



Tanmay Majumdar,
*Associate Vice President – Construction
Equipment, Gmmco.*

“Our wide network provides the best-in-class service.”

OUR strategy is to enhance the customer experience by adding value with differentiated offerings. We at Gmmco believe in consultative approach, lifetime value proposition and one-stop solution. Our customers are our partners for mutual success, says **Tanmay Majumdar, Associate Vice President – Construction Equipment, Gmmco.** Excerpts from the interview...

What is the demand-supply scenario for excavator, backhoe loaders, wheel loaders, motor graders, dozers?

After the 2011 spike in the industry, all the manufacturers ramped up their

manufacturing capabilities to be able to feed the market demand. Subsequently, the industry shrunk across all the product segments with backhoe loader itself witnessing a steep decline in 2014 compared to the 2011 numbers. At this time, there is an oversupply in the industry.

The construction equipment industry is dependent on policies favouring the infrastructure and mining sectors. The pro-developmental motives of the more stable government at the Centre are certainly thumbs up for the construction and related industries. The spike in sales is yet to be seen but we have strong faith that the 'acche din' for construction machinery is right in the horizon.

What are the major opportunities that are currently driving demand?

The boom in the construction industry and the rapid real estate development are acting as the major growth drivers for equipment sale. The positive government sentiments are driving the demand at the

macro level.

Gmmco operates in the 10 states of Central, Western and Southern India. The company dominates in the wheel loaders, track type tractors, motor graders, dumpers and shovels segment in the Indian market.

What are the strategies to sustain/increase the market share in these product categories?

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What are the major challenges in the current scenario that dent the demand-growth?

The policy paralysis and multiple taxations have been the major demotivating factors for the demand growth in the last three years. Delayed



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Gmmco take the competitive environment in a healthy way.

policy execution and implementation directly impacts our industry sales. Higher lending rates and fuel costs are also impacting the industry sales, creating a dent on demand.

How do you assess the availability of finance?

Construction equipment financing market is dominated by NBFs and banks. The limitation is that the majority of branches are present in Tier 1 and Tier 2 cities, so it is challenging for contractors to get finance if they are present in Tier 3 or Tier 4 cities or villages. Secondly, the financing amount is also dependent on the machine population. Thus, majority of the CAT products are categorised as Level 1 products, so the funding for them is high. Additionally, Gmmco's continued association with the financiers ensures that our machines get good financing deals.

What are the initiatives taken by Gmmco to sustain the growth?

Gmmco lives by the single powerful philosophy of making its customers profitable. So, we at Gmmco take the competitive environment in a healthy way and take it as an opportunity to figure out how to offer more value to our customers and how to make them more profitable in their own businesses.

Brief us on the value propositions offered by Gmmco.

We are the partners of the enduring success for our customers. We offer a

one-stop solution. We have wide range of products and solutions to offer to our customers and a strong network of after-sales and support. Our wide network having 3S (Sales, Service and Spare) facilities provides the best-in-class service. We have a machine rebuild centre, SOS facility, integrated yards coupled with workshops to offer best solution to our customers, right at their doorstep. Our machines are equipped with the latest technologies like product link for efficient equipment management.

How do you assess the future potential by 2020?

With a more stable and pro-development government at the Centre,

the growth prospects of Indian construction equipment industry are bright. The steps taken by the government in the last six months indicate strong growth path for the construction equipment industry.

The Indian market is seeing the similar wave of development what the Chinese market was going through 10 years back. The Chinese market was liberalised 10 years before the Indian market did and their sales were similar to ours sometime in 2004. The Chinese market has become 9-10 times in last 10 years. This is macroeconomic indicator of the growth trajectory that construction equipment industry witnesses post adoption of open market policies. The period of exponential growth has now arrived.



The positive government sentiments are driving the demand at the macro level.