CHAPTER VI

FINDINGS AND SUGGESTIONS
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On the basis of the factual information and data collected from the various respondents drawn from Tamil Nadu through schedules and interviews, the following important findings relating to L.B.B. industry in Tamil Nadu are detailed below. They need not be extended to cover the whole of the industry as prevalent elsewhere in India due to differences in the localised factors; since the problems faced by the industry located at Tamil Nadu alone are investigated in this study. It is likely that these problems might be universal but the same has not been studied and analysed from that angle.

Transport has actually shrunk the modern world into what it is today. It has brought individuals and communities living in different regions closer together than ever before.

Nowadays, nations depend upon one another for the supply of raw materials as well as finished products and in this process it has actually removed geographical barriers between nations.
The Road transport Industry is vital and basic to the overall progress and prosperity of a country.

The lorry transport system contributes to accelerate the Socio-economic development of any developing country, particularly India.

Without the help of lorry transport, many industries and factories cannot be constructed especially in those places not connected by rail transport.

Lorry transport not only entails lower overhead expenditure but also lower maintenance expenditure than the railways, involving huge expenditure on maintenance, stations, rolling stock and equipment.

Defective and deficient transport planning in this country, without any co-ordination between different modes of transport, has resulted in keen competition.

The spectacular growth of lorry body building industry in Tamil Nadu, has resulted in the emergence of many ancillary and Service Industries such as Tinkering, Painting, Selling Timber, Hardware and Auto Electrical retail shops.
In Tamil Nadu, there are 360 LBB Units, spread over Salem, North Arcot, Coimbatore, Trichy, Madurai, Tirunelveli and Kanyakumari districts.

Lorry Transport broadens the market, fosters optimum factor utilisation, promotes greater division of labour and facilities labour movement towards better and more gainful employment. It breaks geographical barriers and opens up new vistas and reserve potentialities of production.

Lorry Transport reduces the burden of maintenance of godown, because finished goods in desirable lots can be immediately moved from the factory to the marketing centres. Big undertakings may have their own lorries for movement of goods and for getting raw materials and other requirements of the industry.

Lorry transport helps in maintaining inter-related prices of commodities for the benefit of primary producers as well as ultimate consumers.

Lorry Transport breaks the monopolies of areas and saves people from exploitation.
Lorry Transport system encourages competition and lowers the prices of consumables.

Lorry Transport establishes the concept of 'Unity' among diversity. It has given two cardinal political advantages namely 'National Unity' and 'National defence'.

Lorry Transport has made tremendous strides in the recent years regarding goods transport especially at the cost of railways.

It has been estimated that 75% of the lorry body building is done in Salem district and the remaining 25% at Coimbatore, Madurai, Tirunelveli and Vellore, Karur and Nagercoil in Tamil Nadu.

The present day entrepreneur living in a competitive world cannot afford to locate his factory without taking into consideration the pros and cons of each location.

Indeed, no industry can prosper unless it is located at a place chosen from the point of view of maximum efficiency of production and distribution.
Industries producing perishable commodities which cannot stand transportation over long distances must be located in proximity to the places of consumption.

Nearness to the market enables an industry to keep a continuous and constant touch with customers and assesses its needs and requirements periodically.

Lorry body building in Salem District flourishes because of availability of abundant local labour who are endowed with traditional skill developed through ages.

Salem District is pre-eminently suited for the tremendous development of lorry body building industry, because of momentum of an early start.

The pioneers who first started lorry body building industry at Namakkal in 1940 were Messrs. Mariappa Asari, Raju Asari and Ponnusami Asari.

In fact, the goodwill has slowly and steadily improved over the years such that Namakkal, Sankari and Tiruchengode became famous for lorry body building industry in the whole of South India in general and Tamil Nadu in particular.
The hectic growth and rapid development of the industry with special reference to Salem District in Tamil Nadu is mainly due to the enterprising skills and ability of the pioneers.

It has been estimated that more than 80% of the wood materials required for the construction of Lorry Body Building is purchased from Kerala and the remaining 20% is procured from Yercaud and other places in the State.

The moisture content is so low that it does not affect the painting on the lorry body in any serious way. When a comparison is made between Tumkur in Karnataka, the lower moisture content in the air in Salem District is very conducive for rapid drying of the painted surface.

