

BACKHOE LOADER



SHINRAI has been designed to meet the demanding Indian customer requirements

The design philosophy at Tata Hitachi centres around the needs of the customer. Through innovative techniques, the company has always developed solutions that cater to the needs of Indian customers, working under tough conditions in a competitive market. In an exclusive interview, **SANDEEP SINGH, MD, TATA HITACHI CONSTRUCTION MACHINERY COMPANY PRIVATE LIMITED** speaks to **CONSTRUCTION OPPORTUNITIES**, about the backhoe market, cutting edge technology used, aftermarket services and the future path ahead.


TATA HITACHI

Reliable solutions

Industry analysts have predicted that the market will see a 32% increase in the sale of backhoe loader machines in India by 2020.

How do you assess the backhoe loader market in India, what are the cost/quality equation, sector challenges, and growth prospects?

The Backhoe Loader market has been growing at a CAGR of nearly 25% for the last 3 years driven by government focus & investment in rural & urban infra – roads, metro, housing, irrigation & general construction. As the Backhoe Loader is the preferred entry level equipment for the Construction Equipment industry and is largely favored by first time buyers, the importance of the price of the equipment as well as quality is paramount.

The customer expects to operate the equipment at the lowest cost with minimum break down and ease of maintenance. Eventually eyeing a higher resale value. The market has grown at 25% CAGR on huge volumes and the base of these machines have grown considerably. Supported by the demand drivers. However, during the run up to the elections and beyond, the spends have come down – the market has tanked and this has significantly impacted the BHL market too.



Detail us on the range of backhoe loaders offered by your company, in terms of types, capacities, and applications.

Tata Hitachi currently offers two models in market, SHINRAI-BX80 and TH86. SHINRAI-BX80 is the latest offering in the market with 80HP CUMMINS engine and TH86 is powered by 86HP Tata engine.

Are you planning to launch any new variants to you existing product portfolio?

- SHINRAI-BX80 was launched in 2018, and has multiple variants:
- General Purpose/Heavy Duty Tyres,
- Standard / Heavy Duty Backhoe bucket,
- Standard loader / 6-in-1 loader bucket& loader version
- With rock-breaker piping.

Detail us about the cutting edge technology used in your machines. What are the USP's of your products Vis-à-vis competition

The latest offering in the market SHINRAI has been designed to meet the demanding Indian customer requirements. A major segment of Indian backhoe loader market is the Hiring segment – hence, fuel consumption is the major criteria. Tata Hitachi's SHINRAI boosts fuel efficiency with it EHS(Excellent Hydraulic System), wherein the flow is regulated sensing the pressure of the system. Apart from low fuel consumption, SHINRAI also boasts of high bucket forces, dump height and good reaches. The machine tracking feature is provided through INSITE - this helps Tata Hitachi as well as the customer keep an eye on the following parameters: Machine running, Usage, Location, Critical alerts and fuel levels. Therefore, the customer has information at his fingertips as to where and how the machine is working, enabling him to correctly deploy the machine with maximum uptime thereby boosting productivity and profits.

Detail us on your aftermarket services as a strategic differentiator.

As explained earlier this is a market where the manufacturer must

be very close to the customer. Tata Hitachi supports the customer through a vast network of branch / regional offices & through a network of 44 dealers having more than 200 touch points. Thereby enabling faster supply and support of parts / service at very competitive prices.

In addition to this, Tata Hitachi has introduced Specialized Field Diagnostic Vehicles : an initiative which has helped increase the coverage area and serve customers better with quality support as these vehicles come equipped with all the necessary tools& trained engineers to reduce downtime and bring the machine back into operation as quickly as possible. Our dealers are also investing in excellent workshop facilities where the customer can get his equipment overhauled in controlled conditions that enable him to get more out of the machine to further his business and profitability.

Detail us on the Safety features and operator comfort in your machines.

SHINRAI is built for ease and comfort of operators. It has a spacious cabin, which helps operators relax and perform better. Apart from spacious cabin, the controls are ergonomically placed to reduce fatigue. SHINRAI-BX80 also boasts of many safety features like boom lock, loader arm lock, parking brake and reverse alarm.

What are the trends driving purchase or hire of backhoe loaders market in India? To what extent is consumer behavior influenced by cost?

As explained, the Backhoe Loader is the preferred entry level equipment to the CE industry and is largely favored by first time buyers. The importance of the price of the equipment as well as quality is paramount.

The overall machine cost is very important to the customer. The customer expects to operate the equipment at the lowest cost with minimum breakdown and ease of maintenance, eventually



eyeing a higher resale value.

Tell us about the indigenisation efforts undertaken by the company to meet the market requirements? What is the company's approach to implementing the 'Make in India' drive?

SHINRAI is designed in India, with stringent international standards and most of its components are sourced from India. This has led to the development of many new domestic vendors and we are very proud to showcase this as a product of the "Make in India" initiative.

Detail us on the demand drivers for Backhoe Loaders. How do you expect the market to shape up for the backhoe loaders through 2019 onwards?

The Backhoe Loader market has been growing at a CAGR of nearly 25% for the last 3 years driven by government focus & investment in rural & urban infra – roads, metro, housing, irrigation & general construction.

However, during the run up to the elections spends have come down & this has shown signs of significantly impacting the BHL market also. Hence the market is very sensitive to overall spend on the drivers mentioned - both by the states as well as central governments. We expect the market this year to be nearly flat given the above circumstances & expect it to recover with the new government driving initiatives that is expected to have an impact in the later part of the year.

Future outlook for the industry and from a company perspective

We had elections in the early part of the year and there have been disruptions to the flow of investment with the focus on politics for a significant part of the year. The new government is presenting its budget in 1st week of July and we are keenly watching the measures it will take to bring investment in infrastructure on track. Therefore, we are a little cautious of the prospects of growth this year & are fully geared up to meet any opportunities / challenges that may arise given our very flexible manufacturing capability.

The industry – especially the wheel equipment range- is getting ready to implement BSIV CEV norms from 1st Oct next year and all our energies are focused on timely & orderly roll out of products with minimum price impact to the customer. Considering that these will be state of the art machines with advanced emission technology, it also poses a challenge for OEMs to get customers to accept the change and get accustomed to using the machines in the optimum way. ♦

