CV
COMMERCIAL VEHICLE

AT THE HEART OF THE INDIAN TRUCK & BUS INDUSTRY

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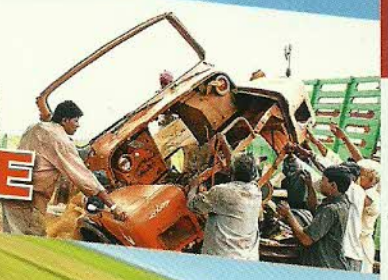
ON THE GROUND

SERVICE BY THE ROAD SIDE



URAL INDIA STEPS OUT

NEXT GEN PUBLISHING

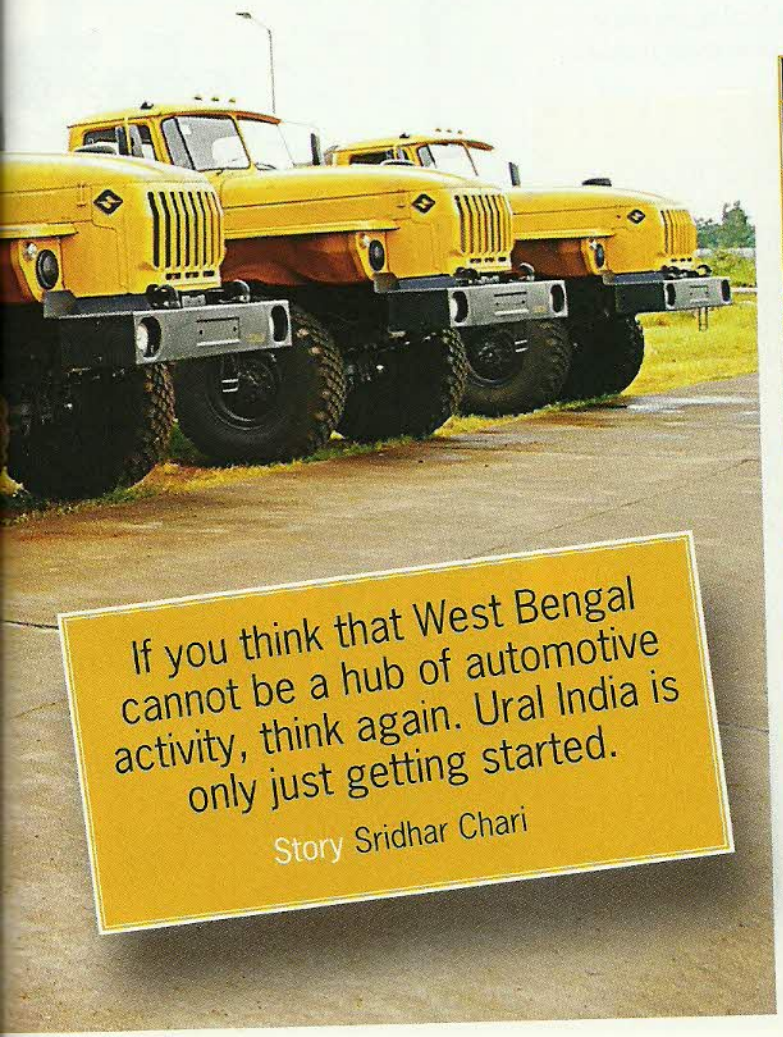
Ural India steps out

After a cautious beginning, Ural India is finally underway.

The three-way JV between Uralaz (a subsidiary of engineering major RusOrinAvto, Russia), Motijug Agencies Limited and the West Bengal Industrial Development Corporation (WBIDC) is rapidly thinking new trucks and a MUV. Meanwhile, a major foray into buses is also in the offing. We will come to this part in a bit. First up is news that Ural India's 25 tonner - the 55571-41M dumper is selling well in the construction and mining industry. 'Having started supplies last year, we are doing volumes of 150-175 trucks a month. We are on course to do 10,000 trucks within two years once the new products kick in,' states Anirudh Kanoi, Director, Ural India Limited.

