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Hitachi expects Rs 2,000 cr AC sales in FY2016-17

Airconditioner firm Hitachi Home & Life Solutions expects its sales to cross Rs 2,000 crore mark in the current financial year.

The company, a part of Johnson Controls-Hitachi Air-Conditioning company, is also aiming to double its sales in next five years by leveraging the strengths of US-based Johnson Controls and Japanese partner Hitachi Appliances.

Hitachi Appliances has formed a global JV -- Johnson Controls-Hitachi Air-Conditioning -- with Johnson Controls.

"With 20 per cent Y-o-Y growth, and present turnover of Rs 1,700 crore, we expect to grow around Rs 2,000 crore by FY 2016-17," said Hitachi Home and Life Solutions India Executive Director (Sales, Business Planning & Marketing) Gurmeet Singh.

"The company is presently having 11 per cent market share in the residential AC market and we would double our sales in next five years by increasing our product portfolio and penetration of our distribution network," he said.

The Indian residential airconditioning market is estimated at around 4 million units, Singh added.

The company would also expand its network to boost sales in tier II & III places. "Right now, our products are available at 4,500 retail counters and we would expand it to 10,000 in next five years," he said.

While talking about the synergy of the JV, Johnson Controls Hitachi Air Conditioning Global CEO Franz Cerwinka said: "By leveraging the strengths of both the companies, we will maximise our synergy and competitiveness to drive sustainable growth as a leading air-conditioning company in India and in the world".

He further added that India is one of the fastest growing markets of the company and is projected to become the world's third-largest energy consumer by 2020 after the US and China.