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MATERIALS MANAGEMENT REVIEW

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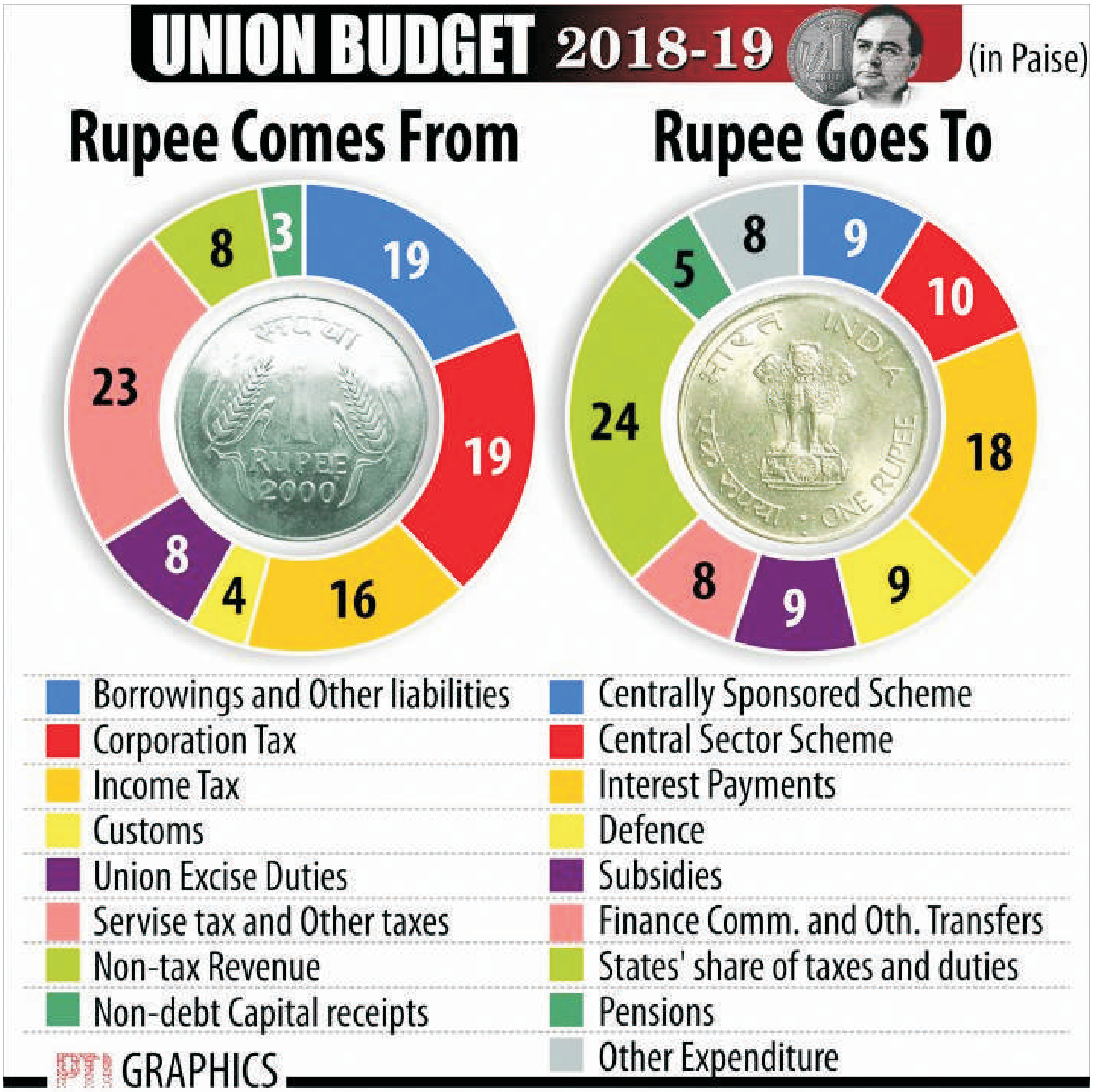

BRANCH ACTIVITIES

AURANGABAD BRANCH : *ECM of IIMM Aurangabad with faculty CA Abhishek Malpani*

BANGALORE BRANCH : *Mr. K.S. Mohan Kumar, Sr. Faculty handling session on Inventory Management - Workshop*

JAMSHEDPUR BRANCH : *Mr. G D Pandey Course Coordinator, Mr. Rajeev Kumar Hon. Treasurer and Faculty and Mr. Arijit Mitra Research Fellow and faculty of XLRI lighted the lamp.*

KOLKATA BRANCH : *Lighting of Lamp. Mr. Sandip Gupta, RM - East ERBE Medical India Pvt. Ltd., Mr. Animesh Chattopadhyay - Branch Chairman, Mr. K. Gupta - Admn. Manager, IIMM, Kolkata Branch*

MUMBAI BRANCH : *Dignitaries at the time of Lighting Lamp*

MUNDRA BRANCH : *Group Photo*

NEW DELHI BRANCH : *Dr. M.K.Bhardwaj, Mrs. Deepak S. Gulati, and Mr. H.K.Sharma presented the IIMM Kit to Prof. (Dr.) Sourabh Agarwal*

PUNE BRANCH : *Lighting of Lamp*

From the Desk of The National President

Dear Professionals,

Greetings from Your National President!!!

February 2018 has been an important month both for Indian Economy and IIMM.

Govt. of India Presented Union Budget 2018-19 indicating the Economic Growth at 6.5% for 2017-18. Budget 2018-19 focuses on strengthening agriculture and rural economy, provision of good health care to economically less privileged, taking care of senior citizens, infrastructure creation and working with the States to provide more resources for improving the quality of education in the country.

Coming back to IIMM Front, We have apprised the National Council about recently concluded Business plan meeting and targets for next two years. In view of the threats due to uncertainties of our flagship courses, we have also finalised few new courses in the National Council Meeting. This also includes E-Learning Programs.

I am happy to share with you that, AICTE has now been nominated as a regulator for standalone institutions and we have submitted the details asked by AICTE for seeking approval for the next academic year i.e. 2018-19.

I have participated in the IIMM Chennai Branch Signature Event – Spectrum on Feb 22 & 23, 2018 on the Theme "Customer Value Enhancement through Digital Supply Chain". It was really an excellent program and all the speakers were superb who kept participants bounded till the end of the program. It is also important to note that, IIMM Chennai branch is celebrating Golden Jubilee Year this year.

Admissions for GDMM and PGDMM are still on and I request all the Branch Chairmen, Course Coordinators to approach as many industries and organisations for enrolling maximum no. of students.

G. K. SINGH
National President - IIMM
e.mail : s_gksingh@yahoo.co.in

From the Desk of Chief Editor

Dear Members,

Indian Economic Growth for Financial Year 2017-18 stood at 6.5% and has shown considerable resilience over the past 3-4 years amidst many fundamental, structural and policy changes like GST, Demonetisation etc. IMF has predicted Indian Economy to rebound to 7.4% in the financial year 2018-19 in the backdrop of improved business sentiments and high manufacturing growth.

Budget 2018-19 presented by Finance minister in Parliament on February 1, 2018 is largely an agricultural budget giving impetus to meet the need of farmers and uplift the agriculture sector along with major push to healthcare and Education sector in the country. Among the various steps taken for benefit of Agriculture sector, the Minimum Support Price (MSP) has been kept at 1.5 times the cost of production. A new scheme "Operation Greens" is launched to address the challenge of Price Volatility of perishable commodities like Tomato, Onion and Potato with the satisfaction of both consumer and farmer. Another Important aspect is liberalization of export of Agriculture produce to take it to USD 100 Billion from current USD 30 Billion.

The world's largest health care programme "National Health Protection Scheme" to cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage up to 5 lakh rupees per family per year for secondary and tertiary care hospitalization.

Hon'ble Finance Minister, has given a big thrust to MSME Sector to boost employment and economic growth. A sum of Rs. 3794 crore has been provided for giving credit support, capital and interest subsidy and for innovations. Infrastructure sector was also given impetus as an engine for economic growth and has been allocated Rs 5.97 Lakh Crore. Majority of the allocation is attributed to Rail and Road Transportation.

Being first budget after the roll out of Goods and Services Tax (GST), the Finance Minister has proposed changes in customs duty to incentivise domestic value addition and Make in India initiative in sectors such as food processing, electronics, auto components, footwear and furniture. Custom duty on mobile phones is increased from 15 percent to 20 percent, on some of their parts and accessories to 15 percent and on certain parts of televisions to 15 percent.

Education and Secondary & Higher Education Cess on Imported goods to be abolished and a new cess "Social Welfare Cess @ 10%" will be imposed on imported goods. Budget also proposes to change the name of the Central Board of Excise and Customs (CBEC) to the Central Board of Indirect Taxes and Customs (CBIC).

On the path of fiscal reduction and consolidation, a target of 3.3% of GDP for the year 2018-19 has been kept. The Revised Fiscal Deficit estimates for 2017-18 were put at Rs. 5.95 lakh crore at 3.5% of GDP.

100 percent tax deduction is proposed to companies registered as Farmer Producer Companies with an annual turnover upto Rs. 100 crore, for a period of five years from financial year 2018-19. This will promote post-harvest agriculture activities and also encourage "Operation Greens".

Extension of Corporate tax @ 25% from companies with turnover of less than Rs 50 Crore to companies with turnover of upto Rs 250 Crore in Financial Year 2016-17. This will effect positively to the entire class of MSME.

(DR. M.K. BHARDWAJ)

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HIGHLIGHTS OF ECONOMIC SURVEY, UNION & RAIL BUDGET 2018-19

THE ECONOMIC SURVEY 2017-18

The Economic Survey 2017-18, tabled in Parliament by the Minister for Finance and Corporate Affairs, Shri ArunJaitely, presents a unique State-wise comparison of the performance of the Service sector in India.

Out of the 32 States and Union Territories (UTs), in 15 states and UTs, the Services Sector is the dominant sector, contributing more than half of the Gross State Value Added (GSVA). The major services in most of the States are trade, hotels and restaurants, followed by real estate, ownership of dwellings and business services.

However, there is wide variation in terms of share and growth of services GSVA. Out of the 32 States and UTs for which data are available for 2016-17 (or latest year for which data are available), in terms of services GSVA share, Delhi and Chandigarh are at the top with over 80 per cent share, while Sikkim is at the bottom with 31.7 per cent share. In terms of services GSVA growth, Bihar is at the top and Uttar Pradesh at the bottom with 14.5 per cent and 7.0 per cent growth respectively in 2016-17.

Highlights of the Economic Survey 2017-18 is as under:

- Economic Survey Draws Attention to 10 New Economic Facts on Indian Economy
- GST data reveals 50% increase in number of Indirect Taxpayers
- Pink-Color Economic Survey 2017-18 Highlights Gender Issues Against Backdrop of Development BetiBachao, BetiPadhao; Sukanya Samridhi Yojana and Mandatory Maternity Leave are all Steps in Right Direction, Acknowledges S...
- Coordinated Action Between Government and Judiciary to Boost Economic Activity- Ease of Doing Business
- Gross Tax Collections on Track for First Eight Months of GST Era;
- IBC Mechanism Being Used Actively to Resolve NPA Problem, Asserts Economic Survey
- Promoting Inclusive Employment-Intensive Industry and Building Resilient Infrastructure are Vital Factors for Economic and Development, Says the Economic Survey
- Inflation During 2017-18 Averaged to the Lowest in the Last Six Years
- Measures to Control Inflation
- India's Commitment to Climate Change Reflected in Support of Sustainable Development Goals: Economic Survey
- Economic Survey Expresses Concern Over Air Pollution, Suggests Coordination Among Agencies & Government and Civic Engagement
- During April-September 2017-18, Growth in Services Exports and Services Imports Robust at 16.2 Per Cent and 17.4 Per Cent Respectively
- FDI Equity Inflows to the Services Sector Grew by 15.0 Percent During 2017-18 – Says Economic Survey
- Sector-Wise Performance of Major Services and Some Recent Government Policies to Boost the Growth of the Sector
- Utmost Priority to Social Infrastructure Like Education, Health and Social Protection is Given to Engineer an Inclusive and Sustainable Growth, Says Economic Survey
- Economic Survey Underlines Government's Commitment to Achieve SDG-4 For Education
- Tech Enabled Initiatives to Bring Transparency and Accountability for Enforcement of Labour Laws, Says Economic Survey
- Economic Survey Reiterates India's Commitment to Achieve the Targets Under SDG-3 and to Strengthen Health Delivery Systems
- Economic Survey Takes Note of Positive Health and Economic Impact in ODF Areas
- Demonitisation has Helped Share of Financial Saving Rise, Says Economic Survey
- Economic Survey calls for Fiscal Federalism and accountability to avoid low equilibrium trap
- India Not Yet Facing "Late Converger Stall"
- Economic Survey Notes Important Developments on Trade Policy Front
- Indian Science & Technology- Outputs in the last one year
- India's External Sector Continues to be Strong Says the Economic Survey
- India Needs to be a net producer of Knowledge, says the Economic Survey

HIGHLIGHTS OF UNION BUDGET 2018-19

- Budget guided by mission to strengthen agriculture, rural development, health, education, employment, MSME and infrastructure sectors

- Government says, a series of structural reforms will propel India among the fastest growing economies of the world. Country firmly on course to achieve over 8 % growth as manufacturing, services and exports back on good growth path.
- MSP for all unannounced kharif crops will be one and half times of their production cost like majority of rabi crops: Institutional Farm Credit raised to 11 lakh crore in 2018-19 from 8.5 lakh crore in 2014-15.
- 22,000 rural haats to be developed and upgraded into Gramin Agricultural Markets to protect the interests of 86% small and marginal farmers.
- "Operation Greens" launched to address price fluctuations in potato, tomato and onion for benefit of farmers and consumers.
- Two New Funds of Rs10,000 crore announced for Fisheries and Animal Husbandary sectors; Re-structured National Bamboo Mission gets Rs.1290 crore.
- Loans to Women Self Help Groups will increase to Rs.75,000 crore in 2019 from 42,500 crore last year.
- Higher targets for Ujjwala, Saubhagya and Swachh Mission to cater to lower and middle class in providing free LPG connections, electricity and toilets.
- Outlay on health, education and social protection will be 1.38 lakh crore. Tribal students to get Ekalavya Residential School in each tribal block by 2022. Welfare fund for SCs gets a boost.
- World's largest Health Protection Scheme covering over 10 crore poor and vulnerable families launched with a family limit upto 5 lakh rupees for secondary and tertiary treatment.
- Fiscal Deficit pegged at 3.5 %, projected at 3.3 % for 2018-19.
- Rs. 5.97 lakh crore allocation for infrastructure
- Ten prominent sites to be developed as Iconic tourist destinations
- NITI Aayog to initiate a national programme on Artificial Intelligence(AI)
- Centres of excellence to be set up on robotics, AI, Internet of things etc
- Disinvestment crossed target of Rs 72,500 crore to reach Rs 1,00,000 crore
- Comprehensive Gold Policy on the anvil to develop yellow metal as an asset class
- 100 percent deduction proposed to companies registered as Farmer Producer Companies with an annual turnover uptoRs. 100 crore on profit derived from such activities, for five years from 2018-19.
- Deduction of 30 percent on emoluments paid to new employees Under Section 80-JJAA to be relaxed to 150 days for footwear and leather industry, to create more employment.
- No adjustment in respect of transactions in immovable property where Circle Rate value does not exceed 5 percent of consideration.
- Proposal to extend reduced rate of 25 percent currently available for companies with turnover of less than 50 crore (in Financial Year 2015-16), to companies reporting turnover up to Rs. 250 crore in Financial Year 2016-17, to benefit micro, small and medium enterprises.
- Standard Deduction of Rs. 40,000 in place of present exemption for transport allowance and reimbursement of miscellaneous medical expenses. 2.5 crore salaried employees and pensioners to benefit.
- Relief to Senior Citizens proposed:-
- Exemption of interest income on deposits with banks and post offices to be increased from Rs. 10,000 to Rs. 50,000.
- TDS not required to be deducted under section 194A. Benefit also available for interest from all fixed deposit schemes and recurring deposit schemes.
- Hike in deduction limit for health insurance premium and/ or medical expenditure from Rs. 30,000 to Rs. 50,000 under section 80D.
- Increase in deduction limit for medical expenditure for certain critical illness from Rs. 60,000 (in case of senior citizens) and from Rs. 80,000 (in case of very senior citizens) to Rs. 1 lakh for all senior citizens, under section 80DDB.
- Proposed to extend Pradhan Mantri Vaya Vandana Yojana up to March, 2020. Current investment limit proposed to be increased to Rs. 15 lakh from the existing limit of Rs. 7.5 lakh per senior citizen.
- More concessions for International Financial Services Centre (IFSC), to promote trade in stock exchanges located in IFSC.
- To control cash economy, payments exceeding Rs. 10,000 in cash made by trusts and institutions to be disallowed and would be subject to tax.
- Tax on Long Term Capital Gains exceeding Rs. 1 lakh at the rate of 10 percent, without allowing any indexation benefit. However, all gains up to 31st January, 2018 will be grandfathered.
- Proposal to introduce tax on distributed income by equity oriented mutual funds at the rate of 10 percent.
- Proposal to increase cess on personal income tax and corporation tax to 4 percent from present 3 percent.
- Proposal to roll out E-assessment across the country

to almost eliminate person to person contact leading to greater efficiency and transparency in direct tax collection.

- Proposed changes in customs duty to promote creation of more jobs in the country and also to incentivise domestic value addition and Make in India in sectors such as food processing, electronics, auto components, footwear and furniture.

HIGHLIGHTS OF RAIL BUDGET 2018

Rs 1.48 lakh crore has been allocated for Indian Railways in Union Budget 2018 by finance minister ArunJaitley. Most of this capex will be dedicated to capacity creation. Here are the the main points that the budget for Railways 2018 focused on.

Railway Budget 2018: FM ArunJaitley in his Union Budget 2018 speech said that developing infrastructure – including railways – would continue to a priority for the Modi government. From world-class train sets to bullet trains and revamp of signalling systems and providing CCTVs and Wifs – FM Jaitley's portion of Union Budget speech dedicate to Railway Budget helped several promises that aim at transforming Indian Railways. Last year, for the first time in Independent India, finance minister ArunJaitley presented the combined Fiscal Budget 2017-18 in the parliament as the 92 year old custom of presenting separate railway budget and general budget was removed. Suresh Prabhu, the former Railway minister before Piyush Goyal, became the last railway minister under the Modi regime to announce the Railway budget separately. Indian Railways which is the national mode of transport is a massive sector in terms of economy and employment. Every year an impressive amount is provided by the government for the development of Railways and to improve Rail network across India.

So, finally here are the main points that the budget for Railways 2018 focused on:

- Rs 1.48 lakh crore has been allocated for Indian Railways. Most of this capex will be dedicated to capacity creation.
- 12,000 wagons, 5160 coaches and 700 locomotives are on the way. A major programme has also been initiated by the government to strengthen infrastructure at the Goods sheds and fast track commissioning of private sidings.
- Optimal electrification of railway network is a priority. Along with that the government is focused on Physical targets of Indian Railways and has targeted 4,000 km of commissioning during 2017-18.
- Work on dedicated East and West freight corridors are in progress.
- Government plans to create world-class modern train sets including Train 18 and Train 20. Train 18 and Train 20 will be manufactured at Integral Coach factory, Chennai, announced in Union Budget 2018.
- Government plans to eliminate 4,267 unmanned railway crossing in next two years.
- For Passenger security, Wifi, CCTVs in all stations and trains will be introduced.
- Modern train sets with state-of-the-art amenities are being designed at Integrated Coach Factory in Perambur and first such train-set will be commissioned during 2018-19.
- For Mumbai local trains, an amount of Rs 11,000 crore has been allocated to add 90 kilometers of double line tracks.
- 18,000 km of doubling, third and fourth line works and gauge conversion of 5,000 km would be done in order to eliminate capacity constraints. In addition to that, complete conversion of entire network into Broad Gauge to take place.
- Under Rashtriya Rail SanrakshaKosh, a 'Safety First' policy is a key for the government to optimise passenger safety.
- Track infrastructure is necessary and for that the government has targeted over 3,600 km for track renewal.
- Other technology based measures will be taken by the government like ''Fog Safe'' and ''Train Protection and Warning System''.
- 600 major stations to be redeveloped by Indian Railway Station Development and escalators will be introduced to railway stations with more than 25000 footfalls.
- In addition, 150 kilometers of suburban network is being planned at a cost of over Rs 40,000 crore, which will include elevated corridors on some sections.
- A 160 kilometers (approx) suburban network at an estimated cost of Rs 17,000 crore is provided for the growth of the Bengaluru metropolis.
- An institute to train manpower for high speed rail projects will be set up in Vadodara, as the foundation stone of Mumbai-Ahmedabad bullet train project, India's first high speed rail project was laid last year.
- Biggest joy for the national mode of transport of not having a separate railway budget is that it saves itself from paying an additional amount of around Rs 10,000 crore, to the Indian government which earlier it used to pay as an annual dividend for gross budgetary support. In addition to that capital charge is also wiped off which used to increase the capital expenditure of Indian Railways. Another major aspect is that with the merging, the size of the annual budget is increased overall, which benefits the nation's economy. With the merging of the budgets, the parliament also saves time by considering one single Appropriation Bill.

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BUDGET TO ENSURE 'EASE OF DOING BUSINESS' AND 'EASE OF LIVING',

SHRI NARENDRA MODI
HON'BLE PRIME MINISTER OF INDIA

Calling the Budget "development friendly", PM Modi said it had something for everyone from farmers to common man to businessman and is expected to give a boost to hopes and aspirations of 125 crore people of the country. Prime Minister Narendra Modi praised the Union Budget for its focus on rural poor, lower middle class and farmers. He congratulated Finance Minister for presenting a budget that would not only ensure "ease of doing business" but also "ease of living".

