TCI
LEADERS IN LOGISTICS
60 YEARS

NAVIGATING TOMORROW

Transport Corporation of India Limited
Annual Report 2017-18

CORPORATE INFORMATION

Board of Directors

Mr. S M Datta	Chairman
Mr. D P Agarwal	Vice Chairman & Managing Director
Mr. O Swaminatha Reddy	Director
Mr. S N Agarwal	Director
Mr. K S Mehta	Director
Mr. Ashish Bharat Ram	Director
Mr. Vijay Sankar	Director
Mrs. Urmila Agarwal	Director
Mr. M P Sarawagi	Director
Mr. Chander Agarwal	Director
Mr. Vineet Agarwal	Managing Director

Other Information
Group CFO
Mr. Ashish Tiwari

Company Secretary
Ms. Archana Pandey

Statutory Auditors
M/s Brahmayya & Co, Chartered Accountants

Registrar & Share Transfer Agent
M/s Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B,Plot number 31 & 32,
Financial District Gachibowli, Hyderabad 500 032,
Tel: +91 040 67161524
Email: rajeev.kr@karvy.com
Website: www.karvycomputershare.com

Corporate Office
TCI House, 69, Institutional Area,
Sector 32, Gurugram - 122001
Tel: 0124-238 1603-07
Email: corporate@tcil.com
Website: www.tcil.com

Registered Office
Flat Nos. 306 & 307, 1-8-201 to 203,
3rd Floor, Ashoka Bhopal, Chambers,
SP Road, Secunderabad 500003
Tel: 040-278 40104

Corporate Identification No.
L70109TG1995PLC019116

Bankers
State Bank of India
HDFC Bank Ltd.
HSBC (Hongkong & Shanghai Banking Corporation Ltd.)
ICICI Bank Ltd.
DBS Bank Ltd.

Rating & Certifications
- ISO 9001: 2008
- ICRA: A1 + short term debt/CP program
- CRISIL: AA-/Stable for Long Term Credit Facilities
  - AA-/Stable for Short Term Credit Facilities
  - A1 + for Commercial Papers
- IATA Certified

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Navigating Tomorrow

The world is transforming with unprecedented speed................

At TCI, we are addressing the evolving needs of this dynamic sector through proactive investments in people, processes, transportation modes and service standards for the past 60 years.

The result is that even as we work in the real world of today, we are always Navigating Tomorrow.

At TCI, Navigating Tomorrow is not a convenient theme line; it is our driving philosophy.

Marked by a consistent understanding of how customers are investing in their businesses today.

So that we may be prepared tomorrow.

Marked by how countries, economies and needs keep evolving.

So that we may be at the right place at the right time – with the right service.

Marked by an understanding of how we need to move faster and more differently.

So that we may continue to lead the markets of our presence.

Marked by a strategic clarity on the needs of our diverse stakeholders.

So that we may enrich stakeholder experience, reflected in superior returns.

ABOUT TCI

Background
Transport Corporation of India Limited (Incepted in 1958) is an integrated multi-modal logistics and supply chain solutions provider in India with a global presence. The company moves value of freight equivalent to ~2.5% of India's GDP.

Location
The company is headquartered in Gurugram, India.

Growth
The company has grown from a single truck plying on a single route into a formidable player comprising 9,000 trucks and 900 branches across India. The Company also manages 12 million square feet of warehousing space.

Legacy
Founded by Mr. P. D. Agarwal, TCI has emerged as one of the most respected and distinguished companies in the industry. It is guided by a Board of Directors comprising of seasoned individuals from various industries. In the past sixty years, TCI has built strong trust through continued customer delight and stakeholder engagement.

Credit rating and certifications
The Company received AA-/Stable rating for long-term debt instruments and A1+ for short-term rating from CRISIL. ICRA rated A1+ rating for its commercial paper. The Company was also accredited with ISO 9001:2008, reflecting its conformance with quality standards. It was also certified by IATA.

