

WHEEL LOADERS



Our After Sales Service is a major differentiator in terms of our value proposition to our esteemed customers

With a strong customer focused approach and a continuous quest for world-class quality, L&T has unmatched capabilities across Technology, Engineering, Construction and Manufacturing, and maintains a leadership in all its major lines of business.

In an exclusive interview, **VIVEK HAJELA, VICE-PRESIDENT & HEAD-CEB, LARSEN & TOUBRO LIMITED** speaks to **CONSTRUCTION OPPORTUNITIES** about his company's wheel loaders, the cutting edge technology used, after-market services offered the trends driving purchase and the future outlook for the industry.

Give us an overview on the Wheel Loader industry, latest technology trends and market dynamics.

Wheel Loader Industry in India mainly caters to the segments like Construction, Mining, Raw material handling, Stevedoring



operations etc. The size of this market is around 2500 units. Wheel Loaders deployed for mining need to meet the safety standards of DGMS. The current generation of L&T Wheel Loaders come with telematics for better fleet management and Payload Monitoring System for accurate control on the weight of the material being loaded, as an option. From 1st April 2021, Wheel Loaders will have to comply with CEV BS IV emission norms.

FY21 has been challenging for the industry due to the Covid-19 pandemic. However, the industry is emerging out of the shadows of this unforeseen event. The GOI has taken a lot of measures to stimulate demand in the Roads and Highways, Mining and Infrastructure with the result that the industry has been able to register a single digit growth over FY20. Looking at the future, the scenario is optimistic, and we should be able to grow at 15-20% in the forthcoming term. However, the unexpected second wave has increased uncertainty and the downside risk.

What has been the impact of Covid-19 on your business and what are your strategies to overcome these sluggish market conditions and expand market share.

Covid-19 has been a Black Swan event and adversely affected our business in Q1 and Q2 of FY21. However, the measures taken by GOI to stimulate demand have shown positive results and



there has been strong demand recovery in Q3 and Q4. Overall, L&T 9020 Wheel Loader witnessed a growth of 10% more as compared to FY20.

Some of the initiatives taken by us to overcome the sluggish demand and to increase market share included offering application specific variants to the customers. L&T 9020 model has variants suitable for Coal application, Blast furnace, Slag handling, RMC Plants etc. L&T also increased its customer touchpoints by opening new outlets closer to the customers and appointed new dealers to expand the coverage.

We have also started focussing on export markets by appointing a few dealers and engaging with various merchant exporters to seed our machines in the neighbouring Asian and African markets.

Detail us on the range of wheel loaders offered by your company, in terms of types, capacities, and applications.

Presently, we cater to the 3.5 T payload category, which has a share of close to 75% of overall WL demand in India. We offer 2 variants – L&T 9020 and L&T 9020SX. L&T 9020 is targeted for the General construction, Blue metal quarry and Raw material handling in the process industry. This model delivers excellent fuel economy and caters to the economy segment of the market. The other variant L&T 9020SX offers 25% higher speed, 10% higher breakout force, 10% more wheel torque and superior operator comfort. This model is positioned for the customers looking for higher productivity and operator comfort and deployed in large Blue metal mines, Wagon loading in Coal mines, Metal and mineral processing industries, Stevedoring operations etc.

Both these models are very well accepted and highly successful in the market.

Are you planning to launch any new variants to your existing product portfolio?

Our current focus is to launch the CEV BSIV compliant variants as these norms have come into existence w.e.f. 1.04.2021. There would be a substantial price increase to meet CEV-IV emission norms.

This would be one of the major events in the industry. While we would be trying to offer more application specific variants in the coming years to provide better value to our esteemed customers, we are not planning to launch new variant soon.

Detail us about the cutting edge technology used in your machines. What are the USP's of your products vis-à-vis competition

The tonnage class in which we offer our machines values quality, reliability, longer life, competitive cost of maintenance. Our effort has been to continuously enhance these attributes in our machines to enable our customers achieve better productivity per litre of fuel consumed.

We have introduced machine tracking solution called "DigiEye" on both variants of Wheel Loaders, as digitalization tool to enable our customers take informed decisions and to improve the machine productivity. We have also introduced Payload Monitoring System to save time where exact tonnage of material needs to be loaded and to cut down the cycle time.

