THE TATA GROUP

Group Background

The Tata Group comprises over 100 companies operating in seven business sectors - information systems and communications, engineering, materials, services, energy, consumer products, and chemicals. The Group was established by Jamsetji Tata in the mid-19th century. Some of the major companies in the Tata Group are Tata Motors, Tata Tea, Tata Steel, Tata Consultancy Services (TCS), etc.

The Tata Group is a diversified group providing services to varied clients. It has a strong team of almost 250,000 employees working in its various companies. The Tata Group generated revenues of approximately US$ 22 billion in 2005-06. As of February 1, 2007, the Tata Group had a market capitalisation of US$ 57 billion.

Global Footprint of Tata Group

Tata Group’s overseas presence started when its founder, Jamsetji Tata, began his business career by trading in China and England. The first overseas Tata office was established in London in 1907. Today, the Tata Group has operations in more than 54 countries (in all six continents) from where it serves its customers and clients in over 120 countries. The Tata Group witnessed a 51 per cent growth in revenues from its international business in 2005 as compared to the previous year. The Group has an aggressive sales and marketing strategy in place to tap the potential in the international markets.

Revenues of Tata Group from International Operations:
(2002-06)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$ billions)</th>
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<tbody>
<tr>
<td>2002-03</td>
<td>2.50</td>
</tr>
<tr>
<td>2003-04</td>
<td>3.20</td>
</tr>
<tr>
<td>2004-05</td>
<td>4.40</td>
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<tr>
<td>2005-06</td>
<td>6.70</td>
</tr>
</tbody>
</table>

Source: Tata

The Geographic break-up for FY 2005-06

Asia and Australasia: 31%
Africa: 23%
Latin America: 31%
Middle East/Gulf: 6%
North America: 1%
Europe: 9%

Source: Tata

TCS, Tata Steel, Tata Tea, and Tata Motors contribute approximately 78 per cent to the total revenues from the international business of the Tata Group. The Group has reported a CAGR of 38 per cent in revenues from international operations for the period 2002-03 to 2005-06.
Following is a brief discussion on some of the Tata Group companies operating in the US:

**Tata Consultancy Services**

**Mode of Operation**
TCS operates in the USA through its wholly owned subsidiary, TCS North America.

**Overview**
TCS established operations in the USA in 1971 but opened its first office in New York City in 1979. The company provides IT services, consulting, business process outsourcing, and engineering services to clients in various industry domains. Banking, financial services and insurance (BFSI) is the largest vertical for the company in terms of revenue generation. Apart from BFSI, the manufacturing and telecom verticals are the other major contributors to company revenues.

For the financial year 2005-06, TCS generated revenues of approximately US$ 2 billion. The North American market is the largest contributor to its overall revenues from the international business. Some of the Tata Group companies with a significant presence in the US, but not limited to, are:

- Eight O’Clock Coffee
- Good Earth Teas
- Taj Hotels and Resorts
- Tata Autocomp Systems TACO
- Tata Consultancy Services
- Tata Elxsi
- Tata Inc. (Tata Steel)
- Tata Interactive Systems
- Tata Johnson Controls
- Tata Sons
- Tata Tea Inc.
- Tata Technologies/Incat
- Titan Industries/Tanishq
- Tetley North America
- SerWizSol
- VSNL International

As of March 31, 2006, TCS had 12,000 skilled professionals in the US market, out of which over 600 professionals have been hired locally. The company plans to ramp up its local headcount to 1,000 over the coming years.
TCS provides services to various clients, including AT&T, Boeing, Canadian Depository for Securities, Citibank, Compaq, Dell Computer Corporation, Fidelity Investment, Ford, General Motors, General Electric, ING America, Microsoft, Nike, Prudential Insurance USA, Texas Instruments, SIS SegalInterSettle, etc.

Tata Steel

Mode of Operation
Tata Steel operates in the USA through its wholly-owned subsidiary, Tata Inc. It acts as a trading company for its parent company.

Overview
The company has an active international sales and marketing network spanning the USA, Dubai, South Africa, Sri Lanka, Nepal, Bangladesh, Shanghai, Hong Kong, the UK, and Singapore. The company owns captive raw material resources that translate into a competitive edge.

