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MATERIALS MANAGEMENT REVIEW



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Transforming to Smart Digital Supply Chain: Fostering Technology Sustainability & Innovation



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SPECTRUM 2018

ANNUAL MEGA EVENT- IIMM CHENNAI BRANCH



National President Mr. G K Singh, Dr. Vaidy, Principal & Deen, GLIM, Mr. Harish Lakshman, Vice Chairman- Rane Group, N Swayambhu, IIMM



Spectrum 2018 starts with Invocation Song



Lighting of Lamp by National President Mr. G.K. Singh



IIMM Chennai Chairman Mr. N Swayambhu, Welcomes the Gathering



Mr. P Y Venkateswaran speaking on about the Spectrum - 2018



Mr. Subramanian, Chairman - Spectrum 2018 Content Committee



National President - Mr. G K Singh addressing



Chief Guest Harish Lakshman addressing



Key Note Speaker Dr. Vaidyanathan Jayaraman, Principal & Associate Dean, GLIM



Vote of Thanks on Spectrum Inauguration by Mr. J Ravishankar, Vice Chairman IIMM Chennai Branch



Spectrum - 2018 Team with National President - Mr. G K Singh



IIMM Chennai Team

From the Desk of The National President



Dear Professionals,

Greetings from Your National President!!!

The Indian Economy is projected to grow at 7.5% in the coming fiscal year i.e. 2018-19 as per the National Council of Applied Economic Research (NCAER), which is a good sign for the Indian Economy, stabilising after the recent transformations of demonetisation, GST, Insolvency and Bankruptcy code, Real Estate Regulation Act (RERA) etc. Supply Chain Management has to play a significant role for sustaining this growth rate.

IIMM Nagpur&Alwar, Jamshedpur, Cochin and Mumbai branches are organising Seminar, Eastern Regional Conference, Workshop and Disha 2018 respectively in the month of April. I convey my good wishes to Branch Chairmen and Convenors for the grand success of the Events.

Materials Management day is being celebrated on 23rd April 2018 on the theme **“Transforming to Smart Digital Supply Chain: Fostering Technology Sustainability & Innovation”** in all the IIMM Branches. The theme chosen is very apt concerning the modern business environment and technological upgradations in the field of Supply Chain Management. Branches will host series of professional activities like, Seminar, Symposiums, Factory visit, Evening Lecture etc. to make masses aware about the importance of Materials Management/Supply Chain Management and its role for the development of economy.

I hope all Branches will celebrate Materials Management Day in a befitting manner and enlighten the masses about the contribution of Materials Management and Supply Chain Management for development of society as a whole.

Yours,



G. K. SINGH

National President - IIMM

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From the Desk of Chief Editor



Dear Members,

Sustainable procurement is making its roots in the Public Procurement and is high on agenda list for purchasing and supply managers seeking to demonstrate corporate social responsibility in their supply chains. Sustainable Procurement Process encompasses Social, Environmental and Economic aspects throughout the life cycle of products and finally the recyclability of the disposed product to improve sustainability of Procurement process.

Various Countries across the globe are looking for a permanent solution about the adverse and undesirable impact of their purchase policy on society and environment, and have planned sustainable procurement practices facilitated by legal reforms and policy guidelines. International Standards Organisation (ISO) has recently prepared a standard on Sustainable Procurement i.e. ISO DIS 20400, providing guidelines on Sustainable Procurement.

Sustainable Procurement adopts various principles like, accountability, transparency, ethical behaviour, transformative and innovative solutions, focus on needs, integration, and overall cost including Society, Environment and the economy. This (sustainable Procurement) will make organisations to contribute sustainably and improve its social, environmental and economic performance.

Public Procurement accounts for about 25% of GDP and can play a vital role in integrating sustainable procurement principles in to the Procurement Procedures. A procuring organisation should have the ability to affect the behaviour of the Suppliers in a manner to promote more sustainability in its operations. Growing global competition and increasing importance on environmental concerns, has made organizations to look for high quality & innovative products at minimum cost, meanwhile developing sustainable Supply Chains in the long term.

Manufacturing sector in India has to make key contribution to make a more sustainable society. At present, Indian government is looking to gain momentum in manufacturing domain and for that Sustainability is an essential element of Supply Chain systems.

India does not have strong regulatory structure to take care of Sustainable Procurement legislation. Apart from this, another challenge for implementing sustainable procurement policy on the ground is the lack of awareness among stakeholders. The stakeholders, who are deeply engaged in the procurement process, are often not aware of the nuances of sustainable procurement and as such more concerted efforts would be required to create awareness and bring more no. of Industries under the ambit of sustainable procurement.



(DR. M.K. BHARDWAJ)



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MATERIALS MANAGEMENT REVIEW

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HOW AI HELPS BUILD THE SUPPLY CHAIN THAT THINKS FOR ITSELF

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How close are we to supply chains that can run themselves? Are production, warehousing and transport ready to become lights-out operations, where no human being is needed? Artificial intelligence can already automate much of supply chain. It can also make a supply chain that learns and adapts by itself. There is enough AI technology today for supply chain operations that can run unattended for long periods. Maybe indefinitely.

But if this is so, why are we not all putting out feet up as supply chain turns into the new spectator sport? Money is one reason. It costs money to put solid AI and lights-out solutions in place. On the other hand, surprisingly perhaps, concerns about unemployment are less of a reason. Artificial intelligence still works best when combined with human brain power. Workforces may need to be retrained and reassigned. However, business run entirely by robots is still a myth.

The First Question to Be Asked : New technology can sometimes be a solution looking for problem. If AI is to be useful and profitable in supply chain, it should be driven by issues that affect operations today. Of course, it can also open new opportunities for tomorrow. However, to get management support (aka budget) the fastest, the first question should be this one. "What Needs to Be Improved in Supply Chains right now?" The following are examples.

- Hard to plan for demand
- Excessive safety stocks and bullwhip effect
- Supplier unreliability
- Transport network unpredictability
- Demand by customers and partners for access to a "real person" (or a very good imitation)
- Seeing the real bottom line impact of supply chain decisions

In different shapes and forms, AI can help with all these problems. However, AI is no panacea. To see where and when it might help, we can start by looking at the types of AI available.

Tools in the AI Toolbox : AI technology is not so new. As far back as the 1950s, technologists had visions of artificial intelligence. They saw it at the service of society and business. While the ideas were good, it took some time for reality to catch up. We can put AI tools into three categories.

- **Tools to make smart decisions.** A key example is the expert system. This AI tool is based on data and rules. A classic case was the project to create an expert system for the Campbell Soup Company. The firm's leading expert on large-scale soup production was soon to retire. So, the idea was born of trying to capture that human expert's knowledge in an expert system. The human expert estimated it would take a few hours to explain what he knew. The project finally took many months.
- **Tools to act like humans.** Machine learning is now gaining ground. With more data and greater processing power now available, computers that learn by themselves have become more feasible. Using ML, a computer automatically finds patterns in data. It can use them to draw conclusions from new data. Ecommerce recommendation engines do this. They find the patterns in how visitors navigate on the ecommerce site. They also note the end results of those navigations. Above all, they note if the visitor bought something and if so what. If a new visitor arrives and shows a similar pattern of navigation, the engine swings into action with "You might also like (insert name of frequently purchased product here)".
- **Tools to think like humans.** Current research focuses on neural networks. The neurons in the human brain and the way they interact is reproduced in software. Human-like thought processes and reactions are the result. Image processing is an example. In logistics, an artificial neural network (ANN) that understands images can help self-driving vehicles to manoeuvre.

Putting AI to Work in Supply Chain

The first applications of AI may not be spectacular. However, they can be vital just the same. Price pressure and the need to make profits have left many supply chain organisations in a tight corner. Their answer has been to apply cost reduction and lean practices. This in turn has led to a smaller staff. AI can help by:

- **Doing lower level tasks faster and more reliably.** This frees up their human counterparts for work that AI cannot do, such as creating a new supply chain strategy.
- **Suggesting actions after reviewing analytics.** Data analytics are part of a growing number of systems.

Yet the insights they offer may overwhelm as smaller team. AI can help pick out the insights with the most impact and suggest precise actions.

- **Create a knowledge base** that new workers can access, and based on the knowhow of older workers, as in the Campbell Soup Company example.

AI Inspirations and Considerations for SCM: Despite being called “artificial”, AI for supply chain management and other domains is still rooted in the world of the living. IBM describes its AI-based technology for supply chain as a swarm of bees, working together. Elsewhere, “ant colony optimisation” imitates the social habits of ants and their innate ability to find the shortest routes to food and shelter. For supply chain, useful problems solved with this approach include vehicle routing and production process plan/selection.

Fuzzy logic is an AI solution for handling ambiguity and uncertainty. It can help make rules for using subjective criteria. One example is supplier performance evaluation. Other uses are finding out how expensive a product price is perceived to be, and controlling the cost of stocks. Agents are entities that act to achieve goals. They can also compete and cooperate with other agents. An AI agent can use knowledge and deal with errors. It can also learn from what is around it, and talk to others in natural language. In supply chain, agents can improve shop floor control, logistics planning, business negotiation, and customer relationship management (CRM).

AI techniques can also be combined for further effect. “Chatbot” AI software can use natural language processing (NLP) for a dialogue with humans. The chatbot can then translate a request from natural English into the instructions needed to drive a backend IT system. The chatbot converts the IT system’s output back into easy to understand language or graphics. For example, a supply chain manager’s question might be following: “What is the impact on profitability of using only air transport for deliveries?”. With voice recognition, also an AI technology, the question does not even need to be typed in at a PC. It can simply be spoken.

However, avoid relying on AI to plug holes or paper over cracks that should not exist anyway. For instance, machine learning can be used to forecast the demand distortion that comes from lack of collaboration of supply chain partners (the bullwhip effect). Yet a smarter solution might be to get the partners collaborating properly in the first place.

Braking Factors : So far, applications of AI have tended to be for problems that are well understood. Very complex problems or issues that are harder to define have been less present. Uptake of AI in supply chain can also stall because of the following.

- **The name.** AI has often been presented as science fiction (thank you, “Terminator”!), or academic and

abstract. Some rebranding might be useful. For example, “Chatbot” is a shorter and more intuitively obvious way of saying “autonomous, interactive agent with natural language processing”.

- **Lack of skillsets.** It takes certain skills to put data (including big data) and AI tools together for useful results. Some solutions manage to be effective, while requiring little or no technical skills for use. Others still need a team of geeks.
- **Poor usability.** This is linked with the point above about skillsets. Even the geekiest can get tired of a clunky interface. New trends like chatbots and NLP are however making things easier.
- **Machine stupidity.** Everyday AI is driven by computer software, not by brains. It has no notion of “free will”, “initiative” or “creativity”. Workforce skills and knowledge of AI must continue to be developed to help AI to be used in a truly intelligent way.
- **Too dumbed down.** In trying to simplify, the risk is to strip AI of its real-world relevance. There is a happy medium to be found between rocket science and comic books.
- **Glut of information.** Market researcher IDC suggests supply chains have 50 times more data available to them today than five years ago. Yet only a smaller part is being analysed. The problem is often knowing where to start.
- **Stale or bad data.** Data often has a short shelf life. “Garbage in, garbage out” is true for AI too, especially when out of date data is being used.

Return on Investment : AI systems also require investment. Hiring data scientists to prepare and model data for the AI systems can be expensive, as can full lights-out supply chain operations. Often, the monthly ongoing expenses of a “standard” human workforce are easier to handle than a big investment in smart automation.

However, there are degrees of investment, just as there are degrees of AI. A macro in Microsoft Excel or Word is a primitive form of AI. You could call it the amoeba of AI, able to react in basic ways to the data around it. In addition, once you have a license to use Excel, the macros are free.

Macros are also a good example of machine intelligence helping people with tasks that must be done, but that take a lot of time for not much value. AI in general has a big role to play in ensuring that repetitive tasks are done faster and more reliably. AI doesn’t get bored, skip a step, or forget to file the results. It can’t think outside the box, but it can flag errors and anomalies for a person to then sort out.

Management consultancy McKinsey & Co puts it this

way. AI and more specifically machine learning is great at “relentlessly chewing through any amount of data and every combination of variables”. Based on what it has been told to look for and what it finds, it can then handle necessary but time-consuming tasks, freeing up people for other work with more added value.

Successful AI Implementation : The following points can help make a success of AI use in supply chain.

- **Focus on business objectives.** Lowest internal costs and highest customer satisfaction are typical goals. If an AI solution cannot clearly link to either one, it may be ahead of its time or simply irrelevant. Instead, favour AI solutions that contribute to meeting relevant business goals and solving business problems.
- **End-to-end thinking and data.** Silo working in supply chains is bad news. Interdependencies often run from one end of a supply chain to the other. Correctly balancing the different components is crucial. If AI is restricted to isolated parts of the chain, the results may be no better than using standard SCM systems.
- **Change management.** Using AI is a change. AI is also changing fast, meaning still faster change for your enterprise. People often resist change or at least need time and help to feel at ease with it.
- **Continuous improvement.** Kaizen got it right, decades before AI was in vogue. In many cases, data is always growing and changing. Campbell's Soups may have found success with a rule-based system because raw food ingredients do not change. In other sectors, change is the only constant. AI then needs to constantly examine the new data, learn from it, tune itself and stay up to date.
- **Scalability** Large supply chains can have millions of stocking locations. AI solutions must be able to make the right decisions, fast, and at scale.
- **Good user experience.** AI and human intelligence must work together. Whether in customer interactions, on the production line, in the loading bays, or on the road, people need to feel at ease with whatever AI tool is helping them to work better.

Conclusion : Look for the practical benefit of AI. Faster, cheaper, better or whatever, if AI has a place in your supply chain, it is because it offers clear business improvement. Remember, AI still has limitations and people also need to accept it as a friendly helper, not a rival for their jobs. Supply chain is also still a hugely complex activity, for which AI is a useful tool, but not a solution by itself. Or at least, not yet.

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CONGRATULATIONS



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Shri V.P.Yajurvedi, a Life Member and an Alumni of IIMM has been conferred Doctor of Philosophy (Ph.D.) (Honoris Causa) by Commonwealth Vocational University, Kingdom of TONGA for his distinguished career and service in the field of Company Management. An officer of Indian Ordnance Factories Service (IOFS), 1978 batch, he rose in the hierarchy to occupy the prestigious and coveted post of Chairman, Ordnance Factory Board & Director General Ordnance factories, Ministry of Defence, Govt of India.

