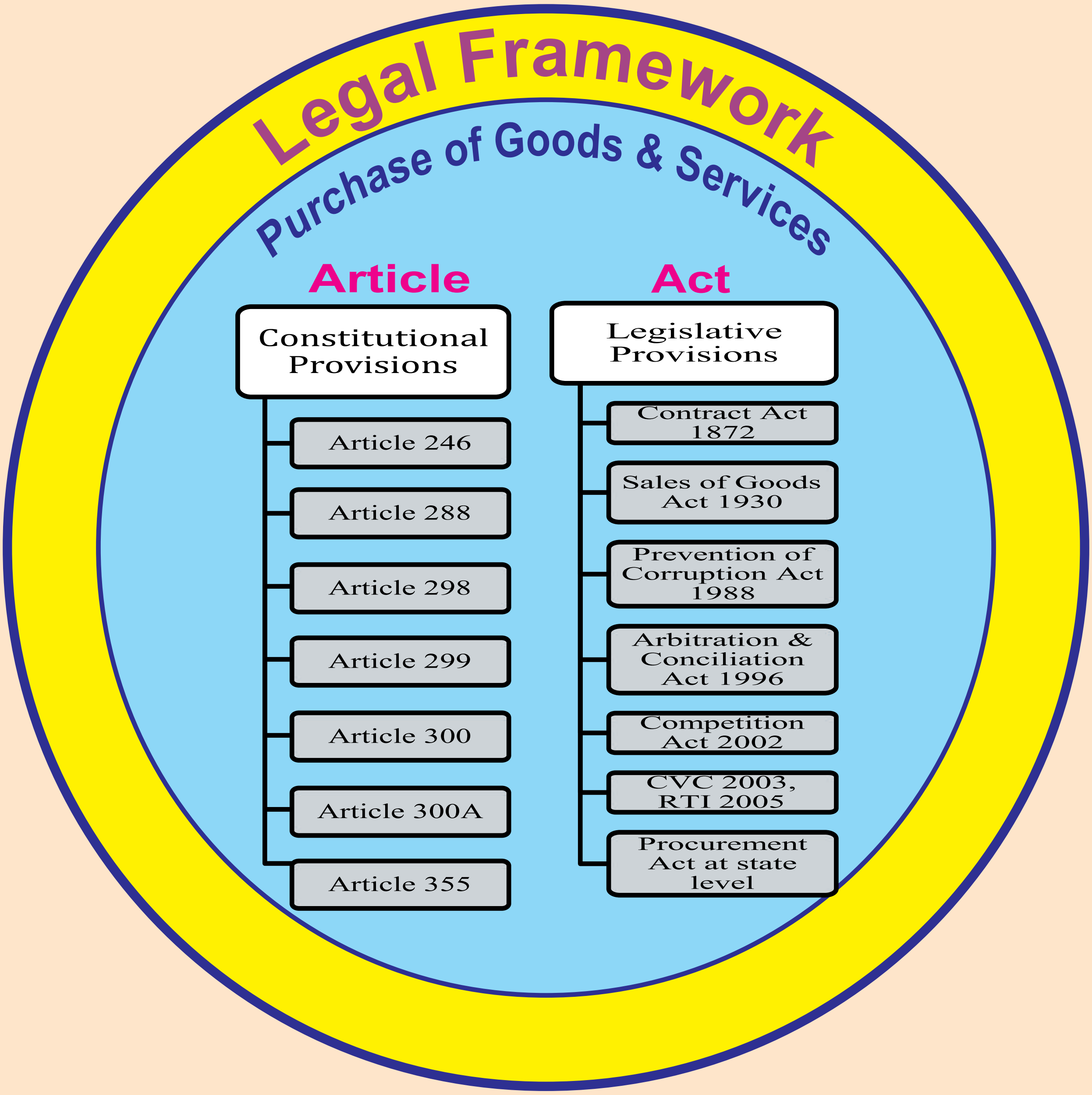
ISSN 2320-0758

PRICE ₹ 50/-

MATERIALS MANAGEMENT REVIEW

IFPSM

Volume 14 - Issue 4 Date of Publication : 1.2.2018 No. of Pages 1-60 February 2018



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From the Desk of The National President

Dear Professionals,

Greetings from Your National President!!!

I hope you must have celebrated & enjoyed the Festivals of Makar Sankranti/Lohri and Pongal.

I am pleased to apprise you that, we have recently concluded the Special Education Meeting to work out the strategy to be adopted for our Educational Programs in view of the developmentof revised UGC Notification regarding Stand Alone Institutions.

Soon we will be meeting to work out the business plan for the growth of our institute in the coming two years.

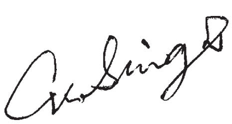
I am happy to note that, IIMM Chennai Branch is organising two days Signature Event – Spectrum 2018 on Feb 22 & 23, 2018 on the Theme "Customer Value Enhancement through Digital Supply Chain". I wish them great success.

IIMM Alwar Branch has organised one day seminar on the theme "Lean/Best Manufacturing Practices" in befitting manner. IIMM Vadodara had conducted In-House training program at Agrocel on "Inventory & Stores Management" and IIMM Aurangabad on "Achieving Excellence through TPM Way".

Our Monthly Journal – MMR, has got enough potential for advertisements of Products & services and may be used as marketing tool by Industries. I request you to please approach big Industrial Houses and convey this message so that we can make Materials Management Review, a self-sustained project.

I look forward for your continued support and innovative ideas to take institute to the next level.

Yours,



G. K. SINGH
National President - IIMM
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From the Desk of Chief Editor

Dear Members,

GDP Growth rate right from, 1870 to 1950 was less than 1%, because most of the resources extracted was taken outside by Britishers. From 1950 to 1990 the GDP growth rate was 3 – 3.5% per year. Since then our economic growth rate is averaging around 6-7% per year.

India's current Economic performance for the Financial Year 2017-18 is being expected to stood at 6.5% (revised from 7.1%) as per the reports of Central Statistics Office (CSO). However, India has retained its place of being 6th largest economy by Nominal GDP and 3rd largest Economy by PPP.

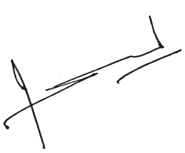
As per International Monetary Fund, India is set to regain the title of the fastest growing economy overtaking China in couple of years. Its latest World Economic Outlook update, released in Davos on the side-lines of the WEF, projects India to grow at 7.4% in 2018, while the global growth forecast stands at 3.9%.

Recent Economic Reforms with structural changes in policies and various initiatives by Govt. have improved the economic scenario and investment sentiments in the country. There have been investments in various sectors of the economy. The Merger &Acquisition activity in India increased by 53.3 % to US$ 77.6 billion in 2017 while private equity (PE) deals reached US$ 24.4 billion.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India.India has become one of the most open global economies, receiving the highest ever inflow of equity in the form of foreign direct investments (FDI) worth US$ 43.4 billion in 2016-17.

Hon'ble Prime Minster, during his keynote address at World Economic Forum – The World's Biggest Gathering of Global CEOs, pitched in for Unity against Protectionism and delivered a strong message to world by inviting all global companies to invest in India. He assured Global Community that India is safe, India has removed red tape, and India is stable, transparent and progressive in an otherwise uncertain global environment. He set the target of becoming $5 trillion economy by 2025 which requires India to nearly double in eight years.

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy.However, to become a global economy, we need to grow @ 10% GDP growth rate for at least 10-12 years consistently.



(DR. M.K. BHARDWAJ)

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MATERIALS MANAGEMENT REVIEW

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Printed at :
Power Printers,
4249/82, 2 Ansari Road, Daryaganj,
New Delhi - 110002

MATERIALS MANAGEMENT REVIEW

Volume 14 - Issue 4 (February 2018)

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PAGE NO.

Edited, Printed & Published by :
INDIAN INSTITUTE OF MATERIALS MANAGEMENT
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GST E-WAY BILL RULES 2018, GST FINAL ELECTRONIC WAY BILL RULES 2018

GST E-Way Bill Rules 2018, GST Final Electronic Way Bill Rules 2018: CBEC Release new Final GST Rules, here we provide GST Final e-way bill rules 2018. Check Rules of eway bill under GST Regime. Recently GST Law 2018 is release by CBEC and also release new Final GST Rules for GST E-Way Bill so here we provide Latest GST Final Electronic Way Bill Rules 2018. In this article you may find complete details for GST GST E-Way Bill Rules, Inspection and verification of goods, Information to be furnished prior to commencement of movement of goods and generation of e-way bill etc…. Now scroll down below n check more details for **"GST Audit & Assessment Rules 2018, GST Audit Rules as per GST Bill 2018"**

GST E-Way Bill Rules 2018

1. Information to be furnished prior to commencement of movement of goods and generation of e-way bill

(1) Every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees –

(i) in relation to a supply; or

(ii) for reasons other than supply; or

(iii) due to inward supply from an unregistered person,shall, before commencement of such movement, furnish information relating to the said goods in **Part A of FORM GST EWB-01**, electronically, on the common portal.

[Provided that where goods are sent by a principal located in one State to a job worker located in any other State, the e-way bill shall be generated by the principal irrespective of the value of the consignment:

Provided further that where handicraft goods are transported from one State to another by a person who has been exempted from the requirement of obtaining registration under clauses (i) and (ii) of section 24, the e-way bill shall be generated by the said person irrespective of the value of the consignment.

Explanation – For the purposes of this rule, the expression **"handicraft goods"** has the meaning as assigned to it in the Government of India, Ministry of Finance, notification No.32/2017-Central Tax dated 15.09.2017 published in the Gazette vide number G.S.R 1158 (E)]

(2) Where the goods are transported by the registered person as a consignor or the recipient of supply as the consignee, whether in his own conveyance or a hired one or by railways or by air or by vessel, the said person or the recipient may generate the e-way bill in FORM GST EWB-01 electronically on the common portal after furnishing information in Part B of FORM GST EWB-01.

(3) Where the e-way bill is not generated under sub-rule (2) and the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter in Part B of FORM GST EWB-01 on the common portal and the e-way bill shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in Part A of FORM GST EWB-01:

Provided that the registered person or, as the case may be, the transporter may, at his option, generate and carry the e-way bill even if the value of the consignment is less than fifty thousand rupees:

Provided further that where the movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter, he or the transporter may, at their option, generate the e-way bill in **FORM GST EWB-01** on the common portal in the manner specified in this rule:

Provided also that where the goods are transported for a distance of less than ten kilometres within the State or Union territory from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the transporter may not furnish the details of conveyance in Part B of FORM GST EWB-01.

Explanation 1.– For the purposes of this sub-rule, where the goods are supplied by an unregistered supplier to a recipient who is registered, the movement shall be said to be caused by such recipient if the recipient is known at the time of commencement of the movement of goods

Explanation 2. – The information in Part A of FORM GST EWB-01 shall be furnished by the consignor or the recipient of the supply as consignee where the goods are transported by railways or by air or by vessel.

(4) Upon generation of the e-way bill on the common portal, a unique e-way bill number (EBN) shall be made available to the supplier, the recipient and the transporter on the common portal.

(5) Any transporter transferring goods from one conveyance to another in the course of transit shall, before such transfer and further movement of goods, update the details of conveyance in the e-way bill on the common portal in **FORM GST EWB-01:**

Provided that where the goods are transported for a distance of less than ten kilometres within the State or Union territory from the place of business of the transporter finally to the place of business of the consignee, the details of conveyance may not be updated in the e-way bill.

(6) After e-way bill has been generated in accordance with the provisions of sub-rule (1), where multiple consignments are intended to be transported in one conveyance, the transporter may indicate the serial number of e-way bills generated in respect of each such consignment electronically on the common portal and a consolidated e-way bill in **FORM GST EWB-02** may be generated by him on the said common portal prior to the movement of goods.

(7) Where the consignor or the consignee has not generated FORM GST EWB-01 in accordance with the provisions of sub-rule (1) and the value of goods carried in the conveyance is more than fifty thousand rupees, the transporter shall generate **FORM GSTEWB-01** on the basis of invoice or bill of supply or delivery challan, as the case may be, and may also generate a consolidated e-way bill in **FORM GST EWB-02** on the common portal prior to the movement of goods.

(8) The information furnished in Part A of **FORM GST EWB-01** shall be made available to the registered supplier on the common portal who may utilize the same for furnishing details in**FORM GSTR-1:**

Provided that when the information has been furnished by an unregistered supplier in **FORM GST EWB-01**, he shall be informed electronically, if the mobile number or the email is available.

(9) Where an e-way bill has been generated under this rule, but goods are either not transported or are not transported as per the details furnished in the e-way bill, the e-way bill may be cancelled electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within 24 hours of generation of the eway bill:

Provided that an e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B.

(10) An e-way bill or a consolidated e-way bill generated under this rule shall be valid for the period as mentioned in column (3) of the Table below from the relevant date, for the distance the goods have to be transported, as mentioned in column (2) of the said Table:

Table

Provided that the Commissioner may, by notification, extend the validity period of eway bill for certain categories of goods as may be specified therein:

Provided further that where, under circumstances of an exceptional nature, the goods cannot be transported within the validity period of the e-way bill, the transporter may generate another e-way bill after updating the details in Part B of FORM GSTEWB-01.

Explanation.- For the purposes of this rule, the "relevant date" shall mean the date on which the e-way bill has been generated and the period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as twenty four hours.

(11)The details of e-way bill generated under sub-rule (1) shall be made available to the recipient, if registered, on the common portal, who shall communicate his acceptance or rejection of the consignment covered by the e-way bill.

(12)Where the recipient referred to in sub-rule (11) does not communicate his acceptance or rejection within seventy two hours of the details being made available to him on the common portal, it shall be deemed that he has accepted the said details.

(13) The e-way bill generated under this rule or under rule 138 of the Goods and Services TaxRules of any State shall be valid in every State and Union territory.

(14) Notwithstanding anything contained in this rule, no e-way bill is required to be generated-

- (a) where the goods being transported are specified in Annexure;
- (b) where the goods are being transported by a non-motorised conveyance;
- (c) where the goods are being transported from the port, airport, aircargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs; and
- (d) in respect of movement of goods within such areas as are notified under clause (d) of sub-rule (14) of rule 138 of the Goods and Services Tax Rules of the concerned State.

Explanation. – The facility of generation and cancellation of e-way bill may also be made available through SMS.

2. Documents and devices to be carried by a person-in-charge of a conveyance

(1) The person in charge of a conveyance shall carry –

- (a) the invoice or bill of supply or delivery challan, as the case may be; and
- (b) a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance in such manner as may be notified by the Commissioner.

(2) A registered person may obtain an Invoice Reference Number from the common portal by uploading, on the said portal, a tax invoice issued by him in FORM GST INV-1 and produce the same for verification by the proper officer in lieu of the tax invoice and such number shall be valid for a period of thirty days from the date of uploading.

(3) Where the registered person uploads the invoice under sub-rule (2), the information in Part A of FORM GST EWB-01 shall be auto-populated by the common portal on the basis of the information furnished in FORM GST INV-1.

(4) The Commissioner may, by notification, require a class of transporters to obtain a unique Radio Frequency Identification Device and get the said device embedded on to the conveyance and map the e-way bill to the Radio Frequency Identification Deviceprior to the movement of goods.

(5) Notwithstanding anything contained clause (b) of sub-rule (1), where circumstances so warrant, the Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill-

- (a) tax invoice or bill of supply or bill of entry; or
- (b) a delivery challan, where the goods are transported for reasons other than by way of supply.

3. Verification of documents and conveyances

(1) The Commissioner or an officer empowered by him in this behalf may authorise the proper officer to intercept any conveyance to verify the e-way bill or the e-way bill number in physical form for all interState and intra-State movement of goods.

(2) The Commissioner shall get Radio Frequency Identification Device readers installed at places where the verification of movement of goods is required to be carried out and verification of movement of vehicles shall be done through such device readers where the eway bill has been mapped with the said device.

(3) The physical verification of conveyances shall be carried out by the proper officer as authorised by the Commissioner or an officer empowered by him in this behalf:

Provided that on receipt of specific information on evasion of tax, physical verification of a specific conveyance can also be carried out by any officer after obtaining necessary approval of the Commissioner or an officer authorised by him in this behalf

4. Inspection and verification of goods

(1) A summary report of every inspection of goods in transit shall be recorded online by the proper officer in Part A of **FORM GST EWB-03** within twenty four hours of inspection and the final report in Part B of **FORM GST EWB-03** shall be recorded within three days of such inspection.

(2) Where the physical verification of goods being transported on any conveyance has been done during transit at one place within theState or in any other State, no further physical verification of the said conveyance shall be carried out again in theState, unless a specific information relating to evasion of tax is made available subsequently.

5. Facility for uploading information regarding detention of vehicle

Where a vehicle has been intercepted and detained for a period exceeding thirty minutes, the transporter may upload the said information in **FORM GST EWB-04** on the common portal.

Source: CAknowledge.in

●●●

CUSTOM EXCHANGE RATES

(All rates per unit) w.e.f. 19th January 2018

CURRENCY	IMPORT	EXPORT
Australian Dollar	51.80	50.00
Bahraini Dinar	175.35	164.10
Canadian Dollar	52.25	50.50
Chinese Yaun	10.10	9.75
Danish Kroner	10.65	10.25
Euro	79.20	76.50
Hong Kong Dollar	8.30	8.05
Kuwait Dinar	220.20	205.60
Newzealand Dollar	47.30	45.60
Norwegian Kroner	8.25	7.95
Pound Sterling	89.90	86.95
Qatari Riyal	18.10	17.10
South Arabian Riyal	17.65	16.50
Singapore Dollar	49.10	47.45
South African Rand	5.35	5.00
Swedish Kroner	8.10	7.80
Swiss Franc	67.50	65.05
UAE Dirham	18.00	16.85
US Dollar	64.80	63.10
Japanese Yen	58.45	56.45
Kenya Shilling	64.90	60.65

Source : www.dailyshippingtimes.com/custom-exchange-rates.php

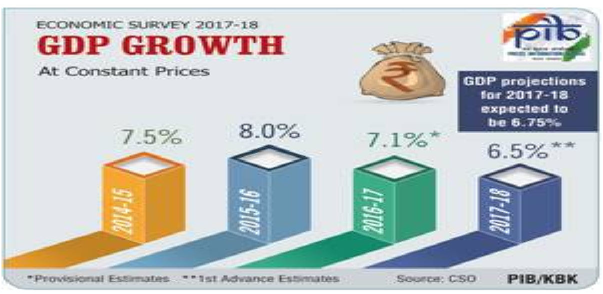
ECONOMIC SURVEY 2017-18

Real GDP Growth to Clock 6.75 Percent this Fiscal

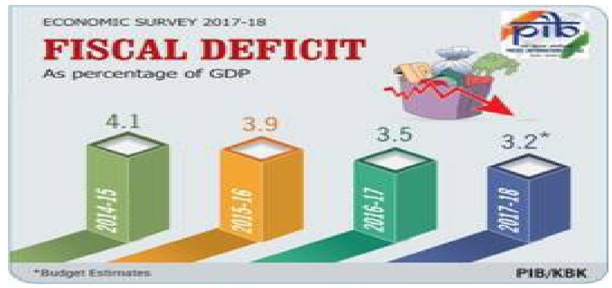
Economic Survey Predicts 7-7.5 Percent Growth in 2018-19

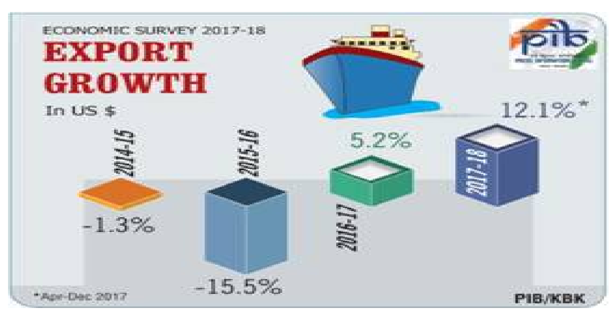
Employment, Education &Agruiculture To Be The Focus Areas In Medium Term

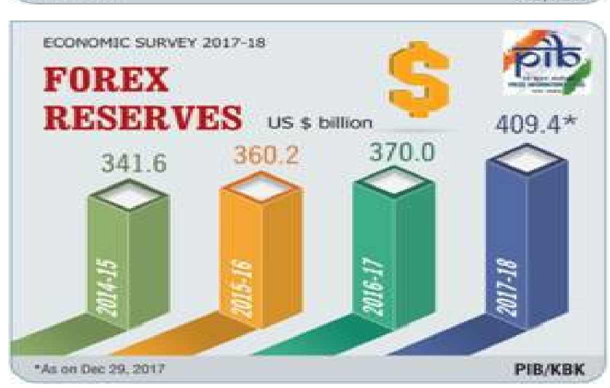
A series of major reforms undertaken over the past year will allow real GDP growth to reach 6.75 percent this fiscal and will rise to 7.0 to 7.5 percent in 2018-19, thereby re-instating India as the world's fastest growing major economy. It said that the reform measures undertaken in 2017-18 can be strengthened further in 2018-19.



The survey underlines that due to the launch of transformational Goods and Services Tax (GST) reform on July 1, 2017, resolution of the long-festering Twin Balance Sheet (TBS) problem by sending the major stressed companies for resolution under the new Indian Bankruptcy Code, implementing a major recapitalization package to strengthen the public sector banks, further liberalization of FDI and the export uplift from the global recovery, the economy began to accelerate in the second half of the year and can clock 6.75 percent growth this year. The survey points out that as per the quarterly estimates; there was a reversal of the declining trend of GDP growth in the second quarter of 2017-18, led by the industry sector. The Gross Value Added (GVA) at constant basic prices is expected to grow at the rate of 6.1 per cent in 2017-18 as compared to 6.6 per cent in 2016-17. Similarly, Agriculture, industry and services sectors are expected to grow at the rate of 2.1 per cent, 4.4 per cent, and 8.3 per cent respectively in 2017-18. The survey adds that after remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and expected to grow faster in 2017-18. However, due to higher expected increase in imports, net exports of goods and services are slated to decline in 2017-18. Similarly, despite the robust economic growth, the savings and investment as a ratio of GDP generally declined. The major reduction in investment rate occurred in 2013-14, although it declined in 2015-16 too. Within this the share of household sector declined, while that of private corporate sector increased.

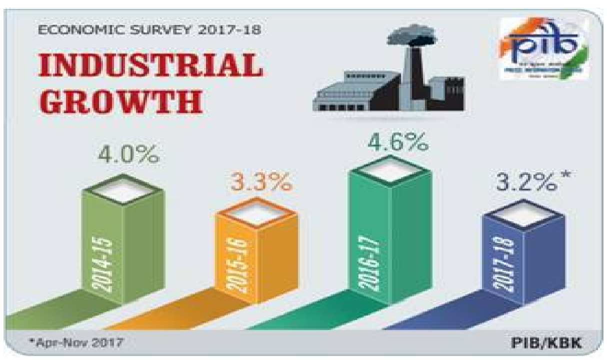


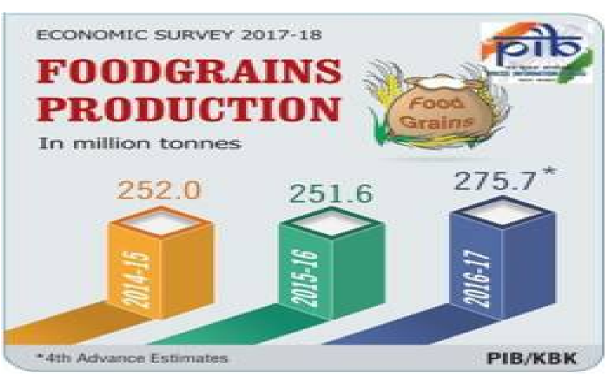




The survey points out that India can be rated as among the best performing economies in the world as the average growth during last three years is around 4 percentage points higher than global growth and nearly 3 percentage points higher than that of Emerging Market and Developing Economies. It points out that the GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable.

