ENROUTE™

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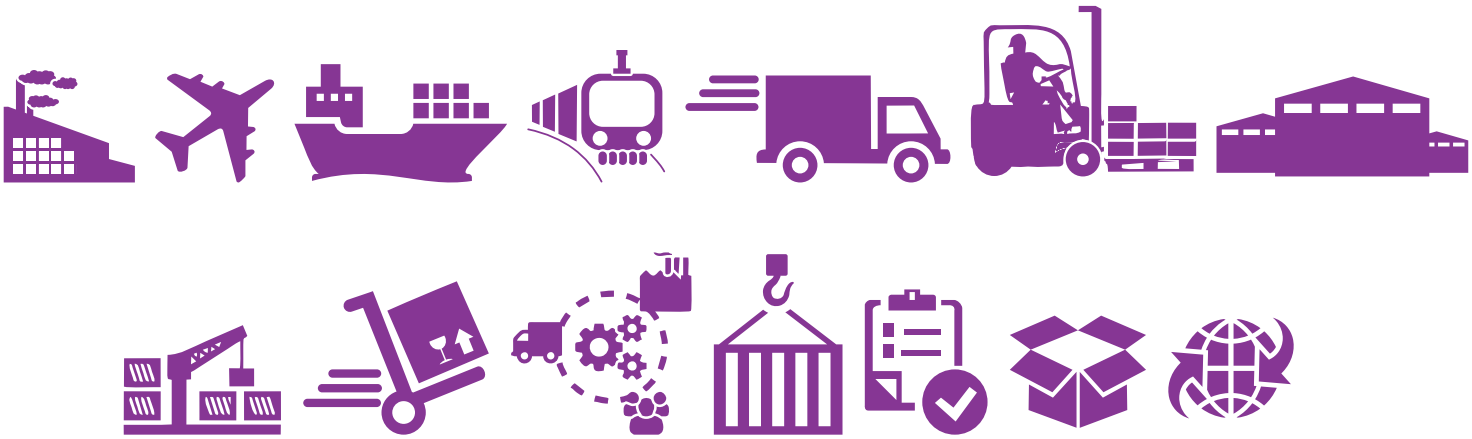
TCI
LEADERS IN LOGISTICS



LOGISTICS PERSPECTIVE: MAKE IN INDIA & DIGITAL INDIA

LOGISTICS SOLUTIONS DRIVEN BY EXCELLENCE

Multimodal transport solutions	Express Distribution Specialist	End to End solutions for all Logistics and Supply chain needs	Coastal container and bulk cargo movements	International Logistics
TCI Freight	TCI XPS	TCI Supply Chain Solutions	TCI Seaways	TCI Global

1400 fully computerized officers • 5000+ strong and dedicated team members • Over 9000 trucks in operations • Fleet of 4 cargo ships • 10.5 milion Sq. ft. of covered warehousing space • Moving 2.5% of India's GDP by value of cargo • Own offices in 4 countries • CHA License • ISO Certified

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TCI
LEADERS IN LOGISTICS
Transport Corporation of India Limited

EDITORIAL

KNOWLEDGE INITIATIVE OF TCI GROUP

Dear Readers,

This edition focuses the in vogue topic, "Make in India". A great initiative by Government of India led by DIPP (Department of Industrial Policy and Promotion). We try to establish the role the logistics industry can and has to play to make this initiative a success. Lots to do, you all will agree.

The benchmark for the logistics industry will be to match the quality standards manufacturers/brands/retailers are used to globally, at a cost and efficiency not seen thus far in India. TCI in a small but definite way wishes to share with its esteemed readers the steps it has or will take to be in the forefront and support the widely acclaimed "Make in India" program. We have thus coined a word "LOGISTICS IN INDIA for MAKE IN INDIA by TCI GROUP"

Our corporate updates cover the usual events and the awards.

Do read and give us your valuable inputs!!!

Write to us

We invite our readers who are experts in their domain areas to send us contributory articles.

In case you are interested, please write to us and we shall contact you with details on topics.

E-mail : enroute@tcil.com

TCI Publication on Logistics and SCM

App also available on IOS & Android platform

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Upasna Ashok **Krishna Rao**

COVERING NOTE

Make In India is no more just a dream but has transformed into a magnificent reality of today. In the following edition of ENROUTE, we are capturing amazing and inspiring Make In India initiatives, its various industrial growth aspects and features along with the logistics and supply chain management industry all at one place.

Make In India initiative gave a platform to India to showcase the prospective of design, innovation and sustainability across India's various sectors especially the manufacturing sector in the coming times. The following edition of ENROUTE will broadly cover Make In India under:

• **Statistics** • **Events at Mumbai** • **Digital India** • **TCI in Make In India** • **Logistics Perspective**

1 **MAKE IN INDIA – GAME CHANGER FOR LOGISTICS**
A) Statistics: Key highlights of Make In India
B) Future Prospects of Make In India

MAKE IN INDIA AT MUMBAI 2
C) Success Story of Make In India Week at Mumbai
D) Introduction of Key Sectors Under Make In India
1) Automobile & Its Components **2)** Chemical
3) Railways **4)** Ports & Shipping

3 **DIGITAL INDIA**
E)Digital India: A Boon or a Bane for Smart Supply Chain
F)Ease of Doing Business: Logistics Performance Index

TCI IN MAKE IN INDIA 4
G)TCI's Participation at Make In India Weeks
H)Vision Next: Service Basket Customized for Make In India

5 **LOGISTICS PERSPECTIVE/ TAKE AWAYS**
I) Logistics and Make In India
J) Make In India effect on Logistics in GST

6 **CORPORATE UPDATES**

GLOSSARY 7

With the launch of the Make In India Initiative, India is poised to become the next global design and manufacturing hub. The nations has recently witnessed a stronger credibility than ever which comes along with visible momentum and optimistic energy driving it ahead through the Make In India new infrastructural platform. In short, we can say that India, the world's largest democracy is all set to become the most powerful economy of the world.

The following section will provide you the glimpse of various statistical information related to the Make In India Initiative.

1 MAKE IN INDIA
GAME CHANGER FOR LOGISTICS

A Statistics: Key highlights of Make In India

Future Prospects of Make In India B

MAKE IN INDIA: A GAME CHANGER FOR LOGISTICS

Make In India Initiative has favored India in many ways. Following are few key points that took place with introduction of Make In India Initiative.

