

A STUDY ON CLEARANCE AND FORWARDING AGENTS WITH REFERENCE TO ALLWIN CARGO SERVICE

By MARIA JABASTIN RAJ J

Reg.No:41410193

Under the guidance of

Dr. JAINAB ZAREENA

MASTER OF BUSINESS ADMINISTRATION



DEPARTMENT OF MANAGEMENT STUDIES

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY (DEEMED TO BE
UNIVERSITY)**

Accredited with Grade "A" by NAAC I 12B Status by UGC I

Approved by AICTE JEPPIAAR

NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600119

MARCH 2023

CERTIFICATE OF GUIDE

This to certify that the project work entitled “**A STUDY ON CLEARANCE AND FORWARDING AGENTS WITH REFERANCE TO ALLWIN CARGO SERVICE,**” is a bonafide work done by **MARIA JABASTIN RAJ J [REGISTER NO: 41410193]** carried out in partial fulfilment for the award of the degree of Master of Business Administration of Sathyabama University under my guidance. This project work is original and not submitted earlier for the award of any degree / diploma or Associateship of any other University Institution.



Signature of the Guide



Signature of Student

ACKNOWLEDGEMENT

With due respect and gratitude I want to thank, **Sathyabama University, Semmenjeri Campus**, for giving me this opportunity to see, learn and gain a firsthand industry experience in this final year project which will help me a lot to grow professionally. I express my heartfelt thanks to our **Dean, Professor** and all those who guided and helped me in preparing this project. I express my sincere thanks to **Dr.Jainab Zareena** for guiding me throughout the work.

I would like to express my gratitude to my Company Guide Mr.Balu, who gave me the opportunity to work on this project. Despite of his hectic schedule, he took his time out to support and guide me in understanding the market situation and company objectives.

I would sincerely acknowledge the respondents who gave their valuable time and support to us. Without interacting with them this report would have been a half hearted effort. Their feedbacks and data have been the stepping stone in building this report.

I thank God Almighty for showering his perennial blessing on me for giving me the courage to pursue this project work successfully.

MARIA JABASTIN RAJ J
(41410193)

ABSTRACT

The term Logistics Management or supply chain management is that part of Supply Chain Management that plans, implements, and controls the efficient, effective, forward, and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customer's requirements.

A freight forwarder is a person or company that organizes shipments for individuals or corporations to get large orders from the manufacturer or producer to market or final point of distribution. Forwarders will contract with a carrier to facilitate the movement of goods. A forwarder is not typically a carrier, but is an expert in supply chain management. In other words, a freight forwarder is a "travel agent," for the cargo industry, or a third-party (non- asset-based) logistics provider. A forwarder will contract with asset-based carriers to move cargo ranging from raw agricultural products to manufactured goods.

The primary objective of this project is to conduct 'A study on clearance and forwarding with reference in Allwin Cargo Service'. This study evaluates the process of Freight forwarding and custom clearance in the organization, which widely focuses on identifying the factors affecting freight forwarding and custom clearance process so that the solution for the problem can encounter the remedies and hence helps the company to improve the process of freight forwarding and custom clearance.

The study is concluded that if the company tries to follow the given recommendations and suggestions the company can improve the process of freight forwarding and custom clearance in the future. This will help Allwin Cargo to establish a reasonable share in the market place.

TABLE OF CONTENTS

CHAPTER NO		PARTICULARS	PAGE NO.
1.		INTRODUCTION	
	1.1	Theoretical background of the study	9
	1.2	Industry profile	23
	1.3	Growth of the Industry	30
	1.4	Organizational profile	32
	1.5	Need for the Study	37
	1.6	Review of literature	38
	1.7	Objectives of the study	42
	1.8	Limitations of the study	43

2.		METHODOLOGY	
	2.1	Research Methodology	44
	2.2	Sample Design	45
	2.3	Tools for analysis	46
	2.4	Scope of the study	49
3.		DATA ANALYSIS	
	3.1	Percentage analysis	50
	3.2	Statistical analysis	58
4.		RESULTS AND DISCUSSIONS	
	4.1	Findings	60
	4.2	Suggestions	62
	5.1	CONCLUSION	63
		BIBLIOGRAPHY	
	1.	Reference	64
	2.	Appendix	66

LIST OF TABLES

Table No.	Title	Page No.
3.1.1	Age of respondents	50
3.1.2	Gender of the respondents	52
3.1.3	Educational qualification of the respondents	54
3.1.4	Experience level of the respondents	56
3.2.1	Chi Square test between time and cost for export	58
3.2.2	Chi Square test between time and cost for import	59

LIST OF CHARTS

Table No.	Title	Page No.
3.1.1	Age of the respondents	51
3.1.2	Gender of the respondents	53
3.1.3	Educational qualification of the respondents	55
3.1.4	Experience level of the respondents	57

CHAPTER I

INTRODUCTION

1.1 THEORETICAL BACKGROUND OF THE STUDY

Meaning

The word of logistics originates from the ancient Greek logos (λόγος), which means “ratio, word, calculation, reason, speech, and oration”. Logistics as a concept is considered to evolve from the military's need to supply them as they moved from their base to a forward position

. In ancient Greek, Roman and Byzantine empires, there were military officers with the title ‘Logistikas’ who were responsible for financial and supply distribution matters.

The Oxford English dictionary defines logistics as: “The branch of military science having to do with procuring, maintaining and transporting material, personnel and facilities. “Another dictionary definition is: "The time related positioning of resources." As such, logistics is commonly seen as a branch of engineering which creates "people systems" rather than "machine systems

The term logistics seems all pervasive. It appears on the sides of trucks, ships and aircraft, forming part of the name of many business enterprises, in classified job advertisements as well as newspaper articles and on television news broadcasts.

Definition

Logistics is a process of planning, implementing and controlling efficient and cost-effective flow of materials and information from point of origin to point of consumption. Hence, Logistics is nothing but the process of strategically managing the movement and storage of materials, parts, and finished inventory from suppliers, between enterprise facilities and customers.

FREIGHT FORWARDER

A freight forwarder, forwarder, or forwarding agent is a person or company that organizes shipments for individuals or other companies and may also act as a carrier. A forwarder is often not active as a carrier and acts only as an agent, in other words as a third-party logistics provider, they have the expertise that allows them to prepare and process the documentation and perform related activities pertaining to international shipments.

Some of the typical information reviewed by a freight forwarder is the commercial invoice, shipper's export declaration, bill of lading and other documents required by the carrier or country of export, import, or transshipment. Much of this information is now processed in a paperless environment.

LOGISTICS MANAGEMENT

Logistics Management is that part of the supply chain which plans, implements and controls the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers' requirements.

BUSINESS LOGISTICS

Logistics as a business concept evolved only in the 1950s. This was mainly due to the increasing complexity of supplying one's business with materials and shipping out products in an increasingly globalized supply chain, calling for experts in the field who are called Supply Chain Logisticians. This can be defined as having the right item in the right quantity at the right time for the right price and is the science of process and incorporates all industry sectors. The goal of logistic work is to manage the fruition of project life cycles, supply chains and resultant efficiencies.

In business, logistics may have either internal focus(inbound logistics), or external focus (outbound logistics) covering the flow and storage of materials from point of origin to point of consumption (see supply chain management). The main functions of a logistics manager include Inventory Management, purchasing, transport, warehousing, and the organizing and planning of these activities. Logistics managers combine a general knowledge of each of these functions so that there is a coordination of resources in an organization. There are two fundamentally different forms of logistics. One optimizes a steady flow of material through a

network of transport links and storage nodes. The other coordinates a sequence of resources to carry out some project. Logistics as a concept is considered to evolve from the military's need to supply them as they moved from their base to a forward position. In ancient Greek, Roman and Byzantine empires, there were military officers with the title 'Logistikas' who were responsible for financial and supply distribution matters.

PRODUCTION LOGISTICS

The term is used for describing logistic processes within an industry. The purpose of production logistics is to ensure that each machine and workstation is being fed with the right product in the right quantity and quality at the right point in time. The issue is not the transportation itself, but to streamline and control the flow through the value adding processes and eliminates non-value adding ones.

Production logistics can be applied in existing as well as new plants. Manufacturing in an existing plant is a constantly changing process. Machines are exchanged and new ones added, which gives the opportunity to improve the production logistics system accordingly. Production logistics provides the means to achieve customer response and capital efficiency.

COMMERCIAL VEHICLE OPERATION

Commercial Vehicle Operations is an application of Intelligent Transportation Systems for trucks. A typical system would be purchased by the managers of a trucking company. It would have a satellite navigation system, a small computer and a digital radio in each truck. Every fifteen minutes the computer transmits where the truck has been. The digital radio service forwards the data to the central office of the trucking company. A computer system in the central office manages the fleet in real time under control of a team of dispatchers.

In this way, the central office knows where its trucks are. The company tracks individual loads by using barcoded containers and pallets to track loads combined into a larger container. To minimize handling-expense, damage and waste of vehicle capacity, optimal-sized pallets are often constructed at distribution points to go to particular destinations.

A good load-tracking system will help deliver more than 95% of its loads via truck, on planned schedules. If a truck gets off its route, or is delayed, the truck can be diverted to a better route, or urgent loads that are likely to be late can be diverted to air freight. This allows a trucking company to deliver a true premium service at only slightly higher cost. The best

proprietary systems, such as the one operated by FedEx, achieve better than 99.999% on-time delivery. Load-tracking systems use queuing theory, linear programming and minimum spanning tree logic to predict and improve arrival times. The exact means of combining these are usually secret recipes deeply hidden in the software.

The basic scheme is that hypothetical routes are constructed by combining road segments, and then poor ones are eliminated using linear programming. The controlled routes allow a truck to avoid heavy traffic caused by rush-hour, accidents or road-work. Increasingly, governments are providing digital notification when roadways are known to have reduced capacity.

