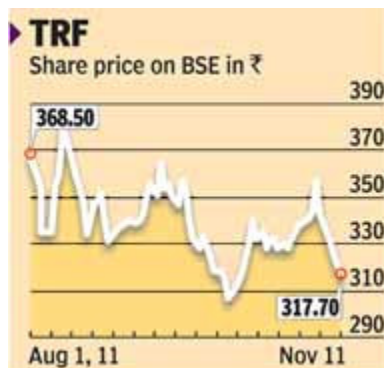


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 DNA MAIN EDITION Page 13

TRF closes in on major Tata Steel, NTPC orders

Sumit Moitra | Kolkata



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TRF Ltd, a bulk material handler from the Tata group, which failed to bag any major order during the last quarter, may do so soon. The company, in which Tata Steel holds 34.58%, expects to win orders worth ₹800 crore from clients including Tata Steel and NTPC.

It also sees additional orders from these two key clients by the year-end.

With a current order backlog of ₹1,275 crore, the Tata Steel subsidiary is working on over ₹1,200 crore of active enquiries, which may result in a consolidated turnover of ₹1,400 crore (a growth of 25% on last fiscal's ₹1,113 crore), the company management told analysts.

Also, TRF expects to maintain an EBIT (earnings before interest and tax) margin of 7%, company officials said on a conference call.

Of this ₹1,400 crore of turnover, ₹550 crore is expected to come from automobile sector and the balance from core material handling business, managing director Sudhir Deoras said.

"We are L1 (lowest bidder) on two projects for about ₹500 crore, but the orders are still not in hand. One is from NTPC worth ₹375 crore and the second is a NTPC and Tamil Nadu ports state body joint venture, where we have got orders worth ₹100 crore for ship unloading. We are hoping that these orders will come in some time," Deoras said.

The NTPC tender was opened during the quarter, but is yet to be awarded.

TRF is also banking on its parent, Tata Steel, for orders of about ₹300 crore from the construction of the steel major's upcoming Kalinganagar project in Orissa, work on which has just started.

"Kalinganagar's material handling projects orders have started flowing, which you will see in this month. We have finalised one order and we seem to be capturing good orders from Tata Steel also. So, in this quarter hopefully the order book will also start looking better. Kalinganagar requires seven or such stacker reclaimers from us and that order should be also coming in any time now," the company said.

TRF expects a pick-up in orders from NTPC fourth quarter onwards. "The good news is that the next series of 800-plus megawatt units will start in the last quarter of this fiscal," Deoras said.

TRF has recently won one out of four tenders of NTPC for capacities of either 2x650 mw or 3x650 mw, but hopes to become a vendor to those companies which own the rest, but do not have manufacturing capabilities.