Danish HVAC company Danfoss eyes Rs 2,000 cr topline by 2020

Danfoss India closed 2018 with a revenue of Rs 1,400 crore

Denmark-based heating, ventilation and air-conditioning (HVAC) major Danfoss is eyeing a topline of Rs 2,000 crore from its India operations over the next two years as it continues to increase local manufacturing.

The company, which has three plants in the country, is also in the process of more than doubling its local supplier base to achieve the revenue target, Danfoss India president Ravichandran Purshothaman said.

Currently, Danfoss India meets 30 per cent of demand from local manufacturing and the target is to more than double this and take this to 70 per cent, he said.

“India is one of the priority markets for Danfoss, we want to expand our business here. Currently, nearly 30 per cent of our products sold here are locally manufactured. But we want to take this to 70 per cent in the coming few years,” he said.

Danfoss India, which closed 2018 with a revenue of Rs 1,400 crore, expects the same to grow to Rs 2,000 crore over the next two years as it plans to increase the supplier base and local manufacturing.

“We have been present here since the past 20 years.

Now, with a target of meeting 70 per cent demand with locally-made products, we want to develop more India-centric products, using our Research and Development (R&D) here which will also help us meet some global demand,” Purshothaman said.

Danfoss has three facilities in the country with the largest based in Chennai, where it also has four R&D labs.

Danfoss business segments are classified under power solutions, cooling, drives and heating and it supplies components, systems for original equipment manufacturers as well.

“So far we have invested $125 million in these current facilities. We plan to invest another $25 million over the next 24 months to augment capacity,” he added.

Apart from R&D and capacity expansion, Purshothaman said, the company is also investing significantly in digitalization as it sees lots of demand coming in from the various smart cities projects which will require energy efficient technologies.

Purshothaman further said they are also keen on acquiring startups in the fields of energy monitoring, automation, product traceability, supply-chain and food retail.

The company has already acquired the Pune-based embedded software provider KPtronix and is looking at more acquisitions, he said, adding but when it comes to manufacturing, it would be organic growth only.

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