

Infrastructure sector woes pull down Tata Hitachi's capacity utilisation

Company plans 100-tonne dumpers to expand product range

Our Bureau

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Sluggish growth in the infrastructure sector has hit Tata Hitachi hard. The makers of low- and medium-range earth-movers ended up utilising approximately 35 per cent of the installed capacity in the last fiscal. And, with the general election due within a year, the company is apprehensive that policy paralysis may intensify, delaying recovery.

OUTLOOK

Tata Hitachi, a 60:40 joint venture between Hitachi Construction Machinery of Japan and Tata Motors, has three plants in Jamshedpur (Jharkhand), Dharwad (Karnataka) and Kharagpur (West Bengal). The impact is the most prominent at the Kharagpur facility, the latest and arguably the largest of its kind in the country, set up at a total investment of over Rs 500 crore.

"The capacity utilisation at



Suji Moto, president, and Ranveer Sinha, MD, Tata Hitachi Construction Machinery, at the launch of the GI series hydraulic excavator in Kolkata. — Ashoke Chakrabarty

Kharagpur is 35 per cent. The ratio is more or less same across the company," Rana Sinha, Managing Director, said at a press conference on Wednesday. He was attending a product launch ceremony along with Yuichi Tsujimoto, President & CEO- Hitachi Construction Machinery Co. Ltd., in the city.

Responding to queries on the

outlook for the current fiscal, Sinha said that the company is hopeful that 2013-14 will not be as bad as the last fiscal. "However, with election due within a year, there are chances that decision-making will take a hit. So we are a little apprehensive and are trying to keep costs on tight leash," he added.

Meanwhile, the company is

planning to expand its product range at the Kharagpur facility. According to Sinha, the company currently produces smaller, 35-tonne dumpers (trucks used in the mining industry). To expand the range, the company recently produced the first prototype of 100-tonne dumpers.

"It will now be put to extensive tests before embarking on commercial production approximately one-and-a-half years later," he said.

Also, the company has attracted five companies to invest in setting up ancillary units at the vendor park in Kharagpur. Expectation is rife that more companies will set up ancillary facilities once the economy revives.

GLOBAL HUB FOR EXPORTS

Earlier, Tsujimoto said that Hitachi is committed to make Tata Hitachi an export hub to cater customers in Africa, West Asia and Southeast Asia.