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International facility management company eyeing smart cities opportunity in India

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An international facility management firm operating across 11 verticals plans to increase its footprint in India by acquiring two companies in the soft facility management space and in the specialised engineering services segment. It is also eyeing maintenance of smart cities, roadways and railway projects.

"We are looking to invest around Rs 300 crore by around 2020 as a part of core investment strategy in new companies. We will be doing two acquisitions – a soft facility management (cleaning) firm and a specialised engineering services company," said Tariq Chauhan, Group Chief Executive Officer, EFS Facilities Services.

"We do not want to manage individual residential towers but cities. Currently, we are managing five smart cities overseas in Dubai and in Egypt. There, we manage the entire master community, roads, parking, street lighting, plant rooms and even lakes. We are looking at smart cities in India as a huge opportunity," he said.

The company is currently operating in 11 verticals. "We support the top five global banks, we manage pharmaceutical companies, telecom companies, data centres, commercial and residential. In infrastructure, we are planning to expand to concessionaire agreements. We want to be part of large consortiums for Indian railways, operations and maintenance for roads, operations and maintenance of metro. We plan to undertake road maintenance, streetlight maintenance and CCTV camera maintenance," he said.

In India, the company is currently managing projects for ITC in Haridwar where it is handling their production line for confectionery, printing and biscuit divisions. It is also managing facilities for several banks such as Standard Chartered, RBS, Credit Suisse and technology companies such as IBM and Cisco and Airtel.

It is also managing the entire Apollo factory. "We don't operate their assembly line. Our responsibility is to manage their operations and utilities and provide ancillary support," he said.

What are the benefits that accrue from managing facilities? "Facility management helps in ensuring longevity of projects, improve efficiency by 5% to 15% and helps reducing costs by 15 percent to 20 percent," he said.

EFS Facilities Services has been operating in India since 2007 and manages a total of 5 million square meters of real estate. Its global footprint is around 30 million square meters.

The size of organised facility management in India is around USD 25-30 billion, growing at around 15-20 percent annually. The total size of this business globally is around USD 75 billion.