

TN APEX SKILL DEVELOPMENT CENTRE FOR LOGISTICS

Course Module Outline – Freight Forwarding

Target Group	Pursuing Arts, Commerce and Management Students
Branch	BCom, BA Economics and BBA
Partner	TNASDCL

Course Name	Freight Forwarding	Course Fee	
Course Code	TNASDCL-008	Handouts	TNASDCL-HO-008
Mode of Learning	Blended	Total Duration of the Training	30 Hours

➤ Course Objectives:

The objective of the course is to

- Offer an industry relevant, application-oriented skill development course to students
- The place of freight forwarding within industry and commerce
- The boundaries of freight forwarding roles and the impact on those with adjacent roles and responsibilities
- The general and specific options and procedures for the movement of goods including, Road, Rail, Air and Sea
- The hazards and risks to health and safety from the movement of goods
- The legal framework for the handling of personal and sensitive data
- The principles of insurance and their applications to the movement of goods
- The elements of an invoice, commercial and legal implications of different payment methods
- Methods for identifying, labelling, and transporting sensitive, urgent, and hazardous goods

➤ Tools

- Candidate laptop equipped with MS office

➤ **Course Outcomes:**

The individual shall be able to:-

- Respond efficiently to the peaks and troughs of business.
- Communicate with the customer verbally and writing as required.
- Within the available flexibilities provide the customer with confidence and value for money
- Make financial decisions based on understanding of customer behaviour.
- Make cost-benefit calculations to recommend plans of action.
- Assess insurance needs and take out insurance.
- Maintain, upgrade, and use IT skills to meet organizational needs and business needs.
- Sourcing suppliers, obtaining quotations, orders
- Have awareness on Agreement, delivery notes, Invoices.

➤ **Competency Components:**

- EXIM operations in office, customs clearance at field and freight forwarding.
- The individual also performs freight and customs documentation and liaises with stakeholders to ensure timely clearance and shipment of cargo
- The individual must be able to prioritize and execute tasks within scheduled time limits

➤ **Industrial Visit:**

- According to the availability of the industries, SIPCOT visits will be planned and charged separately.

➤ **Learning from leading experts:**

- Direct sessions (online) with experts from different industries and OEM
- To understand the application aspects in industry scenarios

➤ **Case-Studied Based Learning:**

- Assignments on different real world industrial case studies will be given

➤ **Course Outline:**

- Introduction to Supply Chain Logistics
- Importance of Freight Forwarding
- Exim documentation for freight forwarding.
- Freight forwarding Office Activities and Field Activities
- Cargo movement – Planning, Arranging and Transshipment
- Guidelines on Integrity and Ethics
- Compliance to Health, Safety and Security Norms
- Verification of GST Invoices and e-Waybills

➤ **Job Category:**

Executive / Associate

Unit 1

Introduction to Supply Chain Logistics and Importance of Freight Forwarding.

Case Study 1: Company XYZ is a newly established e-commerce startup. The founders have a limited understanding of supply chain logistics and its importance for their business. How can they grasp the basics of supply chain logistics?

Answer:

To understand the basics of supply chain logistics, Company XYZ can start by conducting research on key concepts such as procurement, inventory management, transportation, and warehousing. They can enroll in online courses or attend workshops that provide an overview of supply chain logistics. Engaging with industry experts or consultants can also provide valuable insights. Additionally, they can explore case studies of successful supply chain management in their specific industry to gain practical knowledge.

Case Study 2: Company LMN, a logistics service provider, wants to reduce transportation costs without compromising service quality. How can they achieve cost reduction in their transportation operations?

Answer:

To achieve transportation cost reduction, Company LMN can employ strategies such as route optimization, shipment consolidation, and carrier selection. Implementing transportation management systems (TMS) can help optimize routes, considering factors like distance, traffic, and delivery requirements. Consolidating shipments and collaborating with other businesses for shared transportation can reduce costs. Conducting regular carrier evaluations based on performance metrics like on-time delivery and cost efficiency can also contribute to cost reduction.

