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Two Vadodara firms enter into JV, to manufacture construction chemicals for South African countries

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Ahmedabad : Two Vadodara-based firms Lilleria Group and Fairmate Chemicals have announced a Joint Venture with an investment of Rs 50 crores to start manufacturing of construction chemicals in Kenya earlier this month. The JV firm will operate under the name of 'Fairmate Lilleria Kenya Ltd' and will be based out of Kenya, Africa and will seeks to capitalize the strong reputation Fairmate has developed as a leading construction chemicals manufacturer with business operations in Indian and abroad.

The product line will include Concrete Admixture, Waterproofing System, Engineering Grouts, Industrial Flooring System, Surface Treatment, Concrete Repairs, Pre-packed Concrete and Mortar, Protective Coating and Polysulphide Sealants. "We aim to produce 20,000 tonnes per year of powder production and around 10,000 tonnes liquid production annually. The total JV cost in five years is Rs 50 crores, with which we aim to expand by setting up five plants, which will have similar capacity in each country in the next five years. Kenya is an upcoming country which has a lot of infrastructure projects being undertaken due to which there is a lot of scope for infrastructure and construction chemicals business to grow and with only one competitor we see tremendous growth potential in this segment," said Veer Rajesh Patel, MD of Lilleria Group, a hospitality and construction company which will be diversifying with this tie-up.

While the size of the construction chemicals industry in Kenya pegged at Rs 200 crores annually, the new firm will manufacture and sell its products in Kenya and aims to capture a significant share of the market and accordingly plans to expand in Sudan, Zimbabwe, Uganda, Burundi, Rwanda, Tanzania and Ethiopia, apart from Kenya.

Fairmate Chemicals Pvt Ltd is a global manufacturer of construction chemicals which has a collaboration with Resin Building Products Ltd., UK (pioneer in technology of resin based products), while Lilleria Group is into real estate and hospitality business.