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#51735

**Date:** January 06, 2023

**Subject:** Tata Motors Ltd. – Anticipated ADR Termination/Anticipated Cash Settlement  
Option Symbols: TTM/2TTM  
Date: ???

On November 9, 2022, Tata Motors Ltd. (TTM) announced its intention to terminate the Amended and Restated Deposit Agreement by and among TTM, Citibank, N.A. (the "Depository"), and all holders and beneficial owners of TTM American Depositary Shares ("ADSs"), effective on or around January 23, 2023 ("Termination Date"). The last trading day of the ADSs on the New York Stock Exchange (NYSE) is expected to be on or around January 23, 2023. It is not expected that the TTM ADSs will begin trading on an over-the-counter market.

TTM ADS holders will be given until a date that is six months past the Termination Date (the "ADS Cancellation Cut-off Time") to surrender their ADSs in exchange for TTM Ordinary Shares. It is expected that the ADS Cancellation Cut-off Time will be 5:00 PM NY Time on July 24, 2023.

Starting on or about the ADS Cancellation Cut-off Time, the Depository may sell the TTM Ordinary Shares underlying any outstanding ADSs and distribute such cash proceeds on a pro rata basis to the holders of the then-outstanding ADSs, less all applicable fees, taxes, and expenses.

**Cash proceeds from the sale of underlying shares may be subject to surrender fees and Indian withholding taxes of up to 43.68%.**

**Exercise Consideration** - At the time of the contract adjustment, the deliverable for adjusted TTM/2TTM options will be 100 x the cash proceeds received per TTM ADS, less applicable fees and withholdings, if any. TTM/2TTM call option holders who wish to receive the ADSs and who do not wish to receive the cash proceeds from the sale of ADSs should exercise their options in sufficient time. In all cases, it is the sole responsibility of persons holding call options seeking to receive the underlying securities to determine when to exercise their options.

### **Contract Adjustment**

The option symbols TTM/2TTM will not change.

**Date:** ???

**New Deliverable**

**Per Contract:** 100 x the cash proceeds received per TTM ADS, less applicable fees and withholdings, if any

Settlement in TTM/2TTM options will take place through OCC's cash settlement system. Settlement will be accomplished by payment of the difference between the extended strike amount and the cash deliverable.

### **Acceleration of Expirations**

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to **an acceleration of the expiration dates for outstanding option series** (See OCC Information Memo 23988).

### **Expiration Processing**

Following the delisting of the TTM ADSs from the NYSE, OCC may elect to remove automatic exercise thresholds for TTM/2TTM options in OCC's expiration processing. If this occurs, holders of expiring TTM/2TTM options will be required to independently ascertain the value of the TTM securities and issue positive instructions to exercise any expiring options.

### **Special Risks**

Once the ADSs have been delisted from the NYSE, there will be no over-the-counter market trading of the ADSs in the United States. It is uncertain if the National Securities Clearing Corporation (NSCC) will continue to accept for settlement TTM/2TTM options exercise and assignment activity. If these circumstances cause impairments in the ability of OCC to settle TTM/2TTM options exercise and assignment activity, OCC may take the following actions: 1) if TTM ADSs are only transferrable to the Depository, OCC **may** delay settlement of TTM/2TTM options exercise and assignment activity until the final net cash liquidation amount is available (which is not expected to occur before July 24, 2023), or 2) if TTM ADSs remain transferrable, OCC **may** direct that the TTM/2TTM options exercise and assignment activity be settled on a broker to broker basis through OCC's system; however, OCC may delay the settlement obligations of both the delivering and receiving parties if the delivering party is not able to effect broker to broker settlement on the original exercise settlement date. **Such a delay in settlement may extend until the final TTM cash proceeds amount is determined, after which time the unsettled obligations would settle for cash.**

The absence of an OTC trading market for the TTM ADSs and the possibility that TTM/2TTM options exercise and assignment activity may be delayed until the final cash proceeds amount is determined poses possible risks for TTM/2TTM options exercisers and assignees: If subject to delayed settlement, an exerciser or assignee may be impaired in ability to protect himself from a decrease or increase in the value of the TTM deliverable which occurs from the original exercise date to the date the final cash proceeds amount is determined. Under normal circumstances, an offsetting sale or purchase could be effected in the marketplace to protect against the increase or decrease in value of the deliverable security. But if a market for the TTM ADSs does not exist, price protection may require a purchase or sale of Tata Motors Ltd. shares on the home market.

### **Disclaimer**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For

both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

**ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.**

For questions regarding this memo, please email the Investor Education team at [options@theocc.com](mailto:options@theocc.com). Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).