"Ease of Doing Business as well as Ease of Living are in focus in this budget. More savings for the middle class, new generation infrastructure for 21st Century India and better health assurance — all are concrete steps towards Ease of Living," Modi said.

Calling the Budget "development friendly", Modi said it had something for everyone from farmers to common man to businessman and is expected to give boost to hopes and aspirations of 125 crore people of the country. Modi emphasised on the thrust given in the budget to increase earnings of farmers and provide healthcare to the poor.

"This budget will live up to the expectation of every Indian Citizen. The budget has ensured the following – remunerative price of the crop to the farmer, upliftment of the poor with the welfare schemes, respecting the honesty of the tax paying citizen, support to the spirit of entrepreneurs with a right tax structure and hailing the contribution of senior citizens for the country," Modi said.

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In the backdrop agrarian distress in the country, the Prime Minister spoke at length on all measures announced by his government in the budget improve the earnings of farmers.

"Several steps have been proposed in this budget to give a boost to the farmers and enhancing their income. A record allocation of Rs 14.5 lakh crore has been made for rural development and agriculture. Dalits, oppressed and disadvantaged sections of the society will be benefited with out of 51 Lakh new homes, more than 3 lakh kilometers of roads, about 2 crore toilets, electricity connections in 1.75 crore households. These initiatives will create new opportunities especially in the rural areas," Modi said.

Political Flavour of Union Budget 2018

He praised Jaitley's decision to provide for one and a half times remunerative price for the cost incurred by the farmers for their produce and said that the Center would put in place a sound system in consultation with the states to ensure that the farmers can avail full benefits from this decision.

Giving Amul's example, PM said the government will now adopt agriculture cluster approach in different districts across the country to ensure better marketability and prices for agricultural produce. He also welcomed the decision keep 'Farmer Producer Organisation' (FPO) out of the ambit of taxation as they function on the same lines as cooperatives. This, he said, would increase earnings of farmers.

He said farmers would now be able to access loans for allied activities such as pisciculture and animal husbandry through Kisan Credit Card. He said to increase earnings and employment opportunities emphasis has been laid on modernisation of infrastructure of 22000 rural business centres across the country. He also expressed satisfaction at the success of UjjwalaYojana and the increase in its target in the new budget from 5 crore families to 6 crore families. "A large number of Dalit, tribal and backward class families have been benefited from this scheme. This budget provides for allocation of about Rs 1 lakh crore for the welfare of scheduled castes and scheduled tribes," Modi said.

Budget 2018: Disappoints Salaried and Equity Investor Class

Calling the medical insurance scheme announced in the budget for 10 crore poor families "the world's largest health insurance plan", the prime minister said, "Medical treatment and its cost has always been a cause of concern for the lower middle class and poor sections of the society. The new scheme 'Ayushman Bharat', presented in the budget, will address this serious concern. This scheme …will provide coverage to 45-50 crore people. Under the scheme these families will get free treatment up to Rs. 5 lakh per annum in the identified hospitals …The idea of setting up 1.5lakh Health Wellness Centers spread over all the major panchayats of the country is commendable."

With small industry suffering post demonetisation, the government has reduced corporate tax by 5 per cent for them. Modi said, "In a bold step in this budget, the government has reduced the tax rate for MSME by 5 per cent now they will have to pay 25 per cent tax in place of 30 per cent. Credit seeking facility from the banks and NBFCs has been eased to ensure the required working capital for MSME industries. It will give a boost to the mission of Make in India."

FM ArunJaitley's Budget 2018 Targets the Rural Poor more than the Farmer

He also said that the government would soon announce measures resolve the problem of NPAs and Stressed Account in the MSME sector. The PM spoke about allocation of Rs. 6 lakh crores for Digital India which he said " will enhance the employment opportunity manifold in country".

Budget 2018 Acche Din ForAamAadmi Or Not

To ensure social security to government employees, Modi said, the government will contribute 12 per cent in the EPF Account of the new laborers for a period of three years while contribution from women employees had been reduced to 8 per cent to ensure better take-home salaries. The PM also appreciated steps taken in the budget to improve savings by senior citizens through lowering of taxes on their savings.

Source: The Indian Express, 2nd Feb. 2018

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CUSTOM EXCHANGE RATES

(All rates per unit) w.e.f. 16th February 2018

CURRENCY	IMPORT	EXPORT
Australian Dollar	51.70	49.90
Bahraini Dinar	175.50	164.25
Canadian Dollar	52.05	50.45
Chinese Yaun	10.25	9.90
Danish Kroner	10.90	10.50
Euro	81.05	78.30
Hong Kong Dollar	8.30	8.05
Kuwait Dinar	220.85	206.20
Newzealand Dollar	48.15	46.25
Norwegian Kroner	8.35	8.05
Pound Sterling	91.10	88.10
Qatari Riyal	18.15	17.15
South Arabian Riyal	17.65	16.50
Singapore Dollar	49.50	47.95
South African Rand	5.65	5.25
Swedish Kroner	8.20	7.90
Swiss Franc	70.10	67.75
UAE Dirham	18.00	16.85
US Dollar	64.85	63.15
Japanese Yen	61.05	58.95
Kenya Shilling	64.90	60.65

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

FREQUENTLY ASKED QUESTIONS ON E WAY BILL

Q 1. What is an E Way Bill?

Ans. E-way bill **(FORM GST EWB-01)** is an electronic document (available to supplier / recipient / transporter) generated on the common portal evidencing movement of goods of consignment value more than Rs. 50000/-. It has two Components-Part A comprising of details of GSTIN of supplier & recipient, place of delivery (indicating PIN Code also), document (Tax invoice, Bill of Supply, Delivery Challan or Bill of Entry) number and date, value of goods, HSN code, and reasons for transportation; and Part B –comprising of transport details - transport document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number) and Vehicle number for road.

Q 2. What is the common portal for e-way bill?

Ans. The Common Goods and Services Tax Electronic Portal for furnishing electronic way bill is www.ewaybillgst.gov.in.

Q 3. What is consignment value?

Ans. The consignment value of goods shall be the value, determined in accordance with the provisions of section 15 of the CGST Act, 2017, declared in an invoice, a bill of supply or a delivery challan, as the case may be, issued in respect of the said consignment and also includes the central tax, State or Union territory tax, integrated tax and cess charged, if any, in the document.

Q 4. Whether consignment value of goods shall include tax also? In case of movement other than by way of supply, value may not be available? How to value such cases?

Ans. As per Explanation 2 to Rule 138(1) of CGST Rules, 2017, the consignment value shall also include the Central tax, State or Union territory tax, integrated tax and cess charged, if any, in the document. Furthermore, in view of the valuation provisions in Section 15 of the CGST Act, 2017, Customs duty shall also be includible in the value of goods.

In case of movement of goods for reasons other than supply, the movement would be occasioned by means of a delivery challan which is a mandatory document. The delivery challan has to necessarily contain the value of goods as per Rule 55 of the CGST Rules, 2017. The value given in the delivery challan should be adopted in the e-way bill.

Q 5. What are the benefits of e-way bill?

Ans. Following benefits are expected from e-way bill mechanism

(i) Physical interface to pave way for digital interface resulting in elimination of state boundary check-posts

(ii) It will facilitate faster movement of goods

(iii) It will improve the turnaround time of trucks and help the logistics industry by increasing the average distances travelled, reducing the travel time as well as costs.

Q6. When will the e-way bill provisions be implemented?

Ans. The e-way bill provisions in respect of inter-state supplies of goods shall be implemented w.e.fl[st] February, 2018. The States may choose their own timings for implementation of e-way Bill for intra-State movement of goods on any date before lstjune,2018.

Q 7. When should an e-way bill be generated?

Ans. As per Rule 138 of the CGST Rules, 2017, an e-way bill has to be generated prior to the commencement of transport of goods.

Q 8. Whether E-way bill need to be generated for all movements of goods?

Ans. E-way bill is not required to be generated in the following cases:

a) Transport of goods as specified in Annexure to Rule 138 of the CGST Rules, 2017 which is reproduced below:

S/No.	Description of Goods
1	Liquefied petroleum gas for supply to household and non-domestic?exempted category [NDEQ customers
2	Kerosene oil sold under PDS
3	Postal baggage transported by Department of Posts
4	Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
5	Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71)
6	Currency
7	Used personal and household effects
8	Coral unworked [0508) and worked coral [9601)

b) Goods being transported by a non-motorised conveyance;

c) Goods being transported from the port, airport, air cargo 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 rule 138(14) (d) of the SGST Rules, 2017 of the concerned State.

e] where the goods, other than de-oiled cake, being transported are specified in the Schedule appended to notification No. 2/2017- Central tax [Rate] dated the 28th June, 2017

f) where the goods being transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel; and

g) where the goods being transported are treated as no supply under Schedule III of the Act.

Q 9. Whether an e-way bill is to be issued, even when there is no supply?

Ans. Yes. Even if the movement of goods is caused due to reasons others than supply, the e-way bill is required to be issued. Reasons other than supply include movement of goods due to job-work, replacement under warranty, recipient not known, supply of liquid gas where quantity is not known, supply returns, exhibition or fairs, for own use, Sale on approval basis and others etc.

Q 10. Who should generate e-way bill?

Ans. An e-way bill contains two parts- Part A to be furnished by the registered person who is causing movement of goods of consignment value exceeding Rs. 50,000/- and part B [transport details) is to be furnished by the person who is transporting the goods.

Where the goods are transported by a registered person-whether as consignor or recipient, the said person shall have to generate the e-way bill (by furnishing information in part B on the common portal) Where the e-way is not generated by registered person and the goods are handed over to the transporter, for transportation of goods 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.**

In a nutshell E-way bill is to be generated by the **consignor or consignee** himself (if the transportation is being done in own/hired conveyance or by railways by air or by Vessel) or the **transporter** (if the goods are handed over to a transporter for transportation by road]. Where neither the consignor nor consignee generates the e-way bill and the value of goods is more than Rs. 50,000/- it shall be the responsibility of the transporter to generate it.

In case the goods to be transported are supplied through an e-commerce operator, the information in Part A may be furnished by such ecommerce operator.

Q11. Who has to generate E-way bill in case of transportation of goods by rail, air or vessel?

Ans. The registered person, being the supplier or recipient, is required to generate E-way Bill by furnishing the information in part B of the E-Way bill viz transport document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number].

Q 12. Who causes movement of goods?

Ans. The movement of goods can be caused by the supplier, if he is registered and he undertakes to transport the goods. In case the recipient undertakes to transport or arrange transport, the movement would be caused by him.

In case 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.

Q 13. Is there any time gap allowed between furnishing information in Part-A and updating transport details in Part-B?

Ans. On furnishing of Part-A, a unique number will be generated on the portal which shall be valid for 72 hours for updation of Part B of FORM GST EWB-01.

Q 14. Is it mandatory to generate e-way bill? What if not done? What are the consequences for non-issuance of e-way bill?

Ans. It is mandatory to generate e-way bill in all cases where the value of consignment of goods being transported is more than 50,000/- and it is not otherwise exempted in terms of Rule 138(14) of CGST Rules, 2017.

Further no e-way bill is required to be generated in respect of goods being transported by a non-motorised conveyance; goods being transported from the port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs; and in respect of movement of goods within such areas as are notified under rule 138(14) (d) of the SGST Rules, 2017 of the concerned State.

If e-way bills, wherever required, are not issued in accordance with the provisions contained in Rule 138, the same will be considered as contravention of rules. As per Section 122(l)(xiv) ofCGSTAct, 2017, a taxable person who transports any taxable goods without the cover of specified documents (e-way bill is one of the specified documents] shall be liable to a penalty of Rs. 10,000/- or tax sought to be evaded (wherever applicable) whichever is greater. Moreover, as per

Section 129(1) ofCGSTAct, 2017, where any person transports any goods or stores any goods while they are in transit in contravention of the provisions of this Act or the Rules made thereunder, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure.

Q 15. Is e-way bill required when the goods are supplied by an unregistered supplier?

Ans. 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 movement of goods. The recipient shall be liable to generate e-way bill.

There could be three possibilities as below:

Situation	Movement caused by	Impact
Recipient is unknown	Unregistered person	E-way bill **not required;** However, the supplier has an option to generate e-way bill under "citizen" option on the e-way bill portal
Recipient is known and is	Unregistered person	E-way bill **not required;** unregistered However, the supplier has an option to generate e-way bill under "citizen" option on the e-way bill portal
Recipient is known and is registered	Deemed to be caused by the Registered recipient	Recipient to generate e-way bill

Q 16. What are the reasons for transportation to be furnished in the part A of e-way bill?

Ans. E-way bill is to be issued for movement of goods, irrespective of the fact whether the movement of goods is caused by reasons of supply or otherwise. The format for GST EWE-01 lists ten reasons for transportation viz Supply, Export or Import, Job Work, SKD or CKD, Recipient not known, Line Sales, Sales Return, Exhibition or fairs, for own use and Others, one of which can be chosen.

Q 17. Whether an unregistered transporter need to compulsorily enroll on the e-way bill system?

Ans. Yes, in terms of Rule 58 of the CGST Rules, 2017 read with section 35(2) of the CGST Act, 2017, a transporter and operator ofgodown or warehouse, if not already registered, shall have to enrol on the common portal by filing GSTENR-01.

The transporter enrolled in any one State or UT shall be deemed to be enrolled in other States as well. The unregistered transporter gets a transporter Id when he enrols on the system.

Q 18. What is invoice reference number?

Ans. 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.

In the above case, the registered person will not have to upload the information in Part A **of FORM GST EWB-01** for generation of e-way bill and the same shall be auto-populated by the common portal on the basis of the information furnished in **FORM GST INV-1.**

Q19. Can the e-way bill be cancelled if the goods are not transported after generation of e-way bill?

Ans. Where an e-way bill has been generated, but goods are either not being transported or are not being 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 e-way bill.

However, if the e-way has been verified in transit in accordance with the provisions of rule 138 B of the CGST Rules, 2017, the same cannot be cancelled.

Q 20. What happens if the conveyance is changed en-route?

Ans. Where the goods are transferred from one conveyance to another, the consigner or the recipient, who has provided information in Part- A of the FORM GST EWE-01, or the transporter 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 EWE-01.

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 the conveyance in the e-way bill on the common portal in **FORM GSTEWB-01.**

Q21. Can the transporter assigned by a supplier or recipient further re-assign the e-way bill to another transporter?

Ans. The consignor or the recipient, who has furnished the information in Part-A, or the transporter, may assign the e-way bill number to another registered or enrolled transporter for updating the information in Part-B for further movement of consignment.

However once the details of the conveyance have been updated by the transporter in Part B of FORM GST EWE-01, the consignor or recipient, as the case maybe, who has furnished the information in Part-A of FORM GST EWE-01 shall not be allowed to assign the e-way bill number to another transporter.

Q22. How does transporter come to know that particular e-way bill has been assigned to him?

Ans. The transporter comes to know the EWBs assigned to him by the taxpayers for transportation, in one of the following ways:

- The transporter can go to reports section and select 'EWE assigned to me for trans' and see the list.
- The transporter can go to 'Update Vehicle No' and select 'Generator GSTIN' option and enter taxpayer GSTIN, who has assigned or likely to assign the EWBs to him.
- The tax payer can contact and inform the transporter that the particular EWB is assigned to him.

Q23. How does the supplier or recipient come to know about the e-way bills generated on his GSTIN by other person/party?

Ans. The supplier or the recipient can view the same from either of the following options:

- He can view on his dashboard, after logging on to the system;
- He can go to reject option and select date and see the e-way bills generated on his GSTIN by others.
- He can go to report section and see the 'EWBs by other parties'.
- He will get one SMS everyday indicating the total e-way bill activities on his GSTIN.

Q 24. How does the tax payer become transporter in the e-way bill system?

Ans. To change his position from supplier or recipient to transporter, the tax payer has to select the option 'Register as Transporter' under registration and update his profile. Once it is done, the system changes tax payer as transporter.

Q25. How many times can Part-B or Vehicle number be updated for an e-way bill?

Ans. The Part-B (Vehicle details) can be updated as many times as one wants for movement of goods to the destination. However, the updating should be done within the validity period and at any given point of time, the vehicle number updated should be that of the one which is actually carrying the goods. The validity of e-way bill is not re-calculated for subsequent entries in Part-B.

Q 26. What is the concept of acceptance of e-way bill by the recipient?

Ans. The details of e-way bill generated shall be made available to the-

(a) supplier, if registered, where the information in Part A of FORM GST EWB-01 has been furnished by the recipient or the transporter; or

(b) recipient, if registered, where the information in Part A of FORM GST EWB-01 has been furnished by the supplier or the transporter, on the common portal, and the supplier or the recipient, as the case maybe, shall communicate his acceptance or rejection of the consignment covered by the e-way bill

In case, the person to whom the information in Part-A is made available, 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.

Q27. What happens if multiple consignments are transported in one conveyance?

Ans. Where multiple consignments are intended to be transported in one conveyance, the transporter may indicate the serial number ofe-way bills generated in respect of each such consignment electronically on the common portal and a consolidated e-way bill in FORM **GST** EWE-02 may be generated by him on the common portal prior to the movement of goods.

The various situations where multiple consignments are transported in one conveyance may be as under:

Situation	Impact
Multiple consignments in one conveyance; all more than Rs. 50000/-; and the consignor has generated e-way bill for all the consignments.	A consolidated e-way bill in **FORM GST EWE-2** may be generated on the common portal prior to the movement
Multiple consignments in one conveyance; all more than Rs. 50000/-; but the consignor has not generated e-way bill	Transporter shall generate individual **FORM GST EWE-01** and may also generate consolidated e-way bill **FORM GST EWE-02**
Multiple consignments in one conveyance; a few less than Rs. 50000/- and e-way bill not generated for these consignments [less than Rs. 50,000/-)	Transporter shall generate **FORM GST EWB-01** [for consignments of value more than Rs. 50000/-) and may generate e-way bill for consignments less than Rs. 50,000/-; and may also generate consolidated e-way bill **FORM GST EWE-02**

Q28. Many distributors transport goods of multiple customers and know the details of the requirement only at the time of delivery? What to do if name of the consignee is not known?

Ans. Such movement of goods would be for reasons other than supply. The reasons for transportation will have to be mentioned in the Part A of the e-way bill.

Q 29. What is the validity period of e-way bill?

Ans. The validity ofe-way bill remains valid for a time period which is based on distance to be travelled by the goods as below:

Distance	Validity Period
Less than 100 Km	One day
For every 100 km thereafter	Additional one day

Q 30. What is a day for e-way bill? How to count hours/ day in e-way bill?

Ans. This has been explained in Rule 138(10) ofCGST Rules, 2017. 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.

Q 31. Can the validity period of e-way bill be extended?

Ans. In general No. However, Commissioner may extend the validity period only by way of issuance of a notification for certain categories of goods which shall be specified later.

Also, if 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 GST EWB-01.

Q 32. What is the validity period of consolidated e-way bill?

Ans. A consolidated e-way bill has no separate validity and will be governed by the underlying validity period of the individual e-way bills.

Q 33. Can a e-way bill be modified?

Ans. No. Part-A of an e-way bill once generated, cannot be modified. However, Part-B can be updated as many times as the transport vehicle is changed within the overall validity period. The validity period is not changed when the Part-B is updated.

Q 34. Is it necessary to feed information and generate e-way bill electronically in the common portal?

Ans. Yes. The facility of generation and cancellation of e-way bill is also available through SMS.

Q35. What is EBN? Who gives it?

Ans. 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. The common portal will generate the EBN.

Q 36. Whether e-way bill generated in one state is valid in another state?

Ans. Yes it is valid throughout the country.

Q 37. What if one consignment, is transported in CKD/ SKD condition in multiple transport vehicles?

Ans. As per Rule 55(5] of the CGST Rules, 2017, in such cases, the supplier shall issue the complete invoice before dispatch of the first consignment and shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice Each such subsequent consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and the original copy of the invoice shall be sent along with the last consignment Every consignment shall also be accompanied with a separate e-way bill.

Q 38. Can a transport vehicle be intercepted?

Ans. Yes, 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 inter-State and intra-State movement of goods.

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

Q39. Are there any checks and balances on excessive use of power of interception of vehicles and inspection of goods?

Ans. A summary report of every inspection of goods in transit shall be recorded online on the common portal by the proper officer in Part A of FORM GST EWE-03 within twenty-four hours of inspection and the final report in Part B of FORM GSTEWE-03 shall be recorded within three days of such inspection.

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

Q 40. What is the responsibility of transporters, owners or operators of godown or warehouse?

Ans. As per section 35(2) of the CGST Act, 2017, every owner or operator of warehouse or godown or any other place used for storage of goods and every transporter, irrespective of whether he is a registered person or not, shall maintain records of the consigner, consignee and other relevant details of the goods in such manner as prescribed in rule 58 of the CGST Rules, 2017.

Q 41. What has to be done by the transporter if consignee refuses to take goods or rejects the goods?

Ans. The transporter can get one more e-way bill generated with the help of supplier or recipient by indicating supply as 'Sales Return' and with relevant document details and return the goods to supplier.

Q42. What are the documents to be carried by the person in charge of a conveyance while transporting goods?

Ans. 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 (RFID) embedded on to the conveyance in such manner as may be notified by the Commissioner.

Q43. What are RFIDs?

Ans. RFIDs are Radio Frequency Identification Device used for identification. The Commissioner may require RFIDs to be embedded on to the conveyance in such manner as may be notified. The Commissioner shall get RFID 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 e-way bill has been mapped with the said device.

Q 44. Is it necessary that the e-way bill has to be mapped to a RFID device?

Ans. It is optional. However, 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 Device prior to the movement of goods.

