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Tata Hitachi aims to make India a global hub for backhoe loaders

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Hyderabad: Tata Hitachi Construction Machinery Co Pvt Ltd, which is a 60:40 joint venture between Hitachi Construction Machinery Company Ltd and Tata Motors Ltd, is planning to make India a global mother hub for the manufacture of backhoe loaders, top company officials said here on Saturday.

The JV is currently in the process of developing a four-wheel drive version of its Shinrai two-wheel drive backhoe loader that has been developed from scratch in India and was unveiled in Hyderabad on Saturday. The backhoe loaders are made at its Dharwad facility in Karnataka. "We plan to make India the mother manufacturing hub for backhoe loaders with plans to export to some parts of Europe, Russia, Africa and the Indian subcontinent. We are developing a four-wheel drive version of the Shinrai and it will be ready in one year after

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Sandeep Singh | MD, Tata Hitachi Construction Machinery

which we will start exporting to the Indian subcontinent and African countries to begin with," Sandeep Singh, managing director, Tata Hitachi Construction Machinery Co Pvt Ltd said. On the impact of the rupee depreciation on business, Singh said it has wreaked havoc as about 35% of the components of its construction equipment are imported. "With the Rupee falling from Rs 65 to over Rs 74 vis a vis the dollar, there has been a nearly 5-6% impact

on the product cost, which we cannot pass on to the customer and have to absorb it. If this continues we will have to increase prices by 1-1.5% per quarter," he said. According to Singh, the company, which makes excavators, wheel loaders and backhoe loaders, raked in revenues of Rs 3500 crore in 2017-18 with sales of around 8200 machines (90% of which were excavators) and is eyeing sales of 9000-9200 machines in the current fiscal and revenues of Rs 4500 crore. He also pointed out that over the next two-three years the company will be focusing on backhoe loaders, which makes up one of the largest chunks of the construction equipment segment with an overall market projection of about 40,000 units this fiscal. "We are eyeing 8% share of the backhoe loader market in the next 2-3 years. Telangana is one of the largest markets for construction equipment and accounts for nearly 10% of overall excavator sales," he said.