

Material handling equipment: Moving forward India's growth story

The online retail market has witnessed a CAGR of 53 per cent for the period 2013-2017. To support the e-commerce deliveries there are multiple warehouses present. **Anil Lingayat** says even though these warehouses are handled by trained staff, the operations are made seamless with the help of material handling equipment.



Anil Lingayat is Executive Vice President and Business Head at Godrej Material Handling. He joined Godrej in 1985 to handle sales and service of industrial products at an upcountry location and grew to handle marketing for machine tools for the western region. The later years saw Lingayat adding diverse experiences in production planning, manufacturing, product supply, sales etc., some of which were national level roles. He went on to head the Product Supply for Godrej Interio. Under his leadership, branch sales reached new highs, some of the biggest projects were executed, and factories were established, upgraded and modernised with robotic integration even.

India remains on the cusp of a new exponential developmental phase and has already been crowned as the fastest growing large economy worldwide. Some sectors such as the online retail market have witnessed a compound annual growth rate (CAGR) of 53 per cent for the period 2013 to 2017. To support the millions of e-commerce deliveries each day, huge warehouses have sprung up nationwide. These gigantic warehouses are managed by trained staff but the seamless operations wouldn't have been possible without the usage of material handling equipment.

The average turnaround time at India's major ports has dropped from 82 hours to 64 hours in 2017-18, and the average output per ship berth day has increased from 14,583 tonne in 2016-17 and to 14,912 tonne in 2017-18. This achievement is commendable since it will provide an impetus to India's trade as goods will now spend lesser time at ports.

However, the reduction in turnaround time at India's major ports would not have been possible without the efficiency of the material handling equipment.

In fact, material handling equipment touches upon almost every facet of our lives. From vegetables, fruits, clothes, furniture to construction materials or even shoes, material handling equipment is the silent player carrying them right from their manufacturing and transportation to warehousing and reaching the customer on time. Municipalities too, across India, use such machines to segregate waste and dispatch it to the selected landfill sites or recycling depots.

The Government's 'Make in India' initiative that focuses on spurring domestic manufacturing activity for the global marketplace is also connected to the usage of material handling equipment. It would be difficult for operations to run smoothly on the factory shop-floor without the usage of material handling equipment that helps in bringing in raw materials and transferring finished products within the premises.

It is pertinent to point out that the usage of material handling equipment is expected to grow in line with India's economic development. The exponential growth of sectors such as warehousing, logistics and transportation will provide further impetus to its growth in near future.

As India's economic activities progress, it will become necessary to employ more machines of this nature to enhance efficiency and productivity. However, the government and relevant industry bodies also need to step in and provide guidance in terms of product quality benchmarking, training

manuals and safety aspects. This should fall under the ambit of overall off-road vehicle regulations and thereby bring in some semblance of guidelines for structured overall growth. There could also be regulatory intervention to ensure that machines become eco-friendlier and have a lower carbon footprint.

Regulatory intervention in terms of quality benchmarking is essential since the material handling industry has a large number of small and unorganised players providing dubious quality products at low prices. Such sub-standard products not only have higher lifecycle costs due to frequent machine breakdowns but also pose a safety risk to lives and material. In addition, the after sales service need is a key for this product to ensure uptime and safety of equipment during its life cycle. Hence, it is only reasonable to seek a level playing field by

qualitatively benchmarking material handling equipment so that customers can make informed purchase decisions.

Material handling equipment are critical to support India's economic growth and therefore the nation cannot remain dependent on imports but needs to nurture the domestic industry. For this, the government needs to intervene through policy initiatives to dissuade the import of such material handling equipment, especially from nations that are infamous for low-cost dumping.

A section of people might also point out the need for pushing widespread utilisation of such vehicles keeping in mind India's vast pool of human resource and favourable demographics. However, it would be pertinent to point out that machines are operated by humans and not vice versa. Hence, a vast talent pool will still be required to

manufacture, operate and maintain such material handling equipment.

Additionally, the current manpower deployed for loading and unloading activities could be trained and utilised for higher skilled and productive tasks. The increased usage of such material handling equipment by trained staff will lead to enhanced productivity, thereby ensuring cost saving. This will provide India-made products a price edge in the highly competitive global arena.

In conclusion, it would be pertinent to point out that India's material handling equipment industry will definitely grow in sync with the increased pace of mechanisation and automation across sectors. However, this growth needs to be nurtured in the right direction through proper guidance and regulation so that it doesn't go haphazard and hurt stakeholders over the course of time.

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Demand for pallets on lease to go up to 4 million: LEAP India

LEAP India, which has deployed Rs 400 crore of equity and debt so far in to pallets and foldable large containers (FLCs), expects current pallets deployed to grow to 4 million in the near future. "LEAP India expects the demand for pallets on lease to go up to 4 million from 2.1 million deployed currently, while that of foldable large containers (FLCs) to touch four lakhs from one lakh now," said the company in a press release.

LEAP India, a leading supply chain management solutions firm, has transformed the way goods are going to be delivered by FMCG, beverages, auto, e-commerce, large logistic players and pharma companies in the country. The company has added 300 large corporates as its clients in the last two years, as it has moved from 150 clients two years back to 450 clients as on today. There is also deep penetration and growth is experienced by the company from the existing clientele.

Commenting on this development, Sunu Mathew, MD, LEAP India, said, "We are delighted to achieve leadership position in a span of five years of our existence. We have enough opportunity in these two products pallets and FLCs and we have recently added Forklifts to our offering and working on innovative products, which we will roll out during the current year. We are geared up to grab this opportunity and we are very well funded company to take care of our expansion plans."

The company has surpassed its largest competitor and



has emerged as leader in number of pallets and FLCs deployed in the country. The company has marquee investors like Mayfield and Sixthsense and Piramal.

In India, the method of transferring auto components is still traditional and a truck full of goods requires 14 workers and 3 hours to load and off-load it. The pallets and FLCs reduces packaging cost, increases warehousing and transportation efficiencies, reduces damages, manpower requirements, Carbon Footprint and helps companies to achieve ISO certifications, capital efficiency and saves time to focus on their core activities.

Founded in July 2013, LEAP's business is of returnable packaging and pooling of equipments namely; wooden pallets, plastic containers, wooden boxes and metal wire mesh catering to all sectors which uses these equipment's to store or transfer products from one location to another.

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