



TATA RYERSON LIMITED

(100%)

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The stainless steel bet

TATA Ryerson (TRy) is betting big on stainless steel. The Rs 754-crore steel servicing and distribution company, a joint venture between the US-based steel servicing major Ryerson Incorporated and Tata Steel, has a slew of expansion plans. It wants to allocate almost one-third of its Rs 151 crore investment kitty for the stainless steel sector.

Its other plans include setting up a service centre in Pantnagar, Uttaranchal, the site of Tata Motors new plant for manufacturing its light commercial vehicle 'Ace'. A new processing facility in Faridabad and additions to its Pune and Jamshedpur facilities are also in the pipeline.

TRy processes steel into speciality steels for customers and cuts them into required shapes and sizes for steel mills, but its decision to enter the stainless steel arena is also a pointer to the growing demand for stainless steel in the country. While TRy processes and distributes over a million tonnes of steel for various purposes, stainless steel was a sector it did not focus on since its inception in 1997.

Now, utensils make up 75 per cent of the stainless steel market in India, as the market for industrial use of stainless steel grows at a healthy clip. Customers in food processing, dairy, breweries and chemical process plants are growing their businesses by 20-30 per cent. This is where TRy identified a yawning gap. Its projections outline a turnover of Rs 17.8 crore in 2006-07 from this business, moving up to Rs 292.1 crore by 2009-10.

Helping TRy focus on the stainless steel sector is Ryerson's experience that comes from commanding 44 per cent of the stainless steel servicing market in the US. ■

PALLAVI ROY