Though concerns have been expressed about growing protectionist tendencies in some countries but it remains to be seen as to how the situation unfolds. Some of the factors could have dampening effect on GDP growth in the coming year viz. the possibility of an increase in crude oil prices in the international market. However, with world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should be supporting higher growth. On balance, country's economic performance should witness an improvement in 2018-19.





The survey highlights that against the emerging macroeconomic concerns, policy vigilance will be necessary in the coming year, especially if high international oil prices persist or elevated stock prices correct sharply, provoking a "sudden stall" in capital flows. The agenda for the next year consequently remains full: stabilizing the GST, completing the TBS actions, privatizing Air India, and staving off threats to macro-economic stability. The TBS actions, noteworthy for cracking the long-standing "exit" problem, need complementary reforms to shrink unviable banks and allow greater private sector participation. The GST Council offers a model "technology" of cooperative federalism to apply to many other policy reforms. Over the medium term, three areas of policy focus stand out: Employment: finding good jobs for the young and burgeoning workforce, especially for women. Education: creating an educated and healthy labor force. Agriculture: raising farm productivity while strengthening agricultural resilience. Above all, India must continue improving the climate for rapid economic growth on the strength of the only two truly sustainable engines—private investment and exports.

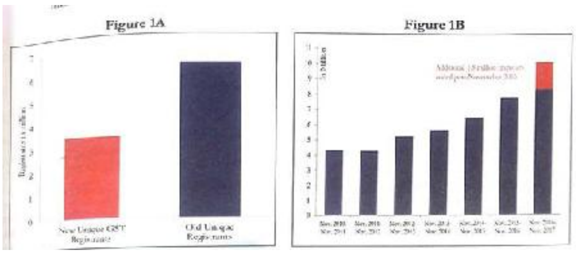
Economic Survey Draws Attention to 10 New Economic Facts on Indian Economy

Analysis of the new data to highlight ten new economic facts:

1. Goods and Services Tax (GST) has given a new perceptive of the Indian economy and new data has emerged. There has been a fifty percent increase

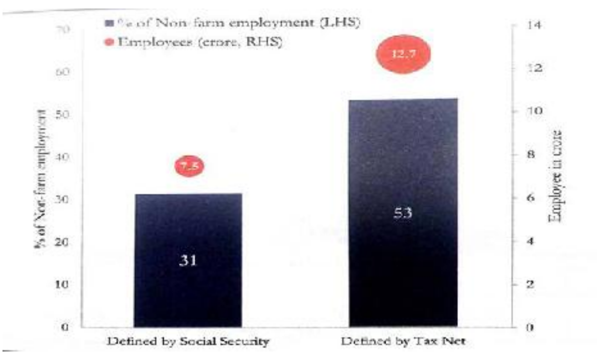
in the number of indirect taxpayers. There has also been a large increase in voluntary registrations, especially by small enterprises that buy from large enterprises wanting to avail themselves of input tax credits.

The Survey also stated that fears of major producing states that the shift to the new system would undermine their tax collections have been allayed as the distribution of the GST base among the states got closely linked to the size of their economies.

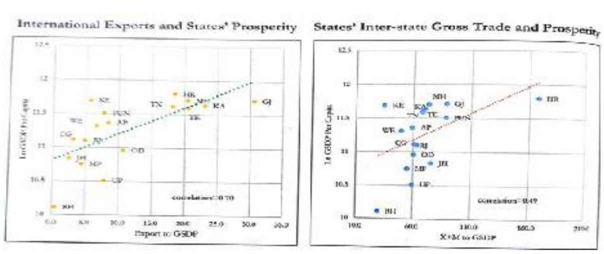


Similarly, there has been an addition of about 18 lakh in individual income tax filers since November 2016.

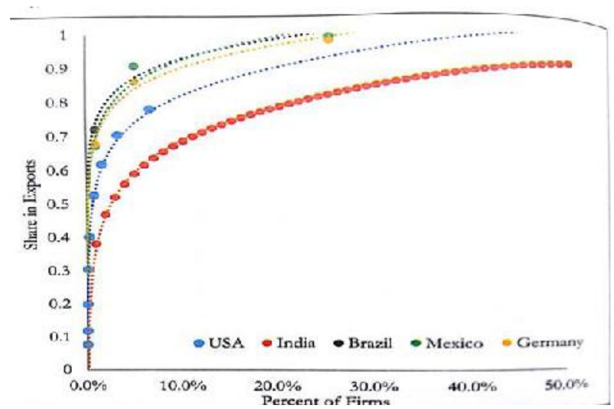
2. India's formal sector, especially formal non-farm payroll, is substantially greater than what it currently is believed to be. It became evident that when "formality" was defined in terms of social security provisions like EPFO/ESIC the formal sector payroll was found to be about 31 percent of the non-agricultural work force. When "formality" was defined in terms of being part of the GST net, such formal sector payroll share was found to be 53 percent.



3. For the first time in India's history, data on the international exports of states has been dwelt in the Economic Survey. Such data indicates a strong correlation between export performance and states' standard of living. States that export internationally and trade with other states were found to be richer. Such correlation is stronger between prosperity and international trade.

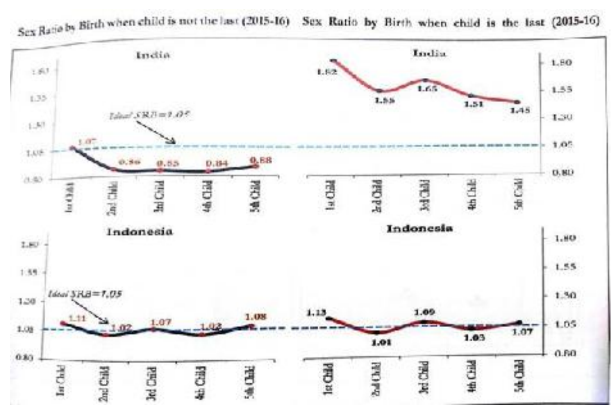


4. India's exports are unusual in that the largest firms account for a much smaller share of exports than in other comparable countries. Top one percent of Indian firms account only for 38% of exports unlike in other countries where they account for substantially greater share – (72, 68, 67 and 55 percent in Brazil, Germany, Mexico and USA respectively). Such tendencies were also found to be true for the top five or ten per cent of the Indian companies.



5. It was pointed out that the Rebate of State Levies (ROSL) has increased exports of ready-made garments (man-made fibers) by about 16 per cent but not of others.

6. The data highlighted another seemingly known fact that Indian society exhibits a strong desire for a male child. It pointed out that most parents continued to have children until they get number of sons. The survey gave details of various scenarios leading to skewed sex ratios and also gave a comparison on sex ratio by birth between India and Indonesia.

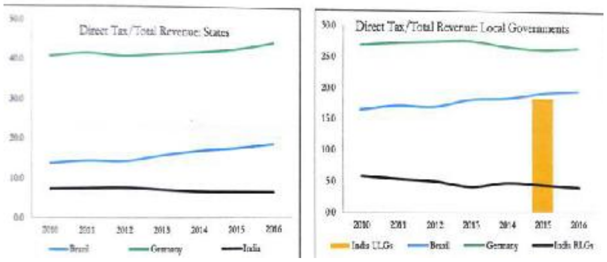


7. The survey pointed out that tax departments in India have gone in for contesting against in several tax disputes but also with a low success rate which is below 30 per cent. About 66 per cent of pending cases accounted for only 1.8 per cent of value at stake. It further stated that 0.2 per cent of cases accounted for 56 per cent of the value at stake.

8. Extrapolating the data the survey indicated that growth in savings did not bring economic growth but the growth in investment did.

9. The survey mentions that collections of direct taxes by Indian states and other local governments, where they have powers to collect them is significantly lower than their counterparts in other federal countries. A comparison has been given between ratios of direct tax to total revenues of local governments in India, Brazil and Germany.

Direct Tax to Total Revenue: States and Local Government (in percent)



10. The survey captures the footprints of climate change on the Indian territory and consequent adverse impact on agricultural yields. Extreme temperature increases and deficiency in rainfall have been captured on the Indian map and the graphical changes in agricultural yields are brought out from such data. The impact was found to be twice as large in un-irrigated areas as in irrigated ones.

GST data reveals 50% increase in number of Indirect Taxpayers

Economic Survey says-Maharashtra, Gujarat, Karnataka, Tamil Nadu & Telangana account for 70% of India's exports

India's internal trade in goods and services is 60 percent of GDP.

A preliminary analysis of the Goods and Services Tax (GST) data reveals that there has been a 50% increase in the number of indirect taxpayers, besides a large increase in voluntary registrations, especially by small enterprises that buy from large enterprises and want to avail themselves of Input Tax Credits (ITC). As on December 2017, there were 9.8 million unique GST registrants slightly more than the total Indirect Tax registrants under the old system (where many taxpayers were registered under several taxes). Therefore, adjusting the base for double and triple counting, the GST has increased the number of unique indirect taxpayers by more than 50 percent –a substantial 3.4 million. The profile of new filers is interesting of their total turnover, business-to-consumer (B2C) transactions account for only 17 percent of the total. The bulk of transactions are business-to-business (B2B) and exports, which account for 30-34 percent apiece. There are about 1.7 million registrants who were below the threshold limit (and hence not obliged to register) who nevertheless chose to do so. Indeed, out of the total estimated 71 million non-agriculture enterprises, it is estimated that around 13 percent are registered under the GST. Maharashtra, UP, Tamil Nadu and Gujarat are the States with the greatest number of GST registrants. UP and West Bengal have been large increases in the number of tax registrants compared to the old tax regime. It also underlines that the distribution of the GST base among the States is closely linked to the size of their economies, allaying fears of major producing States that the shift to the new system would undermine their tax collections.

Dwelling on the subject of International Trade, Inter-State Trade and Economic Prosperity, the Survey points-out for the first time in India's history that five States-Maharashtra, Gujarat, Karnataka, Tamil Nadu and Telangana account for 70% of India's exports. New data on the international exports of States suggests a strong correlation between export performance and States' standard of living. Last year Survey had estimated that India's Inter-State trade in goods was between 30 and 50 percent of GDP. But the GST data suggests that India's internal trade in goods and services (excludes non-GST goods and services) is actually even higher and is about 60 percent of GDP.

The survey based on new GST data also provides a close look at the firm-level exports and states that India's exports are unusual in that the largest firms account for a much smaller share of exports than in other comparable countries. Export concentration by firms is much lower in India than in the US, Germany, Brazil, or Mexico. The top one percent of firms accounted for 72, 68, 67 and 55 percent of exports in Brazil, Germany, Mexico, and USA respectively but only 38 percent in the case of India. Similarly, the top 5 percent accounted for 91, 86, 91 and 74 percent in those countries, compared with 59 percent in India and the top 25 percent of firms accounted for 99, 98, 99 and 93 percent in those countries, as opposed to 82 percent in India.

Referring to India's formal sector, especially formal non-farm payroll, the Survey says it is substantially greater than currently believed. Formality defined in terms of social security provision yields an estimate of formal sector payroll of about 31 percent of the non-agricultural work force; formality defined in terms of being part of the GST net suggests a formal sector payroll share of 53 percent.

The Chapter titled " A New, Exciting Bird's-Eye View of the Indian Economy Through the GST" sums up that most of the discussions in the run-up to the GST centered on the size of the tax base, and its implications for the Revenue Neutral Rate (RNR). The RNR Committee had estimated a base of Rs.68.8 lakhcrore and the GST Council had estimated a base of Rs.65.8 lakh crore. Current data suggest that the GST tax base (excluding exports) is Rs.65-70 lakh crore, broadly similar to these two previous estimates. Based on the average collections in the first few months, the implied weighted average collection rate (incidence) is about 15.6 percent. So, as estimated by the RNR committee, the single tax rate that would preserve revenue neutrality is between 15 to 16 percent.

Coordinated Action Between Government and Judiciary to Boost Economic Activity- Ease of Doing Business

The Economic Survey 2017-18 focuses on the need to address the issues of pendency, delays and backlogs in the appellate and judicial arenas towards Ease of Doing Business. These issues, it says hamper dispute resolution and contract enforcement, discourage investment, stall projects, hamper tax collection, stress tax payers and escalate legal costs. The Survey suggests coordinated action between government and the judiciary to boost economic activity in the country.

The Economic Survey notes that India jumped 30 places to break into the top 100 for the first time in the World Bank's Ease of Doing Business Report (EODB), 2018. The rankings reflect the government's reform measures on a wide range of indicators. India leaped 53 and 33 spots in the taxation and insolvency indices, respectively, on the back of administrative reforms in taxation and passage of the Insolvency and Bankruptcy Code (IBC), 2016. It also made strides on protecting minority investors and obtaining credit, and retained a high rank on getting electricity, after a 70 spot rise in EODB, 2017 due to the government's electricity reforms. The Survey however says that India continues to lag on the indicator on enforcing contracts, marginally improving its position from 172 to 164 in the latest report.

The Survey emphasizes the importance of an effective, efficient and expeditious contract enforcement regime for economic growth and development. It says that a clear and certain legislative and executive regime backed by an efficient judiciary that fairly and punctually protects property rights, preserves sanctity of contracts and enforces the rights and liabilities of parties, is a prerequisite for business and commerce.

The Government has taken a number of actions to improve the contract enforcement regime. Some of the steps briefly are as follows:-

- Scrapping of over 1,000 redundant legislations.
- Amending the Arbitration and Conciliation Act, 2015.
- Passing the Commercial Courts Commercial Divisions and Commercial Appellate Division of High Courts Act, 2015.
- Expanding the LokAdalatProgramme .
- The Judiciary has at the same time expanded the National Judicial Data Grid (NJDG) and is near to ensuring that every High Court is digitized.

The Survey attempts to make a preliminary enquiry at highlighting the developments based on new data compiled for the survey, which it says are simple and stark:-

- High number of delays and pendency of economic cases in the Supreme Court, Economic Tribunals and Tax department are taking severe toll on the economy, in terms of stalled projects, mounting legal costs, contested tax revenues and reduced investment.
- Delays and pendency are caused due to the increase in overall workload of the judiciary, in turn due to expanding jurisdictions and use of injunctions and stays; in the case of tax litigation, this stems from government persisting with litigation despite high rates of failure at every stage of the appellate process; and • Actions by courts and government acting together can considerably improve the situation.

The Economic Survey also suggests that the Government could consider including efforts and progress made in alleviating pendency in the lower judiciary as a performance-based incentive for States. Expenditure could be prioritized for filing, service and other delivery related issues that tend to cause maximum delays. However, the review cautions that building additional judicial capacity may not be effective unless existing capacity is fully utilized.

The Survey goes on to note that the Government and the Courts need to both work together for large-scale reforms and incremental improvements to combat a problem that is taking a large toll on the economy. It suggests some steps, which in brief are as follows:-

- Expanding judicial capacity in lower courts and reducing existing burden on High Courts and The Supreme Court.
- Considering its low success rate the tax department could exercise greater self restraint by limiting appeals.
- Substantially increasing state expenditure on the judiciary, particularly on modernization and digitization.
- Building on the success of the Supreme Court, creating more subject-matter and stage-specific benches that allow the Court to build internal specialization and efficiencies in combating pendency and delay.
- Courts could consider prioritizing stayed cases, and impose stricter timelines within which cases with

temporary injunctions may be decided, especially when involving government infrastructure projects.

- Improving Courts Case Management and Court Automation Systems.

The Survey concludes by noting that recent experience with GST has shown how vertical cooperation between the Centre and States – Cooperative Federalism – has brought transformational economic policy changes. It says that perhaps there is scope for a horizontal variant – which it coins as Cooperative Separation of Powers that could be applied to the relationship between the judiciary on one hand, and the executive/legislature on the other.

5. Gross Tax Collections on Track for First Eight Months of GST Era; Fifty Percent Increase in the Number of Indirect Tax Payers

Based on the firm footing provided by the discernible improvements in most fiscal indicators such as revenue buoyancy, expenditure quality, tax devolution and deficits, the Government, in partnership with the States, ushered in the long-awaited GST era with effect from July,2017. The GST was unveiled after comprehensive preparations, calculations and multi-stage consultations, yet the sheer magnitude of change meant that it needed to be carefully managed. The Government is navigating the change and challenges, including the possibility that a substantial portion of the last-month GST collections may spill over to the next year, the Survey says.

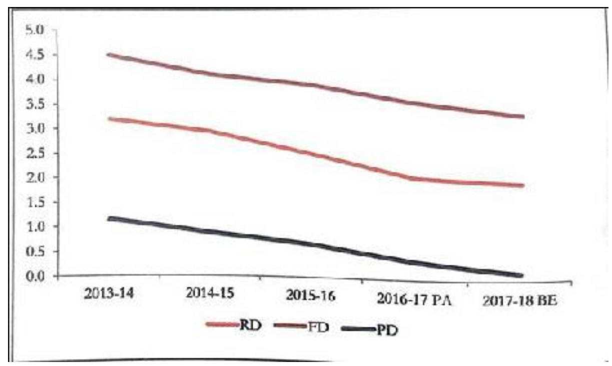
The data on Central Government finances available till November 2017 from the Controller General of Accounts (CGA) suggests that during the first eight months of the current year 2017-18 the Gross Tax Collections are reasonably on track; and the robust progress in disinvestment compensates to a great extent for the sluggish pace in non-tax revenue. The growth in direct tax collections of the Centre has kept pace with the previous year and is expected to meet targets, with a growth of 13.7 per cent while indirect taxes grew by 18.3 per cent during April-November 2017.

The eventual outcome in indirect taxes during this year will depend on the final settlement of GST accounts between the Centre and the States and the likelihood that only taxes for eleven months (excluding IGST on imports) will be realized. The States' share in taxes grew by 25.2 per cent during April-November 2017, much higher than the growth in net tax revenue (to Centre) at 12.6 per cent and of gross tax revenue at 16.5 per cent.

As an information repository, the Goods and Services Tax (GST) provides a radical change and a new insight into the understanding of the Indian economy. Preliminary analysis of this information yields the following feast of findings. There has been a fifty percent increase in the number of indirect taxpayers; and a large increase in voluntary registrations, especially by small enterprises that buy from large enterprises and want to avail themselves the input tax credits. The distribution of the GST base among the states is closely linked to the size of their economies, allaying fears of major producing states that the shift to the new system would undermine their tax collections. Data on the international exports of states (the first in India's history) suggests a strong correlation between export performance and states' standard of living. India's exports are unusual in that the largest firms account for a much smaller share of exports than in other comparable countries. India's internal trade is about 60 percent of GDP, even greater than estimated in last year's Survey and comparing very favorably with other large countries. India's formal sector, especially formal non-farm payroll, is substantially greater than currently believed. Formality defined in terms of social security provision yields an estimate of formal sector payroll of about 31 percent of the non-agricultural work force; formality defined in terms of being part of the GST net suggests a formal sector payroll share of 53 percent.

The advancing of the budget cycle and processes by almost a month gave considerable leeway to the spending agencies to plan in advance and start implementation early in the financial year, leading to a robust pace of progress of Central expenditure.

Sound Public financial management has been one of the pillars of India's macro economic stability in the last three years. In accordance with this, the Fiscal Deficit, Revenue Deficit as well as the Primary Deficit has been declining for the past 3 years.



FISCAL INDICATORS AS PERCENTAGE OF GDP

The early pick-up in expenditure coupled with front-loading of some expenditure and increased interest outgo exerted pressure on fiscal deficit which expanded to 112 per cent of budget estimates by November 2017. A good part of this growth is likely to normalize as the year progresses.

If indications and patterns till November are to hold, then the States taken together may be able to meet their targeted level of fiscal deficit in 2017-18.

Promoting Inclusive Employment-Intensive Industry and Building Resilient Infrastructure are Vital Factors for Economic and Development

Several Sector Specific Reform Initiatives Taken by the Government Significantly Improved Overall Business Environment

Promoting inclusive employment-intensive industry, and building resilient infrastructure are vital factors for economic and development. The Government is taking several sector- specific measures in this direction. Apart from structural reforms like Goods and Services Tax, Insolvency and Bankruptcy Code and measures to facilitate Ease of Doing Business, the Survey highlights that the Government has initiated sector specific reforms in Steel, Apparel, Leather and Power sectors to address specific challenges associated with each of these sectors. Various reforms undertaken by the Government over the last 3 years, have been recognized by international rating agencies such as Moody's Investor Service and up-gradation in the ranking of Ease of Doing Business of the World Bank Report 2018, the Survey further adds.

The Economic Survey 2017-18 further says that the Index of Industrial Production (IIP) which is a volume index with base year 2011-12, shows that the industrial output increased by 3.2 percent during April-November 2017-18. This was a composite effect of robust growth in electricity generation at 5.2 percent and moderate growth in both mining and manufacturing sectors at 3.0 percent and 3.1 percent respectively. The Index of Industrial Production (IIP) registered a 25-month high growth of 8.4 per cent with manufacturing growing at 10.2 per cent

According to the Economic Survey 2017-18, the Eight Core Infrastructure Supportive Industries, viz. Coal, Crude Oil, Natural Gas, Petroleum, Refinery Products, Fertilizers, Steel, Cement and Electricity attained a cumulative growth of 3.9 percent during April-November, 2017-18. The production growth of Coal, Natural Gas, Refinery Products, Steel, Cement and Electricity was positive during this period. The steel production increased substantially, while the production of crude oil and fertilizers fell marginally during the period, the Economic Survey adds.

The Survey notes that nominal outstanding credit growth to industry turned positive to 1 per cent in November 2017 for the first time after witnessing negative growth since October 2016. Demand for funds by Indian firms, in the wake of the credit slowdown, has been somewhat met by alternative sources such as corporate bonds and commercial paper.

The pre-Budget Economic Survey state that the total Foreign Direct Investment inflow grew by 8 per cent i.e. USD 60.08 billion in 2016-17 in comparison to USD 55.56 billion of the previous year. In 2017-18 (April – September), the inflow of total FDI was to the quantum of USD 33.75 billion.

On the Ease of doing Business, the Economic Survey highlights that India has leapt 30 ranks over its previous rank of 130 in the World Bank's latest Doing Business Report 2018. Credit rating company Moody's Investors Service has also raised India's rating from the lowest investment grade of Baa3 to Baa2.This has been made possible due to a host of measures undertaken by the Government including implementation of the Goods and Services Tax, Insolvency and Bankruptcy Code, and announcement of bank recapitalization. A number of reforms to boost industrial growth include Make in India programme, Start-up India and Intellectual Rights Policy.

The Economic Survey listed out Sectoral Initiatives:-

Ø **Steel:** In order to address dumping of cheap steel imports from China, South Korea and Ukraine, the Government raised customs duty and imposed anti-dumping duty, Minimum Import Price (MIP) on a number of items in February 2016, with a sunset clause of one year. These measures helped the domestic producers and exports recovered. The Government notified anti-dumping duties and Countervailing Duties on various steel products in February 2017. The Government has rolled out a New Steel Policy in May 2017.