A 40-tonner with a new 400HP engine is being launched by October, while a 49-tonne tractor is slated to be launched in January 2009. 'The 40-tonne tipper has been piloted in the North East for a year now. It is going to be out by October with the new engine. We will price the fully built 8x4 tipper between Rs 45-50 lakh,' reveals Kanoi. As for the 49-tonner, it will feature the same engine. The prime mover will attract a tag of Rs 20-29 lakh. On the other hand, the fully built 25-tonner, which features a Euro III compliant 240HP Ural engine, is priced at Rs 30-35 lakh. It features water-proof components that tackle very well both the wet season and the tough conditions of mines and civil works projects. The same attributes are equally valuable to suit the needs of the Indian army.

JK Saraff, Chairman of Ural India Ltd with Viktor Korman Chairman of Uralaz

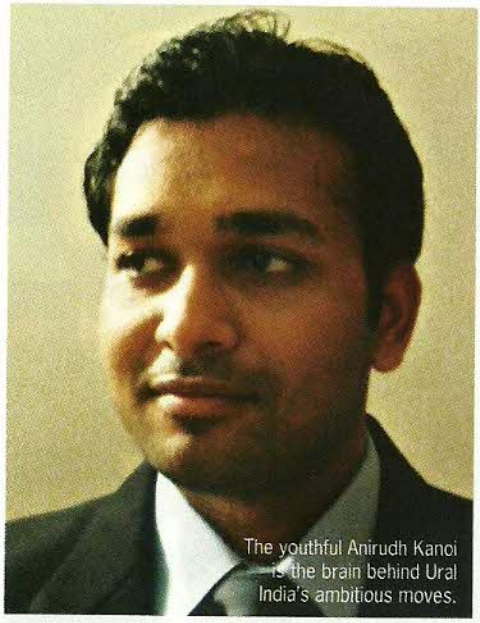


If you think that West Bengal cannot be a hub of automotive activity, think again. Ural India is only just getting started.

Story Sridhar Chari

Highlights

- **25-tonner** selling 150-170 units a month
- **New 40 tonner** with a 400HP engine to be launched by October – priced at Rs 45-50 lakh
- **A 49-tonne tractor** will be out in the market by January 2009 – priced at Rs 20-29 lakh
- **A 4x4 MUV** to be launched by the end of 2009-10 fiscal
- **The Rs 7.5 lakh vehicle** will eventually also be available in a cargo variant
- **5,000-7,000 units** to be rolled out to start with, with 70 percent localisation
- **Truck making capacity** at Haldia to be increased from 10,000 units per annum to 40,000 by 2011. That will take up total investment to Rs 400 crore
- **Plans to set up an Auto park** in Haldia to develop local aggregates with independent suppliers.
- **Body building facility** in alliance with Gorica to start making 500-1,000 bodies by next fiscal. Mixers, bulkers and trailers, planned in addition to tippers.
- **Plans to set up a 60,000 units** strong bus building facility at Haldia.
- **Negotiations on** with a European bus builder, Ural and an Italian design house for the Rs 400-500 crore venture.
- **First bus to rollout** by 2011. 35-70 seater inter-city coaches and low-floor CNG bus planned.
- **Buses to be exported** to Europe, South America, Australia, Africa.


The youthful Anirudh Kanoi is the brain behind Ural India's ambitious moves.

Though, the 6x6 25-tonner, faces competition from the likes of Volvo, Daimler and MAN in India, Uralaz's long association with the Indian army could prove to be very important for Ural India. Uralaz is among Russia's largest automobile companies with a presence in over 70 countries globally. On an average, the Indian army buys 1,500 trucks every year from Uralaz and is among the single-largest buyer of Uralaz trucks in the world. And now, with the Indian defence forces mandating 30 percent localisation for all their defence purchases, the stage is set for Ural India to buy into this market. 'Typically, army tendering and validation takes a long time. So we will get into the game, when the next tender is up for grabs,' explains Kanoi.