A good system lets the computer, dispatcher and driver collaborate on finding a good route, or a method to move the load. One special value is that the computer can automatically eliminate routes over roads that cannot take the weight of the truck, or that have overhead obstructions. Usually, the drivers log into the system. The system helps remind a driver to rest. Rested drivers operate the truck more skill fully and safely .When these systems were first introduced, some drivers resisted them, viewing them as a way for management to spy on the driver. A well-managed intelligent transportation system provides drivers with huge amounts of help. It gives them a view of their own load and the network of roadways.

COMPONENTS OF CVO INCLUDE

Freight Administration

Electronic Clearance

Commercial Vehicle Administrative Processes

Crossing Clearance Roadside

CVO Safety

On-Board Safety Monitoring

ROLE OF LOGISTICS MANAGEMENT

The primary objective of logistics management is to effectively and efficiently move the supply chain so as to extend the desired level of customer service at the least cost. Thus, logistics management starts with ascertaining customers' needs till their fulfilment through product supplies. However, there are some definite objectives to be achieved through a proper logistics system. These can be described as follows:

IMPROVING CUSTOMER SERVICE

An important objective of all marketing efforts, including the physical distribution activities, is to improve the customer service. An efficient management of physical distribution can help in improving the level of customer service by developing an effective system of warehousing, quick and economic transportation, and maintaining optimum level of inventory.

RAPID RESPONSE

Rapid response is concerned with a firm's ability to satisfy customer service requirements in a timely manner. Information technology has increased the capability to postpone logistical operations to the latest possible time and then accomplish rapid delivery of required inventory.

REDUCE TOTAL DISTRIBUTION COSTS

The cost of physical distribution consists of various elements such as transportation, warehousing and inventory maintenance, and any reduction in the cost of one element may result in an increase in the cost of the other elements. Thus, the objective of the firm should be to reduce the total cost of distribution and not just the cost incurred on any one element.

GENERATING ADDITIONAL SALES

A firm can attract additional customers by offering better services at lowest prices. For example, by decentralizing its warehousing operations or by using economic and efficient modes of transportation, a firm can achieve larger market share. Also by avoiding the out-of-stock situation, the loss of loyal customers can be arrested.

CREATING TIME AND PLACE UTILITIES

The products are physically moved from the place of their origin to the place where they are required for consumption; they do not serve any purpose to the users. Similarly, the products have to be made available at the time they are needed for consumption.

PRICE STABILIZATION

It can be achieved by regulating the flow of the products to the market through a judicious use of available transport facilities and compatible warehouse operations. By stocking the raw material during the period of excess supply and made available during the periods of short supply, the prices can be stabilized.

QUALITY IMPROVEMENT

The long-term objective of the logistical system is to seek continuous quality improvement. Total quality management (TQM) has become a major commitment throughout all facets of industry. If a product becomes defective or if service promises are not kept, little, if any, value is added by the logistics. Logistical costs, once expended, cannot be reversed.

MOVEMENT CONSOLIDATION

Consolidation one of the most significant logistical costs is transportation. Transportation cost is directly related to the type of product, size of shipment, and distance. Many Logistical systems that feature premium service depend on high-speed, small shipment transportation. Premium transportation is typically high-cost. To reduce transportation cost. It is desirable to achieve movement consolidation.

3 PL & SUPPLY CHAIN MANAGEMENT

At Committed Group, the company define functional experience, expertise, speed, flexibility, and ingenuity to manage certain freight efficiently every time.

As an experienced provider of 3PL (Third Party Logistics) 24 x 7, they provide a total supply chain solution for your logistics and freight management needs. Our on-going goal is to

simplify the shipping process for our clients by finding the best rates and then smoothly coordinating all aspects of the shipment from pick-up to ship to on time delivery

- It Provides solution and Supply Chain Management enables cost savings and better route planning
- Ability to connect customers and their supply chain partners through a realtime information hub □ 10-15% reduction in transportation costs
- Real-time monitoring of inventory, orders and events
- Intelligent order sourcing across multiple stocking locations

Clearing and Forwarding agents:

Clearing and Forwarding agents are a link between the owners of goods and owners of means of transport. They help cargo owners in efficient movement of goods to the buyers by completing a number of procedural and documentary formalities. Some of the documents involved in customs clearance are :

- **Exports Documentation:** Purchase order from Buyer, Sales Invoice, Packing List, Shipping bill, Bill of Lading or air way bill, Certificate of Origin and any other specific documentation as specified by the buyer, or as required by financial institutions or LC terms or as per importing country regulations.
- **Imports Documentation:** Purchase Order from Buyer, Sales Invoice of supplier, Bill of Entry, Bill of Lading or Air way bill, Packing List, Certificate of Origin, and any other specific documentation required by the buyer, or financial institution or the importing country regulation.

Customs Agents prepare the document of Shipping Bills in house for submission while rests of the documents are obtained from the client. Preparing shipping bill involves Classification of cargo under specific classification which is a critical activity in the entire process.

Customs clearance agents are also called Carrying and Forwarding agents. They are registered and licensed by Customs to operate. Their role is limited to acting on behalf of and representing clients as third party agencies engaged in customs clearance.

Customs Agents are linked through EDI with customs in most of the countries and use documentation software to facilitate entire process.

Performance of clearing and forwarding functions;

- Aid in the local transportation in container transportation and also work on reservation of shipping space.
- Aid in selection of mode of transport, packing, marking and labeling and completing customs and port formalities.
- Its duty is also on cargo insurance, advising exporters on trade laws and educating exporters.
- Its duty is coordination with other agencies and procuring of necessary documents.
- Clearing and forwarding as a function coordinates the complexity of 'financial, transport, and other service activities. They can be thought of as travel agents for cargo 'shipped to overseas locations. Freight forwarding agents negotiate inland and ocean rates besides offering valuable ideas on optimal and the most cost-effective shipping alternatives.

Clearing and forwarding is carried out by freight forwarders or agents. These agents aid in the performance of clearing and forwarding functions in the following ways;

- A freight forwarder makes recommendations 'regarding receiving payments for exports. These forwarding agents provide custody and control of material in 'transit. They assist or prepare commercial invoice, packing list, draft, transmittal letter etc.

- Clearing & Forwarding Agents performs various logistics services that may expound to shipping but mainly a Clearing & Forwarding Agents service may include creating an invoice for international shipping, making arrangements for the shipment pickup and cargo delivery reports, arranging and coordinating customs for attaching warehousing, thoroughly completing all the documentation work required for your shipment, and finally confirming the delivery of your shipment.
- Clearing & Forwarding Agents have established relationship with shipping lines, sea, air and land transportation system including rail services, trucking, and shipping ocean liners. Once the shipment has been handed over to the Clearing & Forwarding Companies Agents, the shipper or the cargo owners can rely on clearing and forwarding agents for timely shipping and safe delivery of the cargo. **NOTE:** A good Clearing & Forwarding Agents will always be perfect in logistics skills of how to arrange for careful shipping of cargo whether they are dangerous cargo or require any additional support meets the shippers'' specific wishes all along the sailing or shipping routes.
- Clearing & Forwarding companies Agents manages the trucking logistics for airfreight and ocean freight import and export. Apart from that, Clearing & Forwarding Agents are also ready to even provide packaging, letters of credit and consular documentation. **NOTE:** Clearing & Forwarding Agents calculation of clearance and freight charges depends upon the distance and other arrangements made thereof for the safety of the product such as refrigeration facility, container facility, or some other sort of preservation facility is required, or if there is any hazardous material included in the package, or the number of carriers that would be required to carry the goods, etc.
- Clearing & Forwarding Agents calculate all these factors for selecting the best bid then add their own fee and then give the client a cost. If the Clearing & Forwarding Agents agree with shipper or cargo owner over the same frames of price, time and task, then it becomes

the responsibility of the Clearing & Forwarding Agents to ship the assigned cargo to the destination.

- Clearing and forwarding agents find out freight rates.
- The agents pay freight bill and receive bill of lading from shipping company.
- Clearing and forwarding agents enclose bill of lading and send copies to shipping line and customer or to the bank acting intermediary.
- Clearing and forwarding agents arrange adequate packing including shipping marks.
- The agents also receive call forward notice from shipping company.
- The clearing and forwarding agents register details on custom entries forms and send to customs.
- The financial stability of customs brokers or other third party providers is therefore one of the issues to be carefully considered in their selection.

Role of Clearing and Forwarding Agents:

Export-import procedures are very complex and time-consuming. Therefore, every exporter should avail the services of Clearing and Forwarding (C&F) agent who are expert and well versed with the customs and shipment procedures. For smooth and timely shipment of goods, the exporter must appoint a competent C&F agent who is able to, inter alia, provide the following services:

Essential Services:

- (a) Transportation of goods to docks and arrangement of warehousing at port.
- (b) Warehousing facilities before the goods are transported to docks.
- (c) Booking of shipping space or air freighting and advice on relative cost of sending goods by sea and air.
- (d) Arrangement for loading of goods on board.

(e) Equipped with information on shipping lines and freight to different destinations, and various charges payable by exporters.

(f) Obtaining marine insurance policies.

(g) Preparation and processing of shipping documents, Bills of Lading, Dock Receipt, Export Declarations, Consular Invoice, Certificate of Origin, etc.

(h) Forwarding of banking collection papers.

Desirable Services:

(a) Storage facilities abroad, at least in major international markets, to warehouse the goods in case importer refuses to take delivery on any account.

(b) Can trace the goods, if shipment goes astray, through his international connections.

(c) Arrangement for assessing the damage to shipment en route.

FUNCTION OF FREIGHT FORWARDERS

INTERNATIONAL FREIGHT FORWARDERS

International freight forwarders handle both direct and consolidated shipments. A direct shipment is sent on its own without being co-loaded with other goods. This could be an entire container, truckload or airfreight shipment. Consolidated shipments are those where goods from two or more parties are shipped together, adding weight and security to the shipment, and usually lowering the cost of freight.

