

Visit to L & T Construction Equipment Ltd., Bangalore

on 10.6.2013 – A2 Section Students

1. Visit Details

We were received by Mr. Ravi Raghavachar, AGM – Technical Services and Mr. Samuel, Manager Training. Mr. Samuel gave a pre-visit presentation on various factory activities of L & T plant to the students. After the visit, the students again assembled in the conference hall for a meaningful interactive session.



2. The plant

- L&T Construction Equipment Limited is a wholly-owned subsidiary of Larsen & Toubro Limited set up in 1975. During 1998, L&T acquired the 50% stake held by Komatsu Asia Pacific Pte Ltd, Singapore in L&T-Komatsu Limited and consequently, the name of the company was changed to L&T Construction Equipment Limited. Komatsu is one of the global giants in the construction and mining industry.
- The venture which was a 50-50 collaboration was discontinued recently.
- The plant is spread over 66 acres (70% green area) on airport road with 692 employees.
- Plant Capacity is 6500 hydraulic excavators per year.
- The establishment has mainly two divisions: machine works and hydraulic works, consisting of welding shops, assembly shops, robotics etc.
- Production – 15 units per day (machine rolls out every 22 minutes). Present utility 6 machines / day.
- Ecological and environmental issues are fully addressed inside the plant premises.
- The manufacturing facility comprises advanced CNC machines, robotic welding facility, hydraulic shop and automated assembly lines to roll out Hydraulic Excavators of various sizes – from 7 ton to 60 tons. The products are benchmarked to international standards in design, materials,

manufacturing and quality. The plant is certified under ISO-14001 for environment management system and OHSAS-18001 for occupational health & safety management system.

- Students visited the mixed model assembly plant and witnessed the line concept of assembly line, where the assembly starts at zero station with chasis and the chasis moves adding components and sub-assemblies at each stage and finally the finished product at the end.

3. The Product

- Hydraulic excavators (various capacities).
- Design is from Komatsu which has been localized to suit Indian conditions.
- 7 tons -60 tons – 7 basic models with 250 configurations.
- 20 and 48 tons being faced out.
- Patented control Valve system, delivery within 24 hours, warranty of 3000hours.
- Have sold 20,000 excavators so far.

4. The Market

- Competitors – Hitachi – 30% market share. Vs Komatsu 30%, others-Telco, JTC, Volvo etc.
- Demand – 10 to 20% increase every year is facing a **slump at present**.
- Catering to premium segment (not economy segment) in private sector, public sector and government in mining / roads / urban infrastructure / irrigation/ oil and gas pipes.

5. The Best Practices at the Plant

- Single Mixed Model Assembly Line (MMAL) for 20 / 45 / 30 and so on. (Vs 3 or 4 separate lines).
- IT networked with banks / suppliers / governments etc; about 3000 suppliers all over the world.
- DOJO – hands on formal training.

6. The Exclusive edge

- KOMPRAS - condition monitoring system of all the machines in the field, thru satellite.
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