

Business Standard

'We have filed a world patent for a new energy-saving technology'

Date: 18-08-2009 | Edition: Delhi | Page: 10 | Source: Bureau | Clip size (cm): W: 21 H: 16

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Q&A

*Deepak Pahwa, Managing Director of Pahwa Enterprises, India's largest private sector SME in the HVAC&R (heating, ventilation, air conditioning and refrigeration) industry, tells **Business Standard** that some of his key customers are pharma units, and since dehumidification machines are at the heart of pharma units, his company was unaffected by the downturn. Edited excerpts:*

What are some of your future plans for expansion, new investments and product R&D?

We have filed a world patent for a new energy-saving technology which will enable us to develop equipment at even more competitive prices along with better output results for our customers. We will shortly file a world patent for another technology, which helps to achieve dehumidification without any energy input. And our new manufacturing unit at Manesar, spread over 70,000 sq feet with an investment of about Rs 12 crore, will be operational next month.

You export to 40 countries, which accounts for about 40 per cent of your group's turnover. How have you become so globalised?

With the aspiration of putting India on the global map of this technology we made our first global initiative in 1987 by

establishing a wholly owned subsidiary in Malaysia. After that there was no looking back. Since the segment was niche and the technology was sound we grew well. Our strong research supplemented by our focused applications sales team helped us reach where we are today.

Following your acquisition of a German company in 2007, what are your plans for further foreign acquisitions?

We are in talks with a Japanese company to acquire a foothold in the Japanese market. Simultaneously we are in talks with another Japanese firm called 'Amerftek' for forming a distribution joint venture by which we will share our technological know-how and expertise with them, and they will handle sales for us in that region. The deal will be finalised in a couple of months.

PE holds five Indian



home-grown companies who often copy technologies from other companies, or they have licences from MNCs and use their technologies. Our success lies in the huge investments that we make in our R&D and training our sales team.

What factors have enabled Pahwa

in R&D, and our state-of-the-art manufacturing and testing facility puts us ahead of other companies. Our energy recovery products are established as the highest performing on earth by independent certification agencies and have been installed in almost all green building projects in India and in all prestigious buildings in the Middle East, Asia, China and the US. There are only one or two players who have global footprints in our kind of work, the rest being regional or country-specific companies. The two global players are headquartered in Japan and Sweden respectively.

patents and has recently filed one more in USA. What explains this success?

We are the market leader in this industry and hold a major market share. In India we have hardly any company whose R&D is as strong as ours. There are a few Indian manufacturers, but they have not grown well, since they are either

Enterprises to acquire as much as 90 per cent of the Indian market in the HVAC&R industry?

The reasons are that we are not just a manufacturer providing dehumidification products, but a solutions company providing customised solutions to our customers. Our products are cost-effective. We have invested

What would you say is the potential market size of the Indian HVAC&R industry in the next five or 10 years?

At present the HVAC&R industry accounts for Rs 20,000-25,000 crore in India, and it is estimated that it will double in size every four years.