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SUSTAINABILITY – A CONCEPT OF LONG TERM BALANCING ROLE OF SUPPLY CHAIN

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Sustainability is receiving prime focus in recent past in view of increasing concerns about nature and socio-economic wellbeing all over the world. Despite various views on the subject, let us discuss the concept in more generic and widely acceptable view.

To sustain means : endure; to hold up; to bear; to support; to provide for; to maintain; to sanction; to keep going; to keep up; to prolong; to support the life of. (Chambers Concise Dictionary). Sustainability is the long-term maintenance of the environmental, economic, and social dimensions, and encompasses the concept of union, an interdependent relationship and mutual responsible position with all living and non living things on earth (From Wikipedia)

Sustainability means meeting our needs today without compromising the ability of future generations to meet their own needs. (UIA/AIA World Congress of Architects, June 1993). Sustainable development mean: improving the quality of human life whilst living within the carrying capacity of the ecosystems (IUCN, UNEP, WWF (1991)

FOUR DIMENSIONS OF SUSTAINABILITY : In the traditional concept of Sustainability, pursuit of economic prosperity, environmental quality and social equity famously known as three dimensions (triple bottom line / 3 P (Planet, People, Profits) model). Since Wellbeing is as necessary for humankind as biodiversity is for nature"; it becomes "one of the roots of human development as a means to achieve a more satisfactory intellectual, emotional, moral and spiritual existence". In this vision, Wellbeing is considered by the author as the fourth dimension of sustainability.

Accordingly Nature, Economy, Society and Wellbeing are considered as "Four Dimensions" of sustainability. This view has been expressed as an illustration using four overlapping circles indicating that the four dimensions of sustainability are not mutually exclusive and can be mutually reinforcing.

The primary goal of Sustainable Development is to achieve a reasonable and equitable development of social, economic, environmental and wellbeing, which ensures that these goals are sustained, i.e. that real

incomes rise, that educational standards increase, that the health of the nation improves, that the general quality of life is advanced and enable the Earth to continue supporting biological life for long.



The concept of sustainability relates to the maintenance and enhancement of nature (environmental), social, economic resources, human wellbeing in order to meet the needs of current and future generations. The four dimensions of sustainability are:

- **Nature (Environmental) sustainability :**

Natural resources are found as naturally occurring substance like land, water, air, light, minerals, large number of living and non-living things and other naturally available raw materials. These resources are available in nature as huge block of inventory. Human beings need these resources for economic or manufactured capital for social and human needs and wellbeing. Nature (Environmental) sustainability requires that the natural capital remains intact or available for use for very long run. This means that

the source and sink functions of the environment should not be degraded. Therefore, the extraction of renewable resources should not exceed the rate at which they are renewed, and the absorptive capacity to the environment to assimilate wastes should not be exceeded. Furthermore, the extraction of non-renewable resources should be minimised to a minimum possible levels as once used or depleted these cannot be replenished or regenerated. If nature is depleted faster than it can regenerate, human beings will be left without natural resources and the growth will perish.

Therefore Nature (Environmental) sustainability can be defined as sustainability of carrying capacity of earth while supplying and supporting natural resource for socio-economic activity and wellbeing for meeting the present needs while preserving biodiversity and natural ecosystems in the process of degradation and regeneration and maintaining the balance in the very long term.

- **Social Sustainability :** Social capital is an important aspect of sustainability because it is through communities and civil societies that humankind can easily and inexpensively work together. The traditional view of social needs, includes Housing, Education and skills, Equity, Employment, Human Rights, Poverty, Social Justice. However modern emerging view looks at broader perspective like Empowerment, Participation and Access, Identity, Sense of Place and Culture, Health and Safety, Social mixing and cohesion, Demographic change (ageing and international migration), freedom / human rights. Social Sustainability is social development that meets the needs of the present without compromising the needs of future generations to meet their own needs.

Thus Social Sustainability means cohesion of society in meeting, protecting, maintaining and enhancing its ability to work towards common goals with empowerment, equal participation and access, fair treatment, dignity and Identity to all stakeholders, through proper maintenance of and adherence to laws, rules, traditions and values that societies have developed for the common good which not only meet the needs of its current members but also support the ability of future generations to maintain a healthy community.

- **Economic sustainability:** Sustainable use of resources can be applied to economic sustainability. Economics is about the efficient use of resources, usually expressed in monetary terms. Economic sustainability means these resources or capital (three types of capital (economic, social(including human and knowledge capital), and natural)) may be consumed, converted and also conserved for use for long and resultant development, which moves

towards social, human wellbeing and environmental sustainability, is financially feasible. Economic sustainability is having a set amount of capital (resources) for a certain period. Those who consume that capital must also conserve it so that they will continue to enjoy it towards the end of the specified period. This means that we must preserve all our resources as we consume them so that human beings in the future can enjoy them as well. To achieve this, we must regenerate our resources at a rate that is equal to or faster than our consumption.

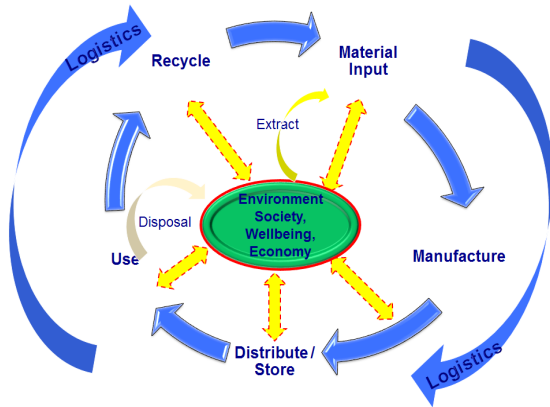
Thus Economic sustainability can be defined as means of consuming, converting and conserving capital (resources) for socio-economic activity and wellbeing for meeting the present needs without harming environment by regeneration and preserving the capital for use in the sustainable future.

- **Wellbeing :** Wellbeing is the state of being healthy, happy or prosperous. Although wellbeing is different for each individual, in general it incorporates a holistic approach focusing on multiple dimensions that affect quality of life, ultimately leading to a balanced, healthy and happy life. The term quality of life is used to evaluate the general well-being of individuals and societies. Quality of life should not be confused with the concept of standard of living, which is based primarily on income. Instead, standard indicators of the quality of life include not only wealth and employment, but also the built environment, physical and mental health, education, recreation and leisure time, and social belonging, Emotional, Intellectual, Occupational, Physical, Spiritual, freedom, human rights, and happiness dimensions.

Therefore Sustainable Wellbeing is the long-term maintenance of well being through cohesive society with progressive economy and healthy ecosystems and environment.

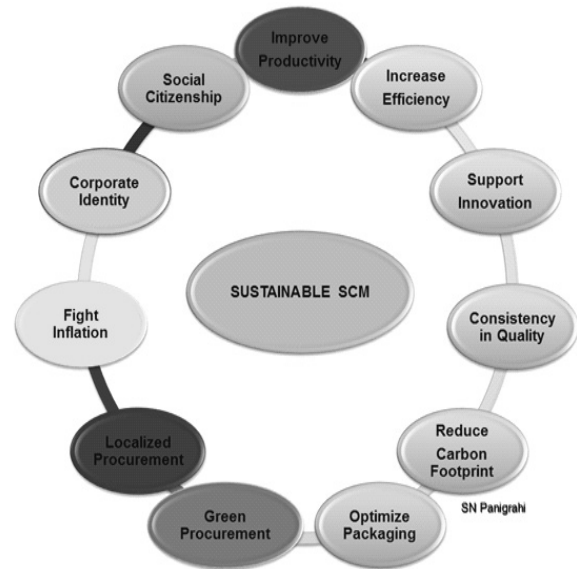
SUSTAINABILITY: ROLE OF SUPPLY CHAIN MANAGEMENT : Supply chain management is defining the value in an elevated level of responsibility across all sourcing, procurement and logistic activities. A well-managed supply chain offers a range of benefits, not only just from cost and tangible financial aspects, but also other tangible and intangible business values by integrating social and environmental considerations and also complying new legislations, standards and regulations into supply-chain management. Energy use, environmental costs, materials recovery, water usage, low emission transportation, eco-friendly products, safety of hazardous materials used, processes, reverse logistics, environmental friendly packaging are the major concerns of supply chain. At every stage in the life-cycle of supply chain there are economic, social, wellbeing and environmental impacts. Supply chain

sustainability. Supply chain sustainability is a business issue affecting an organization's supply chain or logistics network in terms of environmental, risk, and waste costs. There is a growing need for integrating environmentally sound choices into supply-chain management.



The role of supply chain management in achieving inclusive and sustainable growth are :

- Raise productivity: of business processes through material conservation, energy efficiency, and waste reduction, reuse, and reprocess.
- Economic benefits from increased Efficiency: by reducing wastes, reducing transactional and handling expenses, and even costly inputs.
- Support Innovation: in products, services, and process technologies that enhance socio-environmental performance. Efficient production is enhanced through the use of cleaner technologies, process innovation, and waste reduction. Reduction in wastes equals value gained.
- Improved product quality: Supply chain partnerships help maintain relationships between buyers and suppliers leading to increased control over product quality.
- Reduce the carbon footprint: Through Logistics Planning (all transportation related activities - Shipment consolidation (full shipments are better than partial), Route lengths
- Optimize Packaging: Reduce volume and mass of packaging-reduce packing wastes; Reusable or recyclable packaging
- Green Procurement: Procurement is uniquely positioned to help the enterprise meet sustainability goals. For many firms, the majority of carbon and cost leaks lie hidden in the supply chain.



- Localized Procurement: Reduce cost of logistics, social responsibility of developing local economy.
- Environmental Health: The value of one's relationship with the earth and its resources as understood through calculation of the true costs of resources consumed by an enterprise or economy and determination of equitable exchange or contribution to the health and sustainability of the environment.
- Fight Inflation: Efficient management of supply chain can bring down inflation drastically by supply side improvements, removing the bottlenecks in the supply chain, minimizing waste, Elimination of Distribution Inefficiencies; Strengthening PDS (Public Distribution System), Strengthening Logistics & Warehousing.
- Corporate Identity: A well-managed supply chain management enhances the value of corporate vision, purpose, values, ethical stance and leadership as it contributes to brand equity and economic success of business on sustainable basis.
- Social Citizenship: The quality and value of relationships enjoyed with larger society through the exercise of corporate citizenship as a member of local, regional and global communities.

Stretching sustainability goals beyond direct operations across the tiers of the supply chain, through sustainability-oriented value chain may consolidate and harmonize Social and Environmental Responsibility.

● ● ●



INDIAN ECONOMY 2018: REVIEW AND ANALYSIS

PROF. DR. SAURABH AGARWAL
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Indian Economy has undergone a major metamorphosis after Demonetization and implementation of Goods and Services Tax (GST). A large increase in the registered indirect and direct taxpayers was observed. After demonetization, a record 1.8 million individual income tax filers have been added. A 50 percent increase in unique indirect taxpayers under the GST compared with the pre-GST system was reported. This is likely to increase the buoyancy in tax flows. A greater base for tax collection may lead to increase in total tax collected and likely reduction in tax rates in future.

With economy stabilising after the recent transformations of demonetisation, GST, Insolvency and Bankruptcy code, Real Estate Regulation Act (RERA) etc. it is expected that the economy (as measure by GDP) may grow at the rate of 6.75% to 7.5%. In my opinion, the economy may grow at the rate of 8.1% with black economy now merging with the white economy. India is already one of the fastest growing economies in the world and is likely to maintain its position. While it is a matter of pride that India is growing at a fast rate, on the flip side there are many economies like Libya (GDP growth rate 31.2%), Bhutan (GDP growth rate 11.2%), Ghana (GDP growth rate 8.9%), Yemen (GDP growth rate 8.6%), Ethiopia (GDP growth rate 8.5%) and Myanmar (GDP growth rate 7.6%) who are growing at a much faster rate. Hence, the growth rate should increase to a double digit figure. At the same time, the addition to an economy in absolute terms should also be considered. For example with a GDP growth rate of 6.5% China adds \$1,181 billion to its economy. Similarly, with a GDP growth rate of 2.3% United States adds \$838 bn, Germany with a GDP growth rate of 1.8% adds \$282bn, compared to India adding a mere \$215 bn in 2017-18.

Trade has been found to be a major driver for prosperity of States in India. Trade can be international or inter-state. Gujarat undertakes a lot of international exports and is hence prosperous. Haryana has high inter-state gross trade and is prosperous due to inter-state trade. Hence, if an Indian state wishes to increase the prosperity of its residents, then it must focus on increasing both international exports and inter-state trade. The structure of India's firm export is more egalitarian than in other large economies like USA, Mexico, Germany, Brazil etc. In India, top 1 percent of Indian firms account for 38

percent of exports meaning thereby a larger share of total exports is shared by other smaller firms. Hence, an attempt should be further made to increase exports by small and medium enterprises so as to reduce the dominance of few firms, as is present in large developed economies. In Germany, top 1 percent of firms contribute to 68% of total exports and in USA top 1 percent of firms contribute to 55% of total exports. Positive government policy of relief from embedded state taxes has benefitted the exports of ready-made garments which have grown by about 16 percent in 2016. The government must think and re-align its policies for other sectors as well so that other sectors in the economy can also achieve faster export growth rate.

There exists a lot of litigation in tax arena, which can be reduced by positive steps by the government. Interestingly, only 0.2 percent of cases account for 56 percent of the value at stake and about 66 percent of pending cases (each less than INR. 10 lakhs) account for only 1.8 percent of the value at stake. Hence, government should focus on only those cases where higher values are at stake. Also, the success rate of the tax department has been very low in both direct tax and indirect tax cases. In my opinion, only those matters should be pursued beyond Income Tax Appellate Tribunal (ITAT)/ The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) to High court and Supreme Court where the possibility of success is very high. A fair decision by the tribunal can also aid in reducing the litigation in tax arena.

Indian economy faces many challenges like the rising oil prices in international market, twin balance sheet problem, rising unemployment and rising Non-Performing Assets in Public Sector Banks. Increasing private investment and exports would be another challenge area for the government. The gross fixed capital formation as gone down to 26.4 percent in 2017 from an elevated level of 35.6 percent in 2007. Also the ratio of domestic saving to GDP has gone down from 38.3 percent in 2007 to 29 percent in 2016. While it may be a correction or an indication of fall in investment and saving which may lower down the growth rate in future. Since investment slowdown is more detrimental savings slowdown, it is recommended that policy initiatives should be undertaken to revive investment. Improving the ease of doing business and reduction in corruption

may also aid in increasing investment. Asset prices are inflated in the stock market and the bull-run is unlikely to continue. Short term correction was observed after the implementation of the Long Term Capital Gain Tax on the sale of shares.