Listing
Transport Corporation of India Limited is listed on BSE Ltd. (scrip code: 532349) and National Stock Exchange of India Ltd. (scrip code: TCI).

HSE commitment
The company is committed to provide a safe, healthy and eco-friendly work environment: strive for zero accident at the workplace, ensure the safe movement of people and material, control environmental pollution from business activities within permissible limits and strive to reduce further, reuse and recycle waste wherever possible, conserve energy and natural resources, create awareness of health, safety and environment at all levels, create a responsible work environment through enhanced safety and health and promote continuous improvement.

Ethical pedigree
Vision: Transport Corporation of India Limited aims to be a customer oriented, multi-technology, multi-specialist transport system in the Indian and international markets, with a proven commitment to excellence in every facet of activity and pursuit of value based policies to satisfy aspirations of society, customers, vendors, employees, shareholders and the transport industry.

Values: We believe that a brand is a living entity and it should be reflected in its behavior. This identity is governed by a set of values in TCI communicated by the acronym CORE:

- **Customer focus:** We are there for the customer and with the customer.
- **Ownership:** To work with the passion of an entrepreneur, be self-motivated and take pride in belonging with the Company.
- **Responsiveness:** To make customer responsiveness our core competency and align all aspects of business to deliver our best.
- **Empathy:** To incorporate emotional intelligence into our day to day operations and create an enabling work environment ruled by respect for one and all.

TCI GROUP MILESTONES

- **1958** Embarked on its journey
- **1968** Computerised branch offices
- **1974** Became a public limited company
- **1985** Purchased first two ships
- **1996** Launched XPS Services
- **1999** Incepted Transystem Logistics International Pvt. Ltd. a JV with Mitsui and Co.
- **2000** Launched the Indian Road Freight Index
- **2002** Launch of XPS Global service for providing International freight forwarding services and single window clearances
- **2006** Group TCI Crossed ₹ 1,00000 lakhs in turnover
- **2008** Celebrated 50 years

- **2009** Released first sustainability-cum-CSR report
- **2010** Formed a JV between with Container Corporation of India Ltd. for bulk multimodal logistics solutions by rail and road
- **2011** Reported a revenue of ₹ 200000 Lakhs
  Got TCI Developers Limited listed on the BSE and the NSE
- **2015** Entered the domestic tanktainer vertical
  Launched a new ship, TCI Arjun, at the Mundra port
  Opened the TCI Pataudi training centre
- **2016** Started services in Bangladesh with TCI Bangladesh Ltd.
  Inaugurated first state-of-the-art cold chain warehouse on Pataudi Road
  Launched third joint study report with IIM Calcutta
  De-Merger of TCI XPS from TCI
- **2017** Inaugurated two new family healthcare clinics for truck drivers
  Launched a new ship TCI Vijay on the Western coast

Board of **Directors**

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Chairman

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Vice Chairman & Managing Director

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M P Sarawagi
Director

Chander Agarwal
Director

Vineet Agarwal
Managing Director

Leaders' Speak

From the Desk of Vice Chairman & Managing Director

Dear Shareholders and Readers,

Having started our journey in 1958, this is the sixtieth year of our company. The one reason why we have endured is, in our business, the customer came first. We did not just offer services to the customer in the expectation of generating an income; we provided services that would take the customer's business ahead – and that made all the difference.

Performance review, FY 2017-18

I am pleased to report that the sixtieth year of your company was also one of the momentous and record-breaking.

TCI on a consolidated basis reported 21% revenue growth to ₹ 236,431 lakhs. We enhanced our EBITDA margin 25,334 lakhs bps to 11% and we increased our profit after tax by 52% to ₹ 12,382 lakhs. The improvement in our performance was the result of a high operational efficiency, focus on costs, proactive investment in assets and services, a continuous investment in our people and operating culture.

I am pleased to report that we continued to invest in our future. We acquired another coastal container ship that is expected to become operational during the current financial year on the west-to-south sector. Besides, we reinforced our sectoral thought leadership through the launch of a joint study on insurance requirements of the Indian logistics and warehousing sector, which was unveiled by the Hon'ble Minister of Road Transport and Highways of India.