SERVICES OF AN INTERNATIONAL FREIGHT FORWARDER

Freight forwarders facilitate shipments by air, vessel or other common carrier. Their services may include, but are not limited to:

- Ordering cargo to the port of export
- Preparing export declarations
- Booking, arranging for and confirming cargo space

- Preparing delivery orders or dock receipts
- Preparing ocean bills of lading
- Preparing consular documents or arranging for their certification
- Preparing and processing letters of credit
- Arranging for warehouse storage
- Clearing shipments in accordance with U.S. government export regulations
- Preparing and sending advance notifications of shipments or other documents to banks, shippers, consignees or agents as needed
- Handling freight or other monies advanced by shippers

ORGANIZATIONAL STRUCTURE OF FORWARDERS

Twenty years ago, companies specialized in direct air shipments, ocean shipments, air consolidations, ocean consolidations or other distinct services based on product, market and industry. Today, many international freight forwarders provide a complete logistical solution for exporters, from door to door. There are still exceptions, which require a brief review of how forwarding services are organized.

THE INTERNATIONAL AIR FREIGHT IATA AGENT

International Air Transport Association, or IATA, is a governing body that allows forwarders to collect a modest commission from the airline based on the freight rate applied to the cargo. IATA certification is based on the forwarder meeting specific financial and credit requirements, having a presence of physical facilities and possessing professional qualifications and ethical business practices. In turn, they are permitted to issue airline air waybills and represent the shipper to the airline and vice versa.

IATA agents may provide additional services to their customers. They often focus on crating, packing, labeling and logistics and turn the cargo over to the airline or an air cargo consolidator. In the food business, an exporter might find an IATA agent that specializes in certain perishable items, such as produce or seafood. IATA agents do not publish their own rates or issue their own waybills, so they do not provide consolidation services directly, although they could assist in making those arrangements on behalf of an exporter.

THE INTERNATIONAL AIR FREIGHT FORWARDER

These companies are IATA agents as well, meaning they can handle direct shipments and prepare the airline air waybill. In addition, they issue their own air waybills, known as “House” air waybills and publish their own rates. With the issuance of house air waybills, they are transporting merchandise under their own name, with what is known as a “Master” airway bill. In a consolidated shipment there can be multiple house air waybills associated to a master air waybill.

International Air Freight Forwarders provide consolidations of air cargo shipments to destinations around the world, and in providing the airline with volume shipments, are able to collect the IATA commission in addition to commission based on performance. They usually have a network of their own offices or agents in major cities around the world and now in developing countries as well. The overseas offices can provide valuable information about regulations, duties, taxes and prices for services provided at the destination. Taking advantage of air consolidation freight rates makes your landed cost more attractive to the buyer and should be considered if the mode of transport is airfreight.

INTERNATIONAL OCEAN FREIGHT FORWARDER

These companies need to be licensed by the Federal Maritime Commission (FMC). Like IATA agents, they do not publish their own rates or issue their own bills of lading, as they don’t provide consolidation services. Their services to the exporter include: coordination of cargo, booking with the steamship line, crating, packing and document preparation.

THE INTERNATIONAL OCEAN FREIGHT CONSOLIDATOR

This type of company is referred to as an NVOCC, Non-Vessel Operating Common Carrier, or an NVO. NVOs provide services that are very similar to the International Air Freight Forwarder. They are licensed by the FMC and can also provide the services of an Ocean Freight Forwarder. They are licensed to publish their own rates and issue their own ocean bills of lading, transporting goods under their own name. This is a very similar process as the master and house air waybills used with air freight consolidations.

If an exporter has a shipment that needs to move by sea freight and does not have enough volume to warrant the purchase of an entire container, the NVOCC is a logical choice, as they

can load the shipment into a container with other cargo and provide a competitive rate for their services. Many international freight forwarders provide both export services for ocean and air freight, directly and consolidated.

1.2 INDUSTRY PROFILE

The scope and influence of logistics has evolved in the late 1940s. In the 1950s, and 60s, military was the only organization which used logistics. The scope of logistics has been extended beyond the army, as it has been recognized as one of the important tools for developing competitiveness. Competitive advantage means the company has the ability to differentiate itself, in the customer's eyes, and also is operating at a lower cost and greater profit.

Logistics facilitates in getting products and services as and when they are needed and desired to the customer. It also helps in economic transactions, serving as a major enabler of growth of trade and commerce in an economy.

Logistics has come to be recognized as a distinct function with the rise of mass production systems. Production and distribution were earlier viewed as a sequential chain of extremely specialized activities. The role of logistics is to ensure availability of all the required materials before every step in this chain. Obviously inventory of raw materials, semi-finished and finished goods is a must across this chain to ensure its smooth functioning.

The concept of logistics has its base upon the systems approach. There is a single chain, with flow of materials starting from the supplier, then to the plant and finally to the end customer, and also these activities are done sequentially in order to achieve customer satisfaction at low cost. For this to be successful there has to be co-ordination in the activities of the department.

With reference to an organization, an organization gets a concrete shape due to its structure. In the earlier times, the suppliers in distribution activities were spread across the entire structure, thus resulting in an overlapping of activities and finally in unaccountable authority and responsibility. In today's process driven organization, where the focus has shifted from functions to process, logistics has become an essential part of the process.

DEFINITIONS OF LOGISTICS:

The American Council of Logistics Management defines logistics as “the process of planning, implementing and controlling the efficient, cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from point of origin to point of consumption for the purpose of conforming to customers' requirements”.

Philip Kotler defines logistics as “planning, implementing, and controlling the physical flows of materials and finished goods from point of origin to point of use to meet the customer’s need at a profit”. **Objectives of logistics:**

Logistics has the following objectives:

Reduction of inventory: Inventory is one of the key factors, which can affect the profit of an enterprise to a great extent. In the traditional system, firms had to carry lot of inventory for satisfying the customer and to ensure excellent customer service. But, when funds are blocked in inventory, they cannot be used for other productive purposes. These costs will drain the enterprise’s profit. Logistics helps in maintaining inventory at the lowest level, and thus achieving the customer goal. This is done through small, but frequent supplies.

Economy of freight: Freight is a major source of cost in logistics. This can be reduced by following measures like selecting the proper mode of transport, consolidation of freight, route planning, long distance shipments etc.

Reliability and consistency in delivery performance: Material required by the customer must be delivered on time, not ahead of the schedule or behind the schedule. Proper planning of the transportation modes, with availability of inventory will ensure this.

Minimum damage to products: Sometimes products may be damaged due to improper packing, frequent handling of consignment, and other reasons. This damage adds to the logistics cost. The use of proper logistical packaging, mechanized material handling equipment, etc will reduce this damage.

Quicker and faster response: A firm must have the capability to extend service to the customer in the shortest time frame. By utilizing the latest technologies in processing information and communication will improve the decision making, and thus enable the enterprise to be flexible enough so that the firm can fulfill customer requirements, in the shortest possible time frame. **The various functions of logistics are as follows:**

1. **Order Processing:** Processing the orders received from the customers is an activity, which is very important by itself and also consumes a lot of time and paperwork. It involves steps like checking the order for any deviations in the agreed or negotiated terms, price, payment and delivery terms, checking if the materials is available in stock,

producing and scheduling the material for shortages, and also giving acknowledgement to the owner, by indicating any deviations.

2. **Inventory Planning and management:** Planning the inventory can help an organization in maintaining an optimal level of inventory which will also help in satisfying the customer. Activities like inventory forecasting, engineering the order quantity, optimization the level of service, proper deployment of inventory etc. are involved in this.
3. **Warehousing:** This serves as the place where the finished goods are stored before they are sold to the customers finally. This is a major cost center and improper warehouse management will create a host of problems.
4. **Transportation:** Helps in physical movement of the goods to the customers place. This is done through various modes like rail, road, air, sea etc.
5. **Packaging:** A critical element in the physical distribution of the product, which also influences the efficiency of the logistical system.

Logistics delivers value to the customer through three main phases:

- a. Inbound logistics: These are the operations, which precede manufacturing. These include the movement of raw materials, and components for processing from suppliers.
- b. Process logistics: These are the operations, which are directly related to processing. These include activities like storage and movement of raw materials, components within the manufacturing premises.
- c. Outbound logistics: These are the operations, which follow the production process. These include activities like warehousing, transportation, and inventory management of finished goods.

Logistics Solution:

Generally, the in-house logistics departments in manufacturing organizations take care of all aspects of logistics. But this is not an area of core competency of manufacturing or trading organizations. Today, a lot of successful business corporations across the world are outsourcing logistics to the third party logistics providers, who are having the necessary infrastructure and expertise to do the job in a better manner. Complete logistics solutions to manufacturers and traders is provided by the third party logistics providers, and they help in integrating various logistics operations, thus ensuring speedy and uniform movement of materials across the supply chain.

Logistics is nowadays widely used in virtually every area. The success of a logistics service providing company depends on how they conceptualize and implement the logistics solution, and also tune to the requirements of the customer.

Future of Logistics

Nowadays corporations look only for sustainable competitive advantage, not only for growth, but also to survive. There is so much killing competition that corporations are compelled to review their business process while they deliver the products and services to customers, who are looking for more and more value for the money that they are spending. The focus of competition has shifted from the product to the supply chain.

Today, logistics management is based on the system concept and cost approach. Transportation, warehousing, handling of material, inventory management and order processing are the major logistics activities, which impact the customer cost and operation. Integrated logistics helps in taking the cost out of the supply chain and also enhance the customer service level.

When looking at the macro level, a growth of a country's economy depends on the availability of excellent logistics infrastructure. The speed of the movement of goods depends to a great extent on the various modes of transportation like rail, road, air, and sea.

Logistics has a bright future, especially in India, but certain pressing issues like abolition of octroi levy, rationalization of customs formalities, improvement in road and rail infrastructure, creation of modern warehouse facilities etc, have to be taken care of. The geographical position of India also is well positioned to emerge as an excellent hub for a variety of products.