Ø **MSME Sector**: MSMEs in India play a crucial role in providing large scale employment opportunities at comparatively lower capital cost than large industries and also in industrialization of rural & backward areas. The Government has initiated a number of schemes for the sector and particularly the Pradhan Mantri Mudra Yojana for development and refinancing activities relating to micro industrial units in 2016-17.

Ø **Textiles and Apparels**: To address some of the constraints faced by apparel firms, the Cabinet announced a Rs.6000 crore package for the apparel sector on June 2016. It was found that since its implementation in June 2016, the package had a positive impact on the exports of Ready Made Garments (RMG) of Man-made fibres while it did not have a statistically significant impact on the RMG of other natural fibres, except wool. The impact of the package increased over time and did not show any signs of attenuation. The Government has in December 2017 approved the scheme for Capacity Building in Textile Sector (SCBTS) with an outlay of ¹ 1,300crore for the period 2017-2018 to 2019-2020.

Ø **Leather sector**: Leather sector is also highly labour intensive sector. The sector faces challenges which have been addressed through a scheme for the purpose of promotion of employment in the leather & footwear sector in December 2017, with an outlay of Rs 2600 crore over three financial years 2017-18 to 2019-2020.

Ø **Gems and Jewellery:India** is one of the largest exporters of gems and jewellery. Exports of the sector have risen from 0.7 per cent in 2014-15 to 12.8 per cent in 2016-17. Training in jewellery designing, setting up refineries, hallmarking centres etc. and creation of multiple jewellery parks would help the sector.

The Economic Survey notes that the Global Infrastructure Outlook forecasts around US$ 4.5 trillion worth of investments is required by India till 2040 to develop infrastructure to improve economic growth and community wellbeing.

According to the Survey, **the Government is investing massively on building infrastructure to support India's long term growth. India is far ahead than many emerging economies in terms of providing qualitative transportation related infrastructure.** The primary agenda for the Government has been building new National Highways (NHs) and also converting State Highways (SHs) into NHs. As in September, 2017, total length of National Highways (NHs) /Express Ways in India was 1,15,530 km which accounted for 2.06 per cent of the total road length. On the other hand, the length of State Highways was 1,76,166 km as on 2015-16. The Government received proposals for declaration of more than 64000 km of State roads as National Highways (NHs) from various State Governments, against which the Ministry of Road and Transportation has declared about 10000 km of Roads/routes as new National Highways. In many under developed States with lower Per capita GSDP like Bihar, Odisha, Chhatisgarh, Jharkhand and Jammu & Kashmir, West Bengal, Madhya Pradesh, the density of Other Public Work Department (OPWD) Road/ District Road is very low. There is a need for developing OPWD roads including District Roads, so as to provide better access, thereby enhancing economic activities, the Economic Survey adds.

The Survey observes that in order to expedite completion of delayed projects, various steps have been taken for streamlining of land acquisition & environment clearances. The new umbrella program like 'BharatmalaPariyojana' aims to achieve optimal resource allocation for a holistic highway development.

Regarding Railways, the Surveys states that during 2017-18 (upto September 2017) Indian Railways carried 558.10 million tonne of revenue earning freight traffic as against 531.23 million tonnes during the corresponding period of previous year, showing an increase of 5.06 per cent during this period. With emphasis on railways infrastructure development, the pace of commissioning Broad Gauge (BG) lines and completion of electrification have been accelerated. With financial assistance from Government of India, 425 km of metro rail systems are operational and about 684 km are under construction in various cities across India (as in December 2017). In 2017-18 (till 31.12.2017), cargo traffic handled at Major Ports has been 499.41 million tonnes compared to 481.87 million tonnes handled during the corresponding period of 2016-17. Under SagarmalaProgramme which is to promote port-led development along Indian coast line, 289 Projects worth Rs. 2.17 Lakh Crore are under various stages of implementation and development, the Survey adds.

In the **Telecommunication Sector**, the Survey pointed out that the programme like 'Bharat Net' and 'Digital India' are to convert India into a digital economy. As on end of September 2017, the total subscribers stood at 1207.04 million, out of which 501.99 million connections were in the rural areas and 705.05 million in the urban areas.

Regarding **Civil Aviation Sector**, the Economic Survey says that in 2017-18 (April - September), domestic airlines carried 57.5 million passengers, showing a growth rate of 16% over the corresponding previous year period, with 10.3 percent domestic cargo handled. The Government is taking initiatives like liberalization of air services, airport development and regional connectivity through scheme like UDAN.

Highlighting the initiatives and achievement in the **Power Sector**, the Survey mentions that All-India installed power generation capacity has reached 3,30,860.6 MW as on 30th November, 2017 and electrification in 15,183 villages has been completed. The Ujjawal DISCOM Assurance Yojana (UDAY) has focused on enhancing the financial health of DISCOMs by reducing interest burden, cost of power and aggregated technical and commercial losses. A new scheme, Saubhagya (Pradhan Mantri Sahaj Bijli Har Ghar Yojana), was launched in September 2017 to ensure electrification of all remaining willing households in the country in rural and urban areas with an outlay of Rs. 16,320 crore, the Survey adds.

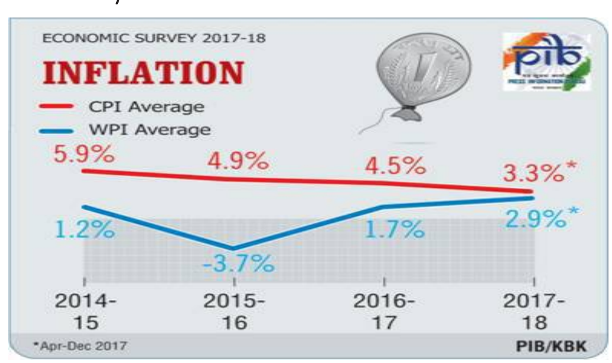
According to the Survey, the Indian **logistics industry** worth around US$ 160 Billion has grown at a compound annual growth rate (CAGR) of 7.8 per cent during last five years. Logistics sector provides employment to more than 22 million people. The Global Ranking of the World Bank's 2016 Logistics Performance Index shows that India jumped to 35th rank in 2016 from 54th rank in 2014 in terms of overall logistics performance. India has improved its rank in all the six components of logistics performance index.

India's housing policies have been mostly focused on building more homes and on home ownership. The Economic Survey suggests that a more holistic approach is required that takes into account rentals and vacancy rates. In turn, this needs to pay more attention to contract enforcement, property rights and spatial distribution of housing supply vs. demand.

Inflation During 2017-18 Averaged to the Lowest in the Last Six Years

Inflation in the country continued to moderate during 2017-18. Consumer Price Index(CPI) based headline inflation averaged 3.3 per cent during the period which is the lowest in the last six financial years.

The decline in the inflation was broad-based across major commodity groups except Housing and Fuel & Light. The Headline inflation has been below 4 per cent for twelve straight months, from November, 2016 to October, 2017 and CPI food inflation averaged around one per cent during April-December in the current financial year, says the Survey.



The Survey observes that the economy has witnessed a gradual transition from a period of high and variable inflation to more stable prices in the last four years. Headline inflation measured by the CPI has remained under control for the fourth successive year. In fact the decline in the inflation in the first half of the current fiscal year was indicative of a benign food inflation which ranged between (-) 2.1 to 1.5 per cent. . Survey says "This has been possible due to Good agricultural production coupled with regular price monitoring by the Government."

However, the rise in food inflation in recent months is mainly due to factors driving prices of vegetables and fruits. In rural areas while food was main driver of CPI inflation during 2016-17, in urban areas housing sector has contributed the most to inflation in the current financial year. If we a look at state-wise inflation during 2017-18, many states have witnessed sharp fall in CPI inflation. Inflation in 17 states was below 4 per cent, during the period. This has been possible due to various efforts made to contain inflation at various level by the Government, says the Survey.

Measures to Control Inflation : Controlling inflation has been a priority area for the Central Government, says the Economic Survey 2017-18 placed in Parliament today by the Union Minister for Finance and Corporate Affairs, Shri ArunJaitley . It says that the Government has taken a number of measures for this purpose which, inter alia, include the following:-

- Advisories are being issued, as and when required, to State Governments to take strict action against hoarding & black marketing and effectively enforce the Essential Commodities Act, 1955 & the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980 for commodities in short supply.
- Regular review meeting on price and availability situation is being held at the highest level including at the level of Committee of Secretaries, Inter Ministerial Committee, Price Stabilization Fund Management Committee and other Departmental level review meetings.
- Higher MSP has been announced so as to incentivize production and thereby enhance availability of food items which may help moderate prices.
- A scheme titled Price Stabilization Fund(PSF) is being implemented to control price volatility of agricultural commodities like pulses, onions etc.
- The Government approved enhancement in buffer stock of pulses from 1.5 lakh MT to 20 Lakh MT to enable effective market intervention for moderation of retail prices. Accordingly, a dynamic buffer stock of pulses of upto 20 lakh tones has been built.
- Pulses from the buffer are being provided to States/ UTs for PDS distribution, Mid-day Meal scheme etc. The requirement of pulses by Army and Central Para-military Forces.
- The Government has imposed stock holding limits on stockiest/dealers of sugar till April, 2018.
- The Government imposed 20% duty on export of sugar for promoting availability and moderating price rise.
- Permitted import of 5 lakh tones of raw sugar at zero duty; subsequently, import of additional 3 lakh tones was allowed at 25% duty.
- Export of all varieties of onion will be allowed only on letter of credit subject to a minimum export price (MEWP) of $850 per MT till 31st December, 2017.
- States/UTs have been advised to impose stock limit on onions. States were requested to indicate their requirement of onions so that import of requisite quantity may be undertaken to improve availability and help moderate the prices.

India's Commitment to Climate Change Reflected in Support of Sustainable Development Goals: Economic Survey

The Chapter on Sustainable Development, Energy and Climate Change notes India's commitment to environment and climate change that is reflected in the number of actions in supporting sustainable development goals while retaining reliance on cleaner energy, including cleaner, greener coal. It states that India has strengthened its response to the threat of climate change in accordance with the principles of equity and Common But Differentiated Responsibilities and in the light of national circumstances with the "Paris Pledge" to reduce the emission intensity of GDP by 33-35 percent over 2005 levels by the year 2030.

On the issue of sustainable development, the Survey says that India's urban population is projected to grow to about 600 million by 2031. It suggests that Urban Local Bodies generate resources through financial instruments such as municipal bonds, PPPs and credit risk guarantees. The Survey says that access to sustainable, modern and affordable energy is the basis of achieving Sustainable Development Goals. Stating that as on 30th November 2017, the share of renewable energy sources was 18 percent in the total installed capacity of electricity in the country and that the increasing share of renewables has trebled in the last 10 years.

Outlining India's commitment to address Climate Change, the Survey mentions establishment of 8 Global Technology Watch Groups, extending Climate Change Action Programme launched in 2014 for the period 2017-18 to 2019-20 with a budget outlay of Rs. 132.4 crore and continuation of National Adaption Fund on Climate Change till 31st March 2020 with financial implication of Rs. 364 crore.

During April-September 2017-18, Growth in Services Exports and Services Imports Robust at 16.2 Per Cent and 17.4 Per Cent Respectively?

India remained the eighth largest exporter in commercial services in the world in 2016 with share of 3.4 per cent. This is double the share of India's merchandise exports in the world at 1.7 percent, as put forth in the Economic Survey 2017-18 tabled in the Parliament today by the Minister for Finance and Corporate Affairs, Shri ArunJaitley. India's services sector registered an export growth of 5.7 per cent in 2016-17. During the period April-September 2017-18, growth in services exports and services imports were robust at 16.2 per cent and 17.4 per cent respectively. Net services receipts rose by 14.6 per cent during this period. Net surplus in the services financed, about 49 per cent of India's merchandise deficit in H1 of 2017-18.

To boost services exports, the Survey mentions that the Government in its mid-term Review of Foreign Trade Policy 2015-2020, has increased incentives under Services Exports from India Schemes (SEIS) by 2 per cent, leading to an additional annual incentive of Rs.1,140 crore which could help services exports including Hotel & Restaurant, Hospital, Educational services etc. Although world trade volume of goods and services is projected to accelerate in 2018, enhanced global uncertainty, protectionism and stricter migration rules would be key factors in shaping India's services exports.

Sector-Wise Performance of Major Services and Some Recent Government Policies to Boost the Growth of the Sector

Services Sector Contributed Almost 72.5 Per Cent of GVA Growth in 2017-18

The Services sector, with a share of 55.2 per cent in India's Gross Value Added (GVA), continued to be the key driver of India's economic growth contributing almost 72.5 per cent of GVA growth in 2017-18, as stated in the Economic Survey 2017-18 tabled in the Parliament today by the Union Minister for Finance and Corporate Affairs, Shri ArunJaitely. While the growth of Service Sector as a whole is expected to be at 8.3 per cent in 2017-18, the growth in Services exports was 16.2 per cent in H1 of 2017-18. The Government has taken many initiatives in the different Services which include digitization, e-visas, infrastructure status to Logistics, Start-up India, Schemes for the housing sector, etc. which could give a further fillip to the Services Sector.

Major Services' Sector-wise performance and some recent Government policies to boost the growth of the sector are as follows:

TOURISM: India's Tourism sector has been performing well with Foreign Tourist Arrivals (FTAs) growing by 9.7 per cent to 8.8 million and Foreign Exchange Earnings (FEEs) at 8.8 per cent to US$ 22.9 billion in 2016. FTAs during 2017 were 10.2 million, with a growth of 15.6 per cent, while FEEs from tourism were US$ 27.7 billion, with a growth of 20.8 per cent over 2016. Domestic tourist visits grew by 12.7 per cent to 1,614 million in 2016 from 1,432 million in 2015. Tamil Nadu, Uttar Pradesh, Andhra Pradesh, Madhya Pradesh and Karnataka were the Top 5 Destination States in 2016.

Various initiatives have been taken by the Government to promote tourism include the introduction of the e-Visa facility under three categories of Tourist, Medical and Business for the citizens of 163 countries; launch of Global Media Campaign for 2017-18 on various Channels; launch of 'The Heritage Trails' to promote the World Heritage Sites in India; launch of International Media Campaign on various international TV channels; Celebration of 'ParyatanParv' having 3 components namely 'DekhoApnaDesh' to encourage Indians to visit their own country, 'Tourism for All' with tourism events at sites across all states in the country, and 'Tourism & Governance' with interactive sessions & workshops with stakeholders on varied themes. FTAs on e-Tourist Visa grew by 143 per cent to 10.8 lakh in 2016, and further grew by 57.2 per cent to 17.0 lakh during 2017.

IT-BPM : India's Information Technology – Business Process Management (IT-BPM) industry grew by 8.1 per cent in 2016-17 to US$ 139.9 billion (excluding e-commerce and hardware) from US$129.4 billion in 2015-16, as per NASSCOM data. IT-BPM exports grew by 7.6 per cent to US$ 116.1 billion from US$ 107.8 billion during the same period. E-commerce market is estimated at US$ 33 billion, with a 19.1 per cent growth in 2016-17.

To further promote this sector, many initiatives have been taken, which include the establishment of BPO Promotion and Common Services Centres to help create digital inclusion and equitable growth and provide employment to 1.45 lakh persons, mostly in the small towns; setting up a separate Northeast BPO promotion Scheme with 5000 seats and having employment potential of 15000 persons; preparing the draft Open Data Protection Policy law; besides long-term initiatives like Digital India, Make in India, Smart Cities, e-Governance, push for digital talent through Skill India, drive towards a cashless economy and efforts to kindle innovation through Start-up India.

REAL ESTATE : The Indian Real Estate sector has begun to show signs of improvement with the total FDI of US$ 257 million in H1 2017, which is more than double the total FDI in 2016 full year.

Some of the recent reforms and policies taken by the Government of India related to Real Estate Sector include the Pradhan MantriAwasYojana (PMAY) with the government sanctioning over 3.1 million houses for the affordable housing segment in urban regions till November 2017. Of this, about 1.6 million houses have been grounded and are at various stages of construction, and about 0.4 million houses have been built under the mission. PPP policy for affordable housing was also announced on 21st September 2017 for affordable housing segment to provide further impetus to the ambitious 'Housing for all by 2022' mission. Credit Linked Subsidy Scheme (CLSS) under PMAY was extended to the Middle Income Group (MIG) segment, which got included in the scheme from 1st January 2017. With the enactment of Real Estate (Regulation & Development) Act, 2016, it is anticipated that accountability would lead to higher growth across the real estate value chain, while compulsory disclosures and registrations would ensure transparency.

R&D : The professional Scientific & Technical activities which include R&D services grew by 17.5 per cent and

41.1 per cent in 2014-15 and 2015-16 respectively. India-based R&D services companies, which account for almost 22 per cent of the global market, grew at 12.7 per cent. However, India's gross expenditure on R&D has been at around 1 per cent of GDP. India ranks 60th out of 127 on the Global Innovation Index (GII) 2017, improving from 66th rank in 2016.

Buoyed by the Government's support which includes important Schemes of different Ministries/Departments, the R&D sector in India is all set to witness robust growth in the coming years. According to a study, engineering R&D market in India is estimated to grow at a CAGR of 14 per cent to reach US$ 42 billion by 2020. India is also expected to witness strong growth in its agriculture and pharmaceutical sectors as the Government is investing large sums to set up dedicated research centres for R&D in these sectors.

SPACE : In the case of Satellite Launching, as on March 2017, PSLV successfully launched 254 satellites. Foreign exchange earnings of India from export of satellite launch services increased noticeably in 2015-16 and 2016-17 to Rs 394 crore and Rs 275 crore from Rs. 149 crore in 2014-15.

India's share in global satellite launch services revenue has also increased to 1.1 per cent in 2015-16 from 0.3 per cent in 2014-15. Antrix foresees greater utilization of PSLV, GSLV and GSLV-Mk-III launch services by the international community for launching their Low Earth Orbit (LEO) satellites.

Utmost Priority to Social Infrastructure Like Education, Health and Social Protection is Given to Engineer an Inclusive and Sustainable Growth, Says Economic Survey

Utmost priority to social infrastructure like education, health and social protection is given by the Government to engineer an inclusive and sustainable growth for India.

On the subject of "Social Infrastructure, Employment and Human Development", bridging the gender gaps in education, skill development, employment, earnings and reducing social inequalities prevalent in the society have been the underlying goals of the development strategy to enhance human capabilities. The Survey notes that India is poised to grow as one of the leading knowledge economies where education, skill development and health will remain priorities for the Government.

The Survey adds that the government has been enhancing the expenditure on human capital along with adopting measures to improve the efficiency of expenditure by convergence of schemes. The expenditure on social services by the Centre and States as a proportion of GDP had remained in the range of 6 per cent during 2012-13 to 2014-15. Expenditure on Social services stands at 6.6 per cent in 2017-18 (BE).

As the way forward, the Economic Survey 2017-18 recommends that though macro-economic growth and efficient markets are essential, it is necessary to equally ensure that the benefits of growth are equitably accessible to all citizens to make growth broad-based. The Survey concludes that strengthening the policy and institutional eco-system supporting inclusive growth deserves to be a top policy priority.

Tech Enabled Initiatives to Bring Transparency and Accountability for Enforcement of Labour Laws

The Economic Survey 2017- 18 highlights several Labour reform measures. The Survey mentions the specifics of technology driven initiatives that ensure delivery by reducing complexity in compliance and bring transparency and accountability for better enforcement of Labour laws. The Survey takes stock of legislative reforms in Labour sector that are being implemented for creation of employment opportunities and for providing sustainable livelihoods for the population who are largely engaged in informal economy.

The Survey notes that the Government has undertaken numerous technology enabled transformative initiatives such as ShramSuvidha Portal, Ease of Compliance to maintain registers under various Labour Laws/Rules, Universal Account Number, and National Career Service portal in order to reduce the complexity in compliance and to bring transparency and accountability for better enforcement of the labour laws.

The Survey mentions that there has been highest ever budget allocation under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) during 2017-18. About 4.6 crore households were provided employment totaling 177.8 crore person days during 2017-18 as on 14thJanuary, 2018. Out of this, 54 per cent were generated by women, 22 per cent by Schedule Castes and 17 per cent by Schedule Tribes.

Economic Survey Notes Important Developments on Trade Policy Front

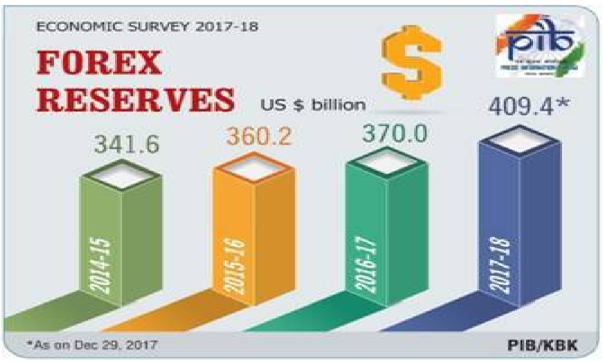
Two important developments on the trade policy front during the year relate to the mid-term review of Foreign Trade Policy (FTP) and the recent multilateral negotiations of WTO in December 2017. Besides these, there were some developments on the trade logistics front and anti dumping measures. This was stated in the Economic Survey in 2017-18 tabled in Parliament today by the Union Finance & Corporate Affairs, Shri Arun Jaitley

FTP-Mid Term Review and subsequent trade related policies. : In the mid-term review of FTP released on 5th December 2017, some additional measures have been taken to help India's trade sector. Besides, on 15th December, 2017, a special package for employment generation in the leather and footwear sector was approved by the Government. This is also likely to help exports from this sector.

Multilateral Negotiations : The Eleventh Ministerial Conference (MCII) of the World Trade Organization (WTO) ended without aMinisterial Declaration or any substantive outcome.

During MCII India stood firm on its stand on the fundamental principles of the WTO, including multilateralism, rule-based consensual decision making, an independent and credible dispute resolution and appellate process, the centrality of development which underlies the Doha Development Agenda (DDAQ) and special and differential treatment for all developing countries.

Foreign Exchange Reserves : India's foreign exchange reserves reached US$ 409.4 billion on end-December 2017. Foreign exchange reserves grew by 14.1 percent on a y-o-y basis from end December 2016 (US$ 358.9 billion) to end December 2017 (US$ 409.4 billion) and it grew by 10.7 percent from end- March, 2017 (US$370.0 billion) to end December 2017. Foreign exchange reserves increased further to US$ 413.8 billion on January 12, 2018.



The import cover of India's foreign exchange reserves was 11.1 months at end-September 2017 as compared with 11.3 months at end -March 2017. Within the major economies running current account deficit, India is among the largest foreign exchange reserve holders and sixth largest among all countries of the world.

India's External Sector Continues to be Strong Says the Economic Survey

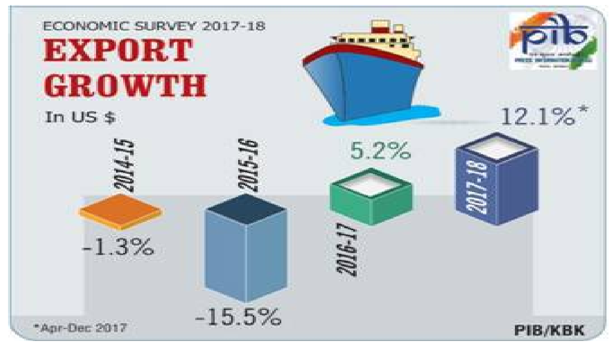
India's external sector continued to be resilient and strong in 2017-18

International Developments : The global economy is gathering pace and is expected to accelerate from 3.2 percent in 2016 to 3.6 percent in 2017 and 3.7 percent in 2018 which reflects an upward revision of the earlier projections by the International Monetary Fund (IMF).