Many villages in and around these areas have the communal composition of large number of people belonging to Viswakarma community.

Lorry Body Building Industry mainly requires, steel, timber, paint and electrical goods. The rapid development of the industry in Salem District has facilitated the emergence of various kinds of ancillary units too.
The lorry body builders are invariably found to be experienced drivers and motor mechanics. Most of them have started their careers as cleaners and labourers, so that they are familiar with all the aspects of lorry transport.

There are about 560 sheds in Namakkal, Tiruchengode and Sankari which includes Tinkering and painting sheds.

For meeting working capital requirements, they normally were used to get advance from the clientele.

Generally, the lorry body builders do not approach the commercial banks for financial accommodation. The reason given by the most of the respondents is that the banks require various collateral securities and proper maintenance of books of accounting.

There are many kinds of industries such as Sago industries, Dairy farming and Poultry farming, the lorry body building industry and the poultry farming occupy first and second place respectively.

The lorries built in Salem District are having higher resale value than the lorries built elsewhere. This is because, the
lorries built in these places are sleek and attractive, with a fine finish and greater durability and hence, capable of carrying more cargo.

Some of the important notable highlights of lorries built at these places are a weight of 5½ to 6 tons as against 6 to 7 tons of weight of lorries built in other states of India like Kerala and Karnataka. With the result, there is a reduction in depreciation as well as fuel cost of lorries built at Namakkal.

Salem District can boast of comprehensive workshop facility compared with other places in Tamil Nadu and also other states in India in the lorry body building industry.

The process of lorry body building commences with the choice and purchase of a chassis. As far as South India is concerned the choice falls generally on Leyland chassis. This choice is on the basis of engine efficiency, its pulling capacity and its durability. Leyland chassis are presently manufactured in Hosur and Madras in Tamil Nadu.

The decision regarding the type of body will depend upon the function it is to perform, besides features such as durability, strength, weight, space for loading and space in the cabin also be
A lorry body building workshop is selected by the chassis owner for various reasons. It may be due to the good will, experience, efficiency and promptness of delivery of the lorry body builders. It may even depend on the personal relationship between the chassis owner and the body builder.

Usually the front cabin of the lorry will be 7 feet and 2 inches. Wood, mica sheets, plywood, iron and alloy sheets and angles are used to fabricate this unit.

The cabin's backwall is fitted with cupboard to keep the R C Book, the trip sheet, driver's licence and other documents.

Most of the lorry owners desire to have a bigger diesel tank with the capacity preserving 200 to 250 litres. This provision for a bigger tank is not in the chassis.

The use of this particular wood viz., silver oak, in Salem district confers many advantages. Depreciation of tyres is much less, gives a sleek appearance and it is also durable and strong. It also provides more mileage and has a higher resale value.
The following lights are usually fixed such as head lights, indicator lights, parking lights, top lights, stop light or emergency light or brake lamp and hill light. Sometimes, powerful Fog lamps are fitted to steer clearly. Lights inside the cabin are also fixed.

While painting, five to seven coatings are carried out.

For National Permit vehicles, brown and white colours are used. Usually brown colour is first painted on the body and thereafter white colour bordering underneath.

Spray painting is not resorted to in Salem District, because there is interruption in the flow of paint which attracts dust.

In the year 1981-82, the number of L B B units was 74 in Salem District and the same has increased to 270 in 1990-91.

In the year 1981-82, the Lorry Body Building Units were 6 in Coimbatore District which increased to 25 in 1990-91.

Similarly, in 1981-82, there were 15 sheds in North Arcot Ambedkar District and the same has moved up to 40 in 1990-91.
In 1981-82, the number of Lorry Body Building Units was 7 in other districts of Tamil Nadu and this has shot up to 25, in 1990-91.

In 1981-82, the total number of L B B Units in Tamil Nadu stood at 102, and the same has increased to 360 in 1990-91.

Salem District alone accounts for 270 L.B.B. Units out of a total of 360 in Tamil Nadu.

There were 55 Tinkering units Salem District in 1981-82, and the same has gone up to 155 in 1990-91.

In the year 1990-91, there is a steep fall of 6% in the Tinkering activities. Evidently, this is due to the emergence of Gulf War which resulted in acute shortage and steep hike in the price of diesel.

