

TCI makes the 'car' go

Irrespective of bad roads, burgeoning input costs and even the rising girth of cars, TCI is determined to make the auto logistics segment, its very own.

Logistics major
Transport Corporation of India has a fleet of 7,000 trucks at its disposal. And an increasing number of these trucks are being deployed in the auto logistics sector, where TCI enjoys a 10-12 percent market share. With a dedicated fleet of 600 completely built units dedicated to the movement of cars, two-wheelers, tractors and construction equipment, TCI, leaves little doubt about its dominance in this sector. Every year, around 1.5 lakh cars and 7.2 lakh bikes are transported across the length and breadth of the country by the logistics giant. In addition to these, about 40,000 tractors and 4,000 earth moving equipment also make their journey on TCI's trailers. The company recorded a turnover of 1,400 crore in 2007-08, of which a sizeable 30 percent came from auto logistics.

Companies like Toyota, Skoda,



Depending on their size, 4-8 cars
can go into each car-carrier



Vineet Aggarwal (L)
and Jasjit Sethi (R)
understand the value of
auto logistics for TCI



Volkswagen, Audi, Tata Motors, Maruti and Hyundai constitute 80 percent of TCI's business in the four-wheeler segment. Bajaj Auto and Hero Honda contribute business in the domain of two-wheelers. This means TCI has to carry cars and bikes of different makes, shapes and sizes in its car-carriers. The carrying capacity varies accordingly. While 8 Maruti 800s can be stacked in a trailer, only 6 Toyota Innovas or 4 Volkswagen Q7s can fit in the same space. As for the more homogenously sized two-wheelers, TCI can transport 110 of them in its unique triple deck trailer. The company has Tata Motors and Ashok Leyland prime movers in the range of 16 tonne to 40 tonne to do its business. The vast majority of these are high beds, which can also be used for moving containers and tractors.

For heavier loads like construction equipment and steel coils, special trailers are required. Hydraulic trailers are deployed for Over Dimensional Cargo, which can range from 0.8 to 1.3 mts in height. Powered by a Volvo prime mover, these monster trailers can move cargo 175 tonnes on their 10 axle lines.

TCI has also leased a train for a period of three years to ferry cars across the auto cluster. A total of 150 cars per rake are transported along the Delhi-Pune-Bangalore-Chennai-Delhi route. The train makes 8 trips in a month. But the company is not really bullish on railways emerging as an efficient alternative to trucks.

'The Railways need to come out with double-decker options for ferrying cars. They have only model, which cannot be useful for different kinds of cars. At the moment, only 6 cars weighing around 6 tonnes can be stocked in one wagon. To add to these issues, the operating cost is still higher than that for road transport,' rues Jasjit S Sethi, CEO of TCI Supply Chain Solutions.

Even the facilities at the yards are not up to the mark. 'They do not have proper facilities

at yards. Cars are kept in the open, where the possibility of scratches is very high,' adds Sethi.

New Vistas

Further, with new regulations taking shape, TCI could soon be transporting truck and bus chassis. In fact, certain OEMs already use TCI for transporting CNG chassis. Since there are limited CNG fuel outlets along the highways, these chassis cannot be mobile for longer distances. While this business may accrue more on account of compulsion on part of the OEM, TCI is working to reduce the transport cost per chassis. The solution is a trailer which can ferry 2-3 chassis in one go. Such low-bed trailer run in Europe. But to make them viable for difficult road conditions in India, certain design changes are needed. 'If our design changes are successful, we can have such trailers by the end of this year,' informs Sethi. To start with, TCI plans ferry buses these new trailers. Moreover, the export segment also seems promising. 'We will be targeting high value commercial vehicles where the desire is to have zero mileage,' reveals Sethi.

Meanwhile, TCI is gearing up to face new challenges on the car side itself. Cars have become wider resulting in a scramble for space in the car carrier. To add to this, rising steel and diesel prices, have eaten into margins. Freight rates have recently been hiked by 6-12 percent. 'It takes a trailer worth Rs 20 lakh, about 5 years to break even. Now with the increased



TCI carries almost 40,000 tractors each year.



