

# Bry-Air finalising Japanese manufacturing acquisition

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**B**ry-Air Asia Pvt Ltd, manufacturer of environmental control systems for industrial and commercial applications, is set to acquire a \$1-million (Rs 4.6 crore) Japanese manufacturing facility in the first half of 2010, and is eyeing potential buys in Korea as well. The company is the flagship enterprise of the Pahwa group and has its head office at Gurgaon, near Delhi.

"The acquisition has been funded entirely from internal accruals. This will be our fourth overseas subsidiary after China, Malaysia and Germany," said Dinesh Gupta, president of Bry-Air, refusing to divulge the name of the Japanese company.

"We are looking at expanding our geographical footprint through inorganic growth. But this would not require huge investments, as we just need a base to start operations in these countries. The major investment is on technology, and we already

have that," Gupta explained. The Japanese facility should start commercial production in 2010 itself, with an annual capacity to produce equipment worth \$ 4-5 million (Rs 18-22 crore).

The company manufactures dehumidifiers for humidity control, drying, storage and preservation that caters to requirements in industries like food, pharma, plastic, cement and wood, among others.

Bry-Air recorded revenues of Rs 200 crore in 2008-09 and is hopeful of ending the current financial year with a turnover of Rs 250 crore. It has plans to reach a turnover of Rs 400 crore by 2011-12 and sees the contribution from overseas subsidiaries, currently 30-35 per cent, to grow to 50 per cent by then.

"The market size for dehumidifiers in Japan is estimated to be around \$15-20 million (Rs 70-92 crore), while in Korea it is around \$10 million (Rs 46 crore). These markets are highly industrialised and are growing at a slower rate compared to the devel-

oping economies. That is why we entered the Chinese market way back in 1997 for marketing our products and set up a plant in 2007," Gupta said. Currently, the company's Chinese operations, clocking a growth rate of over 40 per cent, is the fastest growing subsidiary.

Beside Korea and Japan, Bry-Air is keen on tapping the African market, though the plans are not firmed yet. It has begun with an office in Johannesburg, South Africa.

Bry-Air is bullish on the food and pharma segments to drive growth in the domestic market in the coming years. The pharma segment currently contributes over 40 per cent to the company's turnover. It is set to launch a new technology in the dehumidifier segment next month, 45 per cent more energy-efficient. "We have filed for a patent for this technology and see a huge market worldwide," Gupta said. Bry-Air has two research and development facilities in Haryana.