So much for the trucks. Ural India is also working to rollout an indigenous MUV platform by the end of the 2009-10 fiscal. 'It will be a 4x4 mass market product, priced in the range of Rs 7.5 lakh. Starting with a passenger version, we will bring out a cargo variant in due course,' reveals Kanoi. The target audience for the 6+1 seater is individuals as well as transport fleets in the hotel and tourism sectors. As such, the aesthetic appeal of the MUV will be very important. 'Since the Italians are best at design, we are entering into a comprehensive design with an Italian design house to help in the styling,' adds Kanoi. The as yet unnamed Italian design outfit will help Ural India in both the development of quality local aggregates as well as the foray into buses (read Buses Beckon).

COMING SOON: BUSES

Though, not completely clear at this moment, Motijug's bus venture could be just as exciting as the truck making enterprise with Ural. If all things proceed according to plan, Ural could launch its own range of 35-70 seater buses starting from 2011. On the agenda are both inter city and low floor CNG city buses. 'We are talking to a large European bus builder to completely relocate their production from Europe to India. The volume of production that we are discussing for both the Indian and global market is 60,000 buses per annum,' reveals Kanoi. Incidentally, this is almost exactly the number of buses that all manufacturers put together, managed to sell in India last year. That explains the global scale of this arrangement.

With cost structures being high in Europe, the company in question is keen to set shop in India and use the country as the hub for exports to places as far off as Australia, South America, Europe and Africa. But then, will logistics not be an issue, considering the huge distances involved? Kanoi offers a couple of reasons on why this does not seem such a hassle. 'For one, we have a huge domestic bus market in India that has not taken off as yet, so there will be enough scale available to us. Secondly, the cost of manufacture in India is half that in Europe. Even if we supply SKDs, the CIF cost will still work out to be 40 percent lower than direct production in Europe.'

The scale of investments will be large - to the tune of Rs 400-500 crore - to start with. This quantum of funding will be shared between Motijug, Ural and the European bus maker. The Italian design firm will also be on board. 'When we can locally design and build quality aggregates with the help of the Italian company, the chassis can be easily made in India. Then again, so far as the bus bodies are concerned, we are open to doing them in-house using the design expertise of the Italian partner,' adds Kanoi. Moreover, until volumes ramp up, the bus body building facility could be used to make buses for other OEMs too.

This integrated chassis manufacturing and bus building operations will not be too dissimilar to those that we saw at Swaraj Mazda's Ropar facility (see July 2008 issue). As such, the new bus venture will require another 500 acres of land, for which discussions are already underway with the West Bengal government.

The Haldia plant already has close to 500 acres of land at its disposal.

Ural India is looking for a suitable source for the MUV's engines. 'While we are talking to a few local companies, import of the engine from Russia is not ruled out either. But irrespective of that, we will aim for a localisation level of 60-70 percent to begin with,' states Kanoi. The initial production volume is expected to be in the order of 5,000-7,000 vehicles per annum.

Capacity expansion

So far, Uralaz and Motijug who own 44.5 percent each in the JV have invested Rs 250 crore in their Haldia facility. The 500 acre setup, is scaling up steadily. 'We can currently make 10,000 trucks per annum. This capacity will be boosted to 40,000 trucks by 2011, at an additional investment of Rs 100-150 crore,' adds Kanoi. With the additional funding Ural India will also get a test track for its trucks.

Currently, the plant has a localisation of almost 70 percent. While key components like gears and shafts have already been indigenised, engine gaskets and certain special steels are being imported. In order to increase the quantum of localisation, Motijug is planning to set up an 'auto park' in Haldia. 'We intend to have a total auto park, where we can have 20 to 25 JVs with different companies, manufacturing components for both captive and external consumption,' reveals Kanoi. Once the alliance with Italian company matures, Ural India could get components designed and customised for different markets. This means that the auto park could easily cater to international players. 'We are looking at international arrangements, where we could manufacture components against a buyback agreement. In fact, we have the same thing in mind, in our discussions with Uralaz to set up an axle plant in India,' adds Kanoi. While, the CKD route is currently being adopted to import axles from Russia, the way to go for Ural India is to have a dedicated axle making facility in Haldia.