In 1981-82, the number of painting units stood at 40 in Salem District and the same has gone up to 135 in 1990-91.

The growth rate of increase in painting activities was due to the fear of nationalisation of Bus Transport.
The number of workers employed by the sample units ranges from 3 to 150 workers.

Lorry Body Building Industry provides employment to about 40,000 workers comprising of both skilled, semi-skilled and unskilled in Tamil Nadu. Of that 30,000 workers are from Salem District alone.

"There are about 12,00,000 lorries in whole of India during the year 1991 of which Tamil Nadu has 1,20,000 lorries which accounts for 10% of the total. Of that 1,20,000 lorries in Tamil Nadu, Salem District alone has 48,000 lorries which is 40% of the total lorries in Tamil Nadu". No where in the world is there such a large number of lorries in a single taluk, only in Namakkal Taluk 5500 lorries are operated which is a world record.

Nearly 3,00,000 persons are directly employed in operating lorries in Tamil Nadu besides, another huge work force which is indirectly employed in maintaining lorries, and manufacturing and supplying spare parts. In Salem District alone 1,34,000 persons are directly employed in running the lorries.

Various types of machines such as planing machines, circular saw machines, drilling machines, welding machines, gas
welding machines, angle cutting machines and portable drilling machines are used for lorry body building.

If a lorry is constructed, without using machines, it will take approximately 1500 man-hours. But when machines are utilised, this can be reduced to 1000 man-hours.

Among long distance lorry operators, 176 comet Ashok Leyland chassis is very popular.

Compared to other types of chassis produced by the same company, the 176 comet type is found fuel efficient. It gives 4½ km. per litre of diesel whereas other types of chassis give only 3½ to 4 km. per litre.

The body of a lorry shall have a maximum length of 19 feet, its breadth ranges from 7½ to 8 feet and its height remains at 3 feet uniformly.

In 1976, National Permit system was introduced which has given a greater fillip to the lorry body building industry in Tamil Nadu.
The time needed for fabrication of one lorry unit is less than 15 to 10 days and hence, the working capital requirements are greatly reduced.

Small Scale Units which are run by self-employed family members employ very few hired labour and hence, their labour cost also remains low.

The cost of construction per lorry was Rs. 23,000 in 1981-82 and the same has increased to Rs. 62,000 in 1990-91.

SUGGESTIONS

1(Competition)

To curtail unhealthy competition, there are two possible channels.

The Government itself can introduce a stiff licensing procedure by which it can take into account the financial capacity, technical feasibility, labour potentiality, availability of tools and materials. But such a licensing procedure is likely to hamper the free growth of lorry body building units. Any such growth must be viewed as a healthy sign of a growing industry since the openness of an industry is assured whenever there is a possibility of free entry and exit. Moreover, the licensing might in the course of time help developing oligopolistic trends rather than perfect competitive conditions. However, in order to check unhealthy mushrooming of lorry body building units, which is likely to cause wastage of scarce raw materials and thereby inflate the cost, the function of licensing may very well be handed over to a well organised lorry body building Association.
This takes us to the second suggestion namely organising a powerful and functional Lorry Body Building Association with clear cut functions. The Lorry Body Building Association can be entrusted with the task of registering new entrants, exercising precaution and preventing unhealthy competitors from entering the trade. Periodical general body meetings with properly stated agenda can go a long way in curbing unhealthy and unfair competition.

Another function that can be entrusted to the Lorry Body Building Association may be the role of communicating to the public, the prevailing rates and together with time taken for construction of a lorry body.

If such information is freely available, it will reduce unwary customers falling into the trap of questionable lorry body builder and thereby unhealthy and unfair practices can be checked. However, caution may be exercised in this regard. More efficient units may have a better performance rating and may offer lower rates which is an indication of superior efficiency. This should not be affected and it should be rather encouraged.

INDUSTRIAL ESTATE: In as much as the lorry body building industry is more or less localised for the reasons already
indicated, the direction should be in the form of starting an 'Industrial Estate', with units specialising in different functions. There may be one unit specialising in trading, while another unit may be specialising on running a service station for the repair and maintenance of tools. In the supply of raw materials, there may be one or two branches each specialising in the stocking and supplying of specific raw materials such as timber, iron, metal sheets, electrical goods. Such separate divisions will help the units to a greater extent in acquiring special skill, knowledge and efficiency.