Case Study 3: Company DEF operates in a global supply chain and faces risks such as natural disasters, geopolitical issues, and supplier disruptions. How can they effectively manage supply chain risks?

Answer:

To effectively manage supply chain risks, Company DEF can conduct risk assessments and develop contingency plans. Diversifying suppliers and establishing backup options can reduce the impact of disruptions. Building strong relationships with suppliers, monitoring key performance indicators, and implementing supply chain visibility systems can help identify potential risks and take proactive measures to mitigate them.

Case Study 4 : Company DEF operates in a global supply chain and wants to mitigate risks associated with disruptions and uncertainties. How can they effectively manage supply chain risks?

Answer:

To effectively manage supply chain risks, Company DEF should conduct risk assessments and develop risk mitigation plans. They should identify potential risks, such as natural disasters, geopolitical issues, or supplier disruptions, and develop contingency plans to address them. Diversifying suppliers and establishing backup options can reduce the impact of disruptions. Implementing supply chain visibility systems, establishing strong relationships with suppliers, and regularly monitoring key performance indicators can help proactively identify and mitigate risks.

Case Study 5: Company XYZ is a manufacturing company looking to expand its market globally. They are unfamiliar with the complexities of international trade operations. How can freight forwarding assist them in achieving smooth international trade operations?

Answer:

Freight forwarding can assist Company XYZ in achieving smooth international trade operations. Freight forwarders have expertise in international shipping regulations, documentation, and logistics. They can handle tasks such as customs clearance, freight booking, and shipment tracking. By leveraging the knowledge and network of a freight forwarder, Company XYZ can navigate complex trade procedures, ensure timely deliveries, and focus on their core business activities.

Case Study 6: Company LMN is a multinational corporation with a complex global supply chain. They face challenges in tracking and monitoring their shipments across different stages of transportation. How can freight forwarding help them achieve supply chain visibility?

Answer:

Freight forwarding can help Company LMN achieve supply chain visibility. Freight forwarders use advanced tracking systems to monitor shipments at various stages of transportation. They provide real-time updates on the location and status of goods, allowing companies to have better control and visibility over their supply chain. By partnering with a freight forwarder, Company LMN can improve operational efficiency, enhance customer service, and proactively address any issues that may arise during transit.

Case Study 7: Company DEF is a global exporter exposed to various risks during transportation, such as theft, damage, or delays. How can freight forwarding assist them in managing transportation risks?

Answer:

Freight forwarding can assist Company DEF in managing transportation risks. Freight forwarders have experience in assessing and mitigating risks associated with international shipments. They can provide insurance options, advise on proper packaging and labeling, and select reliable carriers with secure transportation practices. Additionally, freight forwarders have contingency plans and can provide alternative routes or modes of transportation in case of unforeseen events. By partnering with a freight forwarder, Company DEF can minimize the impact of transportation risks and protect their goods during transit.

Unit 2

EXIM documentation for freight forwarding.

Case Study 1: Company XYZ is a freight forwarder handling an export shipment for a client. The client wants to understand the importance and purpose of a Bill of Lading (B/L). Explain the requirements and significance of a B/L in the context of EXIM documentation.

Answer:

A Bill of Lading (B/L) is a crucial document in EXIM documentation for freight forwarding. It serves as a contract of carriage, receipt of goods, and evidence of title. The B/L should include information such

as shipper's and consignee's details, description of goods, marks and numbers, and the terms and conditions of carriage. It serves as proof of shipment and provides legal protection for both the shipper and the carrier. The B/L is required for customs clearance, serves as a document of title, and is necessary for initiating the release of goods at the destination port.

Case Study 2: Company ABC is a freight forwarder assisting an exporter with the preparation of commercial invoices for an international shipment. Explain the process and importance of commercial invoice preparation in EXIM documentation.

Answer:

Commercial invoice preparation is a critical aspect of EXIM documentation for freight forwarding. The commercial invoice is a document that provides details of the transaction between the exporter and importer. It includes information such as the description of goods, quantity, unit price, total value, terms of sale, and payment terms. The commercial invoice is used for customs purposes, including assessing import duties and taxes. It also serves as proof of the commercial value of the goods and is required for international trade transactions, including payment settlement and insurance coverage.