1st among the world's fastest growing economies

Source: International Monetary Fund

1st among the world's topmost greenfield FDI destinations, January-June, 2015

Source: Financial Times – FDI Markets

1st among 100 countries on the Growth, Innovation and Leadership Index

Source: Frost & Sullivan

1st among the world's fastest growing economies in both 2016 & 2017

Source: WESP Report 2016, United Nations

1st choice for tech MNCs to set up R&D centres outside their home countries

Source: Zinnov Management Consulting Report

7th most valued nation brand in the world

Source: Brand Finance

1st among the world's most attractive investment destinations

Source: Ernst & Young – 2015 India Attractiveness Survey

1st among 110 investment destinations polled globally

Source: Foreign Policy Magazine –Baseline Profitability Index 2015

Among the top 10 FDI destinations

Source: World Investment Report 2015, UNCTAD

Jumped 12 places on Ease of Doing Business 2016 list

Source: World Bank

Moved up 16 places on the Global Competitiveness Index 2015-16

Source: World Economic Forum

LAUNCHED IN SEPTEMBER 2014, MAKE IN INDIA IS A MAJOR NATIONAL INITIATIVE, DESIGNED TO FACILITATE INVESTMENT, FOSTER INNOVATION, ENHANCE SKILL DEVELOPMENT, PROTECT INTELLECTUAL PROPERTY AND BUILD BEST-IN-CLASS MANUFACTURING INFRASTRUCTURE. THERE'S NEVER BEEN A BETTER TIME TO MAKE IN INDIA.

MAKE IN INDIA

35%

growth in FDI equity inflows

Source: Department of Industrial Policy & Promotion, Government of India

Launched in September 2014, Make In India is a major National Initiative designed to:

Facilitate Investment

Foster Innovation

Enhance Skill Development

Protect Intellectual Property

Build Best In Class Manufacturing Infrastructure

The main objective of Make In India Initiative is:

SHOWCASE+CONNECT+COLLABORATE

- Showcase potential of design, innovation and sustainability and sense of pride in Indian manufacturing
- Connect with global industry leaders and administrators
- Collaborate to take corporate and public participation to the next level

Maharashtra is the partner state for Make In India

During **Make In India Week** which was held from 13-18th February, 2016, Make in India Centre featured exhibition of most innovative products and manufacturing processes that have been developed in India

Snapshots of Make In India Week
The Centre was at MMRDA Grounds, BKC in area of ~ 2,20,000 sq. m with 27 halls
The space itself was an avant-garde statement in design, merging the aesthetics of traditional craft with a futuristic vision
A showcase of 160 global and Indian companies across key focus sectors was seen during the week.
11 sectors and 2 country pavilions were created.

Source : Department of Industrial Policy & Promotion, Government of India

At the State Pavilion, a display of India's major manufacturing States, their achievements and investment potential of 18 States were vividly displayed.

- Gujarat
- Maharashtra
- Andhra Pradesh
- Jharkhand
- Odisha
- Rajasthan
- Telangana
- Himachal Pradesh
- Tamil Nadu
- Karnataka
- Kerala
- Uttar Pradesh
- Punjab
- Chhattisgarh
- Haryana
- Madhya Pradesh
- Bihar
- Daman & Diu, Dadra & Nagar Haveli

Source: Make In India Brochure

Key Highlights of Make In India Initiative

48%

THE INCREASE IN YEAR-ON-YEAR GROWTH IN FOREIGN DIRECT INVESTMENT INFLOWS TO INDIA RECORDED FOR THE PERIOD OCTOBER 2014 TO APRIL 2015.

1

INDIA'S POSITION IN A RATING OF THE WORLD'S FASTEST GROWING ECONOMIES.

14

THE NUMBER OF GOVERNMENT SERVICES THAT CAN BE AVAILED OF BY INVESTOR AT A SINGLE WINDOW ONLINE PORTAL.

1

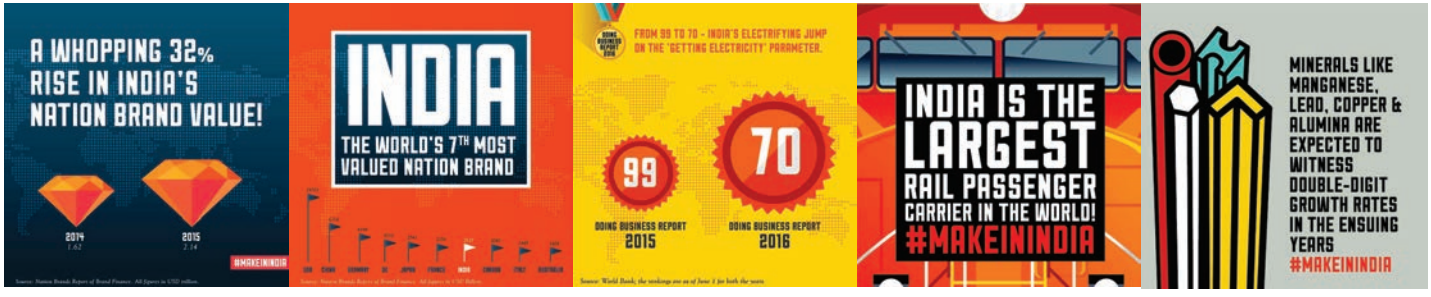
INDIA'S RANK AMONGST THE WORLD'S TOPMOST INVESTMENT DESTINATIONS, FROM 110 COUNTRIES POLLED.

3

INDIA'S POSITION AMONGST THE WORLD'S BEST PROSPECTIVE INVESTMENT DESTINATIONS, 2015-2017.

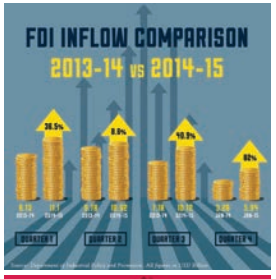
Source: Make In India Instagram

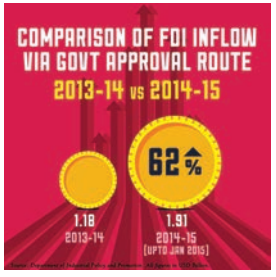
Key Highlights of Make In India Initiative

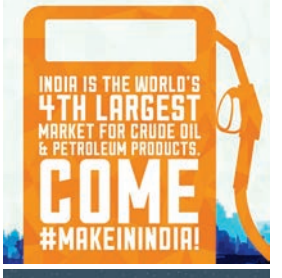


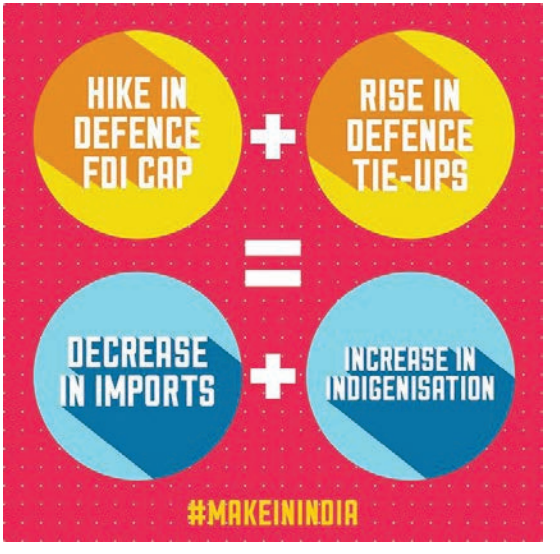
Source: Make In India Instagram

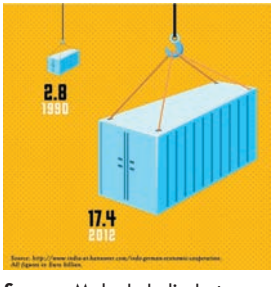
Future Prospects for India through Make In India











Source: Make In India Instagram

Conclusion: Some promising logistics and supply chain solutions can bring great focus and investments to the logistics and warehousing industry.