TCI has a fleet of 600 vehicles dedicated to auto logistics

Interesting evolution

It was only two decades ago, that the sight of mammoth car carriers moving leisurely on the highways became a common occurrence. Maruti Suzuki had just moved into the country and people had starting to dream about owning a car of their own.

But the mechanics of making car carriers did not come very easy. Before the first of them arrived on the scene, vehicles used to be driven to the customer. 'By the time a customer finally laid hands on the car, the car had already done more than 1,000 kms,' Sethi recounts.

TCI was among the first logistics players to acknowledge the growing need for a special vehicle to transport cars from point A to point B.

'It was with the coming of Maruti Suzuki that car carriers came into vogue. No OEM had a vehicle that could serve the purpose. And since the demand for these vehicles was low, bus chassis were converted into car carriers,' Sethi adds. The shock absorbers were replaced by leaf springs to fabricate a carrier that could carry five Maruti 800s in two-tiers.

The idea of a trailer hauled by a prime mover came a bit later. The first trailers had no hydraulics. They used to have a chain cuppy block to move upper and lower decks. In a rather tedious process, strings needed

to be pulled to move the cars in and out. Back then, the 11.25 m trailer had a capacity to stock eight cars, which still remains the same for present day rigid body carriers. 'The main challenge was the height of the trailer. They were 4.75 m in height, due to which trailers could only ferry cars. They could not ferry any other kind of cargo on the return journey,' analyses Sethi. At that juncture, the trailers were open and there was no covering on the sides or the roof. But this scenario could not continue for too long.

'Internationally cars are still transported in open trailers. But in India, damage is caused by not just the harsh weather and low-lying trees. People pelt stones at these carriers! So fully covered trailers were a necessity,' informs Sethi.

It did not take TCI much to come up with hydraulics enabled trailers in 1999. 'It was for the Toyota Qualis that we got 175 such trailers manufactured. But the technology being completely raw at that time we had to pay more for the trailers than the prime mover itself,' admits Sethi. A single 26.4 tonne prime mover from Tata Motors cost TCI Rs 6 lakh, while the trailer entailed Rs 8.5 lakh!

diesel prices, it will take around 7 years to do so,' says Sethi. A 26.4 tonne trailer costs Rs 18-20 lakh, while a 40-tonne open-bedded trailer requires an investment of Rs 22 lakh.

When this aspect is coupled with rising input costs, logistics companies need to put more vehicles per trailer. 'As industry, we are trying to increase the length of trailers from the present 18 metre to 22 metre. The proposal is pending with the government,' says Sethi. There is also hope in terms of high-end trailers that are used in developed countries. But as detailed earlier, these may take some time in coming to India. For instance, the flower-shaped carrier in the US can stack a total of nine cars - 6 on the trailer and 3 on the prime mover itself. But in India, cars cannot be stacked on the prime mover. There are a few other practical concerns.

'The first issue which concerns us is the extensive use of hydraulics in such carriers. In order for each car to be neatly slotted into its position, drivers would need to be properly trained. Secondly, with the roads being bumpy the car roofs will get scratched. Thirdly, the fully covered trailer will severely limit manouvreability while handling cars,' informs Sethi.

Manufacturing trailers

It takes TCI a lead time of 20-45 days to get a trailer fabricated by players like Satrec, Tracoli,



