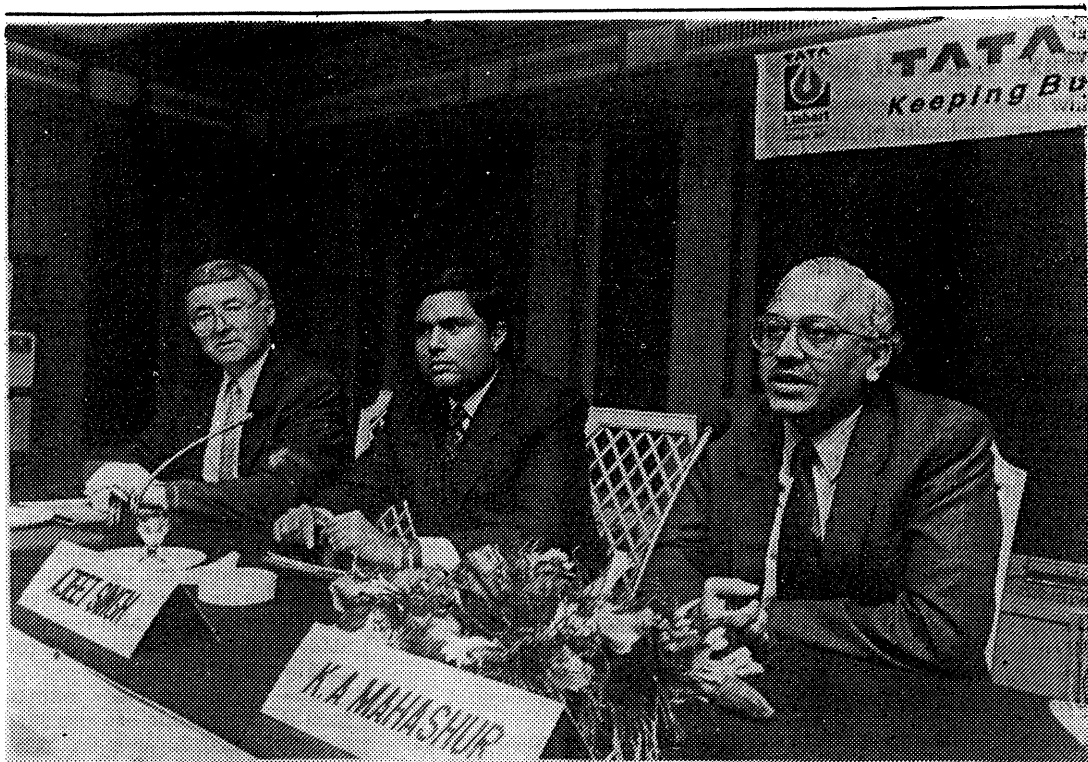


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(From right) Mr K A Mahashur, director, Tata Liebert Ltd, Mr Ajeet Singh, president of Emersons India, and Mr Erik C Meyer, vice-president, International Liebert Corp, address a press conference in New Delhi.

Tatas sell off UPS business; tie up with Liebert Corp

Our New Delhi Bureau

NEW DELHI 15 SEPTEMBER

THE TATAS have sold off the entire uninterruptible power supply (UPS) systems business of NELCO, which recorded a turnover of Rs 23 crore last year, for a sum of Rs 9 crore. They have also sold off all the UPS-related assets of NELCO for an additional sum of Rs 12 crore.

The two deals include sale of plant, machinery, property, marketing and distribution network and transfer of personnel.

Simultaneously, Tata Electric has signed a joint venture with Liebert Corp, a subsidiary of the \$7.7 billion Emerson Electric Co. Both partners will have a 50:50 equity stake in Tata Liebert Ltd, the new venture, which will have a paid-up capital of Rs 9 crore.

NALCO's UPS business has

been sold to Liebert Corp and the new joint venture. Officials of Tata Liebert Ltd, Liebert Corp and Emerson Electric Co refused to divulge the financial details. They, however, said that the joint venture — and not Liebert Corp — will pay for the acquisition of NALCO's assets, by raising debt if required.

The joint venture will build on NELCO's UPS business by introducing the Liebert product range. The joint venture will, however, also manufacture and market precision environmental control systems and allied products. Precision environmental control systems provide simultaneous control of temperature, humidity, air motion and air cleanliness in the space around the protected equipment.

With this joint venture, the Tatas will retain their leadership position in the UPS marketplace. Liebert Corp is world's leading manufacturer of power and environmental control systems.

Tatas Liebert Ltd is unlikely to face problems on the technology front as NELCO's range was also based on Liebert technology. The UPS systems (based on Liebert technology) are reportedly working satisfactorily in major process industries like refineries, petrochemicals and power generating plants, the Railways, leading national and foreign banks, key defence organisations and critical computer installations across the country.