

Business Standard

Sanmar expects to double revenue in 5 yrs

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CHENNAI: Sanmar Engineering Corporation, a group of engineering companies and steel foundries under the \$1 billion Sanmar group, is expecting sales revenue of over Rs 3,000 crore with a compounded annual growth rate (CAGR) of 21 per cent over the next five years.

The company is looking at expanding joint ventures to add one more product in the near future. It is also investing in revamping its foundries and capacity addition in overseas facilities, according to Vijay Sankar, deputy chairman, Sanmar Group.

As the company is set to complete 35 years of operations on Friday (July 1), Sankar said, "We have set a target of 21 per cent annual growth from 2011-16. There will be product diversification in the high-end of valve and engineering products and we will have one more addition to the JVs next year.

" The company is also revamping its foundry business and expects to increase the capacity from 10,000 tonne to 15,000 tonnes this year. It would also add a shell line at its existing facility in US. Its overseas facilities include steel foundries Keokuk Steel Castings in Iowa (US) and Acerlan SA in Mexico.

However, he refused to reveal the investment details saying the company had passed through major investments in the recent past and that it was an ongoing process. The group has invested around Rs 800 crore in capacity building in last four to five years.

It would consider raising funds if need occurs in future, he added. With the support of a consultant, the company has identified products and services gap where it has to improve performance and would either expand one of its existing JVs or enter into new JVs to fill the gaps, he said.