To enable a faster growing economy, it is important some important reforms are undertaken. The reforms relate to (i) Bureaucratic reforms, (ii) Judicial reforms, (iii) Simplification of GST rules, (iv) Women empowerment, (v) Agricultural investment, (vi) Banking reforms, (vii) Political reforms and (viii) Educational reforms are required. India can grow at a faster rate if officers can be made accountable for not clearing files within stipulated time periods. A faster acceptance or rejection can provide the much needed transparency. Similarly, Judges and Police should be made accountable for delay in settling court cases. Delay is synonymous with denial of justice. While GST has been appreciated, its implementation is highly questionable. Five rates, multiple filings and slower refunds have adversely affected the micro, small and medium enterprises. The much appreciated e-Way bill has also been postponed till April 2018.

Steps must also be taken to bring the Indian women join the workforce. Their valuable contribution to the workforce has the power to make our country achieve double digit growth rate. On the agricultural front, while a number of times the Government has waived off the agricultural loans but the same is not a long run sustainable policy. Steps should be taken to bring in real investment and technological upgradation in agriculture so that it can grow at a faster rate rather than current growth rate of 2.2%. This may be an effective way to double farm income from the same piece of land.

The recent PNB scam should act as an eye opener for the regulators. Banking has been a highly regulated sector with Reserve Bank of India (RBI) enjoying complete autonomy. Hence, it is imperative for Ministry of Finance and RBI to brainstorm on how to reduce the banking scams affecting the banking sector. Atleast, attempts should be made that the same modus operandi should not be repeated to loot the banks. Non-Performing Assets should also be considered as an epidemic rather than a routine process of a percentage of loans going bad. Attempts need to also be taken to have a corruption free politics with politics becoming one of the preferred occupations of the educated youth. A politics free from criminals can provide a much needed strength to our economy. Currently, focus is only at the top leadership, this has to change with focus on the lowest hierarchy of volunteers in political parties. The funding of political parties should also be made transparent to prevent any corruption by big corporate houses. Lastly, our education system needs a complete overhaul to prevent the increasing unemployment. Currently, excessive focus is on degrees and diplomas rather than gaining knowledge at educational institutions. Focus must be laid on how education can be enabler for students rather than a mere piece of paper that certifies a qualification.

Indian Economy is exhibiting a strong and a stable growth with a low fiscal deficit of 3.2%. The subsidies have also been reduced in phased manner reducing the burden on the exchequer. Our foreign exchange reserves have also grown to \$400 billion providing Indian Economy the much needed stability. However, a judicious use of these reserves is recommended by creation of a India sovereign wealth fund. The sovereign wealth fund may then use these resources for supporting infrastructural and health related policies of the Government of India. Jai Hind.

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COMMODITY INDEX

Commodities	Days's Index	Prev. Index	Week Ago	Month Ago
Index	2565.5	2568.3	2574.9	2598.2
Bullion	4646.1	4659.8	4679.4	4722.7
Cement	1814.6	1814.6	1814.6	1865.2
Chemicals	2643.4	2643.4	2643.4	2643.4
Edible Oil	1621.9	1623.0	1631.6	1570.9
Foodgrains	2243.2	2243.7	2251.6	2290.3
Fuel	2562.0	2566.2	2569.3	2571.4
Indl Metals	1965.8	1965.8	1953.1	1927.6
Other Agricom	2133.9	2139.1	2157.6	2261.5
Plastics	1710.9	1710.9	1710.9	1699.0

Source: ETIG Database dated 19th March 2018



INFRASTRUCTURE CREATION: INTEGRATING THE NATION

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The Finance Minister at the start of his budget speech indicated that India needed investments over Rs 50 trillion in infrastructure to “increase growth of GDP, connect and integrate the nation with a network of roads, airports, railways, ports and inland waterways and to provide good quality services”. He declared that the government was committed to this and would ensure the required investment. The challenge is not so much in the allocation of funds as in strategizing appropriately and ensuring timely implementation

The 2018-19 Union Budget recognizes a total allocation of Rs 5.97 trillion in infrastructure. This compares with an expected expenditure of Rs 4.94 trillion in 2017-18. The infrastructure allocations have not only been increasing in absolute terms, but also as a share of total budgetary allocation. The allocations have been going up in all the sub-sectors of infrastructure including railways, roads, aviation, etc.

The single largest entity spend is for the Indian Railways. The thrust in the current budget has been on capacity creation, including track doubling, third and fourth line works; 5,000 km of gauge conversion; redeveloping 600 railway stations; and introduction of modern train-sets. The proposed gauge conversion would make the country broad gauge based unigauge system. The budget also has a special focus on suburban railways including Mumbai and Bengaluru. The spend on Mumbai would be part of Phase 3A of the Rs 0.55 trillion Mumbai Urban Transport Project (MUTP).

The Union Budget includes a total outlay of Rs 1.21 trillion on road infrastructure. The spend is part of the approved Rs 5.35 trillion Bharatmala Project, which includes development of economic corridors, efficiency improvements on key national corridors; and border, coastal and port connectivity roads.

Both the Railways and the National Highways Authority of India (NHAI) are expected to source funds beyond just internal surpluses and budgetary support. The Railways, apart from the traditional sourcing through bonds, are expected to bring in funds through public-private partnerships (PPPs), especially in railway station redevelopment and rolling stock manufacturing. The NHAI would use schemes like toll, operate and transfer (TOT) and raising equity from the market using road assets that have crossed the transfer phase of the earlier build, operate and transfer (BOT).

In the maritime sector, the focus is on spends as part of the Sagarmala Project. In aviation, the focus is on improving airport capacity, developing new airports and increasing connectivity to unserved airports and helipads.

Other domains of infrastructure spend include the 99 smart cities and rural infrastructure through development of rural roads, houses, electricity, sanitation, irrigation and water supply.

Bandwidth for Spending : One of the important challenges with the increased allocations is our ability to spend it effectively. For example, even though the allocation for railways from Gross Budgetary Support (GBS) in 2017-18 was Rs 0.55 trillion, the expected actual spend has been revised downward to Rs 0.42 trillion. Consequently, the GBS provision for 2018-19 has been kept at Rs 0.55 trillion, without any increase and almost identical to the previous year's provision.

The inability to spend is a function of insufficient governmental bandwidth in putting out well-written project documents and quick processing of permissions; lack of legal and judicial bandwidth; and the significant non-performing infrastructure assets that put limits on debt financing. Stalled permissions and/or legal issues have held up many projects mid way. A concerted effort to protect and unlock such assets is important. The Ministry of Road Transport and Highways (MORTH) must be commended for attempting to resolve legal issues in many projects, though there are many others still stuck.

It is rather unfortunate that though the budget gets such heightened annual attention, there is no mechanism of reviewing the budgetary performance, not just financially, but in actual outcomes achieved with an analysis of the causes. The annual economic survey is at best a document that looks at performance in an aggregate manner, albeit in different sub sectors. Budgets tend to focus on political rhetoric, often repeating the same activities. For example, the railway station development and the new airports development have been repeated in many successive budgets. While earlier budgets had schemes like Setu Bharatam (to remove level crossings on National Highways), Special Unit for Transportation Research and Analytics (SUTRA) and Special Railway Establishment for Strategic Technology and Holistic Advancement (SRESHTA), it is difficult to find the state of progress of these activities vis-a-vis their original intent.

Projectising as a Means of Directing the Spend : On the credit side though, the allocations in different sectors over the past few years have tended to be guided by long-term multi-activity project conceptualization like the Pradhan Mantri Gram Sadak Yojana (PMGSY), Sagarmala, High Speed Rail (HSR) and Bharatmala projects. The HSR and Bharatmala projects were announced in September and October 2017 respectively. (Of course, the Bharatmala is, in many ways, a modified version of the earlier National Highways Development

Project.) Such conceptualization provides more stability and direction, rather than being buffeted by varying annual demands.

In spite of projectising, there are domains where we falter. For example, the BharatNet project (the earlier National Optical Fibre Network), which is to provide broadband connectivity to every Gram Panchayat, has had implementation issues, causing significant delays in timelines. Part of the problem was due to the implementation being 'handed over' to public sector undertakings, which did not have this as a priority.

In the context of rural infrastructure, the PMGSY has been one of the most successful infrastructure projects. The second decadal phase of this project has been advanced to be completed by 2019 (instead of 2021), so that the third phase can be put in place. Apart from deeper penetration, the rural road network is focusing on improved maintenance and two-sided connectivity to facilitate not just physical connectivity, but also services. In the context of rural electricity, the focus is shifting from village-level connectivity to household-level connectivity. In terms of sanitation, though the focus is on building toilets, full effectiveness can be achieved only by changing the behavior to increase usage. This needs 'marketing' like efforts.

Inter-sectoral Issues : However, a related challenge is one of examining inter-sectoral implications. For example, it is not clear whether building and connecting more airports is the way to go, given the improving road connectivity. More airports will reduce the catchment per airport, reducing frequency of service and thus putting the overall viability in question. For example, Hubballi and Belagavi are less than 100 kilometers apart with excellent road connectivity, but still wish to have modern airports with just a couple of flights a day each.

It would take under two hours to reach either airport from their catchment. As a comparison, there are many parts in Bengaluru where reaching the airport would take more than two hours. An overall approach to air connectivity by integrating roads, and keeping a focus on access time rather than distance would be the way to go. For example, in hilly areas, airports closer to one another may still be okay.

Another inter-sectoral domain is that of intermodal connectivity between the metro and the railways. Bengaluru and Delhi are examples where such connectivity has as of now been compromised, leading to poor service quality for customer transfer, and resulting in reduced demand. It does make one reflect on the need for basic smartness, rather than what is implied by 'smart' cities.

There are inter-sectoral issues between energy and transportation. The government has demonstrated significant awareness of this matter. Electric traction in railways is being promoted, with significant allocations. Similarly, the government has announced that the policy would be to convert all road vehicles to electric vehicles by 2030. In the road instance, the industry is not fully in agreement with the government, both in terms of the announced timeline and the focus on electric vehicles over hybrids.

Conclusion

The Finance Minister at the start of his budget speech indicated that India needed investments over Rs 50 trillion in infrastructure to "increase growth of GDP, connect and integrate the nation with a network of roads, airports, railways, ports and inland waterways and to provide good quality services". He declared that the government was committed to this and would ensure the required investment.

The challenge is not so much in the allocation of funds as in strategizing appropriately and ensuring timely implementation.

Budget for the Railways

In keeping with the Government's focus on strengthening the Railways network in the country the General Budget 2018-19 has enhanced the allocation for the Ministry. Railways' Capex for the year 2018-19 has been pegged at Rs. 1,48,528 crore. A large part of this will be devoted to capacity \ creation. 18,000 kilometers of doubling, third and fourth line works and 5000 kilometers of gauge conversion would augment capacity and transform almost the entire network into Broad Gauge 4000 kilometers of railway network are ' to be commissioned for electrification during 2017-18.

12000 wagons, 5160 coaches and approximately 700 locomotives are being procured during 2018-19, and the work on Eastern and Western dedicated ' Freight Corridors is on going. A major programme has been initiated to \ strengthen infrastructure at the Goods sheds and fast track commissioning of \ private sidings.

The Finance Minister assured that adequate funds will be available under < Rashtriya Rail Sanraksha Kosh. Over 3600 kms of track renewal is targeted during 2018-19. There will be increasing use of technology like "Fog Safe" and "Train Protection and Warning System". 4267 unmanned level crossings in the broad gauge network will be eliminated in the next two years.

Modern train-sets with the state-of-the-art amenities and features are being designed at Integrated Coach Factory, Perambur. The first such train-set will be commissioned during 2018-19. Redevelopment of 600 major railway stations is being taken up by Indian Railway Station Development Co. Ltd. All stations with more than 25000 footfalls will have escalators. All railway stations and trains will be progressively provided with wi-fi. CCTVs will be provided at all stations and on trains to enhance security of passengers.

The Finance Minister has informed that 90 kilometers of double line tracks are being added to Mumbai's transport system at a cost of over Rs.1 1,000 crore. 150 kilometers of additional suburban network is being planned at a cost of over Rs.40,000 crore, including elevated corridors on some sections. In Bengaluru, a suburban network of approximately 160 kilometers at an estimated cost of Rs.1 7,000 crore is being planned to cater to the growth of the metropolis.

Foundation for the Mumbai-Ahmedabad bullet train project, India's first high speed rail project was laid on September 14,2017. An Institute is coming up at Vadodara to train manpower required for high speed rail projects.

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OPTIMIZATION AND AUTOMATION OF P2P PROCESS LEADS TO PROFITABILITY TO THE INDUSTRY

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ABSTRACT - Procure to pay process are at the core of the company's operations but fraught with risk, uncertainty and inefficiency. However its impacts on the business is tremendous. If we look back on the traditional business that is very hectic and cumbersome. The user department send the requirements to material control departments than the materials department consolidate the all purchase requisition segregate them and send to purchase department than purchase department start its function of enquires, quotations, tendering process and select the supplier out of the many supplier than place the order on the selected one than supplier takes his own time and deliver the goods to the buyer premises as per the terms and conditions which are stipulated in the purchase order. The goods delivered by the supplier received at the premises of the buyer, where these are counted and mach with the invoice/ delivery challan and goods receipt note is prepared and offered for inspection to quality department to check the materials as per the specification mentioned in the purchase order, if the materials is found Ok as per the requirement specified in the PO than goods received note is forwarded to finance department dully signed by the inspection authority. Afterwards finance department look in to the invoice of the supplier from all angles with the terms and condition of the PO and finally make the payment. If materials is rejected than supplier is informed and advised to pick-up the materials with in 15 days on receiving the letter from customer end. These all activities takes months together. There is no transparency in the system, payment is not made on time to the supplier after getting right materials on time. There is lot of ambiguity in each steps in the system, employees are adamant, reactive and back office functionary. Semiautomatic technology is applied to work with the system, a legacy software is used in in the whole process. Supplier is not considered a partner. Customer and supplier do not have a long terms relations. There is lack of standardization at both side supplier as well as customer. Lead time is uncertain, excess inventories is compiled at various level due to uncertainty of receiving the needed materials on time. Now we have to automate and optimize with unprecedented technology the P2P process which is the gate way to the industries growth.

