

# Mahindra Truck & Bus steps up its game

All set to launch the Furio range of intermediate commercial vehicles and also gearing up for BS VI compliance, Mahindra & Mahindra's CV arm believes its new fuel-efficient Blazo X range of HCVs can benefit from the revised axle load norm. **Kiran Bajad** visits the Chakan plant where the Blazo X is born.



**M**ahindra Truck and Bus (MTB), the commercial vehicle arm of Mahindra & Mahindra, has been working aggressively towards being a strong No. 3 player in the fiercely competitive heavy-duty CV segment (25T and above) for some years now. It seems now, after its sustained and persistent focus on cracking the pricey HCV market, the effort is finally paying off with the company gaining market share consistently. The payoff is coming through offering what matters the most to the Indian HCV buyer – superior mileage. The Blazo X HCV,

launched two months ago with an overall promise of higher fuel mileage has received a strong market response. This, even as the CV industry is preparing to ready BS VI emission norm-compliant trucks to market ahead of the mandatory upgrade that kicks in from April 2020. MTB is understood to be in an advanced stage of rollout of its BS VI truck. What's more, the recently unveiled Furio range of intermediate CVs will be commercially launched soon.

Vinod K Sahay, chief executive officer, MTB, in a recent interview with *Autocar Professional* said, "We used to be No. 5 in

Fully integrated Chakan plant rolls out all of Mahindra Truck & Bus' new-generation trucks including the Blazo and Furio.



**Vinod K Sahay:** "Between 2017 and 2018, we have doubled our market share from 2.5 percent to nearly 5 percent."

heavy trucks; we are now the No. 4. Between 2017 and 2018, we have successfully doubled our market share from 2.5 percent to nearly 5 percent. While our aim is to strike the 8-9 percent market share mark, we are not working towards this goal with a deadline – it is not the right way to do it simply because we are working hard but so is our competition."

### WINNING OVER THE CUSTOMER

To achieve its goal, MTB is taking the measured approach by winning over customers by promising more with its trucks. The company has extensively

studied truck/fleet buyer patterns in India, what they expect and how their profitability can be increased. Being a challenger brand in the HCV market, MTB took an approach which directly echoed with the truck buyer's overriding demand for high fuel efficiency. It made the promise of offering India's most fuel-efficient truck, not just by user testimonials but backed by third-party validations.

Interestingly, the Blazo HCV, first introduced in 2016, was sold with a high-mileage guarantee or assurance of a penalty being paid by MTB. However, even after 20,000 Blazos being bought and plying on Indian roads, the company says not a single truck has been returned on this score, and even its OEM rivals have accepted MTB's mileage promise.

Another value-add, on the service front, is the company guarantee of 48-hour vehicle repairs on all highways or per hour compensation. In the event of a truck breaking down, assistance will be rushed within two hours or compensation of Rs 500 per hour paid. Besides this, across its all workshops in India, for any MTB truck without accident repair, the company promises to put the affected truck back on the road within 36 hours or will pay a Rs 3,000 penalty per day. Likewise, a spare parts guarantee is also being offered. "Today, our



brand proposition is about a guaranteed experience to our customers. We do everything with this promise of a guarantee – this is what matters to most customers including fuel efficiency, spare parts, service and we are introducing a few more things in the near future," says Sahay.

MTB says these customer-centric initiatives are receiving positive word of mouth in the domestic truck market and things can only get better for the company.

### LEVERAGING THE NEW AXLE LOAD NORMS

To further strengthen its position in the HCV market, the company launched the

new Blazo X range, which spans from 25 tonnes to 49 tonnes, on November 2. The move essentially is to drive home the advantage from the revised axle load norm that allows 20-25 percent extra loads on all the medium and heavy commercial vehicles. This means higher aggregates strength to take the additional loads.

The Blazo X range is currently being migrated to tractor-trailer and multi-axle trucks have already been developed, with tippers to follow suit shortly. This makes the company among the first CV manufacturers to respond to the market with new trucks after the new axle norm came into effect from July 2018.

