

# Tata Motors to get ₹1,600 cr for 30% stake in Tata Tech

Warburg Pincus to also buy 13% from Tata Capital for ₹703 cr

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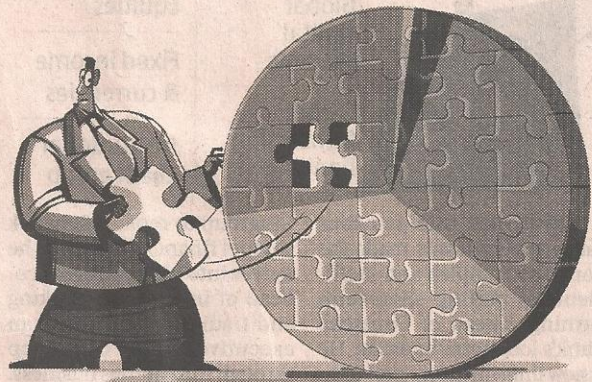
New Delhi, 15 June

**T**ata Motors, the country's biggest automobile maker by revenue, will get about ₹1,600 crore from the sale of its 30 per cent stake in Tata Technologies to Warburg Pincus, the global private equity entity.

The vehicle maker will be left with 43 per cent stake. It says this is part of a plan to "strategically monetise" part of the value created. Warburg Pincus will acquire another 13 per cent stake in the same company for ₹703 crore, from Tata Capital. The deal values Tata Tech at ₹5,300 crore.

"Tata Technologies has developed significant engineering capabilities over the years. The partial divestment is part of Tata Motors' plan to strategically monetise part of the value created, while also inducting a valuable partner, together with whom the company can excel in its next phase of growth," stated C Ramakrishnan, group chief financial officer, Tata Motors.

Tata Motors' standalone business (excluding its foreign cash cow, Jaguar Land Rover) reported a loss of ₹2,480 crore in FY17, a surge from one of ₹62 crore in the year ended March 2016. Consolidated profit was ₹7,557 crore, down 35 per cent from ₹11,678 crore



in FY16.

Tata Technologies provides engineering services outsourcing, product development, information technology services solutions and enterprise resource management to automotive, aerospace and consumer durables makers and their suppliers, globally. It has 8,500 employees based in 23 countries. Its consolidated revenue was ₹2,714 crore in FY16, marginally up from the previous year. Profit rose 14 per cent to ₹382 crore. It had cash and cash equivalent of ₹829 crore as of end-March 2016. Britain is its biggest market and brings 39 per cent of revenue; America and India bring 27 per cent each.

"We look forward to backing the strong management team at Tata Tech and leveraging our global network and prior experience in engineer-

## STAKE SALE

Tata Motors and its affiliates will continue to hold a minority interest of 43 per cent in Tata Technologies

The vehicle maker says this is part of a plan to "strategically monetise" part of the value created

ing services to help grow the business, organically and inorganically," said Vishal Mahadevia, managing director and co-head of Warburg Pincus India.

Citigroup Global Markets India was the financial advisor to Tata Motors. Tata Capital Investment Banking did this for Tata Capital. The transaction is subject to customary regulatory approvals.