INTRODUCTION Procure to Pay is one of the Enterprise Resource Planning (ERP) technique that can be acquired

by small or large-scale organizations, for better management and less dependencies in the system it is the end to end journey of acquiring materials needed to effectively run a business, while facilitating the complete bill payment steps for the supplier.

Procure to Pay is developed from the concept of internal control system (ICS), where the work of one person is checked by another person to minimize the errors, mistakes and to record transactions as transparent as possible.

P2P is cycle of steps that has the following parts:-



1. Requisition -When the inventory or the product needs to be sold to the customer a requisition is raised to purchase department, the purchase department will evaluate the requisition form and analyze the quantity, item and description of the product that they need.

2. Request for Quotation -Then they check and identify different suppliers or vendors available in their region and ask for their quotation.

3. Quotation Analysis -Now the purchase department will do the quotation analysis which is checking whether the terms and condition, quantity and quality are matched by the suppliers.

4. Selection of Supplier -Based on the quotation analysis and many other factors like accountability and past records of the vendors a decision is taken.

5. Raising Purchase Order (PO) -Then a PO is raised which is issued to the selected supplier or vendor, When

Purchase department is issuing this PO this becomes the last set of agreement between the supplier and purchase department of the company in which the department mentions the essential details for the proper delivery of the goods for ex-dates of delivery, final amount, quantity, terms and conditions etc. The vendor is legally required to supply the goods according to those conditions to their respective locations.

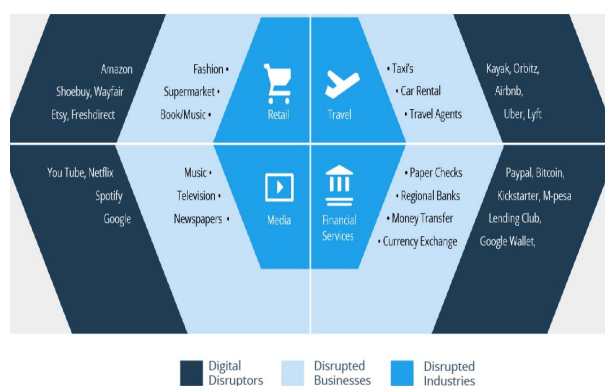
6. Receipt of Goods/Materials -Once the delivery is made it is checked at the place of reception, it might be a warehouse or a manufacturing factory, the receiver checks the quantity physically and matches everything with the Invoice/Delivery challan/PO, then they prepare a good's receipt note for the carried out inspection and forward to finance Department.

7. Submitting documents to Finance -Warehouse team puts together all the documents relevant to the purchase of the good to give it to finance department, supplier directly sends the invoice to the finance team and warehouse need not be aware of the finance portion for less coupling of the jobs.

8. Verifying the invoice with PO/Receipt -The finance team will match the goods and material receipt generated by warehouse to the invoice sent by the supplier.

9. Final Payment to Supplier -The final step in the procure-to-pay process after approving the purchase order for payment is sending the payment, and entering the payment into accounting system.

Below, we can see the impact that digitization has had on entire industries and businesses. Travel, retail, media, financial services have all in some way been significantly improved



PROCURE TO PAY HAS CONSIDERABLE IMPACT ON THE BUSINESS.

There are many checks and balances are put in the process and authorization of many managers are needed at many places. Since the process is spread across so many departments.

There are many organization/company who conduct their business manually and using excessive paper work hence facing risk of documentation errors because of that always delay in processing.

In many companies you may see lack of communication and cohesiveness among various divisions. And even between the personnel working in the same unit.

There could be unwanted delays in the documentation travelling across the different departments, which might harm the buyer supplier relations.

As survey conducted by many IT companies in the past they ranked the P2P process highest among business process most vulnerable to fraud, errors and time consuming.

UNDETECTED FINANCIAL LEAKAGE : Companies do not realize the efficiencies that may be gained through digitization in the business process for examples invoices, payments reviewed through manual authorization/approvals, this process is not only cumbersome and time consuming but also fail to take advantage of early payment discount. Subsequent to this the manual approval process leaves the door open to big fraud through post approval modification,

MAINTENANCE OF VENDORS RECORD : In large company typically have multiple employees with access to the vendor master and often there are duplicate entries of suppliers in the systems, without tight control on the vendors data the chances of fraud, financial leakages and mismanagement of funds remains significant with out a proper digitized P2P solution.

Financial loss between Purchasing-Receiving-Accounts payables. As soon as the materials reaches to the inwards goods stores to make the suppliers payments, manual matchings for each and every transaction is time consuming as well as error prone. Only solution to this problem is atomization of P2P process, automated machine consolidate the matching rules of different departments and streamline and accelerate the process and yields satisfactory results.

KEY WORDS USED; Unprecedented, Harness, Ubiquitous, Ambiguity, etc.

Process automation and software benefits.

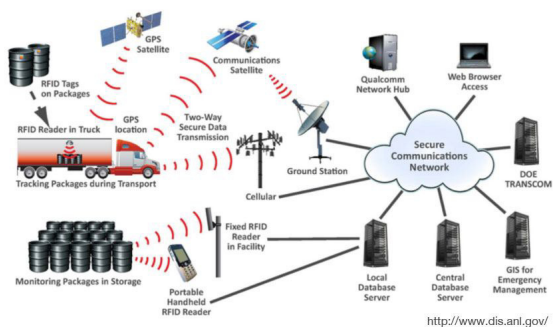
By uniting these systems, businesses can become more efficient, save time and money, and ultimately provide better shareholder value and an improved customer experience, it's all about getting rid of paper and getting more efficient functioning of the company.

Procure to pay harnessed with unprecedented technology helps reducing errors and improve efficiency by linking the entire process under one system. Procure to pay aims to get the right items into the hands of the

right people when they need them.

There are departments like, Supply chain,, inventory, production, accounting, and finance team members are involved in purchase to pay systems each bringing unique expertise and contributing towards better results for the company. But with such a diverse group involved, team members face many opportunities for inefficiencies and slowdowns. Moreover, depending upon the size of the organization and areas covered by the product the location of each of these different departments may vary. Due to such large differences in the locations there can be communication lags and coordination issues, but the automated P2P software makes the entire process as if happening under the same roof, the software maintains a centralized database for the entire organization which helps the entire system to work as one.

The P2P process is critical to every organization. It is imperative that the process should be efficient and effective as possible. The most basic aspects would be automating transactions, managing the flow of information and routing approvals. Today many companies are not taking full advantages of automating the procure to pay process, which could help tighten control lower resources needs for manual validations and processing data inputs, which in turns lowers the risk of errors that are inevitable with high volumes of manual inputs.



RFID technology to be Introduced-This technology has risen to become a revolutionary element in supply chain management. RFID ensures that the right goods are available in the right place with no discrepancies and zero errors. There are the following ways RFID technology will provide benefit to P2P process.

Speeding the receiving process-RFID tagged product can be scanned and directly/automatically inserted in to inventory enmesh. Hence drastically saving man-hours.

Inventory status-how much is the inventory levels, how much needed in the future may be found out easily through RFID display monitor, how much current stock is available in the location and how much sold out all type of current information is one click from away from

hand scanner and also eliminate the need for manual reconciliation.

TRACK AND TRACE -For compliance purposes also for perishable items and pharmaceuticals and hazardous materials which are RFID tagged may give real time tracking and tracing of location and establish a chain of custody. Which may fulfill the statutory requirement of rules and regulation of govt.

ASSET MANAGEMENT-assets with RFID tagged gives real-time information as regard to asset location hence avoid compilation of excess inventories in the warehouse.

THEFT DETERRENT-The high valued items kept on location with RFID tagged the real time notification provided by them when they leave the secure areas hence reducing the likelihood of inventories shrinking due to theft/pilferage. There for RFID technology which are excessively used in western countries now it is being used in retail stores in our countries also. This technology will become truly ubiquitous as the major retailers and govt. agencies continues to push suppliers of its adoption .It is transforming the P2P process by speeding the process from so many angles.

CONCLUSION -Procure to pay process yields benefit after automation and optimization. The automation of P2P service is improving collaboration between buyers and suppliers and suppliers are considered the business partner he is one of the stake holder of the company and homogenous approach is generating more supply chain value. Digital enablement of P2P process helps buyers and suppliers to come more closer and have better business relation After implementing collaborative cloud based P2P platform it is easier to put standard business rules and information /workflow in place which offering a shared identity to do every one a harmonious business. Automation helps buyer to interact with all the related stake holder fully and, quickly. by optimizing P2P it is possible to keep accurate information as regard to order ,price ,delivery etc. Reduces manual processing, removes manual control, improve data quality and streamlines document matching. Data flows freely between supplier's end to buyer are set right After transforming the P2P process every thing is set right. Payments to supplier is automatically made, as soon as inspection is over at buyer's end. There is no ambiguity seen in the whole process. Companies are getting tangible and intangible benefit ultimately all round growth may be seen in the corporates.

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SUPPLY CHAIN MANAGEMENT - TODAY AND IN THE YEAR 2030

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Materials are the second most important ingredient of life, that come, next to the life itself. Human brain has been programmed by the nature to automatically and continuously develop methods for improvement of lifestyle for betterment. The managing the materials has remained an utmost priority, with effect from time memorials and the influence of innovative techniques have improved so much that this subject has become highly important.

The advancement of technology has affected the technicalities of the subject-matter that has made it simpler and practical. One can get home delivery of the desired item sitting at his residence, by pressing of a button on his mobile phone, at highly competitive rates and good quality. Procurement at high levels like 'Public procurement process'; does not require complicated documentations, as was required earlier, under the stringent rules and regulations. Whole process has become automatically convenient and trustworthy under the existing government rules and regulations.

Logistic support management has further reduced the bottlenecks to make the system much efficient at all levels and consumers are much satisfied today with choices of variety, quality standards, faster deliveries and making the things cost effective. Various topics of the subject can be covered under specific headings and studied with improved clarity.

Main points

- The present day Inventory Control management techniques have brought in better **co-ordination and close integration** among various functionary-units and sub-units of the business enterprises for achieving their common organizational goals.
- With efficient application of the **cost-effectiveness**, the system works well to achieve competitive edge.
- It is highly relevant that at present, **active discussions are being conducted on the subject; amongst the management Gurus**, all over the world, on today and tomorrow of the system.
- International growth of business and easy **accessibility in Logistic support management** has

achieved unbelievable momentum.

- People are talking about the year 2030 to **reach the peak of advancement**, but we must never forget that the improvement has no limits. This is true today and it would remain so in the future.
- The humans have worked hard to **explore and develop knowledge** for overall progress of the life-style and we know that has happened to us during the times passed and it would happen; henceforth.
- In the year 2030, the scientific advancement and management Techniques would certainly **further improve** so much that the whole system would become part of daily routine
- It would be for the **Slave ROBOT** to perform almost all manual jobs.
- And quite possibly, science may invent and implant a **tiny chip** in the brain that would enable to retain colossal data and produce desired solutions just by switching on the '**knowledge- key**' and perform automatically.
- Inventory Control Management 2030, is certainly not going to be that weird or phantasmagoric, but much more useful, convenient, congenial and realistic. It will be far more **effective, technical and professional**, offering readymade solutions. The Vision 2030 is not about what will happen but is what we choose and decide to make it happen.

Global Scenario in 2030

- Anything **produced anywhere** would be **available everywhere**.
- The distances would further shrink to make global business happen as in '**one-global-market-place**' through e commerce and other electronic applications.
- The business houses would have more manufacturing units in the **countries other than their own**, mostly where they can be easily sold.

- Larger business-players would further expand, by **mergers and collaborations** of smaller enterprises in to their group.
- Most governments would **relax taxation and excise regulations** with broader political and economic policies. Physical boundaries would vanish in the field of business management.
- Transportation would become much **faster , cheaper and more convenient**.
- Distribution System would be much **quicker & cheaper**.
- Public participation by **small-investors** would multiply & add up to better '**total-sum**'.
- Information-database would get divided into **individual memory-banks {Pen drives at present}** and 'sharing' would become more common.
- **Brand-image** would become more popular; with variety of new models.
- Supply chain and inventory control would become better **revenue-generation-factors**, than being a **cost-effective oriented**, as at present.
- Global players would practice **strategic-alliances & mergers**.
- **Out-sourcing & Off-Setting** would be the order of the day to concentrate on main objective.
- **Collaborated approach** would prevail over '**one-company-operations**'.
- The **customer** would remain **supreme as ever**, because the demand generates from him.

National scenario in 2030

- **Un-organized sector** of vendors would be better managed by more collaborated '**retail-business-enterprising system**'.
- Air, rail, water and Road Transportation '**net works**' would be safer and much faster.
- **High-Ways 'Road length'** would increase more than double and of much better conditions. (presently length 1,20,000 KM high ways)
- SCEM activities would get **fragmented & multiply**; resulting into booming transportation business system
- The **GDP** of our country would grow to almost Double (Presently 7.3% and four years back it had

gone down to less than 4%), largely due to improvement in SCM..

- About **60 to 70 %** families in villages would own cars, ACs and refrigerators as compared to less than 10 % at present in India.
- As per a study carried out by Morgan & Stanley, the equity all over the world would multiply with Indian equity index crossing over **50,000 mark**.
- The **lead time** would drastically decrease and almost would be eaten up by '**Just-in Time**' (J I T) principle & adoption of **Vendors Managed Inventory (V M I)**
- Manufacturing would become **energy-efficient, pollution-free and automatic**, cutting down the man-power requirements would be called '**Green Supply Chain Management**'.
- Business operations would be based on **out-sourcing** practices to concentrate on the main objective.
- **Under Developed Sectors** (Tax-Free Economical-Zones) would Multiply in numbers.
- **Information-sharing** would become normal & basic activity.
- The scope of **study of SCEM** would enlarge & may surpass expected standards in 2030.

REVIEW

The subject matter is so vast that concluding itself, would involve volumes of several books. Just to sum up, we can make an effort to highlight certain important aspects with modern progressive point of view, for making further improvements of the present system to strengthen Logistic support and systematic Inventory Control management.

Future Strategy must include more participation of innovating ideas in to the practice. Open ended approach, in mind set is must for **profit-sharing** between the producers and vendors of all major and minor business enterprises. Real cost effectiveness can be enhanced and benefits can be achieved through improved efforts, through data-sharing and making it convenient to minimise the Lead time, by excessive out-sourcing, off-setting and concentrating on main objective. Continues advancement in scientific technology and exploration of human knowledge is the constant factor that would make further improvements in the time to come.