**Blazo X, launched in November 2018, promises improved fuel efficiency in the haulage and tractor-trailer segments. Tippers are to follow soon.**

**Blazo range of HCVs caters to heavy duty applications including market loads, containers, tippers, tankers, bulkers, engineering goods, construction material and perishable products.**

"Wherever we are selling the Blazo, there has been a complete shift to the Blazo X. Our customers are asking only for the Blazo X trucks which offer a further 5-7 percent extra fuel efficiency than the Blazo itself. This is our chosen area where we want to be a benchmark. While everyone will work towards fuel efficiency, we will always try to stay ahead of the game," says Sahay.

The M&HCV segment is currently experiencing slowing sales, leading to overcapacity in the industry as well as continued price discounting to corner market share. MTB claims that despite being a challenger brand, it is able to sell its trucks at a higher price than the industry

leader, Tata Motors. As a result, the company has been able to breakeven for the first time since Mahindra & Mahindra's bus and truck division was set up in 2005. "Today, we are in a far healthier position in our truck business than a few years ago. Going forward, we aspire to grow faster than the industry and are doing a lot of work in expanding our network and building capabilities to do just that," says Sahay.

### EXPANDING THE DEALER NETWORK

An expansive dealer network is vital for the truck business to support customers not only on the highways but also in the





Soon-to-be-launched Furio intermediate CV fills the gap in MTB's portfolio. From a 21-product range, only four – two each in 12T and 14T – are to be introduced in BS IV guise.



**FURIO FOLLOWS IN** MTB till now did not have the tag of a full-range CV player simply because it was missing models in the intermediate commercial vehicle (ICV) segment. It has now invested in a new platform for its new range of ICVs branded Furio and unveiled in July 2018. The Furio platform has all of 21 products but with BS VI barely 14 months away, only four are to be introduced in BS IV format. The company is to launch the range commercially in the next few weeks with two GVW products in 12T and 14T with multiple variants in each product offering different load bodies, containers, reefers and tippers.

**GETTING BS VI READY** With BS VI to kick in from April 1, 2020, captains of the CV industry say there will be considerable pre-buying in the heavy truck segment much before end-March 2020. While the scale of buying cannot be gauged as of now, and manufacturers having to tread a thin line between inventory of BS IV vehicles and readying new BS VI models for sale, the emission upgrade is a challenge. Importantly, unlike the upgrade to BS IV in July 2017, there is clarity this time around with the Supreme Court disallowing sales and registration of BS IV vehicles from April 2020.

hinterland. To ensure better reach, MTB says it plans to increase its network as well as improve service standards. Two years ago, the company had around 80 dealerships. By end-March 2019, this will have grown to 120 while service touch-points will near the 600 mark with nearly 2,900 spare parts retailers.

The company has also diligently chalked out a concept of service corridors at key routes which see most of India's heavy truck transportation. For example, the Delhi-Mumbai stretch which accounts for 30 percent transportation has MTB offer a 2-3 hour service guarantee. Likewise, the Kashmir-Kanyakumari

corridor with a three-hour service guarantee. Besides this, other state highways continue to be served by its network for its customers. Similarly, the company is going deeper into smaller but key towns.

Even though the HCV goods carrier segment has registered a healthy growth of 38 percent as per latest November 2018 sales data, in FY2018, MTB, albeit on a smaller base, grew by 50 percent and was the fastest growing brand in this segment. October and November 2018 saw much pressure in sales of heavy trucks, with a primary reason being the increase in axle norms load in July 2018. Sahay says, at first the

industry downplayed the impact of the axle norms loads but the 20-25 percent increase in vehicle loads on road resulted in nearly a year's volumes getting into the market. Therefore, to think this wouldn't have an impact on sales was an aberration.

This, coupled with an increase in diesel prices right from August to end-October, a not-so-happy festive season across PVs, CVs and two-wheelers and lukewarm economic growth, meant that growth has entered slow lane. Yet, M&M is confident that Q4, FY2019 will be better and the overall truck industry will record double-digit growth.

**By end-March 2019, MTB's dealer network will have grown to 120 and the service touch-points will be close to the 600 mark, supported by 2,900 spare parts retailers.**

To ensure it is ready well before the deadline, MTB's engineering team is working around the clock to get its trucks BS VI-ready. Sahay concedes that it is a challenge for truck makers to run the assembly lines at their peak to churn out a higher number of BS IV trucks to cater to demand leading up to April 2020 but also to start selling BS VI trucks immediately. He also hints that to keep the balance between vehicles of the two emission types, companies will have to start producing BS VI trucks from January 2020 itself.



