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IPO OFFERING

TATA TECHNOLOGIES LIMITED

Issue Details	
Issue Opens on:	November 22, 2023
Issue Closes on:	November 24, 2023
Issue Size:	Rs. 3,043 Crores
No of Shares:	6.09 Cr
Price Band:	Rs. 475 to Rs. 500
Bid lot:	30 shares
Face Value:	Rs. 2
Listing:	NSE & BSE
Registrar to Offer:	Link Intime India
Expected Listing Date:	December 05, 2023

Minimum Retail Application	
No of shares:	30
Application Money:	Rs. 15,000
Discount to Retail if any:	NA

Issue Break-up	No of Shares	Rs. in Crores	% of Issue
QIB	2,63,68,455	1318	50%
Non Institutional	79,10,536	396	15%
Retail	1,84,57,918	923	35%
Employee	20,28,342	101	-
Shareholders of Tata Motors	60,85,027	304	-
Total	**6,08,50,278**	**3,042**	**100%**

Shareholding (%)	Pre Issue	Post Issue
Promoters & Promoter Grp	66.79%	55.39%
Public	33.21%	44.61%
Total	100.00%	100.00%

Capital Structure	
Pre Issue Equity Shares	40.57 Cr
Post Issue Equity Shares	40.57 Cr

Post Issue implied Mcap
Rs. 20,283 Cr

About the Company:

Tata Technologies Limited was incorporated on August 22, 1994. Promoted by Tata Motors Ltd, Tata Technologies is a leading global engineering services company offering product development and digital solutions including turnkey solutions to global OEMs and their Tier-1 suppliers. The company has deep domain expertise in the automotive industry and leverage this expertise to serve their clients in adjacent industries, such as in aerospace and transportation and construction heavy machinery. Tata Technologies is a pure-play manufacturing focused Engineering Research & Development ("ER&D") company, primarily focused on the automotive industry and they are currently engaged with 7 out of the Top-10 automotive ER&D spenders and 5 out of the 10 prominent new energy ER&D spenders in 2022. Tata Technologies complements their service offerings with their Products and Education businesses (collectively, "Technology Solutions"). Through their Products business they resell third-party software applications, primarily product lifecycle management ("PLM") software and solutions and provide value added services such as consulting, implementation, systems integration and support.

Objects of the Issue:

The whole offer comprises of **Offer for Sale of Rs. 3,043 crores**.

Financial Overview:

Particulars (in Rs Cr.)	6MFY24	FY23	FY22	FY21
Revenue	2526.70	4414.18	3529.58	2380.91
Adjusted EBITDA	464.75	820.93	645.66	385.71
Net Profit	351.90	624.04	436.99	239.17
Share Capital	81.13	81.13	41.81	41.81
Other Equity	2771.99	2908.34	2238.35	2100.35
Net worth	2853.13	2989.47	2280.16	2142.15
Total Borrowings	-	-	-	-
EPS (Rs) - Diluted	8.67	15.37	10.77	5.89
NAV per share (in Rs)	70.27	73.65	56.19	52.79
Adjusted EBITDA Margin (%)	18.39%	18.60%	18.29%	16.20%
Net Profit Margin (%)	13.93%	14.14%	12.38%	10.05%
Return on Net Worth (%)	12.33%	20.87%	19.16%	11.17%

Source: RHP, Restated Consolidated Figures

Note: All the figures are calculated on upper end of the price band stated by the company.

Peer Comparison:

Company	CMP/ Offer Price	Market Cap (in Rs cr.)	PE Ratio (x)	Adjusted EBITDA Margin (%)	Net Profit Margin (%)	Return on Equity (%)	Revenue from Operations CAGR (FY21-23)	EBITDA CAGR (FY21-23)
Tata Technologies	**500.00**	**20,283**	**32.53**	**18.60%**	**14.14%**	**20.87%**	**36.16%**	**45.89%**
L&T Technology Services	4,528.00	47,873	37.47	21.35%	14.60%	23.54%	21.26%	30.31%
KPIT Technologies	1,614.60	44,263	80.31	18.88%	11.50%	22.91%	28.57%	43.16%
Tata Elxsi	8,299.00	51,683	61.55	30.56%	24.01%	36.21%	31.23%	35.64%

Note: CMP & Market Cap is taken as closing price on 20th November 2023.
All margins & ratios are calculated as on 31st March 2023, and price taken for PE Ratio is as on 26th October 2023.
All the figures of Tata Technologies are calculated on upper end of the price band stated by the company.

Source: RHP, NSEINDIA

Investment Rationale:

- The company has deep expertise in the automotive industry.
- Its comprehensive portfolio of services for the automotive industry addresses the product development and enterprise optimization needs of traditional OEM's and new energy vehicle companies, together with their associated supply chains.
- The company has differentiated capabilities in new age automotive trends including electric vehicles, connected and autonomous.
- The company's solutions and accelerators across new product introduction increases the efficiency of automotive, transportation and construction heavy machinery and aerospace clients in introducing new products to the market.
- The company has a diversified global presence across Asia Pacific, Europe and North America and partners with many of the largest manufacturing enterprises in the world. Its client portfolio includes its anchor clients, Tata Motors and JLR, leading traditional OEMs like Airbus, McLaren, Honda, Ford, and Cooper Standard and tier 1suppliers as well as new energy vehicle companies such as VinFast, among others, such as Cabin Interiors and Engineering Solutions, ST Engineering Aerospace.
- The company's global delivery model enables intimate client engagement and scalability.

Key Risks and Concerns:

- A material portion of their revenue comes from the top 5 clients.
- Uncertainties in the EV sector can impact future operations and cash flow.
- The company recently expanded its offerings in the education business and if it is unable to achieve the anticipated returns in such new growth areas.