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BLOCKCHAIN TECH CAN RESOLVE INEFFICIENCIES IN INDIA'S CURRENT TRADE FINANCE SYSTEM: ASSOCHAM-DELOITTE STUDY

Implementing digital technologies such as blockchain, artificial intelligence (AI), machine learning and robotic process automation can resolve inefficiencies in our current trade finance system, and make the process efficient at the bank's, buyer's, seller's, as well as the SME's/MSME's end, noted a recent ASSOCHAM-Deloitte joint study.

Blockchains application for identity management and know your customer (KYC) looks quite promising, stated the study titled, 'Role of trade finance for inclusive growth,' jointly conducted by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) and global professional services firm Deloitte.

Banks in India should start conducting POCs (proof of concept) in this DLT (distributed ledger technology) to get a deeper understanding of its (blockchain technology) implications from the dimension of deployment in trade finance, the study noted.

However before a widespread adoption, blockchain must address certain implementation challenges - onboarding users, regulatory acceptance, changing role of banks, infrastructural issues and firms/businesses operating on small scale.

It added, innovation in AI is also moving very fast. It too has enormous application to solve real problems. It could be used to detect transactions quality, or opportunity to market cross channels, to ensure banks are utilizing their resources optimally.

Demo and GST led to slow growth of India's trade:

While the year 2017 saw global trade expansion as a consequence of acceleration in global trade growth in the first six months of the year, India's slow growth of trade has been a concern.

Many are attributing this short term down turn as

a negative fallout from the reforms - Demonetization and Goods and Service Tax (GST).

India's trade deficit hit a 35 month high, at USD 14 billion as exports declined, for the first time in 14 months by 1.12 per cent in October 2017, to USD 23.1 billion. Exporters faced a liquidity crunch after paying GST for four months in a row without any refund.

The report however said that fine-tuning GST data that feeds IT (information technology) platforms will have a significant impact on trade finance.

Much needs to be done to further promote ease of doing biz:

The ASSOCHAM-Deloitte study further asserted that Government initiatives have played a big role in improving ease of doing business ranking from 130 in 2016 to current rank of 100, yet a lot of work remains to be done.

India significantly lags on key metrics such as: turn-around time and operating costs, reliance on physical documentation, requirement of liaison with multiple stakeholders on disparate systems and lack of transparency, increase the cost of compliance, said the report.

These limitations, limit trading volumes, which in turn limit the speed and efficiency of trade finance, it added.

However, the study stated that with new models of credit and funding guarantees backing the trade, the current trade finance process can be changed significantly.

It also said that innovation over the years has helped bring efficiency and wider coverage to trade finance, and as both buyers and sellers, push for greater efficiencies, the focus on innovation is likely to further increase in 2018.

Source : Capital Market



INDIA'S ROAD TO BECOMING A \$ 1-TRILLION DIGITAL ECONOMY IS FULL OF ROADBLOCKS

KIRAN RATHEE

The country needs to make the right policies to support new-age technologies

Even as the Electronics and IT Ministry has set an ambitious target of making India a \$1-trillion digital economy in the coming five to seven years, it is not going to be a cakewalk, especially as a profitable business model is yet to be developed for new-age technologies and emerging digital ecosystems. According to experts, achieving the \$1-trillion digital economy tag is not a certainty and the government needs to make the right policies and further execute them properly if it wants to move towards that goal. Without any such commitment and faster execution, India could only achieve an economic value of digital technologies to the tune of \$500 billion or \$600 billion in the next 5-7 years.

India's digital and IT industry, in its current form, is primarily driven by the IT and IT-enabled services and is estimated to stand at \$150 billion, followed by financial services at \$50 billion and electronics manufacturing at \$40 billion. However, going forward, the focus will be on start-ups, financial technology and new-age technologies like Artificial Intelligence (AI), internet of things (IoT), digital payments, digital education and e-healthcare.

But people tracking the digital sector feel that the country is at a nascent stage in developing a profitable business model for digital themes like e-education, e-healthcare, digital financial systems or cybersecurity. Also, there is no regulatory environment for such digital ecosystems. "

The government needs to build a collaborative business model with the private sector in order to get investments, as well as innovation in such fields," an expert said.

The government also knows the challenges, and is collaborating with the private sector to understand the needs and what could be the supporting policies. Electronics & IT Minister Ravi Shankar Prasad had undertaken a few meetings with IT honchos regarding the issue.

The ministry had also roped in McKinsey & Co to prepare a road map for increasing the pace of digital services in the country. Official sources say that McKinsey has already submitted the report to the ministry, which is studying it. Government think tank NITI Aayog will also work with state governments to evaluate the preparedness for digital services. The ministry had identified digital payments, Make in India, Start-Up India, Skill India, 100 Smart Cities, 50 Metro Projects and Swachh Bharat as the key drivers of the digital economy. It was also projected that the digital economy would generate 30 million jobs by 2024-25 – double the current level.

The electronics, telecom and IT/ITeS sectors would be the top three contributors, with 8.9 million, 8.8 million and 6.5 million jobs, respectively. These would be followed by e-commerce, with 6 million, cyber security (2.5 million), sharing economy (2.3 million), common service centres (2 million) and start-ups and IoT (0.5 million). E-commerce is set to grow 19 times over in generating employment, followed by start-ups and the IoT sector, which are expected to see 5-fold increase in employment creation.

Scope and challenges

- Without proper commitment and faster execution, India could only achieve an economic value of \$500-\$600 billion in digital
- A profitable business model is yet to be developed for new-age technologies and emerging digital ecosystems
- Focus will be on start-ups, financial technology and new-age technologies like AI, IoT, digital payments, digital education and e-health care
- Digital economy is estimated to generate 30 million jobs by 2024-25, double the current level

Source: www.business-standard.com,
March 08, 2018

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WAY FORWARD WOMEN IN LOGISTICS SUPPLY CHAIN - SHAPING THE FUTURE.!

RABI NARAYAN PADHI

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Abstract: Today, India is a force in the global economy, with a high demand for talent. A key source of talent is **educated Indian women**. Regardless of the fact that the logistics Supply chain industry is a growing one and has opportunities for advancement, there are not many women who join this industry. While the demand for qualified personnel exceeds the supply in the logistics and supply chain sector, it has become imperative to attract and include women, especially since they are good in **multitasking**, an ability that enables them to handle a **numerous** of tasks as planning, implementing and controlling the efficient flow and storage of goods in supply chain management.

Key Words : (Women, Global, Numerous, Suply Chain, Multitasking)

I. Introduction: India is rolling out the red carpet to the world's manufacturing companies, complete with a slick advertising logo and the catchy phrase, "Make in India." With a large youthful population, low-cost labor, a solid technology foundation — and now the strong backing of its government — India is hoping its open-for-business message will make manufacturing the backbone of its economic future.

Despite the fact that the **logistics industry** is a growing one and has opportunities for advancement, there are not many **women** who join this industry. While the demand for qualified personnel exceeds the supply in the logistics and supply chain sector, it has become imperative to attract and include women, especially since they are good in multitasking, an ability that enables them to handle a myriad of tasks as planning, implementing and controlling the efficient flow and storage of goods in supply chain management.

It is ironical that women, though involved at every step, with issues affecting the logistics sector, thereby, making a vital contribution to the growth of the industry are not employed in positions that require decision making. With women representing around half the population of the world, yet the analysis of their role in the male-dominated logistics sector remains one-dimensional.

The 21st century, though, is witnessing a change in the status of women due to the roles they have played in bringing about fundamental changes, but the number of women at various levels of the logistics industry

resembles a pyramid with many women attracted to these sectors but are not many while moving up the ranks due to the workplace culture and their failure to balance their life and work.

Locally, the logistics and supply chain sector remains male dominated, with approximately 65% of the workforce being male, and only **about 10% of management positions being occupied by women**. While salary disparities exist between men and women in the logistics and supply chain sector at the national level, the local sector does not appear to follow the national trend.

II. Attracting Women to the Sector: In general, the supply chain and logistics sector continues to be male dominated at the national and at the local level. To attract the **women in this industry**, it is imperative to educate them of the opportunities available and what this industry has to offer. Women who join the logistics industry need to know that it is a service industry and need to have good verbal and written communication skills, knowledge of logistical processes and procedures, focus on customer service and orientation, have a sharp business acumen along with strong analytical and problem-solving skills. The consideration that logistics industry is not meant for women is contentious as much as there is a growing recognition that there is a need for diversity at the senior management level in every industry.

III. Challenge: The growing gender diversity in Indian managerial ranks now offers a pathway for change for **Indian women**. Historically, the "girl child" in the Indian family often did not have formal educational opportunities. Slowly, the literacy level of girl children is increasing, and gradually, women have begun to attend universities.

Today, the number of women students in business schools has grown significantly. These changes are in large part due to a significant cultural shift in parental perspective—that is, an increased acceptance of giving education to girls—that allows for the possibility of **women working outside the home**, contributing economically to the family and even pursuing a career.



logistics sector, the problem “**Logistics today in India is one of the most important and relevant sectors of our economy. With the country looking at the Modi government to again start driving double-digit growth, it is essentially the supply chain & logistics industry that will be the backbone for this development trajectory. Being a part of this sector in itself at this point is exhilarating and being one of the few women makes it even more so.**”

To attract the women in this industry, it is imperative to educate them of the opportunities available and what this industry has to offer. Women who join the logistics industry need to know that it is a service industry and need to have good verbal and written communication skills, knowledge of logistical processes and procedures, focus on customer service and orientation, have a sharp business acumen along with strong analytical and problem-solving skills. The consideration that logistics industry is not meant for women is contentious as much as there is a growing recognition that there is a need for diversity at

VI.Conclusion :In today’s global economy, Indian corporations need talent in order to be competitive. Generally, women as managers are underutilized in corporate India. To advance women in managerial roles, support by top management is essential. Promoting diverse management practices and opening doors to women in management— through proactive human resource policies and programs—is one way for Indian organizations to expand their talent pool and, ultimately, their leadership pipeline.

Specific success factors—a good education, mentoring, family support, strong communication skills and lifelong learning—are essential for Indian women managers today. While traditional Indian cultural viewpoints are slow to change (and not all women want a career in management), positive change for women in the business world in India is moving forward.

The senior management level in every industry. The rationale behind integrating women into this industry stems from the belief that women have greater aptitude in key skill areas as process improvement, organisation, planning and communication.

There are many reasons for it, but primarily the reason is the female mindset which is trapped by a million boundaries of what is considered an ‘appropriate’ profession for women. Unfortunately, girls are encouraged to believe that maintaining the status quo

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CUSTOM EXCHANGE RATES

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

CURRENCY	IMPORT	EXPORT
Australian Dollar	52.15	50.35
Bahraini Dinar	178.00	166.75
Canadian Dollar	51.00	49.35
Chinese Yuan	10.45	10.10
Danish Kroner	11.00	10.60
Euro	81.75	79.05
Hong Kong Dollar	8.40	8.15
Kuwait Dinar	223.90	209.30
Newzealand Dollar	48.55	46.80
Norwegian Kroner	8.55	8.25
Pound Sterling	92.30	89.35
Qatari Riyal	18.35	17.35
South Arabian Riyal	17.90	16.75
Singapore Dollar	50.45	48.75
South African Rand	5.70	5.35
Swedish Kroner	8.10	7.80
Swiss Franc	70.00	67.70
UAE Dirham	18.30	17.00
US Dollar	65.80	64.15
Japanese Yen	62.40	60.25
Kenya Shilling	64.90	60.65

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

GOVT EASES NORMS FOR E-WAY BILL GENERATION

The government has notified changes in rules of e-way bill which includes permitting even job workers to generate the electronic receipt for movement of goods.

The government has changed e-way bill rules which are expected to help e-commerce companies in smooth transportation of goods and ease the method of calculating the value of goods.

The government has notified changes in rules of e-way bill which includes permitting even job workers to generate the electronic receipt for movement of goods.

Electronic way or e-way bill will be required from April 1 for transporting goods valued over Rs 50,000 between states.

In a major relief to FMCG companies, the government has allowed businesses to consider only the value of taxable supply for the purpose of generating e-way bill in cases where sales invoice includes both exempted and taxable supply of goods.

This would mean that if food products which are subject to GST are being sent along with items which are exempt from the tax, say milk, then only the value of food products shall be considered for e-way bill?

Besides, to help smaller businesses operate within a particular state, it has said that vehicle details will not be required in case of movement of goods up to 50 kms (between the consignor/ consignee and transporter place). The limit was 10 km earlier, said tax consultancy firm PWC.

Also, it has done away with the requirement to produce e-way bill for intra-state movement of goods by road in cases where value of each consignment is less than Rs 50,000 but aggregate consignment value in the vehicle is more than Rs 50,000. "This is a major relief for courier, e-commerce companies etc. and will reduce the paper

work substantially. The Government should consider extending this relief to inter-state consignments as well," PWC said.

As per the amendments, the validity of e-way bill will now be till the midnight of the day immediately following the date of generation of e-way bill, instead of 24 hours earlier.

For example, if an e-way bill is generated at 3 pm on March 8th, 2018 for a movement within 100 kms., the validity period of one day shall be counted till midnight of March 9th, 2018. Earlier, the e-way bill would have been valid till 3 pm of March 9th, 2018.

"Therefore, in most cases, the industry will get more than 24 hours for the first 100 kms of shipment," PwC said.

As per the changes in the rules, in addition to principal manufacturer/ brand owner, the job worker can also generate e-way bill in case of inter-state movement of goods to job worker irrespective of the consignment value. Earlier only the principal manufacturer could only issue the e-way bill.

"With these changes, E way bill Rules have become much simpler than earlier. The timing of these changes suggests that Government is keen to implement the e way system from April 1, 2018, as indicated recently," said Pratik Jain, Partner and Leader Indirect Tax, PwC.

AMRG & Associates Partner Rajat Mohan said one of the finest changes brought about by the government is an option given to taxpayers, who can now authorize transporters to generate Eway bills on their behalf.

"This provision will be a win-win situation, as first this would promote ease of doing business for taxpayers," he said.

Source : Times of India, March 8, 2018



FUTURE TRENDS IN ONLINE PROCUREMENT BUSINESS

AMIT SHUKLA

Procurement systems in the near future are going to be the driving force in supplier-enabled innovation and thus will have to manage complex supply-chains in real-time.