India's balance of payments situation, which has been benign and comfortable since 2013-14, continued to be so in the first half of 2017-18, despite some rise in the Current Account Deficit (CAD) in the first quarter, with a relatively lower CAD in the second quarter. India's CAD stood at US$7.2 billion (1.2 percent of GDP) in Q2 of 2017-18, narrowing sharply from US$ 15.0 billion (2.5 percent of GDP) in the preceding quarter.

Trade Deficit : India's trade deficit (on custom basis) which had registered continuous decline since 2014-15, widened to US$ 74.5 billion in HI of 2017-18 from US$ 43.4 billion in HI of 2016-17. India's trade deficit was US$ 108.5 billion in 2016-17, with reduction in both POL deficit and non- POL deficit. In 2017-18 (April-December) trade deficit (on custom basis) shot up by 46.4 percent to US$ 114.9 billion with POL deficit growing by 27.4 percent and non-POL deficit by 65.0 per cent.

Composition of Trade : Export growth in 2016-17 was fairly broad based with positive growth in major categories except textiles & allied products and leather and leather manufactures. In 2017-18 (April-November) among the major sectors, there was good export growth in engineering goods and petroleum crude and products, moderate growth in chemicals & related products, and textiles & allied products; but negative growth in gems and jewellery.



The prospects for India's External Sector in this and coming year look bright with world trade projected to grow at 4.2 percent and 4 percent in 2017 and 2018 respectively from 2.4 percent in2016; trade of major partner countries improving and above all India's export growth also picking up. The downside risks lie in the rise in oil prices. However, this could also lead to higher inflow of remittances which have started picking up. The supportive policies like GST, logistics and trade facilitation policies of the government could help further.

India Needs to be a net producer of Knowledge, says the Economic Survey

As India emerges as one of the world's largest economics, it needs to gradually move from being a net consumer of knowledge to becoming a net producer.

Given the dizzying pace and expansion of scientific research and knowledge on the one hand and a generally higher importance given to careers in engineering, medicine, management and government jobs amongst India's youth on the other, India needs to rekindle the excitement and purpose that would attract more young people to scientific enterprise. Doing so would lay the knowledge foundations to address some of India's most pressing development challenging in addition to maintain a decent, open society. Investing in science is also fundamental to India's security, the human security of its populations, the resilience needed to address the multiple uncertainties stemming from climate change and the national security challenges stemming from new emerging threats, ranging from cyber warfare to autonomous military systems such as drones.

Source : PIB

SUSTAINABLE SOURCING IS MORE COST EFFECTIVE: IN SUPPLY CHAIN

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Sustainability is a business issue affecting an organization in supply chain or logistic network, in terms of the environment that exits, the risk, and the cost incurred in the environment, and there is great need for integrating them. Sustainable sourcing is the integration of social, ethical and the environmental performance of factors into the process of selecting a supplier. The ultimate goal will be to sustain sourcing, and build and store a long term social relationship with supplier.

Cost reduction and a focus on social responsibility, are driving sustainability in the supply chain. Many buyers are unaware between social responsibility and economic buying. Organization working in low cost, and at all cost of operations is often forced to make procurement decisions that violate their own personal sustainability and that violate their own personal sustainability and social responsibility. They can practice only when it is the lowest cost alternative to an existing non-sustainable product. Cost inputs often enter the day to day working of the sourcing, and the gap between sustainable and low cost procurement is narrowing. Buyers have a greater choice in sourcing, of sustainable products from suppliers, with a strong belief in corporate social responsibility.

The increasing gap between sustainable, and lower cost of procurement is becoming narrow. An increasing number of suppliers, have embraced sustainability as an operational philosophy, and have changed pricing, and also marketing strategy. Sustainable effort in supply chain often helps to simplify, and streamline supply chain efforts, and operations, providing an economic effort and benefit to customers, and improve service levels. The signs of green are alternative, and are signs of frequent low cost alternative. Positive economics around sustainability has taken hold and the social responsibility for procurement is imperative for sustainable supply chain, and social responsible in procurement is a frame work of measurable corporate policies and procedures resulting in behavior designed to benefit work place, and an extension by the individual organization and the community.

Socially responsible procurement include diversity, and inclusion through support for historically environmental protection ethical consideration for healthy and safety to employees and the respect for human rights throughout the supply chain. Socially responsible procurement is not just focused on the basis of behavior of an organization, but those of its suppliers, and theirs throughout the supply chain. Many companies have statement and policies on corporate social responsibility, and activities of the supply chain management in those policies.

The green alternative is frequently the low cost alternative, while there may be strategy alignment without critical and prime suppliers as the supply chain expands globally it be may tougher to determine the sustainability actions of an extended supply base.

The last that anyone wants to see is an unpleasant story about a key supplier in the morning news. Many companies have formal sustainability efforts and sourcing in their success. Sustainability focuses on the concept of triple bottom line, economic, vigor, social responsibility, and environmental stewardship.

A supplier sustainable plan is an important part of its financial and operational performance. Just as supplier might have a key performance indicator, related to support of supplier diversity, they might also have several key performance indicator centered on sustainability.

Many large companies include logistics and transportation companies that compete on the strength and efficiency of other sustainable program. For their it is just good business, and an important part of their marketing message.

Freight carriers, where they are mandated with mileage requirements, and change of conditions in maintenances of fleet are under pressure of reducing operating costs, and these pressure have put the change for right of fuel, gas or electric vehicles for sustainable purpose and use.

Another part of the supply chain sustainability is the disposition of waste, where the costs incurred due to high transport cost, carrying cost, and the pressure on tax structure rate that are fluctuating.

Managing and improving environmental social, and economic performance throughout supply chain, companies can conserve resources, optimistic process, uncovered product innovation, save costs, increase productivity, and corporate values, as this does not apply in business cases of supply chain, where sustainability is growing, and while more companies expand their sustainability progress which include suppliers whose products are sourced as they struggle with implementation.

As many organization do not have a comprehensive understanding of the sustainability impacts in their supply chain, it will become obligatory to identify inventory supplier, and bring in the most significant steps on environmental and social changes, and priorities' in supply chain and reduce the number of suppliers based on performance against sustainability criteria, on a strong positive partnership with suppliers from sourcing in supply chain.

Sustainability in the supply chain is one of the best ways to communicate corporate values, and their culture to suppliers, and customer, by establishing and communicating expectation through a supplier code, of conduct which is a critical step in involving supplier in your sustainability effort in sourcing in supply chain.

Globalization in supply chain has led to an increased validity of the environmental and social impacts associated with sourcing, and processing of raw materials, consumer awareness, and increased demand that organizations ensure environmental and social sustainability, through the entire supply chain.

Supply chain is becoming increasing global and interconnected, and companies adopt supply sustainability, strategy in sourcing. 1. Lower Business risk, with good quality of supply and risk. 2. Generate costing focusing a good life cycle of the product, when sourcing goods and services rather than simply price. 3. Enhance brand reputation of the product or material. 4 Drive innovations in terms of development of new products. For most organization the primary objective is to be embedded to supply chain sustainability within their procurement function, and exposed to risk and pricing function which is embedded in supply chain.

The key objective of supply chain management is to increase the efficiency of the activities and process involved in the planning, sourcing, processing, manufacturing, and delivery of goods, and service to end consumers. Increased efficiency may be achieved across either through sustainability of part, or entire supply and typically associated with the improved productivity, increase product quality improved logistic and ultimately reduced costs in supply chain.

Most aspects of supply chain already consider resource utilization and costs savings, as sustainability is thus becoming a integral component in supply chain management, and is responsible for sourcing through green supply chain and value chain management, and this has become the ultimate responsibility of the supply chain process.

Use of multiple suppliers: if only one supplier, elimination of orders becomes applicable, but if you can have and to find several suppliers who can compete with price and use several items you can avoid costly delay in ordering products and this can form a sustainability in supply chain, and if you can find ways to expedite shipments from suppliers you can order closer to the place where you need supplies since ordering and cost becomes a sustainability in supply chain.

Achieving a sustainable supply chain has become multi-disciplinary task encompassing relationship in network, channels and partnership throughout the sourcing process, and delivery of goods and service in supply chain.

Sustainable supply chain initiatives can be implemented in two broad ways often, they are imposed on supplies perhaps as a result of legislation, strategic objectives, or code of conduct of powerful brands, and retailers introducing new trends of innovative sustainability solutions into the supply chain pricing, as it depends on relationship sharing of information and working on economic goals, and suppliers are likely to adopt improvement if they have good relationship with customers who request those improvements.

Implemenenting successful sustainable supply chain through good pricing, and cost effectiveness requires good marketing, and good procurement functions that work together to bring in cost reduction in supply chain.

Commercial kitchen where food is prepared for various occasions, and purposes depend on supply chain together products they need in time, and very cost effective, and bring in reduction in price, however to be sustainable and to be sourced which can lead unsustainable, satisfaction of customers, and have a negative impact on environment sourcing. New brands of food can be brought out as per the demand of consumer, at sustainable price or cost even judging the price to be higher if demand exists.

In the field of agriculture sustainable is rooted in the principle of protecting the environment, upholding human, and work place rights, helping to build more sustainable consumers in supply chain, the concentration will be on the maximum retail price to farmers, and mitigating business risk by addressing challenges to the availability of quality and safety of agricultural ingredients to meet consumer demand that align healthy and sustainable life style, and to balance cost sustainability by leveraging new opportunity, and also ensuring that agricultural suppliers and supplies have sustainable business in supply chain.

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INDIA TO BE FASTEST GROWING ECONOMY AGAIN IN 2018: WORLD BANK

India is likely to regain the position in 2018 with growth expected to accelerate to 7.3% in the year, according to the World Bank's Global Economic Prospects

ASIT RANJAN MISHRA

World Bank, however, revised downward India's growth estimate for 2017 to 6.7% from 7% projected in October last year, blaming 'short-term disruptions from the newly introduced GST'.

After conceding its position as the fastest growing major economy to China for a year in 2017, India is likely to reclaim the position in 2018, with growth expected to accelerate to 7.3% in the year, according to the World Bank's Global Economic Prospects report released on Wednesday.

The report projected China's economic growth to slow to 6.4% in 2018 from 6.8% in 2017. The World Bank also revised India's growth estimate for 2017 to 6.7% from 7% projected in October, blaming short-term disruptions caused by the newly introduced goods and services tax (GST) and a softer-than-envisioned recovery in private investment.

To be sure, the estimates are on a different fiscal year basis for each country. India's fiscal year runs from April to March. China follows a January-December fiscal year.

The global economy, meanwhile, is experiencing a broad-based cyclical upturn, which is expected to be sustained over the next couple of years, although downside risks persist, the World Bank said.

"In contrast, growth in potential output is flagging, languishing below its longer-term and pre-crisis average both globally and among emerging market and developing economies. The forces depressing potential output growth will continue unless countered by structural policies," it cautioned.

Global growth is projected to edge up to 3.1% in 2018, as growth in advanced economies is projected to slow while growth in emerging economies is expected to accelerate.

India's statistics office on Friday projected the economy to slow to 6.5% in 2017-18 from 7.1% a year ago. The economy has been hurt by the lingering impact of demonetization and disruptions caused by GST.

Moody's Investors Service in a report released on Wednesday said India and China remain the fastest growth economies in the Asia-Pacific region.

"A gradual moderation in growth in China and temporary slowdown in India will be balanced by robust growth trends in other Asian economies," it added. Economic affairs secretary Subhash Chandra Garg tweeted: "World Bank releases its GDP growth estimates. India projected to grow at 6.7% in 2017. Higher growth of 7.3% projected for 2018. Impressive advance corporate tax payments in 3rd quarter indicates India's growth turnaround to be much better."

Direct tax collections grew by more than 18% in the first nine months (April-December) of the fiscal year 2017-18 to two-thirds of the full-year target, which is expected to provide a breather to the government as it struggles to contain the fiscal deficit.

"In all likelihood, India is going to register higher growth rate than other major emerging market economies in the next decade. So, I wouldn't focus on the short-term numbers. I would look at the big picture for India and big picture is telling us that it has enormous potential," Ayhan Kose, director, development prospects group, World Bank, told PTI in an interview.

The World Bank said strong private consumption and services are expected to continue to support economic activity. "Private investment is expected to revive as the corporate sector adjusts to the GST; infrastructure spending increases, partly to improve public services and internet connectivity; and private sector balance sheet weaknesses are mitigated with the help of the efforts of the government and the Reserve Bank of India," it said.

Over the medium term, GST is expected to benefit economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector, and expanding the tax base. it said. "The recent recapitalization package for public sector banks announced by the government of India is expected to help resolve banking sector balance sheets, support credit to the private sector, and lift investment. The global trade recovery is expected to lift exports," it added.

The Bank said key risks to India are domestic in nature such as setbacks to reforms to resolve corporate and financial sector balance sheet deterioration and debt write-offs for farmers.

"Corporate debt overhangs and high levels of non-performing loans have been long-standing concerns in some countries (e.g. Bangladesh, India). Setbacks in efforts to resolve these domestic bottlenecks would continue to weigh on investment, and more broadly on medium-term growth prospects in the region," it added. "Weak private investment was only partly mitigated by a public infrastructure investment push and a surge in current expenditures after recent public pay hikes," the report said.

First Published: Wed, Jan 10 2018. 11 34 AM IST

Source: Livemint

INDIRECT TAXES UPDATES
GST, CUSTOMS, EXCISE, SERVICE TAX & VAT

Month - December 2017 (updated upto 01.01.2018)

CMA Rakesh Bhalla, Past chairman NIRC of ICAI (CMA)*
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GST

❖ **CBEC amended Composition Rates for Manufacturers & easing norms for Traders -**

-Manufacturers who have opted for composition scheme will now have to pay 1 per cent Goods and Services Tax (GST) as against 2 per cent earlier.

-Traders opting for composition scheme would now have to pay the tax at 1 per cent on their turnover of taxable supplies. So far, they were paying GST on total turnover.

(Notification Nos. 1/2018 –Central Tax, dated 01-01-2018)

❖ **Due date for filing GSTR-1– Notification Nos. 71-72/2017-Central Tax, dated 29-12-2017**Time limit for furnishing details of outward supplies in **FORM GSTR-1** by such class of registered persons,

· having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year

SI No.	Months for which the details in FORMGSTR-1 are furnished	Time period for furnishing the details in FORM GSTR-1
1	July -November, 2017	10th January, 2018
2	December, 2017	10th February, 2018
3	January, 2018	10th March, 2018
4	February, 2018	10th April, 2018
5	March, 2018	10th May, 2018

● having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year

SI No.	Quarter for which the details in FORMGSTR-1 are furnished	Time period for furnishing the details in FORM GSTR-1
1	July - September 2017	10th January, 2018
2	October - December 2017	15th February, 2018
3	January - March 2018	30th April, 2018

❖ **GST Returns –Due date for filing specified returns extended - Notification Nos. 68-69/2017 –Central Tax**, all dated **21-12-2017** have been issued for this purpose.

Return	Month/Quarter	Revised due date	Additional comments
GSTR-5	For the months July 2017 to December 2017	31-Jan-2018	To be filed by a non-resident taxable person.
GSTR-5A	For the months July 2017 to December 2017	31-Jan-2018	To be filed by person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient.

- **Time limit extended for making a declaration, in FORM GST ITC-01–**All registered persons, who have become eligible during the months of July to November, 2017 to the effect that they are eligible to avail the input tax credit under sub-section (1) of section 18 of the GST Act, 2017 till the31st January, 2018.**Notification Nos. 67/2017 –Central Tax**, **21-12-2017.**

- **CGST Rules amended to revise various forms and Returns-** GSTR-1 and Form GST RFD-01 and 1A have been amended. While Table 6 of the GSTR-1 relating to zero rated supplies and deemed exports, has been amended, statements under CGST Rule 89(2)(h) and (g) have been inserted in Forms RFD-01 and 1A. [**Notification No. 70/2017-Central Tax, dated 21-12-2017]**

- **Late fees for delayed filing of FORM GSTR-4 waived –** Late fee payable under section 47 of the GST Act, 2017 by any registered person for failure to furnish the return in **FORM GSTR-4**which is in excess of an amount of twenty five rupees for every day. Provided that where the total amount of central tax payable in the said return is nil, waived to the extent which is in excess of an amount of ten rupees for every day, **Notification No. 73/2017-Central Tax, dated 29-12-2017.**

- **Last date for submission of Form GST CMP-03-** providing for intimation of details of stock held on the date preceding the date from which the option to pay tax under Composition Levy is exercised, has also been extended till 31-1-2018. **Order No. 11/ 2017-GST, dated 21-12-2017**.

- **Nationwide e-way bill system to come into effect from 1-2-2018-** Rules for implementation of nationwide e-way bill system for inter-Statemovement of goods on a compulsory basis will be notified with effect from **1st of February, 2018**. As perPress Release dated 16-12-2017 issued by Ministry of Finance after the 24th Meeting of the GST Council, States can choose any date before 1st June, 2018 for implementation of e-way bill for intra-State movement of goods. It is stated that nationwide e-way bill system will be rolled out on a trial basis latest by 16-1-2018.

- **Lok Sabha passes bill for GST cess hike on luxury cars to 25%-** The Lok Sabha has approved a bill to hike Cess on luxury vehicles from 15% to 25%. The Cess will be applicable along with the 28% GST that is already applicable on cars that are over the 4-metre length category.

- **Refund on account of inverted duty structure, deemed exports and excess balance in electronic cash ledger –Manual procedure-**Procedure in respect of manual filing and processing of refund claims on account of inverted duty/tax structure, deemed exports andexcess balance in electronic cash ledger has been clarified. **Refer CBEC Circular No. 24/24/2017-GST, dated 21-12-2017.**

- **Conditions and procedures for manual filing of application for advance ruling and for appeal to the Appellate Authority for Advance Ruling has been prescribed**.

  Refer CBEC Circular No. 25/25/2017-GST, dated 21-12-2017.

- **Invoice in case of supply of artwork on approval basis through galleries-**An art work for supply on approval basis can be moved from the place of business of the registered person (artist) to another place (within the same State or outside it), on a delivery challan along with the e-way bill wherever applicable. **Refer CBECCircular No. 22/22/2017-GST, dated 21-12-2017.**

- **Maintenance of books of accounts at principal place of business instead of additional place-** Principal and the auctioneer, in case involving stock of goods like tea, coffee, rubber, etc., meant for supply through an auction, have been allowed to maintain the books of accounts relating to the additional place(s) of business at their principal place of business instead of such additional place(s). **Circular No. 23/23/2017-GST, dated 21-12-2017.**

- **Absence of TDF only a technical breach–**After observing that the detaining authority had not formed any opinion on intention of the assessee to evade tax, in a case involving absence of Transit Declaration Form (TDF), the Allahabad High Court has held that it was difficult to sustain penalty. [Ramdev Tr.Co. v. State of UP -Writ Tax No. 779 of 2017,decided on 30-11-17,Allahabad High Court]

- **Anomalies in ITC availability in hotel bookings-**Delhi High Court has directed the Central Government to examine the anomalies as asserted by the assessee involved in the business of booking tours and hotel packages. According to the petitioner, since they are not registered in each State, they are unable to avail ITC of SGST charged by hotels located outside Delhi.

  [D PaulsTravel and Tours Ltd. v. Union of India -2017-TIOL-37-HC-DEL-GST]

- **EU VAT -No mandatory requirement to mention address on invoice-**The Court of Justice of the European Union has held that for the purpose of deduction of VAT [ITC in India] by the recipient of goods or services, there is no requirement that economic activities of the supplier are to be carried out at the address indicated on the invoice issued by that supplier.

  [Rochus Geisselv. Finanzamt Neuss–Judgement dated 15-11-2017 in Joined Cases C 374/16 and C 375/16, CJEU]

- **Valuation –Discount deduction under EU VAT-** The Court of Justice of the European Union has held that discount granted by a pharmaceutical company to a private health insurance company, in case of supply of medicinal products through pharmacies which made supplies to persons covered by such private health insurance, would not be includible in the VAT liability of the pharmaceutical company.[Finanzamt Bingen-Alzey v. Boehringer

Ingelheim Pharma GmbH & Co. KG–Judgement dated 20-12-2017 in Case C 462/16, CJEU]

Customs

- **FTP 2015-20 mid-term review unveiled-**Ministry of Commerce has, after a mid-term review, unveiled the revised Foreign Trade Policy and the Procedures, on5th of December, 2017.

- **EPCG Scheme –Revisions-** Capital goods installed at one unit have been permitted to be shifted to another unit as appearing in the IEC and RCMC of the EPCG holder, subject to production of fresh installation certificate.

- **EOU Scheme –Revisions-**Value limit of 50% of FOB value of exports, on DTA sale of goods by an EOU has been removed. Consequently, restrictions on DTA sale of motor cars, alcoholic liquors, books and tea, at concessional rate of duty, have been removed. However, DTA sale of pepper & pepper products and marble is not permissible. **Notification No. 41/2015-20 and Public Notice Nos. 43 to 46/ 2015-20, all dated 5-12-2017.**

- **Exemptions -Norms for Bank guarantee, cash security and surety relaxed-** CBEC has relaxed the norms for furnishing of bank guarantee, cash security and surety for the purpose of benefit under the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. Bank guarantee, cash security or surety is not required in case of AEOs, PSUs and Govt. departments. Manufacturers and service providers having a turnover of more than INR 1 crore and filing GST Returns would be required to give bank guarantee / cash security of not more than 5% of import duty foregone. **Circular No. 48/2017-Cus., dated 8-12-2017.**

- **Basic Customs duties enhanced on many electrical/ electronic goods-** Ministry of Finance has enhanced Basic Customs Duty on number of electrical or electronic products, including on microwave ovens, telephones for cellular/wireless networks, CCTV or IP cameras, colour TVs, LED lamps and smart meters for electricity. BCD has also been enhanced on LCD, LED or OLED panels for TVs. Notification Nos. 91 and 92/2017-Cus., both dated 14-12-2017 and the jumbo Notification No. 50/2017-Cus., providing for effective rate of Customs duty.

- **Chickpeas or Masoor (Lentils) –BCD increased -** Chickpeas and Masoor are no longer exempted from Basic Customs Duty (BCD). Notification No. 50/2017-Cus., has been amended to remove these two types of pulsesfrom the exemption. **Notification No. 93/ 2017-Cus., dated 21-12-2017**.

