



Premier Road Carriers Ltd.
Connecting India Since 1968

Road Cargo Transportation in India

An Introduction

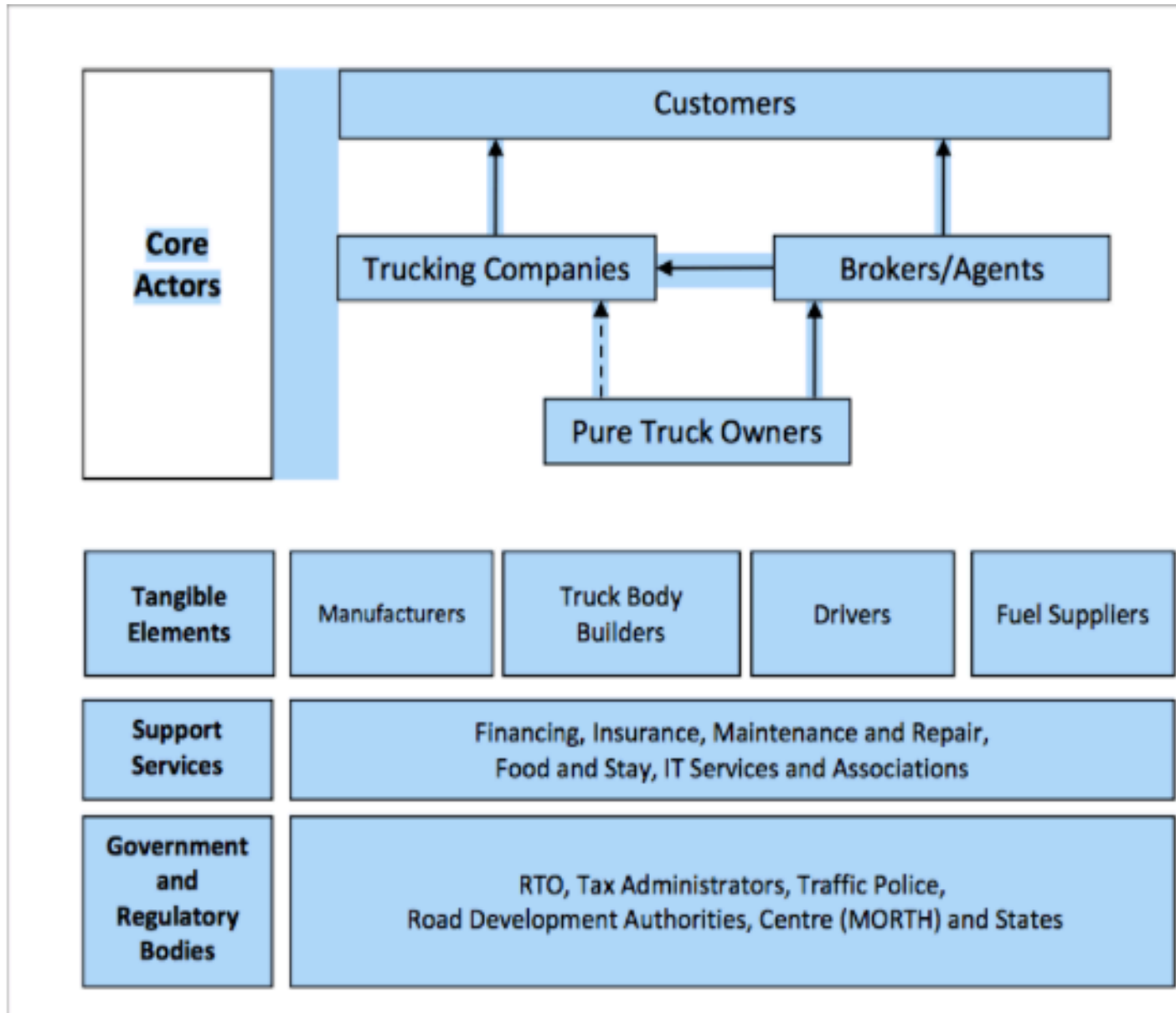


Key Facts & Figures

- As per the NHDP 65% of Freight and 40% of passenger traffic is carried by road.
- Road Transport Sector accounts for 3.9-4% of GDP. Size of Road Freight is estimated at \$113 Billion.
- Looking at the GDP growth, the industry is growing at 7.6% CAGR.
- 75% of the trucking firms own 1-5 vehicles. Contractors use sub-contracted vehicles for their clients.
- National Highways account for 2% of the entire network of roads but carries 40% of the annual traffic.
- Currently approx. 15km of Road network is being laid everyday.
- An average vehicle covers 300km in a day.

