

# Tata Ryerson plans to double revenues by '10

Our Bureau  
KOLKATA

TATA Ryerson, a joint venture between Tata Steel and Ryerson Inc of the US, is looking to double revenues to Rs 2,500 crore by calendar 2010, riding on the demand for its high value processed steel from Tata Nano and Tata ACE among others. A substantial part of the hike in revenues will come from its new production facilities at Singur, Pantnagar and Chennai, where it is investing nearly Rs 200 crore for OEMs like Tata Motors and Caterpillar.

"We have been involved in the R&D for the Nano and we are betting on volumes to achieve margins in the long run. Initially, however, our margins from Nano may be small," Tata Ryerson managing director Sandipan Chakravorty said at a press meet in the city. The company is supplying the backbone for the Tata Nano, a critical auto component commonly referred to as the 'chassis.'

Tata Ryerson Steel Service Centre, a new Rs 100-crore production facility coming up at Singur to cater to Nano will be ready by March 2009, he added.

"We are very keen to participate in the Tata Motors project," Tata Ryerson chairman Frank Munzo said. Incidentally, Ryerson which has a similar JV in China, also supplies specialised auto grade steel to 'Chery QQ3,' touted as China's small car. We hope to step up the synergy between our ventures in the two countries, especially in terms of people resources, said Mr Munzo who relocated to Hong Kong a year ago to set up the China facility.

The Nano's chassis, containing the load bearing members of the car body were designed and developed by Tata Ryerson and manufactured by Samco of Canada, which are now in the process of being sent from Canada to Korea for testing.

Tata Ryerson will be in a position to meet enhanced demand from Tata Motors even if the latter decides to stretch its equipment capacity by 10% to around 7 lakh Nano cars at

Singur against the plan to produce 5 lakh cars in next three years.

"In step with Tata Motors, we too will have the capacity to meet Nano's requirement. According to the initial estimate of 5 lakh cars in the next three years, Tata Ryerson will be

supplying almost 1,50,000 tonne of steel to Nano, he added.

"We lost a couple of months due to waterlogging at the Singur site during the monsoon, which delayed the entire project. Hence we have decided to raise the level of the factory by 1.5 metres to prevent such an incident from happening again," he added.

Apart from Singur, Tata Ryerson is investing Rs 90 crore in Pantnagar, Uttarakhand for the Tata ACE and in Chennai where it is setting up a plate-burning unit by August 2008 to supply components to Caterpillar.

"We expect to handle a volume of 2 million tonne by 2010, which should generate a turnover of around Rs 2000-2,500 crore," Mr Chakravorty said. Tata Ryerson is currently handling around 1.2 mt of steel across its service and distribution centres and has a turnover of Rs 1,200 crore.



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**SANDIPAN CHAKRAVORTY**  
TATA RYERSON MD