Case Study 3: Company PQR is a freight forwarder handling an export shipment and needs to file an Export Declaration (EEI/SED). Explain the purpose and process of filing an EEI/SED in EXIM documentation.

Answer:

Export Declaration (EEI/SED) filing is a crucial step in EXIM documentation for freight forwarding. The EEI/SED is a document that provides details about the export shipment to the appropriate government authorities, such as the Automated Export System (AES) in the United States. It includes information such as the exporter's details, consignee's details, description of goods, value of goods, and destination country. Filing the EEI/SED is mandatory for statistical purposes, regulatory compliance, and ensuring export control compliance. It helps government authorities monitor and track international trade activities, and failure to file can result in penalties and delays in the export process.

Case Study 4: Company LMN is a freight forwarder assisting an exporter with the verification of a Certificate of Origin (COO) for a specific shipment. Explain the purpose and importance of COO verification in EXIM documentation.

Answer:

Certificate of Origin (COO) verification is a crucial step in EXIM documentation for freight forwarding. The COO is a document that certifies the origin of goods and is often required for customs clearance and trade agreements. Verification of the COO ensures that the goods being exported comply with the rules of origin specified in trade agreements. It helps determine the eligibility for preferential tariff treatment and ensures that the goods meet the necessary requirements for importation into the destination country. COO verification is essential for regulatory compliance, avoiding customs issues, and taking advantage of trade agreement benefits.

Case Study 5: Company DEF is a freight forwarder handling an import shipment and wants to ensure the accuracy of the packing list provided by the exporter. Explain the significance and importance of accurate packing lists in EXIM documentation.

Answer:

Accurate packing lists are crucial in EXIM documentation for freight forwarding. The packing list provides detailed information about the contents of each package or container being shipped. It includes information such as the description of goods, quantity, weight, dimensions, and packaging details. Accurate packing lists help in customs clearance, inventory management, and cargo handling. They ensure that the goods are properly identified, classified, and inspected. Additionally, accurate packing lists enable efficient storage and handling at the destination, facilitate accurate invoicing, and help resolve any discrepancies that may arise during the shipment process.

Unit 3

Freight forwarding Office Activities and Field Activities

Case Study 1: Company XYZ is a freight forwarding company handling international shipments. Explain the office activities involved in documentation management.

Answer:

Office activities related to documentation management in freight forwarding include receiving and reviewing shipping instructions, preparing and verifying required documentation such as bills of lading, commercial invoices, export declarations, and certificates of origin. Additionally, office staff coordinate with customers, suppliers, and carriers to ensure all necessary documents are obtained and properly filed. They also maintain records, handle data entry and archiving, and liaise with regulatory authorities for compliance purposes.

Case Study 2: Company ABC is a freight forwarding company seeking the best freight rates for their clients. Explain the office activities involved in freight rate negotiation.

Answer:

Office activities related to freight rate negotiation in freight forwarding include researching and contacting various shipping lines, airlines, trucking companies, and other service providers to obtain competitive freight rates. Freight forwarding staff analyze client requirements, cargo volume, destination, and timeline to negotiate favorable rates. They also handle rate contracts, ensure accurate rate quotations, and provide cost estimates to clients. Office personnel may engage in ongoing rate negotiations, contract renewals, and maintaining relationships with carriers to secure the best possible rates.

Case Study 3: Company PQR is a freight forwarding company specializing in cargo consolidation services. Explain the field activities involved in cargo consolidation.

Answer:

Field activities related to cargo consolidation in freight forwarding include receiving goods from multiple suppliers and inspecting them for quality and quantity. Field staff coordinate the loading of different shipments into containers or transport units, ensuring efficient space utilization and secure packing. They may use various equipment and tools to handle cargo, such as forklifts, pallet jacks, or cranes. Field personnel also oversee the sealing and labelling of consolidated shipments, ensuring compliance with shipping and customs requirements.

