

---

## Slowdown signs - DCM Engineering expects lower turnover

Friday, 27 Mar, 2009

Punjab based DCM Engineering Ltd, a manufacturer of engine blocks and cylinder heads, expects to close the current financial year with a lower turnover of INR 300 crore as compared with INR 350 crore in the last financial year due to the slowdown.

Mr J K Menon MD of DCM Engineering said that “This fiscal, especially December, was the worst for us as we had to slash production by almost 50%. However, things improved in the following months. We achieved a growth of 7 to 8% each in January and February 2009 as compared with December 2008. In March, we achieved a growth of 30%. Overall, due to the slump in commercial vehicle sales, we expect to close the financial year with a turnover of INR 300 crore.”

However, the company has a positive outlook for the next financial year and expects to utilize 70 per cent of the installed capacity. The company has an installed capacity of 5,500 tonne castings per month. Besides, due to the slowdown in the auto sector, the company has put on hold its plan of setting up a unit in southern India. The proposed plant was to be set in Chennai with an investment of about INR 200 crore. The company has already acquired 50 acre for the project.

He added that “The proposed facility was expected to boost the annual capacity to 50,000 tonne. However, we will expand only when the capacity utilization of the plant would be 100%.”

(Sourced from Business Standards)

For more news visit at [www.steelguru.com](http://www.steelguru.com)