Top 10 Logistics companies in India

Here is a list of Top 10 Logistics companies in India; these are the best companies for shipping, shifting and transportation. Ranking process of logistics companies in India is frequently being updated by our expert team.

1 . TNT Express

Corporate office – Bangalore, Karnataka, Establishment – 1994

Business – Shipping and logistic. Website – www.tnt.com

TNT is a global leader in logistic solution which was established in year 1946 by Ken Thomas in Australia. Company has more than 70000 employees worldwide serving in almost every country including India. It started shipping and logistics operation in India in the year 1994.

2 . DHL

Corporate office – Mumbai, Maharashtra, Establishment – 1969

Business – Courier, Supply chain and logistics. Website – www.dhl.co.in

It is among the top logistics company in India which has more than 285000 employees worldwide. DHL is a part of the leading network which delivers solutions to all logistics needs from shipping to courier services.

3 . All cargo logistics ltd

Corporate office – Mumbai, Maharashtra | Establishment – 1993

Business – Logistics solution | Website – www.allcargologistics.com

All cargo logistics ltd is a multinational brand which provides logistics solution. Company has almost 190 offices worldwide and global footprints in more than 90 countries. It is a flagship company of well known Avvashya group.

4 . Agarwal Packers and movers

Corporate office – New Delhi, India | Establishment – 1987

Business – Transportation and packaging | Website – www.agarwalpackers.com Agarwal packers and movers is an Indian logistics company which has transportation, warehouse and packaging business. It has more than 75 offices in India and recently started international operation for material shifting and shipping.

5 . Gati

Corporate office – Singapore | Establishment – 1989

Business – Courier and logistics service | Website – www.gati.com

Gati is one of the top logistics company in India which has a great network of distribution and supply chain solution. It has a strong presence in south Asian countries including China, Singapore and Hong Kong.

6 . DTDC

Corporate office – Mumbai, Maharashtra | Establishment – 1990

Business – Courier and logistics service | Website – www.wiprofurniturebusiness.com DTDC courier and cargo limited is the largest domestic distributor in Indian market, which was established in the year 1990. It offers various logistics services which includes international, domestic and premier services.

7 . BlueDart

Corporate office – Chennai, Tamilnadu | Establishment – 1994

Business – Courier and logistics service | Website – www.bluedart.com

BlueDart is a Chennai based company started in the year 1994 providing shipping solution to more than 220 countries and territories. It is ISO 9001-2008 certified company which offers express package and courier services.

8 . First Flight

Corporate office – Mumbai, Maharashtra | Establishment – 1986

Business – Courier and logistics | Website – www.firstflight.net

First flight was established in the year 1986 setting up first three offices in Kolkota, Delhi and Mumbai. It is largest courier company in India having more than 1200 offices in the country and offering courier services to more than 220 countries worldwide.

9 . FedEx

Corporate office – Dallas, USA | Establishment – 1973 |

Business – Logistics and transportation | Website – www.fedex.com |

Globally recognized shipping brand FedEx has existence in more than 220 countries and territories. Company has a wide network to deliver shipping in every nook and corner, it delivers more than 3.6 million shipments every day.

10 . Globe Express services

Corporate office – Mumbai, Maharashtra | Establishment – 1888

Business – Transportation, warehouse and packaging | Website – www.globeexpress.com |

Global Express services is a well known name in courier industry. It was established long back in the year 1888 which has almost 85 corporate offices worldwide.

1.3 GROWTH OF INDUSTRY

India Ratings has kept the outlook stable for the logistics sector for the next fiscal as it expects a moderate growth for the industry despite the slowdown in the economy.

“India Ratings & Research has assigned a stable outlook to the logistics sector for FY15. This is based on the strong likelihood of the sector continuing to display overall moderate growth rate despite a continued economic slowdown,” said the Fitch group credit rating agency.

Most segments of the industry have low leverage, except the container freight station/inland container depot segment, giving industry players a degree of financial flexibility to weather the slowdown, India Ratings said.

Moreover, the value-added offerings of large players help support margins, thereby cushioning their credit profiles, it said, adding that most of the logistics companies rated by the agency are also on a stable rating outlook.

Revenue for companies offering value-added road freight services would grow at a higher rate of 12-15 per cent during the 2014-15 fiscal than those offering basic road freight services (8-10 per cent), India Ratings said.

Large companies in the road transportation segment will continue to be resilient to the slowdown, given their high operating efficiency and presence in profitable sub-segments such as time-definite delivery services and specialised offerings, it added.

However, the small companies would continue to be adversely impacted due to low demand for road freight during the slowdown, it said.

“This is because they contribute over 90 per cent to truck ownership in the country and are unable to revise freight rates in tandem with hikes in diesel prices,” the agency said.

Talking about the companies in the container freight station/ inland container depot segments (CFS/ICD), India Ratings said that the segments could display a high single-digit growth rate on the back of a revival in international trade volumes.

However, the CFS/ICD operators could be most impacted from the slowdown in India's international trade volumes, considering the large debt-funded infrastructure investments made, the agency cautioned.

"Inadequate cash flows may force few companies to opt for corporate debt restructuring," it added.

Talking about the third-party logistics (3PL) providers, India Ratings said the segment could also grow at a low double-digit rate in 2014-15, given increasing private port operations and integrated logistics offerings.

Speciality segments, where service offerings are linked to non-discretionary spending by corporates and driven by favourable legislation, would continue to display strong revenue growth and stable margins, it said.

However, services such as air charters could see a decline in demand due to the curtailment of expenses by corporates during the slowdown.

1.4 ORGANIZATIONAL PROFILE

ABOUT US:

Allwin Cargo is a pioneer in Logistics and Supply Chain Solutions in India. We, at Allwin Cargo, offer comprehensive custom designed logistics projects and supply chain management services to our customers. Our highly experienced professionals at various locations in India ensure sustainable growth and development to enhance customer value and quality. We have set benchmarks in customer satisfaction and service.

Within Allwin Cargo we take a consistent and systematic approach to Health and Safety management within our operations, thus giving customers the confidence to choose our services above all others.

Allwin Cargo has an established Global Health and Safety Team comprising regional representation with direct accountability to the Regional and Global Leadership Teams. This affords timely and effective reporting and management support for HSE initiatives. The team is empowered to oversee and support company-wide compliance to a growing list of industry, customer and legislative requirements.

Within Allwin Cargo we promote an open reporting culture involving collaboration and active dialogue between all stakeholders to effectively manage Health and Safety risks. We seek to encourage an environment of awareness, participation and continuous improvement in all aspects of Health & Safety, which we call “Constant Care”.

A primary Health and Safety function within Allwin Cargo which sets us apart is that we listen to the client to ensure Health and Safety initiatives bring added value to both parties and further protect our mutual business interests. In achieving this we prioritize Health & Safety as a core pillar within our business and decision making processes.

At Allwin Cargo we place a great emphasis towards safety of all persons working for or with us including our customers by using a Lost Time Incident (LTI) reporting structure augmented by a developing awareness to Near Miss reporting

Allwin Cargo treats the handling of Dangerous goods very seriously. To keep abreast of developing world markets, particularly those within mining, oil and gas exploration we are constantly developing our robust dangerous goods competencies within relevant core functions to meet customer needs.

Allwin Cargo encourages active participation with our customers to promote Health and Safety guidance, and knowledge sharing.

SERVICES

Sustainable Logistics

Our extensive supply chain expertise and industry leadership in sustainable logistics allows Allwin Cargo to develop practical solutions that enable our customers to simultaneously remove waste, reduce cost, and minimise environmental impacts in their supply chains.

Allwin Cargo's portfolio of sustainable logistics services makes it easy for you to create a lean and green supply chain.

In the supply chain, carbon = cost

At Allwin Cargo, our global Supply Chain Development teams are ready to help you understand how logistics impacts your sustainability goals and give you the tools to integrate sustainability into logistics decision making – all while improving supply chain performance and reducing cost. On average, we find that cost and carbon have a 1:1 ratio: if we can reduce your carbon by 1%, we can reduce your costs by 1%.

Measure and manage carbon emissions in your supply chain

To enable you to work strategically with your logistics carbon footprint, we have developed a portfolio of services, including the SupplyChain CarbonCheck and the SupplyChain CarbonDashboard, to enable you measure and manage your logistics carbon footprint.

Allwin Cargo's sustainable logistics expertise can deliver reductions in carbon and cost through:

- End-to-end carbon visibility and management tools – understand the specific activities contributing to your CO2 emissions
- Logistics efficiency improvements – identification of tangible carbon and cost reduction potentials
- Strategy and KPI development – let our experts work with you to create and achieve your logistics sustainability goals
- Internal awareness and capacity building – we can help you integrate sustainability with your supply chain needs □ Packaging optimisation – choices in packaging design influence logistics cost and carbon.

Our proven solutions demonstrate that green supply chains are lean supply chains – good for both business and the environment.

OCEAN FREIGHT

Ocean transportation is the backbone of most global freight forwarding and key in optimising your supply chain. With Allwin Cargo you are in safe hands.

Our hands-on services and strategic solutions are extensive and customised to meet your every need; whether assisting with expediting an urgent shipment or a strategic partner who can provide competitive terms, identify and create short-term efficiencies and build up long-term competitiveness.

Extensive portfolio of carriers

We are not ship owners, but transport managers who work closely with an extensive portfolio of global and regional carriers; providing you with the best solutions.

Many of the world's best known companies use us as their logistics partner of choice when delivering overseas.

Allwin Cargo's ocean freight

- Local expertise and superior customer service from our knowledgeable employees in our 280 own offices around the world
- Access to services from first class global carriers and regional niche carriers
- Centralised ocean procurement ensuring competitive rates and terms

- Multiple carrier solutions departing daily
- Available capacity and space protection with multiple carriers
- Cargo visibility through our ocean tracking system
- Documentation management
- Customs clearance/brokerage services
- Cargo insurance services
- Pick-up, delivery and distribution.