Set against the vibrant backdrop of India's commercial capital – Mumbai, Make In India Week offered access, insights and opportunities to connect and collaborate to Indian and global industry leaders/visionaries, academicians, central and state administrations.

Not only did the Week Long Calendar provide platform to the various industries to showcase their potential to the world but also helped them thrust forward the innovative products and novel manufacturing processes developed in India with a vision to clout innovation, design and technology background to the global markets.

In the following section you will read about the vivid Make In India Week and its major highlights of the week-long event.

2 MAKE IN INDIA - WEEK

C Success Story of Make In India Week at Mumbai

Introduction of Key Sectors Under Make In India

1) Automobile & Its Components **2)** Chemical
3) Railways **4)** Ports & Shipping

D

SUCCESS STORY OF MAKE IN INDIA WEEK

Make In India initiative is launched with the aim at making India a Global Manufacturing Hub and to generate millions of job opportunity in the country. During the Make In India Week which was held between 13th to 18th February, 2016, at MMRDA Grounds, BKC, Mumbai, Maharashtra, it was evident enough that the initiative will be a huge hit as the response received both on national as well as international level was humungous.

Make in India Center spread over an area of 2.2 lakh square meters and 27 halls. Along with 17 state exhibitions, the Centre held exhibitions from various foreign countries namely:

- Sweden
- Germany
- South Korea

All time High Response for Make In India

> Rs.15, 20, 0000 Crore Investment Committed	**Rs. 1,05,000** Crore of Business Enquiries	**8,90,000** Visitors	**150** Events under Make In India Week
102 Countries Represented	**1,245** Speakers – National and International	**215** Exhibitors	**8,245** B2B, B2G and G2G Meetings

Participation

20	PMs Deputy PM & Foreign Ministers
13	Government of India Ministers
15	Chief Ministers and State Ministers
1000	CEOs and CXOs
Over 9,000	Indian Companies
Over 2,000	Foreign Companies
Over 4,000	Foreign Delegates

B2B/B2G/G2G Meetings

6,800	Business-To-Business
1,400	Business-To-Government
45	Government-To-Government

EVENTS: (Seminars, Knowledge sharing sessions, Other activities)

150	Number of events under Make In India
52	Events in Make In India
1,245	Total number of Speakers
65,500	Participants in events and seminars at MIIC

Source : www.makeinindia.com

Showcase for India's Manufacturing Prowess

Created avenues for showcasing, connecting and collaborating for manufacturing in India
Promoted Investment enabling environment and healthy competitive spirit amongst States
Encouraged Design, Innovation, Youth and Startups
A platform where global CEOs, think tanks, policy makers, Diplomats and Political leaders converged

Source: Make In India website

Conclusion: The event showcased the people, policies and partnerships that are driving India's new manufacturing revolution as well as displayed the true potential of the country. The flagship event acted as a medium for reinforcing India's commitment and potential to emerge as a global manufacturing hub.

SECTORS UNDER MAKE IN INDIA

Introduction to the Key Sectors under Make In India Project

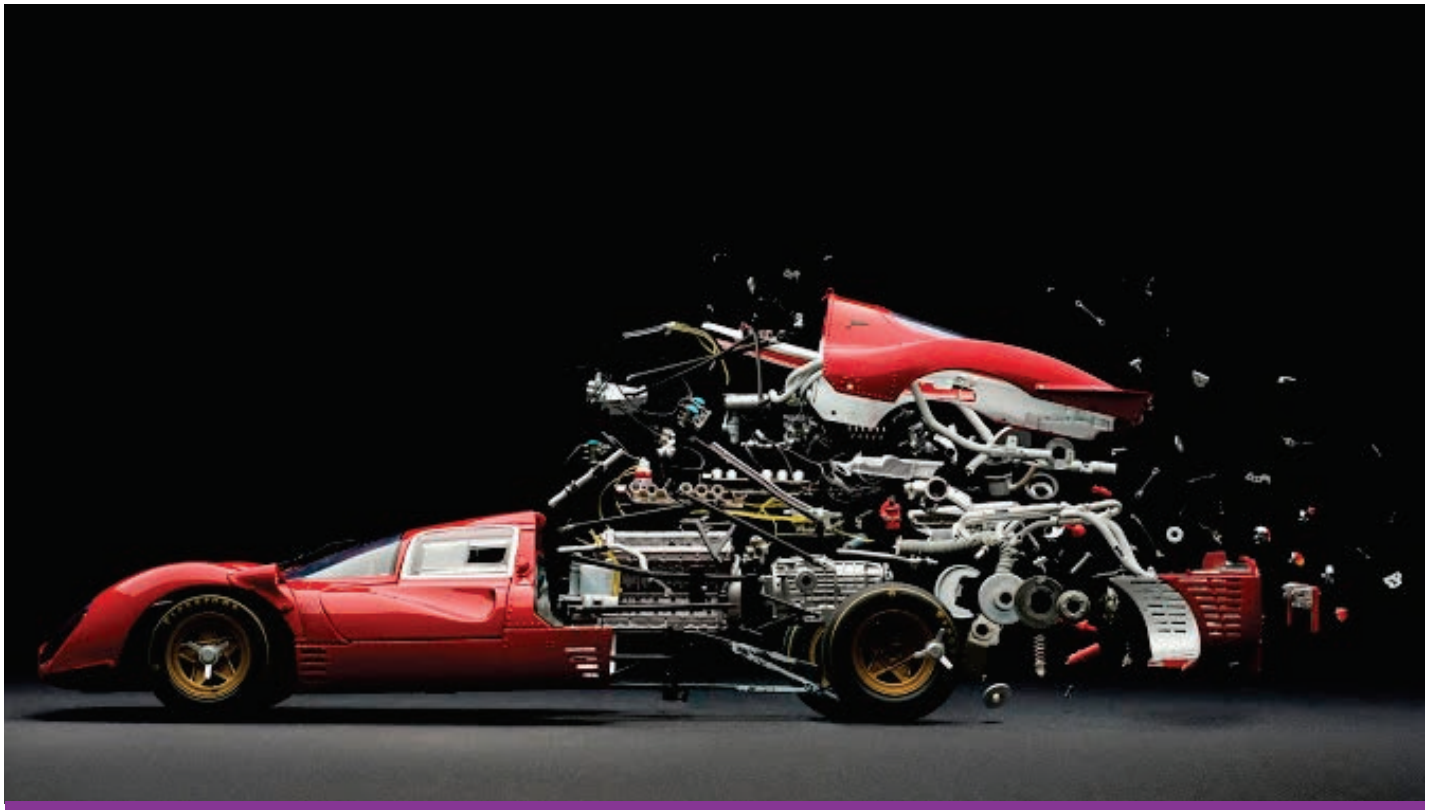
'Make in India' programme has driven a lot a project statements and investment commitments since it was unveiled to revive the country's ailing manufacturing sector.

