



**BLENDED A DESCRIPTIVE STUDY ON CURRENT LOGISTICAL SYSTEM IN INDIA
AND IT'S INFLUENCE ON INDIVIDUAL'S BUSINESS**

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Abstract:

Due to globalisation and digitalisation, logistics industry plays a crucial role in boosting international trade. Logistics ensures quick, efficient and economical transport of flow of goods in India and hence it is emerging rapidly and considered as the backbone of Indian economy. It ensures efficient and cost effective flow of goods. It is the interplay of infrastructure, technology and new types of service providers that will define whether this industry will be able to help its customers reduce their costs. This sector contribute about 13% in India's GDP. The innovative and service providers, advanced technologies have increased the efficiency of logistical system in India. Still this industry is facing lot of challenges due to reforms introduced by the government in India.

Key words: *Globalisation, Digitalisation, E-Commerce, Automation*

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Introduction:

Logistics in one of the most important core industries for India's economic growth as it the management of the flow of goods from the place of origin to the place of consumption. The term logistics has a vast scope which includes the flow of raw materials from suppliers to manufacturers and final delivery of finished goods to end users.

Logistics is the process of managing procurement, movement, storage of raw materials, semi-finished goods and finished products through organisation and marketing channels that maximises the current and future profitability by cost efficient order fulfilment. It involves the integration of material handling, warehousing, packaging, transportation, shipping security, inventory management and inventory control, supply chain management, procurement and customer service. The functional responsibility of logistics lies in attaining activities like relocation of resources, processing of raw materials and maintaining records in the most economical way. This logistical function is also known as the physical distribution function as it is mainly concerned with the physical flow of goods.

Literature review:

Many researchers have researched and concluded that the Indian logistics sector has typically been driven by the objective of reducing transportation costs that were (and often continued to be) inordinately high due to regional



concentration of manufacturing and geographically diversified distribution activities as well as inefficiencies in infrastructure and accompanying technology.

Objectives of the study:

1. To study the importance of logistical industry in facilitating trade and propelling the growth of the Indian economy.
2. To identify the significance of efficient and effective logistics in connecting various markets, suppliers and customers spread across the country.
3. To study the growth of logistics industry in India.

Scope of the study:

This industry is growing rapidly in India. The scope of this industry is flourishing every day, as the numbers of Retail and FMCG companies are increasing in our country. Many colleges and universities are offering different courses in the same domain. Today, there are many large multi-national LSPs that provide supply chain solutions across globe.

Research methodology:

In this paper, secondary data is used for collecting the information. Secondary data includes information gathered from previous research. In this research newspapers, previous research papers, journals, websites are used.

Indian Scenario:

The logistics sector in India has become an area of priority today. The main reason for this is that years of high growth in Indian economy have resulted in a significant rise in the volume of freight traffic moved. The large volume of traffic has provided for growth opportunities in all facets of logistics including transportation, warehousing, freight forwarding, express cargo delivery, container services, shipping services etc.

Logistics industry in India comprised of inbound and outbound sectors of the production of the production and services supply chains. Recently, the logistics infrastructure started attracting the business companies and policymakers. Due to the implementation of advanced technology and refined processes, the planning, implementation, and control of the movement of goods have become efficient and faster. This supports various supply chain processes.

Growth of logistics industry in India in 2022:

“According to an article in **the Times of India** by Cyrus Katgara on **The changing face of Logistics in India**, the logistics industry has shown extraordinary growth in the last 75 years from just being a transportation provider to an accelerating factor for the E-commerce and FMCG and is transforming India into a manufacturing hub.”

Our Central and State government has made policies to enhance logistics infrastructure which has supported the growth of logistics in India. The article states that the industry would grow by nearly 5 folds by 2050.

Efforts made by government to improve domestic cargo movement in India:

- Developing Grade A warehousing
- Establishing more terminals for inland waterways transportation and private freights
- Establishing temperature control transportation for perishable goods



- Establishing containers depots
- Allotting huge budgets for developing corridors for rail freight transportation, multimodal parks for logistics etc
- Establishing projects like Bharatmala and Sagarmala for better PAN India connectivity

The Ministry of Commerce and Industry, states that the logistics sector accounts for 5% of India's GDP and it provides jobs for nearly 2.2 crore Indians.

This industry has proved its strength during the times of the pandemic and the Ukraine war which caused obstacles in the supply chain, with strong resilience and agility. The logistical industry has made everyone understand the importance of the supply chain when they deliver crucial supplies like medications, vaccines, sanitizers, PPE kits, face masks, oxygen tanks and other essentials to the end users. It made the stakeholders aware of the significance of the supply chain in the development of the business.

The automation and digitization has helped create the era of e-commerce and boosted the growth of the logistics industry. Earlier the industry was growing at a very slow pace. However, the logistics industry has got transparent and has helped establish seamless and agile logistics operations after the introduction of GST and other acts for freight transportation. This also encouraged stakeholders to automate and digitise the supply chain operations which enables complete transparency, visibility, balancing the demand and supply, inventory management etc through a centralised platform that can be managed through the internet from anywhere.

At present, about 65% of the cargo moves through roads, only 6% to 7% through waterways and about 29% to 30% through railways. The industry is planning for balanced multimodal freight transportation by the introduction of various policies. It is planned to develop the railway infrastructure and also coastline will be used for freight transport through the Sagarmala program.

Digital India by the Central government also enabled the integration of various industries and sectors, through digital platforms and has helped to modernise and improve the logistics and supply chain management operations extensively resilient and green logistical operations. This is based on automation, standardisation and informal labour.

Conclusion:

The logistics industry in India had attained its growth at a great pace. Still this should be competent enough to use automation, digitalisation and efficient use of technology. This industry is growing at a tremendous speed due to advanced technological innovations and the resultant business model innovations in India. The industry has received a great support from real time control towers, sensors and robotics. Thus, leading to the growth and success of logistics industry in Indian market. In recent times, manufacturers, customers, supply chain and logistics service providers started shifting on to transformational journeys to prepare themselves for the future. Hence Logistics can be considered as one of the major economic sectors not only as an industry in itself but also for its contribution upon manufacturing firms' productivity and a major contributor to nation's GDP.



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