



Viralimalai Emerging as Workshop of The World

C Shivakumar /01 July 2011

VIRALIMALAI: As the engines hum and metals clank, the Viralimalai plant of Sanmar Group looks more like a global engineering hub as workers and engineers tirelessly toil to meet the deadline of global customers.

“We have grown in the last 35 years from a Rs 20-lakh company to Rs 1,200-crore company and expect to reach Rs 1,600-crore sales this year,” says Vijay Sankar, deputy chairman of Sanmar Group, a synergistically integrated collection of engineering companies and steel foundries.

Located on the Madurai National Highway, the plant is bustling with activity as orders have poured in from various parts across the globe. These include valves for power plants, rupture disks for nuclear plants, safety relief valves for refineries besides automobile components for global majors.

The success of Sanmar lies in the joint ventures or so-called “marriages” with the global leaders, says Vijay, adding that there had been “divorces” too, but then they were not the bitter ones. After the company started production on July 1, 1976, as Durametallic India after tying up with US firm Durametallic Corporation, Kalamazoo, Michigan, a global leader in engineered mechanical seals, there was no looking back for the company.

Now it has five joint ventures with top US firms. These include Flowserve Sanmar, BS&B Safety Systems (India), and Xomox Sanmar with its two divisions - Xomox Valves and Pacific Valves, Tyco Sanmar, Sanmar Foundries, Matrix Metals and Sanmar Engineering services.

It also has seven legal entities and 12 business units in five locations of the world. These include Iowa, Houston and Mexico in North America, Karapakkam and Viralimalai in Tamil Nadu. The firm has provided rupture disks to the Bhavini reactor besides the liquid sodium pump which was for the first time made in India, said Shekhar Shroff, engineering director of Sanmar Engineering Corporation.

“We also meet the requirements of Caterpillar which has plants both in India and US,” he added. “We also provided steel for desalination plant in Nemilli which we expect to function next year,” said Shroff.

“Our unique sales proposition is the integrated value chain,” says chairman of Sanmar Engineering M N Radhakrishnan. The company has inhouse foundry besides the state-of-the art facilities with manufacturing process same as that of the joint venture partner besides lowest global cost source position for engineered products, he says.

The steel foundry of the company has a unique onshore offshore business model as it has sustained long-term customer relationships due to flexible and multi-location business model besides global delivery model where 30-40 per cent casting requirements are sourced locally.

“Sanmar has set a target of 21 per cent growth over the next five years to become Rs 3,500 crore company and we vow to continue to work towards a system based on trust and transparency,” says Vijay.