

TATA AUTOCOMP SYSTEMS LIMITED



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Company Background

TATA AutoComp Systems (TACO) was founded by the Tata Group in October 1995. The company provides a range of auto component products and services to automotive manufacturers.

The company has operations across the globe in three continents, with offices in the US, South Asia and Europe.

TACO has 14 manufacturing plants, three engineering centres and three export-oriented units, with a total workforce of nearly 6,700. It recorded gross sales of EUR 387 million for the year 2005-06. Its current Original Equipment (OE) customers include DaimlerChrysler, Fiat, Ford, General Motors and Honda.

Tata AutoComp Systems in the EU

TACO operates in the mainly in the EU through joint ventures with companies in France, Germany, the UK and Spain. According to the company, its budgeted revenue for the EU for 2006-07 is EUR 49.25 million, with an average workforce of 292.

Tata AutoComp Systems in France

TACO has a presence in France through the TACO FAURECIA Design Centre (TFDC), a 50:50 joint venture between TACO and Faurecia Automotive Holdings. TFDC provides engineering design services exclusively to Faurecia. It also offers design

capabilities in CAD/CAM design, CATIA, HYPERMESH, UG and ANSA, employing a work force of 100.

Tata AutoComp Systems in Germany

TacoKunststofftechnik (Tkt) is a 100 per cent subsidiary of TACO in Germany. It provides automotive solutions in plastics for interiors and exteriors. Tkt was previously a part of Wuedsch Weidinger, an ISO 9001:2000 and TS 16949 certified German company. It became a part of TACO when the latter acquired Wuedsch Weidinger in August 2005. This acquisition facilitated TACO's interiors business and provided it with access to the European market.

Tkt is engaged in the development and manufacture of hi-tech plastic interiors and exteriors, in compliance with the SE process. It offers a wide range of products and services to various customers, including Audi, Dynamit Noble, Faurecia and Volkswagen.

Further, TACO has established a joint venture company, 'Knorr-Bremse Systems for Commercial Vehicles India Private Limited', with Knorr-Bremse in 2002. The main objective of this JV is to offer advanced air-braking systems to the Indian commercial vehicle industry.

TACO also has a technological tie-up with Menzolit Fibron GmbH, which manufactures sheet-moulded composites.

Tata AutoComp Systems in Other EU Countries

Apart from Germany, TACO has entered into joint ventures in the following countries:

- **UK:** In February 2005, TACO and Stadco Ltd. of the UK signed a 50:50 joint venture – TACO STADCO Automotive – to offer low-cost offshore body system design and development resources to component suppliers and vehicle manufacturers worldwide.
- **Spain:** In 1998, TACO and Ficosa International, Spain, launched Tata Ficosa Automotive Systems Limited as a 50:50 joint venture. This JV has helped TACO to develop and manufacture a range of auto components.

Factors for Success

Strong Manufacturing Facilities

TACO has established strong manufacturing facilities in partnership with global and Indian companies. This has helped the company to supply auto components to the Indian as well as the global automotive industry. It also tries to maintain world-class design skills at competitive costs by offering capabilities in processes and systems to automotive companies in India and abroad. The company has a supply chain management strategic business unit (TACO SCM), which assists it in the timely delivery of quality products and services at reasonable costs.

Synergy with Alliances

TACO's alliances and partnerships have been successful due to the substantial exchange of technology, capital, design, engineering and manufacturing capabilities. Through these alliances, the company aims to increase its exports, provide project-management capabilities and become a system supplier. The firm sources technology from its 14 manufacturing partners and three engineering partners in the US, Europe, Japan, Korea and the Asia Pacific.

Strong Backing from the Parent Company (Tata Group)

TACO is a part of the Tata Group, which generated revenues of EUR 13 billion (2.9 per cent of India's GDP). This strong financial support facilitates the acquisition of western suppliers with advanced technologies. Further, the Tata brand is one of the most respected brands in India, and has helped TACO to develop a brand name in the automotive market.

Future Plans

Emphasis on Product Innovation

TACO is backed by its high-end R&D centre that constantly works towards providing superior solutions to customers. The company offers a varied range of products, catering to diverse market requirements. It plans to further strengthen its R&D and launch a variety of products that match the best standards in the global automotive industry.

Expanding Business

TACO plans to make heavy investments to expand its overseas presence by various routes, including JVs, partnerships and M&A, as well as through acquisitions of existing companies and by setting up fresh production facilities. This will help the company to acquire better penetration power in the European market.

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