

# Tata Ryerson explores options on share float

ASTAFF REPORTER

Calcutta, Jan. 22: Steel service centre Tata Ryerson Ltd, the equal joint venture between Tata Steel and Ryerson Tull of the US, may go public.

Company chairman Frank Munoz said an initial public offering was under consideration and a decision could be taken in the next 12-24 months.

"The company is a success. We can take it to the public tomorrow. But it will depend upon the capital requirement and whether shareholders want to fund it," Munoz said here today.

He said there would be many opportunities in the Indian market in the near future that will require substantial investments.

However, Ryerson's Chinese venture — VSC-Ryerson China Ltd — where Munoz is also the chairman, will go for a public float earlier.

Tata Ryerson is expected to post a turnover of Rs 1,200 crore this year, its 10th year of operation. It will handle 1.2 million tonnes this year, which is expected to touch 2 million tonnes by 2010.

Sandipan Chakravorty, managing director of Tata Ryerson, said the company could post a turnover of Rs 2,000 crore by then. Within a year of its formation, the Chinese company, however, has generated business worth \$300 million or Rs 1,200 crore. Munoz



Tata Ryerson chairman Frank Munoz (right) with managing director Sandipan Chakravorty in Calcutta on Tuesday. (PTI)

said the target was to be a \$1-billion (Rs 4,000 crore) company in five years.

## Major investments

Tata Ryerson is in the process of investing Rs 190 crore in three projects at Singur (Bengal), Pantnagar (Uttarkhand) and Tada (Tamil Nadu).

Of these, the Singur plant is the most talked about for Tata Motors' small car project.

The Pantnagar facility will manufacture Tata Motors' small pick-up truck, the Ace.

The third plant at Tada will cater to earth moving equipment maker Caterpillar.

## Chinese JV

Munoz also hinted at the possibility of Ryerson's Chinese and Indian ventures jointly setting up facilities in South-

east Asian countries such as Thailand and Vietnam.

## Singur project

Abraham G. Stephanos, chief operating officer of Tata Ryerson, said the company was on track to complete its Singur project on time, despite the delay caused by the monsoon. The company will manufacture load-bearing member for the Nano.

The Tata Motors plant will have a capacity of 500,000 vehicles a year but this can be expanded to 700,000 units.

There is a possibility that the unit will produce as many as 1 million cars a year.

"We are raising the land up by 1.5 metres to avoid water logging," Stephanos added. The Nano car will use a lot of imported steel from players such as Posco and Baosteel.