

Tata Ryerson plans Rs 190cr investment

Economy Bureau

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Tata Ryerson Ltd has planned Rs 190 crore investment in the next one year, of which Rs 145 crore has been earmarked to support the Tata Motors project.

The company is setting up a Rs 100 crore unit on 10 acres at the Singur Vendor Park in West Bengal to supply load bearing members or chassis and other five critical components for the Rs one lakh Nano car.

It is setting up a steel service centre at Pantnagar in Uttarakhand at an investment of Rs 45 crore to support the project of Tata Motor's small commercial vehicle, Ace.

Tata Ryerson is partnering with Caterpillar of the US, the earth moving and construction equipment maker, for setting up a plate burning and fabrication plant at Tada in Andhra Pradesh at an investment of Rs 45 crore.

Sandipan Chakravorty, managing director,

said the company's investments are directed towards becoming a two million tonne steel service provider by 2010 from 1 mt level at present with steps to move up the value chain to second and third stage processing like auto component manufacturing and fabrication. The company currently has leadership in areas such as high-end steel processing for automobiles and white goods.

He said Tata Ryerson was chosen as the sole supplier of six critical components for the Nano car after it qualified as the lowest bidder in the tender floated by the Tata Motors. This implies that the Singur unit will have to be operated at a low margin unless the production volume of the car picks up.

Tata Motors aims to roll out 500,000 cars in three years. Ryerson's Singur operation would be able to achieve breakeven once the production of Nano is half of what it has been targeted for three years, Chakravorty said.