In the same vein of exploring

Thanks to Uralaz's strong association with the Indian army, Ural India hopes to bag a big share of defence business.

URAL-55571-41M DUMP TRUCK: Specifications	
Wheel	6X6
Payload	16000
On all soil roads	Test Caption
Distribution (Front axle/rear bogie axles) (Kg)	6250
Gross Vehicle Weight (Kg)	25000 kg.
Overall Dimensions Length/Width (mm)	7735x2500x2980
Ground Clearance	360 mm
Max Travelling Speed	72 km/h
Fuel tank capacity	300
Cruising range at full load and 60 km/h	775
Engine	YAMZ-238M2 diesel
Tires	1200x500-508 156F with controllable pressure*

possibilities, the Motijug Group has entered into a 50:50 JV with Slovenia-based Gorica Industries to manufacture truck bodies. With an investment kitty of Rs 100 crore, manufacturing operations are taking shape in West Bengal. The site is a 20 acre facility that once belonged to a sick industrial undertaking. The total installed capacity is 10,000 units. However, Ural wants to test the waters before unleashing the entire portfolio of offerings. 'We will start with volumes of 500-1,000 bodies next year. Besides tippers, our interest lies in putting out higher value products like concrete mixers, cement bulkers, tip trailers and trailers,' states Kanoi. With the Slovenian company having set up shop in Dubai, the logistical issues associated with technology transfer are expected to be minimal.

These strengths of having a pool of locally manufactured components couple with a body building facility will help Ural India offer an integrated value proposition to the customer. Just as critical will be the sales and service network. 'Our trucks operate in difficult conditions, where the risk of breakdown is higher. Therefore, right from the beginning, we have accorded importance to setting up a proper spare parts distribution network. We are also simultaneously ramping up our dealer network from the current tally of 15 to 25 by the end of this year,' says Kanoi.

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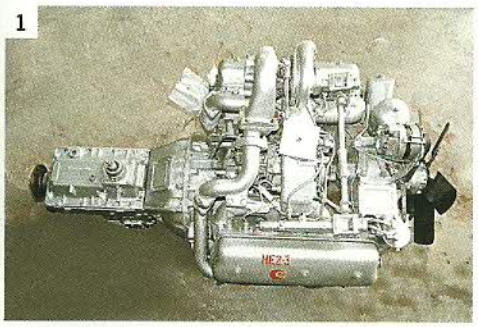

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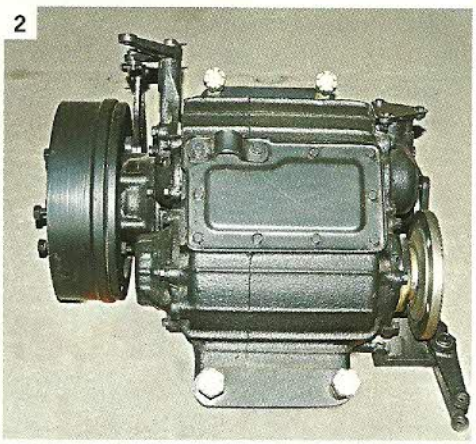

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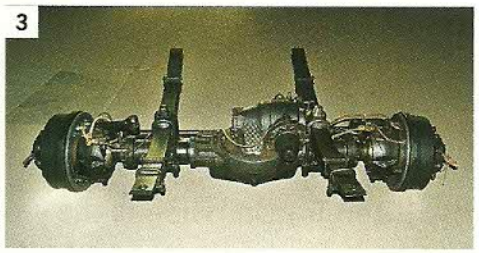

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1) 240 HP - V TYPE ENGINE WITH GEAR BOX - PLAN,
2) AUXILIARY GEAR BOX - MODEL YAMZ - 236 U,
3) FRONT AXLE, 4) REAR BOGIE