

## **KEC's Rs 100-crore acquisition to open up Middle East market**

*The company, which bought a tower manufacturing facility in Dubai, is executing six projects in UAE worth \$325 million*

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The acquisition of a transmission tower manufacturing facility in Dubai will help KEC International Ltd service the Middle East region, which has picked up lately, a senior executive said.

"In the last one year, we have seen the Middle East market beginning to pick up. And that is especially true of the UAE market," KEC's MD & CEO Vimal Kejriwal, told Moneycontrol.

The flagship company of the RPG Group completed the Rs 100 crore acquisition through an auction sale conducted by the Emirates Auction Authority.

The automated transmission tower manufacturing facility with a capacity of 50,000 tons per annum. Kejriwal added that KEC has six projects in the UAE, worth \$325 million.

"We also have projects in Oman, Jordan, Saudi Arabia and have finished one in Egypt," he said.

The plant, he added, will help the company cater to the North Africa market too.

With this acquisition, KEC now has six similar facilities. Of these, three are in India and one each in Brazil and Mexico. This takes its total manufacturing capacity of up to 4,22,200 tons a year.

### **The benefits**

Apart from better servicing the local market, new facility in Dubai brings other benefits to the company, said Kejriwal.

"There are custom duty benefits for products from the Gulf region," he said and added that there are also price benefits for a local product.

KEC, which is an infrastructure engineering, procurement and construction (EPC) major, will also substantially save time.

At present, it can take up to four weeks to transport products from KEC's facilities in India to the ports - and another three days to reach Dubai.

The new facility is just 30 minutes away from the Jebel Ali Port. The unit is also close to the Al Maktoum International Airport.

The unit, said Kejriwal, has enough space for further expansion.

"At present we have enough scale. In future, if there is a requirement we can expand as there is space," he said.