

TZAR INVESTMENT GROUP

US & India Aerospace, Defense and Security Advisory

A hybrid US/India focused investment
advisory, consulting, and private equity
fund

Tzar's Investment Group

About Us

Tzar Investment Group, LLC is a global investment advisory, consulting, and strategic business development firm with offices in Providence, RI, New York, NY, and Chennai, India.

- ▣ Tzar's focus is to assist small to mid-sized US & India aerospace and defense related companies to expand their business to/from India
- ▣ Meet the growing demand to mature the private sector Aerospace and Defense supply chain in India
- ▣ Tzar establishes long-term strategic relationships with client companies to facilitate strategic partnerships, cross-boarder joint ventures (cbJVs), revenue expansion strategies and global expansion strategies internationally
- ▣ Client companies will receive request for proposals (RFPs), product procurements requests and purchase requisitions from Tzar's counter partners

Aerospace, Security & Defense Focus

Our Goal...

Meet the growing demand to mature the private sector Aerospace and Defense supply chain in India.

- ▣ **Focusing on guiding and assisting client companies in operating in this unique sector in India**
- ▣ **We proud ourselves on using industry and international best practices and understanding the regulatory and legal environment for secure international business dealings**

Current Partnerships:

- **Industrial Gas Equipment supplier for the Indian Navy**
- **Oil Filtration Company in India**
- **Aerospace engineering corporations**
- **Tactical and rescue gear manufacture and supplier**
- **Indian Navy Distributor**

Why do business in India?

- The Indian government has increased defense related capital outlay by 15.7% to recapitalize, modernize equipment, develop technologies, and invest in defense infrastructure
- 40% of capital outlay will go towards signing new contracts, while remaining 60% will go towards existing contracts
- While the US Government is looking to cut defense spending across the board by \$500mm over the next 10 years

US Defense Spending

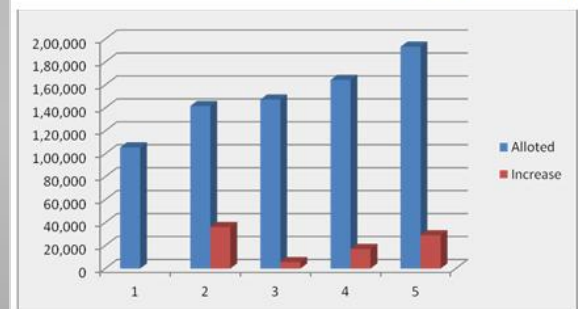


India Defense Budget Allocation

Year	Budget Allocation		Change	
	INR Cr	USD Billion	INR Cr	USD Billion
2008-09	105,600	20.52	-	-
2009-10	141,703	27.54	36,103	7.02
2010-11	147,344	28.63	5,641	1.10
2011-12	164,415	31.95	17,071	3.32
2012-13	193,407	37.58	28,992	5.63

(Conversion rate as on 22/03/2012 is 1 USD = 51.46 INR)

Source: Frost & Sullivan



Source: Frost & Sullivan

India Capital Budget Allocation

	INR Crore		USD Million	
	Allocation	YOY growth	Allocation	YOY Growth
Aircraft and Aero Engines				
Army	3052.52	760.92	593.2	147.9
Navy	5303.29	2328.33	1030.6	452.5
Air Force	23701.44	1645.83	4605.8	319.8
Land Systems (Heavy and Medium Vehicles)				
Army	2249.22	1296.34	437.1	251.9
Navy	20.00	-5.00	3.9	-1.0
Navy				
Naval Dockyards	1039.50	319.14	202.0	62.0
Naval Fleet	13617.39	6297.37	2646.2	1223.7
Other equipment				
Army	8250.04	-2605.92	1603.2	-506.4
Navy	3272.53	1163.85	635.9	226.2
Air Force	4802.46	-1477.36	933.2	-287.1
Research and Development	4640.00	11.70	901.7	2.3