With the fourth industrial revolution underway on the back of information technology, digitization has created a paradigm shift in procurement policy, creating what we can now call Procurement 4.0. The conventional way in which businesses work is evolving. On one hand levels of in-house value-adds are gradually diminishing; on the other technological changes and the speed of market dynamics are increasing. This has led to the advent of a procurement model that in itself is an agile, real-time supply-chain manager.

Procurement systems in the near future are going to be the driving force in supplier-enabled innovation and thus will have to manage complex supply-chains in real-time.

E-procurement sector in India: Overview : As per the latest Grant Thornton International Business Report (IBR) Survey, in 2017, Indian businesses have been found to be the most optimistic about economic recovery. Government initiatives such as Make in India and Digital India created new opportunities, and this has led many foreign companies to set up facilities in India. In addition, after a gap of nearly 2 months, the Procurement Manager Index in the country has shown a positive trend in January 2017.

However, the e-Procurement sector must overcome the following barriers in order to come out as a winner:

1. Increasing process efficiency
2. Leveraging business intelligence and analytics
3. Improving supplier management and compliance
4. Reducing total cost of ownership (TCO)
5. Mastering data management

Key trends shaping the future of online procurement business : Procurement is no more a personality-centric function where the procurement professionals manage everything on their own using only the knowledge they have garnered from experience. The changing expectations and the advent of digitalization has given birth to a growing vision of 'end-to-end' procurement. Procurement leaders are now focused on creating a much more efficient and collaborative approach to the process of purchasing goods and services throughout the organization, and not just the procurement team. Here are some of the key trends that are going to shape e-Procurement businesses in the future:

1. A Shift from Tactical to Strategic : Organizations are gradually shifting their prime focus from transactional purchasing to strategic procurement. This shift in focus

can lead to significant bottom-line advancements for corporations. In the near future, procurement will move away from focusing merely on unit cost reduction to having a wider and fundamental role in an organization. Procurement departments will soon be acting as interface managers between internal functions and external partners and will serve to catalyze the business processes. Procurement strategies at Pursuite have been aligned to the overall corporate strategy on these grounds.

2. Know Your Supplier : No matter what, procurement will always remain at the helm of commodity and supplier management. However, improved digital potentiality will empower organizations with predictive SRM (supplier risk management) to forecast probable supplier failures. Automated supplier scorecards will allow for improved tracking and real-time target-achievement.

3. Cloud-Based Procurement : The presence of a bona fide digital supply-chain integration is one of the core requirements of Procurement 4.0. To achieve this, organizations will have to seek real-time coordination among all supply-chain parties. A fully-linked cloud-based digital dashboard and SCM-systems will enable companies to reduce inventory and achieve 100% OTIF. Working on these lines, we, at Pursuite have made sure that each and every aspect of supply-chain is in full coordination with each other. This allows us to foresee any 'what-if' scenario that might arise in the system and be prepared for the same. Cloud-based procurement is gathering increased momentum as a trend among organizations.

4. From Data Analysis to Data Insight : Social media and "big data" analysis have gained a lot of ground in the last few years. Exploiting massive data sets is a growing trend among procurement professionals. Big data analysis will be a major element in Procurement 4.0. Big data analytics will prove vital in detection of global suppliers and thus help in breaking down monopolistic markets. Procurement 4.0, like a big data manager, will also enable improvement in commodity strategies.

5. Value of Integration : In order to conceive an individual enterprise-wide "Spend Control" umbrella, more and more companies are opting for an integration of their e-Procurement solutions with a range of systems.

To transform their businesses, some of the early industry adopters have already begun integrating these emerging trends into their internal as well as external supply chains. A successful Procurement 4.0 transformation in the future will make way for an improved innovation level with prime focus on the best life-cycle value.

Source : www.businessworld.in

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MSMES IN INDIA: AN OVERVIEW

PROF. SUSANTA KANRAR

MSMES sector has consistently registered a higher growth rate than the rest of the industrial sectors. There are over 6000 products ranging from traditional to high-tech items, which are being manufactured by the MSMEs.

Introduction : The Micro, Small and Medium Enterprises (MSMEs) continues to be a vibrant sector of the Indian economy. As per fourth census of 2006-07 that there are about 26 million units (over 90 per cent of total industrial units) in this sector employing nearly 59 million people in India. They not only create job opportunities at lower capital cost comparing to other sectors, but also require lower capital investment and play a vital role for proper utilization of local resources and talent. Organized industrial sector require an investment of Rs,6,66 lakh to generate employment of one person, whereas MSMEs sector generate employment of 1.27 persons with the same investment. This sector contributes nearly 45 percent manufactured output and 40 percent of the total export, it is estimated that MSMEs contribute around 15 percent of exports indirectly. In a span of over three decades, from financial year 1973-74 to financial year 2006-07, export from MSMEs has increased by more than 514 times. MSMEs sector has consistently registered a higher growth rate than the rest of the industrial sectors. There are over 6000 products ranging from traditional to high-tech items, which are being manufactured by the MSMEs. In India, after agriculture, the MSMEs sector provides the maximum opportunities for both self-employment and jobs in the country. The MSMEs sector in India holds great potential for further expansion and growth in the future, In fact, the employment potential of the sector is un-matched by any other sector of the economy.

As per results of the Fourth Census of MSMEs in 2006-07, 72 percent and 28 percent of the MSMEs are manufacturing enterprises and service enterprises respectively in the country, MSME are defined in the MSMED Act 2006 from the aspect of number of person employed and amount of investment in plant and machinery and equipments. In terms of size of the enterprise, 94,67 percent are micro enterprises, 5,05 percent are small enterprises and the rest 0,25 percent are medium enterprises, The MSMBs have shown an average growth of 18 percent over the last five years, around 98 percent of the production units are in the MSMEs sector. We know that small-scale industries were the dream of our father of nation Mahatma Gandhi, He has supported the growth of small-scale industries in India, because he had the vision that it will help the poor people of India to come up, "Small is beautiful" - E F Schumacher, Economist, (1911-1977)

Contribution of MSMEs towards Economic Development

Contribution of MSMBs to economic development is highly remarkable comparing to any other sector of the economy, Its role towards Investment, employment generation, export, GDP, industrial production etc in every area is highly significant. The following chart more clearly exposes its significant towards economic development.

Table -1: Contribution of MSMEs towards Economic Growth:

Sl. No.	Year	Total Industrial Production	MSME Contribution (%)	MSME Contribution (Rs. million)	MSME Contribution (US\$ million)	MSME Contribution (Billion US\$)	MSME Contribution (Billion US\$)
1.	1973-74	100	100	100	100	100	100
2.	1974-75	100	100	100	100	100	100
3.	1975-76	100	100	100	100	100	100
4.	1976-77	100	100	100	100	100	100
5.	1977-78	100	100	100	100	100	100
6.	1978-79	100	100	100	100	100	100
7.	1979-80	100	100	100	100	100	100
8.	1980-81	100	100	100	100	100	100
9.	1981-82	100	100	100	100	100	100
10.	1982-83	100	100	100	100	100	100
11.	1983-84	100	100	100	100	100	100
12.	1984-85	100	100	100	100	100	100
13.	1985-86	100	100	100	100	100	100

At 2001-02 Prices.

Sl. No.	Year	Total Industrial Production	MSME Contribution (%)	MSME Contribution (Rs. million)	MSME Contribution (US\$ million)	MSME Contribution (Billion US\$)	MSME Contribution (Billion US\$)
14.	1986-87	100	100	100	100	100	100
15.	1987-88	100	100	100	100	100	100
16.	1988-89	100	100	100	100	100	100
17.	1989-90	100	100	100	100	100	100
18.	1990-91	100	100	100	100	100	100
19.	1991-92	100	100	100	100	100	100
20.	1992-93	100	100	100	100	100	100
21.	1993-94	100	100	100	100	100	100
22.	1994-95	100	100	100	100	100	100
23.	1995-96	100	100	100	100	100	100
24.	1996-97	100	100	100	100	100	100
25.	1997-98	100	100	100	100	100	100
26.	1998-99	100	100	100	100	100	100
27.	1999-00	100	100	100	100	100	100
28.	2000-01	100	100	100	100	100	100
29.	2001-02	100	100	100	100	100	100
30.	2002-03	100	100	100	100	100	100
31.	2003-04	100	100	100	100	100	100
32.	2004-05	100	100	100	100	100	100
33.	2005-06	100	100	100	100	100	100
34.	2006-07	100	100	100	100	100	100
35.	2007-08	100	100	100	100	100	100
36.	2008-09	100	100	100	100	100	100

Table 2: Contribution of MSMEs in Total Industrial Production & GDP

Year	Total Industrial Production	Gross Domestic Product (GDP)
1999-2000	39.74	5.86
2000-2001	39.71	6.04
2001-2002	39.12	5.77
2002-2003	38.89	5.91
2003-2004	38.74	5.79
2004-2005	38.62	5.84
2005-2006	38.56	5.83
2006-2007	45.62	7.20
2007-2008	45.24	8.00
2008-2009	44.86	8.72

- Sources; Annual Report on MSME, 2010-2011, Govt, India, Ministry of Micro, Small and Medium Enterprises,
- The data for the period of 2005 -06 is of SSI, Subsequent to 2005 - 06, data with reference to MSMEs are being compiled

From the above table it is clear that MSMEs sectors registered a very high growth rate, This is mainly due to its various advantages comparing to other sectors am) Indian economy which is more close to MSMEs environment, like cheap local resources, local talent, high demand etc. Moreover the socio - economic policies adopted by India since the industries development & regulation Act, 1951 have laid stress more on MSMEs sectors as a vehicle to develop Indian economy. Second five-year plan also gave more emphasis on industrial development and adopt various policies for proper development of this sector. Investment and production are closely linked. More investment indicate more production or more production require more

investment. Over the year investment in fixed assets by MSMEs are remarkable, which is clear from above table. Productions of MSME sectors (in value) are going to increase over the year. In 2000-2001 production of MSME was Rs. 261,297 Crore where in 2009-10 were Rs.982,919 Crore, so increases in ten year are 276.17%. Percentage wise increase than the previous year is also remarkable. MSMEs's contribution towards employment generation is remarkable comparing to any other sectors employment generation capacity. Average employment generated by this sector in last ten years is 417.285 lakh. Growth rate in employment generation is also mentionable for the same period and it is 14.358%. Export performance of MSMEs is also noticeable. 40 percent direct export and 15 percent indirect export is made by this sector. The average growth rates in export by MSMEs in last fifteen year (1992-93 to 2006-07) are 19.15%, a tremendous growth rate. The product groups, which dominate the exports from MSMEs sector, include sports goods, readymade garments, woolen garments and knitwear, plastic products, processed food and leather products etc. Contribution of MSMEs toward GDP is highly significant. This sector contributes 8% of country's GDP. An average contribution in GDP by this sector in last ten year is 6.5% (1999-20 To 2008-09) and towards total industrial production it is 40.91%.

Various Challenges of MSMEs : Worldwide, the Micro, Small and Medium Enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable Development. India is not beyond this. In India, the Micro, Small and Medium Enterprises play a pivotal role in the overall industrial economy of the country. But the MSMEs face several problems in their day-to-day operations.

The common problems of MSMEs are lack of availability of adequate and timely credit; high cost of credit; collateral requirements; limited access to equity as well as risk capital; non-availability of raw materials at competitive cost; lack of access to global market; inadequate infrastructure facilities, like road, communication system, power etc; complex labour laws and complicated procedures to compliance of such laws; issues relating to taxation and their procedure; lack of modern technology; lack of skilled manpower relating to production, marketing, service etc; problems of storage, packaging, product display etc; lack of suitable mechanism to revival of viable sick units and allows unviable units to close down speedily; lack of marketing promotion both domestic and export; inability to capture new market; poor local initiative; bureaucratic red-tape and regulation; lack of industrial training and skill formation; lack of proper decision making skills, proper management and standard accounting practice; difficulty in identifying appropriate technology and assistance; lack of linkage between large industries and MSMEs and the creation of subcontracting facilities at the national, regional and international level; inability to compete with big organization in terms of products quality, quantity and range of products; lack of quality control and testing facilities; poor scientific and industrial research; lack of information collection and dissemination about various aspects among MSMEs and poor cooperation among the developing countries; cut-throat competition from china and other low cost

production center etc.

Conclusion : The micro, small and medium (MSMEs) enterprises constitute a very important segment of the Indian economy. MSME's contribution to the development of our economy is significant as it evident in terms of MSMEs being the major constituent sector in the production system, employment generation, GDP, Export, Rural industrialization etc. MSMEs also have an aptitude for innovation, creativity, and flexibility which enabling them to respond with more quickly to structural changes and to adapt the dynamic demand patterns of consumers. It is also clear that MSMEs sector has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and diversification. If government policies towards MSMEs are closer towards its various problems and prospect it can be nearer contributors with agriculture in all respect in future. To keep this growth engine on the right way and direction it is time to put emphasis on formulation of MSME friendly policies, conducive operating environment, improvement of proper infrastructure, securing peace and security, arranging proper finance, efficient manager and arranging appropriate modern technology. Considering MSMEs contribution towards every aspect of economic development it should be considered at equal recognition with agriculture.

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Source : SME World, March 2018

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CRAFTING GROWTH OPPORTUNITIES – LOGISTICS & TRANSPORT INDUSTRY

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About the Industry: Are these good times or bad times for the transportation and logistics (T&L) industry? The industry has grown significantly since the turn of the millennium and most of these segments have already emerged from the 2008 financial crisis with strong growth prospects. Despite sound revenue growth, only a few T&L companies have managed to enjoy higher and greener stats.

Challenging market conditions only partially explains the reasons behind profits lacking the pace when compared to the growth in revenues. Organic growth strategies which were aimed to increase the market share in new regions and in new business segments failed to deliver profitability in terms of return on sales (ROS) and return on assets (ROA) for many T&L companies. At some instances, these companies tried to accelerate their revenue growth through acquisitions, but these inorganic strategies also failed to captivate the growth in profits which was mostly because the organizations were not ready and efficient enough to integrate the acquired businesses into their operations and networks.

Although, some companies have defied this prejudice and have succeeded in achieving strong growth - both revenues and profits.

In our analysis, we found that the top-performing companies set themselves apart in two ways:

1. They understood the success factors and the relative best practices that were critical in maximizing their profits in the 21st century market.
2. They proactively positioned themselves to capture opportunities that the market kept on offering to the organizations.