SUPPLY CHAIN DEVELOPMENT

Optimising your supply chain is a never ending task. Allwin Cargo can help you identify key areas of improvement, thus reducing your logistics costs.

Short-term efficiency for long-term competitiveness

Our supply chain development team is made up by more than 60 experts located in our regional offices around the world. Backed by extensive experience in supply chain and project management, we use proven methods and analytical tools to implement solutions that help you maximise the value of your supply chain.

In 2011, our Supply Chain Development team delivered more than 300 customer projects within multiple industries; more than USD 130 million in potential savings were identified.

Our services include:

- Allwin Cargo's unique SupplyChain Healthcheck™
- Business process management and re-engineering
- End-to-end supply chain modelling and inventory optimisation
- Distribution network modelling and strategic recommendations
- Warehouse and distribution design and operation principles
- Green logistics analysis and sustainable recommendations.

Airfreight

Reliable, global airfreight used for the right reasons.

If there is one thing we can all agree on, it's that air cargo should only be used for the right reasons. Often, there is no better option. But in many cases, the options just are not easily comparable or actionable. As the manager of the world's most extensive supply chains, we have developed new ways to optimise the use of air cargo to reduce cost and carbon. Give us your air cargo and we're likely to reduce it. What other global air cargo provider can credibly say that?

International coverage

Through our extensive network of hubs, we handle international air shipments of over 110,000 tonnes annually. Our non-asset based operating style means that we don't have our own aircrafts; instead we work with a wide range of different airline carriers, getting the best available deal. Due to this operational scale we can plan according to your production schedules in order to improve inventory flow whilst still securing favourable rates.

Allwin Cargo provides

- Cost-effective services - competitive rates and transit times
 - Greater capacity - on main lanes even during peak seasons □
- Adequate lead times - for improved inventory flow.

1.5 NEED FOR THE STUDY:

Clearing and forwarding agents are facing lots of problems which have direct impact in their business performance. Though, the problems are more in every field, but in C&F agents, they totally depend on customers, customs and shipping companies. The problems faced by them are grouped into four categories namely, finance problems, logistics problems, problems related to government policies, and customs problems. This industry runs mainly of logistics related activities and hence, they face several problems related to logistics. Of course, finance problems are major issues in any company, and this industry is not an exemption. Therefore, it is important to study about the problems faced by clearing and forwarding agents in both export and import of goods. The purpose of the research is to expand the business globally among the competitive world by moving the import/export goods without any problem and also aiming to improve the freight forwarding and custom clearance process. This study is conducted to analyse the different problems faced by clearing and forwarding agents in Chennai with reference to Allwin Cargo Services.

STATEMENT OF THE PROBLEM:

Logistics play a vital role in international business. A freight forwarder can help to improve the delivery of products and increase customer service. Allwin Cargo faces problems in documentation, transport, Custom clearance in freight forwarding and this affect the exports and supply chain, so to overcome all these problems study is conducted.

1.6 REVIEW OF LITERATURE

Davis, Beth R (2012), a study on "Logistics service driven loyalty: an exploratory study". The Journal shows that supply chain relationships can be a stable source of competitive advantage to firms in the supply chain because of their ability to create barriers to existing competition and conclude that improving logistics customer service is an ongoing focus for firms. Suppliers are trying to become more proactive with their customers and anticipate customer expectations.

M. Dhanabakyam and K. Parimala (2015) A study on "Role of Freight Forwarders and Customs House Agents In Logistics-A Perceptual Study. The study concerned with the freight forwarding is a vital part of logistics in international trade activity. The objective of the study was to identify the study appraise the role played by Freight Forwarders in logistics was conducted. Thus the study showcased that, as the world has become a global village, the service providers like Freight. Forwarders should be prepared to face the challenges of tomorrow, by extending their network in every corner of the world and providing more accuracy in their commitments.

Benjamin Ertel and Mike Jones (2015) A study on "Performance Based Logistics Perspective". The objective of the study is about the critical concepts for successful PBL incorporation and common PBL misconceptions in logistics. It also describes keys to successful PBL implementation Viz. Alignment of supplier incentives with requirements, competitive advantage and empowerment of support provider. It gives the PBL value proposition as improved integration and gives the necessary steps for implementation of performance based logistics.

Sebastian (2016) A Study on "Problems of Logistics Industry ". The objective of the study about the problem that faced logistics industry. He concluded that India's logistics industry is low in their planning and current professionals in the industry should sharpen their skills on a broad base of key elements of transportation and logistics. Finally he said that, there should be very balanced between solid knowledge and real world application.

Mohitayalamanchi (2016), a study on "Logistics and Customer Value", the objective of the study is about the customer value that companies have created through logistics management,

in their quest for new ways to establish a competitive edge. A number of new tools and approaches have emerged as proactive elements of the logistics response to the task of creative value for the customer viz. emphasis on logistical customer service, management of the supply chain, the development of strategic alliances. It gives an explanation of various steps taken by different firms for identifying and implementing quality improvement processes in the logistics areas.

Berrada A. Chakir&Ciro Aida (2017), a study on “Bottlenecks in the Freight Forwarding sector in West-coast Africa”. The objective of the study about a to identify the bottleneck/s within the freight-forwarding industry in west coast Africa. The Study revealed that the series of interesting findings First, the activity of a Freight Forwarder depends on a series of factors that do not depend on the Freight Forwarder per se. And second, Freight Forwarders in order to accomplish their tasks have access to services that are shared by all providers, and that are beyond their control. To conclude the study identifies infrastructure as a major bottleneck in the Freight Forwarding sector.

Mr. Amit Maheshwari (2017), CEO, MD, Softlink Logistic Systems, is of the opinion that India has become the prime destination for logistics service providers all over the world. The demand for logistics services in India has been largely driven by the remarkable growth of the economy. The growth was being projected at 9-10 per cent in next few years, with the CAGR (Compounded Annual Growth Rate) expected to grow at a rate of 7-8 per cent. This growth is expected to gain greater momentum due to the exponential growth of the Indian economy. India is also experiencing a big retail boom as the buying capacity of the middle and upper middle segment of the population has scaled new heights.

Matiya, Florentina J (2017), assessed the challenges faced by clearing and forwarding agents in clearing consignment at Dar Es Salaam port. They used descriptive survey and collected data by interviews, questionnaires, observation and documentary review. The finding of the study revealed that some process are done manually and some are computerized. The time taken to clear the goods take much time and due to this delay the government loose revenues and customers are dissatisfied. A proper planning makes improvement in the yield of import/export and increase the efficiency.

Edward, Alice (2017), focused on investigating the operating environment as it relates to timely removal of cargo from port , identification of legal and regulatory changes needed and the reasons for delay in the port. That can be determined and used to evaluate how the transaction cost can be reduced using e-commerce to increase the efficiency awareness for smooth run of business at port and quick clearing of cargoes.

S. Ramachandran, Mayur S Nakhava (2018), highlighted about the perspective of the issues, challenges faced by the logistics industry. They logistics industry have the interplay of infrastructure technology and services which make customer reduce their transportation cost and time. They analysed the challenges in the area of transport, port sector, infrastructure for storage, technology and also the scope of it.

S. Swathy (2018), said about the exporter's satisfaction towards the service rendered by the freight forwarder and major problems faced by the exporter's from their service providers.. This study was descriptive in nature and it includes surveys, facts and findings. Data was collected using a developed and validated questionnaire. The collected data was analysed using simple percentage analysis, weighted average and Garrett ranking method and the results are presented in the tabular form and they are interpreted.

Kumar, S. D., & Kumar, V. H. (2019) narrated the Impingement of Celebrity towards Product Promotion amongst movie goers in Tamil cinema industry.

Kumar, S. D., & Kumar, V. H. (2019) highlighted the mediation of Attitude toward Advertisements in The Relationship between Advertisements and Purchase Intention. This study was carried out in Chennai City.

Noorul Shaiful Fitri Abdulrahman (2019) ,mainly focused on evaluating the significant delay factors of dry bulk cargo which leads to high transportation cost and extra money to handle cargo. By using AHP method they founded that miscellaneous factors lead to significant delay factor and foul weather and tide prediction is the sub significant delay. The valuable finding help the port and stakeholders to measure the factors affecting operational business and performance.

Girma, Essete (2020), highlighted that they main focus is to identify challenges and factors affecting performance of Custom Clearance Agent from delivery time interval. Quantitative data source were used and primary data is collected using questionnaire, interviews and data analysis through regression and descriptive statistics. They analysed that the challenges on CC is due to improper delivery of shipment which reduces performance and recommended that improvement towards CC process which minimizes delay and increases performance.

1.7 OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE:

- To evaluate and improve the process of Freight forwarding and custom clearance with special reference to Allwin Cargo in Chennai.

SECONDARY OBJECTIVE:

- To identify the factors affecting custom clearance and freight forwarding process
- To study an overview of the role of Clearing and Forwarding agents in facilitating the export and import trade in Chennai District (as it was before 2009).
- To study the performance of the clearing and forwarding agents in general.
- To study the factors that influence the exporters' satisfaction in utilizing the services of the Clearing and Forwarding agents.
- To study the export-import documentation process.

SCOPE OF THE STUDY

The present study considers the services of the clearing and forwarding agents and the exporters of the services provided by the clearing and forwarding agents who are functioning in Chennai city. The purpose of the study is to analyse the factors affecting freight forwarding and clearance process. The study intends that the adequate steps are taken to improve the process of freight forwarding and custom clearance. An attempt can be done through this study to expand the business globally in the competitive world. The study will lead to move the import export goods in a better way and without any problem.

1.8 LIMITATIONS OF THE STUDY

There were certain limitations in understanding this research work. Some of the limitations are:

- Objectives and purpose of the study and questions has to be explained to the respondents and their response may be biased.
- The results and findings are based on the opinion of the employees who work in the organisation.
- The study is based on the data collected from respondents and a journal hence the reliability of the data is not probed into. Utmost care has to be taken while extending the results to the other areas.