The company’s processes are ISO 14000-certified. Tata Steel is an esteemed member of various organizations and associations such as the American Institute for International Steel, the American Wire Producers’ Association, the Metal Service Centre, the US-India Business Council, and the Post-Tensioning Society.

Tata Steel generated revenues of approximately US$ 3,743.65 million in FY 2005-06, including sales of approximately US$ 90 million from the US region. Tata Inc. acts as a parent body for Tata Steel in the USA and imports steel and allied products from group companies in India.

Tata Tea

Modus Operandi
The company operates in the USA through its holding company, Tetley US Holding Ltd. In addition, it has acquired FMALI Herb Inc. (USA) and Good Earth Corporation to gain a stronger foothold in the market.

Overview
In 1987, Tata tea established its subsidiary Tata Tea Inc. Headquartered in Florida, USA, the company produces a wide variety of instant tea targeted at health-conscious consumers. It manufactures approximately 40 different flavors of instant tea sourced from India. It manufactures formulations with different flavors and sweeteners by modifying the physical parameters - such as the density and particle size - of the tea, or by blending it with other additives.

The company has established a strong sales and marketing channel to market its products in the USA. The company has been very active in acquisitions in the US market to gain a stronger presence. In addition to the Tetley brand of tea, some of the other major acquisitions made by the company include the acquisition of Good Earth tea and Eight O’clock coffee. Tata Tea Inc. has acquired a 30 per cent equity stake in Energy Brands Inc (USA) for US$ 677 million including a stake in the Glaceau vitamin waters brand of the company. These acquisitions have assisted the company in strengthening its presence in the American beverage market as well as in diversifying its product offering (tea, coffee, flavored tea, energy drinks, and vitamin water). Currently, black tea produced by the company has a 10.4 per cent share in the American market. It generated revenues of approximately US$ 138 million from sales in North America and Canada.

VSNL

Modus Operandi
The company operates in the USA through its subsidiaries, VSNL America Inc, Teleglobe America Inc, and VSNL International (US) Inc.
The company has over 50 employees in its US office, mainly working within the several joint ventures that the company has formed, to develop automobile products for US automobile companies. Some of the major joint venture operations of the company are:

<table>
<thead>
<tr>
<th>Joint Venture Name</th>
<th>Partner Company</th>
<th>Product Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive Composite Systems International</td>
<td>Owens Corning (USA), Menzolit-Fibron (Germany)</td>
<td>Sheet moulded composites (SMC)</td>
</tr>
<tr>
<td>TACO Hendrickson Suspension Systems (THSL)</td>
<td>Hendrickson International (USA)</td>
<td>Suspension systems</td>
</tr>
<tr>
<td>Tata Johnson Controls Automotive Ltd. (TJCAL)</td>
<td>Johnson Controls (USA)</td>
<td>Seating systems</td>
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Overview
VSNL started its operations in the US in 2003, with an objective to establish and provide solutions in Internet Protocol - Virtual Private Network (IP-VPN). The company’s service in IP-VPN assists it in managing the Internet bandwidth between India and the USA.

In 2005, VSNL acquired Tyco Global Network, which has facilitated it in gaining a strong submarine cable network. This has also assisted the company in emerging as one of the leading companies in the world that provide services in submarine cable bandwidth encompassing Asia, Europe and North America. Its acquisition of Teleglobe has extended its reach to over 240 countries.

Currently, the company employs 281 personnel, out of which 94 per cent are US citizens. In the financial year 2006, VSNL America Inc. generated revenues of US$ 27.7 million, up from US$ 0.65 million in the previous year.

Tata Interactive Systems

Overview
TATA Interactive Systems (TIS) operates in the USA through its sales and marketing offices.

