

# German Liebherr aims Rs 1k cr profit from India

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## Setting up a plant for an investment of Rs 500 crore

Once its appliances manufacturing facility at Aurangabad starts operations, German company Liebherr hopes to clock a turnover close to Rs 1,000 crore in four to five years' time.

Liebherr Appliances India is setting up a manufacturing plant for refrigeration and cooling gadgets in Aurangabad for an investment of Rs 500 crore. The plant will be having a capacity to produce five lakh units per annum. The plant is expected to be operational by 2018.

"Once we start selling products from our domestic manufacturing plant, we expect to garner sales turnover of around Rs 1,000 crore in four to five years," said Radhakrishna Somayaji, chief sales officer, Liebherr Appliances India. Currently, Liebherr Appliances India does sales close to Rs 10 crore in India.

Though Liebherr Appliances had started its India operations in 2013, the company till now has been selling its imported products mainly through institutional channels like interior designers, architects and kitchen dealers. In the new manufacturing plant, Liebherr is coming up with an entire range of India-specific products. These products will be sold through the traditional retail channels and will account for 99 per cent sales in India, with imports getting relegated to a miniscule share.

"Only a few premium niche products like built-in refrigerators and wine cabinets will be imported from our overseas plants. Most of the free-standing freezers and refrigerators will be manufactured at Aurangabad. These are products of different capacity and pricing, designed specifically for the Indian market. The refrigerators are co-designed by the research and development team in India and abroad to suit the food and storing habits of the country," he said. The products, however, will have the technology back-up of the parent company.

The products will be priced in the mass-to-premium category and will compete with consumer durable majors like LG, Samsung and Whirlpool. The company will be investing in distribution and marketing as well. The products will be available in over 1,000 top consumer durable retail stores in the country. Further, it will also reach out to another 1,000 stores through dealer networks.

The company is also in the process of launching experience zones in the top cities to showcase the products, especially the imported ones. According to Somayaji, the parent company is very upbeat about the India sales potential. The experience zones are something specifically designed for the Indian market for brand building.