CHAPTER II

METHODOLOGY

2.1 RESEARCH METHODOLOGY

TYPE OF RESEARCH:

The type of research design undertaken is **Descriptive Research**. Descriptive research includes surveys and fact-findings enquiries of different kinds. The major purpose of descriptive research is description of state of affairs, as it exists at present. **Descriptive Research:**

Descriptive research, is used to describe characteristics of a population or phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred

DATA SOURCES:

DATA COLLECTION METHOD:

The main aim of the study is to know the problems faced by the exporters and the clearing and forwarding agents. Hence the research design is descriptive in nature, wherein both Primary and secondary data have been used for the study. The main sources through which data is collected are:

Primary data:

The Primary data was collected through a structured questionnaire from the employees in Allwin Cargo in Chennai.

Secondary data:

Secondary data was collected from various sources such as magazines, journals, books and websites.

2.2 SAMPLE DESIGN:

Sample Design is method of selecting the samples. The convenient method of sampling was applied to select the sample respondents. A sample of 90 employees of Allwin Cargo in Chennai is taken for this study. The sample size used for the study is 90. The statistical tool used for the study is Percentage analysis and chi-square

Convenient Sampling Method:

A statistical method of drawing representative data by selecting people because of the ease of their volunteering or selecting units because of their availability or easy access. The advantages of this type of sampling are the availability and the quickness with which data can be gathered. The disadvantages are the risk that the sample might not represent the population as a whole, and it might be biased by volunteers. This is also called accidental sampling.

Example of Convenient Sampling:

One of the most common examples of convenience sampling is using student volunteers as subjects for the research. Another example is using subjects that are selected from a clinic, a class or an institution that is easily accessible to the researcher. A more concrete example is choosing five people from a class or choosing the first five names from the list of patients.

In these examples, the researcher inadvertently excludes a great proportion of the population. A convenience sample is either a collection of subjects that are accessible or a self selection of individuals willing to participate which is exemplified by your volunteers.

2.3 TOOLS FOR ANALYSIS

TOOLS USED

The Data collected was analyzed using Percentage analysis and Chi Square.

PERCENTAGE ANALYSIS

Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data. A percent change analysis shows how two items changed as a percentage from one period to another period. Used on a balance sheet, a percent change analysis shows how a balance sheet account changes from year to year, or quarter to quarter. The balance sheet accounts are assets, liabilities, and stockholders' equity. Percentage Statement Analysis is an analysis which highlights important relationships in the percentage statements. Percentage Statement analysis embraces the methods used in assessing and interpreting the results of past performance and current percentage position as they relate to factors of interest in investment decisions. It is an important means of assessing past performance and in forecasting and planning future performance.

Percentages are often used to express a proportionate part of a total. If 50% of the total number of students, long before the existence of the decimal system, computations were often made in fractions. The term "percent" is derived from the Latin per centum, meaning "hundred" or "by the hundred". The Percentage increase and decrease. Due to inconsistent usage, it is not always clear from the context what a percentage.

Percentage are used to understand and interpret data. The nth percentage of a set of data is the value at which n percent of the data is below it. In everyday life, percentage are used to understand values such as test scores, health indicators, and other measurements. For example, an 18-year-old male who is six and a half feet tall is in the 99th percentage for his height. This means that of all the 18-year-old males, 99 percent have a height that is equal to or less than six and a half feet. An 18-year old male who is only five and a half feet tall, on the other hand, is in the 16th percentage for his height, meaning only 16 percent of males his age is the same height or shorter.

The original variation between the actual value and the calculated value extracted in the form of percentage is termed to be the percentage error. This tool is used to measure whether the section is progressing in the right direction and is mostly used by corporate companies and statistic experts. If taken the context of academic career, the percentage error formula is very crucial for the students pursuing their degrees in the discipline of economics and science. While conducting a study or calculations from the figures provided in a database, various errors could occur.

Majorly the percentage error formula is used to determine how accurate the calculated value is by keeping in mind the actual value. I mentioned in a very rough language, it is the variation of the gap between the calculated value and the genuine value expressed in the form of a percentage. Commonly, the extent of the percentage error is expressed in the positive denominations, although having a negative percent error is not a wrong approach. Relying on the sign of the percentage error measure, it could be analyzed whether the calculated value is being paced below or higher to the actual value. The tool of percentage error formula is one of the most reliable and accurate tools in calculating the relative error by keeping the original measure as the basis.

STATISTICAL ANALYSIS

Statistical analysis is the science of collecting, exploring and presenting large amounts of data to discover underlying patterns and trends. Statistics are applied every day in research, industry and government to become more scientific about decisions that need to be made. Importance Statistical analysis is a study, a science of collecting, organizing, exploring, interpreting, and presenting data and uncovering patterns and trends. Many businesses rely on statistical analysis and it is becoming more and more important. One of the main reasons is that statistical data is used to predict future trends and to minimize risks.

DESCRIPTIVE ANALYSIS

The descriptive statistic is used to describes the basic features of information and shows or summarizes data in a rational way. Descriptive statistics is a study of quantitatively describing. This type of statistics draws in all of the data from a certain population or a sample of it. Descriptive statistics can include numbers, charts, tables, graphs, or other data visualization types to present raw data. However, descriptive statistics do not allow making conclusions. we

cannot get conclusions and generalize that extend beyond the data at hand. With descriptive statistics, you can simply describe what is and what the data present.

INFERENCE TYPE

This type of statistical analysis is used to study the relationships between variables within a sample, and we can make conclusions, generalizations or predictions about a bigger population. In other words, the sample accurately represents the population. Moreover, inference statistics allows businesses and other organizations to test a hypothesis and come up with conclusions about the data. One of the key reasons for the existing of inferential statistics is because it is usually too hard to study an entire population of people or objects.

RESEARCH TESTS

ANOVA

ANOVA in SPSS is used as the test of means for two or more populations. ANOVA in SPSS must have a dependent variable which should be metric (measured using an interval or ratio scale). ANOVA in SPSS must also have one or more independent variables, which should be categorical in nature.

CHI-SQUARE

The Chi-Square Test of Independence determines whether there is an association between categorical variables, whether the variables are independent or related. It is a nonparametric test. This test is also known as Chi-Square Test of Association.

A chi-square test is a statistical test commonly used for testing independence and goodness of fit. Testing independence determines whether two or more observations across two populations are dependent on each other (that is, whether one variable helps to estimate the other). Testing for goodness of fit determines if an observed frequency distribution matches a theoretical frequency distribution. In both cases the equation to calculate the chi-

$$\chi^2 = \frac{\sum (O - E)^2}{E}$$

square statistic is where O equals the observed frequency and E the expected frequency. The results of a chi-square test, along with the degrees of freedom, are used with a previously calculated table of chi-square distributions to find a p -value. The p -value can then be used to determine the significance of the test.

CORRELATION

Correlation analysis in research is a statistical method used to measure the strength of the linear relationship between two variables and compute their association. Simply put correlation analysis calculates the level of change in one variable due to the change in the other.

2. 4 SCOPE OF THE STUDY

. The present study considers the services of the clearing and forwarding agents and the exporters of the services provided by the clearing and forwarding agents who are functioning in Chennai city. The purpose of the study is to analyse the factors affecting freight forwarding and clearance process. The study intends that the adequate steps are taken to improve the process of freight forwarding and custom clearance. An attempt can be done through this study to expand the business globally in the competitive world. The study will lead to move the import export goods in a better way and without any problem.

CHAPTER III

DATA ANALYSIS

3.1 PERCENTAGE ANALYSIS

TABLE 3.1.1 AGE OF THE RESPONDENTS

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	25 - 35	36	40.00
2	35 - 45	24	26.67
3	45 - 55	18	20.00
4	Above 55	12	13.33
	TOTAL	90	100

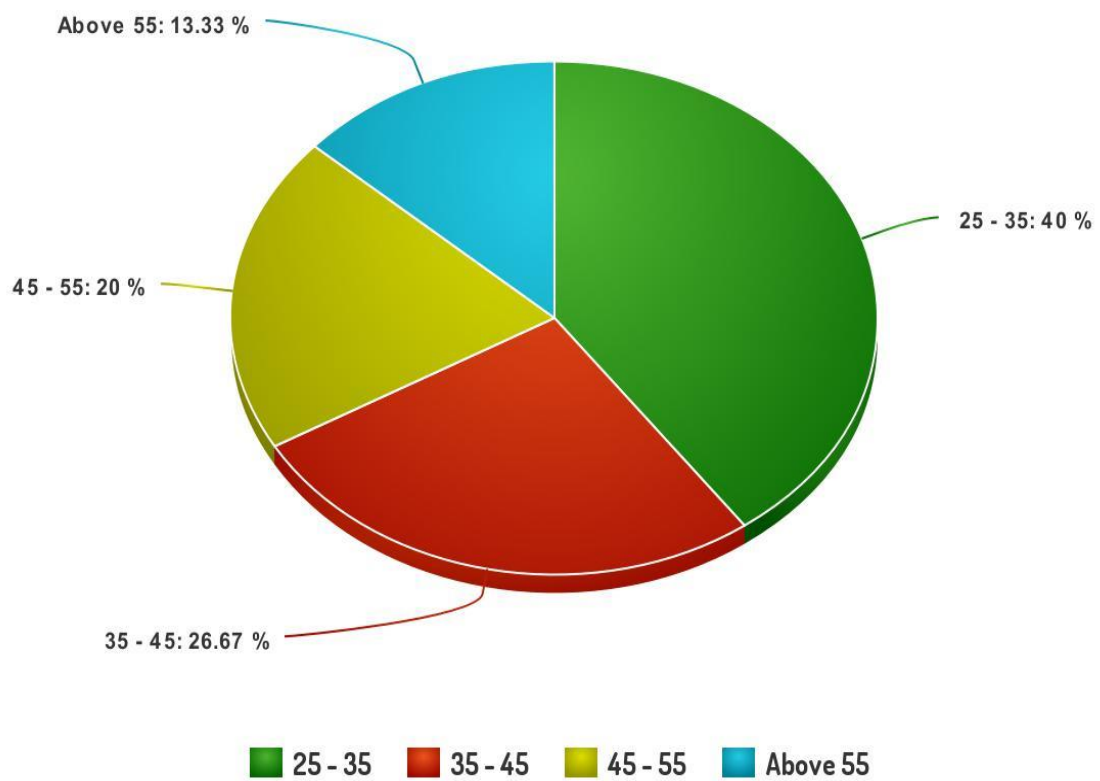
INTERPRETATION:

From the above table it can be interpreted that 40% of the respondents are belongs to 25 -35 years, 26.67% of the respondents are belongs to the age group of 35 - 45 years, 20% of the respondents are belongs to the age group of 45 - 55 years, 13.33% of the respondents are belongs to Above 55 years of age.