Under the programme, a special emphasis on encouraging major national and international corporations to manufacture their products in India has been laid. This is also aimed at job creation and skill enhancement in 25 key sectors, with an eye on propelling the domestic economy.

MAKE IN INDIA FOCUS SECTORS ARE

Automobiles	**Defense**	**Leather**	**Railways**	**Tourism**
Automobile Component	**Manufacturing**	**Media and Entertainment**	**Renewable Energy**	
Aviation	**Electrical Machinery**	**Mining**	**Roads and Highways**	
Biotechnology	**Electronics Systems**	**Oil and Gas**	**Space**	**Hospitality and Wellness**
Chemicals	**Food Processing (FMCG)**	**Pharmaceuticals**	**Textiles and Garments**	
Construction	**IT & BPM**	**Ports**	**Thermal Power**	

Conclusion: *Make In India provides a new push to all the aforementioned sectors in order to attract more FDIs and also to introduce them to the global market on a larger scale. Further, we will discuss the four major sectors that play a vital role in logistics and Supply Chain industry namely, Automobile, Chemicals, Railways and Ports & Shipping.*



AUTOMOTIVE & ITS COMPONENTS

Global Automotive Industry (Production/Revenue)	**USD 9 Trillion**
Indian Automotive Industry (Production/Revenue)	**USD 19.64 Million**

Source: IBEF 2015-16

Challenges for Automotive Industry
Rising Production Cost
Market Growth in Developing Countries
Lowest Cost Sourcing
Balanced Inventory

Source: Make In India website

Facts About Automobile Industry
Seventh largest producer in the world with an average annual production of 23.36 Million vehicles.
Third largest automotive market by volume, by 2016.
Four large auto manufacturing hubs across the country.
7.1% of the country's GDP by volume.
Six Million-plus vehicles to be sold annually, by 2020.

Favorable Government Policy Under Make In India
Lower Excise Duty
Automotive Mission Plans
The Constitution of NATRip.
National Mission for Electric Mobility2020
FAME (Faster Adaptation and Manufacturing of Hybrid Land Electric Vehicles)

Source: Make In India website

Conclusion: *India is well positioned to consolidate and expand its position as a global auto hub. The country has all the ingredients required such as good quality labour, availability of steel, non-ferrous metals and plastic based components all bode very well for the sector. While the recent domestic demand had been muted, the long term prospect for the sector are intact- given the current low penetration levels of cars in Indian economy.*

CHEMICALS

Global Chemical Industry (Market Size)	**USD 3933 Billion**
Indian Chemical Industry (Market Size)	**USD 118 Billion**

Resource: Economics Times, 2014

Challenges for Chemical Industry
Longer Import Clearance
Poor Road Infrastructure
Shortage of Power Supply
Smaller and Less Integrated Chemical Players
Violation of Environment Safety Measure
Lower Import Duties
Tariff and Non-Tariff Barriers

Source: Make In India website

Chemical Products
Petrochemicals
Fertilizers
Paints & Varnishes
Gases
Soaps
Perfumes & Toiletries
Pharmaceuticals

Facts About Indian Chemical Industry
Currently stands at USD 118 Billion.
Accounted for ~9% of the total India's exports.
Bulk chemicals form the largest sub-segment with 40% market share.
India is emerging as one of the important destinations globally.
Specialty chemicals with ~19% market share is the fastest growing segment.
Gujarat, Maharashtra & Uttar Pradesh together account for more than 50% of Gross Value Add (GVA) & Gross Output
Indian chemical industry is amongst fastest growing industry with a rate of 12%
Contributes $16.1 billion to export and $24 billion to import respectively.
Expected to grow at 13-17% p.a in next 5 years
Contributes about 2.5 per cent to the GDP of the country

Favorable Government Policy Under Make In India
Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR)
Plastic Park
State-Of-The-Art Infrastructure
National Mission for Electric Mobility2020
Green & Sustainable Technologies

Source: Make In India website

Conclusion: *With increasing demand of chemical products for industrial and commercial purpose, storage and transportation of bulk liquid chemicals becomes an important task. Production as well as consumption is well spread across India making chemical logistics and storage an attractive industry.*

RAILWAYS

Global Railway Industry (Revenue)	**USD 196 Billion**
Indian Railway Industry (Revenue)	**USD 24 Billion**

Source: Wikipedia (2014-15) & Statista (2013)

Challenges for Railway Industry
Overburdened and Inadequate Railway Network
Unfavorable Geographical Locations
Stiff Competition for passenger and good Traffic from Road Transportation.
Overburdened with Surplus Railway Staff
Inefficient Funds to meet Diesel and Electric Power Supply Needs
Adverse Effect of the Increase in the Diesel Rates
Mounting Deficit due to Non-Increase in Tariffs and Fares

Source: Make In India website

Railways Key Services
Passenger Railways
Freight Services
Parcel Carriers
Catering & Tourism Services
Parking Lot Operations

Favorable Government Policies Under Make In India
Indian Railways Vision 2020
Participative Policy of December, 2012

Facts About Indian Railways
Fourth largest rail freight carrier in the world
Indian Railways envisages an investment of INR 8.5 lakh crore in the next five years
1.3 Million Strong workforce
World's largest passenger carrier
In 2014-15, IR carried 8.397 billion passengers annually or more than 23 million passengers a day
It carries 1058.81 million tons of freight in the year
It contributes to revenues of ₹1634.50 billion (US$24 billion) which consists of ₹1069.27 billion (US$16 billion) from freight and ₹402.80 billion (US$6.0 billion) from passengers tickets.
There are 17 railway zones
The sector runs 21,598 trains, carrying over 23 Million passenger daily and connecting more than 7,112 stations
Indian Railways runs more than 8,636 freight trains, carrying about 3 Million Tonnes of freight every day

Source: Make In India website, wikipedia statistics (2003)

Conclusion: *The Indian Railway network is growing at a healthy rate. In the next five years, the Indian railway market will be the 3rd largest, accounting for 10 per cent of the global market.*

PORTS & SHIPPING

Global Shipping Industry	**USD 150 Billion**
Indian Port Industry (Volume)	**8 Million TEUs**

Source: IBEF 2015-16

Challenges for Shipping Industry
Port Congestion
Exorbitant terminal Charges
Inadequate Infrastructure.
Inability of the Indian ports to meet the rising demand in container traffic
Largely Traditional Fleets making it inevitable

Source: Make In India website

Shipping Key Services
Coastal Shipping
Ship Chartering
International Shipping
Project Cargo
Bulk Cargo
Domestic Containerized Cargo
Reefer Cargo
Dry Bulk
Liquid Bulk

