

AC mandate for trucks to pinch pockets

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India's trucking sector entered a transformative phase on Sunday as the government's mandate requiring all new medium and heavy trucks to be equipped with air-conditioned driver cabins came into effect.

Commercial vehicle (CV) manufacturers have already introduced updated truck models complying with regulations, resulting in a price increase of around 2 per cent. While manufacturers emphasise long-term benefits like driver comfort and improved safety, fleet owners express concern about rising operational costs and a deepening shortage of skilled drivers.

The market reacted cautiously ahead of the mandate's rollout. Retail truck sales dipped in May as buyers awaited clarity on the rule, leading to an 11 per cent month-on-month decline and a 4 per cent drop year-on-year.

Though sales may remain subdued in the near term, the mandate is expected to enhance road safety and reduce accidents by improving working conditions for drivers.

Tata Motors, India's largest CV player, reported a 10 per cent decline in domestic CV sales in April



and a 9 per cent drop in May. The company, however, launched its factory-fitted AC cabin trucks across its entire range on Friday, just ahead of the deadline.

Girish Wagh, executive director at Tata Motors, said the cost increase will be more manageable for heavier trucks.

"The cost impact on the biggest vehicles could be 0.5 per cent to 0.6 per cent, while for intermediate and light commercial vehicles, it may range from 1 per cent to 1.2 per cent," he explained during the company's Q4 earnings call.

Tata Motors has also reiterated its commitment to minimising the

total cost of ownership for fleet operators. Daimler India Commercial Vehicles (DICV), which manufactures BharatBenz trucks, welcomed the regulation, noting it aligns with its existing practices.

"Since our launch in 2012, over 90 per cent of our trucks have come equipped with integrated HVAC systems tailored for Indian conditions," said Satyakam Arya, MD & CEO of DICV.

He added that air-conditioned cabins reduce driver fatigue, improve performance, cut turnaround times, and even help prevent hearing loss caused by prolonged exposure to traffic

The road ahead

Dec 2023: Government mandates trucks manufactured in the country to be fitted with air-conditioning system for cabin of vehicles of N2 and N3 category

1-2%: Expected rise in prices across categories

2-5%: Likely reduction in mileage due to the change

■ Indian trucking industry is the sixth largest in the world with around **350,000** medium and heavy trucks and over **540,000** light trucks sold on an annual basis

noise. Despite manufacturer assurances, fleet operators remain wary. "We are facing a shortage of skilled drivers, even with average monthly salaries around ₹40,000," said K Arul, Secretary of the Namakkal Taluk Lorry Owners Association. Fleet owners say they are not getting experienced drivers to run new vehicles. OEMs are also pitching in to help fleet owners.

Tata Motors runs several programmes for the driver community including the Tata Samarth programme, which caters to the drivers' financial, educational, accident, and health insurance needs.