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AO Smith to invest ₹100cr in B'lore unit

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Chennai: Water heater manufacturer, AO Smith, is looking to expand its existing facility in Bangalore from four lakh to 12 units by next July at a total investment of Rs 100 crore. With this infusion, the company will expand its offering to 62 SKU (stock-keeping units) from 36 now. "The new products would include heat pumps, gas-based products and horizontal heaters," Tamal Chaudhuri, managing director, AO Smith India Water Heating, said.

AO Smith's Indian operations, which clocked revenues of \$19.4 million in 2011 (January to December), is expecting its business to grow by 40% by the end of the year. China and India now account for around one-fourth of AO Smith's revenues worldwide (\$1.7 billion), the former accounting for a lion's share of the pie. In value terms, the residential electric water heater market in India is pegged at Rs 800 crore, with 72% of the market being organized. In volume terms, it is a 20-lakh unit market.