Overview
TIS is a pioneer in the custom training solutions segment. Its core offerings include performance consulting, content development, simulations, and electronic performance support systems. It has offices in various parts of the US including New Jersey, Chicago, Washington DC, San Jose, etc. TIS has obtained level 5 in both SEI CMM (Capability Maturity Model) and SEI P-CMM (People-Capability Maturity Model) quality certifications. The company provides services to a wide range of industries such as banking, financial services and insurance, pharmaceuticals and health care, airlines, publishers, logistics and warehousing, various universities and online schools, etc. It has received various awards for developing innovative technology solutions for its clients such as the PCD award from EPSS Central in 2006, Silver Brandon Hall Excellence in...
In addition to these, Taj Hotels manages a portfolio of some of the finest authentic palace hotels in the world. These include the magnificent Umaid Bhawan Palace in Jodhpur, recipient of the World Monuments Fund’s 2006 Hadrian Award for architectural restoration, and selected by the editors of Robb Report Luxury Hotels 2006 as one of the world’s 100 most exceptional hotels, The Taj Lake Palace in Udaipur, rated tenth in The Top-100, T + L’s Annual Readers’ Poll - World’s Best Awards 2006, and the Rambagh Palace in Jaipur, rated among the Top-50 in Asia.

Over the past year, Taj Hotels has announced the launch of four luxury projects - The Taj Exotica Resort, Spa and Golf (Opening 2008) in Doha, Qatar, the Taj Exotica Resort & Spa (Opening 2008) on the Palm Jumeirah Crescent in Dubai, the Taj Exotica Resort & Spa (Opening 2009) in Phuket, Thailand and a Taj Luxury Hotel (Opening 2008) in Cape Town, South Africa.

Tata Elxsi

Modus Operandi
Tata Elxsi operates through its eight offices located across the US. These offices are essentially sales and business development offices that facilitate in developing business for the company.

Overview
Tata Elxsi is a product design company, delivering outsourced product design, R&D services and technology development solutions to customers worldwide. Tata Elxsi services the US market through offices in Boston, New Jersey, Detroit, Burbank, Irvine, San Diego, while San Jose serves as the US regional headquarters. These offices primarily house business development and customer support staff, facilitating sales and easy access for customers to the India Delivery Centers. The US offices house close to 40 business development and customer support executives,
facilitating sales and easy access for customers to the global delivery centers in India.

It services embedded design requirements including hardware and embedded software to industry sectors such as automotive, consumer electronics, media and entertainment, semiconductor, storage and telecom.

The US market contributes to over 40 per cent of the overall revenues for the company, primarily from services and technology IP sales in multimedia, consumer electronics and wireless infrastructure segments.

The company offers world-class styling and industrial design services, complementing the embedded product design offerings. Tata Elxsi also offers high-end animation and special effects services to the film and broadcast industry through a specialized division, Visual Computing Labs (VCL).

Titan/Tanishq

Overview
Titan Industries Ltd, a joint venture between the Tata Group and Tamil Nadu Industrial Development Corporation is the sixth-largest manufacturer of watches in the world. Titan is a market leader in the watches and jewelry category in the Indian market. Tanishq, Titan's Jewelry brand plans to bring with it a unique combination of design excellence, retail service and value engineering to meet the needs of the American consumer. Initially, the company plans to launch the brand through boutique stores in malls.

SerWizSol

Modus Operandi
SerWizSol operates through its two delivery centers located at Florida and Ohio.

Overview
SerWizSol is one of the largest third-party business process outsourcing companies with operations in India and the USA. The company offers round-the-clock services related to travel, healthcare, media, utilities, telecommunications, and government-to-citizen initiatives. The company has two call centers in the USA, which are located at the Milton centre in Florida and the Marietta centre in Ohio.

Tata Technologies

Modus Operandi
The company operates in the USA through its subsidiary, INCAT

Overview
Founded in 1989, INCAT is a leading independent international provider of engineering and design (E&D) services to the world's largest automotive, aerospace and durable goods manufacturers. INCAT is focused on services and solutions for product lifecycle management (PLM) and information lifecycle management (ILM)/information technology (IT), creating value for its clients through its unique-in-industry global delivery model, its state-of-the-art technology, and a pragmatic approach to engineering, manufacturing and IT processes that reduces costs and time to market and helps clients realize superior products.

INCAT’s US headquarters are in Novi, Michigan and in Germany it is headquartered in Stuttgart. Tata Technologies is headquartered in Pune, India. INCAT has a combined global work force of more than 3,000 employees serving clients worldwide from facilities in North America, Europe, and the Asia-Pacific.