Case Study 4: Company LMN is a freight forwarding company providing customs clearance services. Explain the field activities involved in customs clearance.

Answer:

Field activities related to customs clearance in freight forwarding include physically presenting documentation and cargo to customs authorities for inspection and clearance. Field personnel coordinate with customs officers, verify cargo against shipping documents, and address any customs inquiries or requirements. They may assist in completing customs forms, paying duties and taxes on behalf of clients, and coordinating any necessary inspections or examinations. Field staff also communicate with clients, carriers, and other stakeholders to ensure smooth customs clearance processes.

Case Study 5: Company DEF is a freight forwarding company focused on shipment tracking and delivery services. Explain the field activities involved in shipment tracking and delivery.

Answer:

Field activities related to shipment tracking and delivery in freight forwarding include coordinating with carriers and transport providers to track the movement of shipments in real-time. Field staff monitor the progress of shipments, communicate with drivers or agents, and address any issues or delays that may arise. They provide updated information to clients, ensure on-time delivery, and handle any necessary documentation or signatures upon delivery. Field personnel also manage the final stages of the delivery process, including unloading, unpacking, and verifying the condition of goods at the destination.

Unit 3

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Answer:

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delays that may arise. They provide updated information to clients, ensure on-time delivery, and handle any necessary documentation or signatures upon delivery. Field personnel also manage the final stages of the delivery process, including unloading, unpacking, and verifying the condition of goods at the destination.

Unit 5

Compliance to Health, Safety and Security Norms and Verification of GST Invoices and e-Waybills

Case Study 1: Company XYZ is a freight forwarding company with a warehouse operation. Explain the importance of compliance with health and safety norms in warehouse operations and the measures that should be implemented.

Answer:

Compliance with health and safety norms in warehouse operations is crucial to ensure the well-being of employees and prevent accidents. The company should implement measures such as regular safety inspections, ensuring proper storage and handling of goods, providing adequate training on equipment operation and safety protocols, and maintaining a clean and organized work environment. Safety equipment, including personal protective gear, should be readily available. Additionally, the company should establish emergency response plans, conduct regular safety drills, and provide ongoing safety awareness training.

Case Study 2: Company ABC is a freight forwarding company that handles hazardous materials. Explain the importance of compliance with health, safety, and security norms in handling hazardous materials and the guidelines to be followed.

Answer:

Compliance with health, safety, and security norms is critical in handling hazardous materials to minimize risks to personnel, the environment, and public safety. The company should ensure that employees are trained in handling hazardous materials and are aware of safety protocols. They should implement proper storage, labeling, and packaging procedures for hazardous materials, following relevant regulations and guidelines. The company should also conduct routine inspections, maintain safety data sheets, and provide appropriate safety equipment. Additionally, security measures should be in place to prevent unauthorized access and mitigate potential threats.

Case Study 3: Company PQR is a freight forwarding company with a fleet of drivers. Explain the importance of compliance with health and safety norms for driver safety and the guidelines that should be followed.

Answer:

Compliance with health and safety norms is crucial for driver safety in freight forwarding operations. The company should ensure that drivers have proper licensing and training for the vehicles they operate. Regular vehicle maintenance and inspections should be conducted to ensure roadworthiness. The company should enforce safe driving practices, including adherence to speed limits, rest periods, and the use of seat belts. Additionally, guidelines should be in place to address driver fatigue, distractions, and emergency response protocols. Ongoing driver training programs and safety awareness campaigns can further promote driver safety and compliance.

Case Study 4: Company LMN is a freight forwarding company responsible for cargo security. Explain the importance of compliance with security norms in ensuring cargo security and the measures to be implemented.

Answer:

Compliance with security norms is vital to ensuring cargo security in freight forwarding operations. The company should implement measures such as strict access control to cargo handling areas, screening and inspection procedures, and the use of tamper-evident seals and locks. Security personnel should be trained to identify and respond to security threats. Documentation and record-keeping practices should be robust to track the movement of cargo and identify any discrepancies. Additionally, the company should comply with international security standards, collaborate with relevant authorities, and stay updated on evolving security regulations.