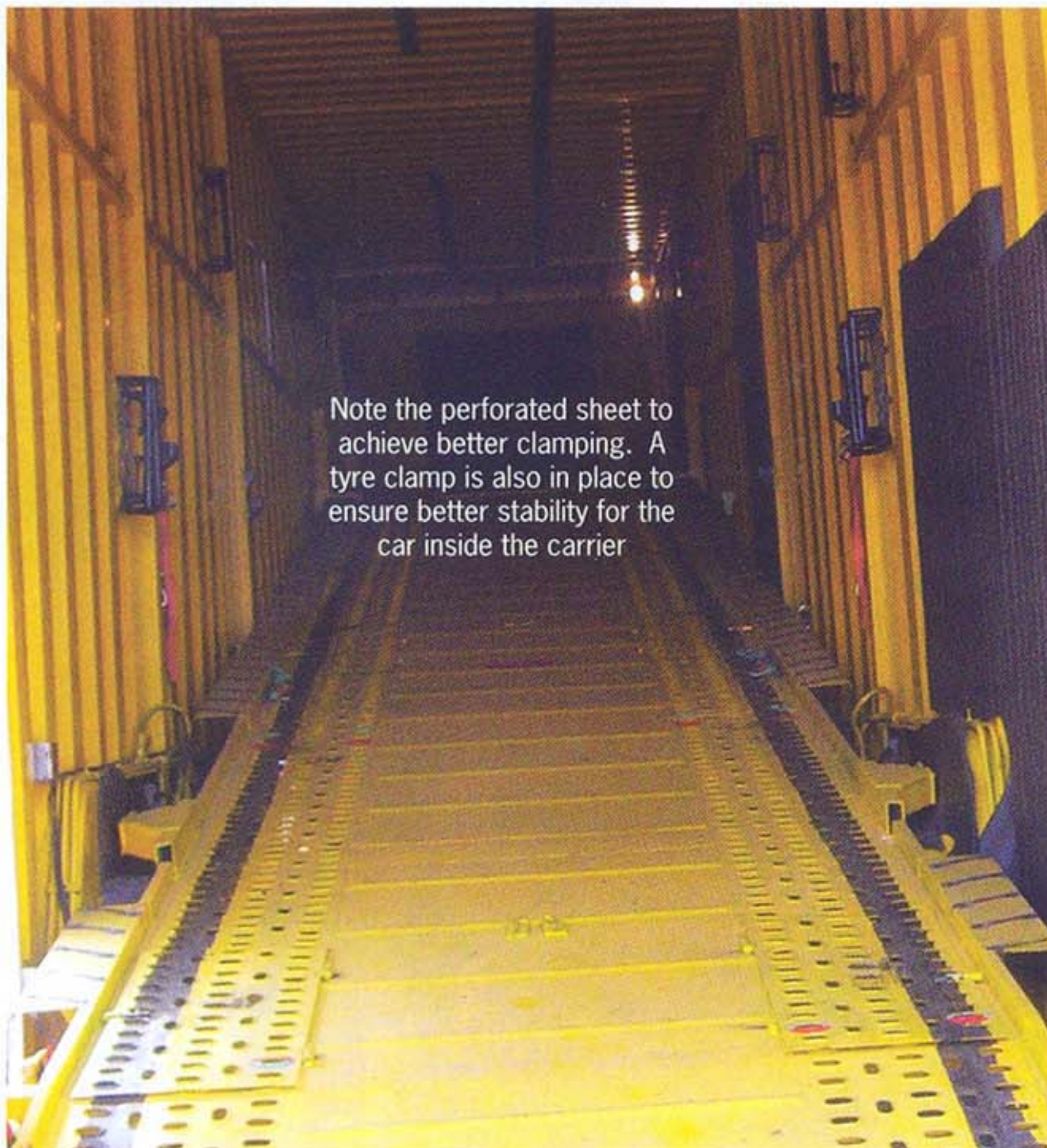
Being bulky, construction equipment need special vehicles for their carriage

National and Namdhari. Some of the trailer axles are imported from China. The trailer designs are done in-house by TCI. 'The trailers are designed to last 10-12 years which equals the life of two prime movers. We have trailers of 1999 make, while prime movers of the same time have been phased out,' informs Sethi. Bad road conditions are responsible for the short life.