Through these initiatives, TCI reinforced its 'leaders in logistics' positioning, offering business-strengthening services, innovating constantly and expanding prudently.

A rebounding economy

TCI's stellar performance rode India's economic growth during the year under review.

The country recovered from the transitory disruption caused by the 2016 demonetisation as well as 2017 GST implementation. Even as growth was muted in the first two quarters of the year under review, the Indian economy recovered substantially to report 7.7% GDP growth during the last quarter, regained its position as the world's fastest-growing economy.

It took India sixty years to become a \$ 1000 billion economy; it took only seven years thereafter to replicate this and is expected to emerge as \$ 7000 billion economy in 2030 according to informed estimates.

We are optimistic that India's growth will be facilitated by its vibrant logistics industry. The industry on its part will endeavor to leverage the national infrastructure backbone to moderate costs: from ~14% share of the GDP to the level of 8% of GDP as in developed countries.

I am pleased to report that the year under review was marked by the single most important indirect tax reform in the country's history with a significant trickle-down impact for the country's logistics sector. More than 62% of India's domestic freight movement takes place through roads; a bulk is inter-state in nature where the incidence of multiple taxes and State Government levies had in the past entailed long queues at check-posts with transportation vehicles idling unproductively for around 40% of the transit time. This delay translated into higher logistic costs for the related companies and the nation. The irony then is that the country's extant tax regime dictated logistics decisions, including the choice of setting up inventory and distribution centres rather than business reasons.

The GST implementation has proved to be a game changer for businesses in general in India and organised logistics players in particular. The GST regime replaced state and federal tariffs to a single tax payable at the point of sale. We believe that the successful and extensive implementation of this tax can strengthen the businesses of warehousing agents, supply chain managers and third-party logistic players leading to capacity investments across the sectoral ecosystem. In return, this will inspire the absorption of modern technologies (automatic storage and retrieval, material handling equipment and RFID, among others) that minimize manual intervention and errors, optimize costs and encourage a quicker transition of business from unorganized to organised players.

GST introduction is also encouraging manufacturers to graduate from warehouse ownership in different states to the creation of centralised regional warehouses, strengthening operational and logistical efficiency. The introduction of the E-way bill is expected to strengthen organised sector prospects through complete transparency across the value chain.

Navigating tomorrow

As the country's logistics sector enters a new sectoral era, I am optimistic that TCI is attractively placed to climb into a new orbit. The company provides customers a range of exciting services. It intends to enhance the cross-sale of these services. The company possesses adequate infrastructure to scale the business. It intends to invest in state-of-the-art technologies, setting up multi-user and multi-product warehouses and widening through access to ships, trucks and trailers.

With "Navigating Tomorrow" being the inherent philosophy that we carry forward, our vision for the future is to continue to strive hard to fulfil TCI's destiny and contribute to the growth of the world's largest democratic nation, economically, socially and sustainably. TCI will continue to work with all stakeholders to support India's solid growth.

Before I conclude, I would like to thank our "TCI Parivar" and all other stakeholders for their consistent commitment, engagement, support, and encouragement in our 60 years journey. We will continue to seek our shareholders' interest and support, as we make our way to create new pathways to progress.

D P Agarwal
Vice Chairman & Managing Director

Management Discussion And Analysis

Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival became visible. Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. Crude oil prices increased in 2017, the prices at the beginning of the year being US$54.13 per barrel, declining to a low of US$46.78 per barrel in June 2017 and closing the year at US$61.02 per barrel, the highest since 2013.

