

# Atmanirbharta has been part of our culture from Day One: Tata Hitachi MD

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Long before *atmanirbhar* or self-reliance became a buzzword, Tata Hitachi, a joint venture between Tata Motors and Japan's Hitachi Construction Machinery Company, had embraced it.

The 40-year partnership, which provides construction equipment to feed India's infrastructure and mining needs, was set up to boost localisation. And it's looking to give it a further fillip.

"*Atmanirbharta* has been part of our culture from Day One," Tata Hitachi managing director (MD) Sandeep Singh said while addressing media persons at the company's Kharagpur plant to mark the 40th anniversary of the collaboration. Set up in 2009, the Kharagpur facility in West Bengal is

spread over 250 acres and is one of the largest excavator plants in South East Asia.

The Dharwad manufacturing site in Karnataka goes back to 1998.

Singh said localisation is Tata Hitachi's biggest strength.

The Tata group brings in the expertise of localisation — the knowhow to develop and indigenise products being brought in from Japan. Hitachi brings in the technology. "We have a big advantage where we have two partners complementing each other."

On an average, 65 per cent of components are localised and the company is looking to increase it to 70 per cent in two-three years' time. Every year, depending on the product, 2-5 per cent of localisation takes place, Singh said.

The advantage of localisation,



**Tata Hitachi Managing Director Sandeep Singh said localisation helps to control cost and inventory apart from generating employment for locals**

Singh added, is that it helps to control cost and inventory apart from generating employment for local people.

He said, "We have 15 people from Japan based in Dharwad, Kharagpur and Bengaluru (company headquarters). They

## MAJOR MILESTONES

**1961:** Construction equipment division is set up under Tata Engineering and Locomotive Company

**1984:** Enters into technical collaboration with Hitachi Construction Machinery

**2000:** Telco and Hitachi sign JV for 80:20 stake in Telcon

**2005:** Tata Motors and Hitachi sign new JV for 60:40 stake

**2010:** Tata Motors and Hitachi sign JV for 40:60 stake

example of what can be achieved through synergy and cooperation.

The company, however, had started its journey as a construction equipment division of Tata Engineering and Locomotive Company (now Tata Motors) in Jamshedpur back in 1961. A partnership with Hitachi in the form of a technical collaboration came about in 1984. The division was later spun off into a separate company, Telcon, in which Hitachi picked up a 20 per cent stake.

Today, the Japanese entity holds 60 per cent in the joint venture while the remaining is with Tata Motors.

As far as the export market is concerned, the company plans to focus on West Asia and Africa. But it's a small part of the business, at about 5 per cent.

But with the central government's focus on infrastructure, it's the domestic market that Tata Hitachi is betting big on. In FY24, the company clocked a turnover of ₹5,000 crore.

Tata Hitachi has a 24 per cent market share in excavators — about five years ago, it was at 30 per cent.

But the major competition right now is from Chinese imports.

The company is already discussing with the government to contain it. This year has been 'tricky' on the demand side with the general elections and heavy rains. "We are not looking at big growth. But we are confident that the second half will be much better," Singh said.

Singh believes that demand will pick up, going forward, and the upcoming Budget may also give a fillip.

guide and train people to maintain quality levels and localisation."

Tata Hitachi believes that the joint venture stands as a shining