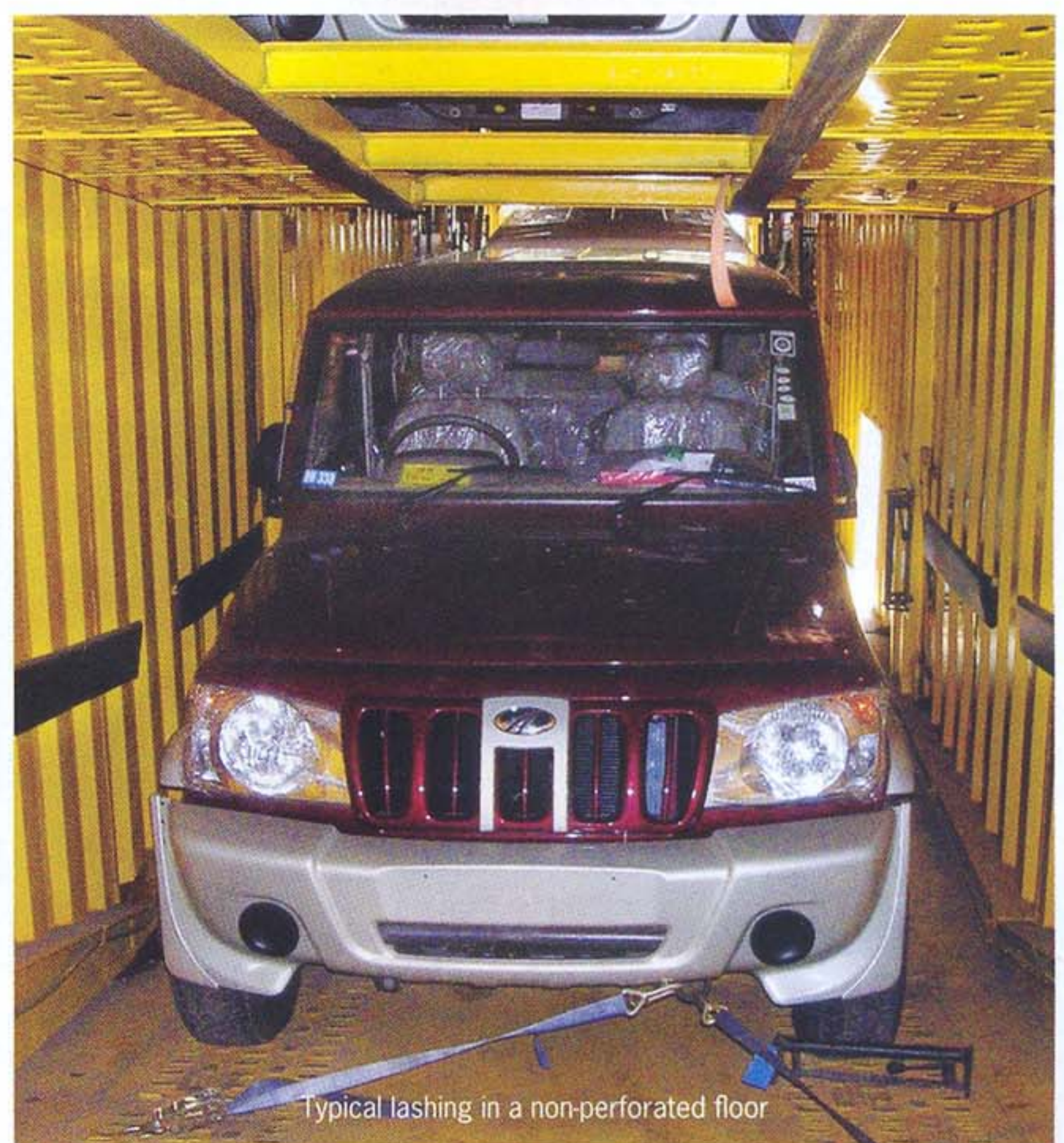
'The life of a prime mover is 6-8 years owing

to road conditions. This can go up to 10-12 years as the condition of roads get better in the future. However, maintenance is another key aspect. A truck does not remain dependable after 8 years,' says Sethi.

Whatever, the longevity of these trucks, the rapid growth of the Indian automotive industry, will not allow TCI to keep mulling over them for a long time. The wheels must keep running



Note the perforated sheet to achieve better clamping. A tyre clamp is also in place to ensure better stability for the car inside the carrier



Typical lashing in a non-perforated floor