2. (Labour Welfare)

The crying need of the workers is the organisation of certain welfare measures. Now, they are living in very poor houses. The sanitary conditions are undoubtedly worse. To prevent labour from exploitation, a trade union may be organised. Such a trade union can perform many functions as outlined below.

Trade unions can have well formulated welfare schemes for the labourers employed in the lorry body building industry in the form of insurance, medical facilities, and trading facilities. The union can also strengthen the collective bargaining whereby wages, working conditions, and bonus can be resolved.
TRAINING FACILITIES: Now, that the Lorry Body Building Industry has become an important small scale industry, it would be well for the ITI (Industrial Training Institute) and other Trade Schools to start a separate course on Lorry Body Building. In the course of time, labourers may be hired on the basis of certificate issued by this institute. This will not only develop skilled and knowledgeable personnel for the industry but will also prevent uneducated and illiterate workers from entering this industry.

3. Shortage of timber

One of the most serious problems faced by the lorry body building industry is the ever-growing shortage of timber. This problem is likely to become more acute in the course of time, on account of the environmental policy pursued by the Government. Preservation of forest would naturally reduce the availability of timber. It is advisable for industrial estates to have their own captive forest schemes whereby they can grow the kind of timber they require. The State Government can extend all possible help in this direction.

There may be a separate forestry division for the provision of timber for the Lorry Body Building Units at concessional rate. Research might be undertaken to find alternative
materials for building of lorries in the place of timber. For example, Aluminium of moulded plastic sheets or corrugated sheets can be used. Lorry bodies built with aluminium will be durable and lend a beautiful look. Even in the case of accidents, the aluminium is not wasted like timber and the same aluminium can be used again for the construction of lorry body building. But the cost of lorry body building would go up by Rs. 15000 thus, pushing up the total cost to Rs.75000. But the lorry body built by Aluminium is not suitable for the transport of matches and crackers since it is highly inflammable. In the case of state owned transport corporations, aluminium sheets are supplied at fair price by the Government. Private lorry body builders can approach the Government for getting aluminium sheets at fair price.

Lorries built may have to be specialised for specific purposes. For example, lorries used for transport of seed, stones, bricks and iron may have some type of strong polymer material used, while lorries used to transport vegetables or other perishables might have timber. Thus, a reduction in the use of timber may be effected.
4. (Co-operativisation)

In general, co-operativisation of the Lorry Body Building Industry may go a long way in preventing the abuse of raw materials. The whole industry may be brought under a co-operative organisation - composed of lorry body builders, labourers, the actual suppliers and the users. Finance can be arranged through the co-operative unit. Similarly, materials can be procured through a co-operative agency. This may reduce tax burden on the industry and the labourers will be much benefitted by such a system. Many unfair and unethical practices may be curtailed by such co-operative endeavour. Co-operatives can interact and negotiate with the government for the inventories, thereby introduce an element of regularity and fair price.

5. (Auto Nagar)

All these suggestions will lead to the founding of an Autonagar, where all the individual units may function harmoniously. This will bring all the different requirements at one place and the necessary information will be made freely available. A Housing Society for the workers and others who are involved in this Lorry Body Building Industry may be thought of to alleviate the poor conditions of workers. Land assignment policy should be
given due importance in this regard.

6. **Sales Tax**

Since all the Lorry Body Builders uniformly oppose the existing sales-tax of 8%, the government should carefully examine the possibility of reducing the rate of sales tax from 8% to 5% or removing the sales tax altogether. As all the materials are brought within the purview of the Sales Tax provision, the lorry bodies may be treated as second sales to avoid double taxation.

7. **A mini power plant**

Presently, there is an erratic supply causing much chagrin and loss suffered by lorry body builders. This becomes more acute during summer which will adversely affect this industry. Along with Industrial Estate, it will be possible for such units to have separate transformers for providing continuous supply of electricity to the Lorry Body Building Units. It is also possible to think in terms of a captive power plant for these units, either they can go in for a Mini thermal power plant or other electric power supply sources such as solar and wind. With the result, it will assure the uninterrupted supply of power and thereby minimise the waiting cost. Moreover, such a captive power supply
would inspire and enthuse the enterprising entrepreneurs to come forward to buy or hire the developed industrial plots. Fruitful research is required in this direction.

