

## Set up nodal cross-ministerial logistics body; allow infra status to transport & logistics: TCI

The logistics sector in the backdrop of the recent reform measures, uncertain domestic and global economic environment is looking forward to the upcoming budget with heightened anticipation.



Commenting on the Budget 2013 expectations, **Vineet Agarwal, joint managing director, Transport Corporation of India (TCI)** said, "Industry status for the sector as it would facilitate easier access to finance, robust regulatory mechanisms and a better image for the sector. The logistics resources of the country are in need of refurbishment in all aspects."

TCI therefore, advises setting up of a nodal cross-ministerial logistics body and infrastructure status to the wider transportation and logistics industry. It also demands higher financial outlay for logistics skill improvement and a separate regulatory authority for better coordination between ministries for an integrated policy on the sector.

Sector has been a victim of lack of critical sops in previous budgets. It expects relief in the form of tax benefits to facilitate the recuperation process of the industry. It also demands immediate implementation of GST to enable the creation of the common market to permit free and unimpeded movement of goods and services across the country.

As multi-modal transport is the future of logistics sector in India and answer to high logistics cost in the country; TCI is in favour of devising an appropriate multi-modal transportation model to create a level playing field for private players. "It demands greater provisions for a greater FDI in key logistics infrastructure development areas like dredging, port connectivity etc. apart from supporting adoption of IT to modernize the sector. It recommends financial support for warehousing, back-end processing and construction of cold chains to boost the sector further. It is for treatment of warehousing for non-agricultural commodities at par with infrastructure projects and land reforms to encourage investment in warehousing industry. It believes that tax exemption on capital imports of supply chain equipments will encourage supply chain investments in the country," he added.

TCI considers it extremely important to reduce stoppage time of trucks to ensure faster movement of goods. This, it believes, can be done by bringing uniformity in the toll charges by introducing centralized toll mechanism, reducing documentation, checking unauthorized payments through agents and development of access-controlled expressways.

It hopes that government will ensure implementation of large projects under PPP route apart from allocating long-term amount towards infrastructure development through dedicated debt funds to ensure sustained development of the sector. TCI also demands ECB funding for normal business capex of transportation / logistic companies to acquire commercial vehicles, ships, construction of logistics warehouses, etc.

It expects budget 2013 to set tone for next phase of growth in the economy as well as the sector by giving thrust to bold policy reforms and large infrastructure projects.

Transport Corporation Of India Limited (Q.N.C.F)\*

<http://www.myiris.com/newsCentre/storyShow.php?fileR=20130220130349715&dir=2013/02/20>

# Budget Wish list from India

Vineet Agarwal, Joint Managing Director, Transport Corporation of India



The logistics resources of the country are in need of refurbishment in all aspects. We therefore advise setting up of a nodal cross-ministerial logistics body and infrastructure status to the wider transportation and logistics industry. Another aspect, where the government needs to delve into is dedicating higher financial outlay for logistics skill improvement. TCI is in favor of a separate regulatory authority for better coordination between ministries for an integrated policy on the sector.

Relief in the form of tax benefits will facilitate the recuperation process of the industry which has been a victim of lack of critical sops in previous budgets. GST should be implemented with immediate effect to enable the creation of the common market to permit free and unimpeded movement of goods and services across the country.

An appropriate multi-modal transportation model should be devised to reduce logistics cost and to create a level playing field for private rail operators. Provisions for a greater FDI in key logistics infrastructure development areas like dredging, port connectivity etc. should also be made apart from supporting adoption of IT to modernize the sector.

Supply chain investments also need to be incentivized by exempting capital imports on supply chain equipments from taxes. Financial support should be provided for warehousing, back-end processing and construction of cold chains to boost the sector further. Treatment of warehousing for non-agricultural commodities at par with infrastructure projects and land reforms will encourage investment in warehousing industry.

Another important issue that needs attention is reduction in stoppage time to ensure faster movement of goods. This can be done by bringing uniformity in the toll charges by introducing centralized toll mechanism, reducing documentation, checking unauthorized payments through agents and development of access-controlled expressways.

The future growth prospects of the Indian economy depend on the infrastructure investment and timely execution of large projects. The government should, therefore, ensure implementation of large projects under PPP route apart from allocating long-term amount towards infrastructure development through dedicated debt funds to ensure sustained development of the sector.

As per current regulatory policy, RBI is not permitting ECB to transportation/ logistic companies for the purpose of investment into commercial vehicles, ships, construction of logistics warehouses, etc. As transportation/ logistics companies are an integral part of the economy, we look forward to the finance ministry to permit ECB funding for normal business capex environment.

We expect budget 2013 to set tone for next phase of growth in the economy as well as the sector by giving thrust to bold policy reforms and large infrastructure projects.

<http://www.businessworld.in/en/storypage/-/bw/budget-wishlist-from-india-inc-1/782303.30752/page/1>

## Management Speak



**Vineet Agarwal**

**Joint Managing Director, Transport Corporation of India.**

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