- **Ministry of Finance has notified on 14-12-2017, The Customs (Furnishing of Information) Rules, 2017-** Coming into force from **1-1-2018**, the Rules prescribe for furnishing of information required under Section 108A(1) of the Customs Act, 1962, electronically. **Not. No. 114/2017-Cus. (N.T.).**

- **Mandatory e-sealing postponed again-**CBEC has again postponed the provisions for mandatory e-sealing of export containers. The procedure is now mandatory from 1st of March 2018 for exporters who have been permitted self-sealing, AEO exporters and those availing supervised sealing at their premises for 15 locations (ports and ICDs). E-sealing procedure will be mandatory for all ports and ICDs, other than 15 specified, from 1st of April, 2018.**Circular No. 51/2017-Cus., dated 21-12-2017.**

- **Exports -Refund of Countervailing duty as drawback-** Countervailing duty (CVD) levied under Section 9 of Customs Tariff Act is eligible to be refunded as drawback, in case of exports. CBEC has clarified that drawback of countervailing duties, imposed on inputs which were actually used in exported goods, can be claimed under an application for brand rate. **Circular No. 49/2017-Cus., dated 12-12-2017.**

- **Payment allowed in Indian Rupees at duty free shops-** Facility of payments in Indian rupees, through INR debit cards or credit cards will now be available at Duty Free Shops (DFSs), without any need for conversion of foreign currency into Indian Rupees. **Cir No. 50/2017-Cus.,dtd. 18-12-2017.**

- **Customs valuation –Utilisation of Transfer Pricing information-** World Customs Organisation recently finalised Case Study 14.2, covering a scenario where Customs took into account transfer pricing information in course of verifying Customs value.

- **Valuation based only on Chartered Engineer's certificate, not correct-**Setting aside demand against the importer, CESTAT Delhi observed that how the costing was arrived at was not clear. Further, noting that goods were manufactured outside India, and that costing of such manufacture and other incidental charges are not available in India, the Tribunal held that methodology of simply relying on CE Certificate, was not acceptable. [Impex Steel& Bearing v. Commissioner–Final Order No. 57284/ 2017, dated 18-10-2017, CESTAT Delhi]

- **Valuation –Not practical to compare one brand with another -** CESTAT Delhi has held that it is not practical to have a comparison of one brand with another for the purpose of Customs duty. It rejected the assessee's view that there were comparable goods though of different brands which could have been examined to re-fix the assessable value.

  [Anil Kumar v. Commissioner–Final Order No. 57650-52/2017, dated 6-11-2017, CESTAT Delhi]

- **Refund –Challenge to assessment order -** In a case where the importer had paid an excess amount of duty in the form of the CVD component paid by it under protest, CESTAT Delhi has held that refund claim shall lie not only in a case, where the Customs Duty has been paid in pursuance of an assessment order, but also where the duty has been borne by the assessee-importer.

  [Delhi International Airport Pvt. Ltd. v. Commissioner-2017-VIL-1012-CESTAT-DEL-CU]

Central Exciseand Service Tax

❖ **Retention fee of hospitals not liable to Service tax under BSS -**CESTAT Delhi has held that collection charges/facilitation fee retained by hospital out of the amount collected from patients is not liable to Service Tax under Business Support Services.

[Sir Ganga Ram Hospitalv. Commissioner–Order dated 6-12-2017 in Appeal No. ST/1844/2010, 51751/2014, 51815/2015, 50125/2014, 51764/2014, 50367/2016, CESTAT Delhi]

❖ **GTA service -Service in public interest -**CESTAT Kolkata has allowed appeals of the Government department (Sikkim Nationalized Transport) providing vehicles to Army for transport of goods and personnel.[Sikkim NationalizedTransportv. Commissioner-2017-TIOL-4365-CESTAT-KOL]

❖ **Refund -Unjust enrichment when duty promised to be refunded -** CESTAT Delhi has rejected the appeal filed against denial of refund, in a case where the assessee had agreements with their buyers that they would continue to contest the issue with the department and in case the same is settled in their favour, the assessee would return the extra amount to buyers.

[BSL Ltd. v. Commissioner–Final Order No. 57653/2017, dated 6-11-2017, CESTAT Delhi]

❖ **Convention service –Scope of words 'general public'-**CESTAT Delhi has upheld liability of an assessee involved in holding seminars to discuss various subject matters in different fields and topics, under Convention service. Rejecting the plea that seminars were organised for general public, when a person takes part in an activity with reference to his expertise, skill, etc., he is no more a part of general public. [IIM v. Commissioner –Final Order No. 57349, dated 25-10-2017, CESTAT Delhi]

❖ **Valuation –Depot sale invoice subsequent to factory clearance, not relevant -**CESTAT Delhi has held that mandate given by Section 4(1)(b) of Central Excise Act read with Rule 7 of the Valuation Rules, for taking contemporaneous depot prices in case of depot sales, cannot be extended to depot sale invoice which is nearly one month subsequent to the date of clearance from factory.[India Yamaha Motor Pvt. Ltd. v.Commissioner –Final Order No. 57444/2017, dated 24-10-2017, CESTAT Delhi]

❖ **Branded jewellery -Mere use of minute-sized two letters not to be called assessse's 'brand name' -** CESTAT Delhi has held that mere use of minute sized two initial letters "AT" cannot be called brand name of the assessee.

[Commissionerv. Anopchand Trilokchand Jewellers P.Ltd. -2017 (356) ELT 271 (Tri. -Del.)]

❖ **No liability under BAS for services rendered to Health authorities or State Government -**CESTAT Delhi has held that there can be no tax liability, under Business Auxiliary Service, on the services rendered by the assessee to the Health Authorities or State Government.

[Smriti Television Media & Films (P) Ltd. v. Commissioner-Final Order No.57434/2017, dated 27-10-2017, CESTAT Delhi]

❖ **Dummy packs distributed as advertising material not dutiable-**Allahabad Bench of CESTAT has held that the dummy packs do not attract Central Excise duty and thus, the question of their classification does not arise. [International Tobacco Company Limited v.Commissioner -2017 (356) ELT 254 (Tri. – All.)]

❖ **Cenvat credit not available on capital goods received directly at job worker's premises -** CESTAT Chennai has held that Cenvat credit was not available to the assessee on capital goods which were received directly at job worker's premises.

[Sterlite Industries (I)Ltd. v. Commissioner-2017-VIL-1029-CESTAT-CHE-CE]

❖ **Air jet filters and super jet filters designed to be used solely or principally with machines of Heading 8437, classifiable under Heading 8437 -** Bangalore Bench of the CESTAT has held that air jet filters and super jet small filters, which find application in the rice milling industry, are classifiable under Heading 8437 of the Central Excise Tariff as parts suitable for use solely or principally with machines of Heading 8437, in terms of Note 2 to Section XVI.

[Commissioner v. Bulhar (India) Ltd. -2017 (356) ELT 264 (Tri-Bang.)]

VAT

❖ **Contract for supply and erection of equipment when not 'works contract' but only Sale -**In a case where the assessee was to supply equipment and erect it on the site, the Bombay High Court, while referring to various provisions of the contract, has held the transaction as of sale, and not of works contract.[Bharat Heavy Electricals Ltd.v. State of Maharashtra-2017-VIL-638-BOM]

* **Member ZAC Chandigarh, Service Tax, Govt. of India, Member RAC Chandigarh, Central Excise & Customs, Member Indirect Tax committee SIAM , Member, ASSOCHAM Indirect Taxes Committee, Chief General Manager Finance- SML Isuzu Ltd. , Winner Achiever Award 2015 By ICAI (CMA)**

Information source- M/s LKS, M/s Nitya tax Associates, Economic Times, Financial express, GST.com and other sources-many thanks to all.

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FURTHER REFORMS ARE NEEDED FOR THE GST TO SUCCEED

INDIRA RAJARAMAN
ECONOMIST

The Rs. 9 trillion booster shot announced at the end of October will not achieve its purpose unless the tangles in the goods and services tax (GST) structure are sorted out, and the systemic bias against small-scale dealers embedded in its present design eliminated. Big business in India relies critically on inputs from small business. Organized sector manufacturers will hesitate to expand if these traditional input channels dry up. If they respond by producing their inputs in-house, we will be going right back to what we were trying to get away from with value-added taxation.

The GST carries design features that have harmed supply chain structures, as I wrote in my Mint column on 6 October. Some of them were partially reversed at the meeting of the GST Council held that day, but further changes need to be considered at the next meeting on 9 November in Guwahati.

The alterations made on 6 October included enhancing the turnover limit to Rs1 crore for the voucher-free composition scheme which has quarterly reporting, and making quarterly reporting permissible beyond that up to a limit of Rs1.5 crore. These were certainly moves in the right direction, but both changes benefited only retailers selling business to consumer (B2C).

They did not benefit small business to business (B2B) suppliers to large turnover buyers doing monthly reporting. These cases are very common—some of the biggest manufacturers rely on small suppliers of intermediate inputs like nuts and bolts. The large buyer will have to wait for his input credits to be honoured through voucher matching until the small seller does his quarterly uploading. He will clearly prefer to buy from a supplier who does monthly reporting, which then introduces a clear bias in favour of large suppliers, and an inefficient transfer of production away from low-cost small-scale producers. The small seller can of course opt to stay with monthly reporting, which means the quarterly relaxation is in effect not useful to him. As for B2B composition scheme suppliers who do not issue vouchers, they start with the basic disadvantage of the buyer not being able to claim input tax credits under the voucher matching scheme.

A ministerial panel appointed in October made several proposals to make the composition scheme more attractive, such as reducing the rate of levy on turnover and further raising the turnover qualifying limit. These will again benefit only B2C retailers. No small B2B supplier will opt for the composition scheme as long as there is universal voucher matching.

The whole purpose of value-added taxation was to improve the spatial spread of economic activity both regionally and across the scale dimension. The bias against small industry in the present GST design can only be eliminated by getting rid of voucher matching for all but integrated GST (IGST) transactions. On quarterly reporting, the ministerial panel does seem to have proposed that it be extended to all, but with summary documentation and payments every month. A monthly payment system will release business from the present reporting straitjacket only if it is treated as a monthly advance tax, with documentation needed only once every quarter (like advance payments of income tax).

I still maintain that the principal reason why GST reduced economic activity had to do with the reporting modalities, not the brambly rate structure. But the rate structure was and continues to be a problem. It has undermined the very principles on which the tax reform process was built seamlessly across successive governments at the Centre, the most fundamental of which was simplification.

The fact of a multiple rate structure is quite distinct from the pattern of assignment of products to those rates. Instead of a coherent block-wise mapping of products by type on to rates, products of the same type were assigned to different rates, with no visible rationale. This was then followed by several changes in rate assignment, clearly displaying the lack of any principle underlying the first round of rates assigned.

For example, at the 21st meeting of the GST Council held on 9 September, rate reductions were announced for 40 products. Walnuts, whether whole or shelled, were reduced from 12% to 5%. Were other edible nuts already at 5%? If so, why were walnuts at a higher rate earlier? Or were all nuts earlier at 12%, with walnuts now singled out for a lower rate? Dried tamarind and roasted gram were reduced from 12% to 5%, but idli/dosa batter (a similar traditional processed foodstuff) remained at 12% even after reduction.

It gets worse. Cotton quilts came down from 18% to 5% for pieces costing under Rs1,000, but 12% for pieces costing more than that. But, to be fair, there were also some offsetting instances of rate rationalization. Oil cakes, which previously carried different rates by end use, got unified. Brooms got unified too, but could they have not been further unified into a single product category of household goods? With the simplification announced in late October, whereby retailers can issue vouchers to consumers consolidated by rate, it becomes particularly important to group products by type into a single rate.

Rates are technocratic issues. What can be put up to the GST Council is rate policy with respect to a product group, not issues of principle such as rate differentiation by end use or price boundaries. These run contrary to the core attributes of GST as a tax, and should never have been among the options presented to the council in the first place.

Why has it taken so long for the design flaws of the GST to be recognized? I suspect it was because when the GST Council was formed with all state finance ministers as members, it seemed a faultless structure with all interests adequately represented. The incentive error made there was that the compensation formula gave all states a guaranteed 14% growth rate in revenue, instead of a guarantee calibrated in terms of revenue buoyancy to underlying (nominal) GDP growth. That dulled the gaze of all state governments at the growth impact of the structuring of the GST. A pity, because some states have excellent commercial tax departments, with more than 10 years' experience in operating the state-level value-added tax.

Was Parliament watching? Indeed, a number of questions on the GST were tabled in the Lok Sabha's monsoon session which began on 17 July, a few weeks after the 1 July launch of GST.

They were bunched and responded to on three dates during the monsoon session. On 21 July, question number 1,069 on GST, was taken up. The first of its four parts was: "Whether due to implementation of GST the micro, small- and medium-scale traders will suffer huge losses as feared by some economists". The minister responded in a single word: "No". The last part was: "Whether the GST might adversely affect economic growth in the initial part of 2017-18 and if so, the details thereof?" The minister responded with: "The implementation of GST is expected to have a positive impact on the economy." And that was that. As an unstarred question, no further follow-up question was permissible, on whether reality was departing from expectations.

Another question, number 1,101, asked whether the government was tracking the response of the general public to the roll-out of GST. The response was: "The implementation of GST has been smooth with no instances of any major inconveniences faced by the public in general... Further, the government is taking all possible steps to ensure correct information is disseminated to the general public by way of topic-wise, GST-focused advertisements in the electronic media. All this is coupled with regular meetings of the secretaries of all the departments of the government to sort out any issues that may arise."

I don't know where those who drafted this response were living if they saw no major inconveniences. I was alerted to the design defects in the GST not in professional circles, but from conversations between shopkeepers whenever I ventured out to buy anything. The full-page advertisements in the major newspapers alluded to by the minister did not reveal why traders were shrinking the scale of their activities (the issue addressed in my piece in Mint on 6 October).

Question number 3,273, answered on 11 August, the last day of the monsoon session, was on whether there was confusion among traders over GST. To which the good minister responded: "No Sir. There is no major confusion with reference to registrations and exemptions under GST." In response to question 2,206 answered on 28 July, on whether the GST carried features that were possibly problematic, the minister said: "No sir. It is intended to bring transparency and accountability in business transactions along with the ease of doing business and rationalization in tax rates." Because it was an unstarred question, the member of parliament could not respond to say that doing business had actually become more difficult.

Moving to the Rajya Sabha, question number 1,065 asked whether rolling out GST in a state of unpreparedness had spawned a large workforce of tax consultants and chartered accountants whose heavy bills would burden small traders, the response once again was a short "No sir". Question number 2,498 asked whether the common man faced problems after demonetization and GST. The response on 8 August was that the roll-out had been smooth with no blockages or interruptions.

Good questions, but not enough to have shaken the apparent conviction of the government that the GST design was perfect. Any tax reform has to facilitate business in order to secure revenue and willing compliance. Such a configuration for the GST is still possible if the reporting frequency is shifted to quarterly for all, and voucher matching is restricted to IGST transactions.

Source : Livemint

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SUPPLY OF GOODS BY DTA SUPPLIER TO EOU / EHTP / STP / BTP : PROCEDURE

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Procedure regarding procurement of supplies of goods from DTA by Export Oriented Unit (EOU) / Electronic Hardware Technology Park (EHTP) Unit / Software Technology Park (STP) Unit / Bio-Technology Parks (BTP) Unit under deemed export benefits under section 147 of CGST Act, 2017 is described vide Circular No. 14/14 /2017-GST, 6th November, 2017

Let us discuss & decode the provisions in this article

Deemed Exports

As per Sec 2(39) "deemed exports" means such supplies of goods as may be notified under section 147;

Sec 147 of CGST Act: The Government may, on the recommendations of the Council, notify certain supplies of goods as deemed exports, where goods supplied do not leave India, and payment for such supplies is received either in Indian rupees or in convertible foreign exchange, if such goods are manufactured in India.

Supplies to EOU Treated as Deemed Exports

Government vide Notification No. 48/2017-Central Tax, dated 18.10.2017, specified certain categories of supplies as Deemed Exports.

In Sr. Number 3 of the Table in said notification supply of goods by a registered person to Export Oriented Unit is treated as Deemed Exports. Further in the explanation to the notification, clarified that "Export Oriented Unit" means an Export Oriented Unit or Electronic Hardware Technology Park Unit or Software Technology Park Unit or Bio-Technology Park Unit approved in accordance with the provisions of Chapter 6 of the Foreign Trade Policy 2015-20.

In similar lines DGFT's Notification No. 33/2015-2020, 13th October, 2017 was issued. Accordingly Para 6.01(d) of FTP is amended to read as under

(iii) The procurement of GST goods from DTA would be on payment of applicable GST taxes. The EOUs can procure excisable goods, falling in Fourth Schedule of Central Excise Act, from DTA without payment of applicable excise duty. The refund of GST taxes for supply from DTA to EOU would be available to supplier as provided under GST rules subject to such conditions and documentations as specified there in under GST rules."

Supplies to EOU Treated as Deemed Exports

Supply of Goods by DTA Supplier to EOU / EHTP/ STP / BTP Procedure :

Circular No. 14/14 /2017- GST, 6th November, 2017, was issued describing the detailed procedure to be followed as below :

1. The recipient EOU / EHTP / STP / BTP unit shall give prior intimation in a prescribed proforma in "Form–A" bearing a running serial number containing the goods to be procured, as pre- approved by the Development Commissioner and the details of the supplier before such deemed export supplies are made. The said intimation shall be given to –

(a) the registered supplier;

(b) the jurisdictional GST officer in charge of such registered supplier; and

(c) its jurisdictional GST officer.

2. The registered supplier thereafter will supply goods under tax invoice to the recipient EOU / EHTP / STP / BTP unit.

3. On receipt of such supplies, the EOU / EHTP / STP / BTP unit shall endorse the tax invoice and send a copy of the endorsed tax invoice to –

(a) the registered supplier;

(b) the jurisdictional GST officer in charge of such registered supplier; and

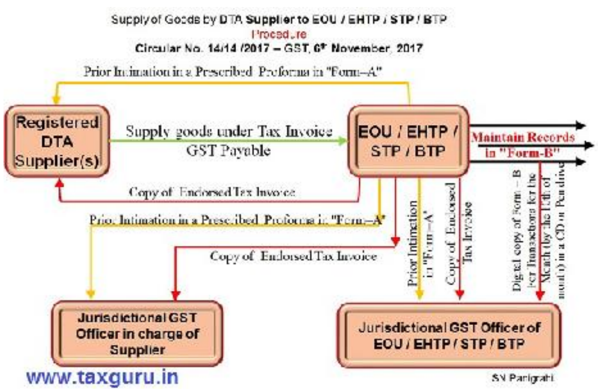
(c) its jurisdictional GST officer.

4. The endorsed tax invoice will be considered as proof of deemed export supplies by the registered person to EOU / EHTP / STP / BTP unit.

5. The recipient EOU / EHTP / STP / BTP unit shall maintain records of such deemed export supplies in digital form, based upon data elements contained in "Form-B" (appended herewith). The software for maintenance of digital records shall incorporate the feature of audit trail. While the data elements contained in the Form-B are mandatory, the recipient units will be free to add or continue with any additional data fields, as per their commercial requirements.

6. All recipient units are required to enter data accurately and immediately upon the goods being received in, utilized by or removed from the said unit. The digital records should be kept updated, accurate, complete and available at the said unit at all times for verification by the proper officer, whenever required. A digital copy of Form – B containing transactions for the month, shall be provided to the jurisdictional GST officer, each month (by the 10th of month) in a CD or Pen drive, as convenient to the said unit.

7. The above procedure and safeguards are in addition to the terms and conditions to be adhered to by an EOU / EHTP / STP / BTP unit in terms of the Foreign Trade Policy, 2015-20 and the duty exemption notification being availed by such unit.



Supply of Goods by DTA Supplier to EOU EHTP STP BTP Procedure

Eligible to Claim Refund of Tax

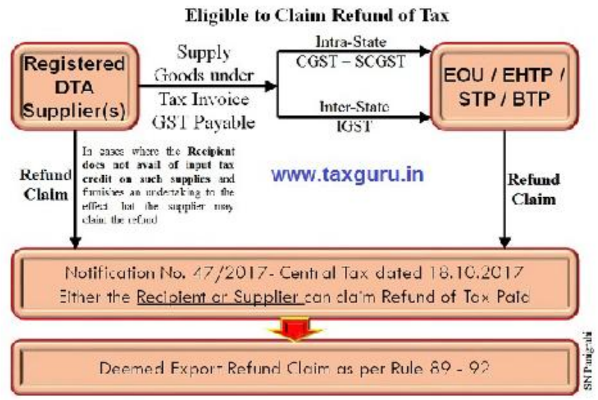
Vide Notification No. 47/2017-Central Tax, 18th October, 2017 In the Central Goods and Services Tax Rules, 2017, – (i) in rule 89, in sub-rule (1), for third proviso, the following proviso shall be substituted, namely:-

"Provided also that in respect of supplies regarded as deemed exports, the application may be filed by, –

(a) the recipient of deemed export supplies; or

(b) the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund";

That means Either the Recipient or Supplier can claim Refund of Tax Paid



Eligible to Claim Refund of Tax

Procedure for Claiming Refund & Sanction of Refund:

Following are the steps to be followed :

An application in FORM GST RFD-01 shall be filed – Rule 89(1)

Application may be filed by, –

(a) the recipient of deemed export supplies; or

(b) the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund

Rule 89(1)

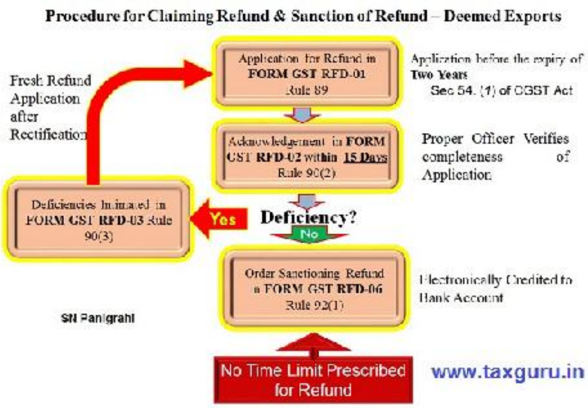
The application shall be accompanied by documentary evidences in Annexure 1 in Form GST RFD-01 – a statement containing the number and date of invoices along with such other evidence as may be notified in this behalf, in a case where the refund is on account of deemed exports – Rule 89(2) & Rule 89(2)(g)

The endorsed tax invoice will be considered as proof of deemed export supplies by the registered person to EOU / EHTP / STP / BTP unit – Point (iv) of Circular No. 14/14 / 2017 – GST, 6th November, 2017

Proper officer after scrutinize the application for its completeness and where the application is found to be complete issues an acknowledgement in FORM GST RFD-02 within a period of fifteen days of filing of the said application – Rule 90(2)

Where any deficiencies are noticed, the proper officer shall communicate the deficiencies to the applicant in FORM GST RFD-03 through the common portal electronically, requiring him to file a fresh refund application after rectification of such deficiencies. – Rule 90(3)

Order sanctioning refund -Where, upon examination of the application, the proper officer is satisfied that a refund is due and payable to the applicant, he shall make an order in FORM GST RFD-06 sanctioning the amount of refund to which the applicant is entitled.- Rule 92(1) Procedure for Claiming Refund & Sanction of Refund



Comments :

1. Under the earlier Excise regime, through AR – 3A supplies by DTA supplier to EOU are exempted from payment of Excise Duty. However under GST Law, the DTA supplier has to charge GST as applicable for such supplies to EOU.

2. Refund of such GST paid may be claimed either by the Recipient EOU or by the Supplier.

3. There is no provision of Provisional Refund of 90% of the claimed refund amount within 7 days as in the case of Zero Rated supplies (Exports or Supplies to SEZ Dev. / SEZ units). Also there is no times refund provision and no interest payable for delays in refund if any.

4. It is advisable to claim Input Tax Credit (ITC) by the recipient EOU and utilize the same towards GST payable on DTA supplies, rather than claim refund and wait for uncertain time.

   Claim Input Tax Credit and utilize towards GST payable on DTA supplies

5. When DTA Sales are pre-dominantly higher than direct exports, then it is advisable to take Input Tax Credit on receipts and utilize the same towards tax liability on DTA sales.