Q 45. Are there any special situations where e-way bill needs to be issued even if the value of the consignment is less than Rs. 50,000/-?

Ans. As per the provisos to Rule 138(1) of CGST Rules, 2017, 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 have to be generated by the principal irrespective of the value of the consignment. Also, where handicraft goods are being transported from one State to another by a person who has been exempted from the requirement of obtaining registration, the e-way bill shall have to be generated by the said person irrespective of the value of the consignment.

Q 46. Can a tax payer update his business name, address, mobile number or e-mail id in the e-way bill system?

Ans. No. EWB System will not allow tax payer to update these details directly. The taxpayer has to change these details at GST Common portal from where it will be updated in EWB system.

Q 47. What are the modes of e-way bill generation?

Ans. The e-way bill can be generated through multiple modes viz the common portal for e-way bill or Using SMS based facility or Android App or Site-to-Site integration or GSP (Goods and Services Tax Suvidha Provider].

For using the SMS facility, a person has to register the mobile numbers through which he wants to generate the e-way bill on the e-way bill system.

For using Android App, the tax payer has to register the EMEI numbers of the mobiles through which he wants to generate the e-way bill on the e-way bill system.

For site to site integration, the APIs of the e-way bill system have to be used for integrating the system.

Q 48. What is the role of sub-users in e-way bill system? How can sub-users be activated?

Ans. A taxpayer can create sub-users in the e-way bill system and assign specific roles to them like generation of EWB or rejection or report generation activities based on requirements. This helps the large firms with multi locations/shifts to distribute work.

Q 49. Whether information submitted for e-way bill can be used for filing GST Returns?

Ans. The information furnished in the Part-A of E-way bill shall be made available to the registered supplier on the common portal who may utilize the same for furnishing details in GSTR-1.

Q 50. Whether individuals while shifting their personal belongings will have to generate E-way bill?

Ans. No. Used personal and household effects are specifically exempted from the requirement of E-way Bill as explained in Q 8 above.

Disclaimer: The FAQs on E-Way Bill have been compiled by NACIN and are for training and academic purposes only. The information is intended only to provide a general overview and is not intended to be treated as legal advice or opinion. For greater details, you are requested to refer to the respective CGST/SGST/UTGST/IGST Acts and Rules.

Source : *National Academy Of Customs, Indirect Taxes And Narcotics (Nacin)*

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RELEVANCE OF INNOVATIVE SCM TECHNOLOGY IN SHIP BUILDING INDUSTRIES – AN INDIAN PERSPECTIVE

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Abstract: Successful management of extreme market and demand changeability has become the new mantra of supply chain managers around the world. Today's technology based innovations enable multiple supply chain partners along the value chain to perfectly interact in the joint design, manufacture, delivery and service of complex customer orders, making supply chain executives everywhere to face some tough challenges (PwC, 2013). In the present paper, an innovative Supply Chain Management technology in Garden Reach Shipbuilders & Engineers Ltd., Kolkata (GRSE Ltd.) is considered by introducing light weight material, substituting conventional steel for manufacturing the ship hull and some statistical analyses using IBM-SPSS software has been performed to validate the innovation for motivating the future business.

Introduction: The 'Innovations in Sourcing' include make use of environment-friendly product, process design and supplier cooperation for "green purchasing", "reverse logistics" and "green supply chains" (Mitra, Datta, 2013). 'Innovation in Manufacturing Process' is the modification at any level of production. Global Best Practices for Innovation in Manufacturing in the field of Shipbuilding incorporates Lean Manufacturing, Ship Production Management and Best Practice Build Strategies (Chhabra, 2015). 'Innovation through Technology' involves change in the manufacturing process through implementing a different technology, usually away from the conventional method (IBEF, 2012). This will help in improving performance with better utilization of the existing assets (EIBoI, 2010). **'**Management Innovation' covers beginning of a new method for carrying out business since the proper management of shipyards would improve their productivity and track record on quality and delivery of the vessels (EIBoI, 2010).

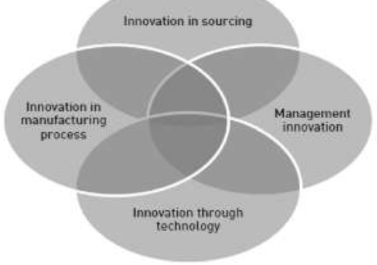

Fig.1: Innovation Activities to Drive Future Business

In our present study, we will implement the Innovative SCM Technology in Indian Ship Building Industries by replacing the material of forward bow part of ship by light weight material instead of conventional steel, an attempt for 'Innovation through Technology'.

The Null & Alternative Hypothesis:

Null Hypothesis (H_0): Innovation activities in Supply Chain Management (SCM) do not influence the drives for future business in case of Indian Ship Builders against,

Alternative Hypothesis (H_1): Innovation activities in Supply Chain Management have impact on the drives for future businesses for the Ship Builders in India.

Reliability Analysis: Cronbach's Alpha

Table – 1: Reliability Statistics

Cronbach's Alpha	No. of Items
0.744	21

The overall score of Cronbach Alpha value is considered as an acceptable value (since greater than 0.70). This in turn confirms the internal consistency among the variables - service qualities of light weight materials in replacement of conventional steel in shipbuilding industries and the customer's (Indian Navy & the associated expert) opinions about the service delivered to them.

Factor Analysis - KMO (Kaiser-Meyer-Olkin) and Bartlett's test:

Now a Factor Analysis is performed to reduce a large number of variables resulting in data complexity to a few manageable factors. Selection of factor based on the Kaiser as well as Bartlett's test criterion was performed using Principal Component Analysis with VARIMAX rotation.

Table – 2: KMO and Bartlett's Test in Factor Analysis

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.697
Bartlett's Test of Sphericity	Approx. Chi-Square	49.182
	df	15
	Sig.	.000

Here, the value of KMO is 0.697. Barlett's test value is also significant ($p < 0.001$). Hence, we can proceed with Factor Analysis.

Rotation of factors helps in the better interpretation of factors. Before rotation, Factor 1 accounted for considerably more variance than the remaining five (26.7% in percentage of Variance under Extraction Sums of Squared Loadings column), however after rotation it accounts for only 16.7% of variance.

Now, to find the total variance, principal component extraction method was used. The initial number of factors was 21, but after extraction, only the first six factors were retained, since their Eigen values found were greater than 1.0.

Table – 3: Total Variance Explained in Factor Analysis

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.617	26.748	26.748	5.617	26.748	26.748	3.514	16.735	16.735
2	2.686	12.790	39.538	2.686	12.790	39.538	3.315	15.788	32.523
3	2.354	11.210	50.747	2.354	11.210	50.747	3.033	14.441	46.964
4	1.959	9.327	60.074	1.959	9.327	60.074	2.261	10.769	57.733
5	1.791	8.527	68.602	1.791	8.527	68.602	1.943	9.253	66.986
6	1.287	6.131	74.732	1.287	6.131	74.732	1.627	7.746	74.732
7	.973	4.634	79.366						
8	.852	4.058	83.424						
9	.783	3.727	87.151						
10	.588	2.801	89.953						
11	.428	2.038	91.991						
12	.417	1.986	93.977						
13	.328	1.563	95.540						
14	.251	1.197	96.737						
15	.201	.959	97.696						
16	.156	.743	98.439						
17	.145	.691	99.131						
18	.093	.444	99.575						
19	.048	.227	99.802						
20	.034	.162	99.964						
21	.008	.036	100.000						

Extraction Method: Principal Component Analysis.

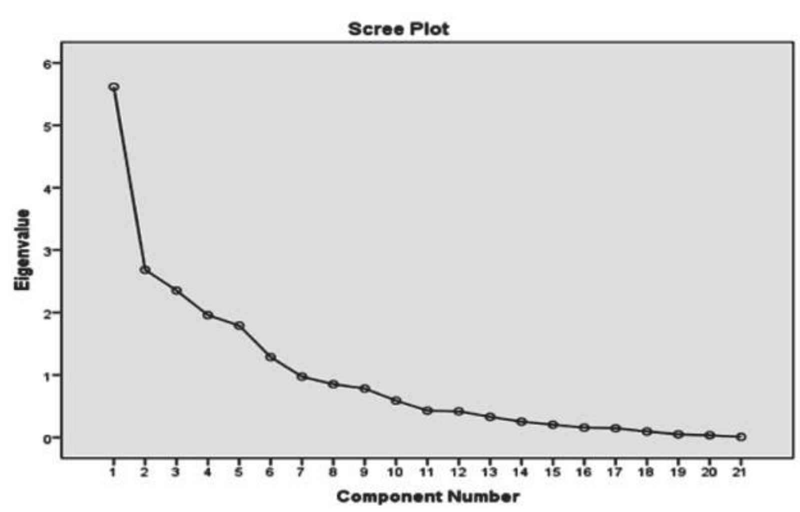

Fig. 2: Eigen Values vs. Component Numbers or Scree Plot Diagram

The above graph represents the Eigen values plotted against the corresponding factor. An almost flat line is observed in the Scree Plot diagram from the tenth factor onwards indicating that each successive factor is accounting for smaller variation in the data.

Table – 4: Rotated Component Matrix in Factor Analysis

	Component					
	1	2	3	4	5	6
1. Reduced_Fuel_Consumption	-.044	-.092	.881	-.026	.092	-.158
2. Reduced_Noise_and_Vibration	-.178	-.309	.652	.419	-.082	.101
3. Reduced_Starting_Friction_of_Rotor	.052	-.178	.469	-.637	-.030	-.324
4. Reduced_Environmental_Emission	.006	.218	.748	-.114	-.096	.355
5. Strong_in_Specific_Direction	.033	-.101	-.011	.794	.125	.049
6. High_Strength_to_Weight_Ratio	.010	.322	-.313	-.522	.336	.091
7. Absorb_Sudden_or_Impact_Forces	.183	.808	-.050	-.089	-.341	-.097
8. Stronger_than_Steel	.295	.768	-.194	.170	-.099	-.072
9. Reduce_Life_Cycle_Cost	-.225	.397	.091	.752	-.032	-.168
10. Not_Rust_like_Metal	.704	.433	.204	.197	-.051	.254
11. Painted_to_Protect_Structure	.571	.228	.066	-.020	.526	.033
12. Lowered_Maintenance_Cost	.298	.638	-.035	-.171	.272	.206
13. Easily_Molded_into_Complicated_Shapes	.810	-.187	-.084	-.120	.243	-.141
14. Low_Friction_Coefficient_and_Self_Lubricating_Property	.584	.312	-.536	-.170	-.165	.056
15. Ease_to_Combine_with_Other_Materials	.716	.353	-.005	-.100	-.128	.219
16. Superior_to_Individual_Materials	.647	.361	-.348	-.113	.113	.081
17. Retain_Shape_and_Size	.632	-.024	-.561	.040	.040	-.297
18. Better_in_Tight_Fit_Situations	-.045	.745	.023	.126	.404	-.186
19. Highly_Resistant_to_Bending_or_Twisting	.227	.069	-.336	.090	.693	-.378
20. Lower_Cost_by_Prior_Knowledge	-.021	-.079	.109	-.005	.740	.127
21. Overall_Score_of_Present_Satisfaction	.110	-.135	.049	.051	.037	.916

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 12 iterations.

The service qualities like 'Not Rust like Metal', 'Easily Molded into Complicated Shapes' and 'Ease to Combine with Other Materials' are loaded strongly on Factor 1, which can be placed under the **'Tangible'** dimension. Service qualities like 'Absorb Sudden or Impact Forces', 'Stronger than Steel' and 'Better in Tight Fit Situations' are loaded strongly on Factor 2, which can be placed under the **'Responsiveness'** dimension. Factor 3 contains 'Reduced Fuel Consumption' and 'Reduced Environmental Emission' qualities with strongly loading and can be placed under the **'Reliability'** dimension. Service qualities like 'Strong in Specific Direction' and 'Reduce Life Cycle Cost' are loaded strongly on Factor 4, which can be placed under the **'Service Assurance'** dimension. 'Highly Resistant to Bending or Twisting' and 'Lower Cost by Prior Knowledge' qualities are strongly loaded on Factor 5 and hence Factor 5 can be placed under the **'Competence'** dimension and finally, Factor 6 is strongly loaded by the **'Overall Score of Present Satisfaction'** alone.

The table below (Table 5) enlists the final list of six factors, which collectively accounts for 74.73% of the variance (Table 3 - cumulative % under Rotation Sums of Squared Loadings column). The gathering of items/ different service qualities of light weight material on six different factors shows that there is an evidence for validity of the items. Based on respondents opinions on overall factors, factor analysis was done and subsequently all the key factors were tested for reliability subsequently.

Table – 5: Table showing Service Quality loading % on Individual Combined Factors

Component Factor Sl. No.	Amalgamated Factors	Corresponding Factor Loading
1.	Tangible	(0.704+0.810+ 0.716) /3 = 0.743
2.	Responsiveness	0.774
3.	Reliability	0.815
4.	Service Assurance	0.773
5.	Competence	0.717
6.	Overall Score of Present Satisfaction	0.916

Discussion: This in turn will accept our alternative hypotheses i.e. "light weight materials' service quality dimensions have significant positive impact on the overall customer's present satisfaction", having highest value of factor loading on Factor Sl. No. 6 in the above table (Table 5). Thus Innovation activities in Supply Chain Management (Innovation through Technology discussed in the present paper) are significant in the Ship Builders in India. The approach presented in this study would also help the end users associated with the shipbuilding procedures in India in the field of Supply Chain Management to facilitate drives for the future businesses.

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LEAN &GREEN REVOLUTION – A TREND WHICH HAS REVOLUTIONIZED THE PRODUCTION METHODS AND SHOULD BE SUBSEQUENT APPROACH TOWARDS ENVIRONMENT

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"The Earth does not belong to us, we belong to the Earth." - Chief Seattle

The world is getting smaller and this increased proximity has amplified the competition in the global market. In this volatile market, continuous improvement and sustainability are the only keys to clear the roads ganged up with obstacles and bumpers. It is more about improving on the factors that slow you up in your journey to achieve the ultimate goal.

'LEAN' manufacturing has been an important tool in improving operational performance of the organization, leading them to excellence. Operational Excellence is concerned with continuously improving the quality of goods and services, reducing the costs, increasing speed and enhancing flexibility to achieve competitive superiority and to maximize the profit of an organization.

Objectives of Lean Manufacturing

a. Improved products and services for a better world
b. Efficient energy saving controls
c. Safe and Secure operations
d. Regulatory compliances
e. Increase market opportunities
f. Enhanced brand name and value
g. Improvementin operational efficiencies

Green Manufacturing : Green manufacturing is a part of manufacturing process that minimizes the environmental wastes and the harm caused by it. LEAN manufacturing is an excellent and effectively improvised tool that rallies the group of people into a high performing team and concisely focuses on eradicating the larger amounts of wastes generated through the manufacturing processes. It also diversifies and cuts through the sacks of problems coming in way of sustainable and green productivity.

Environmental wastes are the unnecessary substances that are released into the air, water or land that can create a negative impact on human and social health or harm the environment. The larger amount of wastes is a symptom of inefficient production and is considered to be a major roadblock in the road to success. They also hamper the production processes and add an extra burden on the organization of increased costs. Moreover, the manufacturing unit also consumes the precious time that could have been used in creating a more viable product for the clients within the deadline.

Though LEAN strategies and tools are used as a method to achieve excellence, there may be some flaws in its implementation and opportunities to prevent or reduce environmental wastes might be overlooked sometime creating a hole in a perfectly pattered farm. Cost savings, increased and improved productivity and precise and better utilization of raw materials being the most obvious advantages of LEAN manufacturing. LEAN coupled with green helps in managing the green wastes produced through the production processes.

Following are the 5 environmental wastes with the acronym WASTE:

1. Water: leaks, waste streams from processes
2. Air: evaporation of chemicals, dust, particulates
3. Solid Waste: filters, excess material scrap
4. Toxic/Hazardous Waste: solvents, process residuals
5. Energy: machinery on when not in use, heat loss, oversized motor

Just like LEAN wastes, green wastes are also of seven types. Below is a list of the same.

1. Energy–Waste of energy is one of the most serious and most noisy of all the green wastes of manufacturing.It is caused by overproduction of the goods than the customer is willing to buy. It is very obvious that more production will require more energy and resource to process them. Thus, ultimately leading to waste of energy that adds nothing to the product in the manufacturing processes.

2. Water Usage and Pollution – Water is a very important raw material and a very valuable resource in the manufacturing process of any kind of product. Overproduction also creates waste of water resources in the manufacturing plants without creating a viable value. Moreover, the wastes generated through the manufacturing processes are usually dumped in the water bodies which ultimately pollute them and also degrade the aquatic life of that particular river or pond.

3. Direct material (non-biodegradable) – Direct materials are non biodegradable in nature. They are caused as a result of a global design flaw which refers to the controls and processes designed for virgin raw materials for obsolescence and to end up in landfills. Direct material wastes are one of the most overlooked kinds of wastes that is still being produced due to the improper ways of manufacturing and production in various industries and sectors.

4. Emissions – Waste of emission is one of the most harmful wastes that have affected the environment. Paying to create and discharge excessive amounts of toxic wastes and pollutants has created a ruckus of what we believed as a healthy environment. Emissions have had a very adverse impact on the environment and ecology. The recent smog crisis in Delhi and the NCR region is one of the latest examples of environmental pollution caused by emissions.

5. Garbage (landfill) – Garbage is another kind of waste that is produced in manufacturing. It refers to something that you will pay for only to end up throwing it away. Garbage is something that creates a negative paradigm shift and below the line environmental impacts to create and produce and then paying again to have it taken away to a landfill. It is one of the most underrated wastes of all the seven wastes of Green manufacturing.

6. Transportation –Transportation is the movement of products from one location to another. It acts as a complete waste as it does not add any kind of value to the processes as well as the product. No client would want to pay for a process that does not add value to his products.

This waste of transport can create a hole in the pockets of the organizations as it needs manpower to control the entire process and usage of heavy and expensive equipments and machinery like trucks and fork trucks to make the transportation possible.

7. Bio-diversity (ecological damage) – Bio-diversity is destroyed in a number of ways and is one of the most hampering and cumbersome kind of green wastage. It refers to the incurring costs to destroy the bio-diversity that results in the large negative impacts on the environment. It also destroys the habitats of various animals and is also responsible for disturbing the ecological balance.

Green waste identification : Green waste identification refers to the recycled waste materials which are either generated during the extraction of raw materials, processing of raw materials, intermediate processes and final products or the consumption of final products.

Green waste management is intended or directed towards reducing the adverse effects of wastes on environment or health and aesthetics. The value of the business should be gained from its processes that are able to use the natural resources efficiently. Also, by introducing the green waste management processes, the aim of the company or organization should be on building a world in which the use of the resources are managed to meet the needs of all people for now and the future.

Green waste management hierarchy : The main aim of green waste management hierarchy is to make the maximum use of the resources to create an optimum product by generating the minimum amount of wastes.

- **Tools and Techniques (5 R's techniques)**

a) Recover : Even the garbage can be used in a different form and hence, recover is one of the most underrated techniques of green waste management. For example, turning wastes into a high quality fertilizer using vermicompost or any other composting system is a great example of recovering technique.

b) Recycle : Recycle has recently caught a lot if eyeballs in the processing of green wastes. Recycling garbage into new products is ultimately going reduce the landfill volume and will subsequently impact the waste generation.

c) Reuse : Reuse refers to making the most use of any material before it is dumped into garbage. Reusing is not only limited till the material is in its original form, it can also be used by someone else if the retainer cannot find any other use of it.

d) Reduce : Reducing is a process of producing less waste so that one is able to generate and dump less garbage and waste products into landfills or other waste management system polluting the environment. It is one of the most effective and easy ways to manage waste and can be started whenever one wants to.

e) Refuse : Refusing will clear and eliminate most of your trash. The more we accept the products wrapped in plastics or freebies and bargains, the more we generate the scope of producing unsustainable waste products. One must avoid the purchasing of environmentally burdensome materials or products whenever possible.

Benefits

1. Recycling save energy
2. Conserves natural resources
3. Limits pollution
4. Supports several sectors of the economy
5. Reduces total costs within the supply chain
6. Improves disaster recovery protection
7. Cost savings for business and consumer as a reusable product
8. Improves competitiveness in the industry

Green Value Stream Mapping : Value stream mapping plays a very important role in green manufacturing. It is very important tool that visualizes the amount of wastes that will be generated during the production processes in a manufacturing unit. Hence, Value Stream Mapping

(VSM) is focused into Environmental Value Stream Mapping (EVSM).

Green Value Stream mapping is an integrated preventive environmental strategy applied to all the processes, products and services to increase the overall efficiency and reduce risks to humans and the environment. It also refers to the designing and managing of products and processes to reduce the volume and toxicity of wastes and materials, conserve and recover all resources and not bury or burn them.

Green production system requires efficient production and low use of resources such as energy, material etc. It can be achieved if there is a need for further development of continuous improvement tools in the 'lean and green' area. This can work wonders with environmental value stream mapping.

Why Green Value Stream Mapping?

Green value stream mapping is a must implement tool that can be present as a control in the production units and processes.

1. It helps in emulsifying Value Stream focus and reduces the negative impacts on sites and surroundings for example on air, soil, groundwater, flora and fauna etc.
2. Green Value Stream Mapping is basically oriented towards product families. It has a pretty decent global impact as well in terms of rate of using energy and raw materials as well as rate for waste environmental assimilation.
3. It focuses on customer demand and helps in improving the end customer i.e. environment.

Environment Value Stream Mapping (EVSM) : Like Value Stream Mapping, Environment Value Stream Mapping also plays a very important role in green manufacturing. Moreover, it also has the additional continual improvement elements as its characteristic that enhances its efficiency and effectiveness.