Type of Road	Length
Expressways	650 km
National Highways	66,754 km
State Highways	154,522 km
Major District Roads	863,241 km
Rural and Other Roads	2,450,559 km
Project & Urban Roads	574,516 km
Total Length	5,109,592 km

Industry overview



Key Challenges faced:

Current Scenario

Challenges

Upcoming Solutions

Tracking

- Current: Through Mobile Phones and GPS devices.
- Client Needs: Online and Real Time.

- Current: Bad Network Coverage
- Scattered ownership hinders GPS implementation.

- Improving Network Capabilities.
- GPS with improved functionalities
- MIS Reports.

Barriers to Free Movement

- Current: Long & irregular Lead times
- Client Need: Just In Time Delivery.

- Inadequate Infrastructure.
- Traffic at Check-posts.
- Distance not certified by reputable agency.

- Increase in speed of laying Roads by Government.
- Implementation of GST.
- Distance measured by first trip.

Low Capacity Utilization

- Current: Vehicle returning empty/ wasting time to find loads
- Client Need: On demand Vehicle availability

- Vehicle availability
- Asymmetrical Information
- Scattered ownership
- Constant price fluctuations

- Online exchange boards
- “Uber for Trucks” model

Other Challenges

Availability of Vehicles	<ul style="list-style-type: none">• Usually an excuse when vehicle is not available at low cost. Specially during peak times such as Quarter End, Year End etc.• Freight Ex. Western Belt is higher than TO Western Belt due to empty return.
High Toll Charges	<ul style="list-style-type: none">• Toll Charges have risen rapidly over the last 2-3 years. Ex. Mumbai Delhi is approx. Rs.13,000/- per Taurus. (Up-Dn)• Truck delays at check posts – Cost to Indian Economy of RS 9 Bn to Rs 23 Bn as per the world bank
Shortage of Drivers	<ul style="list-style-type: none">• Lack of formal driver training schools• Low salaries• Lacking respect• No intention to allow their children to take up driving as a profession
Lack of Trust	<ul style="list-style-type: none">• Clients do not trust vendors – Vendors blame suppliers – suppliers blame vehicle owners – vehicle owners blame drivers



Types of Vehicles

Types of Vehicles (As per RTO)			
Type	Capacity (MT)	Dimensions (FT)	Distance per Day (Km)
Light Commercial Vehicle (LCV)	3.50	14x6x6	300
LPT	5.50	17x6x6	300
Full Truck Load (FTL)	9.00	18x7x7	300
Taurus	16.00	22x7x7	300
20 ft Open Truck	9.00	20x8x8	300
20 ft Trailer	20.00	20x8x8	200
40 ft trailer (double Axle)	22.00	40x8x8	200
40 ft Trailer (Triple Axle)	27.00	40x8x8	200
Semi Low Bed Trailer	22.00	40x8x10	200
Low Bed Trailor	22.00	40x10x12	100
Multi Axle Trailer (Hydraulic)	per Axle 7 MT	Depends	100

Average Drive Time: 10 Hrs

Over Dimensional Shipments

- Increase in dimensions of freight over the RTO limit leads to excess charges. Receipt is issued for the same by Govt. officials. Few states issuing receipts are MH, GJ, MP and a few southern states.
- Approximate Freight Charges for Extra Size is 5% per foot (Above RTO permitted).
- LBT (Mechanical Trailer) can carry height max. upto 15 ft except in 3 states i.e. CG, AP & Orissa and the freight rates for this type of vehicle depends on weight and the size of vehicle.
- In AP, special permission needs to be taken from RTO, Hyderabad for overweight consignments.
- Normally for such type of ODC shipments, sometimes, route survey is required to ensure smooth passage.

Basic Costs Involved

- Driver Salary.
- Diesel & Oil expenses.
- Tyres, Maintenance & Spare Expenses.
- Insurance Expenses.
- Cleaning, Parking Expenses.
- Toll Taxes.
- State Driving Permits.
- Detention Expenses.
- Labour Expenses.
- Weighment Charges.
- Miscellaneous: Tarpaulin, Pallets, Rope, etc.





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**Directors : Mr. V.K.Gupta- Managing Director
Mr. Yashu Gupta- Director**

**Corporate Office:
901-B Dalamal Tower, Nariman Point
Mumbai 400021**

**Tel : 022-67740677
Fax : 022- 6630 1160**

**Email : info@prclimited.co.in
Web : www.prclimited.co.in**