8. **Inclusion in the Priority Sector**

Lorry transport plays a very significant role in the economic development of a country. This brings many important infrastructural facilities needed by this industry. Therefore, the government should provide all possible help to the LBB Industry under the new twenty point programme. This industry should be given a priority status since the cargo handled by it has a definite impact upon the price situation. If this sector is declared as a priority sector, the bank credit will become easily available to this industry and the extension of D I R Scheme may help in its economic management.

9. **Essentials of education**

Presently the lorry body builders do not have much education and they carry on by the sheer dint of their hereditary experience. This makes them shy in approaching any bank to meet their financial requirements. Instead of getting bank loans at lower rate of interest, they avail it from finance corporations at
exorbitant rates of interest. This escalates the total cost. Moreover, the poorly educated lorry body builder is not prepared to opt for modernisation. Many new devices and tools are not used by them, despite the fact that their use would considerably reduce the cost of construction. If any technically qualified and educated men enter this industry, it will be for the greater good of all concerned. Such a qualification added to the present tendency of sedulously fostering hard work would place the industry on an even keel.

10. Mechanisation

Presently, mechanisation is the need of the hour for this industry. Most of the lorry body builders use the age old machines and primitive tools. With the result, not only the cost of construction per lorry increases but also the time taken for the delivery of the constructed lorries to the owners increases. Moreover, the "finish" of lorries is not as good as that of those built through mechanisation. A systematic mechanisation of different processes would reduce the cost to a considerable extent. This will also add to the durability and appearance of the end-product. Nowadays, there are various machineries used in lorry body building such as planing machines, circular saw machines, drilling machines, welding machines, gas welding machines, angle cutting machines, portable drilling machines,
mounting machines, seat cutting and seat binding machines, hydraulic pressure machines and spot welding machines.

The planing machine does the work of ten labourers. Thus, mechanization not only saves the labour but also lends better appearance. Certain jobs which are classified as routine and drudgery, are done by machines. Jobs which are highly redundant can be brought under mechanisation to avoid monotony and drudgery.

But mechanisation will certainly replace some labour and this would create unemployment among labourers. An appropriate and intermediate technology which will not only help this process but also absorb the displaced labour, must be adopted.
11. Establishment of Lorry Stand

By establishing a lorry stand in the outskirts of the Municipality and by preventing the parking of lorries inside the Town limits the following benefits can be derived.

1. Loading and unloading charges can be regulated with the result, the exploitation by the unscrupulous middlemen can be eliminated.

2. Lorry freight and brokerage can be streamlined. This is more beneficial both to the lorry operators and to the general public.

3. Parking of lorries indiscriminately within the Town limits leads to traffic jams, accidents and health hazards, such as air pollution and sound pollution.

4. From the lorry operators point of view, a separate lorry stand provides safety and security for their vehicles and a resting place for their crews. Moreover, there will be a fair distribution of freight. Therefore, the unhealthy competition prevailing among the lorry operators can be avoided.
5. It is also beneficial to the public for booking their goods to different destinations at one place.

6. Finally, a nominal sum may be collected from the lorry operators which will be a good source of revenue to the local authorities. This revenue can be better utilized for providing various facilities and amenities required by the lorry operators.

12. **Steel Body Building**

To do away with the traditional timber body building steel can be used, as they do in advanced countries. So the acute shortage of timber can be overcome. Steel Lorry Bodies have certain advantages over timber.

The steel body costs Rs.60,000 while the traditional timber body costs Rs. 65,000. Steel body takes only 900 hours, whereas the timber body takes 1500 hours to complete the work.

The steel body is lighter than the timber body. The steel body weighs half a ton less than the timber body. This results in less fuel consumption, longer life and more pay-load.
In case of accidents, steel can be reused, whereas timber body is dead loss. Consumer movements in advanced countries insist on the use of reusable articles. Indiscriminate felling of trees can be avoided, if the cheap, durable and reusable steel body is used. As pollution control and environmental awareness are spreading fast, it is advantageous for the body builders to use steel in the place of timber, in order to get consumer approval. The government can and should encourage the steel body builders by supplying steel at subsidized prices, which is possible if the government recognizes steel body building as a small scale industry.