The rising costs of fuel also posed a challenge to the logistics and distribution companies. This forced them to become more efficient in their operations which include better planning in transportation routes and schedules since traditional methods fail to address the real-time events that affects the businesses every other day.

To tackle these challenges, companies needed to accommodate customer's short notice requirements in their schedule, route availability and vehicle issues. Route planning also needs to be optimized to lower the costs of transportation and respond quickly to any kind of event.

Logistics firms that operate their own fleets, tend to use a route plan that has the vehicles starting and ending at the same location. This ensures the minimum repositioning of vehicles and personnel. However, to develop routes that cover all deliveries and pickups to and from numerous customers is extremely complex and to develop the routes that are most efficient is becoming increasingly difficult.

Many route planners can develop efficient routes but faces numerous problems like complying with the rules of the state, capability of the driver to operate a vehicle for a longer period of time and the efficiency and smoothness with which the transportation can be successfully completed.

About The Client: Being in business since 1948, the company is one of the oldest and renowned logistic organizations in Kenya. They offer services in cargo transport with a fleet of 96 articulated containerized trucks which rises to 120 if the old refurbished Leyland's are also included. They have also acquired more than 50 ERF tractors. These vehicles are operated from the bases in Rongai (near Nakuru) and Mombasa (Port Reitz).

Today, the company moves more than 15,000 tons of cargo per month across various regions.

Challenges faced by the transport industry:

- Delays in reaching the client locations mostly because of the trucks waiting for the unloading processes at ports.
- Wastage of time as a result of service and maintenance requirements after long trips ranging from 800 to 1200 kilometers
- Unpredictability of road traffic, weather, political situations and road conditions.
- Route planning after considering the factors like location, vehicle's condition, services schedule and other relative factors.
- Planning is the key to be in the run in this sector and cost efficiency is one of the most important aspects of planning.
- Storage is another challenge. The companies need to tackle the challenge of storing their own containers in their yards or any other space. Moreover, storing customer's containers for longer

durations also poses space challenges as well as brings unpleasant elements in business relations.

- At times, customer's containers are waiting at transporters' yard, just because of the lack in number of vehicles available for transporting it to the customer's location. This problem arises because of lack in efficiency in planning, scheduling and operations.
- Maintenance is another challenging aspect of this sector. To keep up with the governments basic guidelines for services and maintaining the vehicle health according to it is a challenging task. It also adds burden on the costing of the entire operation.
- Annual audits and inspection of each vehicle is to be done and passed by the government before it starts running on roads for commercial purposes.
- Tracking fuel consumption of each truck along with their location through GPS to ensure there is not any kind of theft of fuel is also very important task.
- Maintaining and creating spaces for vehicles depending on their make to ensure that spares are always available when required is a crucial task in keeping things smooth when it comes to business. Hence, inventory management of spares for all the different vehicles should be maintained with optimum cost efficient and quality management model.
- While managing stores, the golden rules of management must be implemented for efficient function ability.
- To counter all these challenges, Faber Infinite provides excellent services to the customers in various fields like:
 - o On time in full (OTIF)
 - o On time in full delivery (OTIFD)
 - o Available 24x7 for customer service (location of truck, status of delivery)
 - o Making sure that there is not any kind of defects insinuated during transportation to the customer goods and they reach the destination in a good condition without any damage.

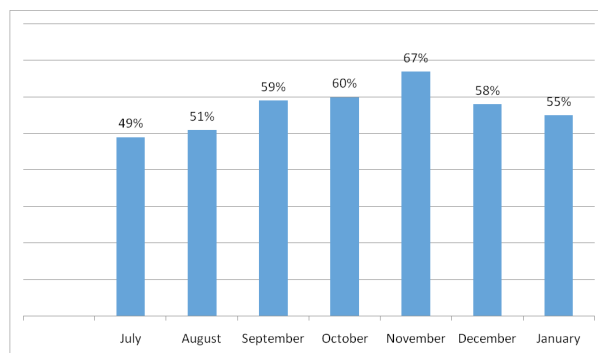
Solution by Faber Infinite:

- By implementing autonomous maintenance tools (to be run by vehicle drivers)
- By implementing 6S (Five S + Safety)
- By implementing inventory management
- Improving turnaround time as well as improving OTIF by implementing value stream mapping and swim lean process mapping for all processes in operation among all departments which ultimately

eliminates NVA's and facilitates in reducing BNVA's.

- Reduced search time and improving work place structure by implementing 6S.
- Implementing dash boards, inspection boards, truck tracking journey board in workshops and planning department.
- Improving planning and inter department communication by implementing DWM tier level meetings along with skill matrix.
- Searching from a standardized problem solving techniques:
 - i) Fish bone analysis
 - ii) Why analysis
 - iii) Pareto charts
- Assist in reducing vehicle servicing turnaround time by conducting time and motion study and work load balance within departments.

Truck availability % by workshop department to Operations department:



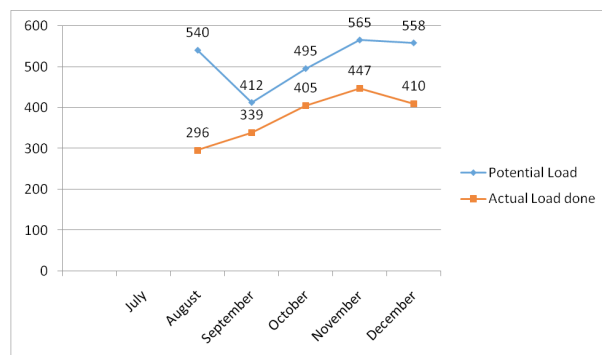
Benefits delivered

- Reduced search time for tools and spares in workshops and stores through 6S
- Improved workplace structure through 6S.
- Improved inventory management
- Improved work through SOP
- OTIF improved
- Number of trips/month were improved with same available resources (man, machine, material)
- For Rongai unit, truck availability improved by 10%
- For Mombasa unit, truck availability improved by 16%
- Total man days saved for Rongai and MSA unit are 139 and 100 days respectively

Operating unit	Truck availability Improvement%	No of extra trips achieved from improvement Project	Monetary benefit in KSH	Total Monetary
Rongai	10%	65	61,22,216	94,02,468 Ksh (9.4 Million Ksh)
Mombasa	16%	468	32,80,252	
Total Man days saved				
Rongai	139 days		1,10,556	2,10,556 Ksh (0.2 M Ksh)
MSA	100 days approx.		100000	
Total Monetary Benefit				9.6 Million Ksh

Month	Actual Loads 2015	Actual Load 2016
August	339	296
September	387	339
October	384	405
November	305	447
December	334	410
	1749	1897
Extra Trips in 2016		148

Potential loads VS actual load done:



Sustenance of the continuous improvement initiative

Sustenance was assured with the implementation of daily work management into organizational culture.

Team Faber via its Organizational Transformation Framework has helped clients across industries complex engineering industry where the client is one of the largest manufacturers of cryogenic tanks to textile machine manufacturing industry to the ceramic manufacturing industry improved productivity, quality, costs, delivery, safety and most important employee morale. The tools and approaches are implemented in such a way that it meets the clients' needs, gifting them the maximum returns. The solutions are applicable across industries and sectors. These concepts are industry neutral and can be deployed in your organization as well.

For more details about our services and unique offerings get in touch with our expert team at consulting@faberinfinit.com

Co-Authors - Kishlay Krishna and Mayuri Pandya



Indian Institute of Materials Management

MISSION

- To promote professional excellence in Materials Management towards National Prosperity through sustainable development.

OBJECTIVE

- To secure a wider recognition of and promote the importance of efficient materials management in commercial and industrial undertakings.
- To safe guard and elevate the professional status of individuals engaged in materials management faculty.
- To constantly impart advanced professional knowledge and thus improve the skill of the person engaged in the materials management function.
- Propagate and promote among the members strict adherence to IIMM code and ethics.

CODE OF ETHICS

- To consider first the total interest of one's organisation in all transactions without impairing the dignity and responsibility of one's office :
- To buy without prejudice, seeking to obtain the maximum ultimate value for each rupee of expenditure.
- To subscribe and work for honesty and truth in buying and selling; to denounce all forms and manifestations of commercial bribery and to eschew anti-social practices.
- To accord a prompt and courteous reception so far as conditions will permit, to all who call up on legitimate business mission.
- To respect one's obligations and those of one's organisation consistent with good business practices.

HOW TECHNOLOGY IS CHANGING THE SUPPLY CHAIN AS WE KNOW IT

KAYLA MATHEWS

The supply chain is no longer the rigid, human-centric protocol of the past. Instead of positioning real employees in every step of the process, more companies realize the value in supply chain automation.

Not only does it free up employees for other areas, but next-gen automation might also be necessary to gain control over big data and put these massive datasets to good use.

Radio Frequency Identification : Radio frequency identification – RFID – is huge in the current supply chain. It also has the potential to transform the future of manufacturing on behalf of countless brands. Companies around the world are adopting RFID to support various activities in the supply chain, including asset and inventory tracking.

Marks & Spencer, based out of the United Kingdom, began using RFID in 2001. One of the earliest adopters of the technology, they're currently using RFID tags to ensure timely and accurate deliveries of trays containing fresh food, flowers and plants. Their initial foray into the world of RFID was so successful, they upgraded their system multiple times since then. By monitoring the movement of goods – both during production phases and during final shipping – manufacturers can identify possible bottlenecks, eliminate redundant or unnecessary stops and streamline the entire process.

The Internet of Things : With some companies still warming up to ideas like online business, e-commerce and social media, the most tech-savvy companies are graduating to the next level of connectivity with the Internet of Things. Commonly abbreviated IoT, the platform gained a lot of momentum in 2017. It's expected to continue its evolution and popularity throughout 2018 and beyond.

According to recent research by Gartner, more than half of all new major business processes and systems will utilize the IoT by 2020. The IoT isn't the wave of the future – it's already here. Volvo, a car manufacturer headquartered in Sweden, uses cloud technology and the IoT to support and streamline supply chain logistics in several different ways.

Apart from relying on the technology to order assembly components, they also use the IoT when shipping finished vehicles around the world. Not only does it ensure accuracy and timely delivery, but it also opens the door for real-time communications in the event of an error or issue.

Many of the IoT's benefits to the supply chain revolve around operational efficiencies like asset tracking and inventory management, as mentioned above. The IoT also establishes brand-new revenue opportunities by enhancing the overall customer experience and facilitating greater customer service.

Business Intelligence and Artificial Intelligence : In many ways, business intelligence – BI – goes hand-in-hand with artificial

intelligence – AI. With so much emphasis placed on the research and development of AI, it's easy to see the potential for a real supply chain transformation. Advanced AI and BI are already used in predictive analytics, long-term forecasting, reporting and more. Traditionally, skilled employees handle many of these tasks.

With the dawn of BI and AI, next-gen computer systems are taking over some of the more menial and monotonous activities. As a result, the most skilled workers transition to other, more important jobs.

Wal-Mart currently uses HANA, SAP's proprietary cloud platform, to enable automated, data-driven decision-making and analytics. Other organizations use this machine-learning framework in similar ways. As a result, 10 of HANA's biggest and most prolific users are forecasting five-year ROIs of 575%.

Cloud Computing : If BI and AI are interchangeable, then so are the IoT and cloud computing. Many IoT applications wouldn't even be possible without the modern cloud. Companies like Rockwell Automation, a top provider of machine sensors and controllers, use the cloud to support their clients in numerous ways.

Some of their most significant IoT-cloud operations include offshore drilling efforts in Alaska, ongoing data collection from liquid natural gas – LNG – pumps and support of various manufacturing operations.

Not only does this strengthen operational efficiency across the board, but it also gives senior officials at Rockwell even further insight into industry trends, future forecasts and more.

According to Gary Pearsons, vice president and general manager with Rockwell Automation's Services Business, their embrace of IoT and cloud computing "enable unprecedented efficiency" in all of their day-to-day activities.

With so much enthusiasm coming from a company of such size and scale, it's hard to ignore these two technologies and their potential to revolutionize the supply chain as we know it.

Overcoming the Challenges of the Next-Gen Supply Chain : Powered by highly advanced and sophisticated technology, the next-gen supply chain will make it easier to compete in the 21st century. But there are some obstacles to overcome before we understand the full potential of innovations like RFID, the IoT, BI, AI and cloud computing.

While we made a lot of progress in 2017, and we'll continue to tread new ground in 2018, there's still a long path to follow before we see a widespread embrace of the new supply chain.

Source : www.comparethecloud.net

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THE VICIOUS CIRCLE OF DISPUTE SETTLEMENT - A CASE STUDY

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- In March 1994 Thyssen Gmbh (Thyssen) placed an order on SAIL for supply of 10000MT of “PRIME cold rolled steel in coils as per ASTM A366(semi killed),chemistry SAE 1008.Rolling tolerance A-565”.Rate USD 363.50/MT. Term of delivery :FOB VIZAG.Port of Discharge:New Orleans,USA
- The quantity was enhanced to 20000 MT in May 1994.However size mix for second Lot of 10000 MT was not issued.
- Thyssen had back to back agreement with Thyssen steel group(TSG) for selling the material @USD 414/MT.TSG, in turn had agreements with various customers in USA to sell the material.
- First lot of 10000MT was shipped from Vizag on11/8/94.Pre-shipment inspection was carried out by SGS(TPI) appointed by SAIL with the concurrence of Thyssen. In addition , Thyssen on 29.04.1994 appointed Inspectorate Griffith (India) Pvt. Ltd. as their own inspecting agency at their cost, to supervise & inspect the material at the Bokaro Steel Plant of SAIL. Representatives of Thyssen also visited the plant during manufacturing.
- Upon arrival at destination, SAIL was invited to inspect the de- coiling and de-canning of the CRC but it declined to do so by its letter dated 08.10.1994.