Favorable Government Policies Under Make In India
Development of Two Major Ports as well as Two Port Hubs
Plans to implement full mechanization of cargo handling and movement at ports
Allocation of INR 116.35 Billion for the development of the Outer Harbour Project in Tuticorin for Phase I
A Ganges-based project named 'Jal Marg undertaken between Allahabad and Haldia to be completed over a period of six years at an estimated cost of INR 42 Billion
Exemptions under the Income Tax Act for Infrastructure Development, under Section 80IA

Source: Make In India website, wikipedia, IBEF

Facts About Ports & Shipping
Over 7500 kilometres of coastline with 12 major and about 200 non-major ports.
It carried 1,052 million metric tonnes (MMT) in 2015 of cargo traffic.
India is the sixteenth largest maritime country in the world, with a coastline of about 7,517 km.
The capacity of all the major ports as on March 31, 2015 was 871.52 MMT
Container-handling in FY 2015 expanded 6.7 per cent year-over-year to 8 million twenty foot-equivalent units (TEUs)
Containerized cargo tonnage grew 4 per cent to 119 million tons
88 projects involving investment of INR 380 Billion approved in last three years
INR 175 Billion invested in last three years
The sector runs 21,598 trains, carrying over 23 Million passengers daily and connecting more than 7,112 stations
Indian Railways runs more than 8,636 freight trains, carrying about 3 Million Tonnes of freight every day
Focus on the development of terminals that deal with a particular type of cargo, E.g. LNG

Port Support Services
Operation & Maintenance Services – Pilotage, Harbouring, Dredging
Provision of Marine Assets like barges & dredges
Ship Repair Facility at Ports
Construction of New Dry Dock at the Ports
Set Up Ancillary Repair Facilities

Conclusion: *With globalization and liberalization, the Indian shipping industry is all set to acquire new dimensions in terms of demand and infrastructural development. In order to resist stiff competition posed by foreign companies, the Indian shipping companies are striving to bring about rapid transformation.*

Transport Corporation of India, the leaders in Integrated Multimodal Logistics and Supply Chain Solutions have come forward to be an active participant of Make India Initiative. In the following section, you will get to know about TCI's participation during the Make In India Week and will also be introduced to the entire gamut of services that is especially crafted by TCI to serve under the Make In India Initiative.

3 TCI IN MAKE IN INDIA

E TCI's Participation at Make In India Weeks

Vision Next: Service Basket Customized for Make In India F

ROLE OF TCI AT MAKE IN INDIA

As a part of its constant endeavor to push the bar further for itself, TCI also participated at the Make In India Week held at MMRDA Grounds in MMRDA Grounds in Mumbai from 13-18th February, 2016.

TCI participated as the Exhibitor and were the only logistics company to have a table space at the event where they displayed entire basket of services that is planned to serve under the Make In India Campaign. Being the Leaders in Logistics and Supply Chain, the services provided by TCI are crafted in such a way as to cover the integrated multimodal logistics and supply chain solution requirement of all the industries. Some of the major industries covered under the service basket are:

Auto | Record Management | Pharmaceuticals | Telecom | FMCG | Electronics | Retail | Cold Chain

VISION NEXT: TCI'S SERVICE BASKET TO SERVE UNDER MAKE IN INDIA

TCI, the leaders in Integrated Multimodal Logistics and Supply Chain Solutions is all set to serve under the Government's Make In India Initiative and brings an entire gamut of services that will not only help TCI grow but also will make the movement of goods and services in the nation cost effective and efficient.

Under the Initiative, TCI introduces services under four major categories:

S. No.	Categories	TCI Services
1	**Supply Chain Solutions**	Information Management, Lead Logistics, Record Management, Specialized Logistics, Supply Chain Design and Re-engineering, Value Added Services, Warehouse Management, Yard Management
2	**Freight Services**	LTL, FTL, PHH, ODC, Warehousing and Storage Facility, Modernized and Latest Equipped Hubs, Multiple Deliveries from Single Location, Containerized Movements for High Value Cargo, End to End Multimodal Transportation, Key Account Management, Break Bulk & Full Train Movement, FTL/ FCL Container Movement, LTL/LCL Console Movement, Developing Private Freight Terminal & CFS
3	**Rail Road Services**	Full Rake & Piece Meal Container Movement, Customized Container, First & Last Mile Transportation, and Terminal Management.
4	**Coastal Movement**	Coastal Shipping, Ship Chartering, International Shipping, Project Cargo, Bulk Cargo, Domestic Containerized Cargo, Project Cargo, Reefer Cargo, Food Grains, Container Feeder Service

Conclusion: With the whole basket of Make In India specific services, TCI is all set to drive itself to the next level and establish itself as one of the leaders in global logistics and supply chain solution providers category.

The Make in India project's success is directly proportional to logistics industry. Only if logistics is put in order, will we see quick and efficient outcomes which will result in high credibility for the Make In India project. If we want the market to produce efficiently and be competitive, we need to know and have a systematic way to get raw materials & distribute.

The following section will give us a better understanding of how logistics is a key driver for the Make In India success story and what are the key factors to be kept in mind in order to improve logistics and SCM in order to improve the capability of the Make In India project.

4 LOGISTICS PERSPECTIVE TAKE AWAYS

F Logistical Impression

Make In India effect on Logistics in GST G

LOGISTICAL IMPRESSIONS

The nature of the subcontinent's supply chain is guaranteed a makeover with the 'Make In India' getting a shape physically.

The urgency behind Make In India infrastructure initiatives will inspire rapid expansion and hardening of the nation's freight transportation network to accommodate the projected increase in traffic. The budget for railway which will expand the nation's total freight capacity by 50% to 1.5 billion tons per year was approved earlier in 2015.

India is the 7th largest country in the world in terms of land area presents a unique logistical challenge for domestic and international manufacturers.

Before any of the planned and proposed improvements to India's infrastructure and domestic bureaucracy are enacted, those considering business involving the Indian supply chain should consider several factors:

Factors to Keep In Mind
A 2014 World Bank survey ranked India 46th in global trade logistics performance, placing it behind some of its biggest competitors for foreign manufacturing investment like Mexico and Turkey
Planned domestic infrastructure improvements will be costly, especially freight rail expansion — expect those costs to lead to higher freight tariffs
Perishable and cold supply chains face a 20% spoilage rate on average due to inefficiencies in India's domestic freight infrastructure
India is approximately two weeks farther from the United States by shipping line than China
Frequent power outages may cause delays in manufacturing schedules and an increased likelihood of defective parts
India lacks a developed supply base: raw materials and parts are still often imported for production
The import process to the country remains complicated and non-standardized, causing higher than normal requirements for inventory to offset unpredictable delays

Conclusion: The lingering question remains: will many infrastructure investments bear fruit in time to attract enough foreign manufacturers to call "Make In India" a success?