The majority of the respondents come under the category of age between 25 - 35.

CHART 3.1.1

AGE OF THE RESPONDENTS



meta-chart.com

TABLE 3.1.2

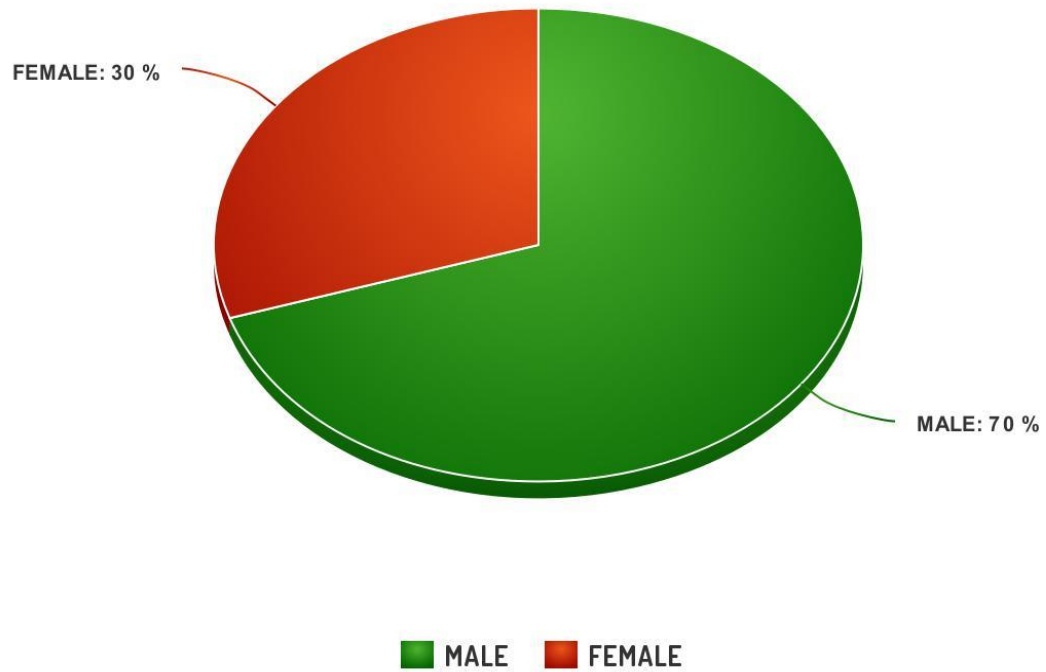
GENDER OF THE RESPONDENTS

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	MALE	63	70
2	FEMALE	27	30
	TOTAL	90	100

INTERPRETATION:

From the above table it can be interpreted that 70% of the respondents are male. And 30% of the respondents are female.

CHART 3.1.2 GENDER OF THERESPONDENTS



meta-chart.com

TABLE 3.1.3

EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

S.NO	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Under Graduate	60	66.67
2	Post graduate	30	33.33
	TOTAL	90	100

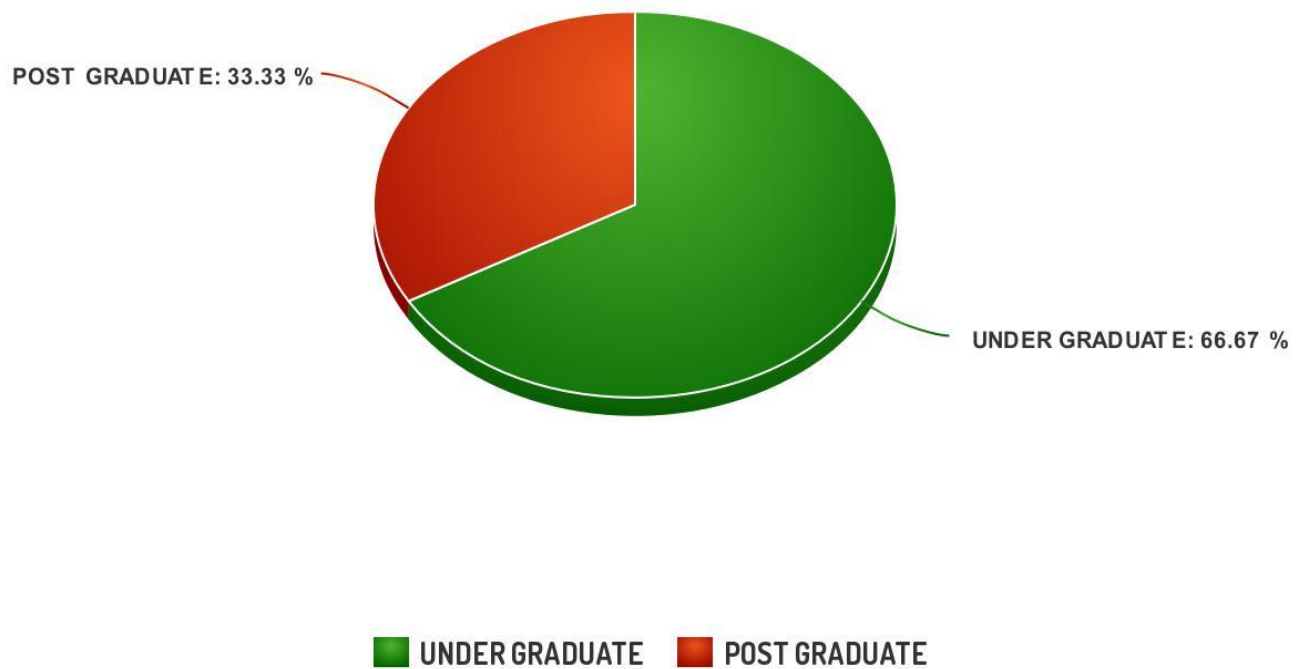
INTERPRETATION:

From the above table it can be interpreted that 66.67% of the respondents are completed Under Graduation, 30% of the respondents are completed Post Graduation.

Majority of the employees are Under Graduates.

CHART 3.1.3

EDUCATIONAL QUALIFICATION OF THE RESPONDENTS



meta-chart.com

TABLE 3.1.4

EXPERIENCE LEVEL OF THE RESPONDENTS

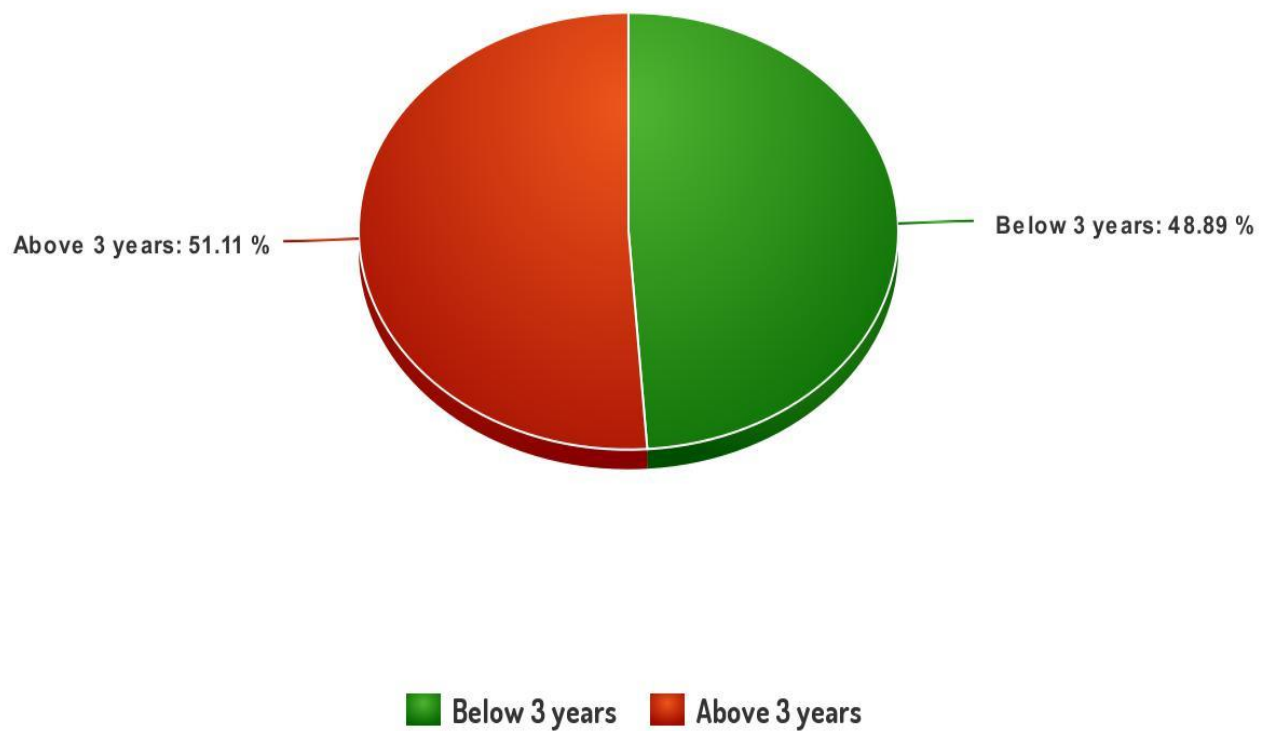
	PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
1	Below 3 years	44	48.89
2	Above 3 years	46	51.11
	TOTAL	90	100

INTERPRETATION :

From the above table it can be interpreted that 51.11% of the respondents have the experience level Above 3 years and 48.89% of the respondents have the experience level Below 3 years. Majority of the have the experience level Above 3 years.

