

Magneti Marelli aims India sales to touch Rs 2,000 cr by 2015

Fiat group auto component maker Magneti Marelli is targeting to increase its revenue from Indian operations by nearly nine-folds to 350 million euro (about Rs 2,000 crore) by 2015, as it expects the country to grow faster than other global markets.

"India will continue to grow higher than the global markets. Our target is to increase Indian sales to 5 per cent of total expected global sales of 7 billion euro (about Rs 40,000 crore) by 2015," Magneti Marelli Chief Executive Officer (Aftermarket Parts & Services) Dino Maggioni told PTI.

By that time, India will be just behind the company's Chinese operations, which is expected to contribute 6-7 per cent of its total sales, he added. Last year the Indian operations contributed 40 million euro (about Rs 230 crore) to the Italian firm's global revenue of 4.5 billion euro (about Rs 25,600 crore), he added. "India is a very strategic market for Magneti Marelli. The auto market is growing and we expect to double our sales here in 2010," Maggioni said.

Magneti Marelli India, the wholly-owned subsidiary of the company, currently operates seven manufacturing facilities in the country under six joint ventures, including with Maruti Suzuki, Tata Motors and Sumi Motherson Group. It sells a wide range of auto components to both vehicle makers and aftermarkets.

When asked if the company would consider setting up an independent manufacturing facility in India, Maggioni said: "We are very strong in Europe and Latin America, so we have plants there. In India we work in a joint venture model with other partners and it is good for here. We do not have any plan to set up our own unit here."

Globally, the auto component major has 77 production units across 18 nations. It has approximately 32,000 staff. Last week the company announced its foray into India's spare parts aftermarket in partnership with Jagdish Khattar-promoted multi-brand car servicing facility Carnation Auto. It will sell out co-branded products in the country.

Magneti Marelli's aftermarket division offers over 30,000 spare parts across 30 product lines. It plans to sell the parts in India by importing from its own facilities as well as sourcing from local manufacturers. The components will be priced 10-15 per cent lower than original equipment suppliers and 30-40 per cent higher than the unbranded ones.

The total Indian auto component aftermarket business is pegged at over Rs 20,000 crore, of which about 35 per cent comes from the four-wheeler segment. Besides, the company has recently launched a servicing facility for premium cars in Gurgaon in association with Carnation.

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