EVSM covers the environmental issues and the usage of material and resources that has been added to the established Value Stream Mapping tool. Also, EVSM adds the data for raw material and usage of the resources to the VSM.

Both Value Stream Mapping and EnvironmentalStream Mapping can be integrated together and can be offered simultaneously to the clients in the journey of operation management to reduce the amount of waste as well as the pollution levels.

The mass and energy of a VSM will not be divide by all the products of a family or between various product families, but will create an impact on the end product and customer i.e. environment. Integrating VSM and EVSM in the manufacturing processes is ultimately going to create an impact on the productivity and will certainly increase the profits and margins of the company.

Energy Value Stream Mapping (En-VSM) : Energy Value Stream Mapping is a very important tool that has the information and data about energy process of each process items as well as its regular lean data in the value stream mapping. It contains the information of the processes and the energy usage of each element of the process to developer of the processes.

Apart from these, there are some other environment strategies as well. Below are the strategies listed:

a) Passive Environmental Strategies – Dilute and disperse
b) Reactive Environemtnal Strategies – End-of-pipe approaches
c) Reactive Environemental Strategies – On-site recycling
d) Proactive Environemental Strategies – Reduce, Reuse, Recycle -> Green Waste Identification

Prevention of waste generation

1. Introducing good housekeeping
2. Input substitution
3. Implementing better process control
4. Equipment modification
5. Change in technology and its usage
6. Reuse or On-site recovery of the materials
7. Production of a useful by-product
8. Product modification

Why Go Green?

Going green is a growing trend that has been proved to be quite beneficial for the manufacturing industry. Manufacturing industry has seen a lot of transformation and change in perspective for the 'go green' movement lately. Below are some of the reasons and incentives that are the indicted advantages of going green.

1. Regulatory Compliance : Many governments are now implementing new amendments and bills to reduce and curb the emissions of Greenhouse Gases (GHG). Enactment of a number of stringent regulations has now become a trend all across the globe. As a result of these rules and regulations, companies now must cut their emissions to meet these regulatory requirements.

· **Carbon tax**

a. In July 2010, India introduced a nationwide carbon tax of 50 rupees per ton which is less than $A1of coal which is both produced and imported in India.

b. In July 2012, Australian government implemented a new carbon pricing reform in the country which roughly covered Australia's top 500 emitters who were emitting more than 25,000 tons of carbon dioxide or supply or use natural gas.

2. Improved workplace and Corporate identity : Efforts to inculcate Green processes in a manufacturing unit also help the company to improve the workplace for the employees. It also helps in making the unit more attractive to customers, suppliers, employees, shareholders, investors and other stakeholders. Moreover, the green processes create a positive and optimistic environment and helps in improving the morale, safety and further corporate identity of the organization.

3. Cost savings : Going green does not have to be just for the sake of regulatory compliances or tax reforms. Introducing and involving green methods in the manufacturing processes can have a very huge impact on the bills and costs of the organizations as well. In fact it has been proved in many researches as well that green methods can result in significant cost savings. Energy bills, water bills, packaging material costs and using eco-friendly raw materials could result in substantial cost savings.

For example, in an interview, former CEO of Walmart, Lee Scott said that Walmart could save more than $52 million in a yearwith just a 'one mile a gallon' improvement in gas mileagefor its fleet while reducing carbon di-oxide emissions.

4. Planet sustainability : Non-renewable resources such as oil, gas, coal, petrol etc. are finite in quantity, no matter how abundant they are in terms of minerals on the planet. Also, more than one billion people in the world are still facing scarcity of safe and clean water. Unattended methods of manufacturing have also resulted in the rise of global temperature through emissions of harmful gases by the manufacturing plants and units.

Moreover, the increase in the demand of resources has also created an unbalance in the ecology of the planet by the means of deforestation. The rate was deforestation reached its peak and was fastest in the last century than all other previous centuries combined.

How to go green?

The manufacturing industry has been never more supportive than now for the green movement. Although, many companies are still in trouble about the process of going green. To solve the dilemma, below are some of the pointers.

1. Green Vision : Before setting foot on any journey, one needs to have a vision of his goal. Similarly, before setting foot on the journey of going green, one must have a vision of his green goal and the extent to which he is ready stretch his efforts to achieve it. Having a vision to achieve the 'Green Manufacturing' status plays a very crucial and vital role in the entire transformation journey. A well set goal helps in designing a proper plan and articulation of the process to achieve it. Moreover, it helps in remaining focused towards the goal instead of pivoting to minor obstructions that may rise during the journey.

2. Green Thinking : Think green to achieve green. Reaching the reminiscent target of being green is not an easy task and can't be achieved if you think differently rather than thinking in sync with your objectives. A paralysed thnking is always destructive. Hence, one has to be very focused about his goal and should inculcate the 'going green' aperture in his daily lifestyle and should be very conscious and aware about it.

3. Green Coaching & Training : Coaching and Training is one of the most important part of going green. Without proper education, even the costliest of resources and dashboard systems will collapse along with controls and processe that manages and regulates them. It is the core of any transformation process and works as the fouondation blocks on which the entire building of the transformation journey is build. And as the books of principles says, a lack of proper foundation, the entire building is going to collapse, the same applies here as well. Moreover, a proper training will improve the efficiency of the processes as well as of the deployed manpower and workforce .

4. Create Green Current State (CSM) & Future State (FSM) Maps : Green CSM and FSM are the two most important pillars that defines the entire 'go green' process. A self sufficient CSM is going to provide you the desired compatibility and suppport that is needed to push the boat through the finish line. At the same time, a well designed FSM will take care of the limitations and the obstacles that are bound to arise during the transformation journey. The two components also acts as a bridge in the transition period when supoprt is needed the most.

5. Implement and deploy : Once planned and design, the plan needs to be deployed precisely and accordingly, as per the requirements. A proper rollout is the final step in the journey towards green. Furthermore, as the processes couple, the role of implementation of the entire plan becomes more important as it requires more persistent and persevered efforts to keep the all the wagons on the track and running towards the goal with utmost efficiency and productivity.

Apart from these, any organization can inch towards LEAN and Green in the following eight steps:

1. Start with acquiring some knowledge about LEAN and Green. It is very important to know what these two terms actually mean. In simple words, these are the processes where more eco-friendly processes and materials are used in the manufacturing processes. This helps in reducing or eliminating the seven wastes of the manufacturing processes as well as the seven wastes of environmental.

2. Analyze and study the manufacturing units and processes that may create risks for the employees, customers, suppliers, contractors, visitors or environment. Identify the problems and manage

them subsequently.

3. Conduct operations and processes in a controlled environment with all required legislation and other requirements and demands as per the industry standards as a minimum condition.

4. Feedback and active participation of employees is an important aspect in any transformation journey. Communicate regularly with the employees and consult with them about LEAN Environment Health and Safety (LEH&S) issues. Also ask them about the improvements and progress on an individual level.

5. Strategies are the backbone of any kind of process, be it transformation or any other regular process. One needs to build new strategies and improve on the old ones. Moreover, Key Performance Indicators (KPIs) must be developed and implemented on a continual basis at appropriate targets with precision. These will help the organization in eliminating unsafe working conditions, reducing non-value wastes and in preventing environmental pollution.

6. Deadlines are always important in the manufacturing sector and many times problems arise in the organizations just to comply with the deadlines. Hence, proper equipments and resource must be provided in order to meet the targets in time.

7. A regular evaluation of the progress keeps the organization in loop of what needs to be done. One must conduct a Plan Do Check Act on continuous basis to get a review on performance and reassess the goals and targets.

8. Developing and training workforce and manpower to enhance their skills and facilitate in the procedures is also an important aspect that can help the organization in achieving the LEAN and Green status.

Benefits of GREEN Manufacturing

1. It helps in reducing energy related costs as energy and water costs has always been a prime concern for the manufacturers.

2. It focuses on reducing wastage nearly to zero, thus helping ecology and reducing pollution.

3. It helps in converting collaborative efforts into sustainable improvements. Thus, promoting and fostering a culture of teamwork and continuous improvement.

4. It supports “whole-system thinking” rather than sub-optimisation.

5. Whatever is measured or expected, gets done on implementing Green manufacturing.

6. It promotes deep study and analysis of situations and problems to reach to a suitable solution.

Faber Infinite has been a constant supporter of the green revoution and is constantly working towards the implementation and integration of green processes in the manufacturing units and facilities. With our copyrighted Organizational Transformation framework, we provide our clients with the best options for facilitating the green processes and implementing them in their production processes.

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COMMODITY INDEX

Commodities	Days’s Index	Prev. Index	Week Ago	Month Ago
Index	2590.6	2602.8	2598.2	2578.8
Bullion	4712.2	4712.2	4722.7	4693.7
Cement	1851.9	1851.9	1865.2	1898.4
Chemicals	2643.4	2643.4	2643.4	2811.7
Edible Oil	1567.6	1565.8	1570.9	1567.1
Foodgrains	2294.6	2295.1	2290.3	2244.4
Fuel	2538.1	2594.4	2571.4	2574.6
Indl Metals	1957.4	1957.4	1927.6	1919.1
Other Agricom	2195.3	2205.7	2261.5	2200.1
Plastics	1693.9	1693.9	1699.0	1682.0

Source: ETIG Database dated 23rd February 2018

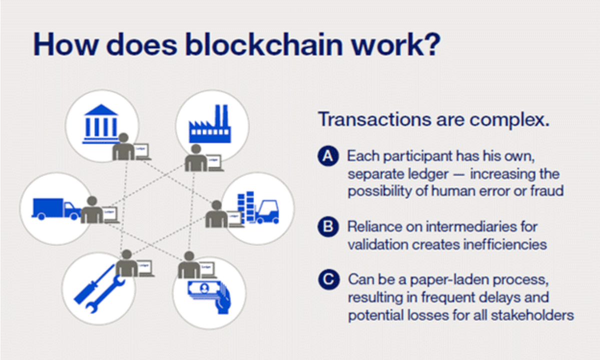
TRUST, IN THE TIME OF BLOCKCHAIN

Sometimes what is old can become radically new again. Trust is one of those concepts. As we embed trust into blockchain transactions, new transformative possibilities emerge.

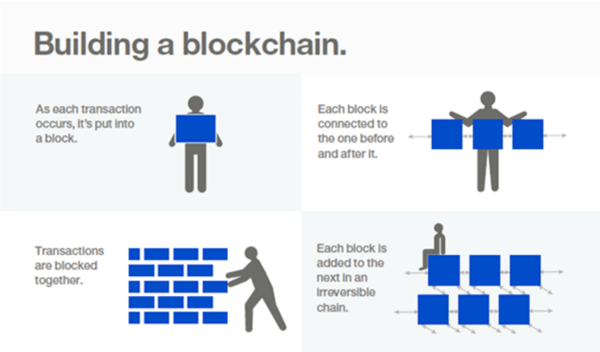
Once every while, there is a shift. A real shift that lives up to its potential – to transforms landscapes, change perspectives and usher in a new reality. Blockchain made a-not-so-quiet entry some time ago and trailing in its wake, lay the promise to revolutionize businesses and change how societies interact.

On a blockchain, data can be shared in real-time across a scalable group of individuals and institutions. Every event or transaction is time-stamped and becomes part of a long chain, or permanent record, whose facts cannot be tampered with. On permissioned blockchains, privacy can be maintained by agreements - to which parties can view which transactions— and where desired, by masking their identity.

Very simply, it alters how multi-party transactions are performed and how transactional history between counter-parties in a business blockchain network is recorded. Organizations are leveraging blockchain to fundamentally rewrite existing business models, processes, and systems, and drive greater efficiency by improving trust.



Although made famous by the cryptocurrency Bitcoin, blockchain has applications far beyond banking and finance. Around the world, organizations are adopting blockchain technology to support new business models and improve existing processes.



Government organizations are embracing blockchain to boost innovation and collaboration. Healthcare providers are using it to maintain clinical trial data, regulatory compliance and electronic medical records (EMR). Logistics managers are managing transactions in supply chains spanning thousands of miles — cutting costs and improving efficiency. Manufacturers are using blockchain to expedite their supply chain process and reduce inefficiency.

IBM is partnering with several industry majors to build the first production-grade platforms for trade and supply chain. Last month, Maersk and IBM announced the intention to establish a joint venture to provide more efficient and secure methods for conducting global trade using blockchain technology. This will bring the industry together on an open global trade digitization platform that offers a suite of digital products and integration services.

IBM, Walmart and Nasdaq-listed Chinese retailer JD.com together with Tsinghua University National Engineering Laboratory for E-Commerce Technologies, announced a Blockchain Food Safety Alliance collaboration to improve food tracking and safety in China that applies Blockchain technology for food traceability to support offline and online consumers.

Closer home, IBM has completed a proof-of-concept blockchain solution. Time-consuming and inefficient paper-based systems are now being replaced with systems that allow manufacturers to instantly see where every part sits in the supply chain at any given moment. Not only is this increasing trust, but is also saving valuable time and money as errors vanish and redundant processes disappear.

Supply chain finance is a great example where IBM is helping business realize the benefits of blockchain. But this is only the tip of the iceberg. With the potential to revolutionize nearly every industry, blockchain is only just getting started. Here are some examples of how blockchain will reinvent the way we work and live.

Create new ecosystems. As blockchain increases trust and transparency across value chains, organizations will collaborate and compete in new ways that can't yet be foreseen. As blockchain-supported value chains evolve, many intermediaries will inevitably fall away. The boundaries between industries could blur or fall away completely for new ecosystems evolve.

Democratize ecosystems— making it easier for smaller companies to prove they can be trusted. The reasons to trust can be more easily and exhaustively verified. Proving provenance on blockchains is useful for preventing everything from counterfeit semiconductors flooding the market to outbreaks of illness from contaminated foods.

Create excellent platforms for new ways of working. Another way to think of them is as springboards, capable of launching organizations in new directions. The difference between old and new business models has been described as the difference between pipes and platforms. Traditional business models are like pipes – where organizations collaborate to push goods or services out to customers. This value chain is linear, but business platforms aren't.

On platforms, producers and consumers in an ecosystem are inter-connected in ways that enable creation of value.

Better Compliance. On blockchain, data can be shared and transactions can be transparent without compromising security. Permissioned blockchains enforce identity-based policies that can constrain both access to data and network participation. This enables participating organizations to comply with data protection regulations. Permissioned blockchains are also more effective at controlling the consistency of the data that gets appended to the blockchain, allowing for more granular decision processes to be built on top of them.

Intensify collaboration. As more organizations move to platform business models, the need for open collaboration will only intensify. Blockchains can support it. Algorithms and bots can automate it, but only human beings ready to discard entrenched beliefs can make it happen.

As blockchain impacts new ways of working and networking, one constant remains. Whether you operate in a traditional market or a sharing exchange, adopt a linear value-chain approach, or participate in an ecosystem, 'trust' provides the surest foundation for success.

Discussing how blockchain will redefine the future, is IBM's Chairman, President and CEO Ginni Rometty who will host the Think Forum 2018. Scheduled to take place in Mumbai on Feb. 13 at the St. Regis Hotel, Ginni along with and other senior IBM leaders will share - how they are reacting to these disruptions and how IBM's clients are taking advantage of new technologies to gain and become the disruptors.

Three engaging sessions will discuss how CEOs are addressing the challenge, the characteristics of the Cognitive Enterprise, and IBM's Innovation Outlook, as well as a forward-looking view from IBM Research that supports the company's investments. Other key speakers include industry veterans such as; Rajnish Kumar, Chairman, State Bank of India, VishantVora, Director – Technology, Vodafone and AnupPurohit, Chief Information Office, YES Bank to name a few.

Source: The Economic Times, 8th February 2018.

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WTO UPDATE :

AZEVÊDO: MSMES ARE NOW AT THE HEART OF THE TRADE DEBATE

Speaking at the invitation of the Friends of MSMEs at a meeting on 30 January, Director-General Roberto Azevêdo said that the launch of the Informal Working Group on MSMEs (micro, small and medium-sized enterprises) was one of the highlights of the Ministerial Conference in Buenos Aires. "It is hugely impressive," he said, "that the group has now reached 88 members – drawn from all regions of the globe and all levels of development." He urged the group to remain open and inclusive, adding: "This work has come a long way in a very short space of time. Let's see how far it can go." This is what he said:

Good morning.

I am pleased to join you today. I wanted to be here briefly to congratulate you all for what you've achieved so far on this important issue. The launch of the Informal Working Group on MSMEs was one of the highlights of MC11. And it was only possible due to the hard work done by all of you — so thank you once again.

I would also like to note the excellent work done by Chile as the coordinator of the Group, and especially Ambassador Casanueva for the great energy and leadership that he has shown.

I think that the MC11 outcome on MSMEs is very important. It sends a clear message to the wider trade community. It demonstrates that a large and very diverse group of WTO members are willing to advance this work.

And it shows that members are using the WTO as a platform to discuss issues that are of pressing interest for their economies and citizens.

So I hope that you will be able to translate all this energy into an action-oriented process that can deliver meaningful steps for MSMEs. To achieve this, how the Group structures itself and moves forward in the months ahead is critical.

I welcome the focus that you are putting on this at today's meeting. I will be interested to hear how you plan to take this initiative forward.

In my view the essential point is that this work should seek to bolster our efforts at the multilateral level. We should seek to ensure that this initiative is helpful and supportive of the wider system. And I applaud the ambition of achieving a multilateral outcome on MSMEs by MC12.

To do this — and to be genuinely inclusive and supportive of the multilateral system — we need to see this ambition reflected in the process from day one. For example, I think that your discussions should already be taking into account other perspectives — including of those members that are not at the table. This will help with bringing more and more members into the conversation as you move forward.

So please retain the principles of openness, inclusivity and transparency that have guided your work so far - and continue reaching out to others. It is hugely impressive that the group has now reached 88 members — drawn from all regions of the globe and all levels of development. And your efforts here are capturing the imagination of many.

I was in Davos last week and I lost count of the number of business leaders who raised this work with me. It was being very widely discussed — together with the initiatives on e-commerce and investment facilitation. In addition, many ministers raised this work during the Swiss-organised informal ministerial gathering on Friday.

There is great interest — and so I hope that you can use the momentum that you have today. I want to support this work. And, as with any initiative from members, the Secretariat and I are at your disposal to help in any way we can. Of course there are other elements of our work this year which may help to raise awareness of MSME issues.

For example, we will continue to engage with stakeholders through the Trade Dialogues programme that we support with the ICC and B20. In addition, the Enabling e-commerce initiative that we support with the Electronic World Trade Platform and the World Economic Forum will provide a chance to discuss MSME issues as they connect to e-commerce.

And finally the WTO-ICC Small Business Champions programme will continue raising the profile of MSMEs — showcasing projects which provide them with practical support. This initiative has sparked a lot of interest. We've already announced projects for MSMEs that are being delivered by Google and Mercado Libre. And there are more to come. With all of this work in mind, I think that MSMEs are now at the heart of the trade debate — and that is where they belong. So, congratulations, once again. This work has come a long way in a very short space of time. Let's see how far it can go.

Source : www.wto.org

BUDGET 2018 INDIRECT TAXES - IMPACT FOR MATERIAL MANAGEMENT

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The first Budget since the introduction of GST was tabled on 1st Feb 2018.In the run up to Budget 2018, GST related rate changes and other amendments have been introduced by notifications with approval from GST Council. The Budget has not contained any changes in GST. With multiple Central and State taxes, including central excise and service tax being subsumed into GST, the focus was on Customs Act and Tariff, which are outside GST net. We examine first the impact of the measures to be taken in the forthcoming March meeting of the GST Council first and then the impact of the Customs changes.

GST Changes: The changes in GST presently are very frequent. The GST council is meeting regularly taking up the representations made by various trade, industry and professionals to fit the rates, remove anomalies between products, ensure an inverted duty structure to encourage manufacture in India, amend the procedural return challenges, examine the suggestions of the Joint Parliamentary committee (example on exports) etc. This very proactive council has been working professionally for ensuring GST becomes a success. Industry is expected to continue to get relief for the next year from the council. The concern areas which are likely to be amended in the coming months in GST could be numerous. The issues / main areas of change along with the impact are as under:

1. Composition scheme increasing the limits to protect the smaller traders and manufacturers, mainly catering to the final consumer. To this extent the organised industry would need to postpone or limit its expansion.

2. The deferral of the reverse charge mechanism upto 31.3.18 would probably be extended maximum for another year. This would help the smaller manufacturers, job workers and traders to slowly ease into GST in due course of time.

3. The impact study of GST on vendors could also provide vital insights for reduction in prices along with the reduced logistic costs. Vendor education can also add some value.

4. The need to ensure that the claim of taxes on stocks as on 1st July is done properly by the entity as well as vendors could also contribute towards cost optimization.

5. The goods sold in retail may need clear policy to ensure that initial taxes paid are recouped in case of discounts given later.

6. The cost of incorrect classification due to others classification canbe disastrous as demands can be at multiple levels.

7. The valuation of amortised moulds and dies and free of cost material in GST unlike VAT could also be an aspect to be examined.

8. The other aspect such as e commerce procurement (presently TCS is not applicable)

Customs Changes : The increase in customs duty rate on various products such as completely knocked down or semi-knocked down imports of commercial and passenger vehicles, mobile phones, textiles, oils of crude and edible grade, fruit juices, jewellery (including imitation), furniture, video games would lead to increase in prices of such imported goods.

A new levy called Social Welfare Surcharge @10% on aggregate duties of customs will lead to a 7% increase in impact of cess. (earlier 3%). Simultaneously on some of the inputs for specific industry like, cashew, refractories, capital goods and solar panel manufacturers the customs duty has been reduced.

The world has been the developed countries thinking of walling their countries, protecting themselves without any care for the 60% of the world living in poverty. Brexit and Trumps policies are an example. These protectionist measures are bound to have counter measures by other countries. The developing Countries like India have now started too and it is expected that customs duties would further increase year after year.