6. It is observed that there is sharp deviation from Core Concept of Complete Digitalization of GST to Manual Procedures of submissions of Intimation, Endorsed Tax Invoice etc resembles bringing back erstwhile procedures under CT-3 & AR-3A

Disclaimer : The views and opinions; thoughts and assumptions; analysis and conclusions expressed in this article are those of the authors and do not necessarily reflect any legal standing.

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GST LIFTS THE INDIAN LOGISTICS SECTOR

PUSHKAR SINGH
Co-founder and Director of LetsTransport.in.

Industry experts say that the Indian logistics and transportation sector is one of the main beneficiaries of the new GST regime. Let us look at some figures - Indian logistic market is projected to reach$307 billion by 2020. Presently, the logistics segment includes four major segments – transportation, accounting for 60 percent, warehousing, accounting for another 24.5 percent and freight forwarding and value-added logistics, the remaining piece. A report by Care Ratings estimated that the Indian logistics industry is likely to grow at a CAGR of 15-20 percent between 2019 and 2020 and GST alone will reduce the logistic costs by up to 20 per cent from the present levels. The logics sector in India is currently valued at $130 billion annually.

It is common knowledge that the growth of the country's GDP is directly proportional to the transparency in its logistic system. The logistics industry contributes 13-14 percent to India's GDP, whereas the global average is 8-9 percent in the developed economy. Transportation is the very crux and the enabler of economic activity and a facilitator for trade. The higher the trade and movement of goods across the market, higher will be the GDP. GST promises to negate many flaws plaguing the logistics sector and will revolutionize the landscape – this would help in disentangling the tremendous potential that the logistics sector offers, by incorporating a channelised and efficient goods transport system.

Challenges faced by the industry : Falling operational efficiency is one of the reasons, impacting the overall health of the segment, transportations costs etc. Other hurdles are complicated networks, high coordination costs across the country, amalgamated with inadequate infrastructure, entry taxes and poor vehicle-load-carrying capacities, resulting in delays and damages.

Moreover, in the pre-GST regime, the multitude of taxes had made logistics an unwieldy and expansive process. As a corollary, logistics firms installed hubs and transit points in many states to avoid the state value added tax (VAT)—goods directly supplied to dealers costs state VAT whereas transfer from warehouse is treated as stock transfer and do not—and also take advantage of demand seasonality across the country. However, this resulted in further complications and a lack of clarity for businesses, leading to allegations of tax evasion.

The ecommerce space with its marketplace model bear the brunt of these complaints. Amazon was recently pulled up by the tax department of Karnataka, for allegedly allowing sellers to register fulfilment centres as additional place of business. The state cancelled the license of several small merchants registered on Amazon. The ecommerce companies contend that laws have not kept pace with new age business models. Many states, like for example Telangana is wooing companies by promising them streamlined and transparent taxation policies.

Impact on the transportation sector : The sector is benefiting hugely from the recently rolled out GST regime. Pre-GST, the complex tax structure and humongous paperwork forced the industry to spend a lot of resources on tax compliance and deposit of interstate sales tax. Monitoring of sales tax at interstate check posts caused major traffic congestion at these points, resulting in slower movement of freight and passenger, and consequently higher costs and pollution. An average Indian truck covers only about 50,000-60,000 kilometre a year as against 3 lakh kilometre done by a truck in US, thanks to horrific traffic jams.

GST has rendered inter-state check posts redundant. This has reduced the travel time of long-haul trucks and other cargo vehicles by at least one-fifth. This, combined with the proposed e-way bill will require online registration for movement of goods worth more than Rs 50,000. This will simplify the movement of cargo further, and bring in more transparency in the whole process. Easy and hassle-free movement of freights will increase the demand for high-tonnage trucks, which will in turn reduce the cost of transportation of freight.

Additionally, a single tax or GST also means an optimized warehousing structure. Previously, companies had to keep warehouses in every state due to multiple tax slabs. This mean a leaner and smarter logistic chain. GST will also attract more investments in the warehousing business. Hub and Spoke model will emerge. The trick is to maximise supply chain efficiency by keeping taxation at the very pivot.

In the pre-GST era, the statutory tax rate for most goods worked out to about 26.5 percent. Post GST, this has reduced to 18 percent tax range. India has a very high logistics cost about 14 percent of the total value of goods as against 6-8 percent in other major countries.GST will serve to bring down the logistics cost to about 10-12 percent by facilitating efficient inter-state transport of goods and catapulting the demand for logistics services.

Minister of Road Transport & Highways and Shipping, Nitin Gadkari went as far as to state that, GST will reduce transportation costs by about 20 percent.He also committed that logistic parks will be established at various places across the country to function as freight aggregation and distribution hubs. These logistics parks will facilitate long haul freight movement between hubs on larger sized trucks, rail and waterways. This will not only reduce freight transportation costs, but will also throw open many employment opportunities and bring down pollution levels.

How Smooth or difficult the transition is?

The transition has been quite smooth. It is a fact that initially there will be an increase in compliance and adjustment costs as the frequency of filing returns will increase and the input tax credit will require compliance of each and every player in the entire value chain. This will also lead to a few uncertainties that would affect the profitability of the sector in the short run. However, in the long run, operational efficiency is bound to improve by great measures. Crisil has also clearly stated that GST will reduce the logistics costs of companies producing non-bulk goods by as much as 20 percent.

GST will benefit all industries alike and would also help the center and the states to increase their tax collections. That would ring a death knell to inspector raj. GST will also reduce the scope for a parallel economy leading to curbs on the generation of black money. It is a win-win situation for businessmen, consumers, State Governments and the Centre.

Is the time given for filing GST is enough as we are still under a transition period

The Government had given six months' notice before rolling out GST on July 1. The date of the first filing of return had also been extended to September 15, from August 10 as was stated earlier. This is ample time for people to file their returns. Out of 80 lakh,65lakhassesses in the current indirect tax system have already registered themselves for the GST.

Source: Indian Transport and Logistics News

TRANSFORMATION OF INDIA'S LOGISTICS INFRASTRUCTURE IS CRITICAL TO COUNTRY'S ECONOMY

Undisputedly, logistics and infrastructure sectors are two of the major key drivers for the Indian economy. But until November 2017, the infrastructure sector alone enjoyed intense focus from the Government of India, and logistics operations had taken a backseat. Like previous governments, theModi-led clan also started with the tradition of neglecting the transport and logistics sector, but they started to allocate more and more in the annual budgets for road infrastructure development. Owing to this, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries.

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While getting boost from such positive statistics, the government decided to cater to the need of the hour, i.e. transport and logistics development. And, granting infrastructure status to the logistics sector is big move in this direction. Aiming at attracting more funding at competitive rates, offering multiple instruments to raise the money, and accessing longer tenor funds from insurance companies and pension funds, the move is set to transform India's logistics infrastructure, which is critical to country's economy.

The Government of India is not rolling out policies alone to speed up logistics infrastructure development, but it is also receiving international investors who show interest in the infrastructure sector, with open arms. Below listed are the government initiatives that aim at transforming India's logistics infrastructure, and are critical to the economy at the same time:

Road Infrastructure: MoRTH has invested around Rs. 3.17 trillion over the past two and a half years for building world-class highways.

- The Ministry of Road Transport and Highways (MoRTH) invested Rs. 14,916 crore for the Special Accelerated Road Development Programme for North East(SARDP-NE)
- The road transport and highways ministry has spent Rs. 4,095 crore for the development of National Highway (Original) in the Northeast over the past two years.
- Having previously invested US$ 1 billion in India DP World, a UAE-based firm, is planning to invest another US$ 1 billion in the infrastructure sector along with logistics and container terminals.
- Abertis Infrastructures SA, a Spanish infrastructure firm, agreed to buy two toll road assets operational in South India from Macquarie Group for Rs. 1,000 crore.
- Infrastructure Leasing and Financial Services Ltd (IL&FS) and Lone Star plan to jointly invest US$ 550 million in stressed infrastructure projects in India.
- MoRTH had constructed a total of 6,604 km out of the 15,000 km of target set for national highways in 2016-17 by the end of February 2017.
- Asian Infrastructure Investment Bank (AIIB) has approved a loan worth US$ 329 million for the towards construction of road linkages for last-mile connectivity to schools and tribal areas in Gujarat.
- With the aim of raising capital for funding the infrastructure projects in India, National Highways Authority of India (NHAI) launched its first overseas issue of Masala Bond at the London Stock Exchange in May 2017, attracting bids worth over Rs. 3,000 crore.
- The Cabinet Committee on Economic Affairs (CCEA) has approved the project to widen the Handia-Varanasi section of National Highway-2 in Uttar Pradesh; requiring an investment of Rs. 2,147 crore.
- The Cabinet Committee on Economic Affairshas approved the development of 19-km-long four laning from Pandoh Bypass end to Takoli section of National Highway (NH) -21 in Himachal Pradesh, requiring an estimated cost of Rs. 2,775.93 crore.
- The government plans to monetisation 75 publicly-funded highway projects worth Rs. 35,600 crore via toll-operate-transfer (TOT) mode in order to raise adequate funds to finance the construction of 2,700 km of roads.
- The Government of India and Asian Development Bank (ADB) have signed US$ 375 million in loans and grants for developing 800-km-long Visakhapatnam-Chennai Industrial Corridor.
- The National Highways and Infrastructure Development Corporation (NHIDCL) has been awarded a contract to build five all-weather access

tunnels worth Rs. 23,000 crore in Jammu and Kashmir by 2024.

Railway Infrastructure:

- In the Union Budget 2017-18, the Government of India increased the railway expenditure allocation by 8 per cent to Rs. 131,000 crore for laying down 3,500 km of railway lines in 2017-18.
- The government plans to spend Rs. 3.3 lakh crore to set up three new arms of the dedicated rail freight corridors, covering the length and breadth of the country over the next eight years. Also, the 5,500-km-long new corridors would supplement the existing plans to lay 3,300-km-long two dedicated freight corridors.
- The Cabinet Committee on Economic Affairs (CCEA) approved three railway connectivity projects at a cost of Rs. 3,940 crore in Tamil Nadu and Kerala.
- Indian Railways plans to set up a US$ 5 billion Railways of India Development Fund (R1DF) in order to fetch funds from the market to finance various infrastructure projects.

Shipping and Ports: The shipping ministry has invested around Rs. 80,000 crores over the past two and a half years for building world-class shipping infrastructure in the country.

- The shipping ministry plans to undertake development of?37 national waterways (NWs) in the next three years. Also, there are plans to convert zones into manufacturing hubs.
- The Ministry of Defence has decided to get onboard 14 fast patrol vessels at a cost of Rs. 916 crore.
- Tata Steel has signed an agreement to purchase 51 per cent stake in Creative Port Development (CPDPL), which has a concession agreement with the Odisha government to develop a 10 million-tonnes-per-annum (mtpa) Subarnarekhaport at Chamukh village in Balasore district ofOdisha.
- The Cabinet approved establishing a major port at Enayam near Colachel in Tamil Nadu, with an estimated cost of Rs. 6,575 crore for the phase 1.
- A new sea route to Baratang Island has been made operational.
- The Ministry of Shipping plans to fund 199 residual maritime projects worth Rs. 800,000 crore over the next two years.

Air Cargo:

- The government plans to create common user cargo terminals at 17 airports.

Though, the Government of India has started to strike the right notes, the network of roads, rail and waterways across the country will be insufficient as freight movement is expected to increase about 3 fold over the next 10 years. Building logistics network optimally can only help India save its face. The growing demand can be met through an integrated and coordinated approach in which the development of each mode, including roadways, railways, waterways and airways, needs to be matched to the requirements, and existing assets need to be better utilised.

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Nearly USD 45 billion is lost each year due to the inefficiencies in India's logistics network. And, it's huge! Notably, the industrial spending on logistics in India is low, but the relative spending is high. The Government of India spends 13 per cent of GDP on logistics whereas, the United States spends 9.5 per cent and Germany allocates 8 per cent. Poor logistics infrastructure majorly causes the current waste, which is expected to increase to USD 140 billion by 2020 (about 5 per cent of GDP). Its impact is not just limited to higher prices and lower competitiveness, but it negatively impacts the economy too. There's a dire need of handing this wastage in a coordinated manner.

Experts on the subject believe that India requires a National Integrated Logistics Policy (NILP), which will work by targeting a greater share of railways, reducing economic waste by half and improving energy efficiency by cutting down the transport fuel requirement by 15 to 20 per cent. The policy will cater to the need of establishing dedicated rail freight corridors, coastal freight corridors, national expressways, last-mile roads and rail, and multi-modal logistics parks. In addition, the focus will be laid on road maintenance, technology adoption, skills development, and equipment and service standards. And to drive this, the government has constituted the high-level National Transport Policy Development Committee to define programmes, help allocate budget, monitor implementation, and ensure continual coordination across ministries.

In this regard, ASSOCHAM organized a conference on "India - On the Cusp of a Logistics Revolution - key to Transformation of the Indian Economy." The conference was aimed at the tactical implementation of the strategies put in place. It was discussed that infrastructure creation will move from unstructured/ arbitrary to planned model at the government policy level. Also, the brought to fore the need of National Logistics Policy to maximise the use of existing infrastructure/assets, while creating blueprint for future growth/demand. During the conference, the need for cohesive action due to multiple ministries and agencies involved was stressed at. With such forms coming up, it seems like, now there's no looking back for the Government of India!

Source : Parivahan Pragati, Dec-2017, Vol-12, Issue 12

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MANUFACTURING SECTOR SET FOR SIGNIFICANT CHANGE IN 2018

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Manufacturing, along with virtually all other industries, is going through a significant period of change. Driven by rapid technological development, manufacturers are having to work smarter, operate more efficiently and be prepared to innovate. As an enabler of growth, technology will play a key role in empowering businesses to innovate and embrace seizethe opportunities that will present themselves in 2018

As more and more 'smart' devices are integrated into organisations in 2018, Industry 4.0 will continue to dominate the manufacturing industry, offering valuable benefits including predictive maintenance of machinery and increased levels of automation to help manufacturers optimise their operations. One example of this is for inventory control of spares and raw materials.

But where exactly are these opportunities likely to come from? Here, we identify the top trends that we believe will be central to success in the upcoming year.

The need for flexibility : A key factor for manufacturing growth in 2018 and beyond will be whether businesses are flexible enough to be able to deal with the amount of predictable and unpredictable change coming their way.

Flexible businesses will be able to ride out the potential issues those political or legislative changes like GST may cause, such as having to adapt internal processes or employ personnel with different areas of expertise.

The even greater challenge comes from responding to unpredictable changes that can appear at any moment. By taking the view that change is constant, well-prepared manufacturers will be able to take advantage of the opportunities, mitigate the threats and control the impact of unpredictable external factors

One of the biggest barriers to flexibility for many manufacturers is having to rely on an outdated enterprise resource planning (ERP) system. Too many businesses are still using legacy software, which can hold them back in several ways, such as making it harder to scale production up or down.

They will also miss out on the valuable competitive advantages that a strong ERP solution can provide. For example, integrated ERP systems enable manufacturers to rapidly respond to last-minute order changes and improve resource management to control spending and reduce waste.

Having a flexible IT solution will be the engine of growth for forward-thinking businesses.

Transitioning to Industry 4.0 : The growth of'Industry 4.0' has been a widely discussed topic in 2017 and its steep upward trajectory is certainly going to continue.Essentially, Industry 4.0 is about combining artificial intelligence and data science to realise the potential of the Internet of Things (loT).

As more and more 'smart' devices are integrated into organisations in 201 8, Industry 4.0 will continue to dominate the manufacturing industry, offering valuable benefits including predictive maintenance of machinery and increased levels of automation to help manufacturers optimise their operations. One example of this is for inventory control of spares and raw materials. Sensors are being used to identify stock levels and. based on historical information, automate the replenishment of these items. This innovation decreases production down time and ensures an optimised delivery schedule.

It's about being able to build upon a loop of intelligence that feeds into a cycle of continuous improvement. In layman's terms, this involves gathering as much data as possible, turning this data into insight and finally into intelligence which can be used to improve business processes.

This is the mindset manufacturers should adopt when it comes to ERR However, making the move towards a smarter ERP system can require a cultural shift for manufacturers as well as financial investment.

ERP systems are already collecting more business data than ever before, but making sense of this data and taking action on it will be the key differentiator in the year ahead.

Customer experience is king : Customer experience is an area that, thanks to increasingly competitive business landscapes, is now more important than ever. Success in 2018 will boil down to how well companies can differentiate themselves from the rest and focusing on the customer journey will be a key aspect.

A flexible, fully-integrated ERP system that streamlines operational processes and connects back-office with front-office functions throughout the lifetime of an asset or product enables manufacturers to offer a much higher level of service. A level of service that they are able to charge more forand will set them well apart from their competitors.

For manufacturers dealing with a complex supply chain, a robust and modem ERP system is now widely recognised asplaying a crucial role in improving the customer experience. IDC research reports that 85% of manufacturers with more than 5.000 employees identify ERP as being a vital platform to delivering positive customer experiences.

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AI-driven future : Linked to improving the customer experience is the role of Artificial Intelligence (AI). which is set to have a profound impact on ERP systems in 2018 in several diverse ways.

For example. AI-driven ERP is being used to create dynamic vvorkflows that learn the various ways in which an organisation and its employees interact with the software, before suggesting different optimisations for individual users.

Furthermore. AI in the form of predictive analytics can be used to produce deeper insights for specific business outcomes and make more sense of the mountains of data manufacturers are now collecting and storing.

More use cases will become apparent as the technology continues to develop, but what's already clear is that the potential of AI when it comes to ERP is significant.

Organisations that concentrate on making themselves smart and agile will be the ones that are best positioned to take advantage of growth opportunities in 2018.For manufacturers, this process starts by ensuring that internal software systems are fully supported with the latest updates, thereby enabling them to react to change and view them as opportunities rather than threats.

Source : SME World, Jan. 2018

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COMMODITY INDEX

Commodities	Days's Index	Prev. Index	Week Ago	Month Ago
Index	2577.2	2569.1	2574.5	2498.4
Bullion	4686.8	4680.4	4720.6	4516.0
Cement	1898.4	1898.4	1851.9	1885.1
Chemicals	2811.7	2811.7	2811.7	2643.4
Edible Oil	1568.9	1587.0	1596.3	1633.2
Foodgrains	2244.4	2235.4	2243.2	2205.4
Fuel	2568.3	2546.4	2522.4	2421.3
Indl Metals	1919.1	1919.1	1953.1	1859.5
Other Agricom	2211.2	2226.7	2264.8	2248.7
Plastics	1682.0	1682.0	1682.0	1682.0

Source: ETIG Database dated 20th January 2018

MAKING PURCHASE EFFICIENT WITH TECHNOLOGY

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Owners should be able to focus on procurement of core raw materials and their core competencies rather than devoting time in store and consumable purchase.

There are two terms which dominate the industry news and narrative today: Make in India & GST. Both are strong initiatives which provide a bold impetus to the industry. In order to ensure Make in India is a success, companies will not only need to strengthen their core manufacturing facilities but also their efficiency when it comes to procurement. GST is a major step towards creating a single platform and helps in inter-state movement of goods which could lead to ways in which procurement can be made efficient. Procurement is one of the top 3 functions in any manufacturing house along with manufacturing and marketing. It shares 50% of the total costs'yet majority of the MSMEs do not have professional procurement persons! This is primarily due to lack of awareness and high cost for these personnel. An average MSME owner is constantly engaged in fire fighting and has a hands-on approach when it comes to every single business function, be it closing his largest deal or procuring the regular consumables like grinding wheels etc. This of course leads to inefficiency in both the activities. Owners should be able to focus on procurement of core raw materials and their core competencies rather than devoting time in store and consumable purchase. Foundries are no exception to the rule when it comes to inefficient stores and consumables purchase due to lack of technology and dedicated professionals to deal with the same. Stores and consumables make 15-20% of total purchase and usually left to personnel without much experience or training.

An average purchaser in a foundry follows the below-mentioned steps for his purchase:

1. Call upon 2-3 vendors from references, contacts or online search.
2. Creates a formal or informal quote comparison.
3. Tries to negotiate with L1 (lowest priced quotation) and closes the deal.
4. Orders from the same vendor without ensuring any sense check on the price or quality.

The major issues with the above process:
1. Best price is limited to the universe of 2-3 vendors without actually having access to the entire pool.
2. Lack of support from the brand to understand future products or best price.
3. Strong lock in with low bargaining power for future enquiries.
4. No Clarity on Returns and Warranty in case of complaints.

Technology and outsourced services could be used to deal with this purchase function thereby creating transparency and efficiency for the business owner. ERP (Environmental Resource Planning) adoption has been low among MSMEs due to lack of awareness, long implementation timelines and high cost of such systems. ERP is a technology which ensures efficient and data-driven operations across all business functions which MSMEs must definitely consider. In today's time and age, technology has gone one step ahead to not only let businesses record their operations on a robust technology platform, but also let them transact through technology by providing businesses with reliable goods at best prices. B2B (Business to Business) procurement platforms and e-commerce sites have sprung up in the last 2 years to help MSMEs with purchase of products, obtaining quotes from multiple vendors, door delivery and access to some credit services.

New age B2B platforms provide manufacturers with multiple benefits. These platforms become even more convenient for foundries where most of the products are standardised.

- **Transparency: Be it prices, product specifications or quality :** Such platforms have access to all goods with product photographs, details and prices in a click.This helps owners have transparency and create a sense of check about their current purchase and ensuring that their purchase department is more vigilant and proactive.

- **Efficiency: Economies of scale and lower prices :** These platforms deal on a large scale with a wider basket of products, thereby leading to better prices for manufacturers.

  Example: A particular platform services 50 foundries, who all purchase a particular kind of flux. A platform serving 50 similar clients can obtain economies of scale and provides savings of 5-10% to the foundry owner.

- **Services: Connecting with service centres or get samples :** The usual vendors being dealt with today are transactional i.e. more focused on product selling vs. solution selling. Some of these platforms provide an unbiased view on different brands and help purchasers make the right decision.

  Example A service can be imagined where one couid get samples of 3 different abrasives through just a click of the mouse.This couM help make the right decision without wasting time.

- **Technology: Use of modem tools to make purchase more sdentifk and efficient :** These platforms have not only created a seamless e-commerce platform, but have added unique features to help manufacturers. Some of them provide their clients with a free purchase management software for generating purchase orders, comparing quotes, suggesting re-ordering patterns to help better management of inventory.

- **Logistics: Door delivery to the factory with complete tracking :** A wide network of in-house and third party logistics partners which ensures that factory goods always reach on time. It facilitates tracking of goods and lets planning new production schedule in a more accurate manner. One-stop solution is shown in Fig.2. Foundries have an opportunity to embrace these tools to ensure better purchase and help improve the overall productivity of their manufacturing unit.

Source : Indian Foundry Journal, July 2017

WAREHOUSING 2018:
FROM COST CENTRE TO GROWTH CENTRE

Warehousing operations and IT professionals need to respond positively to the significant changes and challenges that will be influencing the industry over the next five years – or face disaster.

At its most basic, warehousing is a simple concept. It's about storing materials or goods and filling orders from one end of the supply chain to the other. But in the real world of today, tomorrow and especially five years from now, growing complexity means warehousing is evolving to become anything but simple. Today's warehousing professionals are feeling significant pressures from multiple internal and external sources.