CHART 3.1.4

EXPERIENCE LEVEL OF THE RESPONDENTS



meta-chart.com

3.2 STATISTICAL ANALYSIS

CHI- SQUARE TEST I – (ψ^2)

Chi-square is the sum of the squared difference between observed (o) and the expected (e) data (or the deviation, d), divided by the expected data in all possible categories.

HYPOTHESIS 1:

NULL HYPOTHESIS H0 :

There is no significance difference between time and cost for export

ALTERNATIVE HYPOTHESIS H1:

There is a significance difference between time and cost for export

Table 3.2.1 showing Chi Square test between time and cost for export

	Value	DF	P value
Pearson Chi square	32.469	12	0.001
Likelihood ratio	20.087	12	0.065
Linear by linear association	1.044	1	0.307
No of valid cases	90		

INFERENCE

The calculated P value 0.001 is lesser than 0.05. Hence, H1 is accepted and H0 is rejected. Therefore, there is a significance difference between time and cost for export.

HYPOTHESIS 2:

NULL HYPOTHESIS H0 :

There is no significance difference between time and cost for import

ALTERNATIVE HYPOTHESIS H1:

There is a significance difference between time and cost for import

Table 3.2.2 showing Chi square test between time and cost for import

	Value	DF	P value
Pearson Chi square	46.827	16	0.000
Likelihood ratio	28.198	16	0.030
Linear by linear association	9.827	1	0.002
No of valid cases	90		

INFERENCE

The calculated P value 0.000 is lesser than 0.05. Hence, H1 is accepted and H0 is rejected. Therefore, there is a significance difference between time and cost for import.

CHAPTER IV RESULTS AND DISCUSSIONS

4.1 FINDINGS

- Majority of the employees are men 69% working in the organisation.
- Majority of the employees 42% aged 25-35 are working in Allwin Cargo Services.
- Majority of the employees education qualification is 67% of under graduate.
- Majority of the employees 51% are experienced with above 3 years as it is a forwarding company.
- Majority of the employees 82% agree that documentation process for export is simple.
- Majority of the employees 79% agree that documentation process for import is simple.
- Majority of the employees 72.3% agree that the time taken for export consignment is quick and speedy.
- Majority of the employees 64% agree that the time taken for import consignment is quick and speedy.
- Majority of the employees 67% agree that the export shipment schedules are done at the stipulated time.
- Majority of the employees 61% agree that the import shipment schedules are done at the stipulated time.
- Majority of the employees 42% agree that the cost for export consignment is standard.
- Majority of the employees 49% agree that the cost for import consignment is standard.
- Majority of the employees 47% neither agree nor disagree that the export import shipment process is simple and easy to understand.
- Majority of the employees 57.7% agree that the containers are available at the right time at right quantity for export.
- Majority of the employees 45% agree that the communication flow is satisfactory after the shipment process.

- Majority of the employees 76% agree that the advance filing of bills helps to reduce the time consumption in the process. .
- Majority of the employees 58% agree that the delayed payment made by the client affect the CHA process.
- Majority of the employees 76% agree that the customer receive the goods within the specified time period.
- Majority of the employees 64% agree that the overall export consignment is high.
- Majority of the employees 66% agree that the overall import consignment is high.

4.2 SUGGESTIONS

- The analysis of factors like time, cost and communication that affecting the process of clearance and forwarding leads to improve the performance of the organization
- Improvement in the documentation process of export will lead to better movement of goods.
- The export-import shipment process should be made easy for understanding and practical purposes to reduce the time.
- Import documentation process should be improved for the better movement of goods .
- Communication flow (tracking) after the shipment process should be improved to evaluate the time delay and cost.
- Export -import shipment schedule should be done at a specified time to reduce time delay that will lead to high cost.

CHAPTER V

CONCLUSION

This present study revealed the factors affecting the forwarding and custom process. Freight forwarding is the business that specialize in lowering costs and facilitating the logistics of transportation whereas custom clearance facilitates the export or import into the country, representing the clients during examination, assessment, payment of duty and delivery of cargo from customs after clearance. The variable of evaluation of forwarding and custom process such as time, cost and communication. The factors such as time, cost and communication, plays a major role in evaluating the forwarding and custom process. Hence, if the company will try to follow the given suggestions and recommendations then they can resolve the factors affecting the process and improve their process more in future.

BIBLIOGRAPHY

REFERENCE BOOKS

- Noorul Shaiful Fitri Abdulrahman, Mohammad Khairuddin Othman, Izzat
- Amirsanusi, "The Asian Journal Of Shipping and Logistics" Vol 35, Issue 3, Sep(2019), Pg 127-137.
- S. Subhashini, S. Preetha, "Maritime Business Review" ISSN: 2397-3757 Publication date: 17 September (2019).
- Zhou Wenying ; Zhang Jing ; Chen Hongxiang , "IEEE" 7th International Conference on Service Systems and Service Management 29 July.
- Roland Hellberg Ragnvald Sannes, "International Journal of Production Economics" Vol 24, Issues 1–2, November (2016), Pages 91-101.
- S. SWATHY, "Intercontinental Journal Of Marketing Research Review" ISSN: 23210346 , Vol 4, Issue 3, March.
- George Kokkinis, Athanassios Mihiotis, Costas P. Pappis EuroMed, "Journal of Business" ISSN: 1450-2194 Publication date: 1 September.
- Zhiliang Mei, John Dinwoodie, "Supply Chain Management" ISSN: 1359-8546 Publication date: 1 July (2005).
- Jain Khushpat .S - Export Import Procedure And Documentations, Mumbai, Himalaya Publishing House, Third Editions 2006.
- Pramod Rao – Logistics Management Concept And Cases, Hyderabad, The Icfai University, First Edition 2017.
- Raghuram And N. Rangaraj – Logistics And Supply Chain Management, Mac Millan India Limited, Delhi.
- Martin christo-pher – Logistics And Supply Chain Management, , New Delhi.
- Cr. Kothari – Research Methodology, International (P) Ltd New Edition 1998, Second Edition 2004, New Delhi.
- Krishnaveni Muthaih – Logistics Management Mumbai, Himalaya Publishing House, 1999.

JOURNALS

- Sebastian," Problems of Logistics Industry", Journal of business logistics, Apr15, 2002
- Davis, Beth R," Logistics service driven loyalty: an exploratory study", Journal of business logistics, 2006
- Rita Naida, "Clearing and forwarding agents" : Journal describing about the clearance and forwarding agents in detail.

WEBSITE

www.shipingindia.com

www.cargoportalservices.com

<http://en.wikipedia.org> <http://www.logisticstimes.net>

<http://articles.economictimes.indiatimes.com>

<https://www.be.dsv.com/services-and-downloads/forward-logistics-report>

<https://www.slideshare.net/Imranjsayyad/a-study-on-challengesopportunities-for-freight-forwarders-in-india-and-exim-procedures>

APPENDIX

A STUDY CLEARANCE AND FORWARDING AGENTS WITH REFERENCE TO ALLWIN CARGO

QUESTIONNAIRE

DEMOGRAPHIC:

1. Age:
 - a) 25-35
 - b) 35-45
 - c) 45-55
 - d) above 55
2. Gender
 - A) Male
 - B) Female
3. Educational Qualification:
 - a) Under Graduate
 - b) Post Graduate
4. Experience Level:
 - a) Below 3 years
 - b) Above 3 years

QUESTIONS

5. Documentation process for export is simple.
 - a) 1-Strongly Agree
 - b) 2-Agree
 - c) 3-Neutral
 - d) 4-Diagree
 - e) 5-Strongly Disagree
6. Documentation process for import is simple.
 - a) 1-Strongly Agree
 - b) 2-Agree
 - c) 3-Neutral
 - d) 4-Diagree
 - e) 5-Strongly Disagree

7. The time taken for export consignment is quick and speedy.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Disagree
- e) 5-Strongly Disagree

8. The time taken for import consignment is quick and speedy.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Disagree
- e) 5-Strongly Disagree

9. The export shipment schedules are done at the stipulated time.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Disagree
- e) 5-Strongly Disagree

10. The import shipment schedules are done at the stipulated time.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Disagree
- e) 5-Strongly Disagree

11. The cost for export consignment is standard.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Disagree
- e) 5-Strongly Disagree

12. The cost for import consignment is standard.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral

- d) 4-Diagree
- e) 5-Strongly Disagree

13. The export-import shipment process is simple and easy to understand.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Diagree
- e) 5-Strongly Disagree

14. The containers are available at the right time at right quantity for export.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Diagree
- e) 5-Strongly Disagree

15. The communication flow is satisfactory after the shipment process.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Diagree
- e) 5-Strongly Disagree

16. The advance filing of bills helps to reduce the time consumption in the process..

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Diagree
- e) 5-Strongly Disagree

17. The delayed payment made by the client affect the CHA process.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Diagree
- e) 5-Strongly Disagree

18. The customer receive the goods within the specified time period.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Diagree
- e) 5-Strongly Disagree

19. The overall export consignment is high.

- a) 1-Strongly Agree
- b) 2-Agree
- c) 3-Neutral
- d) 4-Diagree
- e) 5-Strongly Disagree

20. The overall import consignment is high.

- a) 1-Strongly Agree
 - b) 2-Agree
 - c) 3-Neutral
 - d) 4-Diagree
 - e) 5-Strongly Disagree
-