Detail us on your aftermarket services as a strategic differentiator

The after-sales service is offered through a pan-India network of 22 marketing offices. This is supported effectively by a nationwide network of 30 dealers to ensure the last mile connectivity with our customers. We have strategically located Service Centres to take care of major component repairs, RECONexchange, major overhauling, and trade in services against exchange for old machines.

After sales service and especially the services offered thru Service Centres is a major differentiator in terms of our value proposition to our esteemed customers to extend the lifecycle of these high cost capital equipment.

Factors such as safety, operator comfort, ease of operations are crucial. What are the steps undertaken by you for providing the same.

We are committed to offering safe and comfortable operator environment. L&T 9020 Wheel Loader has ergonomically designed operator cab with large cabin space, more glass for better all-round visibility, adjustable comfortable seat. All the cabins meet FOPS requirement, while we also provide ROPS as an option.

We have also developed kits to comply with the DGMS norms which includes ROPS Cabin, Rear view Camera, Double door cabin, Audio visual reverse alarm etc.

We have also introduced multifunction hydraulic joysticks for all hydraulic operations, FNR lever for gear change and direction

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control. L&T 9020WL can also be offered with air-conditioned operator cabin. This is a step forward towards providing a safe and comfortable operator environment.

What are the trends driving purchase or hire of wheel loaders market in India? To what extent is consumer behavior influenced by cost?

Normally, the customers who are buying the machines for their captive requirement and contractors having long term contracts prefer to buy the equipment as it reduces the uncertainty. Contrary to this, most of the process industries in metal and minerals space, large construction houses, coal companies prefer to subcontract the raw material loading activities to specialized contractors. There is a trend of subcontracting the loading job to specialized operators if the volumes are high due to cost economics.

The customers buying machines for their captive work or for long term contracts are willing to invest in costlier assets while customers offering machines for monthly contracts without any significant commitment for handling larger quantities prefer to buy cheaper entry level machines.

Tell us about the indigenisation efforts undertaken by the company to meet the market requirements? What is the company's approach to implementing the 'Make in India' drive?

Both our Wheel Loader models L&T 9020 and L&T 9020SX are fully designed, developed and manufactured indigenously with near 100% sourced components from local vendors. These can be true "Made in India" machines, which have been continuously upgraded based on customer feedback and changing needs to meet various application criteria.

As a result of domestic manufacturing, we have been able to develop many variants with different buckets, arms to meet the dumping height and horizontal reach requirements. L&T 9020 also come with different attachments like Dozer Blade, Bottom opening bucket etc. to further increase the product versatility.

We would like to continue to offer cost-effective solutions on the

"Made in India" platform to our valued customers to enable them to perform their operations cost effectively.

Which sectors are major demand drivers for your wheel loaders?

Infrastructure development and urbanization are the major themes driving the market. In view of this, there is a requirement of large quantities of construction material like blue metal, river and crushed sand and this segment accounts for about 50% of the present demand. Coal handling at the ports and at various mines account for about 25% of the demand. The balance 25% demand comes from mining and processing of other minerals, general construction, handling of raw materials in process industries etc.

How do you expect the market to shape up for the wheel loaders through 2021 onwards?

In FY21, despite the first wave of Covid-19 pandemic, the market showed tremendous resilience and succeeded in registering about 10% growth over FY20. This growth may also be partly due to the customers advancing their purchases with regard to change in emission norms w.e.f. Apr'21.

We believe that the size of the WL market is still small and there is a potential to catch up with the other developed markets and this should help us grow consistently at 15-20% YOY.

Future outlook for the industry and from a company perspective

Traditionally, we have been using either Hydraulic Excavators or Backhoe Loaders for material handling. The cost of operation with this option is high and we need special purpose equipment like Wheel Loader to bring down the cost of operation. The quantum of work is increasing by each passing day at blue metal quarries, ports, mines and hence there would be a larger demand of Wheel Loaders to optimize the operations.

We are bullish about the long-term prospects of Wheel Loaders in general and as a company to benefit out of the growing acceptance as a must buy equipment for all the projects in the future. ♦