The US economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with US$1500 billion worth of tax cuts stimulating investments. In 2017, Euro zone grew by 2.4% compared with 1.8% in 2016, the broad-based growth visible in all Euro-zone economies and sectors. The Chinese economy grew faster than expected in the fourth quarter (October to December) of 2017 at 6.8%, aided by a recovery in exports. This helped China celebrate its first annual growth in seven years. GCC countries were affected by the oil price decline (~60% since 2013), resulting in macro-economic instability that affected job creation and growth. Russia seems to have exited a 2 year recession and Brazil grew at 1.1% following a deceleration of 3.5% in 2016. *(**Source:** imf.org (https://bit.ly/2qitlK7)*

Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period 2014-15 to 2017-18, achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP. The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalisation, bank recapitalisation and privatisation of coal mines. *(**Source:** CSO, economic survey 2017-18)*

Global logistics industry overview

Logistics is a large global sector with a market value of >US$ 4000 billion in 2017. The global express market is estimated to be ~US$ 198 billion in 2016. The market posted a CAGR of 4% between 2014 and 2016. The global logistics market, in terms of revenue, is set to expand from US$8100 billion in 2015 to US$15500 billion by 2023, registering a CAGR of 7.5% between 2015 and 2024. In volume terms, the market is expected to clock a CAGR of 6% between 2016 and 2024. The growth of the global logistics market is directly correlated to the development of international trade flow and the current global economic environment. *(**Source:** PRNewswire, Deloitte)*

Indian logistics industry overview

The country's logistics industry was worth ~US$160 billion during FY2017-18. In 2016, India was ranked 35th on the World Bank's Logistics Performance Index, moving up from the 54th spot in 2014. India spends ~14.4% of its GDP on logistics and transportation as compared to countries such as the US (9.5%) and Germany (8%).

The Indian logistics industry provides employment to 22 million people and has been growing at a CAGR of 7.8% between 2013 and 2018. The result is that India's logistics sector now finds a place in the harmonised master list of the infrastructure sub-sectors. This inclusion is set to benefit the logistics industry by providing access to cheaper long-term credit. Such a move will also lead to simplification of the approval process for the construction of multimodal logistics parks.

Outlook

The Indian logistics sector is set to touch the US$215-billion-mark in revenues by 2020, growing at a CAGR of 10.5%, following the implementation of GST. India expects to sustain exports growth. India intends to make a more efficient use of its coastline and river network (cost for coastal shipping is ₹0.15-0.2 per tonne per kilometre compared to ₹1.5 for railways and ₹2.5 for roadways). Addressing these anomalies alone should lower logistics costs by ₹21,000-27,000 crore by 2025.

India's logistics sector is expected to grow at 1-1.5x GDP growth and at a CAGR of 16% between 2016 and 2020. *(**Source:** Financial Express, NITI Aayog)*

Warehousing and storage segments

Containers: Total installed container capacity in India stood at 21 million twenty-foot equivalent units in 2017. Container handling at the non-major ports grew at a CAGR of 22% (2015-2017), outpacing growth at major ports. Container traffic grew at a CAGR of 9% (2015-17).

Cold storages: Cold storage capacity in India 2017 stood at 36.6 million tonnes across an area of 42.3 million square feet.

Challenges

In 2016, India was ranked 35th in The World Bank LPI Index, moving up from 54th in 2014. However, multiple challenges of infrastructure deficiency, lack of integration amongst stakeholders, lack of skilled manpower and slow adoption of technology affect its growth.

Inadequate infrastructure: Inadequate infrastructure is one of the biggest hurdles affecting the growth of the logistics sector, reflected in inadequate and low-quality modal and terminal transport infrastructure, sub-optimal modal mix, inefficient and ill-designed storage facilities for cargo and containers and inefficient operational and maintenance protocols, and poor adoption/adaptation of technology. This leads to high and inconsistent cargo transit time, inefficient use of resources, and poor fleet management.

Skill development: India enjoys a demographic advantage but the availability of appropriately skilled manpower remains a challenge. This is particularly so in the logistics sector as it is seen more as a support industry than a mainline one. The sector needs to build a pool of personnel comprising truck drivers, seafarers, warehousing managers, quality inspection supervisors, among others.

Outdated technology: Slow adoption of new technologies has been another big constraint. Awareness about the economic benefits of using digital technology is low and collaboration among stakeholders far from satisfactory. As a result, the logistics ecosystem is fraught with operational inefficiencies and poor asset utilisation.

