

Mahindra & Mahindra



Vinod Sahay, CEO, Mahindra Truck and Bus Division

We will showcase our smart and modern truck range of BLAZO X 28, BLAZO X 35 and OPTIMO Tipper Applications with innovative fuel smart technology catering to various business needs of the segment.

With FURIO, we have become a full range player in trucks.

With the launch of FURIO range of ICV trucks, we have covered the entire CV range starting from 3.5T-55T GVW/GCW of Goods range. Market response has been phenomenal, we are having a more than 15% conversion rates in the One Trip Ownership program of Experiential Marketing approach we have taken. Overall, since the launch, we have become the 4th player in the participating segment of 12 & 14T. We have plans to reach 200 trucks/month post all the products in the ICV (Intermediate Commercial Vehicle) range are launched in BSVI era.

In the earlier years, our strategy was to expand the presence - to become a full range player in all CV segments. With FURIO range, we have become a full range player in trucks already. In buses, the portfolio will be completed by LPO and BSVI range of products. Going forward, to retain the customer base- we adopted the approach of working towards Customer Centricity – our

aim is to become the most reliable and fuel-efficient CV player.

As a result, in HCV trucks - we are no. 3 in haulage segment already and aiming to become overall no. 3 in the coming times.

All our products come with Guaranteed Experience which is also our unique Customer Value Proposition.

Guaranteed Experience through modern technology products & services, and delivering it with Indian warmth, is at the core of our strategy. And while doing all this, we will exhibit Indian values and warmth of an Indian brand, moreover by being empathetic towards the needs of Indian CV customers.

The unprecedented guarantees are derived from important needs of Indian CV customers – for example, to reduce the turnaround time of our trucks our service will reach customers in two hours, or we will give them ₹500 every hour. We offer a 36-hour guaranteed turnaround at our workshops or customers get ₹3000 per day and get back on the road in 48 hours guarantee or get ₹1000 a day.

When it comes to repairs, we select the most critical parts which contribute 80% to the overall repairs. We offer a guaranteed availability of 250 fast moving maintenance parts at Mahindra M-Parts Plaza and at our dealers, else, customer get it for free. And most importantly, to address the biggest element of cost of operation in the transport business, we offer "Get More Mileage or Give the Truck Back!"

MTB has created trucks powered by 7.2 litre mPOWER engine equipped with patented FuelSmart Technology to deliver outperformance.

Mahindra Truck and Bus has taken outperformance to the next level, by creating trucks powered by 7.2 litre mPOWER Engine equipped with patented FuelSmart Technology that are specifically designed for different applications and deliver outperformance, whatever be the business needs. With high performance vehicles, unprecedented disruptive customer value proposition such as "Get more mileage or give the truck back" and several other performance linked guarantees for service and spares, agile and ever-growing sales, service, and spares network, MTB, as a customer centric challenger brand, has set a new benchmark in the Indian Commercial Vehicle industry.

At MTB, the overall value chain for BSVI transition is going on and we are currently training our manpower.

For Trucks and Buses, the emission change of BSVI is due on 1st April 2020 and not in Oct (Oct 2020 deadline is applicable to Construction Equipment's for BSIII to BSIV transition). We are on time with BSVI program delivery and are currently training our manpower and gearing up; in fact, the overall value chain for BSVI transition is going on.

Importantly, in this transition of BSIV to BSVI, as regards to the current slowdown, taking care of our extended channel partner's

financial health is very important. We are focused on our efforts in inventory reduction as well as managing the processes and systems for the transition of BSIV to BSVI.

Mahindra iMAXX is providing tools to our customers and drivers for taking a modern and more profitable approach to trucking.

Advanced Telematics has opened avenues to real time vehicle monitoring and effective fleet management. With Mahindra iMAXX, we are providing tools to our customers and drivers to change the traditional way of trucking into a modern and profitable approach. For example, fuel thefts are a common phenomenon in the industry, but with iMAXX there is a way to spot, monitor and act upon it with 98% accuracy.

The pain point of keeping track of your fleet and their service history through a manual logbook method is tiresome and ineffective. With Telematics solutions like iMAXX, monitoring vehicle health is very easy as all the important data is available on an app, which is not only informative but also actionable. Health Monitoring isn't only proactive but has also become predictive - giving early signs of fault.

In addition to this, data analysis of driver behaviour (hard breaking, excessive idling etc) can be used to incentivize performance.

We have a nationwide presence of 430+ touchpoints (3S + 2S + ASCs) and plan to expand to 520+ by FY20-end; expanding export markets too.

In order to rapidly build reach and presence, we have taken the lateral route of setting up Service Corridors to make sure that we have a presence in every 100 kms which on most routes it can be translated to reach in 2 to 4 hours!

Our currently operational Service Corridors cover a majority of goods movement – Mumbai-Delhi, Kolkata-Chennai and Kashmir-Kanyakumari. We also offer onsite support for various tipper applications for our key account customers.

We are currently present in Nepal, Bangladesh and Sri Lanka through our International Operation team of dealers and extended partners. We continue to make suitable products as per the country/market requirement. Recently, we delivered LHD

buses in Philippines to replace some part of the Jeeps segment. FURIO has started realising good demand in Nepal (which is the first export market that we have seeded vehicles into).

The overall market has moved to extreme discounting to clear their piled-up inventory at dealers, ahead of the BSVI transition.

In view of the current downturn, given below is the FY20 Industry decline at the end of the year volumes vs. FY19.

- FY20 - HCV Segment (25T and above) – 30-35% volume decline YoY
- FY20 - LCV & ICV trucks (3.5T and below 25T) – 15% volume decline YoY
- FY20 - Buses – 5-8% decline YoY

FY21 may see subdued demand, which can be quantified on basis of FY20-Q4 pre-buy and various other growth drivers owing to macro-economic factors. The competitive scenario will be even more dynamic as we will see New Engine and Drivelines coming in the BSVI era changing the cost structures of OEMs.

At MTB, we could see the early signs of slowdowns since Oct-Nov FY19 and now the overall sentiments have been backed by the latest macro-economic indicators. If the momentum doesn't pick up in FY20, post December on account of BSVI pre-buy, we expect, there will be a continued sizeable drop in Q4 as well. For the same reason, we have taken precautionary measures for the entire supply chain and distribution channels through controlled stock correction. FY21 industry movement is very much dependent on how economy recovers in the next few quarters.

