

## Japan's Kobelco to set up unit near Chennai

fe Bureau

Chennai, Feb 2: Kobelco Construction Equipment India Private Ltd, a major player in the Rs 12,000-crore earth and construction equipment space in India, is setting up its manufacturing plant at Sri City, south India's largest private sector multi-product SEZ and Domestic Tariff Zone (DTZ), near Chennai. On Monday senior officials of the company along with Sri City promoters held a ground breaking ceremony at the SEZ. Kobelco Construction Equipment India (KCEI) is part of the Rs 12,000-cr Kobelco group of Japan.

Buoyed by an increasing demand for construction equipment in India owing to booming infrastructure growth, the Japanese major has decided to put up a manufacturing plant, claimed to be first in India to produce 20-tonne-class Kobelco-brand machines to start with.

The company, which has been in India for quite some time, has been importing and selling machines in Indian markets. The company sells over 1,000 units per annum and sees huge potential in India, said a senior official.

To be set up in a sprawling 17 acres at the SEZ, the company will employ close to 300 people when it goes on full stream and introduce a few more models in phases, he added. The company has 40 dealers in India and would ramp it up to 70 in the next few months, he said further.

Vikram Sharma, managing director & CEO, Kobelco Construction Equipment Machinery India, said, "We expect to start production in this plant in January 2011 with an initial production capacity of 1,200 units per year. KCEI will produce 20-tonne class machines, for which demand is the highest. Flexible plant equipment will enable KCEI to also make large machines to meet future demand trends and marketing situations."

Ravindra Sannareddy, promoter of Sri City SEZ, said, "We are happy to host a delegation of various affiliates of the Japanese group, which is among the top-league conglomerates in the country. This is a momentous occasion for us, as KCEI is the first Japanese company to have signed up with Sri City. It will also be the first Japanese manufacturing facility in Andhra Pradesh."