MAKE IN INDIA IMPACT ON LOGISTICS IN GST

Logistics industry in India is highly fragmented and yet to progress as a major contributor of supply chain. This sector has been primarily bottleneck in driving the economic growth due to multiple taxes charged by interstate authority and checkpoints and various toll booths throughout the country. This is majorly because of the archaic laws and multi layered tax system of the nation more than that from bad road or inefficiency of driver.

It is a well-known fact that road transportation covers more than 60% of the total freight traffic of the country because of various reasons.

Benefits of GST for Logistics under Make In India
Enabling LSPs to deliver efficiently and optimize delivery times as compared to the present.
Reduction in delivery expenses by 12-15% thereby lowering the final price of the goods.
Fall in the price of the domestic goods will increase the competitiveness of Indian goods and services in International Market.
Unethical practices by the business enterprises and logistics providers in order to evade tax will also decline
A shift of focus for businessmen from saving taxes towards increasing efficiencies.
A progress in third party logistics will also be witnessed as a result of input tax credit mechanism.
The interstate tax will become neutral leading to the evolution of India as a single market place without state borders.
Large warehouses will be established at key strategic locations along with few Regional Hubs.

Conclusion: With Make In India plan and GST being soon to be rolled out, a new era will be unleashed for the logistics sector as the regulatory reforms so far proposed under the GST Bill will create opportunity to re-engineer logistics, transportation networks and design innovative supply chain for reducing cost and increasing efficiency.

Digital India is a campaign launched to ensure that all the major services are made available to common populace electronically by improving online infrastructure and by increasing Internet connectivity or by making the country digitally empowered in the field of technology. Digital India project also plays an important role for Supply Chain Management. In the following section get to know how Digital India will stand in the favor of the Logistics and Supply Chain Industry along with understanding what Logistics Performance Index is and where does India stand at the same.

5 DIGITAL INDIA

H **Digital India:** A Boon or a Bane for Smart Supply Chain

Ease of Doing Business: Logistics Performance Index I

DIGITAL INDIA: A BOON OR BANE FOR SMART SUPPLY CHAIN

The rise in the growth of online retail transactions via marketplaces is due to the underlying mobile technology and the ready availability of online access. As a result, the profile of the Indian consumer is changing.

Current Indian Consumer's Profile
Per capita incomes, on a PPP basis, have risen from Rs 2,940 in 2005 to Rs 5,350 in 2013.
Reduction in delivery expenses by 12-15% thereby lowering the final price of the goods.
At the same time, people have been moving as urbanization steadily increases, from 28.5% in 2001 to 31.6% by 2011.
With more and more companies making a beeline for a market where 20% year on year value growth is a norm.
Companies in India have to deal with rising inflation and complex, sometimes opaque, supply chains.
Many consumer product companies look to shave off costs from every element to protect margins.
In the last five years, raw material prices have risen by 32%, aided by a depreciating rupee.

According to AMI-Partners research report, mobile platforms have emerged as a major gateway for customer purchases as smartphones are increasingly replacing PCs for online shopping. Competition is heating up among online retailers.

Though the supply chain in India has seen many new developments in terms of innovations, adaptation and agility, still most consumer goods supply chains are both complex and information starved. With growth, the cost of this capital avoidance has been steadily increasing. With Digital India coming into the picture the gap between the Indian Supply Chain Industries efficiency and its innovation, agility and adaptability can be bridged.

Role of Digital Media for Smart Supply Chain
Visibility can lead to more efficient storage and routing of produce.
This will increase availability, while helping moderate and stabilize prices.
By eliminating long, multi-stage supply chains, we can expect better farmer income combined with lowered delivered cost.
Along with the need for physical infrastructure investments a much stronger information flow is also required.
Relevant software applications to utilize these platforms, should be forthcoming from the industry.

The objective of the Digital India is to come out with innovative ideas and practical solutions to transforming the existing logistics and supply chain model and creating opportunities for all players of the industry by harnessing digital technologies.

EASE OF DOING BUSINESS: LOGISTICS PERFORMANCE INDEX

Logistics Performance Index overall score reflects perceptions of a country's logistics based on:

Base for Logistics Performance Index
Efficiency of customs clearance process
Quality of trade and transport-related infrastructure
Ease of arranging competitively priced shipments
Quality of logistics services
Ability to track and trace consignments
Frequency with which shipments reach the consignee within the scheduled time.

The index ranges from 1 to 5, with a higher score representing better performance. Data are from Logistics Performance Index surveys conducted by the World Bank in partnership with academic and international institutions and private companies and individuals engaged in international logistics.

Respondents evaluated the quality of trade and transport related infrastructure (e.g. ports, railroads, roads, information technology), on a rating ranging from 1 (very low) to 5 (very high). Scores are averaged across all respondents. This page has the latest recorded value, an historical data chart and related indicators for Logistics performance index: Quality of trade and transport-related infrastructure (1=low to 5=high) in India.

6 CORPORATE UPDATES

Awards

1. TCI Freight won 2 Accolades during Idemitsu Parnter's Meet 2016
2. TCI SCS won award for Best Warehouse Management of the Year 2016
3. TCI Ranked 37 by World HRD Congress in a Programme held at Mumbai
4. TCI Won an Award for Effective Retail Through Supply Chain by Asia Retail Congress at Mumbai
5. TCI Foundation won Global CSR Excellence and Leadership Award organized by ABP New Channel in Mumbai
6. TCI SCS Won Award for Manufacturing Supply Chain Service Provider of the Year

Events

1. TCI SCS participated at the 6th Edition of Supply Chain & Logistics Summit Cum Awards held at New Delhi
2. TCI SCS was the Associate Sponsor for the CII National Retail Summit 2016 held at Delhi
3. TCI SCS Sponsored 5th India Manufacturing Supply Chain Summit organized by KamiKaze
4. TCI Participated at AIMA's 2nd National Leadership Conclave held at New Delhi
5. TCI XPS Participated in the Garment Fair 2016 held at Indore
6. TCI Foundation participated at Auto EXPO 2016
7. TCI participated at Chemlog India 2016 Conference
8. TCI Ltd. & TCI Bangladesh Ltd. New Facebook Pages Up and Running!
9. Killer Instinct: Next Gen 2016 - Outbound Training Program for TCI SCS
10. TCI Institute of Logistics' New Centres opened at Varanasi
11. Unsecured Creditors & Equity Shareholders Meeting 2016
12. TCI & TMLDC Jointly Sponsored Ward Scholarship Scheme for Truck Drivers at Dharuhera

TCI Freight won 2 Accolades during Idemitsu Parnter's Meet 2016

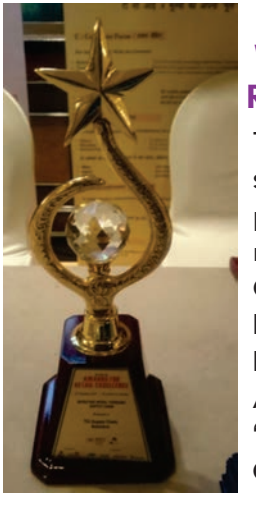
TCI Freight won 2 awards for their contribution at a Partner's Meet organized by Idemitsu Kosan Co. Ltd., a fortune 500 Japanese Company on 21st January, 2016 held at Mumbai.