These 3 measures would increase the prices for the imported good and reduction in cost of imported inputs. This would definitely provide a fillip to the local manufacturers for the same goods. In these competitive times the impact of 5-10 % can make the difference between decision to manufacture or import. Import substitution could become a good business and innovative manufacturing would go to make "Made In India" a success story.

The procedural amendments in Customs may also have to be understood by the procurement team and exercise done diligently as 2 main concepts of provisional assessment and audit are being envisaged similar to the excise or service tax audits taken up pre GST.

Possible Impact Areas:

a) **Revision in purchase budgets:** The amount stated in the purchase budget is the amount needed to ensure that there is sufficient inventory in hand to meet customer orders. When the prices are going high due to increased customs duty, then increasing the purchase budget in terms of imported goods value can be looked into. On the other hand, if the tax impact is positive side on purchase cost due to reduced customs duty, lesser transportation time, no need to store goods in each State would decrease the purchase budget.

b) **Revision in product costing:** Product cost refers to the costs used to create a product. These costs include direct labor, direct materials, consumable production supplies, and factory overhead including taxes. The procurement costs may increase due to customs and reduce due to GST. By considering the above procurement cost organizations should revise the product costing to be competitive.

c) **Compare pricing by foreign vs domestic vendors**: Relook at the list of approved vendors and plan for the procurements post the customs rate changes, by comparing the domestic prices vs the prices for imported goods.

   Get quotes from several vendors within India and compare prices with foreign suppliers. Place order to vendor who offers the same/similar indigenous product of same quality at lesser effective price**[price net of input tax credit of taxes of IGST paid on imports/GST paid on local purchases paid]** than imported product.

d) **Procurement decision and input tax credit:** Remember that the input tax credit of CGST+SGST/IGST can be availed and may not affect selection of vendors. **BCD credit cannot be availed/adds to cost.**

e) **Reduction in Purchases from foreign vendors:** In situations of higher taxes on imported goods, instead of procuring from foreign sources, organizations may consider to increase the local purchases in the existing regime to the extent which will not increase the purchase costs.

   In a nutshell,procurement transaction must be structured in a manner to optimise taxes, avoid blockage/restriction of credits and lead to speedy availment and utilization of credits.

Impact on supply chain:

i. **Understanding Budget impact on industry:** If the domestic market for imported goods such as footwear is negligible. Then the increase in prices due to increase in customs duty would only help to further increase the demand for local goods and boost domestic production.

ii. **Revision of capacities/ expansions/ sales budgets-**In order to meet increased demand for indigenous goods due to increase in prices for imported mobiles, oils-crude and edible grade, fruit juices, there maybe need to expand existing capacity of production. This could mean strategic decisions such as investment in machines, manpower for scaling up output.

iii. **Evaluate the options-**The supply of goods depends on the market for the product. At times, the best option could be to sell at prices far below the prices for same goods of same quality which are imported from abroad. Though the local products are of same quality/better than the imported goods, still the local goods may have to be sold at low prices to establish position in market. Example: Sale of mobiles, perfumes at low prices.

iv. **Proactive awareness on competitors pricing patterns-**Each supplier has to review the current pricing of transactions and make suitable changes, if any to comply with changes in rates of products due to Budget. Otherwise, they may lose the customers to competitors.

Conclusion : The Budget has made clear the emphasis is on energizing the Indian manufacturing sector, leading to increase in output due to consequent local manufacture. The increase in import duties in turn could increase the demand for locally made products which leads to domestic suppliers becoming more competitive and increasing their output to meet demand.

My acknowledgement to CA Roopa Nayak for assistance in penning this article.

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BUDGET 2018 – ANALYSIS OF DIRECT TAX PROPOSALS

HIGHLIGHTS OF THE FINANCE BILL, 2018

The Honorable Finance Minister of India, Mr. Arun Jaitley, delivered the fifth Union Budget of NDA Government, last full budget before the upcoming general elections in 2019 amidst various challenges, compelling the Government to do a balancing act of revival of economic growth, laying greater emphasis on people centric measures, to keep moving the drive against black money, consolidating the formal economy and managing fiscal prudence to maintain and further improve India's rating in the world.

Keeping in mind the Government's long term commitments; to reduce the fiscal deficit to 3.3% next year, to ensure increase public spending to boost demand, focus on agriculture and less advantaged groups like poor and senior citizens and at the same time deal with unprecedented expectations from all quarters, the Finance Minister had limited avenues to navigate the way forward, which is evident from the fine print of the proposals.

This required the Finance Minister to raise revenues and at the same time tone up the environment of business, economy and to create a vibrant atmosphere for the people.

The Finance Minister's proposals are inspired by Prime Minister's vision "Minimum Government and Maximum Governance".

As an annual event, we once again make effort in this note to elucidate and analyze the major and important amendments proposed in the Direct Tax (not Service Tax Laws, as it has been subsumed into the recent levy of Goods and Service Tax) with their implications; and are sure that the same would be handy to you.

As of date, these are proposals only, and if adopted by the Parliament and passed as Finance Act; will come into force for and from Assessment Year 2019-2020 relevant to Financial Year 2018-2019, unless specifically provided otherwise.

I. DIRECT TAXES

Amendments proposed under the Income-tax Act, 1961 (hereafter referred to as "the Act").

A. Rates of Tax

1. Basic Exemption Limit, Income Slabs and Surcharge unaltered; Cess increased for all Assessee:

Income thresholds, basic tax rates and Cess

The rates of Basic Tax, as well as the Basic Exemption Limits and income slabs have been kept unaltered for all Assessees other than Company.

However, in lieu of current Education Cess and Higher Education Cess on Income Tax, The Finance Minister has proposed a new Cess "Health and Education Cess" to be levied at the rate of 4% against earlier Cess of 3%; for all the Assessees.

The applicable Basic Exemption and Income Slabs as well as basic tax rates, are given in the below Table for your ready reference:

Assessee	**Basic exemption and Income Slabs for Financial Year 2018-19**	
	Total Income	**Tax Rate**
All Individuals, HUF, AOP and BOI (except those stated below)	upto Rs.2,50,000/-	Nil
Rs.2,50,001/- to Rs.5,00,000/-		5% of income above Rs.2,50,001/-
Rs.5,00,001/- to Rs.10,00,000/-		Rs.12,500/- plus 20% of i ncome above Rs.5,00,001/-
	Above Rs.10,00,000/-	Rs.1,12,500/- plus 30% of income above Rs.10,00,001/-
Individuals, being resident, and above 60 years upto the age of 80 years	upto Rs.3,00,000/-	Nil

Rs.3,00,001/- to Rs.5,00,000/-		5% of income above Rs.3,00,001/-
Rs.5,00,001/- to Rs.10,00,000/-		Rs.10,000/- plus 20% of income above Rs.5,00,001/-
Above Rs.10,00,000/-		Rs.1,10,000/- plus 30% of income above Rs.10,00,001/-
Individuals, being resident, and age 80 years and above	upto Rs.5,00,000/-	Nil
	Rs.5,00,001/- to Rs.10,00,000/-	20% of income above Rs.5,00,001/-
	Above Rs.10,00,000/-	Rs.1,00,000/- plus 30% of income above Rs.10,00,001/-

Further, the rate of Surcharge for all other Assessee is kept unaltered (with marginal relief as stated in the preceding paragraph).

2. Turnover threshold for reduced Rate of Tax increased for domestic Company:

Keeping up to the promise in the last Budget, this time the Finance Minister has proposed to extend the benefit of reduced Corporate Tax of 25% (plus Surcharge and Cess as applicable) for domestic companies having turnover or gross receipts less than Rs.250 Crores in the Financial Year 2016-17.

B. Measures impacting Individuals, HUF's and Small Businesses

3. Standard deduction on Salary income:

In the Budget Speech, the Finance Minister has said that to provide relief to salaried taxpayers, he has proposed to allow a standard deduction of Rupees 40,000/- or the amount of salary per annum, whichever is less in lieu of the present exemption in respect of Transport Allowance and reimbursement of miscellaneous medical expenses.

Hence, the net benefit for the employees already claiming deduction for transport allowance and medical reimbursement will be Rs. 5,800/- {Rs. 40,000 – (Rs. 19,200 + Rs. 15,000)}.

Also, it is clarified that Transport allowance will continue for differently abled persons.

4. Increased deduction in respect of Health Insurance Premia under Section 80D for Senior Citizen:

In view of continuous rise in the cost of medical expenditure, it is proposed to amend section 80D of the Act, to raise the limit of deduction from Rs. 30,000/- to Rs. 50,000/- per annum in respect of any health insurance premium and/or any general medical expenditure incurred by senior citizen.

Further, in case of single premium health insurance policies covering more than one year, the deduction shall be allowed on proportionate basis, subject to the specified monetary limit.

For your easy reference, we give here under an Illustration showing Deduction under section 80D, as proposed:

Age of Individual	Deduction for self and family (Rs.)	Age of Parents	Deduction for parents (Rs.)	Total Deduction (Rs.)
	(a)		(b)	(c) = (a) + (b)
below 60 years	25,000	below 60 years	25,000	50,000
below 60 years	25,000	above 60 years	50,000	75,000
above 60 years	50,000	above 60 years	50,000	1,00,000

5. Higher deduction to Senior Citizens for medical treatment of specified diseases:

Considering the continuous rise in cost of medical expenditure for specified diseases, the Finance minister has proposed to amend section 80DDB of the Act, to raise the limit of deduction for medical expenditure in respect of certain critical illness from present Rupees 60,000/- in case of senior citizens and Rupees 80,000/- in case of very senior citizens, to Rupees 1,00,000/- in respect of all senior citizens.

6. Higher deduction in respect of Interest income and increased threshold for TDS to Senior Citizens:

The Finance Minister has proposed to insert a new section 80TTB so as to allow a deduction upto Rs. 50,000/- in respect of interest income from deposits held by senior citizens; from the current limit of Rs. 10,000/- under section 80TTA of the Act.

Needless to state that, no deduction under section 80TTA shall be allowed in above cases.

There apart, it is also proposed to amend section 194A of the Act to raise the threshold for deduction of tax at source on interest income payable to senior citizens from current Rupees 10,000/- to Rupees 50,000/- per annum.

(The above amendment would take effect from Assessment Year 2018-19.)

7. Rationalization of tax treatment of NPS to non-employee subscribers:

In order to provide a level playing field to employee as well as non-employee subscribers of National Pension Scheme ('NPS'), it is proposed to amend clause (12A) of section 10 of the Act to extend the said benefit to all subscribers.

C. Compliance, Governance and Rationalization

8. Rationalization of Deduction in respect of income of Farm Producer Companies:

In order to encourage professionalism in post-harvest value addition in agriculture, and bring parity in taxation of income of co-operative societies and Producer Companies providing assistance to its members engaged in primary agricultural activities; the Finance Minister has proposed to insert new section 80PA to allow 100% deduction of profits attributable from eligible business to such companies having annual turnover up to Rupees 100 Crores for a period of five years from Financial Year 2018-19.

9. Widening the scope of 'Accumulated Profits' for the purpose of Dividend:

In order to prevent the abuse of amalgamation route by companies, to avoid liability of Dividend Distribution Tax ('DDT'); it is proposed to amend section 2(22) of the Act so as to provide that for computing accumulated profits of amalgamated company, whether capitalized or not, the accumulated profits of amalgamating company shall be included therein.

(The above amendment would take effect from Assessment Year 2018-19.)

10. Rationalization of Deduction to eligible Start-up company:

In order to improve the effectiveness of the scheme for promoting Start-ups in India, it is proposed to make following changes in the existing taxation regime per section 80-IAC:

> The benefit of deduction would also be available to start-ups incorporated on or after the 1st April 2019 but before 1st April, 2021;

> The requirement of the Turnover being less than or equal to Rupees 25 Crores applicable to seven previous years commencing from the date of incorporation;

> The definition of eligible business has been expanded to provide that the benefit would be available if it is engaged in innovation, development or improvement of products or processes or services, or a scalable business model with a high potential of employment generation or wealth creation.

(The above amendment would take effect from Assessment Year 2018-19.)

11. Extension of Incentives for employment generation:

In order to encourage creation of new employment to footwear and leather industry, it is proposed to extend the relaxation of minimum period of employment of new workers of 150 days which is currently provided to the apparel industry.

Further, it is also proposed to rationalize the deduction of 30% by allowing the benefit for a new employee who is employed for less than the minimum period during the first year but continues to remain employed for the minimum period in subsequent year.

12. Rationalization of Tax treatment of transactions in respect of trading in Agricultural Commodity Derivatives:

With a view to encourage participation in trading of agricultural commodity derivatives, the Finance minister has proposed to amend section 43(5) of the Act to provide that a transaction in respect of trading of agricultural commodity derivatives, which is not chargeable to Commodities Transaction Tax ('CTT'), in a registered stock exchange or registered association, will be treated as non-speculative transaction.

13. Rationalization of treatment on difference in Stamp valuation of immovable Property-Welcome move:

In order to minimize hardship in case of genuine transactions in the real estate sector, leading variation in the valuation of immovable property as per Stamp Duty Ready Reckoner and Sale Consideration of the property; it is proposed to provide that no adjustments shall be made in a case where the variation is not more than 5% of the Sale Consideration.

Consequential amendments are proposed in section 43CA, section 50C and section 56(2)(x) of the Act.

14. Rationalization of provision relating to conversion of stock-in-trade into Capital Asset:

In order to provide symmetrical treatment and discourage the practice of deferring the tax payment by converting the inventory into capital asset, the following amendments are proposed:

> section 28 would provide that any profit or gains arising from conversion of inventory into capital asset or its treatment as capital asset shall be charged to tax as business income at fair market value;

> Fair market value of the inventory on the date of conversion or treatment to be determined in the prescribed manner;

> Definition of income in clause (24) of section 2 to include such fair market value, as above;

> section 49 to provide that for the purposes of computation of capital gains arising on transfer of such capital assets, the fair market value on the date of conversion shall be the cost of acquisition;

> clause (42A) of section 2 so as to provide that the period of holding of such capital asset shall be reckoned from the date of conversion or treatment.

15. Rationalization of provision related to certain transfers among Holding and Subsidiary companies - Welcome move:

In order to further facilitate the transaction of money or property between a wholly owned subsidiary company and its holding company, it is proposed to amend the section 56 so as to exclude such transfer from its scope.

16. Rationalization of the provisions of section 54EC:

To restrict the scope of the section only to capital gains arising from long-term capital assets, being land or building or both and to make available funds at the disposal of eligible bond issuing company for more than three years, it is proposed to amend the section 54EC so as to provide that land or building or both would only be eligible assets.

Also, for investments made in specified Bonds upto 31st March 2018, the lock in period would be 3 years and for investments made thereafter, it would be 5 years.

17. Rationalization of provisions of Income Computation and Disclosure Standard ('ICDS'):

With a view to provide parliamentary accent and constitutional validity to the ICDS, in wake of recent judgment of Delhi High Court in case of Chamber of Tax Consultants challenging validity of ICDS; the Finance Minister has given now proposed to introduce the relevant provisions in the Income Tax Act, 1961.

This step of the Finance Minister may be an indicator for introduction of more ICDS in the years to come, under the guise of resting litigation and bringing in consistency in tax administration.

Salient features of the new proposal, is as under:

- Deduction for Marked to Market loss or other expected loss calculated in accordance with the provisions of ICDS to be allowed;
- Gains or Loss arising from foreign exchange fluctuations (except transactions relating to imported capital assets) to be computed in accordance with ICDS;
- Percentage of Completion Method ('POCM') to be applied while computing profits and gains from construction contract;
- Profits and gains from service contracts to be determined under POCM with following exceptions:
- If the project duration is upto or more than ninety days, Project Completion Method to be used;
- If the project involves indeterminate number of acts over a specific period of time, Straight Line Method (SLM) would have to be used;
- Unlisted securities or listed securities (not quoted on a recognized stock exchange) held as inventory to be valued at actual cost initially determined in accordance with ICDS.
- In other cases, inventory including securities other than those referred above shall be valued at lower of actual cost or net realizable value computed in accordance with ICDS.
- Valuation of inventory to include duty, tax, cess or fee, etc. incurred to bring such goods or services to the place of its location / condition on the valuation date.
- The following are to be taxed in the year of receipt:
- Interest on any compensation or enhanced compensation;
- Government Grants (including subsidy, cash incentive and duty drawback) if not charged to tax in an earlier year
- A claim for escalation of price in a contract / export incentive will be taxable in the previous year when its realization is reasonably certain

(The above amendments are applicable retrospectively and would take effect from Assessment Year 2017-18.)

18. Rationalization of additions by Assessing Officer on account of unexplained cash credits etc.:

As per the existing provisions of section 115BBE of the Act, Income referred to in section 68 /69 /69A /69B 69C and 69D of the Act are taxed at a higher rate of sixty percent.

Further, sub-section (2) of section 115BBE of the Act provides that no deduction in respect of any expenditure or allowance or set-off of any loss shall be allowed to the assessee under any provision of the Act in computing his income referred to in clause (a) of sub-section (1).

As Additions of income including under section 68 /69 / 69A /69B 69C and 69D of the Act by the Assessing officer were outside the purview of Sub Section (2), the Assessee could claim deductions and/ or set –off losses against the same, thereby creating anomaly.

Therefore, it is proposed to amend sub section (2) to also include therein the additions made by the Assessing Officer.

(This amendment would apply retrospectively from Assessment Year 2017-18 onwards)

19.Tax on income distributed by an Equity Oriented Fund

Hitherto, Equity Oriented Mutual funds were exempt from paying taxes on the income distributed to the unit holders.

To have level playing field, given the new era of taxability of Long Term Capital Gains as per section 112A, it is now proposed to amend section 115R and section 115T to provide that where any income is distributed by a Mutual Fund being, an equity oriented fund, the Mutual fund shall be liable to pay additional income tax on distribution of income at the rate of 10% (plus applicable Surcharge and Cess).

D. Mobilization of Resources

20. New regime for taxation of Long-term Capital Gains on sale of Equity shares etc.:

In order to garner additional resources, to support the Governments reforms and initiatives, the Finance Minister has made out a strong case to bring back tax on Long-term Capital Gain arising on transfer of listed Equity shares, unit of an Equity Oriented Fund or a unit of a Business Trust (all are collectively referred to as 'specified asset'), given the buoyancy in equity market and returns delivered by equity as an asset class.

The Finance Minister has proposed to insert new section 112A to tax above Long Term Capital Gains in excess of Rupees One Lakh, at concessional rate of 10% (Without indexation), provided Securities Transactions Tax ('STT') has been paid at the time of acquisition and transfer of specified asset.

Needless to state that, in case acquisition of listed equity share is done without STT, then the applicable tax rate for long term capital gain would be 20% as per section 112 of the Act.

The Government is likely to notify specified instances wherein the condition of payment of STT at the time of acquisition of equity share or on transfer of Units through recognized stock exchange in any International Financial Services Centre ('IFSC') would not be applicable for concessional rate of 10%.

The other salient features of the new regime are as under:

> Benefit of indexation and conversion in foreign currency in case of non-resident, done away with;

> Grandfathering of Long Term Capital Gains earned upto 31st January 2018;

For specified assets acquired before 1st February 2018; cost of acquisition shall be deemed to be to be the higher of –

a) the actual cost of acquisition of such asset; and

b) the lower of –

(I) the fair market value of such asset on 31st January 2018; and

(II) the full value of consideration received or accruing as a result of the transfer of the capital asset.

> Benefit of exemption under section 10(38) stands withdrawn;

> Deductions under Chapter VI-A of the Act are not eligible on above gains;

> Rebate under section 87A not available on tax payable under Section 112A.

> Concessional rate of 10% to also apply to Foreign Institutional Investors-consequential amendment proposed in section 115AD of the Act.

Illustration on how Long Term Capital Gains on equity shares or equity oriented mutual fund will be Taxed under section 112A:

Date of Investment	Actual Cost (Rs.)	Market Value as on 31/01/2018	Date of Sale (Rs.)	Sale Proceed	Actual Gain (Rs.)	Taxable Gain (Rs.)	Taxability
(a)	(b)	(c)	(d)	(e)	(f) = (e) – (b)	(g) = (e) – (c)	
31/01/2017	1,00,000	1,30,000	Upto 31/03/2018	2,50,000	1,50,000	1,50,000	No tax will be payable as the amendment is with effect from 1st April, 2018
31/01/2017	1,00,000	1,30,000	After 01/04/2018	2,00,000	1,00,000	70,000	No tax will be payable since the gain is below threshold of Rs. 1,00,000

31/01/2017	1,00,000	1,30,000	After 01/04/2018 3,00,000	2,00,000	1,70,000	Tax will be levied at 10% on gains over Rs. 1,00,000 taking cost of acquisition as FMV as on 31st January, 2018 i.e. on Rs. 70,000. Tax liability will be Rs. 7,000

21. Restriction of exemption in case of payments by Trust and other one exempt entities:

In order to bring trusts and institutions under the ambit of Tax Deduction at Source ('TDS') mechanism, encourage a less cash economy and to reduce the generation and circulation of black money, it is proposed to provide that the relevant expenditure would not be considered as application of income under section 10(23C) and section 11 of the Act, if TDS thereon is not done by the payer.

There apart, it is also proposed that if payment for any expenditure is made in cash exceeding the limit prescribed under section 40A (3) or Section 40A(3A) of the Act i.e. Rupees Ten Thousand in a day, then the same would not qualify as application of income.

22. Rationalization of scope of 'business connection' in line with BEPS Action Plan 7 and MLI:

With a view to prevent abuse of the Double Taxation Avoidance Agreements ('DTAA's) by base erosion and profit shifting, the Finance Minister has proposed to amend section 9 of the Act so as to align it with the provisions in the DTAA, as modified by Multilateral Convention to Implement Tax Treaty Related Measures ('MLI'), to which India is also a signatory; so as to make the provisions in the DTAA effective.

