

EMERGING TRENDS OF LOGISTICS IN INDIA: ENHANCING SKILL THROUGH EDUCATION

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Abstract:

This paper presents futuristic growth opportunities lies with the logistics sector in India. A gap between skillful person and requirements of industry causes less efficient business operations. To overcome this burning issue government of India came up with the solution called Industry – Academia collaboration through taking revolutionary step in Indian education system by launching apprenticeship undergraduate program. Until now education and employment both were in separate boxes but now it will be 360 degree development of young generation students along with the economy of the Nation.

Keywords: Opportunity, Logistic sector, Skillful person, Industry academia collaboration, Employment.

INTRODUCTION

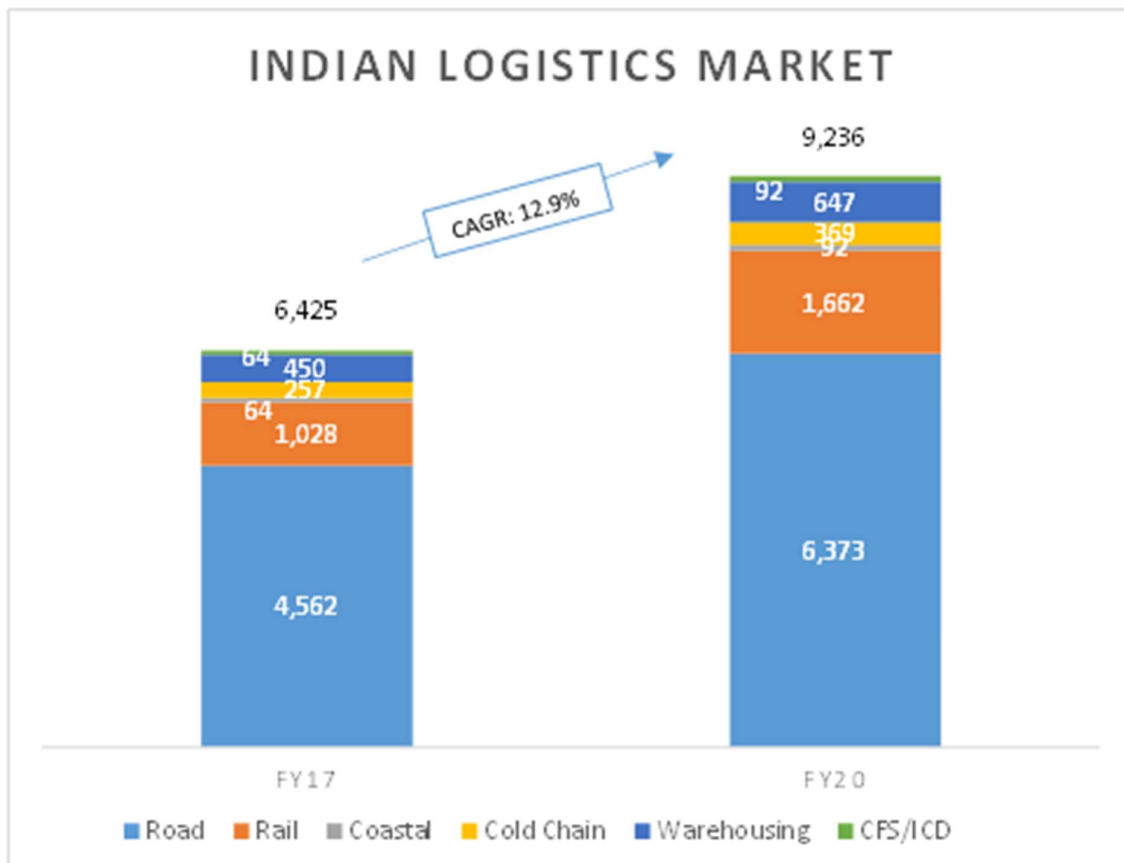
A year 2019 is one more step forward in India to develop economy with skillful people. It is effort of strengthening our education system as well as addressing highly sensitive task of generating employments. Our honorable Prime Minister Mr. Narendra Modi launched skill India program on 15th July, 2015 with the aim to train more than 40cr. people with different skills. Out of the several scheme launched for the skill development by government of India, one is ‘Apprenticeship training’. It is introduced in under graduate degree program and introduced as BCOM/BBA (Logistics). In general logistics is used as synonymous of supply chain management(SCM) but there is very thin line and fundamental difference between logistics and SCM and that is ‘SCM starts with the raw material procurement and ends with consumer’ where logistics is part of that SCM which helps in movement of goods or services to complete SCM chain effectively. We are using mainly four modes in logistics namely Roads, Railways, Waterways, and Airways. The global logistics market is expected to reach US\$ 15522.02 billion by 2023 in terms of revenue, 92.10 billion ton by 2024 in terms of volume.

