

DECCAN Chronicle

Foundry biz to drive Sanmar

DC Correspondent / 01 July 2011

CHENNAI: Sanmar Engineering Corporation, part of the \$1 billion Sanmar Group of Chennai, is betting big on steel foundry business to drive its growth.

The company is targeting a 30 per cent growth in revenue this year to touch Rs. 1,500 crore following ramping up of its foundry capacities. In fact, the company is also scouting for a couple of JV partners to increase its product offerings.

“We are looking to expand 1-2 JVs in the areas of high pressure safety valves used in instrumentation and process control, engineering by next year to fill the gap,” said Mr Vijay Sankar, deputy chairman, Sanmar Group.

The Rs. 1,225-crore Sanmar Engineering is a collection of engineering companies making valves and steel castings and steel foundries, with the foundry business accounting for over Rs. 700 crore.

“We have invested close to Rs. 800 crore in the last five years in the foundry business as we see a big opportunities in Indian refinery, petrochemicals and power plants,” he added. It is also revamping its foundry business which presently has total capacity of 60,000 tonne, including two units in the US, one in Mexico and one in Tamil Nadu.

Commenting on the company’s recent exit from automotive-centric iron foundry business, Mr. Vijay said, “We took this decision when opportunities to acquire steel foundries that fitted our core business strategy came up”.