Who carries India's freight?	
Shipping	12 Major and 187 non-major ports handle about 95% of the country's foreign trade by volume and 70% by value Inland waterways carry only 0.15% of the cargo transported within India
Roads	3.83 million Km long, 2nd largest in the world Carries 85% of passenger traffic and 65% of freight
Railways	Carries about 1.1 billion tonnes of freight annually It accounts for 26% of total freight
Aviation	Air freight accounts for 2% of logistics movement in terms of volume, and 30% in terms of value
Warehousing	It accounts for 5% of Indian logistics market (excluding inventory carrying costs)

Performance standards: Customers demand personalised, flexible and faster services. Due to these complexities and prevalence of fragmented suppliers, there is a need for services integration, standardised services, transparency and compliance. Initiatives such as real-time track-and-trace and other value-added services could help service providers cut costs, raise productivity and optimise the supply chain.

Inadequate Insurance Coverage: Logistics Service Providers (LSPs) continue to be highly vulnerable due to the often unfair allocation of risk between them and shippers. Shippers are sometimes absolved of liability even where they are at fault, and these costs are borne by the LSPs. (***Source:*** *Insurance requirements of the Indian Logistics and Warehousing Industry and their customers a joint study by TCI and Insurance Institute of India)*

Opportunities & Emerging trends

Emerging markets: With the rising awareness about the need of logistics in a country and how transport and logistics sector are fundamental to the development of a country, new market opportunities are emerging.

Infrastructure status: The Central Government granted infrastructure status to the logistics sector, enhancing access to infrastructure lending at easier terms with enhanced limits, larger amounts of funds as external commercial borrowings and longer tenure funds from insurance companies and pension funds.

Incoming investments: The country's transport and logistics sector took the third and fourth spots, respectively, with US$528 million and US$271 million in funding. The logistics startups received >US$271 million funding across 18 deals in the first half of 2017.

E-commerce boom: E-commerce aims towards making life easier for people and making goods and services easily available and accessible to the masses.

Demonetisation impact: The logistics sector comprised 80% players from the unorganised sector who were affected by demonetisation. Thereafter, there was a paradigm shift with vendors and customers embracing digital ways of making payments resulting in better transparency, regulation and governance.

GST impact: The GST aims to remove the cascading effect of tax and unite everything under one single tax. India's logistics sector would gain the most from the goods and services tax as costs would fall by ~20%. The average speed of freight transportation has increased from 20-25 kilometres per hour to 40 kilometres per hour. GST will make most transactions transparent and attract investments in warehousing, supply chain management and third party logistics. The introduction of E-way bill will ensure accountability and easier verification. Recording of every stock transfer and sale will be done through the system linkages to physical movement of trucks and storage in warehouses, enhancing transparency across transactions.