LOGISTICS SECTOR : INDIAN PURVIEW

In India logistic industry is highly unorganized though it has sound share in country’s GDP. Logistics sector is providing employment to more than 22 million people with compounding annual growth rate of 7.8% during last few years and it is expected to reach at 12 % by 2020. To promote logistic sector government is making easy FDI norms – 100% FDI through automatic route permitted, proposed implementation of GST, promoting E-Commerce and taking initiative such as ‘Sagarmala’ and ‘Making India’. The logistic sector is expected to reach over US\$ 200 billion by 2020 from US\$ 150 billion. In the World Bank’s logistics performance ranking 2018 India’s rank

has been improved at 44 from 54 in 2014. Another aim of logistics is bring down logistics cost to 9% from 14% which is equivalent to GDP level of

US, it will definitely increase to savings of US\$ 50 billion and also make Indian goods more competitive in global market. Growth of Logistics sector would improve service delivery, customer satisfaction, export, opportunity of job creation. The demand supply gap is found in employment of skilled manpower in logistics sector. Present focused on Tamilnadu, Telangana, Andra Pradesh, Karnataka, Maharashtra and Delhi NCR. Where lots of growth opportunity is available in other states like Uttar Pradesh, Gujarat, Bihar, Orissa, West Bengal, Punjab etc. There has been no formal training in the country to address the skill gap in the logistic sector.



(Figure 1.1 Source: Blog SLMT logistics management courses SCM)

ABOUT LOGISTICS SECTOR SKILL COUNCIL (LSC)

The Logistics Sector Skill Council (LSC) has been setup by The Ministry of Skill Development and Entrepreneurship (MSDE) through National Skill Development Corporation of India (NSDC), a society registered under the Societies Registration act, 1860 is a not for profit organization and promoted by Confederation of Indian Industries Institute of Logistics (CII-IL) a Centre of Excellence in Logistics with the aim to develop skill trained as well as up-skill the workforce in India. The apprenticeship-based UG Degree Program has been designed with the primary objective

of creating adequate skills for gainful employment at supervisory / managerial levels in Logistics Industry. This giant project of creating skillful jobs in Logistics sector by way of education is funded by The Ministry of Human Resources Development, MSDE, and The Ministry of Commerce.

ROLE OF THE LOGISTICS SECTOR SKILL CONCIL (LSC)

The LSC is going to play crucial role in the development of logistic sector and it will work as ‘Bridge’ between the Logistics companies’ requirement and skillful employment in the country. LSC is going to satisfy industry validated skill gap and employment potential along with the growth of sub sectors of logistics. There are 12 sub-sectors of logistics namely Air Cargo, Ware Housing, EXIM Logistics, Land Transportation, Courier and Express Service, Inland Waterways, Supply Chain, Rail Logistics, E-Commerce, Port Terminals, Cold Chain, Liquid Logistics. To enhance skill based education in youth, LSC has created a Wing named ‘Skilling in Education’ Division with the primary objective of facilitating skilling of students and young graduates to make them industry ready and be gainfully employed at various levels in Logistics Sector. This Division has designed a curriculum for apprenticeship-based UG Degree Program in Logistics, and has signed up with 21 institutions (Figure no. 1.1) across the country for launching the Degree Program in the Academic Year 2019-20. To enhance technical aspects of logistics processes LSC is working on designing and launching apprenticeship based diploma/certificate course and Post Graduate Degree Program. LSC is also working on framing logistics module for higher secondary students with the aim of developing futuristic career perspective among them. A major role of LSC is going to play in placement. LSC signed MOU’s with average 10 logistics companies for apprenticeship and placement after completion of graduation program.