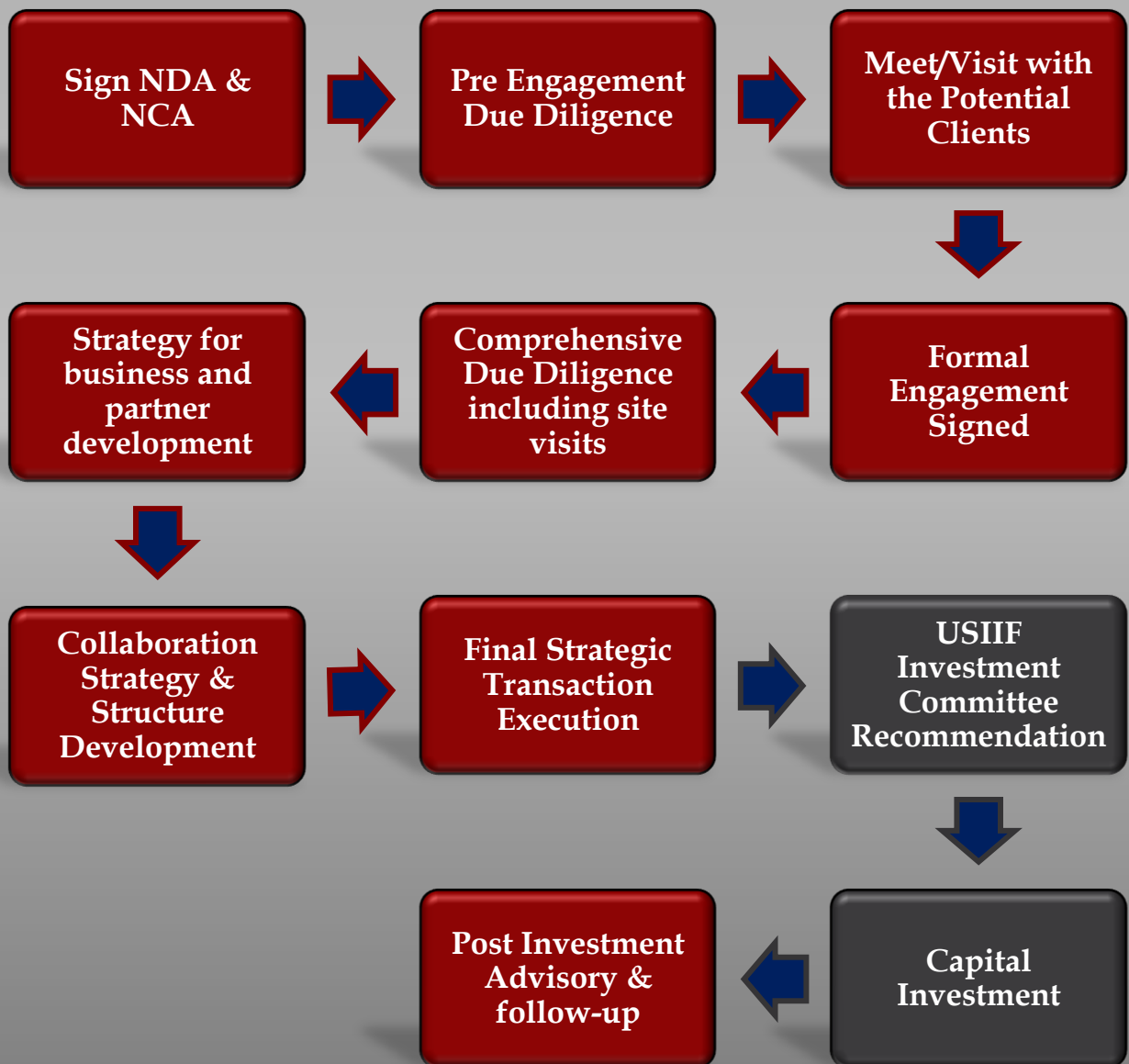
(Source: Indian Finance Bill 2012-13: Capital outlay for Defense)

Why Tzar Investment Group.....

- ▣ **Established Network** within the defense sector both within the US and India
- ▣ **Indian Defense Partnerships-** working with companies within the Aerospace and the military service sectors of the India market
- ▣ **Advisory Services-** blends private sector and government experience to provide tailored solutions to mitigate risk and generate value.
- ▣ **Consulting** with US based companies and India private sector partners to secure multi-million dollar contracts for US companies to supply military and defense related projects for the Indian government
- ▣ **Offset Management-** plan & execute offset obligations IAW the Indian Defense Procurement Policy and US ITAR
- ▣ **Deal Sourcing, Structuring & Investment-** structure agreements, find local Indian partners for the client company to carry out the contract, as well as invest to money from its affiliate private equity fund US India Investment Fund if capital is needed to fulfill contracts



Tzar Engagement & Investment Process



Key Executives



Richard B. White, Vice President, Defense and Security Projects, Tzar Investment Group

- ❑ Retired from US Army after 28 years of service
- ❑ Founder and President of Indus Strategic Solutions LLC
- ❑ Served in multiple assignments in India for 10 years
- ❑ Senior Defense official and Defense Attaché, New Delhi, India
- ❑ US Army Attaché to India
- ❑ US Defense and Army Attaché to Afghanistan
- ❑ Chief, Office of Defense Cooperation—India and Nepal, New Delhi, India
- ❑ Access and regular contact with senior Indian policy makers
- ❑ 14 years overseas experience in India, Afghanistan, Middle East and Europe.



Hirak Biswas, CEO of Tzar Investment Group

- ❑ Principal and General Partner at US – India Investment Fund, a US based hybrid private equity fund that investment in US & India cbJVs
- ❑ founder and president of Advanced Tactical Systems, an all-terrain armored vehicle manufacturing company
- ❑ founder and CEO of Aptus Technology Corp a fiber optic component manufacturing technology company, which was later sold to a larger corporation
- ❑ VP at Merrill Lynch in New York City and Providence, RI working on M&A and the Private Client Group, which managed a \$145 million portfolio
- ❑ BS in physics from University of Calcutta, India; Masters in International Administration and a post graduate certificate from Birmingham, UK



LTG (retired) Jack Woodmansee, CEO and President of Tactical Rescue Gear.

- ❑ Retired from the US army after 33 years of service.
- ❑ Former Director of Army requirements, where he prioritized the Army's then \$25 billion Research & Development and Acquisition budget
- ❑ Consulted for Texas Instruments, Bell Helicopter, LTV
- ❑ BA from George Washington U., MA from Stanford U. in Political Science
- ❑ White House Fellow and National Security Fellow at the Hoover Institute of war
- ❑ Past member of the Defense Science Board & current member of the Army Science Board



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