratio of our Company may not be indicative of the market price of the Equity Shares on listing, for the years indicated.
Our EBITDA for the Fiscal Year 2023 is ₹9,086.86 million.

Particulars	Ratio vis-à-vis Floor Price of ₹ 475 per Equity Share	Ratio vis-à-vis Cap Price of ₹ 500 per Equity Share
	(In multiples, unless otherwise specified)	
Enterprise value to EBITDA	20.40	21.51
Price-to-earnings ratio	30.90	32.53

- Average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from ₹7.40 to ₹25.10 per Equity Share and Offer Price at higher end of the Price Band is ₹500 per Equity Share.
- Weighted Average Return on Net Worth for past three Fiscals i.e. 2023, 2022 and 2021 is 18.68%.
- Details of weighted average cost of acquisition for the last three years, eighteen months and one year immediately preceding the date of the RHP

Period	Weighted average cost of acquisition (WACA) [^] (in ₹) [#]	Upper End of the Price Band is ‘X’ times the WACA	Range of acquisition (Lowest Price- Highest Price) (in ₹)
Last one year	Nil*	N.A.	N.A.
Last 18 months	Nil*	N.A.	N.A.
Last three years	Nil*	N.A.	N.A.

* The Promoter, Promoter Group and Selling Shareholders have acquired Equity Shares allotted on January 20, 2023 pursuant to a bonus issue (for which no consideration was paid). Hence, the acquisition price is Nil.

The acquisition of Equity Shares by Tata Motors Finance Limited (previously known as Tata Motors Finance Solutions Limited) from TMF Business Services Limited (previously known as Tata Motors Finance Limited) has not been considered in the computation of the weighted average cost of acquisition as these Equity Shares were acquired pursuant to a scheme of arrangement between erstwhile Tata Motors Finance Limited (now TMF business Services Limited) and erstwhile Tata Motors Finance Solutions Limited (now Tata Motors Finance Limited) and their respective shareholders, sanctioned by the National Company Law Tribunal, Mumbai by an order dated May 12, 2023, for which no consideration was applicable.

[^] As certified by Manian and Rao, Chartered Accountants pursuant to their certificate dated November 13, 2023.

- Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (i.e., ₹ 475)	Cap Price (i.e., ₹ 500)
WACA for Primary Transactions* during 3 years prior to RHP	Negligible [#]	N.A.	N.A.
WACA for Secondary Transactions during 18 months prior to RHP	401.81	1.18 times	1.24 times

Note: As certified by Manian and Rao, Chartered Accountants, pursuant to their certificate dated November 13, 2023.

[#] Since WACA for Primary Transactions during 3 years prior to RHP is ₹ 0.01 per Equity Share, this figure is negligible.

* Since there were no Primary Transactions during the 18 months preceding the date of filing of the Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary transactions, not older than three years prior to the date of filing of the Red Herring Prospectus irrespective of the size of the transaction.

- Details of price at which Equity Shares were acquired in the last three years preceding the date of the Red Herring Prospectus by our Promoter, the Promoter Group, the Selling Shareholders and the shareholders with rights to nominate directors, are disclosed below:

Name of the acquirer / shareholder	Date of acquisition of equity shares [^]	Number of equity shares acquired [^]	Face value per Equity Share [§]	Acquisition price per Equity Share (in ₹) [^]
Promoter (also the Promoter Selling Shareholder)				
Tata Motors Limited	January 20, 2023	151,503,000	2	Nil*
Promoter Group (other than the Promoter)				
TMF Business Services Limited (previously known as Tata Motors Finance Limited)	January 20, 2023	4,059,960	2	Nil*
Tata Motors Finance Limited (previously known as Tata Motors Finance Solutions Limited)	October 26, 2023	8,119,920	2	N.A. [#]
Investor Selling Shareholders				
Alpha TC Holdings Pte. Ltd.	January 20, 2023	14,722,505	2	Nil*
Tata Capital Growth Fund I	January 20, 2023	7,361,250	2	Nil*
Shareholders with right to nominate directors				
Nil	N.A.	N.A.	N.A.	N.A.

[§] Pursuant to a resolution passed by our Board on December 12, 2022, and a resolution passed by our Shareholders on January 14, 2023, the issued, subscribed and paid-up capital of our Company was sub-divided from 40,566,853 equity shares of face value of ₹10 each to 202,834,265 Equity Shares of face value of ₹2 each. The Promoter, Promoter Group and Selling Shareholders have not acquired any shares in the last three years from the date of the Red Herring Prospectus other than those allotted pursuant to bonus. There are no shareholders with rights to nominate directors.

* Equity Shares were allotted on January 20, 2023, pursuant to a bonus issue (for which no consideration was paid). Hence, the acquisition price is Nil. For further details, see “Capital Structure” beginning on page 87 of the RHP.

[#] Tata Motors Finance Limited (previously known as Tata Motors Finance Solutions Limited) acquired the Equity Shares from TMF Business Services Limited (previously known as Tata Motors Finance Limited) pursuant to a scheme of arrangement between erstwhile Tata Motors Finance Limited (now TMF business Services Limited) and erstwhile Tata Motors Finance Solutions Limited (now Tata Motors Finance Limited) and their respective shareholders, sanctioned by the National Company Law Tribunal, Mumbai by an order dated May 12, 2023, for which no consideration was applicable.

[^] As certified by Manian and Rao, Chartered Accountants pursuant to their certificate dated November 13, 2023.

- The three BRLMs associated with the Offer have handled 49 public issues in the past three years, out of which 12 issues closed below the offer price on listing date.

Name of BRLMs	Total Issues	Issues Closed Below IPO Price on Listing Date
JM Financial Limited	33	7
Citigroup Global Markets India Private Limited	5	3
BofA Securities India Limited	2	Nil
Common issues handled by the BRLMs	9	2
Total	49	12

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