Accordingly, clause (i) of sub-section (1) of section 9 is proposed to be amended to provide that "business connection" shall also include any business activities carried through a person who, acting on behalf of the non-resident, habitually concludes contracts or habitually plays the principal role leading to conclusion of contracts by the non-resident.

23. Expansion of scope of 'business connection' to meet challenges of digital economy in line with BEPS Action Plan 1:

To keep pace with the emerging business models such as digitized businesses, which do not require physical presence through any entity or agent in India, and yet meet challenges to have the right to tax business profits derived from Indian economy such that there is no base erosion or profit shifting; it is proposed to amend clause (i) of sub-section (1) of section 9 of the Act to provide that 'significant economic presence' of non-resident in India shall also constitute 'business connection'.

The above provisions will apply irrespective of whether the non-resident has a residence or a place of business in India or renders services in India

Further, the Government would notify the threshold of 'revenue' and 'users' after consultation with the stakeholders.

Needless to state that benefits of DTAA would continue to apply to non-residents who are entitled to claim treaty benefits.

24. Taxability of Compensation in connection to business or employment:

With the objective of bringing to taxation the gamut of compensation receipts in connection with business and employment, the Finance minister has proposed to amend section 28 and section 56 of the Act appropriately, such that above compensation whether in the nature of revenue or capital would become taxable.

25. Deduction under Chapter VI-A eligible only if return of income is filed in time:

The Finance Minister has proposed to extend the scope of section 80AC to provide that the benefit of deduction under the entire class of deductions under the heading "C.-Deductions in respect of certain incomes" in Chapter VIA shall not be allowed unless the return of income is filed by the due date prescribed.

(The above amendment would take effect from Assessment Year 2018-19.)

26. Taxation of Deemed Dividends

Hitherto, Deemed Dividend as per section 2(22)(e) was taxable in the hands of the recipient as per the slab rate of taxation of the recipient.

In order to bring clarity and certainty as to time of the collection and rate, amendments have been proposed to section 115O and 115 Q to provide that Deemed Dividend would be subject to Dividend Distribution Tax under section 115-O at the rate of 30 % (without grossing up), and all other provisions of Chapter XII- shall be applicable to such Deemed Dividend.

E. Easing of compliance burden and dealing with the Department

27. Enhancing Productivity of Tax Administration and increased thrust on E-assessments:

With a view to restrict the scope of adjustments, it is proposed to provide that no adjustment under sub-clause (vi) of the section 143(1) shall be made on account of discrepancy in total income reported in return of income vis-à-vis Form 26AS or Form 16/16A; in respect of any return furnished on or after the assessment year commencing on the first day of April, 2018.

(The above amendment would take effect from Assessment Year 2018-19.)

In order to promote E Assessments, reduce the interface between the Assessee and the tax administrators, the Government proposes to have the assessments be done by a team so as to be productive and efficient.

Notifications regarding the same shall be issued separately.

So, be ready for the faceless team coming your way in assessments.

F. Futuristic Measures-promoting investments and clarity on taxation

28. Welcome Clarification-Benefit of Carry Forward Losses available to company seeking Insolvency resolution:

To remove the hurdle for restructuring and rehabilitation of companies seeking insolvency, it is proposed to relax the rigors of section 79 in case of such companies, whose resolution plan has been approved under the Insolvency and Bankruptcy Code, 2016; such that the change in the beneficial ownership of shares beyond the permissible limit under section 79 does not come in way of carry-forward and set-off of losses.

(The above amendment would be applicable from Assessment Year 2018-19)

29. Relief for Insolvency Companies under Minimum Alternate Tax ('MAT')

To remove the hurdle for restructuring of companies seeking insolvency, it is proposed to allow the reduction of loss brought forward (excluding unabsorbed depreciation) and unabsorbed depreciation for the purposes of computing book profit under section 115JB of the Act, in case of a company whose application has been admitted by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016.

(The above amendment would be applicable from Assessment Year 2018-19)

Further, there is another welcome clarification that MAT will not apply to a non-resident covered by a presumptive tax regime (i.e oil and gas, shipping, aircraft operations,)

(This amendment would apply retrospectively from Assessment Year 2001-02 onwards)

30. Incentive to conducting business in International Financial Service Centers

In order to promote the development of world class financial infrastructure in India, it is further proposed to amend the section 115JC so as to provide that in case of a unit located in an International Financial Service Center, the alternate minimum tax under section 115JC shall be charged at the rate of 9 percent.

Consequential amendment in section 115JF is also proposed to be made.

G. Others

31. Rationalization of Presumptive income under section 44AE for goods carriage:

To meet the ultimate objective of presumptive taxation scheme to small transporters, reduce their compliance burden, and maintain equity for small and large transporters, it is proposed to reduce the deemed income of small transporters to Rupees 1,000 per ton of gross weight, per month for each vehicle, or amount actually earned, whichever is higher; from the current rate of Rupees 1,000 per month for each vehicle.

32. Increased Penalty for failure to furnish Statement of Financial Transaction or Reportable Account:

The existing penalty for failure by an Assessee to submit the Financial transaction or reportable account as per the provisions of section 271FA within the time limit prescribed is Rupees One hundred for every day of default, which is now proposed to be raised to Rupees Five Hundred for every day of default.

Further in case such person fails to furnish the statement of financial transaction or reportable account within the period specified in the notice issued under sub-section (5) of section 285BA, currently he shall be liable to pay penalty of Rupees Five Hundred for every day of default which is now being proposed to be raised to Rupees One thousand for every day of default.

33. Transfer Pricing – Rationalization of provisions relating to Country-by-Country Report ('CbCR'):

The due date for filing CbCR by an Indian ultimate holding company or an Indian alternate reporting entity is proposed to be extended to Twelve months i.e. 31 March of the following accounting year (as against current due date of 30 November set out in the Finance Bill, 2017)

Further, Indian entity is required to file CBCR if it is not filed by ultimate parent entity or alternate reporting entity

(The above amendment would be applicable from Assessment Year 2018-19)

34. Miscellaneous:

> Companies would be prosecuted for non-filing of returns even if no tax is due;

> Assessee, other than an Individual, having financial transactions exceeding Rupees Two Lakhs Fifty Thousand in a financial year would be required to obtain a Permanent Account Number (PAN).

(Compiled By Partners of 'B. S. Shah & Co., Chartered Accountant' Namely (i) Bhupendra Shah -B.Com., L.L.B. (SP.), A.C.S., F.C.A. (ii) N. Krishnakumar- B.Com., F.C.A., Grad CWA and (iii) Shreyam Shah -B.Com. A.C.A.,DISA)

Source : *taxguru.in/income-tax/budget-2018-analysis-direct-tax-proposals.html*

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EASE OF DOING BUSINESS UNDER GST- A REALITY CHECK

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Impressive gains scored by India on the **Ease of Doing Business Index for 2018**, by broking into the top 100 in the World Bank's latest rankings, notching up the biggest improvement among all countries on the back of big gains on a number of measures. The rise to the 100th position from 130th the previous year made India one of the top 10 best-improved countries, which the Modi government celebrated as an emphatic endorsement of its economic reforms. The ranking is made considering various factors like starting a business, dealing with construction permits, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

It is to be noted that in the 2018, **Ease of Doing Business** report by the World Bank, which was released in November'2017, did not take into account the implementation of the Goods and Services Tax (GST). The Goods and Services Tax (GST), India's biggest tax reform since Independence, rolled out past midnight (30th June'2017) in the precincts of the hallowed Central Hall of Parliament to usher in a new indirect tax regime in an event that sought to evoke memories of the famous 'Tryst with Destiny' night the country got freedom in 1947. Conceived on the principle of **'one nation, one tax, one market'**, the tax that subsumes 17 central and state levies and also 23 Cesses was implemented from 1st July'2017 across 29 states and seven Union Territories with a unified tax regime.

Referring to the eminent personalities like Jawaharlal Nehru, Sardar Patel, MaulanaAbulKalam Azad and BabuRajendra Prasad who had adorned the Central Hall, prime Minister, Narendra Modi said **like Patel had integrated the country, the GST would integrate the country economically**.

He described the GST as **'Good and Simple Tax'** — good because there will be no tax on tax and simple because there will be only one form of tax. It will also help eliminate black money and corruption because of the transparency it seeks to bring in, he said. Modi further said whatever was lacking in growth and development of the country, GST will provide the opportunity to realize them. The rollout has rekindled hope that India's reform program is regaining momentum and it will fast propel Indian economy.

Fast Fading out Euphoria & Excitement of GST Implementation with Problems Galore:

However, the **bold beginning** and its Euphoria, Excitement and optimism fast faded with problems galore – there are some apprehensions about hurried transition and its un-preparedness and system related technical glitches. These resulted into large scale fears of disruption, companies need for complete overhaul of IT / ERP systems and major re-engineering work; resistance for change and opposition of trade and business; wide range of confusions, lack of clarity on many issues; disputes about multiple taxes / higher rates and of course protests, representations against many of GST provisions and on and on. In response to these and with the good intention to resolve the issues and problems, frequent meetings of GST council and its prompt recommendations to resolve the issues lead to very frequent amendments, changes and alterations further complicating and confusing the tax provisions.

Dilution of Basics : Despite many conceivable benefits of GST, many believe there is some hype around the anticipated benefits since the current version of GST is a diluted form of what was originally considered ideal — a low, single tax rate with few exemptions. The current form has four rates for goods and services — 5%, 12%, 18% and 28% apart from Nil rate and special rates for precious metal, rough diamonds & Stones — and excludes five hydrocarbons — crude oil, petrol, diesel, jet fuel and natural gas—as well as liquor and electricity from the purview of GST. This dilution of basics derailing very objective of introduction of GST as One Nation – One Tax – One Market leaving it a mere slogan.

Missing Matching Concept : Invoice matching is a mechanism under which all the taxable supplies made under GST will be matched against all the taxable supplies received by the buyer. The matching concept rests on the premise of supplies made by supplier and furnished in GSTR -1 returns must match with the receipts of recipient and such details furnished in GSTR -2. This process shall ensure that the recipient can able to take Input Tax Credit (ITC) only when the supplier pays the tax and files returns.

GSTN which has been conferred to set up the IT infrastructure was burning the midnight oil to build the algorithm and put all the logic into the GST common portal. However, because of some technical glitches and non-satisfactory tested provisions the filling of GSTR -2 & 3 were differed to uncertain time, resulting in missing of this very good concept that plugs the misuse of credit availment and revenue leakage.

Seamless Credit is Not Seamless : GST facilitate seamless credit across the entire supply (value) chain under a common tax base however with riders and blockage of credits. Also seamless credit is not allowed in some situations like hotel stay in other state by employee (representing a company) who travels on official tour, event management, provision of services by consultants etc. Similarly, non availability of ITC in case of sale of immovable property (flats/complex) after receipt of completion certificate. Therefore, as perceived belief of seamless credit is not true.

Exporters Fuming over Export Refunds : Refund to the exporters within seven days as promised in the GST law is a misnomer, illusionary and a myth. All the exporters are struggling for months together and clamoring for justice to get their genuine, righteous claim of refunds. Exporters are having a tough time since the roll-out of the new GST regime as the online facility to claim refunds is not yet available or not capturing data properly to process refund claims. Then after introduction of manual submission and processing also not ensuring timely refunds and the woes and their worries continuing unabated. Starving for working capital they are cursing the entire system of GST.

Merchant Exports & Deemed Exports at Mercy: In the pre GST regime merchant exporters are fully exempted from excise duty through CT -1 and CST by providing H-form. But in GST they were forced to pay full GST on their domestic procurement for exports. Later of course some relaxation is provided to source on payment of 0.1% GST, however by which time major damage to export already happened.

Similarly deemed export status for supplies to EOUs, Advance Authorisation and EPCG holders is granted very lately, unwillingly out of pressure. As a result, it was witnessed drop in exports loosing precious foreign exchange and market opportunities apart from wounding pains for exporters.

Tedious System of Returns Filling : The benefits of automation and adoption of high technology thought to bring great relief by simplification to returns filling system, however to everyone's utter surprise turn to be most complex, tedious and time-consuming exercise thanks to ill-conceived, half cooked, untested GSTN introduced hurriedly grieving every tax payer oozing out their sweat. Very frequent but short time deferment of dates of filling returns brought no relaxation but continuing pains.

Continuing Technical Glitches: GST Network – the IT backbone of the new indirect tax system, failed miserably in implementing – drawing everyone's irritation, frustration, annoyance, anger, impatience and horribly defeated defamed, denigrated, tarnished & maligned as a whole GST otherwise good system, thanks to developers of the GSTN platform for such irreparable damage done to the Nation as a whole as GST – revolutionary tax reform is now a Nation's Pride.

Issues relating to technical glitches, system related hitches, snags and difficulties are continuing and even the proposed nation e-way bill implementation from 1st February also failed due technical glitches.

Help Line is Helpless : GSTN Portal provided Help Line provision. The estranged tax payer fed up with GSTN Portal and its related technical issues may seek some help from Help Line. But unfortunately almost in all the times it proved to be helpless. No solution is coming through the Help Line and turns to be a waste of time. Like any general call center, mostly un trained attendants attend calls unprofessionally as they even couldn't understand the problem since they are untrained. Every time like parrot spelled words they ask us to note down a mail ID and asks us to write there. If we mail to them there ends story – for days together there will be no reply except auto generated reply with reference number or ticket number.

Frequent Changes – a Major Embarrassment : Though with good intension to smoothen or to resolve problems frequently from time to time amending, changing, altering, revising provisions in the law by issuing frequent notifications, circulars, trade notices, press notes etc ….etc….also proved to be a major irritant leading to lots of misperceptions, misunderstandings, confusions, muddling with lots of references and updates.

Awaiting GST April Fool: The draconian reverse charge mechanism under sec 9.4 (receipts from un-registered supplier), tax exemptions under deemed exports etc which were provided relaxation or extension of benefits only up to 31st March'2018 crop up again like unsurprised April Fool from 1st of April. This type of flip-flop policy provisions damages a lot san any benefits.

Revenue Loss – an Invisible Scam : When any system finds to be complex and difficult to file routine type of returns, then tax payers in their natural convenience finds way out and evades tax. In case of GST also it has no exception. Some liberal provisions of removal of check posts, no immediate and proper e-way bill system in place and certain leniency in provisions specially in composition scheme, allowed uncontrolled leakage of revenue which can be termed as invisible scam seen as huge revenue fall.

Given this background, certainly it will not augur well to indicate any real improvement in Ease of Doing Business as expected after implementation of GST unless some major measures are taken as follows :

1. Simplification in filling of Returns – Preferably Single Return rather than multiple returns
2. Fast tract rectification of software related deficiencies and debugging the portal for smooth operation
3. Unification of multiple rates into single or two rate GST System
4. Simple provisions for Export Refunds
5. More and More Training support to educate tax payer and the tax officials as well

GST needs major Revamp to boost India's ranking for the next year in the **Ease of Doing Business**.

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.

UNION BUDGET 2018: THE LIST OF ITEMS WITH CHANGES IN CUSTOM DUTY

List of the Items with changes made in customs duty:

Processed Foods

- Orange fruit juice: 35 percent (30 percent earlier).
- Other fruits and vegetables: 50 percent (30 percent).
- Cranberry juice: 50 percent (10 percent).
- Miscellaneous food preparations (other than soya): 50 percent (30 percent).

Perfumes And Toiletry

- Perfumes and toilet waters: 20 percent (10 percent earlier).
- Beauty and skin care preparations: 20 percent (10 percent).
- Preparations for use on hair: 20 percent (10 percent).
- Preparations for oral or dental hygiene: 20 percent (10 percent).
- Shaving/after-shave preparations, deodorants: 20 percent (10 percent).
- Scents sprays and similar toilets sprays and mounts and heads; powder-puffs and pads for the application of cosmetic or toilet preparations: 20 percent (10 percent).

Automobiles And Auto Parts

- Specified parts/accessories: 15 percent (7.5-10 percent earlier).
- Completely knocked-down imports: 15 percent (10 percent)
- Completely build units of motor vehicles: 25 percent (20 percent)
- Truck and bus radial tyres: 15 percent (10 percent)

Textiles

- Silk Fabric: 20 percent (10 percent earlier).

Footwear

- Footwear: 20 percent (10 percent earlier).
- Footwear parts: 15 percent (10 percent).

Diamonds, Precious Stones AndJewellery

- Cut and polished coloured gemstones: 5 percent (2.5 percent earlier).
- Lab grown, semi-processed, half-cut or broken diamonds: 5 percent (2.5 percent).
- Imitation jewellery: 20 percent (15 percent).

Electronics And Hardware

- Mobile phones: 20 percent (15 percent earlier).
- Mobile phone parts and accessories: 15 percent (7.5-10 percent).
- Printed circuit boards assembly and moulded plastics of mobile phone. charger/adapter: 10 percent (Nil).
- Inputs/parts to make PCBAs, moulded plastics: Exempt now.
- Smart watches/wearables: 20 percent (10 percent).
- LCD/LED/OLED panels and other parts: 15 percent (7.5-10 percent).
- 12 specified parts for LCD/LED TV panels: Introduced 10 percent.
- Preform of silica used to make telecom-grade optical fibre/cable: Introduced 5 percent.

Furniture

- Seats and parts (except aircraft seats/parts): 20 percent (10 percent earlier).
- Other furniture and parts: 20 percent (10 percent)
- Mattresses supports, articles of bedding and similar furnishing: 20 percent (10 percent)
- Lamps and illuminated signs, name plates, etc: 20 percent (10 percent).

Watches And Clocks

- Wrist, pocket and other watches: 20 percent (10 percent earlier).
- Clocks with watch movements: 20 percent (10 percent).
- Other clocks, including alarm clocks: 20 percent (10 percent).

Toys And Games

- Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages other toys, puzzles of all kinds: 20 percent (10 percent earlier).
- Video game consoles/machines, articles for funfair, table or parlor games and automatic bowling alley equipment: 20 percent (10 percent).
- Festive, carnival or other entertainment articles: 20 percent (10 percent).
- Article and equipment for sports or outdoor games, swimming pools and paddling pools; fish landing nets, butterfly nets and similar nets, decoy birds and similar hunting and shooting requisites: 20 percent (10 percent).
- Roundabouts, swings, shooting galleries and other fair-ground amusements: 20 percent (10 percent).

Miscellaneous

- Candles, tapers and the like: 25 percent (10 percent earlier).
- Kites: 20 percent (10 percent).
- Sunglasses: 20 percent (10 percent).
- Date, sealing or numbering stamps, and the like: 20 percent (10 percent).
- Cigarette lighters and other lighters, their parts other than flints and wicks: 20 percent (10 percent).

Others

- Solar tempered glass for manufacture of solar cells/ panels/modules: Exempt now (5 percent earlier).
- Raw materials, parts or accessories for making cochlear implants: Exempt now (2.5 percent).
- Cashew nuts in shell (raw cashew): 2.5 percent (5 percent).

Edible Vegetable Oils

- Crude edible vegetable oils like groudnut, olive, cotton seed, safflower seed, Saffola, coconut, palm kernel/ babassu, linseed, maize cord, castor and sesame, and other fixed vegetable fats: 30 percent (12.5 percent earlier).
- Refined edible vegetable oils of the same kind: 35 percent (20 percent).

Refractory Items

- Articles of stone containing magnesite, dolomite or chromite: 7.5 percent (10 percent earlier).
- Bricks, blocks, tiles and other ceramic goods of siliceous fossil meals or of similar siliceous earths: 7.5 percent (5 percent).
- Other refractory ceramic goods: 7.5 percent (5 percent).

Source:Union Budget 2018.

"IMPACT OF BUDGET 2018 SUPPLY CHAIN – INDIA"

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Abstract : Union Budget for the year 2018-2019 amidst the usual fanfare to a populace looking at more reform, and the world at large watching when India will once again become the fastest growing large economy.

The Indian Finance Minister ArunJaitley, presented the fifth straight budget on 1st February 2018. While the focus was mainly on **agriculture**, the budget did address the rural sectors, new **health insurance** schemes and provided some income tax relief for the salaried class and senior citizens. **The Logistics industry also received attention with several targeted incentives.**

It is no surprise that, the thrust of the Budget was on the **agricultural sector, rural economy, healthcare, MSMEs and infrastructure.**While the 2018-2019 budget has its share of highs, lows, and not so goods for the average Indian, it presents the logistics industry with several exciting growth avenues over the coming years.

Key Words :(Budget, Economy, Agriculture, Supply Chain, Rural)

I. Introduction : The figures for FY18 show that the Indian economy faced a **temporary slowdown** on the back of reform measures such as **GST and demonetisation**. While the economy continues to be the seventh largest in the world **(third largest in PPP terms**), the growth rates are at a four-year low. Both IMF and World Bank estimate that India's economy will grow by 6.7% in FY 2017-18. Advance estimates by CSO suggest that the economy will grow by 6.5% in this fiscal year.

budgetary announcements we are most excited about!

The thrust of 2018-2019 budget has been on rural infrastructure development, agriculture, promoting MSME growth, and improving the connectivity across India in order to foster economic growth. While this budget has several announcements which promote the growth of logistics industry, we would like to discuss three points which we believe have far reaching potential:

1. Digital India Programme: The government has doubled the budgetary allocation on Digital India programme to 3073 crores. NITI Aayog will be launching a nationwide program in the area of Artificial Intelligence. The government will further be encouraging investment, training, and skilling in robotics, digital manufacturing, big data analytics and Internet of Things.

These investments strongly align with the Logistics Industry's focus on increased adoption of technology in fulfillment centres, manufacturing locations, transportation, etc.

