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KEC Eyes More Civil Jobs as Power T&D Deals Slow Down

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Mumbai: RPG Group's flagship infrastructure company KEC International has diversified into civil construction as orders in its core business of power transmission have slowed down and it expects opportunities in railway electrification to be limited, a top company executive told ET.

KEC International has, so far, primarily focused on engineering, procurement and construction work for power transmission and distribution and railways electrification projects. It is now looking to leverage on its capabilities in these sectors to bid for construction projects.

"We have seen that railways is moving towards civil and signaling jobs. There is a huge potential for civil projects in railways. So far, the last few months we have started looking at civil jobs related to railways — conventional and metro and regional rapid transport — and we have started getting some orders, too," said managing director Vimal Kejriwal.

Earlier this week, the company announced it has won a ₹580-crore contract to build an elevated via-

duct and stations for the Delhi-Merut Regional Rapid Transit System (RRTS) corridor, from National Capital Region Transport Corporation (NCRTC), and another order worth ₹265 crore from Kochi Metro Rail. In July, rail minister Piyush Goyal had said in the Lok Sabha that 1,253 railway stations have been identified for upgradation under the 'Adarsh' station scheme. KEC will look at tapping this opportunity, said Kejriwal, who is also the company's CEO.

On the company's core business of power T&D, Kejriwal said: "Transmission orders have slowed this year; except for some urgent projects that happened very fast. We are the lowest bidder in orders worth ₹3,000 crore, so we hope it is finalised soon."

KEC has been diversifying its portfolio to de-risk its exposure to the local power transmission sector by expanding to new geographies and new businesses, like the 'smart city' segment.

IDFC Securities said in a report earlier this month, "KEC's diversification into new segments and sustained traction in T&D have resulted in strong revenue visibility (1.7 times FY19 revenues).