

## Green steel

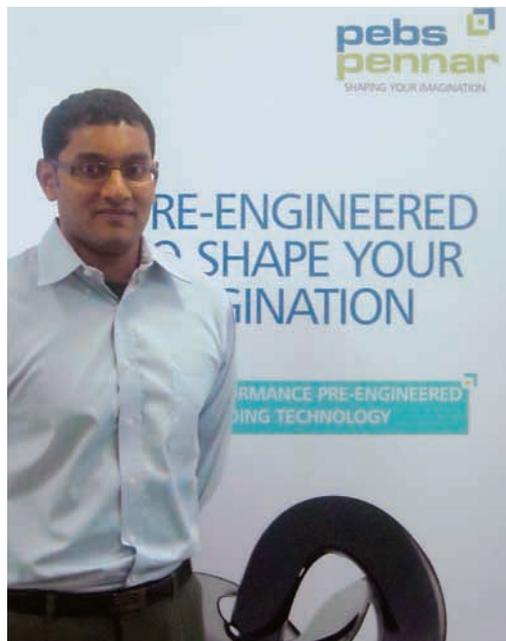
The pre-engineered buildings (PEB) sector in India will see rapid growth in the next few years, according to Eric J. Brown, executive vice president and CIO, NCI Building Systems, one of the largest integrated providers of engineered building systems in the world. At a mere 750,000 tonnes a year (against the \$2 billion NCI's current production of a million tonnes), the market here is obviously in a nascent stage. And with NCI's technical know-how, PEBS Pennar is all set to take advantage of the country's massive construction sector and the proportionate share of PEBS.

"We are committed to take this relationship with Pennar Industries Ltd (PIL) forward," said Brown on the inauguration of PEBS Pennar's Rs150 crore manufacturing facility at Sadshivpet in Medak district, about 45 km from Hyderabad, last fortnight. "We are currently exploring the possibility of a joint venture furthering our agreement to include products such as solar thin film integration with DoubleLok, NCI's custom-integrated engineering design and detailing software."

"This diversification is a key strategic initiative for us," says Nrupender Rao, chairman, PIL. "PEBS Pennar has already secured orders of Rs60 crore. With its contribution, PIL's consolidated sales – which went up to Rs557.65 crore for the nine-month period from April to December 2009 from Rs499.05 crore in April-December 2008 – are on track to cross Rs1,100 crore in 2010-11." Adds Aditya Rao, PIL's director, projects, who is in charge of the new unit, "We have invested Rs50 crore in the first phase for a capacity of 30,000 tonnes. We will double this in the second phase during 2011."

Aditya, who had told *Business India* last year that there is a billion-dollar market in India for pre-engineered steel buildings, says the unit will achieve a topline of Rs50 crore this financial year, against the earlier projection of Rs30 crore. "The target for next year (2010-11) is Rs150 crore, but we may do more,

*In August 2009, Business India had written about the Hyderabad-based Pennar Industries' plan for a new facility to manufacture pre-engineered buildings. The steel manufacturer is now looking at crossing Rs1,100 crore in sales in 2010-11, with the new facility chipping in strongly*



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Aditya Rao: LEEDing growth

depending on the complexity of the buildings we make," he explains. According to Nrupender Rao, PEBS Pennar will achieve annual sales of Rs500 crore on full capacity utilisation.

The NCI tie-up will also enable PEBS – set up to design, manufacture, supply and erect pre-engineered steel buildings for industrial facilities, warehouses, commercial centres, multi-storied buildings, aircraft hangars, sports complexes and the like – to manufacture India's first-ever pre-engineered 'green' buildings with world-class leak-proof technology. PEBS Pennar is a member of the Indian Green Building Council (IGBC) and provides energy-efficient green buildings, which qualify for LEED (Leadership in Energy and Environmental Design) points under sustainable sites, materials and resources, energy and atmosphere, and innovation and design categories. "All our buildings will be green to varying degrees and can have anywhere up to 17 LEED points," Aditya says.

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## Expanding footprint

Like most growing pharmaceutical companies in India, Elder Pharmaceuticals places adequate emphasis on both exports and the domestic market. Through 2008 and 2009, the company made a number of small acquisitions in Europe, mainly to tap those markets for its products. Its footprint in the Indian

market is also growing rapidly, as the company takes rapid strides towards its target of Rs1,000 crore by 2011-12.

According to the latest data released by market research agency ORG-IMS, Elder Pharma has 263 products, which fetched the company about Rs385 crore in sales from the