No.	Collaborating Institution	City	District	State
1	Andhra Loyola College	Vijayawada	Krishna	Andhra Pradesh
2	KL University	Guntur	Guntur	Andhra Pradesh
3	GITAM	Visakhapatnam	Visakhapatnam	Andhra Pradesh
4	Atmiya University	Rajkot	Rajkot	Gujarat
5	GITAM	Bangaluru	Bangaluru Rural	Karnataka
6	St. Berchmans College	Chenganacherry	Kottayam	Kerala
7	Prestige Institute of Mgt. & Research	Indore	Indore	Madhya Pradesh
8	Jagan Nath University	Sitapura Indl. Area	Jaipur	Rajasthan
9	Hindustan University	Padur, Chennai	Chennai	Tamil Nadu
10	Annamalai University	Chidambaram	Cuddalore	Tamil Nadu
11	PSG College of Arts & Science	Coimbatore	Coimbatore	Tamil Nadu
12	Sri Krishna College of Arts & Science	Coimbatore	Coimbatore	Tamil Nadu
13	Dayalbagh Educational Institution	Agra	Agra	Uttar Pradesh
14	Seacom Skills University	Bolpur	Birbhum	West Bengal
15	VKR College	Gannavaram	Krishna	Andhra Pradesh
16	Girideepam Inst. of Advanced Learning	Vadavathoor	Kottayam	Kerala
17	Ramanand Arya DAV College	Bhandup East	Mumbai	Maharashtra
18	JIMS	Rohini	North West Delhi	NCR
19	Raisoni University	Nagpur	Nagpur	Maharashtra
20	Chatrapathi Shivaji Maharaj University	Panvel	Raigad	Maharashtra
21	Indira Gandhi National Tribal University	Amarkantak	Anuppur	Madhya Pradesh

(Figure 1.2: Universities in India started UG program in Logistic, Source Logistix Express)

ACADEMY PURVIEW : APPRENTICESHIP BASED UNDER GRADUATE PROGRAM

After CA, CS and Medical, it is a forth apprenticeship based program has been started where the students will get stipend of Rs.5000-9000 depending upon the density of the area. The entire program includes three semester apprenticeship which leads to totaling 18 months of on the job training as per The Apprenticeship Act. Every even semester students will go for apprenticeship. This is compulsory for every enrolled student. It will enhance necessary knowledge and skill of the student along with real time practical situation regarding logistic. It will also give them understanding of future career scope in fast growing logistic industry. Placement of the student will be done by LSC at supervisory or managerial level after successful completion of the program. Guaranteed placement will be taken care by LSC. Here another challenge for LSC is that the maturity level of the students is not quite enough for the industry due to this is the UG program where students enrolled after completion of 12th standard and they are in their teenage. So it is bit of more asking from them to show maturity at selection of this course and take seriously apprenticeship at this early stage though it is required and necessary. Other challenges are like home sickness, love of parents and extra care, Accommodation arrangements at the place of apprenticeship and less awareness of logistic sector.

INDUSTRY PURVIEW : APPRENTICESHIP BASED UNDER GRADUATE PROGRAM

Due to this program industry will get skillful employees which help them to enhance operating effectiveness and profitability of the business. It makes business operation faster because they are already trained during their apprenticeship and faced real time situations. They do not require additional training to do work in efficient manner. By this means now we can able to address needs of the industry in the exact form of their requirements. As people says that ROME was not built in a single day. Similarly to fulfill industry’s requirement of skillful workforce needs holistic approach to do sustainable development. Now education and employment both are in a one box and try to fulfill each other’s needs by helping each other.

Expenses borne by the company is eligible to get deduction under the Income Tax Act,1961 u/s 35CCD as a part of corporate social responsibility (CSR). (Figure no. 1.2 below)

CSR Computation – u/s 35CCD		
Particulars	CSR Spent (in RS)	CSR not Spent (in RS)
Income from business and Profession		
Assuming company making Profit Before Tax (PBT)	10,00,000	10,18,500
Add: CSR spent per candidate debited in P&L	18,500	-
Less: CSR allowed u/s 35CCD- 1.5 times of the expenses booked in P&L (i.e 18,500 * 1.5)	-27,750	-
Total Taxable Income	9,90,750	10,18,500
Add: Surcharge	8,917	9167
Tax Payable	2,97,225	3,05,550
Total Tax Payable	3,06,142	3,14,717

- Net Savings of Rs. 8,575 (46.35% of amount invested by a company i.e. 18,500)
- Net cash out flow for the company will be Rs. 9,925 (18500-8575)

CONCLUSION

India has tremendous bright future in logistics. Rapid growth in technology, Infrastructure and E-Commerce will create huge demand for logistics. FDI will open the door of investment which helps to build world class infrastructure. Enhancement of logistic sector by introducing apprenticeship based UG program as a part of skill development will definitely make sound economy. It will achieve aim of PM's visionary project 'SKILL INDIA'. The world will know our country as "SONE KI CHIDIYA" again.

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