TCI CONCOR Won 2nd Prize at CONCOR Customer Meet held at Nagpur

TCI CONCOR won a second prize in the **"Highest Traffic Movement in Domestic Business"** category organized by **Container Corporation of India Ltd. (CONCOR)** had organized a Customer Meet on 16th January, 2016 at The Pride Continental, Wardha Road, Nagpur

TCI Ranked 37 by World HRD Congress in a Programme held at Mumbai

TCI ranked 37 in Dream companies to work for by World HRD Congress in a programme held in Mumbai on 16th February 2016.



Asia Retail Congress: TCI Won an Award for Effective Retail Through Supply Chain

TCI participated in the Asia's single most important global platform to promote world-class retail practices, Asia Retail Congress 2016 held at Taj Lands End, Mumbai from 19th- 20th February, 2016 and also won Award for Retail Excellence – "Effective Retail Through Supply Chain" at the Congress.

TCI Foundation won Global CSR Excellence and Leadership Award organized by ABP New Channel in Mumbai

TCI Foundation has been awarded Global CSR Excellence and Leadership Award by ABP News in the category of "Concern for Health" at a ceremony in Hotel Taj at Mumbai on 17th February, 2016 coinciding with the World CSR Day being celebrated every year on February 17. TCI Foundation was the sole winner in this category.

TCI SCS won award for Best Warehouse Management of the Year 2016

TCI SCS won an award for Best Warehouse Management of the Year 2016 organized by Indian Chambers of Commerce at New Delhi on 11th March, 2016.

TCI SCS participated at the 6th Edition of Supply Chain & Logistics Summit Cum Awards held at New Delhi

TCI SCS was nominated and won an award for the Best Warehouse Management of the Year 2016 at the event and was one of the sponsor for the Summit organized by CC's flagship annual "ICC Supply Chain & Logistics Summit & Awards" was hosted on 11th March, 2016 at the hotel "The Park" in New Delhi for its 6th edition.

TCI SCS was the Associate Sponsor for the CII National Retail Summit 2016 held at Delhi

TCI SCS participated in the National Retail Summit 2016 organized by Confederation of Indian Industry (CII) on 15th January, 2016 and held at Longchamp, Taj Mahal Hotel, New Delhi to capture the learning and implement the innovative idea shared by the industry in real life and also was the associate sponsor for the respective.

5th India Manufacturing Supply Chain Summit organized by KamiKaze and Silver Sponsored by TCI SCS

TCI SCS participated in the Summit to implement the learning from the summit on practical level in the 5th India Manufacturing Supply Chain Summit was organized by KamiKaze was organized from 18th-19th February, 2016 held at the Westin Garden City, Mumbai and also was the Silver Sponsor for the same.

TCI participated in AIMA's 2nd National Leadership Conclave (NLC) at Delhi

TCI participated as the corporate contributor in the conclave at the 2nd National Leadership Conclave (NLC) on 3rd & 4th March 2015 on the theme 'Making India a Creative Superpower' at New Delhi.

TCI XPS Participated in the Garment Fair 2016 held at Indore

TCI XPS participated during the Fair and also held a canopy registration counter at the Indore Readymade Vastra Vayapari Sangh organized Garment Fair 2016 at LabhGanga Parisar in Indore from 6th-8th March', 2016.

TCI Foundation participated at Auto EXPO 2016

TCI Foundation, the social wing of Transport Corporation of India Limited (TCI), participated in the recently concluded Auto-Expo 2016. TCI Foundation's participation in the Auto-Expo 2016 was primarily aimed at creating a healthy awareness and understanding about its initiatives amongst the public and exhibited a stall.

TCI participated at Chemlog India 2016 Conference

TCI participated in the Chemlog India 2016 conference, 1st of its kind conference focusing on latest technologies, new developments & trends in the Logistics & Supply Chain of Chemicals & Petrochemicals industry was held at Nehru Centre, Worli, Mumbai, on 29 January 2016. Some of the key sessions of the conference were:

TCI Bangladesh Ltd. Launched in Bangladesh

TCI has now started services in Bangladesh with the company named as TCI Bangladesh Ltd. With customer centric approach and services basket of TCI Bangladesh head quartered at Dhaka along with 2 other offices based at Petrapole Border (India) and Benapole Border (Bangladesh) includes end to end movement of goods through main borders of the countries, customs clearance at both sides of border pickup & delivery from anywhere to anywhere as per the customer requirement.

Killer Instinct: Next Gen 2016 - Outbound Training Program for TCI SCS

TCI SCS organized an experiential outbound training program by the name "KILLER INSTINCT – Next Gen" from 12th to 14th Feb., 2016 at Raigadh, Kolad, Maharashtra. The 3 nights 2 days program was for the budding leaders in the division.

TCI Institute of Logistics' New Centres opened at Varanasi

TCI Institute of Logistics, a TCI Group Company and affiliated by NSDC & Logistics Sector Skills Council, and offer courses which are aligned to National Occupational Standards opened up its new centre at Ramnagar, Varanasi on 1st Feb., 2016 and successfully completed on 20th February, 2016, after which interviews for the candidates were conducted and successful students got their offer letters.

Unsecured Creditors & Equity Shareholders Meeting 2016

In line with directions received from Hon'ble High Court of Hyderabad for the State of Telangana & for the State of Andhra Pradesh, the meetings of Unsecured Creditors & Equity Shareholders of the Company were held on 19th March, 2016 at FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry Federation House, Hyderabad to approve the Scheme of Demerger involving demerger of XPS division of the Company and its subsequent vesting into TCI Express Limited under the Chairmanship of Mr. P.V. Narasayya & Mr. B. Yadaiah respectively. Both the Chairmen are practicing advocates in Hyderabad High Court. The meeting was attended by Mr. O Swaminatha Reddy, Director, TCI; Mr. Chander Agarwal, Joint Managing Director, TCI; Mr. Ashish Tiwari, Group CFO, TCI along with Ms. Archana Pandey, Company Secretary & Compliance Officer, TCI .

The Scheme was unanimously approved by the shareholders and the creditors.

TCI & TMLDC Jointly Sponsored Ward Scholarship Scheme for Truck Drivers at Dharuhera

7th April, 2016, Dharuhera: TCI SCS & Tata Motors Ltd. Distribution Company (TMLDC) jointly sponsored the Scholarship scheme to support the Truck Drivers for their children's education studying in class 8-12 eligible for the scholarship. Close to 100 students were felicitated by the scholarship. Rs. 8000 each were given to the students conjointly by TMLDC & TCI SCS. Various activities for safety were conducted for the drivers.

7 GLOSSARY

Quick FAQs (Glossary: Genera; Logistics Abbreviations)

Age of Road Vehicle: Length of time after the first registration of the road vehicle, irrespective of the registering country.

