

Fabtech EPC bags orders worth ₹734 cr



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By Reporter
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Despite the lull in engineering, procurement, construction and commissioning (EPC) sector for a long, Pune-based Fabtech Projects & Engineers, an EPC company has bagged orders worth ₹734 crore from various private and public sector companies in oil and gas sector. The order book also includes ₹100-crore export order from the Dangote Refinery in Nigeria.

The company eyeing ₹2,000 crore turnover in the next five years. Last year, it has clocked a turnover of ₹730 crore. To name a few, Oil India Limited (OIL) has awarded Fabtech a contract of ₹433 crore for constructing Secondary Tank Farm (STF) at Dalliya. It has received order of ₹72 crore for supply of electrical penetration assemblies Nuclear Power Corporation of India (NPCIL) and ₹215 crore orders from various refineries for mounded bullets for bulk storage of LPGs. Last year, it has completed ₹450 crore order for ONGC Paradip refinery for setting up intermediate storage tanks.

Explaining its strategy for sustaining in downturn, EPC, Fabtech Managing Director R A Rupnarm said, "We have kept our expenses and overheads very minimal. We restricted our headcount and while executing the projects, we preferred local talent of respective

areas. It helped the company to reduce costs. Plus, we have some engineering expertise of EPC business which others do not have."

"Going by the order book and if the market conditions are favourable, Fabtech is planning an IPO in the next 2-3 years," says Rupnarm.

The company is also looking at export market and recently bagged ₹100 crore order for supply of static equipment from Nigeria based Dangote Refinery.

Recently, it also bagged a ₹100-crore order for supply of equipment from the Nigeria-based Dangote Refinery.

However, its domestic orders contribute large portion (around 90 per cent) of its total business.

The company has bought 15 acres of land near its existing plant at Vasuli near Chakan and set up its second facility with the investment of ₹70 crore. It is further investing ₹60 crore for the expansion of this facility.

India's EPC market witnessed consistent changes over the last few years with solid growth in project size and complexity. Increasing private clients and entry of several foreign players. However, it is facing key challenges like like the growth in revenues is not truly reflective in the bottom line. This is primarily due to significant cost overruns, regulatory bottlenecks and aggressive bidding positions taken by a few of market players.