

COMPANIES & MARKETS

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From left: Erik C Meyer, vice-president, Liebert Corp, Ajeet Singh, president of Emerson's Indian operations, K A Mahashur, director, Tata-Liebert, and Peter J Baptista, president, Tata-Liebert, at a press conference after the Tatas and Liebert Corp signed a joint venture pact to promote clean air, clean power in New Delhi on Wednesday. Pix: Jagan Negi

New outfit with US tieup for Nelco division

Our Corporate Bureau
NEW DELHI

The Tatas have decided to spin off Nelco's uninterrupted power supply (UPS) systems business.

It will be put under a new subsidiary being jointly formed by the Tatas and Liebert, a subsidiary of the US multinational, Emerson Electric.

The Tatas yesterday announced that they have tied up with Liebert Corporation to launch the new company, Tata-Liebert Ltd.

The partners will hold 50 per cent equity each in the new company.

Tata-Liebert is to have an initial paid-up capital of Rs 9 crore, of which Liebert, a wholly-owned subsidiary of Emerson Electric, will bring in Rs 4.50 crore.

According to sources in the company, the entire Tata group investment will be through the Tata Electric group of companies, pio-

neers in power generation.

The new joint venture, with its manufacturing facilities in Bombay, will take over the UPS business from Nelco in addition to augmenting the existing range with additional products from the Liebert range.

In the long run, however, the scope of its business is to be further increased so as to manufacture and market precision environment control systems and allied products.

Precision environmental control systems provide simultaneous control of temperature, humidity, air motion and air cleanliness in the "smart space" around computers and other sophisticated electronic equipment.

Tata-Liebert will actually build on the existing UPS business of the Tatas and introduce the Liebert range, which offers total protection for computers and other electronic equipment.

UPS systems are designed to provide a constant voltage and constant frequency supply

to critical business and process computers and motor loads.

The Tatas already had a technology transfer agreement with a UK-based subsidiary of Emerson.

The new joint venture is apparently to ward off threats of the company being phased out of the market as a result of the frequent changes in technology.

According to Peter J Baptista, president of Tata-Liebert, the company plans to follow Emerson's management policy of profitability through its "best-cost-product-strategy," which aims at giving customers the best value for money.

The company, Baptista said, will be in the market with its products within the next six to eight months and hopes to achieve a turnover of Rs 30 crore in its first year of operation. Marketing and after sales servicing of the new product will be handled by the existing Nelco network.