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SAIL scouts for tech provider for CRGO steel

PSU's follow-on public offer planned in mid-February, says MD

Our Bureau

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SAIL has begun to scout for a technology provider for the production of 'cold-rolled grain-oriented' steel in India — a kind of steel that is used in electrical transmission and is five times as costly as cold rolled steels.

It will be second coming for the public sector steel major if it is successful in breaking into this business, because a couple of decades ago SAIL unsuccessfully tried to produce this steel in India.

CRGO technology is said to be with just about half a dozen companies globally, and one of them will have to be induced to impart knowledge.

On Tuesday, the Chairman and Managing Director of Bharat Heavy Electricals Ltd, Mr B.P. Rao, had told journalists here that SAIL and another steel PSU, RINL, would put up a CRGO project and that BHEL — a major consumer of CRGO with annual require-



Mr C.S. Verma (left), Chairman, SAIL, receiving the Institute of Cost and Works Accountants of India's 'Distinguished Icon of the year award' from Mr R. Bandyopadhyay, Secretary, Ministry of Corporate Affairs, at the 52nd National Cost Convention 2011, in Chennai on Thursday. Mr Brijmohan Sharma, President, ICWAI, is also seen. — Bijoy Ghosh

ment of about 40,000 tonnes — was interested in picking up 26 per cent stake in the venture.

Today, SAIL's Chairman and Managing Director, Mr C.S. Verma, put it slightly differently. He did not talk of a joint venture, or BHEL's par-

ticipation, but said that all kinds of options were under examination.

The first step, he said, is to secure technology without which no project would happen. If technology is secured, a project of about 200,000

tonnes would come up, at an investment of about Rs 3,500 crore, he said.

It is not clear as to why any company would want to part with the technology when it could export the steel to India.

"That is why we are giving

them equity," is how Mr Rao answered this question.

Incidentally, the National Manufacturing Competitiveness Council, headed by Dr V. Krishnamurthy, has recommended to the government that overseas steel suppliers ought to be coaxed into setting up shop in India to produce CRGO, by making a commitment to that effect as a condition before awarding other steel projects to them here.

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Mr Verma, who was here to participate in the 52nd National Cost Convention-2011 organised by The Institute of Cost and Works Accountants of India here, said that SAIL's follow-on public offer would hit the market in mid-February. Government of India will divest 5 per cent stake in the company to raise Rs 4,000 crore. SAIL would also issue fresh equity to raise another Rs 4,000 crore.