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Engg, core firms pile up Rs 16000 cr-plus orders

In the first two-and-a-half months of calendar 2006, 57 companies across engineering and infrastructure sectors bagged orders worth Rs 16,408 crore.

The order book, in fact, represents 37 per cent of the total sales achieved by these companies in 2004-05.

Most of these companies have reported operating profit margins in the 10 per cent to 15 per cent range in FY04-05. This means, the Rs 16,000 crore-plus order book can easily fetch operating profit of Rs 1,600-2400 crore for the companies in 2006-07.

Of the 57 firms, Larsen & Toubro, IVRCL Infrastructures, Punj Lloyd and Gammon India bagged more than Rs 1,000 crore deals each. While Nagarjuna Constructions, Siemens, ICSA India and Petron Engineering secured contracts worth Rs 500-Rs 1000 crore each. L&T bagged Rs 3,238 crore orders, which is 18 per cent of the company's sales of Rs 13,269 crore in FY04-05. IVRCL Infrastructures secured orders of Rs 1,592 crore, which was more than their total sales of Rs 1,055 crore reported in '04-05.

Punj Lloyd (Rs 1,258 crore), Gammon India (Rs 1,005 crore) and Nagarjuna Constructions (Rs 982 crore) received orders which more than 80 per cent of their total sales in 2004-05.

While Siemens' Rs 708 crore orders accounted for 25 per cent of its sales of Rs 2,748 crore in 2004-05. In January, a total of Rs 8,598 crore orders were bagged by constructions and engineering companies, followed by an additional Rs 4,996 crore in February and Rs 2,815 crore in the current month till March, 16.

L&T secured a Rs 880 crore order from Malaysian construction company KQKS, Rs 144 crore order from the Abu Dhabi Water and Electricity Authority, Rs 439 crore order from the National Hydroelectric Power Corporation and a Rs 2,117 crore contract from ONGC.

Siemens India, with a consortium of Siemens AG, Germany, received an order of around Rs 640 crore from Qatar General Electricity and Water Corporation last month. The order is for development of power transmission network in and around the capital city of Doha, Qatar.