The global recession affected the industry in many ways. In an effort to free up capital, there were major cuts in held inventory, adding capacity was deprioritised and expansion of existing or construction of new warehouses and distribution centres was scaled back or halted altogether. Now, as the economy has begun to grow, warehouse operations are growing again. But as they grow, they are also being transformed by a number of issues that go well beyond simple increases in volume and throughput.

New warehousing realities : Today's warehouse professionals face a series of significant changes in the ways warehouses, distribution centres and the entire supply chain operate. More facilities and larger spaces demand high-speed mobile communications virtually everywhere on or off the floor. A virtual acrossthe- board customer demand for personalisation is driving an increase in the number of SKUs, leading to increased inventory visibility, accuracy and efficiency needs. New regulations call for more accurate product tracking and tracing. Fuel cost volatility impacts logistics and much more. The growth of omnichannel transactions creates the need for increased inventory control, flexibility and faster, more accurate fulfillment. All these factors contribute to the need to convert warehouses and distribution centres into assets for competitive differentiation.

Top alignment opportunities : Today, the reality in many, if not most, warehouse operations is the existence of separate islands of information. The vision for the future is the linkage, integration and consolidation of the Warehouse Management System (WMS) with Enterprise Resource Planning (ERP), the Yard Management System (YMS) and Transportation Management System (TMS). These linkages help remove inefficient information silos, promoting collaboration and increasing the recognition that changes in one process can and will affect others downstream and upstream. For example, changes in packing and staging can affect load plans, trailer drops, route selection, rates and more. Anticipation of – and response to – these effects is crucial to not only improve warehouse efficiency and productivity, but also to create a more synchronised and agile supply chain.

Ensuring IT and Operations alignment : However, before a company can start planning for the future, the organisation must first identify its current status, honestly answering the question, "where are we now?" Then management must clarify its vision of where the company wants to be in two, three, four and five years, and make the critical decisions of where to invest, and what types of investments should be considered.

To maximise warehouse and DC productivity, operations and IT leaders must be on the same page in terms of technology systems and business processes. Although partial alignment usually exists between IT and operations today, in many instances there is still a basic technology divide. It starts with differences in overall assessment of current capabilities and risk perspectives for the future. Survey results demonstrate that today IT often perceives higher levels of WMS integration with other systems than does operations; in addition, IT projects higher incremental integration rates by 2018 than their operations counterparts. Today's IT departments also tend to be more aggressive in setting new standards and deploying new tools to reduce technical risk – and to be more accepting of business risk – than operations, which is usually more risk-averse and focused on running the day-to-day operations of the warehouse with minimal technical disruption. Bringing the two departments together to share a common vision is one of the most crucial goals moving ahead in the next five years.

As the industry prepares for the future, it's vital for IT and operations to be aligned in terms of WMS plans, since these systems are the backbone of the entire warehouse/supply chain operation, and the seed from which all automation plans grow. One thing both departments usually agree on is the need for substantial increases in process automation and mechanisation; another is the critical importance of the WMS.

The batch access battleground : One of the most glaring differences is a divide in the projected use of batch mode access versus real-time access to the WMS and other relevant business systems. This is especially problematic in the cycle counting process. Historically, cycle counting has been much less automated than picking, but that's about to change. Although both IT and operations agree that cycle counting needs to become more automated, operations predicts a movement away from the computer-on-wheels or handheld batch access model, to providing workers with mobile handheld technology with immediate, direct access to the WMS.

Streamlining to flawless fulfillment : As warehouse professionals are facing increasing pressures to deliver more top- and bottom-line value, they are taking a broader view and re-evaluating their capabilities across all their major warehousing processes. The goal is flawless fulfillment, and it calls for a pragmatic, workflow-driven analysis of how management wants to run the warehouse. The technology keys are increased flexibility, automation, integration and real-time access to the WMS with purpose-built, yet adaptable, solutions that can demonstrate lasting value in the face of changing demands. Order picking and filling remains the top investment priority due to its relatively high costs and greater opportunities for errors. But in today's warehouse environment, the search for increased efficiency, accuracy and productivity also requires a broader, more holistic workflow and process evaluation.

Inbound handling : Receiving and put-away processes can have a domino effect on virtually every other warehouse process. The harsh reality is, receiving and put-away inefficiencies are a significant cause of potential problems upstream and downstream. In response, today's warehousing professionals are currently trying to solve a number of significant inbound handling issues.

Pick and fill : The picking and replenishment processes – which can account for up to 70% of operating costs in a warehouse – remain the top priority for warehouse professionals to address with advanced technology solutions. As the industry continues to reduce pick and fill costs and increase worker efficiency and productivity, it is turning to innovative processes, such as task interleaving, and innovative mobile technology, increasingly using wearable, vehiclemounted and handheld devices capable of multimodal operation.

An evolution from cost centre to growth area : What steps should an organisation be considering in response to the major changes that will impact warehousing operations today and in the next five years? The time to start is now, and the best way to begin is by carefully analysing the issues and evaluating the steps to be taken to help warehouses increase productivity while decreasing costs.

As customer satisfaction and supply chain efficiency become more important drivers of warehousing operations, the industry is re-examining its perceptions of the business. Fewer organisations continue to view warehouses and DCs simply as commoditised links between endpoints of the supply chain. Senior business executives across all market segments can no longer afford to simplistically look at warehouses as necessary evils that are fundamentally cost centres.

Increasingly, industry professionals are viewing warehouses and distribution facilities as historically underleveraged centres that can drive competitive differentiation and, by doing so, increase profitable growth. This reshaped vision of warehouse operations as a fundamental driver of top-line and bottomline business value, points the way to achieving the ultimate objective of flawless fulfillment.

Source: Acknowledgement to Zebra Technologies

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FUELLING ELECTRONICS MANUFACTURING IN INDIA

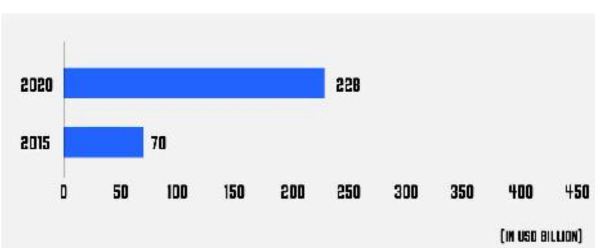
8 months ago India's electronics industry is emerging as a favourable destination for global investors. Read on!

- FDI
- Electronic Systems
- Focus Sector

The Indian electronics industry is one of the largest and fastest-growing industries in the world. This sector comprises electronic products as well as components to manufacture these products. In 2015, the industry in India was valued at USD 75 Billion, despite a weak global economy.[1] sector has undergone an evolution from being primarily a consumption-driven market to the one with manufacturing capability to cater to local and overseas demand.

The Electronic System Design and Manufacturing (ESDM) sector provides lucrative opportunities for investors. Foreign Direct Investment (FDI) equity inflow saw an increase in the last two years – from USD 97 Million in April 2012 – March 2014 to USD 208 Million in April 2014 – March 2016.[2]

With a spike in demand for electronic products, the ESDM sector in India is predicted to reach USD 228 Billion by 2020, growing at 16-23% annually.[3] The report also predicted a 17% growth in manufacturing of electronic products and 24-68% growth in electronic manufacturing services over the next 5 years.



To further give an impetus to the sector, the Government has envisioned a policy to substitute the import of electronic products by 2020.[4] The Government has already embarked on this journey – in FY 2014-15, around 1900 billion electronic products were manufactured indigenously.[5] Electronic manufacturing companies are now increasingly looking at setting up their units in India, especially in the mobile phone segment, to serve the Indian domestic market.

Increasing domestic demand, upswings in disposable incomes, the endeavour to build a Digital India through wider broadband connectivity and e-governance programs, rising manufacturing costs in other manufacturing economies and burgeoning consumption in the Middle East, Latin America and North Africa fuelling global demand - all have been contributing towards the growth of the Electronics Sector in India.

The electronics market is currently being steered by mobile phones and consumer electronics, which together contributed nearly 45% of the overall electronic products revenues in 2015.[6] Industrial electronics contributed 15% to the revenue share, largely driven by Government infrastructure projects such as smart cities, modernisation of railways and increasing automation in industries. Between 2015 and 2020, automotive electronics and industrial electronics are estimated to be high growth segments.

Due to rising labour costs, an increasing number of companies are now relocating their units from China to India to serve domestic demand.

India is predicted to double the sale of its smartphones to 200 million/year by 2020.[7] In the last quarter of 2015, the total of number of Fourth-Generation (4G) enabled smartphone shipments in India was 13.9 million units, at least 50% more than the total shipments for 3G-enabled smartphones.[8]

Government initiatives like Digital India are providing an impetus to the electronics manufacturing sector. Digital India aims to ensure all Government services are accessible to citizens electronically. With a rise in income driving demand for electronics and the Government's focus on e- governance initiatives, Digital India is likely to spur growth in the ESDM sector.

Additionally, there is also a significant demand for high-end consumer electronics. The consumer electronics and appliances sector is predicted to grow at a CAGR of 13.4% to touch USD 20.6 Billion by 2020.[9]

Apart from these factors, India boasts of a vast talent pool which has strong capabilities in design and R&D. The work force is not just skilled, but cost-effective as well. Further boost is being provided in this area through a host of Skill Development initiatives. This has resulted in a large number of global enterprises setting up their manufacturing units in India.

To make India a global hub for electronics manufacturing, a budgetary provision of USD 114 Million has been made in towards incentive schemes like Modified Incentive Special Package Scheme (M-SIPS) and Electronics Development Fund (EDF) in FY 2017-18. The increase in allocation has been made to keep pace with the increase in the number of investment proposals received within the sector. This is likely to reduce the dependence on imports.

About 15 product categories fall under the M-SIPS Scheme now – smart cards, consumer appliances, Internet of Things products, to name a few. In the last two years (April 2014 – September 2016), the Government has received 192 M-SIPS applications worth USD 16.9 Billion from global OEMs/ODMs and component manufacturers.[10] The EDF has been created to provide financial assistance in the areas of innovation and R&D. The Fund provides risk capital to both industry and academia for development of new technologies in the area of electronics.[10] As of now, the Government has given their approval to four venture funds worth USD 27.5 Million and 12 venture funds have been approved for in principle commitment of USD 78.4 Million.[12]

The Electronics Manufacturing Clusters Scheme intends to promote the establishment of Greenfield and Brownfield Electronic Manufacturing Clusters to promote innovation and steer growth in the ESDM sector. In the case of Greenfield EMCs, assistance will be provided with a restriction of 50% of the cost of the project, subject to a ceiling of USD 7.6 Million for every 100 acres of land. For Brownfield projects, assistance will be provided with a restriction of 75% of the project with a ceiling of USD 7.6 Million.

In the last few years, the Government has initiated positive steps to create a favourable ecosystem for investors, under the umbrella of the Make in India initiative. The electronics industry has given a positive response to these initiatives and an increasing number of foreign companies are setting up their manufacturing units in India. With the Government's vision to reduce the dependence on imports by 2020, India is poised to become a hub for electronics manufacturing.

Source:

1 http://www.ey.com/Publication/vwLUAssets/ey-make-in-india-april-2016/$FILE/ey-make-in-india-april-2016.pdf

2 http://dipp.nic.in/English/Investor/Make_in_India/sector_achievement/Electronics_&_IT_Sector_Achievement_Report.pdf

3 http://www.business-standard.com/article/companies/indian-electronics-market-to-be-228-bn-in-2020-esdm-117022101200_1.html

4 http://meity.gov.in/writereaddata/files/Task_Force_Report-new_21211(2).pdf

5 http://dipp.nic.in/English/Investor/Make_in_India/sector_achievement/Electronics_&_IT_Sector_Achievement_Report.pdf

6 http://www.ey.com/Publication/vwLUAssets/ey-make-in-india-april-2016/$FILE/ey-make-in-india-april-2016.pdf

7 http://www.business-standard.com/article/companies/indian-smartphone-sales-to-double-by-2020-report-116090601412_1.html

8 https://ngnsummit.com/indian_market.html

9 http://www.livemint.com/Consumer/lZanz69Lu3mxh36H7bcDCL/Indian-consumer-electronics-industry-to-touch-206-bn-by-20.html

10 https://drive.google.com/file/d/0B-Tv7_upCKANTF9YY0RZY0N0S00/view

11 http://meity.gov.in/DeitY_e-book/edf-book/index.html

12 https://drive.google.com/file/d/0B-Tv7_upCKANTF9YY0RZY0N0S00/view

Source: www.makeinindia.com

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WTO UPDATE :

DG AZEVÊDO CALLS ON MEMBERS TO MATCH WORDS OF SUPPORT FOR THE WTO WITH DEEDS

At an informal ministerial gathering on WTO issues hosted by the Swiss government on 26 January, Director-General Roberto Azevêdo reviewed the challenges and opportunities arising from the 11th WTO Ministerial Conference (MC11) held in Buenos Aires in December 2017, and called on WTO members to follow up on their pledges of political support for the multilateral trading system with actions, including a greater willingness to seek compromise.

The meeting was held on the final day of the World Economic Forum Annual Meeting in Davos. It was attended by representatives from a wide range of WTO members, including representatives of the WTO Least-developed Countries Group, the WTO Africa Group, and the WTO Africa, Caribbean and Pacific Group.

In his comments at the meeting, the Director-General reflected on the outlook after MC11. He said:

"Despite the energy and activity we saw on various issues at MC11, clearly the overall outcome was disappointing. We need to face up to the problems before us. Everyone seems ready to pledge their support for the system. But while political support is essential, it is not sufficient. Words need to be matched by deeds. If we believe in multilateralism, we have to be ready to take the steps needed to make it work.

"After MC11 it can't just be business as usual. We need to find ways to avoid repeating unsuccessful approaches, and reaching the same unsatisfactory result. We need to reflect – but to do so in an active way. Development, and particularly the prospects of the LDCs, must remain at the heart of our work."

On a positive note, the Director-General also touched on new developments from the Buenos Aires meeting:

"I also want to acknowledge the positive progress made in Buenos Aires by groups of members on e-commerce, investment facilitation, micro, small and medium-sized enterprises, and women's economic empowerment. It's encouraging that proponents are clear that these initiatives will be as open, inclusive and transparent as possible."

Commenting on the broader trade debate, he continued:

"Trade has been high on the agenda in Davos this week. There are growing fears that tensions will continue to rise, with damaging consequences. These risks were what everyone was talking about in Davos last year as well. But they didn't actually materialize. Leaders showed some restraint and the trading system did its job once again.

"While the risks still remain very real, global trade is actually performing well. Growth in 2017 was stronger, and forecasts for 2018 are also quite encouraging. We need trade to keep playing its role in supporting economic growth and job creation in all our economies. Therefore I hope we will see similar restraint from governments this year – and I call on all WTO members to play their part in that effort."

The closing remarks by the Chair of the meeting, Switzerland's State Secretary Marie-Gabrielle Ineichen-Fleisch, are available here.

The attendee list for the meeting is available here.

During his time in Davos, the Director-General also took part in numerous World Economic Forum sessions on global trade, and held a series of meetings with leaders from business, labour and government.

Source: WTO Website

INTERNATIONAL NEWS

LALBHAI PATEL
DIRECTOR - IFPSM
IMMEDIATE PAST NATIONAL PRESIDENT-IIMM
lppatel09@yahoo.com

“Dear Fellow members and Professionals.

Happy New-year and I trust that you, your family and friends will enjoy a prosperous year 2018…!!!

On behalf of IFSM Board I would like to thank you all for the great support extended by each and everyone to the IFPSM throughout the year 2017.

The year’s highlight was off-course the IFPSM World Summit that took place in Taipei During the September.

The conference was extremely well organized and it was an amazing experience to remain present during World Summit along with our colleagues. Thanks to Mr Steve Lai, President SMIT Taiwan and team for hosting the flagship event which ensured the participants returned home with great memories of having networked with old and new friends from over 30 countries. The IFPSM Board during the World Summit in September confirmed that IFPSM will in partnership with Finish Association LOGY run the World Summit in Helsinki during September 2018.

The date for the 2018 conference are Wednesday 26th to Saturday 29th September and will include the option to travel to Tallinn in Estonia by ship for an overnightcruse and opportunity to visit Estonia’s historic Capital city 2018.

I hope you will find some time from your hectic working schedule to take part in this great World Summit and also take an opportunity to see the biggest and prestigious professional Trade Fair in Finland as well as the most exciting travel by ship for an overnight cruse.

The programme is currently being developed and full details and registrations options will be available soon.

Let us participate in large numbers from IIMM India for the benefit of our association and to achieve greater height for our profession.

The Upcoming International Events:

1) 14th February 1300 UK time - Virtual

2) 19th May 2018, Archamps, France (physical)

3) 18th July 2018 1300 UK time – Virtual

4) 26th September 2018, Tampere, Finland (physical)

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BRANCH NEWS

- ALWAR BRANCH
- AURANGABAD BRANCH
- AHMEDABAD BRANCH
- CHANDIGARH BRANCH
- LUCKNOW BRANCH
- NEW DELHI BRANCH
- PUNE BRANCH
- VADODARA BRANCH

ALWAR BRANCH

Indian institute of Materials Management Alwar Branch on 17/1/2018 Organised a Seminar on Lean /Best manufacturing practices. About 40 Members/ delegates from different industries attended the programme. Participants were from Eicher, Metso, Roca Parryware, Havells, JIT Processor, Rajesh pharmacy, Haroon precision and alloys, Amrit Industries, CSIR, Institution of Engineers, Rajasthan Financial Corporation, Rajasthan Government Fire department, Zinco India and other Industries attended the programme.

Mr. Abhishek Singh from Eicher Tractor delivered the talk. Mr. L R Meena Founder Chairman of Alwar Branch and National Secretary and Treasurer delivered a talk on "Preventive vigilance in public procurement at Central Drug Research Institute Lucknow on 11/1/2018. Mr. Meena during his talk mentioned about Principles of public procurement and it's effective implementation step by step as per standard procedure and provisions of GFR 2017. The Preventing Vigilance procedure were discussed in detail. About 200 participants including Scientist attended the programme.

AURANGABAD BRANCH

IIMM Aurangabad have conducted evening training program on **"Achieving Excellence Through TPM Way"** on 13th January, 2018, at "Aryabhatta Hall", in MGM's Jawaharlal Nehru Engineering college, Aurangabad. Faculty for this three hour's program was Mr. Sandip Asawa, Executive Committee Member of Quality circle forum of India (QCFI)

Chairman Mr.K.Srihari briefing the branch activities

ECM of IIMM Aurangabad with faculty Mr. Asawa

Faculty Mr. Sandip Asawa guiding Audience

Mr. Asawa covered topics like TPM – Definition, Objectives and elements ,Role of Top management and employees. TPM Kick off activity, TPM 8 Pillars methodology and steps for implementation. Mr. Asawa also acquainted Practicing 5S, Kaizen ,JH Steps.. He also focused on TPM application /Certification and Vendor end implementation.

220+ people from Industries like AEPL, BG Fasteners, Endurance, Rucha, Bagla group, Dhananjay Group, Dhoot Transmission,etc hadattended this program.Also Engineering College Students from MIT, PES, JNEC, Shreeyash, their Professor's and Principals attended the same .QCFI Members were also present.

Hon.Secretary Mr. Milind Ghogale Procedding the event

Chairman Mr.K.Sri Hari briefed about the branch activities and focus areas of IIMM. He also appealed for becoming IIMM members to delegates, who are not IIMM members.

Proceeding for the program and Introduction of faculty was done by Hon.Secretary Mr. Milind Ghogale.

VP (West) Mr. Jitesh Gupta, NC Member Dr. Narendra Joshi , Advisor Mr. Warade , Chairman Mr. K. Srihari, Vice Chairman Mr.Sushant Patare , Hon. Secretary Mr. Milind Ghogale, Treasurer Mr. Lalit Lohade along with EC Members - Mr. M. Phani Kumar, Mr. Sunil Ved, Mr. R.D.Jaulkar, Mr. Sushil Pande, Mr. Shrikant Muley took efforts to make this event successful.

Vice Chairman Mr. Sushant Patare offered "Vote of Thanks". Program was concluded by national Anthem and dinner.

AHMEDABAD BRANCH

Report on 6th Jan 2018 : Ahmedabad Branch organized a talk on **"Lear to Draft Perfect Professional Resume"** by **Ms. Ritika Bajaj,** who is proprietor of **RajaviJobs** is an MBA, in lecture hall of **Ahmedabad Management Association** on 6th Jan 2018 under its Knowledge Augmenting Series. Audience consisted of 52 hard-core professionals who enjoyed the talk thoroughly.

Branch Chairman Mr. Pankaj Panchbhai Welcoming Participants.

Mr. D K Goswamy Programme Coordinator Introducing Speaker & Subject

Speaker Ms. Ritika Bajaj giving her Talk.

Branch Chairman Mr. Pankaj Panchbhai mentioned in his inaugural talk:

"This helps us in organizing quality programs for our members and take our institution forward. We in IIMM Ahmedabad are 380 and should cross 400 mark by the end of the year. I am happy practicing MM professionals on their own are seeking membership of your institution. We are in the process of inducting more members and achieve the task of crossing 500 + membership mark in following months.

Audience in Rapt Attention During Presentation

I sincerely appreciate Shri Goswamy, who has kept flag of IIMM afloat by organizing programs relentlessly, which has brought us, closer to industry and fraternity of Material Management Professionals. Admission process and exams are on. We should spread message around in industry so that more and more MM Professionals can improve their employability post going through these courses.

Question - Answer Session

Mr. Sudhir Shah introducing New Life Member & Institutional Members

We do currently invite guests to attend these programs to have the feel of the Institution. I suggest those of you have not become members may do so. Membership forms are available at registration desk

Inside the lecture hall, a standee displayed the details of various professional courses institution is doing for benefit of Materials Management Fraternity and how these courses are helping industry in improving their profitability post induction of these trained professionals.

Mr. Dilip Choudhary presented Momento to Mr. Harsh Trivedi for being Life Member

Mr. Gajanand presented Momento to Long Institutional Member Mr. Gaurav Saini (Mahindra Logistrics Ltd.)

Mr. Abhijeet Presented Momento to Speaker Ms. Ritika Bajaj

Mr. D K Goswamy Program Coordinator introduced Speaker and Subject: **"Ms. Ritika Bajaj**

When She speaks, everyone listens very Carefully & Enjoying!

Ms. Bajaj With 10 years of experience in HR domain, she is a people person. With hands on experience on HR Management with restructuring the firm with proper vision & Mission of owner driven organization.

Employee efficiency mapping, implementation of effective and efficient grievance redressal system are the key areas of her specialization. She also has hands on experience with recruitment of core focus manufacturing firms PAN India.

EC Member - Mr. Purvish Patel Wrapping up the Session.

Ms. Ritika Bajaj - Speaker with her Enlight Profession

EC Members with Today's Speaker Ms. Ritika Bajaj - Arranging a Valuable Session

She takes pride in being a productive member of the community, hard work and determination have been the foundation of her success.

Ms. Bajaj strongly believes that there is a large gap between what actually HR is and what people understand. She has introduced a concept name **PLUG HR** to make people understand HR better.

Ms. Ritika Bajaj is a life member of IIMM and contributes very actively into the affairs of the institute.

We are proud to have our life member Ms. Ritika Bajaj an eminent HR Specialist.

She delivers his talk extempore, and would love to do so today also.

