

TITLE

1. Identify the dimension of family business between Reliance Company with the Tata Company.
2. Identify any multinational Company and give prized description about the success and reach of the Company.

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Introduction

Reliance Industries Ltd. is an Indian multinational Conglomerate Company headquartered in Mumbai, India. Reliance owns businesses across India engaged in energy, petrochemicals, fertiliser, natural resources, retail and telecommunications. Reliance is one of the most profitable companies in India, the largest publicly traded company in India by market capitalisation, and the largest company in India as measured by revenue after recently surpassing the government-controlled Indian Oil Corporation. On 10th September 2020, Reliance Industries became the first Indian company to cross \$200 billion in market capitalisation.

Tata Group is an Indian multinational conglomerate headquartered in Mumbai, Maharashtra, India.

Founded in 1868 by Jamshiji Tata, the company gained international recognition after producing

several global products. It is one of the biggest and oldest industrial groups in India. Each Tata

company operates independently under the guidance

and supervision of its own board of directors

and shareholders.

(1)

Doing business in Overseas markets is fraught with risks; more so when Companies enter new markets through leveraged buyouts. But in some cases, the risk taken turns out to be well worth it.

Consider the Tata group, its bravado looks misplaced as some of its big global bets are backfiring. Its investment in Corus Group Plc. - the largest ever acquisition by the group - is ~~practically~~ practically a write-off. Now, Brexit threatens to spoil things for Jaguar Land Rover (JLR) and the ~~Europe~~ European operations of Tata Consultancy Services Ltd.

But despite these setbacks the group's market capitalization has grown by leaps and bounds vis-a-vis Reliance Industries Ltd (RIL), India's second largest business group by market capitalization. RIL, it should be noted, has played relatively safe and

Stayed away from large global acquisitions. (2)

In January 2008, when Indian markets had peaked ahead of the financial crisis, Tata group Companies had a total market Capitalization of $\text{₹ } 3.14$ trillion. This was roughly three-quarters the size of RIL, which had a market Capitalization of $\text{₹ } 4.14$ trillion. Now, at over $\text{₹ } 8$ trillion, the market value of Tata group Companies is about 2.6 times the size of RIL Companies.

Of course, much of this is because of the splendid run of TCS's shares, which accounts for 62% of the group's total market value. But even if we exclude TCS, Tata group Companies have done far better than RIL Companies. In January 2008, these Companies had a combined market value of $\text{₹ } 2.11$ trillion, or about half RIL's market value. Since then, they have outperformed RIL by about 88%. And have nearly

Caught on in terms of their absolute market (3)

Cap:

Much of the Outperformance is because of Tata Motors. It's extremely successful acquisition of JLR. But as it turns out, ~~even~~ even the other Tata group Companies put together have outperformed RIL.

Apart from some big global bets paying off, the Tata group also benefits from having separate Companies for each industry vertical. RIL, on the other hand, houses diverse businesses such as refining and Petrochemicals, telecom and retail in one entity. Investors typically apply a Conglomerate discount in such cases. The group can create value by listing non-oil and unrelated businesses.

To be sure, it's not that RIL hasn't taken risks, even though it hasn't made large global acquisitions. Its initial investment in its telecom ventures is over \$22 billion, far higher than the \$12 billion Tata spent in acquiring Corus.

Who knows, if it can get its pricing strategy and execution right, it may well outdo the Tata group on the valuation front in a few years. For now, though, it is clear that the risks taken by the Tatas have paid off.

Pepsi Co. Inc.

Is an American food and beverage Company that is one of the largest in the world, with products available in more than 200 countries. It took its name in 1965 when the Pepsi-Cola Company merged with Frito-Lay, Inc. The Company's headquarters are in Purchase, New York.

The first Pepsi-Cola was created by Caleb D. Bradham (1866-1934), a pharmacist in New Bern, North Carolina.

Hoping to duplicate the recent success of Coca-Cola,

Bradham named his sweet Cola-flavored carbonated beverage Pepsi-Cola in 1898. The drink proved so

popular that in 1902 Bradham incorporated the Pepsi-Cola Company. After many years of moderate

prosperity, the Company fell on hard times after World War I and was reorganized and reincorporated on several occasions in the 1920s.

In 1931 the Company's trademark and assets were picked up by Charles G. Guth (1876-1948), founder of the modern Pepsi-Cola. He established a new Pepsi-Cola Company, had a chemist formulate a better drink, set up new bottling operations, and began merchandising a hugely successful 12-ounce bottle for five cents. Guth was also president of Loft, Incorporated a Candy, Manufactures and Soda-fountain Chain (founded 1919) and in legal battles in 1936-39 he lost a controlling interest in the Pepsi-Cola Company to the new management of Loft. When in 1941 the Pepsi-Cola Company was merged into Loft, the name Loft, Inc. was changed to Pepsi-Cola Company.

In 1950 Alfred W. Steele (1901-59), a former vice president of Coca-Cola Company, became chief executive officer. His emphasis on giant advertising

Campaigns and sales promotions increased Pepsi-Cola's
 net earnings 11-fold during the 1950's and made
 it the chief competitor of Coca-Cola. (After Steele's
 death, his wife, actress Joan Crawford, became
 an active director of the Company). In 1985 Pepsi-
 Cola merged with Frito-Lay Inc. the maker of
 snack foods such as Fritos, Doritos, Lay's,
 potato chips, and Old Gold pretzels. The
 newly enlarged Company diversified further with
 the purchase of three restaurants, Chains - Pizza Hut
 (1977), Taco Bell (1978), and KFC (1986) and
 Seven-up International (1986) but in 1997 the
 restaurant chain were spun off into a new,
 separate company called Tricon Global Restaurants.
 Looking to add more products that were considered
 healthier, PepsiCo acquired the Tropicana and
 Dole Juice brands from the Seagram Company

in 1998, and in 2001 it merged with Quaker Oats Company to form a new division, Quaker Foods and Beverages. With the merger, PepsiCo's most popular brands included Pepsi Cola, Frito-Lay snack products, Lipton Tea, Tropicana Juices, Gatorade Sports Drinks, Quaker Oats Cereals, and Old Gold Biscuits.

In the early 21st Century, PepsiCo focused on expanding its operations in other countries, notably Russia, which was its second largest market. In 2008 it bought a controlling interest in JSC Lebedyansky, Russia's largest juice manufacturer, and three years later it completed its acquisition of Wimm-Bill-Dann foods. These investments helped make PepsiCo the largest food and beverage company in Russia.

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