Technology adoption

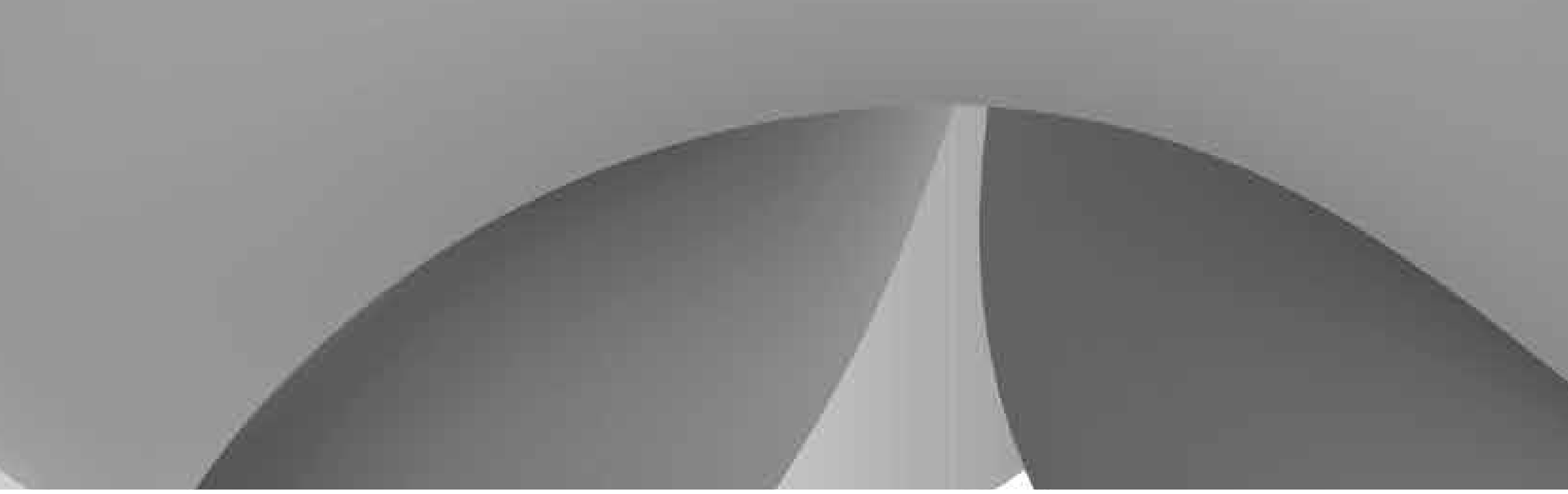
The Indian logistics sector is adopting new-age technologies (cold chain logistics, warehousing etc) and digitalisation in addressing challenges. Digital transformation possesses the potential to have far-reaching payoffs for a leaner and smarter logistics by ensuring smoother interface among logistics stakeholders for seamless delivery. Digital transformation of the logistics sector could translate into value of US$1500 billion for players in the logistics sector and an additional US$2400 billion worth of societal benefits by 2025. (***Source:*** *World Economic forum report)*

IoT may be used to monitor the status of assets in real time throughout the value chain. In several countries, advanced sensors are being used to monitor and detect risks pertaining to breakdowns, helping avoid process delays and fatal accidents. Additionally, IoT, which includes GPS and RFID systems, is being used to provide logistics carriers with real-time information on key location stats. Artificial Intelligence in the logistics sector allows the use of control systems for operating machinery, processes, vehicles, vessels, and aircraft through the use of artificial intelligence. From the use of robots to self-driven vehicle and drones, automation technology can be adopted in the logistics sector for reducing manual intervention to bring down costs.

Blockchain technology becomes especially relevant in the Indian context, given the fragmented nature of the sector and lack of common platforms to exchange information. It may be used for synchronising multi-party logistics value chain. Cloud technology can help the Indian logistics sector by optimising asset utilisation. As logistics in the country aims towards becoming leaner, optimising asset utilisation is important to enhance operational efficiency. Cloud computing can help service providers use assets more efficiently by collaborating with each other to share fleets and networks. Adoption of Drones and smart-glasses could increase the operational efficiency of first and last-mile logistics along with flexibility and speed of delivery in complex and congested metro cities. By using big data algorithms and data visualizing techniques thus anticipating the demand and studying the data-patterns, companies can predict the demand, plan and align the operations well in advance.

Government initiatives

Infrastructure status granted to logistics parks: In a bid to develop an integrated logistics framework in the country including industrial parks, cold chains and warehousing facilities, the Central Government



has granted infrastructure status to the logistics sector, enabling the industry to access cheaper finances. The Central Government has defined 'logistics infrastructure' to include a multimodal logistics parks comprising inland container depots with a minimum investment of ₹ 5000 lakhs and minimum area of 10 acres, a cold chain facility with a minimum investment of ₹15 crore and minimum area of 20,000 square feet and a warehousing facility with a minimum investment of ₹2500 lakhs and a minimum area of 100,000 square feet. *(**Source:** ibef.org, Hindu Businessline, Livemint)*

Digital India: The Central Government has doubled the budgetary allocation towards Digital India to ₹3,07,300 lakhs. The Central Government will be encouraging investment, training, and skilling in robotics, digital manufacturing, big data analytics and IoT, led by the NITI Aayog, launching a nationwide programme in the realm of AI. These investments strongly will lend a boost to the logistics industry by catalysing the adoption of cutting-edge technologies.

