



'The demand for pre-engineered buildings will grow by over 20%'

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— C. Ravindran, Director, Indian Commerce & Industries Company Pvt. Ltd

Indian Commerce & Industries Company Pvt. Ltd, the flagship company of Beehive Kowtha Group of Chennai, is one of the largest steel construction and project engineering companies in the south. The company specialises in industrial steel buildings whose market size is set to grow from the current 2 million tpa, says C. Ravindran.

The Indian construction industry is growing at a CAGR of over 20 per cent and contributes around 8 per cent to GDP. What is your assessment of the sector for the next five years?

We expect the construction sector to continue growing at a CAGR of around 20 per cent. We feel that the construction sector's contribution to GDP will increase to 10 per cent over the next five years.

What is the current market size of the steel building and construction segment? What is your company's share of this market?

There are a number of sub-segments in the steel building and construction market. The approximate size of the industrial steel building segment in India is around 2 million tpa. Our current share is about 2 per cent.

The current demand for PEB in India is 1.2 million tpa. What about the future demand?

We expect the demand for preengineered buildings in India to grow by over 20 per cent per annum.

What are the new opportunities for steel building and construction projects? Which sectors is your company most active in?

We expect the share of steel buildings in multi-storey commercial and industrial construction to increase rapidly over the next few years. We are active in the industrial buildings sector.

How does the volatility in the price of materials like steel affect your company's growth?

While the volatility in the price of steel does not really affect our growth, it does have adverse effect on profitability.

As a major contractor specialising in industrial steel buildings, what are the key challenges that you face during the execution of a project?

The major challenges we face are fluctuations in price of steel; non-availability of wide range of steel sections in India; quality problems in steel, particularly from public sector producers; and substantial change in the expectations of project authorities with regard to completion schedules (crash schedules have become a norm).



A 60-metre span lattice girder being erected for Automotive Axles Ltd in Mysore.

Your company is also into the restoration of old steel buildings and roofing systems. Can you tell us more about this service with one or two recent illustrations?

We have undertaken changing of existing asbestos cement roofing systems to metal sheet roofing with or without insulation, at a number of locations.

Three such projects are: Ashok Leyland Ltd at Ennore, Tamil Nadu, and Bandara, Maharashtra; and Automotive Axles Ltd in Mysore, Karnataka.

Can you briefly tell us about your company vis-à-vis its inception, products and services, manufacturing plants and their capacities, and exports?

Our company was founded in 1907 as a trading company. During the early 1900s, we took up steel construction projects. During the mid-1900s, we added a steel foundry. Till the 1990s, we were concentrating on conventional steel buildings and structures. During the past 15 years, we have added PEB and metal sheet production lines, and are currently active in conventional steel construction, pre-engineered steel buildings and steel castings.

Our current capacity in steel construction is around 40,000 tpa. We have been regularly exporting steel structures to a number of Asian, African and Australian countries during the past 20 years. We were awarded 'Certificate of Merits' for our export performances in 1996-97 and 1999-00.

What are your company's longterm plans for the Indian steel structurals market?

We are currently augmenting our PEB production capacity with a second mechanised production line. We have also identified the power sector as a major potential area for large volume steel construction contracts over the next few years.

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