2. Agro-Initiatives: The recent budget includes several announcements which bode well for the growth of the Agri-Logistics sector such as:

a) Liberalization of export of agri-commodities to increase exports from current level of 30 Billion USD to 100 Billion USD. The logistics and warehousing industry will majorly benefit from increased freight volumes due to increased demand for agri-inputs, higher exports, the development of 42 mega food parks, and an increased focus on technology and modernization

b) The government has allocated 500 Crores towards "Operation Green" to address price fluctuations of perishable commodities such as Tomatoes, Potatoes, and Onions. This fund shall promote Farmer Producer Organizations, Agri-logistics, processing facilities, and professional management.

c) Allocation to the food processing sector has been doubled from 750 Crores to 1400 Crores, which includes development of cluster based models for agricultural produce to promote more efficient production and distribution.

3. National Logistics Information Portal: The government will develop an online Logistics marketplace which will serve as a single platform for all the various stakeholders such as buyers, logistics service providers, Customs, DGFT, Railways, Ports, Airports, etc. This initiative will make product prices more competitive in the domestic and international markets by bringing down the overall logistics costs, as well as increasing the speed and ease of goods movement.

The government's recent announcement conferring infrastructure status to the logistics sector has not only pushed up the industry's morale, but also the investments flowing into this sector. The government's recent budgetary announcements serve to provide higher confidence in, and greater impetus to the logistics industry's growth trajectory.

Citing **infrastructure** as an important growth driver of any economy, an amount of INR**1.48 lakh crore was allocated for Railways**. In a statement targeting the development of rail networks across the country, the FM cited that capacity expansion shall be the priority. With a proposed target of doubling 18,000 km of lines and said gauge conversion underway to eliminate capacity constraints, measures will also be employed to enhance the capacity of rail networks. New world-class trains and dedicated freight corridors were being developed. The minister also pointed out that 600 stations have been earmarked for modernisation by the railways. Rail ministry is also working on an ambitious scheme to allow private operators to set up their own rail lines and run trains.

II. NextGen Airports for Bharat to boost airport capacity were underway. Thelatest budget supported impetus to aviation by encompassing airport capacity expansion by 5 times to handle **1 billion trips a year.** The proposed improvement in the aviation sector is expected to affect the air cargo domain by providing the much needed infrastructure and space to cater to rising air cargo volumes.

III.The country's exports are expected to grow by 15% during the current fiscal. Industry experts predict that 5% increase in exports is quite possible as buoyancy in commodities and crude will push value wise exports. In fact, in the mid-term review of the foreign trade policy in December2017, the government doled out incentives worth INR 8,450 crore to boost exports and employment in labour intensive sectors that were hit by the Goods and Services Tax (GST) roll out.

IV. Ambitious BharatmalaPariyojana has been approved for providing seamless connectivity of interior and backward areas and borders of the country, to develop about 35000 kilometres in Phase-I, at an estimated cost of INR 5,35,000 crore.

Department of Commerce will be developing a **National Logistics Portal** as a single window online market place to link all stakeholders.It proposes to link all the seven Ministries, including Shipping, Road Transport and Highways, Railways and Civil Aviation, to significantly benefit the logistics industry.

Allocation to **Digital India scheme doubled to INR 3073 cr**. 5 lakh **Wi-FiHotspots** have been proposed to provide Broadband access to 5 crore rural citizens, at the cost of INR 10,000 cr, thus encouraging digital connectivity across the country.

V. Economic Performance: The broad macroeconomic indicators for the economy are as follows:

A.GDP growth: The GDP is expected to grow at 6.5% this fiscal (2017-18), according to the first advance estimates of the CSO as against 7.1% in the previous year. This is primarily due to a lower growth in agriculture (2.1% v. 4.9% in 2016-17) and industry (4.4% v. 5.6% in 2016-17). Services, on the other hand, are expected to grow faster in this fiscal year (8.3% from 7.8% in 2016-17).

B. Inflation:Retail inflation fell sharply in the first half of the year, declining to a five-year low of 1.6% in June 2017. This was partly due to a fall in global crude prices, food prices and because of lower domestic demand. Post June 2017, there was a continuous rise in inflation, rising up to 5.21%. However, the average for the year to date (April to December) stood at 3.23%, which was lower than 5.47% during the same period in previous year.

C. Fiscal deficit: Fiscal deficit as percentage of GDP for FY 2017-18 is revised to 3.5% from 3.2% budgeted. Further, the Government aims to bring down fiscal deficit to 3.3% of GDP in FY 2018-19. This is on account of rising revenue deficit to 2.6%.

D. Trade deficit: India's trade deficit increased by 33% during April to November 2017, when it stood at $102.1 billion, as opposed to USD67.8 billion in the corresponding period of the previous year. This was primarily due to a 22% increase in imports as against only 11% increase in exports. Both oil and non-oil imports grew in roughly the same proportion.

E.Currency: The rupee appreciated by 4.14%, as it stood at an average of 64.4 per USD during April 2017 to January 2018 against an average of 67.19 per USD during the same period in the previous year.

VII. Key reforms in 2017-18 : In the current fiscal year, the Government continued with its reform agenda. Some of the most notable reform measures are as follows:

Goods & Services Tax : On 1 July, 2017 the Government launched the GST, which has replaced the complex multiple indirect tax structure. The act transformed India into one market with one tax rate.

VIII. PSU bank recapitalisation : In October 2017, the Finance ministry announced INR 2.11 trillion recapitalisation plan for PSU banks over the next two years. Of the total amount, INR 1.35 trillion would come from recapitalisation bonds, INR 181.39 billion from the centre's budgetary funds and the remaining INR 580 billion would be mopped up from capital market by diluting the Government's equity. Capital infusion was a long-standing demand of state-owned banks, as the asset qualities of these banks have grossly worsened due to increasing non-performing assets. The Government's announcement also led to improvements in the country's sovereign rating.

IX .Disinvestment : With objectives to efficiently manage its investment in CPSEs and exit from the non-strategic business, Government launched DIPAM scheme in 2016. The proceeds from disinvestment in FY 2017-18 stood INR 1 trillion as against budgeted INR 725 billion for 2017-18. The Government took various measures with regard to disinvestment, which require mention here. In February 2017, the Government launched procedure for time bound listing of CPSEs on stock exchanges. The Government also approved listing of 14 CPSEs (including two insurance companies) on the stock exchanges. During the current financial year, four IPO issues of HUDCO, Cochin Shipyard Ltd. (CSL), General Insurance Corporation and New India Assurance Company, Ltd. have been successfully listed on the stock exchange. Further, the Government sold its entire stake in HPCL to ONGC, which would fetch INR 369.15 billion for the Government. In November 2017, the Government launched Bharat 22 ETF comprising shares of 22 CPSEs to raise money from the market, which received an overwhelming across all classes of investors. In June 2017, the Government formally approved the privatisation of national airline Air India Ltd. and five of its subsidiaries and allowed foreign airlines to own up to 49% stake in national carrier.

X. Dynamic Fuel Pricing : In June 2017, India joined the league of select countries such as the USA and Australia where fuel prices are revised on a daily basis. The three state-owned oil marketing companies — Indian Oil, Bharat Petroleum Corporation and Hindustan Petroleum Corporation — are since rolling-out the daily dynamic pricing mechanism for petrol and diesel. Under the dynamic pricing scheme, petrol and diesel prices are revised on a daily basis in sync with global crude oil prices.

XI. Banking Regulation (Amendment) Bill, 2017 : In August 2017, the Government passed the Banking Regulation (Amendment) Bill, 2017, which empowers the Reserve Bank of India (RBI) to give directions to banks to act against loan defaulters. The bill came after an ordinance was promulgated in May, as immediate action was required to combat the unacceptably high levels of stressed assets in the banking system.

XII. Liberalisation of FDI policy : The Government of India, in continuity with its motto of attracting foreign investment and ease of doing business in India, has made changes to the FDI policy across sectors in single brand retail trading, 100% FDI is permitted under the automatic route. For real estate broking services, it is clarified that such services do not amount to real estate business and 100% FDI is permitted under the automatic route.

XIII. Operation Green: To Power up Supply Chain Centre earmarks ₹ 500 cr for the projectThe year 2017 was a nightmare for potato farmers in West Bengal. The State reported a 22 per cent jump in production of the tuber at 110 lakh tonnes (lt) in 2016-17 leading to a price crash.

Prices at the time of harvesting (in December-January), were ruling as low as ₹ 110-120 a packet of 50-kg or around ₹ 2.4 a kg. Cut to 2018: tomato prices at the Vashi wholesale market plummeted to ₹ 6-7 a kg from ₹ -20 only about a fortnight ago. Onion prices at Lasalgaon in Maharashtra, Asia's largest wholesale market, declined to ₹ 25/kg from ₹ 30-35 last week on improved supplies.

Price volatility brought about by variation in production is unique to most agri-commodities, particularly so for **vegetables such as tomato, onion and potato,** which are consumed throughout the year.

According to Finance MinisterArunJaitley, the seasonal and regional production of these perishable commodities pose a challenge in connecting farmers and consumers in a manner that satisfy both.

The government has thus proposed to launch **Operation Greens on the lines of Operation Flood** to promote **Farmer Producers Organisations (FPOs**), agri-logistics, processing facilities and professional management. The Centre has allocated a sum of ₹ 500 crore for the project. though the exact contour of the project is yet to be understood, it will provide impetus to the food processing industry. It will also help provide incentive to farmers to go for cultivation of the processing variety of the crop.

XIV. Tackling excess production :"Diversified consumption needs to be encouraged; farmers should be incentivised to grow export quality and processing variety of potato "Any production exceeding 100 lakh tonnes could lead to a crisis due to price crash. This is where we need to encourage diversified consumption." the allocation of ₹ 500 crore for Operation Greens, to provide logistics, storage and other infrastructure support, will provide impetus to the food-processing industry.

"By promoting agro-processing and agri-logistics, the government has provided a fertile ground for streamlining and formalising the supply-chain sector. This will lead to direct linkages between farmers and the food-processing sector,"

XV.Conclusion : I also feel that some of the other factors that can contribute to the growth of the logistics industry are the penetration of e-commerce giants into the hyper-local delivery segment. The budget has been extremely positive for logistics sector since it puts huge emphasis on infrastructure segments such as highways, railways, ports and aviation. Any expansion or enhancement of transportation infrastructure or even increase in consumption directly benefits the logistics sector.

XVI.Reference: www.Google.co.in

ROLE OF SUPPLY CHAIN RESILIENCY

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Resiliency is the heart of the current supply chain, and understanding the concept, and where to invest in resilience can lead to supply chain that quickly respond to and recover from costly disruptions.

Increasing resilience and preventing the cost and revenue impacts of these disruptions, affects the entire spectrum of supply chain, risks, product material vendors network, and environmental, as well as demand chain, and technology.

Supply chain resilience react to any event faster than competition to take up market share, and perform resulting in higher performance in supply chain.

Supply chain threats are bound to happen, disaster, accidents, and intentional disruptions, are likelihood of which consequence of wrong delivery schedules, distracting the effects of product life cycles. There are liability of volatile and unpredictable markets, and there is responsibility of overcoming such risks especially if they are highly impact, and the low probability of outbreak of any incidence, but some organization, are able to team the manufacturing of unquantifiable risk.

Collaboration helps to manage the response when unthinkable happens, and collaborating with suppliers, and distributors without disappointing customers since this will not keep the contingency plans isolated. Real time collaboration in the event of large scale inventory loss enables companies to switch over to an alternate supplier, and match the demands with orders with highly resilience in supply chain qualities, knowing the option of acting immediately, which makes a difference in market share, as the industry improves. Collaboration is the ability to develop a trust, based on relationship with supply chain. a**. Planning** with supplier and reliability with them. b. design in products and incorporating customer demands, and supplier capability, c. having access to end to end supply chain inventory data and also supplier capacity: **Control:** the ability to implement policies and execute process to prevent disruption. a. ability to identify and develop products with appropriate levels of quality and safety. b. ability to protect end to end product flow. The organization to have a resilient supply chain is necessary for the elements to be present.

In order to improve supply chain resilience and protect organization reputation and the value: 1. Access overall supply chain resilience and protect organizers reputation and value: 2. Prioritize risks based o intensity, vulnerability, and critically aggregate key risks to quantify present exposure level.3.Define costs and benefits of potential resilience, strategy and develop business for the best course of action. 4. Address supply chain resilience opportunities using defined relationship. 5. Develop a means to mention supply chain resilience, and manage emerging vulnerabilities.

Supply chain disruptions cannot be predicted, so evaluating outcomes well before they really occur is necessary. Risk management provides information, and good communication is necessary to manage the situation. There should be a possibility to detect the supply chain affected by resilience and the products, and the location of the inventory with the whole network and option for alternate supply. A good data is necessary to expedite, transfer of assets wherever demand exists, and these means less parts shortages, stock outs, and delayed deliveries, and improving service levels, and also improving customer service.

Disaster are to happen in large scale, disruptions which leave no time to plan, so supply chain can be poised to shift instantaneously, and the quick response to identify responsibility, and prepare for a recovery, identify , adjust the possibility of identifying risk, prepare for recovery, and adjust plans based on unexpected demand or short falls, and change supplier to avoid supply chain resilience.

Sourcing and procurement practices and the emerging external forces have increased the risk exposure to international supply chain, in addition, internal practices focused on efficiencies, and reducing costs have shifted the risks to : 1. Lack of co-ordinated practices. 2. Rise of just in time, and lean practices. 3. Increase in outsourcing multi-layer supply chain. 4. Supplier consolidation strategies: 5. Reduce costa and maintain of margin. The point of view on managing supply chain risks is that organization have to build resilient supply chain, and is based on experience working across, various organizations. A resilient supply chain is critical and have to withstand simultaneous risks.

A resilient supply chain balances risk and cost, and prevents to recover quickly from a multitude of risks, disruptions, and supply chain risks are characterized:

1.**Liability: ability to track a supply chain events enabling actions: a. Monitoring of suppliers performances. b. Monitor material flow from suppliers to end users. c. consumption and usage patter.**

2.Flexibility: is the ability to adapt disruptions without increase of operational costs: a. Identification of alternate supplier that can manufacture important products in the event of disruption. b. single manufacturing to produce multiple products. c. Ability to meet challenges in the changes in material needs.

The increasing resilience in outsourcing in a global environment has made supply chain risky, firmly into the business. For many organization supply chain of raw materials, manufacturing process, and storage of products are outsourced regularly, and even those functions that products that were considered in house activities, like finance, purchasing, auditing, are now being considered for outsourcing. Suppliers by their nature of supply are susceptible to various incidents to organization, they supply, and often the products may be smaller, leaner but the liability of providing of just-in-time services as these factors, are bound to have disruptions in supply chain. In case whenever the supplier services are being utilized by or many, other number of different organizations, such disruption have an impact of multiple effect to the organization, since the organization is aware of this disruption in supply chain and the ability to continue the operation is resilient to supply chain.

The threats to supply chain 1.Legal: shutting down an organization, after bringing in an injunction. 2. Political threat –unrest, nationalization. 3. Economic bankrupt, technical breakdown of the equipment, information technology improvement, technical failure. 4. Environment: manmade disaster.

Managing risk in supply chain. 1. Identify organization in critical activities: 2. Ascertain potential impact of the loss of the suppliers: Resilience measures to be taken: 1.Improve information between suppliers and consumers: 2. Standardization of regulations 3. Building culture in risk management across suppliers.

Lean manufacturing which is used and identified with increasing globalization, for cost reduction was a systematic approach to identify, and eliminate waste through continuous improvement by allowing the customers choice in pursuit of excellence and perfection to bringing about a resilient in the chain product manufacturing.

A degree of supply chain resilience is typically assessed by the extent to which value is reduced or the harm that is caused, and the speed in which normal operation can be restored, and despite the fears that inject resilience into supply chain, will create cost and reduce the possibility or rewarding experts who believed that efficiency, and resilience co-exist, without any major impact on supply chain, ideally, and focus on reducing cost as organization are increasingly concerned about managing risks.

Resilience in supply chain is the ability to respond effectively, and quickly, and improve comprehensively in the event of any disruptions in supply chain, and this requires the integration of data and sources to allow visibility in the daily operations, and also quickly assess the data, and also test alternative network strategies , and identify an action plan that will be best suitable for supply chain objectives as it means the resiliency is a competency that only be properly tamed in the organization process, and lined to the technology.

Resiliency in supply companies are able to mitigate and react to ever changing market conditions and put in place, people and technology to make resilience suitable in supply chain.

When supply chain does not have access to data or insight to other means, the organization is at risk, for the problems within supply chain, could result in further problems, and as a result supply chain is to be tried to have access across the organization scope, by integrating to a system to make decision, making capabilities and by providing accessible to credible data.

Organizations need to develop a responsive plan to risk, and every flexible response plan, should be tested before any problem occurs, as this also allows the supply chain to adjust to meet a change in how risk occurs, and as a result supply chain can adopt to return to a productive state after a major disruption of undergoing resilience in supply chain.

Inventory management in supply chain are exposed to variety of risks, that are unique o each inventory supply chain. Resilience in supply chain risk management inventory, the strategies include: **Avoidance:** Products exiting the market by taking the product out of the market, through delays, and then re-entering the market with the product inventory**. Postponement:** when there is a delay in committing the product into the market with flexible inventory hold up. **Hedging:** performs the inventory hedging by reducing pre-matured inventory holdings in good times and into timely setting up of safety stock a heading a long time disruptions. **Control:** the vertical and horizontal integration of suppliers: Transferring risk which can be done through outsourcing risks and sub-contracting.

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BRANCH NEWS

- AURANGABAD BRANCH
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AURANGABAD BRANCH

IIMM Aurangabad have conducted evening training program on **"E Way Bill in GST"**on25th January, 2018 , at "Seminar Hall",in Marathwada Auto Cluster in Waluj, Aurangabad. Faculty for this three hour's program was CA Abhishek Malpani, Head Marathwada Operations, BIZSOL India Services Pvt Ltd.

Faculty CA Abhishek Malpani guiding Audience

Mr.Malpani covered topics like Overview of E-way Bill-Applicability, Validity & Responsibility, Why E-Way Bill?, Brief procedure of E-way Bill, Generation of GST EWB - 01, Part A, PART B, Who should prepare E-Way Bill and Why & When? Cancellation of EWBs, Validity period of E-way Bill, EWB not required in certain cases, Practical issues and solutions.

IP Chairman Dr. Narendra Joshi felicitating the faculty

280+ people from Industries like AEPL, BG Fasteners, Endurance, Rucha, Bagla group, Dhananjay Group, Dhoot Transmission,Sanjeev Auto and many Auto components supplies located in Waluj, Transporters, service providers, people and companies dealing with Imports and Exports. Aurangabad Electricals Pvt Ltd has sponsored this program.

Large audience attending the session

NC Member Dr Narendra Joshi 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 Vice Chairman Mr Sushant Patare.

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.

ALWAR BRANCH

Mr. L R Meena founder chairman of Alwar Branch and NST conducted a program on Tender procedure and Preventing Vigilance in Public procurement on 1/2/2018 at National Institute of Science Communication and Research, New Delhi.In the programme about 30 participants attended the talk of Mr Meena.

During the sessions discussion held about how to prepare the Indent, specifications of the equipment to be purchased, commercial and technical terms and conditions for the tender and finally the contract. Special discussion about Preventing Vigilance. How and where mistakes are being done. It may be because of pressure of work or out side undue pressure in public procurement.

The purchase from government portal GeM, registration on GeM and order placement for small value as well the items costing upto Rs.30.00Lakhs from portal was deliberated. The reverse auction, e procurement , benifits of e procurement system including tranceperancy, efficiency, economy speed and saving by way of procurement as well as inventory carrying cost were discussed. The participants were from Stored and purchase, accounts, Enginers, Scientist and technical cadres of the Institute.

BANGALORE BRANCH

10.02.2018- Consultancy Meet : A consultancy meet held on 10.02.2018 on Sourcing Excellence Assessment consultancy at Titan Watch Division, Hosur. Sub committee team of IIMM Bangalore Branch visited and had discussion in this regard.

Meeting held at Titan Watch Factory, Hosur on 10.02.2018 on Soursing Assignment

15th and 16th February 2018- Two days workshop : Two days workshop on "Warehouse, Stores and Inventory Management" held on 15th and 16th February 2018 at Hotel Royal Orchid Central, Dickenson Road, Bangalore. Senior faculty of IIMM handled the session. There were Eighteen participants. The Program was well appreciated by the participants.

A group of participants workshop on 15,16-02.2018

Mr. M.R. Kiran, Valence Electronce -receiving participation certificate from Speaker on 16.02.2018

Mr. P.L.Mohan, Sr. Faculty handled session on Warehousing Management on 15.02.2018

Mr. R. Sundar, Faculty handling session on IT in Stores and Warehouse -Workshop on 16.02.2018

A view of Participants on 15,16th Feb 2018 Workshop on Warehouse, Stores and Inventory Management

JAMSHEDPUR BRANCH

1. New Year Day Celebration : The New Year day was celebrated on 01.01.2018 at the Russi Mody Centre for Excellence.The Chief Guest on the occasion was Mr. T. V. Narendran, Managing Director, Tata Steel, Jamshedpur. He, along with prominent citizens and Ex-Directors of Tata Steel Cut the NEW YEAR cake

Addressing the gathering

Cake Cutting

In his address to the gathering and Media personnel, he said about the Socio – Economic problems of the country, Tata Steel, Jamshedpur and Tata Steel, Kalinganagar. He mentioned the various development measures taken by Tata Steel for the ease of Traffic, Cleanliness and beautification of the city. He wished everyone a very happy New Year.