Annual Average Daily Traffic Flow: Average flow of vehicles past a specific enumeration point on the road network.

Break Bulk: to commence discharge. To strip unitized cargo

Bulk Cargo: unpacked homogenous cargo poured loose in a certain space vessel or container e.g. oil and grain. Bulk, Carrier, Single deck vessel designed to carry homogenous unpacked cargoes such as grains, iron ore and coal.

Bulk Container: A container designed for the carriage of free flowing dry cargoes, which are loaded through hatchways in the roof of the container and discharged through hatchways at the end of the container.

Business Process Model: it provides a breakdown (process decomposition) of all levels of business processes within the scope of business area. It also shows process dynamics, lower level process interrelationships. In a summary, it includes all diagrams related to a process definition that allows for understanding what the business process is doing.

Coastal Shipping: Encompass the movement of cargo and passengers mainly by sea along a coast, without crossing an ocean.

Container: a box typically ten to forty feet long, which is used primarily for ocean freight shipment. For travel to and from ports, containers are loaded onto truck chassis' or on railroad flatcars.

Containerized Cargo: cargo that is transported in containers that can be transferred easily from one transportation mode to another.

Customs Clearance: The accomplishment of the Customs formalities necessary to allow goods to enter the country, to be exported or to be placed under another customer's procedure.

Freight: the charge levied for the carriage of goods including transshipment charges, if any.

Freight Traffic: the amount of traffic carried over a certain transport route in a given unit of time usually computed by dividing total ton-miles or passenger-miles by the length of the route.

FTL: Full Truck Load means that the load will fill up the entire truck.

General Cargo: Cargo, consisting of goods, unpacked or packed, for example in cartons, crates, bags or bales, often palletized. General Cargo can be shipped either in break bulk or containerized. Any consignment other than a consignment containing valuable cargo and charged for transport at general cargo rates (air cargo).

Goods Carried By Road: Any goods moved by road goods vehicles.

Goods In Transit By Road Throughout: Goods which entered the country by road and left the country by road at a point different from the point of entry, after having been carried across the country in the same goods motor vehicle.

GST: Goods and Service Tax is a value-added tax imposed by some countries on most goods and services sold for domestic consumption. The tax is levied in order to provide revenue for the federal government. The amount of the tax varies from country to country.

High Value Cargo: High-value and sensitive goods are the types of merchandise that require some degree of special consideration and handling during all phases of the delivery process – loading, in transit, and off-loading.

Information Management: The discipline that analyzes information as an organizational resource. It covers the definitions, uses, value and distribution of all data and information within an organization whether processed by computer or not.

Key Account Management (KAM): KAM describes a customer-oriented coordination unit within a company, in which activities associated with very important customers are consolidated.

Load Capacity: Maximum volume available in the vehicle (e.g. measured in cubic metres) for the carriage of goods.

LCL: Less than Container Load is a shipping term for cargo that is insufficient either in quantity or in weight to qualify for the freight rates applied to a standard shipping container.

LCL: Less Container Load, Loose Container Load

LTL: Less Than Truck Load is the transportation of relatively small freight. Parcel carriers usually handle small packages and freight that can be broken down into units less than 150 pounds (68 kg).

ODC: Over Dimensional Consignment (ODC) is a shipment system that is normally bigger than standard container in length, breadth and height. It is specially designed vessels having 500-1000 tons to carry the odc from one place to another.

Rail Freight: It includes all freight transportation carried by Rail.

Rake: An identifiable group of wagons consisting of mainly some type of stock as defined by the user.

Records Management: It refers to a set of activities required for systematically controlling the creation, distribution, use, maintenance, and disposition of recorded information maintained as evidence of business activities and transactions.

Road Traffic: Any movement of a road vehicle on a given road network.

Road Transit Transportation: road transport through a country between two places (a place of loading and a place of unloading) both located in another country or in other counties provided that the total journey within the country is by road and that there is no loading and unloading in that country.

Transshipment: The event involving unloading of goods, from one/group of Wagons and loading into one other group of Wagons, which occur due to a break of gauge, wagon becoming sick or accidents.

Value Added Services (VAS): Value added services are complimentary service options added to a core service offering.

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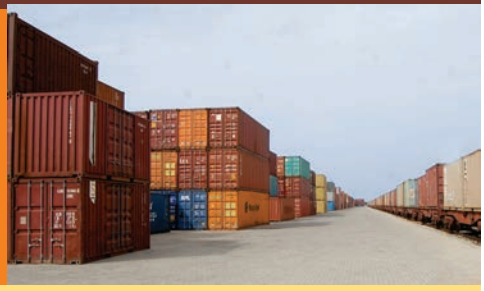
TCI
LEADERS IN LOGISTICS

MAKING LOGISTICS SMARTER

TCI Rail, a dedicated vertical of TCI, offers its customers end to end multimodal Rail-Road Logistics solutions for their various needs in a safe, speedy and cost effective manner. With rich knowledge and expertise in dealing with Indian Railways. TCI Rail is dedicated to providing world class freight solutions to its esteemed clinets.



Services

- Container Rake Service
- Indian Railway Rakes Services
- ICD/Warehouse Management
- Parcel Service

Add on Services

- Door Pickup and Door Delivery
- Tracking and MIS
- Pan India Network
- Huge Asset and Infrastructure
- Customised Solutions

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Best Practices

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  - RF enabled HHT for paperless Put away/Pick.
  - Activity Based Costing.
- Co-Warehousing : Per Pallet Storage o- highly Variable Cost model.
- Competent team with 100% compliance to statutory requirements.

Order Management

Labeling

Kitting

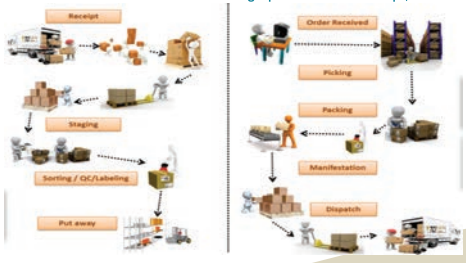
Packing

Road Permit Management

Excise & Customs Documentation

Science of DC Management

Refined 2-Stage processes for Receipt, Put away, Pick and Ship



One time in Full (OTIF)

- Receipt to Put away.
- Order to Pick and Ship.
- On time Delivery & POD.

Inventory Accuracy

- Bar Coding.
- Perpetual Inventory.

SLA / KPI Management

Pan India Network

- 10.5 Million Plus Sq.ft of covering Warehousing Space under management.
- Above 100,000 Pallet Positions under management.
- 100+ Warehouses.
- Modern Infrastructure based on best building standards , with 100% Dock levelers in Modern Warehouses , Tall Building of 40 FT +.
- 5000+ strong workforce.

Upcoming / Existing Large Multi-User Warehouses

NCR, Mumbai, Pune, Nagpur, Chennai, Ahmedabad, Hyderabad, Indore, Kolkata, Banglore, Guwahati and Madurai

TCI Supply Chain Solutions

A Division of Transport Corporation of India Limited

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