Case Study 5: Company DEF is a freight forwarding company concerned about the occupational health and wellness of its employees. Explain the importance of compliance with health and safety norms to promote employee well-being and the initiatives that should be undertaken.

Answer:

Compliance with health and safety norms is essential to promote employee well-being in freight forwarding companies. The company should provide a safe and healthy work environment, adhering to ergonomic principles and occupational health guidelines. Initiatives such as regular health and wellness training, access to medical facilities and resources, and the provision of ergonomic equipment can contribute to employee well-being. The company should also implement measures to address occupational hazards, promote mental health awareness, and encourage a work-life balance. Regular health check-ups and wellness programs can further support the overall health and wellness of employees.

Case Study 6: Company XYZ is a freight forwarding company that receives GST invoices from its suppliers. Explain the importance of verifying GST invoices and the steps the company should take to ensure accuracy and compliance.

Answer:

Verifying GST invoices is crucial for ensuring accuracy, compliance, and claim of input tax credit. The company should carefully review the invoices to ensure that they contain accurate information such as supplier details, recipient details, GSTIN, invoice number, and date. They should cross-check the invoice details with supporting documents like purchase orders and delivery receipts. The company should also verify the tax calculations and ensure that the applicable GST rates are correctly applied. Any discrepancies or errors should be promptly addressed with the supplier to rectify and reconcile the invoices before claiming input tax credit.

Case Study 7: Company ABC is a freight forwarding company responsible for the transportation of goods. Explain the significance of validating e-Waybills and the steps the company should follow to ensure compliance.

Answer:

Validating e-Waybills is essential to ensure compliance with GST regulations and smooth movement of goods. The company should verify that the e-Waybill is generated and assigned a unique e-Waybill number for each consignment. They should confirm that the e-Waybill contains accurate details such as the supplier, recipient, goods description, quantity, and value. The company should also validate the vehicle number, transporter details, and the validity period of the e-Waybill. Any inconsistencies or missing information should be addressed with the supplier or transporter to rectify the e-Waybill before the transportation commences.

Case Study 8: Company PQR is a freight forwarding company responsible for both domestic and international shipments. Explain the importance of cross-verifying GST invoices and e-Waybills and the procedures that should be followed.

Answer:

Cross-verifying GST invoices and e-Waybills is crucial for ensuring compliance, accurate documentation, and seamless movement of goods. The company should compare the details mentioned in the GST invoices with the corresponding e-Waybills. They should ensure that the invoice numbers, e-Waybill numbers, supplier details, and recipient details match. The company should also verify that the goods description, quantity, and value mentioned in both documents align. Any discrepancies or mismatches should be resolved before proceeding with the shipment to maintain accuracy and compliance.

Case Study 9: Company LMN is a freight forwarding company that handles time-sensitive shipments. Explain the importance of complying with timelines for verifying GST invoices and e-Waybills and the consequences of non-compliance.

Answer:

Complying with timelines for verifying GST invoices and e-Waybills is critical to avoid penalties, delays, and disruptions in the supply chain. The company should ensure that the verification process is initiated promptly upon receipt of the documents. They should adhere to the timelines prescribed by the GST regulations for verifying and reconciling invoices and e-Waybills. Non-compliance may result in the loss of input tax credit, payment of penalties, and potential delays in the movement of goods. The company should prioritize timely verification to maintain compliance and avoid adverse consequences.

Case Study 10: Company DEF is a freight forwarding company that emphasizes proper record-keeping for GST invoices and e-Waybills. Explain the importance of maintaining records and the procedures the company should follow.

Answer:

Maintaining proper records of GST invoices and e-Waybills is crucial for audit trail purposes, transparency, and compliance. The company should establish a systematic record-keeping process to store both physical and electronic copies of the invoices and e-Waybills. They should organize the records in a structured manner, ensuring easy retrieval and accessibility when required. The company should also maintain records of any communication or correspondences related to the

verification process. These records will assist in internal audits, compliance checks, and responding to inquiries from tax authorities.