Sagarmala: The Sagarmala project aims at doubling the share of seaways in the transport mix over the next decade by executing multiple projects related to the expansion and modernisation of various ports.

E-way bill: The Central Board of Excise and Customs has released a revised draft policy on the generation of e-way bills. The Central Government has made amendments and relaxed conditions which will address concerns of logistics companies, express cargo companies and LTL operators. The Central Government targets to increase jobs in logistics sector to 40 million by 2019, from 22 million and bring down the logistics cost from 14% to 10% of the GDP. *(**Source:** NITI aayog , Economics Times)*

Union Budget allocations: For the upcoming financial year, the Ministry of Civil Aviation, the Ministry of Railways, the Ministry of Road Transport and Highways, and the Ministry of Shipping have been collectively allocated approximately ₹2.76 lakh crore — comprising 46.3 per cent of the total capital outlay on infrastructure. Of this, the Government has allocated approximately ₹1.2 lakh crore for the Ministry of Road Transport and Highways, which comprises an investment of ₹91,663 crore in National Highways Authority of India (NHAI) and ₹29, 76,200 lakhs in roads and bridges. *(**Source:** Economic Times, KPMG Report)*

Omni-channel retail and e-commerce

Omni-channel retail is a modern approach to commerce that focuses on designing a cohesive user experience for customers at every touchpoint. Consumer buying behavior are changing drastically as a result of the growing adoption of smartphones and handheld devices worldwide, especially in Asia. The surge in sales and in consumers using different channels to evaluate products, order, pay, collect, and return their purchases has driven companies to investigate the omni-channel approach. Retailers and manufacturers in all industries will need to adapt to this new reality to thrive. From being an emerging trend, omni-channel will be a key requirement in the future, presenting challenges and significant opportunities to all businesses. Logistics is the key enabler for the growth of the e-commerce retail sector and in terms of customer service and satisfaction, it is emerging as a differentiator. By 2018, the Indian retail sector is likely to grow at a CAGR of 13 percent to reach US$950 billion. Online retail is expected to be at par with the physical stores in the next five years and has grown 23 per cent to $17.8 billion in 2017 *(**Source:** http://www.ibef.org/industry/retail-india.aspx.)* With the changing trends, the retail market will see more interest by investors even as the Indian Government is keen to allow the FDI in B2B e-commerce.

Coastal Shipping

India has approved state grants worth ₹ 2,302 crore (about $355 million) for coastal shipping berth development at various gateways under its flagship Sagar Mala port-led development program. Increasing the share of coastal shipping and inland navigation in the transport modal mix is one of the key objectives of the Sagarmala Project. Sagarmala programme envisages to double current share of coastal shipping in India's overall modal mix from 6% to 12% by 2025. The shift to coastal shipping should help improve the financial performance of port and logistics companies too. *(**Source:** JOC, MERCPL)*

Chemical logistics

The Indian chemical industry is growing at an annual growth rate of 12%. The chemical industry is a complex and dynamic industry where products range from gaseous to liquid state and the nature may vary from inert to hazmat. The complexity of handling such products, transporting them and storing them is compounded with the fragmentation of the industry and the lack of standards. *(**Source:** www.chemicalogisticsindia.com)*

SAARC and SAFTA

Establishment SAPTA and SAFTA framework embarked the beginning of a dynamic association with a further stimulated intra-regional trade and integration. SAARC empowered the ease of trade among its members marked by reasonable tax rates and lenient policies towards each other. This has brought down the logistics costs and has helped in timely delivery of goods and services across the countries. Furthermore, this has promoted trade among the countries and accounted for growth in logistics industry for all the member countries characterised by free flow of goods and reasonable costs.