2. Republic Day Celebration : The Republic Day was celebrated at the Russi Mody canter for Excellence on 26.01.2018 at the Lawn.Mr. G D Pandey of IIMM unfurled the National Flag followed by National Anthem.The Guard of Honour was presented by the Security Personnel.Chairman Mr. Shambhu Shekhar, Members of IIMM Jamshedpur and other Institutions were also present.

3. Lecture Meeting on "Art of Living" on 27.01.2018 : A lecture Meeting on the subject of "Art of Living" was presented by the learned speaker Mr. Krishna Prasad of Tata Steel. The program was very interesting and it imparted high quality of knowledge about how to live and enjoy our life. Mr. Shambhu Shekhar Chairman IIMM Jamshedpur welcomed the speaker and Mr. G D Pandey presented the vote of thanks.

4. INAUGUARTION OF GDMM REGULAR CLASSES : The GDMM Regular Classes were inaugurated on 29.01.2018 at the Meeting Room of Centre for Excellence. Students of all the semesters and old students were present on the occasion.

Mr. G D Pandey Course Coordinator, Mr. Rajeev Kumar Hon. Treasurer and Faculty and Mr. ArijitMitra Research Fellow and faculty of XLRI lighted the lamp.

Lecture Meeting on GST on 11thNovember,2017 at RMCE Library

A lecture meeting on "GST" was arranged for the knowledge and benefit of the members of IIMM Jamshedpur Branch on 11.11.2017 at the RMCE Library. The lecture was delivered by CA S. M. Prasad of Tata Motors. Large number of members and students were present on this occasion. Chairman Mr. Shambhu Shekhar welcomed the learned speaker and requested Miss Snigdha Giri to formally welcome the speaker by presenting a flower bouquet. Mr. Prasad presented "GST" through a power point presentation taking each aspect of GST. It was a very lively session where lot of interaction took place between the speaker and audience. At the end Mr. N K Singh, EC Member presented the vote of thanks.

Press Conference on 25.11.2017: A press conference was organized to give wide publicity about the NATCOM 2017 held on 16-17 November 2017 at Bangalore and the National Awards won by IIMM Jamshedpur.

Chairman Mr. Shambhu Shekhar gave a brief of IIMM and NATCOM 2017 which is held every year at different branches. He said that it is an annual event where learned speakers from various specialized areas in Supply Chain Management and Life Management deliver talks for enhancing the knowledge base of delegates and life style. Every year competitions are held among the branches for various areas of excellence.

This year Jamshedpur Branch had been adjudged for four awards:-

1. Best Branch Award (Non- Metro)
2. Best Branch Educational Activity Award
3. Distinguished Membership Award – Awarded to Mr. K. N. Mishra
4. Best Membership Growth Award (Non-Metro)

KOLKATA BRANCH

REPORT ON (a) KNOWLEDGE SEMINAR ON "PLAY WITH PLAY CHANGERS -HEALTHCARE", (b) INAUGURATION OF 59™ BATCH OF GDMM (REGULAR) JANUARY 2018 SESSION AND (C) INAUGURATION OF ONE YEAR DIPLOMA COURSE ON "STORES, PURCHASING AND INVENTORY MANAGEMENT.

IIMM Kolkata Branch organized one day seminar on "Play with Play changers _ Healthcare" on 6th January 2018 at Park Prime Hotel standing from Left on the dias Mr. Kallol Ghosh - Hony. Secretary, IIMM Kolkata Branch, Mr. Animesh Chattopadhyay - Branch Chairman, Mr. Sandip Gupta - Regional Manager - East, ERBE Medical India Pvt. Ltd.

(a) Knowledge Seminar on "Play with Play Changers - Healthcare[1]* IIMM Kolkata Branch in collaboration with ERBE Medical India Pvt. Ltd. organized One Day Seminar on "Play with Play Changers - Healthcare" on Saturday, the 6th January, 2018 at Hotel Park Prime, 226 AX Bose Road, Kolkata-700020. The Seminar was envisaged and designed for the supply chain professionals engaged in Hospital Sector. 32 Executives engaged in the domain of Supply Chain Profession & Bio Medical Department of Corporate Hospitals in and around Kolkata attended the Seminar. As a token of commitment to the profession, IIMM Kolkata did not charge delegation fee for the Seminar. Mr. Animesh Chattopadhyay, Branch Chairman inaugurated the Seminar welcoming delegates and guests. Mr. Sandip Gupta, Regional Manager - East, ERBE Medical India Pvt. Ltd. graced the occasion as the Chief Guest. Mr. Kallol Ghosh, Hony. Secretrary, IIMM Kolkata, steered the entire programme and conducted Quiz Contest in the Valedictory Session. Mr. D K Acharyya, Mr. Kallol Ghosh and Mr. Amal Chakraborty of IIMM Kolkata spoke on various aspects in there different sessions. Mrs. Aparna Roy, Dy. General Manager (Operations), Tata Medical Centre, Kolkata also took a session as a guest faculty. The Seminar met a grand success.

One day Seminar on Play with Play changers - Healthcare organized by IIMM, Kolkata on 6.1.2018 at Park Prime Hotel, Group photo of participants.

One day Seminar on Play with Play Changers - Healthcare. Mr. Kallol Ghosh - Dy. GM, Tata Medical Centre & Hony. Secretary, IIMM Kolkata Branch delivering his speech.

(b)Inauguration of 59th Batch of GDMM (Regular) January 2018 Session

59th Batch of GDMM (Regular) January 2018 Session was inaugurated on Sunday, the 28th January, 2018 at IIMM Hall at 10.00 a.m. Mr. D K Acharyya, Course Co-ordiantor, Mr. Koushik Roy, Vice Chairman, Mr. Kallol Ghosh, Hony. Secretary and Mr. Koushik Mukherjee, Executive Committee Member, attended the inaugural programme. Mr. D K Acharyya formally inaugurated the 59th Batch of GDMM Regular Course, January 2018 Batch. Altogether 33 candidates enrolled for GDMM Regular Course in January, 2018 Session. In their speeches, Mr. Koushik Roy outlined the GDMM Course Curriculum and Mr. Kallol Ghosh discoursed on SCM and activities of IIMM in SCM Profession. During registration, students were provided with Course Materials along with Institute Kit and Class Schedule for the entire Semester.

Mr. D.K.Acharya Past Chairman, IIMM Kolkata & Course Co-ordinator formally insugurated the 59th batch of GDMM (R) course in January 2018 Session. On the dias from Left : Mr Kaushik Mukherjee, Faculty Member & EC Member, r. Kallol Ghosh, Faculty member & Hony. Secretary. Mr. D.K.Acharyya Course Co-ordinator, Sr. Faculty Member & Past Chairman.

During 59th batch GDMM (R) January 2018 Session Inauguration - New Batch of GDMM (R) Students attending programme.

One Year Diploma Course on "Store, Purchasing and Inventory Management" inauguration held on 12.2.2018 view of participants - interactive session.

(c)Inauguration of 1 Year Diploma Course on "Stores. Purchasing and Inventory Management"

1 Year Diploma Course on "Stores, Purchasing and Inventory Management" was inaugurated on Monday, the 12th February, 2018 at IIMM Hall. 13 participants enrolled for the Course. Mr. Koushik Roy, Vice Chairman, IIMM Kolkata Branch, formally inaugurated the Course delivering a motivating lecture. After formal inauguration, Mr. Kallol Ghosh, Hony. Secreary, took 1st Class of the Course. Participants were handed over Course Materials and Class Schedule for the 1st Semester of the Course. Classes for this Course will be held twice in a week on Tuesdays and Thursdays at IIMM Hall, as scheduled.

Inauguration of One Year Diploma Course on "Store, Purchasing and Inventory Management" on the dias from Left Mr. Kaushik Roy, Vice Chairman, IIMM, Kolkata Mr. K. Ghosh, Hony. Secretary, IIMM Kolkata Branch

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MUMBAI BRANCH

A one day seminar on **"INNOVATION IN SUPPLY CHAIN MANAGEMENT''** was organised by IIMM Mumbai on 10th January, 2018 at Hotel Kohinoor Continental.

The welcome address was given by Dr.Ramesh Shete Welcoming Chairman IIMM Mr Satish Palekar - V.P and Business head, L& T Hydrocarbons Offshore, Mr. Ashok Sharma (Past President IFPSM) and the chief guest CmdrSanjeev Sharma of the navy and introduced Mr.SurendraDeodhar who was the master of ceremonies.

The inauguration of the seminar done by lighting the traditional lamp by the above dignitaries'along withMr. JohneyMapgaokar, Mr. Ganesh Apte, Dr.Shete and Mr.SurendraDeodharto the tune of GaneshaVandhana.

During the inaugural session, Mr. Satish Palekar emphasized the importance of innovation in supply chain management. CmdrSanjeev Sharma spoke about the logistics which is required during defence and Mr. Ashok Sharma in his note stated the importance of digitization of supply chain management.

Mr. PinakDeshmane – Principal, Accenture Strategy in his keynote address, highlighted the shift in focus of Supply Chains from cock pit to control tower, the skill set need to change. His session gave a bird's eye view of Innovations across segments of Supply chain management. He also spoke the need of zero budgeting in Supply chain Management extensively. The session was followed by key note address by Mr.SushilPaigankar - V.P Digital Customer Experience (DCX) Cap Gemini. He spoke of the need of digitalisation of supply chain management and its relevance and advantage at the present time. Like a slice of Mango could be sourced out from where it was purchased by digitalisation. He was of the opinion the choice should be given to customer. The customer should feel he is in control.

The next speaker was Mr. Vinod Giri, VP Commercial, Flipkart, who spoke about the complexities and challenges faced by Flipkartin handling millions of deliveries. He also stated the use of Robots in warehouses to hasten up delivery time and cut down the time of delivery from the placement of orderand actual delivery done. And shared many innovative ideas deployed by Flipkart including last mile delivery. The next speaker to follow was Mr. DevenPabaru-Chief Strategy and implementation Officer, Stellar Value Chain solution Pvt. Ltd. He emphasized the shift from Supply Chain to Value Chain Management. He shared positive sentiments in Indian economy especially with a big push to infrastructure and GST. After his session Mr. Arun Banavali (Ex IIMM Chairman)– Management consultantgave inputs on projects commissioned by HCC like nuclear reactors, hydel power etc done on difficult terrains and hostile weather and high altitude like Kargil and Leh where transportation and logistics of heavy machinery was difficult due the climatic condition and narrow roads was overcome to build these projects on the given time frame. The came Mr. PrabhakarSarwade – V.P. Tech. Mahindra (Rtd.) who spoke on Bitcoins and the blockchain relevance to Supply Chain Management. The concluding speaker, Mr. K.G. Shenoy – Senior V.P. Supply Chain Management Mahindra and Mahindra unfolded the journey of M&M to excellence through Quality initiatives, TPM and the present focus on Digitization, Industry 4.0 as part of the same journey. He explained how digitalisation is helping M&M to boost quality, productivity, agility to achieve leadership position.

All the speakers were felicitated by various IIMM members and given Mementos. The vote of thanks was given by Dr. Shete to the delegates attending the one day seminar and specially thanked Mr. Surendra Deodhar who was the master of ceremonies.

On 14th Jan 2018 the Mumbai branch had their annual brainstorming workshop at MCA. The Chairman Mr.Satish Palekar shared the future challenges for IIMM and expressed confidence to overcome the challenges if we work together with focus on Education, Training and Consulting. Other initiatives to strengthen IIMM brand were also discussed in the brainstorming session. Seen here in the photo are participants actively involved in drawing future plans.

On 6th Feb 2018, a one day program on Supplier Relationship Management (SRM) & Commodity Price Risk Management (CPRM) was conducted for United Phosphorus Ltd. at their Mumbai Headquarters.Mr.G R Apte coordinated the program. Mr.Virendra Mantri conducted the SRM module &Dr.V.Shunmugam from MCX conducted the module on CPRM. Mr. R. Janakiraman, Director for Global Procurement, requested for more such customized programs from IIMM.

Forth coming **EVENTS** are as follows:

- **DISHA** TO BE HELD AT WESTIN HOTEL ON 20^{TH} AND 21^{ST} APRIL 2018

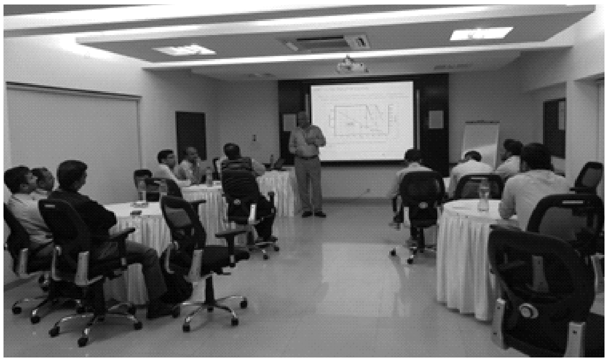
Free Programme: IIMM, Mumbai Branch organised a free programme on “Strengthening your Leadership Capability” on Friday, 19th January 2018 at IIMM Training & Research Centre, Thane. Dr.Santosh Phulpagar, Head Corporate Training, Crompton Greaves Ltd. was the speaker. The programme was attended by about 27 participants. The programme was well received and appreciated by the audience.

CPO Roundtable-VII Edition : IIMM Mumbai Branch conducted the VII Edition of CPO Roundtable on Friday, 9th February 2018 at Hotel The Lalit, Andheri , Mumbai. The Theme was “Theme : Key Strategies for Procurement to Contribute to Strategic CFO Goals ”

Mr. B V Iyer, Gr.Country Head Procurement South Aisa , Bayer & Current National Council Member was the Convener of the CPO Forum. Mr. Satish Palekar, Vice President Head Offshore L&T-Hydrocarbon Engg. Ltd. and Chairman, Mumbai Branch welcomed the participants and gave and overview about IIMM and the activities of Mumbai Branch. Mr. Ravindra Sharma , Vice President, Business Development – Asia Pacific & Japan at SAP Ariba, was the key note speaker. The event was supported by SAP. Over 50 CPOs from leading companies attended the event.

MUNDRA BRANCH

A seminar on “Latest Scenario in Power Industries & Power Tariff in India” delivered By Mr. Pankaj Dave was conducted at Adani Power (Mundra) Limited, Mundra)on 14-02-2017. All participants of Mundra IIMM Branch along with Supply chain Professionals of M/s Adani Power (Mundra) Ltd., MSPVL, Jindal Saw Ltd. And Adani Port Ltd. attended the Programme. The Programme was Concluded with a Vote of Thanks by Shanker Kumar Jha, Chairman, IIMM-Mundra branch.



NEW DELHI BRANCH

Delhi Branch of IIMM organized an Evening talk on "**Budget & Goods & Services Tax (GST) – Latest Developments"** at **Chelmsford Club, New Delhi on February 10, 2018.Prof. (Dr) Saurabh Agarwal, Prof. & Dean, Indian Institute of Finance, Greater Noida Special Invitee** of Budget &GST was invited to give a talk on the above subject.

Prof. (Dr) Saurabh Agarwal, Prof. & Dean, Indian Institute of Finance, Greater Noida given thorough knowledge about the Budget & GST and its implications

Mrs. Deepak Gulati *welcomed Prof. (Dr.) Sourabh Aggarwal with flowers*

His varied experience and efforts in the field of tax were highlighted by Dr. M.K. Bhardwaj, Chairman, Board of Studies IIMM. The programme was attended by Professor, Past Chairman & Other members and students of IIMM.

Dr. M K Bhardwaj welcomed Prof. (Dr) Saurabh Agarwal & Mrs. Deepak Gulati gave introduction of the speaker and welcomed him with flowers. Prof. (Dr) Saurabh Agarwal's talk has given thorough knowledge about the Budget &GST and its implications. The lecture was followed by an interactive session which was quite lively. On conclusion, Dr. M K Bhardwaj, Mrs. Deepak S Gulati & Mr. H K Sharma presented the IIMM kit to Prof. (Dr) Saurabh Agarwal as token of regard from Delhi Branch of IIMM.

Group photo

Group photo

The vote of thanks was proposed by Mrs. Deepak Gulati, Vice Chairman, IIMM Delhi Branch.

PUNE BRANCH

IIMM, Pune Branch organized a lecture on E Way Bill which was held on Friday, 16th February, 2018 at the Branch Office. The Lecture was delivered by Mr. Manas Joshi, Director—Proficient Partners Consultancy Pvt. Ltd. He is a practicing Tax Consultant, basically a law graduate from ILS Law College, Pune. He has also completed Diploma in Taxation Laws (DTL) and Certified Law Manager (CLM).

With the introduction of GST across India with effect from 1st of July 2017, the GST system provides a provision of e-Way Bill, a document to be carried by the person in charge of conveyance, generated electronically from the common portal. Mr. Joshi addressed various points about E way bill like purpose of EWB, who should generate, when to generate, how to generate the EWB through an effective presentation.

He shared the likely dates of re-implementation of E way bill for Inter State and Intra State movement of goods all over India. Apart from providing important tips, he also answered to the various doubts/ queries raised by the participants. The program was attended by more than 40 members at the Branch Office.

Mr. Manas Joshi was honored for this informative knowledge sharing and given a memento by Mr. Shashikant Kulkarni. Mr. Amit Borkar proposed the vote of thanks.

IIMM, Pune Branch organized a One Day seminar on "Cost Reduction in Supply Chain & Logistics through New Technologies & Innovation" which was held on Saturday, 10th February, 2018 at Auto Cluster Development & Research Institute.

The Keynote Address was delivered by Mr. Sarvesh Javdekar, Director of Vilas Javdekar Developers.

We had distinguished speakers such as **Mr. Rajeev Jorapur** - Vice President of MIS at Bajaj Auto, **Dr. Rabi Narayan Padhi**, a Practitioner and Fellow In Research Materials Management, **Mr. Manu Raj** -Theory of Constraints Certified Expert from Bottomline Matter and **Mr. Sachin Kulkarni** – Director of Avancer Technology Solutions.

The program began with Mr. Mohan Nair emphasizing on the need to make use of technology & bring innovative ideas to improvise the effectiveness of processes in Supply Chain. Mr. Sarvesh Javdekar's keynote address focused upon the speed of implementing innovation and the technological practices used in the infrastructure industry.

The chairman, Mr. Amit Borkar put forward the past achievements of the branch & forthcoming events. Mr. Manu Raj shared a new concept called Theory of Constraints to achieve reduction in lead Time and increase in performance & profits. Dr. Rabi & Mr. Sachin Kulkarni focused upon making use of technological solutions to reduce costs.

The Sessions were followed by a Panel Discussion comprising of 3 panelists –

Mr. Dinesh Mukhedkar - SCM Mgr South Asia Bekaert, Mr. Shripad Kadam - Sr. Mgr Materials - Emerson Corporation and Mr. Amit Borkar - Head - SCM , Araymond India

They deliberated on better & effective use of technology & how to resolve issues at Macro & micro level using the latest technology. This seminar provided insights to executives on the importance of technology & the need for innovation in supply chain management along with the challenges and opportunities that it presents and ways to overcome these challenges.

The program was attended by more than 100 professionals from various small & medium enterprises and 25 students across educational institutes in Pune.

The distinguished Keynote speaker and guest speakers were honored by giving a memento and a Tulsi sampling as a token of appreciation for conducting this effective and informative program. Mr. Nitin Athavle was the program co-coordinator and Mr. Amit Borkar proposed the vote of thanks.

ROURKELA BRANCH

The Family Picnic of IIMM Rourkela Branch Members.

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EXECUTIVE HEALTH

THE IMPORTANCE OF PHYSICAL FITNESS

The importance of physical fitness cannot be emphasized enough. In today's society that is moving towards a more sedentary lifestyle, there is a greater need than ever to increase the daily activity level to maintain both cardiovascular fitness and body weight.

Benefits of Physical Fitness

Staying active means keeping your body functioning at a high level. Regular exercise will maintain the performance of your lungs and heart to most efficiently burn off excess calories and keep your weight under control. Exercise will also improve muscle strength, increase joint flexibility and improve endurance.

Another main benefit of physical activity is that it decreases the risk of heart disease, the leading cause of death in America. Additionally, it can decrease your risk of stroke, colon cancer, diabetes and high blood pressure. Regular exercise has been long associated with a fewer visits to the doctor, hospitalization and medication.

Exercising does not have to be something boring and dreaded. It can be something that you enjoy that helps to increase the overall happiness in your life, as well as relieve symptoms of stress, depression and anxiety. Try to find some activities that give you pleasure, or even a buddy to do them with so that exercise is a fun and enjoyable activity (and one that you continue on a regular basis because it adds something good to your life).

What Activities Are Beneficial?

It is not what you are doing, as much as it is whether or not you are doing something. Any type of moderate activity like walking, swimming, biking or organized sports can contribute to your physical fitness. Explore your fitness options at your local gym, community center or community college for courses and organized activities that may suit your lifestyle and interests.

To get the most benefit, you should begin by warming up for 5 to 10 minutes to increase your blood flow and prepare your body for activity. Follow the warm up with several minutes of stretches to increase your flexibility and lower your risk for injury. Complete your selected exercise or activity for 20 to 30 minutes and conclude the workout with 5 to 10 minutes of cool down and stretching.

Who Needs Physical Fitness?

Everyone! It is important for all people to stay active throughout their lives. Because of busy work and home lives, more than 60% of Americans do not get the recommended amount of physical fitness daily and these numbers generally increase with age.

Throughout adulthood is one of the most important times to maintain an exercise regimen. This is the ideal time to maintain your weight, build strong bones and prevent many chronic health problems like high blood pressure, heart disease and diabetes.

Many adults do too much exercise at once. After a long work-week, many people try to fit lots of activity into the weekend and push their bodies excessively. This sudden increase in activity can raise the risk of injury which would then stop activity for weeks. Experts recommend working out several times over the course of a week with varying exercises for the most benefit to your health.

Source: FITDAY

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