**BS VI TECH AND THE COST INCREASE**

While BS VI compliance is aimed at lesser and cleaner tailpipe emissions, given the higher level of electronics and new engine technologies, the end-truck buyer will have to pay more. Will this dampen demand? Sahay says, "The final prices are yet to be worked out but it won't be a small number and will have an impact on the customer's buying decision. The transition from BS I to BS II and BS III respectively was approximately Rs 30,000-40,000; from BS III to BS IV, the transition cost went up to Rs 150,000, especially for large trucks due to deeper engineering changes, material cost and the engines moved from mechanical to electronics. For the upgrade from BS IV to BS VI, the transition cost will be similar what with the sizeable amount of technology investment underway by OEMs and their supplier chain."

Yet the company can take solace from the fact that in the first year of BS IV rollout, against prevailing expectation of lower sales, truck sales registered record numbers. "The transition from BS IV to BS VI is just one aspect. Truck sales never depend on one factor. There are several aspects including the overall economy's performance

to truck sale itself. Today, everybody is focused on one factor but it is not exactly the right way," points out Sahay.

MTB is at the validation stage of its BS VI trucks, given that many engineering changes have been implemented. What has helped MTB is its future-ready approach to the market. The engine for the Blazo, first launched two years ago, was scalable and BS VI-ready in terms of its basic architecture, reducing time to market. The company claims its engines are superior in terms of power-to-weight ratio, engine size, better power, improved brakes and steering. This has been an advantage when the new axle load norms came into effect overnight. "A BS VI truck will see a lot of engineering changes but for us it would be the lowest in the industry. Thanks to M&M's engineering capabilities and powertrain expertise, our relative strength compared to the competition is only increasing. We had certain advantages in the transition from BS III to BS IV, which increased more in BS IV. Our BS VI truck will become further advanced in technologies by offering relative competitiveness, this will work in our advantage," concludes Sahay. ■

**30 SECONDS ON... HOW THE MAHINDRA BLAZO IS BORN**



MTB PRODUCES TRUCKS at its modern integrated plant at Chakan in Pune. It is here that the fully localised mPower Fuel Smart engine is assembled. The company says this engine can easily be upgraded to BS VI with some engineering changes.

The truck plant, which includes production areas like a press shop, body shop and assembly line, sees robots being deployed in key areas to enable precision operation and also higher productivity. This correspondent visited the plant recently for a closer look at the manufacturing process.

Life for a truck begins once the metal sheets panels get shaped through a common press shop and come together to make up a cabin structure. India is perhaps the only market worldwide where trucks are sold as a cowl albeit factory fitted cabins are increasingly finding buyers.

"The cabs made with high precision welding through robots offer more robustness, strength and higher safety along with driver comfort," a company official points out. To keep rust at bay and protect the metal parts, every cabin is submerged into an anti-rust solution. Next comes a



A robot affixes the windshield on a truck with high precision.

spray paint job by robots for high accuracy.

For the chassis, MTB uses 8.5mm thickness metal against the industry norm of 7mm, and 80 KSI steel compared to BSK 46 steel. The chassis is then moved to the assembly line where all the key aggregates including suspension, brakes, axles, engine, gearbox and tyres are mounted, followed by the electrical and wiring harness, windshield and interior trims. On rollout from the assembly line, each truck undergoes a water test in a closed chamber to find out any likely leakage in the cabin area.

A short drive inside a 31T Blazo X at the company's test track offered a brief insight into the new truck's

on-road performance. The ergonomic and modern cabin has a three-way adjustable driver seat, tilt and telescopic steering and a driver information system. While air-conditioning is optional, blowers are now mandatory for all trucks in India. The 31T haulage truck comes with a roomy sleeper berth for a co-driver.

Every Blazo X comes with three driving modes for various driving and load conditions to maintain superior fuel mileage. While 'Heavy' mode is for full loads, 'Turbo' can be deployed for carrying big loads over steep inclines while the 'Light' mode is for plying without a load. Moving into a different modes does not require the driver to stop the truck or shift gear. A digital screen at the dashboard provides all the necessary information to the driver including gear shifting, fuel economy, diesel and Adblue storage.

After each new truck sale, the company sends its trained drivers to the customer for the first few trips. In a bid to collect all possible feedback, the truck's performance is monitored by trained engineers on the field and also at the company.