She would deliver a talk on…

"Learn to draft perfect professional resume"

Synopsis of Ms. Ritika Bajaj's talk is as follows.

Ms. Ritika, a super sensational lecture, gave all the Theoretical, Practical as well as Psychological parameter while drafting a professional resume.

The Resume – An Important job search tool.

- Resume represent you
- It helps employer to know you better
- It gives an idea of your writing skills
- It provides your contact information

- How to make resume?
- Chronological resume
- Combine resume
- Functional resume
- Career objective
- Increased chances more visibility
- How to avoid errors?
- Some more benefits of hiring a professional resume.

All these good words are well-known but the same were discussed and brought out convincingly to the audience with many live examples. Session followed by good question answer session. Many participants asked practical solution to day-to-day difficulties faced by them..

Mr. Sudhir Shah enlighten us on membership front and introduced New Members.

Mr. Abhijeet Presented Memento **to Ms. Ritika Bajaj with his better half.**

New members were recognized on their joining as Life Member of IIMM with the hands of **Mr. Dilip Choudhary & Mr. Gajanand Brahmbhatt.**

1) Mr. Harsh Trivedi (Being Life Member) – with the hands of Mr. Dilip Choudhary

2) Mr. Gaurav Saini (Mahindra Logistics Ltd – Large Institutional Member) – with the hands of Mr. Gajanand Brahmbhatt.

Mr. Purvish Patel, EC Member in his wrapping up remarks said:

We thanks to our young and dynamic Branch chairman Shri Pankaj Panchbhai ,Shri D.K. Goswamy for introducing Shri Ritika Bajaj, today's enlightened speaker, and Mr Sudhir Shah distinguished member.

Ms. Bajaj has a long experience in HR domain; she is a people person, with hands on experience on HR Management with restructuring the firm with proper vision & Mission of owner driven organization. Employee efficiency mapping, implementation of effective and efficient grievance redressal system are the key areas of her specialization.

She gave us a very good insight on the topic of the day **"Learn to draft perfect professional resume"**. She has made today's topic very easy to understand by giving live examples & practical scenario of the market. Mam, we are lucky to have you as our speaker today as we are going back with some useful take-aways.

We would like to thank you for being as a Speaker, you initiated to be sponsored a lecture. I request the guests today to kindly collect the membership form and submit the same at the earliest to avail of IIMM facilities regularly.

Please return the feedback forms duly filled to any of our volunteers. The same will help us in improving our activities in future". Members dispersed with fond hope of meeting soon for another interesting presentation.

CHANDIGARH BRANCH

Indian Institute of Materials Management Chandigarh Branch organised their 33rd Annual Day Celebrations on 23rd December, 2017 at Golden Jubilee Hall, Panjab University, Sector-14, Chandigarh . The Theme of the one day conference was: **"Challenge The Unchallenged - A Vision Beyond SCM".**

Mr Rajesh Gupta Chairman Chandigarh branch welcomed all guests and delegates and informed how IIMM is working for uplift of Supply & Logistics professionals.

Dr.A.K. Saihjpal Former Vice President North-IIMM and Master of Ceremony highlighted the activities and various Courses being run by IIMM. Mr.LR Meena National Secretary and Treasurer highlighted the activities and future plans of IIMM being worked out at NHQ.

Five Technical sessions addressed by the eminent Speakers from the industry and Publice Sector in the field of Supply Chain Management were presented.

Chief Guest Mr.N S Kalsi, Additional Chief Secretary, Home and Justice, Government of Punjab. appreciated the efforts of IIMM for sharpening the skills of Materials professionals who are contributing for enhance the productivity of industry. He also highlighted the future trends and challenges which Material management Profession are likely to face in coming years. He also stressed to make full use of digitization in SCM and future of SCM is adoption of latest technology.

Mr S. K. Sharma Former National President IIMM elaborated on the need of the Theme for the conference and inspired professionals by sharing success stories of corporate to have vision beyond SCM & create value for society.

Mr O.P.Longia Immediate Past National President IIMM and Mr. V K Jain Former National President IIMM spoke about emerging technologies in SCM. Mr G.S. Sethi G.M (Stores and Infrastructure Development) M & M Swaraj shared case study of SCM in M & M how they are controlling the cost & providing their products to customers as per their requirement.

Mr Rakesh Bhalla Chief General Manager SML Isuzu Ltd highlighted various latest amendments carried out in GST to make it more convenient to industry & trade. Mr Akash Sehgal AGM, Godrej spoke on Green SCM & emphasis professionals to contribute in such way to reduce pollution for the welfare of society.

Dr.M.K Bhardwaj, Chairman BOS & Mr Suresh Kumar Former National President shared their views on emerging trends in Public Procurement & clarified how Government E- market place (GEM) is bringing transparency in public procurement.

More Than 100 participants from leading industry and Public sector Undertakings from the Tricity and surrounding areas participated in the seminar. The participants well appreciated the technical sessions of the conference and informed that it has enhanced their knowledge.

Mr Rakesh Bhalla Chief General Manager SML Isuzu Ltd highlighted various latest amendments carried out in GST

Dr.Ashish Saihjpal General Secretary Chandigarh Branch Chairing one technical session.

Mr.V S Maniam Immediate Past Chairman Chandigarh Chairing one technical session.

Mr Arun Batra Sr.GM(Technology- SML-Isuzu) and Vice Chairman of the branch proposing vote of Thanks.

Delegates attending programme.

The Celebrations closed with Valedictory Ceremony and honouring of Members who toiled hard for days together to make the celebrations, a grand success and a warm vote of thanks was proposed by Mr Arun Batra Sr.GM(Technology- SML-Isuzu) and Vice Chairman of the branch.

LUCKNOW BRANCH

IIMM Lucknow arranged a monthly Executive meeting on 27th October 2017 where routine topics of interest were discussed. This was followed by a lecture by Shri Rishikesh Vishwakarma, A senior consultant at present and earlier a Chief Manager in Tata Motors Lucknow.He has a rich Experience in “Lean 6 Sigma”. This he chose his topic of lecture. He gave a wonderful power point presentation. Many queries were raised from the audience.

Seen in the photograph listening to the speaker from L to R are Shri Laxmi Narayan, Shri Cdr. N. Nath, Shri A.K.Sharma, Shri Brajesh Singh, Shri R.B.Sharma, Shri P.K.Bajpai, Shri Ramesh Malhotra & Dr. K.K.Mishra

Shri Rishikesh Vishwakarma delivering his speech

A Group photograph taken after the lecture.

Sqn. Ldr. N. Nath is honoured by Shri A.K. Sharma, DGM-SBI.

Sqn.Ldr. N.Nath presenting a bouque to Shri Rishikesh Vishwakarma

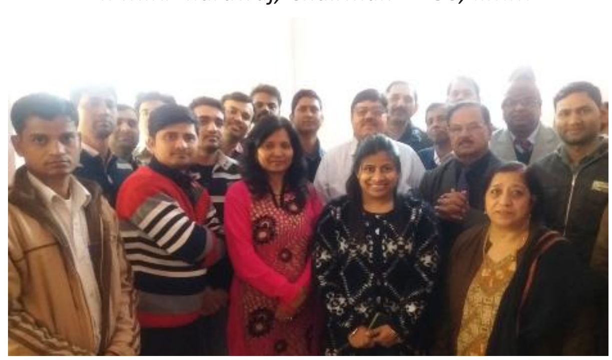
Shri C.K.Vishwakarma, ED (Retd) HAL, New Delhi presenting a memento to Shri Rishikesh Vishwakarma

The audience was selective and included Shri C.K.Vishwakarma, Former Executive Director. Hindustan Aeronautics Limited, New Delhi, Shri R.B.Sharma, Former General Manager, (HR), HAL Lucknow, Shri A.K.Sharma, DGM SBI, Lucknow, Shri SaurabhGarg, DGM Tata Motors, Dr. K.K.Mishra, Director, Int. School of Mgt, Lucknow and Shri Laxminarayan, AGM RETD HAL Lucknow. Sqn LdrNarendra Nath (94) our Senior Member was selected as a Distinguished Member but the award was not collected by him earlier. Today he was present and the Award was given to him by presenting a Medal and a Memento by Shri A.K.Sharma, DGM, SBI. Shri Rishikesh Vishwakarma who was asked many questions during his presentation was honoured by Shri C.K.Vishwarma, ED (Retd), HAL, New Delhi. The presentation concluded with vote of Thanks by Shri A.R.Bhute, Course Coordinator and light refreshment was served to all present.

NEW DELHI BRANCH

IIMM Delhi Branch organised Interactive Session with the students for New Batch Graduate Diploma in Materials Management (GDMM) session 2017-18 started on January 28, 2018 at IIMM Branch Office Shakarpur, Delhi Mr. G. Ajay Kumar Chairman IIMM delhi Branch, Mr. T G Nandakumar, Chairman Education, Dr. M.K.Bhardwaj, Chairman-BOS, Mr. Suresh Kumar former President & Mrs. Deepak S Gulati, Vice Chairman delhi Branch present, welcomed the students to IIMM family and wished them all success in pursuing Graduate Diploma in Materials Management course. Dr. M.K.Bhardwaj also spoke about IIMM, its course curriculum, professional activities.

Chairman Delhi Branch Mr. G. Ajay Kumar, Mr. Suresh Kumar, Former National President, Mr. T G Nandakumar, Chairman Education & NC & Mrs. Deepak S. Gulati, Vice Chairman presents a flower to Dr. M.K.Bhardwaj, Chairman - BOS, IIMM



Group Photo

New Batch of Students

Interactive Session

PUNE BRANCH

IIMM, Pune Branch organized a One Day seminar on Theory of Constraintson Thursday, 23rd November, 2017 at Crowne Plaza Pune.

Audience attending the seminar

The Seminar was conducted by Mr. Manu Raj &Mr. Rakesh Singh, Co-founders and Managing Consultants of Bottomline Matter. They both are TOCICO certified experts with over 20 years of rich multi-industry experience.

From Left to Right - Mr. Manu Raj, Mr. Rakesh Singh & Our Chairman, Mr. Amit Borkar

Group Photo

Mr. Dinesh Mukhedkar, Program co-ordinator addressing the audience

Eli Goldratt is the pioneer of Theory of Constraints. Through his philosophy, he gives us great insights on how it is easy to fall into the conventional trap of looking for complicated solutions. He tells us why we need to search for the inherent simplicity in every problem and that we need to rigorously challenge the basic assumptions in order to achieve breakthrough.

This program was specially organized for professionals in the field of Smalland Medium Enterprises who want to improve Profit, Free Cash Flow & ROCE of their organization in a short span of time through application of Theory of Constraints

Our Chairman, Mr. Amit Borkar felicitating Mr. Rakesh Singh

The program was attended by more than 40 professionals from various small & medium enterprises at Crowne Plaza Pune. Mr. Manu Raj & Mr. Rakesh Singh were honored and given a memento for conducting this effective and informative program. Mr. Dinesh Mukhedkar was the program co-ordinator and Mr. Amit Borkar proposed the vote of thanks.

VADODARA BRANCH

Training Programme for Participants from AGROCEL in DEC'17 at BHUJ : Two days in-house training programme on '**Inventory & Stores Management**' topic was organised on **20th, 21st Dec.'17** at Plant site of **AGROCEL Industries Pvt. Ltd.** in Vill. Dhordo at Bhuj (Kutch) for participants (**7 Nos**.) from Stores Dept. of Marine Chemicals Div. wherein faculty Mr.L.L.Notani conducted the training programme. The Stores Incharge, Mr.Amit Tiwari had sent mail to us regarding their training need for stores personnel wherein points to be covered in above topic had been planned & sent for faculty's approval with minor changes done by him. Thereafter, commercial aspect was finalized & forwarded to Client for their confirmation.

The training programme was confirmed by Client for scheduling in Dec'17. It was decided to reach there one day prior to training schedule for Plant visit & meeting their Purchase Head & Chief Operations Officer to discuss about coverage of points during training session & provide solutions to their problems. The Tng. Prog. Presentation was prepared by Faculty for sharing with participants which was converted to Ref. Mtrl. Booklet by incorporating details about IIMM Activities like Edu. Courses, Trng. Progs. done during 2012-2017 & various Events like NATCOM, WRC, etc. organized by us in the initial pages of Booklet.

Also, Exercise Mtrl. had been prepared by Faculty to include in each participant's folder. The Trng. Session on 20.12.17 got extended till late evening with all participants appreciating Trng. Prog. contents wherein it was decided to include persons from Operations & Maintenance Dept. to join for Two Hours Training Session specially devised for them. On 21.12.17, training session progressed further with about 13 persons from other Depts. like Purchase, Operations, Maintenance, etc. joining for couple of hours training session. The participants shared their feedback that they never got opportunity before to attend such knowledge enhancing Trng. Prog. & were very much satisfied with Ref. Mtrl. Booklet & Exer. Mtrl.

The Participation Certificates were distributed to all participants through their COO. So, Trng. Prog. was very much successful with participants showing interest in joining our courses like GDMM, DSM, etc. for their Career Development & also keen to participate in Open House Training Progs. & Seminars, Workshops on specific topics related to their field.

The memorable photos of training programme are shown below -

Participants on Ist Day of Training Session

Participants on 2nd Day of Training Session.

Participants receiving Participation Certificate from their COO

Group Photo of Participants

Training Programme for participants from GUVNL Group companies in JAN'18 at GETRI

The training programme of Second Batch in 2017-18 for Five Days on '**MATERIALS, INVENTORY & STORES MANAGEMENT**' topic had been organised on **2^{nd}, 3^{rd}, 4^{th}, 5^{th}** & **6^{th} Jan.'18** at **GETRI** in Vadodara for participants of **DGVCL, MGVCL, PGVCL, UGVCL** & **GETCO, GSECL** from all over Gujarat by two faculties, **Mr. L.L.Notani** & **Mr. H.M.Bhatt**. The participants (**30 Nos**.) intimated that training programme was one of the best attended by them till now & very much knowledge enhancing as solutions given by faculties for their problems would be helpful in their job. The Feedback Report from participants about Training Programme and Faculties was Excellent & very much Satisfactory as Trng. Prog. Contents, Exercise & Reference Mtrl. had been given to participants in CD form for future usage.

The memorable moments are depicted in photos given below –

Mr.M.Sambhudevan Nair-Vice Chairman attended inaugural session of Trng.Prog.

Mr.L.L.Notani-Faculty during training session on Day-1 of Trng. Prog.

The participants engrossed in training programme

Mr.H.M.Bhatt-Faculty during training session on Day-3 of Trng. Prog.

Mr.K.C.Joshi-Invitee Member & Mr.L.P.Patel-Director, IFPSM attended final day of Trng. Prog.

The participants engaged in completing Exercise of topic during training programme

The Participants sharing their feedback about Trng. Prog.

The Dignitaries sharing details about IIMM & Membership information with participants

Mr.Rajesh Vasayani-Course Co-ordinator delivering Vote of Thanks to participants

Mr.L.L.Notani handing over Participation Certificate to a participant

Mr.K.C.Joshi handing over Participation Certificate to a participant

Mr.L.P.Patel handing over Participation Certificate to a participant

MEMBERSHIP FORM

SERVICING BRANCH

For office use only

INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Plot No. 102 & 104, Sector 15, Institutional Area,
CBD Belapur, Navi Mumbai-400614.
Tel.: 022-27565831, 27561754, 022-27565592
E-mail : iimmnhq@mtnl.net.in

Membership Category

- ❑ **Life Member**
- ❑ **Full Member**
- ❑ **Associate Member**
- ❑ **Institutional Membership**

Name : ____________________ Sex : ❑ Male ❑ Female

Designation : ____________________

Name of Organisation : ____________________

Office Address: ____________________

____

Telephone/s ________ Fax ________ E-mail ________

Home Address ____________________

Telephone/s ____________ E-mail ____________

Educational Qualification ____________________

Work Experience (Start with present position) *Please attach separate sheet where necessary)*

Date From	To	Position	Company Held	Reporting To

Your Photograph Here

INDIVIDUAL FEES (Rs.)

	Ent.Fee	Annual Fee
Life Member	500/-	12000/-
Member	500/-	1000/-
Associate Member	500/-	500/-
INSTITUTIONAL MEMBERSHIP		
Large	1000/-	6000/-
Small	500/-	2500/-

Membership of any other Professional Organisation____________________

____

Your Date of Birth ____________________

Where will you like to receive the IIMM Mail? ❑ Office ❑ Home

UNDERTAKING : I wish to apply for the membership of the Institute with appropriate status. I certify that all information supplied in the application is true and correct.

Date : ____________ Applicant's Signature ____________

REFERENCES : It is required that referees should be executive of firm including your immediate senior (not relative) who have a personal knowledge of the candidate. They must have actual knowledge of our responsibilities and one of them should be member of IIMM.

REMITTANCE DETAIL

I, certify that all information is true and correct. I hereby enclose my Annual Subscription and membership Fees of Rs............../- By way of Cheque / D.D.__________ ____________ dt.__________ drawn in favour of **"Indian Institute of Materials Management"** payable at ____________________.

Signature 1st Referee ____________________
Name ____________________
Designation ____________________
Company ____________________
Phone ____________________
Date ____________________

Signature 2nd Referee ____________________
Name ____________________
Designation ____________________
Company ____________________
Phone ____________________
Date ____________________

(Important Note: Kindly ensure correct email address for efficient membership services.)

EXECUTIVE HEALTH

7 WAYS TO GET RID OF CHEST CONGESTION

Try these natural remedies, home treatments, and meds that really work.

AMANDA GARDNER

How to relieve chest congestion : For too many people, winter equals chest congestion season, when you have a load of mucus in your chest that just won't come up, no matter how hard you cough. Chest congestion can be caused by any number of ailments, chief among them the common cold and the flu. Fortunately, chest congestion relief also comes in many forms, from home remedies like hot steam to different kinds of medications. Hopefully one of these ways to break up chest congestion works for you.

Plug in a humidifier : Getting moisture into the air with a humidifier is a great home remedy for chest congestion. The principle is simple: Moisture helps loosen the mucus weighing down your chest so you can cough it up and out more easily.

Using a humidifier to combat chest congestion doesn't work for everyone, but it's worth a try. If it works for you, just make sure to use it safely, says Alan Mensch, MD, a pulmonologist and senior vice president of medical affairs at Northwell Health's Plainview and Syosset Hospitals in New York. Humidifiers can breed mold and fungi, which can cause infections of their own. Clean your humidifier according to the manufacturer's instructions. "They're probably safe as long as they're kept clean," says Dr. Mensch.

Embrace steam : Lingering in a hot shower is a more targeted way to get the moisture where it needs to go than using a humidifier. Another option: Run the hot water in your sink and cover your head and the faucet with a towel, breathing in the steam. "That warm steam helps the airways open up a little bit and helps you start getting stuff up," says Alice Hoyt, MD, assistant professor of medicine at Vanderbilt University Medical Center.

Another plus: It gets you to take a break from your frenzied daytime activities. "So many people are very, very busy and stressed and aren't able to take time to rest," says Dr. Hoyt. A relaxing shower or a few calm minutes breathing deeply can help–as long as you don't let the water get too hot. Be wary if you have asthma, as inhaling steam may constrict your airways, cautions Norman Edelman, MD, chief scientific officer for the American Lung Association.

Drink liquids : Staying hydrated with enough water can help loosen mucus. A warm drink like decaf tea might be even more soothing. There's even some scientific evidence behind the classic recommendation to sip chicken soup to ease chest congestion.

Researchers at the University of Nebraska tested Grandma's special chicken soup recipe and found that it eased inflammation, which might explain the benefit on chest congestion. They couldn't pinpoint an exact ingredient (the recipe in question called for sweet potatoes, along with turnips, parsnips, onions, carrots, celery, and parsley) and concluded that it was probably the medley's powers combined that helped ease symptoms. Stay away from alcohol, coffee, and caffeinated sodas when your chest is congested, as they may dehydrate you.

Another natural remedy for chest congestion is honey added to warm water with lemon. One study found that honey was actually better than extromethorphan, an ingredient found in cough suppressants, for quelling nighttime cough and improving sleep in kids with upper respiratory tract infections. "Honey probably has as much evidence [behind it] as any medications you can buy over-the-counter," says Dr. Mensch.

Sniff an essential oil : Essential oils from plant sources are another natural remedy for chest congestion. One study looked at 14 different essential oils and found they had potent properties against various bacteria. Although bacterial infections are less common than viral infections, they can cause nasty chest congestion. Essential oils have long been used for colds, bronchitis, and sinus infections. Previous research has found that they reduce inflammation and open up the airways, making it easier to breathe.

Consider an over-the-counter expectorant : Colds and the flu are most often caused by viral infections. Although over-the-counter treatments won't cure you of those viruses, they can bring symptom relief. Meds called expectorants contain an ingredient called guaifenesin, which may help break up that mucus in your chest. Common brands include Mucinex and Robitussin. : Chest congestion medications containing guaifenesin aren't always a hit with everyone. "There's no consistent evidence that they really work," says Dr. Mensch. But if you decide to try them and they help your symptoms, they're generally fine to use, he says.

Try camphor : Research has shown that vapor rubs–which usually contain camphor, menthol, and eucalyptus oil–can relieve chest congestion and improve sleep in children.

One study looked at 138 children ages 2 to 11 with colds that had lasted at least a week. Children were divided into three groups, some receiving vapor rub on their chest and neck half an hour before bedtime, some getting petroleum jelly, and the rest getting no treatment at all. Children who got vapor rub showed the most improvement in congestion and coughing. Unsurprisingly, their parents also slept better.

When to see a doctor for chest congestion : Sometimes chest congestion is a minor nuisance that doesn't require any treatment at all. "Unless it's bothering you, don't treat it," says Dr. Edelman. "[Even] if you cough a few times an hour and raise sputum easily, that's a symptom you can live with."

But if bothersome chest congestion or coughing won't go away, or if the mucus you bring up is yellow or green or it has blood in it, see a doctor. You may need a prescription treatment or further examination.

Source:www.health.com

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33RD ANNUAL DAY CELEBRATIONS - IIMM CHANDIGARH BRANCH

Dr.A.K. Saihjpal Former Vice President North-IIMM and Master of Ceremony highlighting IIMM activities.

Mr.S.K. Sharma-Former National President presenting a Memento to Chief Guest.

Rajesh Gupta-Chairman IIMM Chandigarh Branch welcoming the guest.

Mr.OP Longia-Immediate Past National President addressing the gathering on emerging technologies.

Mr. N.S.Kalsi, Additional Chief Secretary, Home and Justice, Government of Punjab, Chief Guest addressing the gathering.

Mr G.S. Sethi G.M (Stores and Infrastructure Development) M & M Swaraj shared case study of SCM in M & M.

Mr Akash Sehgal AGM, Godrej spoke on Green SCM.

IIMM-NHQ IN-HOUSE TRAINING PROGRAMME

Two days in-house Training Programme on behalf of IIMM-NHQ for a group of companies at Coimbatore by Mr. S.K.Sharma, Former National President and Mr. C. Subbakrishan Former National President.

RNI NO. DELENG/2004/13227
POSTED AT NDPSO, DATED 5/6/7

Postal Reg. No. DL(C)-01/1303/2016-18
L.No. U(C)-288/2016-18
Licensed To Post Without Pre Payment

Printed & Published by Dr. M.K. Bhardwaj on behalf of Indian Institute of Materials Management, 4598/12-B, First Floor, Ansari Road, Darya Ganj, New Delhi - 110002 and Printed at Power Printers, New Delhi-110002