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In Conversation



Tata International - a global partner for metal trading

Tata International Limited (TIL) is a global trading and distribution company with a network of offices and subsidiaries spanning more than 39 countries in Africa, Asia, Europe and the Americas.

As a member of the reputed business conglomerate, the Tata Group, TIL prides itself in upholding the highest ethical standards in the way it conducts its businesses. Supported by a 10,000+ strong employee base, TIL is strongly driven by customer centricity, and have, over the years, formed strategic alliances and partnerships with market leaders that have reinforced the company's role as preferred partner in international trade and business.

Its FY 2014 revenues at US \$1.7 billion have set TIL firmly on a path of sustained growth even as it continues to focus on value-added offerings for its customers, backed by strong compliance to global norms within the sectors in which it operates. The company has worldwide presence along with sourcing and marketing competencies to deliver what it promises to customers across its five key business verticals.

Supported by global sourcing, deep market knowledge and supply chain management of various steel and related



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Mr. Ramesh Mani
Global Head - Metals Trading,
Tata International Limited

products, its metals trading business serves customers across 50 countries. Recent investments in downstream activities in Africa have enabled the company to widen its product offering and increase customer retention.

Pramod Shinde

The company is preferred choice for steel rolling mills, catering to the complete range of metallics for foundries and steel plants. Besides, it has range of products for ferrous industries, and offer steel products to the Indian and international market. It also supplies products to the aluminium industry, focusing on global industry.

Mr. Ramesh Mani, Global Head - Metals Trading, Tata International Limited in a tete-a-

tete with **Minerals & Metals Review** highlighted the metal's trading strategy amid volatile commodity prices.

Excerpts:

Which are the product segments that the company taps?

Under the Metals Trading Vertical, we have five divisions namely Steel Trading, Products for Aluminum Industry (PAI), Metallics & Rolls (M&R), Module Mounting Systems for Solar Panels (MMS-S), and Bicycles.

Steel Trading is a global business with a wide product portfolio cutting across categories like long products, flat products, niche and semi-finished products. Our offerings under PAI include collector bars, copper insert bars and raw materials. Under M&R

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business, we trade in pig iron, sponge iron, scrap, and rolls. Under our Solar business, we offer solutions in design, supply, installation and commissioning of module mounting structures and related DC solutions for large solar projects. Further, under our 'Stryder' brand of Bicycles, we offer standard roadsters, mountain terrain bikes, and a wide range of kids bicycles.

How do you evaluate the metal trading business amidst the scenario of global slowdown ?

Our Steel Trading business is most affected by the slowdown. Falling raw material and oil prices have had a cascading effect on steel prices. The resultant fall in steel prices has been causing customers of most trading companies globally to delay purchases and renegotiate contracts, ultimately resulting in lower margins. Of late, a number of steel producing nations are resorting to anti-dumping measures and trade barriers to counter the oversupply situation and protect their domestic markets from low priced steel exported by China. This trend is expected to hit velocity of order booking for some more time until the global markets stabilizes.

Our M&R business too is coping with market upheavals. Pig iron prices have come down drastically in line with subdued demand for finished steel. Scrap imports into India are also witnessing a dip due to slowdown. Besides, the recent trend of steel mills running at low capacity and restricting themselves to spot booking of Rolls has affected our Rolls business. Further, on the aluminium front, the smelters are looking at ways and means to cut costs and improve bottom line in coping with challenges



posed by the slowdown. From our side, we have now developed the capability of offering copper insert bars, which will help them achieve reduction in power cost.

How do you ensure timelines with customized requirements?

Timely/reliable delivery is of essence in a trading business and this has got further reinforced from the independent Customer Satisfaction Surveys that we have undertaken. This is now a key measure in our Balanced Scorecard and is personally reviewed by our management on a monthly basis. In our solar business, we have set ourselves a target to deliver materials within three weeks of order placement cutting down on our lead time significantly. Similarly, for our Bicycles business, the internal target is 72 hours. Since PAI business is based on annual tenders and monthly delivery schedules, we provide weekly status updates to all our global customers.

Do you have any tie-up with primary producers in India and overseas?

We do have strategic tie-ups with reputed steel mills, who can offer products of right quality at competitive prices. These are primarily located

in Asia, Far East, Turkey, and ISC. In the area of Metallics & Rolls, we also represent specific Tata group companies. For our other businesses, we have dedicated/exclusive tie-ups with conversion and tolling facilities.

What percentage of your metal products is being exported each year?

As already explained, our trading portfolio isn't limited to sourcing out of India. It is primarily driven by each division's strategic objectives, annual plan and global market conditions. However, with respect to sourcing out of India, it was approx. 10 per cent of the Metals Trading turnover in FY15.

Any plans to expand the existing business horizon with acquisition and/or mergers?

In order to ensure a sustained profitable growth, it is imperative for trading companies to look at options to participate in the value chain. Recently, we have decided to join hands with Totem Steel in the US that specializes in catering to end user segment. Going forward, we will continue to explore other value-added opportunities (including M&A).