The ultimate customers of TSG rejected the material citing that the CRC supplied was defective and the material was not suitable for continuous coil cutting and leveling into flat sheets and/or slitting
- Thyssen appointed independent surveyor and invited SAIL for joint inspection. SAIL neither joined the inspection nor appointed its own surveyors.Surveyors of Thyssen certified the material as defective
- Thyssen resorted to salvage action and sold the material in the open market@ USD383.28/MT&claimed compensation =PRIME market value (USD500/MT)-salvage value(USD383.28/MT). It also claimed that SAIL committed breach of contract by failing to supply the second lot and accordingly claimed compensation.
- SAIL refuted stating that the goods supplied by it were in terms of the contract and Thyssen could not claim damages, since the material was inspected prior to dispatch.In respect of second lot,SAIL contended that there was no concluded contract.
- Matter was referred to Arbitration .Arbitration proceedings commenced in Sep 1995 and as per the award dated 24/9/97 “**PRIME**” means “**the best and highest quality and excellent**” and the material supplied was not “PRIME” .Thyssen was awarded damages for 1 Lot as well as second lot (based on Prime market rate of USD500/MT)
- Thyssen moved the High court for making the award “Rule of law”(DECREE)
- Meanwhile the issue of applicability of new “Arbitration &reconciliation Act 1996” arose .Therefore Thyssen moved the High court in Feb’98 for stay of the award and moved for execution of the award under Arbitration and Conciliation Act 1996.SAIL contested the award .
- Delhi High Court ruled that Arbitration Act 1940 would continue to apply for the subject case.Thyssen appealed to Supreme Court .Supreme Court upheld the High Court ruling wrt applicability of Arbitration Act 1940
- Matter reverted back to High court
- The learned Judge found the use of the term “PRIME” as superfluous and redundant .He further held that even if the material was not as per specifications ,the measure of damage should be the difference between the Contract price and salvage price .He also observed that Thyssen had not resorted to risk purchase of second lot Hence it had not suffered any damage. After detailed hearing he set aside the AWARD in January 2002.
- Thyssen appealed before Division bench of High court
- The bench noted that the Arbitrator’s interpretation of the word “PRIME” and his reasoning can not be substituted
- However it allowed **compensation only for the First Lot** based on the difference between the salvage value and contract price between Thyssen and TSG(USD414-383.28) .**Thyssen’s claim for second Lot was not admitted**. The Judgement came in March,2003.
- Both Thyssen and SAIL appealed to Supreme Court. After 10years , Supreme Court disposed the case in March2013 and remitted the case back to Division

bench of High court **to consider afresh** after taking into account the following:

- **“whether the Arbitrator has taken into account the fact that the contract was FOB VIZAG& what was the effect thereof”**
- The Division bench inter-alia observed that in case of FOB contracts ,only the title &risk pass to the buyer and warranty survives(provisions of relevant sections of Sale of Goods Act were also cited) .It further observed that there was no privity of contract between SAIL &TSG,hence SAIL was not liable to compensate TSG based on the “PRIME” market value in respect of First Lot.In respect second Lot ,the court observed that no formal amendment was issued to the Contract clause ,hence claim was not tenable.After another 4 years ,Division bench in April 2017 delivered its Judgement awarding compensation to SAIL as follows : USD 30.72/MT(414-383.28) for I lot+cost +interest. Claims for II lot not admitted.
- Thus case took the vicious circle of 23 years to get resolved taking considerable time and cost

Some observations :

1. The use of word “PRIME” was the core reason behind this dispute,which led to conflicting interpretations. During hearing expert witness of Thyssen deposed that a material is considered “PRIME” if “at least 90-95% of it is usable for continuous levelling and cutting operations.” He also stated that in CRC, there is a prime market and a secondary market. Whereas the expert witness of SAIL deposed that “prime” is mere verbiage. and the word “prime” was merely offered to give some comfort to the Claimants. Therefore one should avoid using unnecessary loose words/adjectives in Commercial tenders/Contracts
2. Though more than one TPI inspected the material, it appears that their scope(competency?) and liability are limited.This is substantiated by the following disclaimer: “This certificate is not intended to relieve the seller or buyer from their contractual obligations. This inspection has been carried out to the best of our knowledge and ability and our responsibility is limited to the exercise of reasonable care”.Therefore one should be aware of the scope &limitations of TPI inspections
3. The claimant should make all efforts to mitigate the loss.In this case Thyssen promptly sold the material in the market and obtained good salvage value,which in a way mitigated the loss. In another case of Arbitration involving ONGC and M/s Sahi shipping, the contractor discontinued transportation of crude and it took ONGC few months to cancel the contract. When the claim of went to Arbitration,ONGC was faulted for not making efforts to mitigate the loss
4. After travelling all the way to Supreme court, spending substantial money &time, it is not clear as to why the Supreme Court directed the Division

bench of High court to look afresh after taking cognizance of the fact that the terms of delivery was FOB Vizag,thus making it a “snake &ladder case”It is a settled matter that in case of FOB contract the title and transit risk only pass on to the buyer but warranty does not lapse.In this connection provisions of Sale of Goods Act dealing with inspection, quality are relevant

5. Whether SAIL was aware of the ultimate use? Even if it is aware, is it liable?
6. Courts will not interfere into the interpretation of the contract by the Arbitrator
7. With respect to the second lot, admittedly, no formal modification or amendment to the agreement was made.There was a clause in the contract as follows:

Clause 9. Modification of the Contract “ This Agreement cancels all previous negotiations/ agreements between the parties hereto. There are no understandings or agreement between the Buyer and the Seller which are not fully expressed herein and no statement or agreement, oral or written, made prior to or at the signing hereof shall effect or modify the terms hereof or otherwise be binding on the parties hereto. **No change in respect of the contract covered by this Agreement shall be valid unless the same is agreed to in writing by both the parties hereto specifically stating the same to be an amendment to this Agreement.”**

Division bench of High Court took cognizance of the above and observed that the object of insertion of such a clause is the parties resolve to prevent either of them from raising any claim based on a collateral contract, entered into by the parties during negotiations or after conclusion of the contract. The very purpose of such a stipulation would be defeated in case parties were allowed to raise a claim based on a collateral agreement, entered between them during negotiations. In the present case, Clause 9 of the agreement between the parties is of such nature; it would necessarily preclude the parties from raising any claims based on collateral agreements that are not encompassed within the present contract or are not expressly stated as being amendments to the main agreement.

The message is that, notwithstanding that parties may act based on Emails/Fax messages which may tantamount to amending certain clauses, it is obligatory to issue formal amendments to the relevant clause of the Contract.

8. Last but not least is the establishment of” identity of minds”(consensus ad idem).Obliviously in the present case there was lack of it which led to prolonged litigation.

As the saying goes” litigants are mortal but litigations are immortal”

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SUPPLY CHAIN MANAGEMENT IN OIL AND GAS INDUSTRY

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In the current scenario of volatile fuel prices and uncertain markets, strategic sourcing and supply chain management assume increased relevance and significance in all industries, more specifically in oil & gas, engineering & construction, power, manufacturing, energy, mining & chemical industries.

Supply chain management works on the assumption that the pie to be shared between buyers and sellers is not zero sum but ever growing one with identification and exploitation of innovative technologies and ways of doing business, that result in efficiencies, better margins and effectiveness for all business partners and stakeholders of the supply chains.

Better and innovative technologies help to exploit natural resources with reduced Capex costs and Opex costs and also conserve depletable energy and natural resources where required.

Modern technologies like horizontal drilling and hydraulic fracturing demand the support of robust and agile supply chains made up of capable and viable oilfield service providers and equipment vendors.

Supply strategies need to be designed in optimum and cost effective ways not only for direct materials but in many cases also for indirect materials and critical or strategic Capex upstream or downstream assets and equipment.

Supply chain and logistical drivers like facilities, transportation infrastructure and inventories need to be well thought out and planned to meet the long term and short term business objectives of oil and gas companies and service providers.

Modern IT technologies including electronic RFPs/RFQs and EFT enable better efficiencies and effectiveness in sourcing new suppliers and negotiating effective contracts for better performance, cost optimization and relationship efficiencies.

Sourcing materials & equipment in environmentally sustainable ways is the need of the day and procurement planning needs to address these issues in a comprehensive manner. Reduce, Reuse, Re-allocate and Recycle i.e. 4R strategies need to be deployed suitably to reduce acquisition costs and total costs of ownership and achieve disposal of used materials & equipment using environmentally friendly methods and processes.

Contracts finalized with vendors and service providers need to incentivize suppliers towards better

performances and mutually beneficial and shared cost and value improvements and performance improvements through better problem solving techniques, information and manufacturing technologies and so on.

Suppliers with better capacity and capability levels generally contribute towards better contract execution and administration, thus maximizing and optimizing not only their returns and benefits but also contributing more towards better realization of business and supply chain objectives of their clients and end users.

Supply market research conducted with due diligence helps buying companies in oil and gas and other related sectors to identify opportunities for supply and value chain improvements and to identify mutually beneficial ways of working with the suppliers on a global basis.

World class supply chain management requires demand management & supply management / logistics to be executed to high standards and may include some of the following:

- Strategic sourcing
- Procurement planning
- Supply risk management
- Close monitoring of supply environment & markets
- Supply base by design
- KPIs tracking with suppliers
- Supply alliances
- Zero defect materials & services
- Integrated supply strategy & business strategy
- Total cost of ownership emphasis
- Increased shareholder and customer value
- E-commerce
- Environmentally friendly sourcing & procurement
- Lean supply chain management & logistics
- Information integration for strategic planning
- Integrated logistics strategy
- Supplier development & collaboration
- Better demand planning
- Optimization of requirements & specifications
- Real time traceability of materials & products
- Modern IT & ERP systems
- Collaborative cross-functional teams

World class best practices in supply chain management can help companies in all sectors to cope with increasing business and technological challenges and achieve business objectives.

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POLICY ECOSYSTEM FOR INDIA'S TEXTILE SECTOR

1 year ago, According to the 'Vision, Strategy and Action Plan for Indian Textiles and Apparel Sector', taking all innovative steps in partnership with industry will create additional 35 million jobs in the textile sector by 2024-25.

Textiles are one of the oldest exports from India. Merchant traveller Marco Polo praised Indian textiles in his travelogues by writing about its high quality and far-reaching exports. Embroidered bedspreads, wall hangings and quilts of wild silk on cotton or jute ground from India were popular in China, South-East Asia and Europe.¹

The potential of textiles as a solution for reviving the economy can be traced back to India's independence movement, under the leadership of Mohandas Karamchand Gandhi who fervently advocated domestically produced fabrics.

After independence, the Indian textile industry rapidly grew due to various government policies and domestic factors. By employing 45 million people through direct employment and 60 million people indirectly, it is the second-largest employment generating sector after agriculture in India.² In 2014-15, the textile industry contributed up to 10% to the industrial production and 2% to the National Gross Domestic Product (GDP), according to the Ministry of Textiles.³

In 2014-15, the industry recorded a growth rate of 5.4%. The Indian textiles industry is currently valued at USD 108 billion.⁴ By 2024-25, it will reach the production level of USD 350 billion, according to the Ministry of Textiles.⁵ As far as machinery is concerned, 24% of the world's spindles and 8% of world's rotors are present in the country, according to India International Textile Machinery Exhibitions Society (India ITME Society).⁶

GROWTH DRIVERS AND OPPORTUNITIES IN THE SECTOR :

The textile industry is a diverse sector, which includes everything from small handloom factories to large garment plants. The sector operates in both organised and unorganised forms and is known for its close association with agriculture. The rapid upgradation of factories, labour welfare and strong domestic as well as international demand are likely to drive the growth of the Indian textile industry in the future. Major global garment and apparel brands have started their operations in India. The government is encouraging investment in the textile sector through 100% Foreign Direct Investment (FDI) via automatic route. Invest India, the national investment promotion and facilitation agency as well as an FDI cell has been established by the Ministry of Textiles to provide assistance and handholding support to businesses.⁷

Technical textiles are another important sector for business in the country. It involves making products such as synthetic geo textiles, polyolefin woven sacks, architectural membranes, artificial turfs, medical gloves etc. Internationally known companies such as Ahlstrom, Johnson & Johnson, Du Pont, Procter & Gamble, 3M, SKAPs

and Kimberly Clark already have their units in India to produce technical textiles.⁸ In 2014, the technical textiles contributed 11.43% to the total textile production in India, according to the Ministry of Textiles.⁹

The Government of India has launched the following initiatives to strengthen textile production and encourage this industry to cater to the domestic and international markets efficiently.

- 1. Scheme for Integrated Textile Parks (SITP) :** The Scheme for Integrated Textile Parks (SITP) is at the centre of developing a sustainable infrastructure for the textile sector. Under SITP scheme, the government will provide funding for infrastructure, buildings for common facilities like design & training centre, warehouse, factories and plant & machinery. Till now, 74 textiles parks have been approved and are at various stages of implementation with 18 parks operational, 32 under implementation. The investment of USD 692 million is sanctioned by the government which will create 66,000 jobs.^{10,11}
- 2. Integrated Processing Development Scheme (IPDS) :** IPDS is being implemented to make Indian textiles more competitive and environment-friendly. The government will assist the existing textile processing units to follow relevant environmental standards using latest technology. The process parks created for this purpose will deal with waste water management and promote the use of cleaner technology in the processing sector.
- 3. Integrated Skill Development Scheme (ISDS) :** Textile weavers and workers lack formal training in using latest technology which reduces their chance to get a better job and higher wages. ISDS plans to bridge that skill gap by training 1.5 million people. An amount of USD 300 million has been allocated for training by the government for the same purpose. The primary objectives of the program are to standardise courses, increase industry involvement and to set robust monitoring systems in vocational training of the textile sector.¹²
- 4. Amended Technology Upgradation Fund Scheme for textiles industry (ATUFS) :** The old machinery and technologies used in the textile industry can affect productivity and safety. ATUFS is designed to provide incentives to entrepreneurs and business owners for upgrading technologies. A one-time capital subsidy will be offered to business owners from Technical Textiles, Garments, and Weaving. The Central Government will provide 15% subsidy to the garment, apparel and technical textile sectors. This is subject to the ceiling of USD 4.62 million on upgradation.¹³

Other sub-sectors will receive 10% subsidy for upgradation. A fund of USD 2.7 billion has been allocated for ATUFS scheme which was launched in

January 2016. The funds will be spent over the span of next seven years. ATUFS facilities are expected to receive an investment of USD 15 billion and create 3 million jobs in the country.¹⁴

5. **Market Access Initiatives (MAI)** : The MAI was launched to promote the Indian exports in a sustained manner. The scheme funds various market studies and surveys to assist exporters. Universities, laboratories, exporters and trade promotion organisations can apply for MAI where the level of assistance is already fixed. The Empowered Committee (EC) chaired by the Secretary (Textiles) looks after the implementation and approvals of various projects under MAI.¹⁵
6. **Market Development Assistance (MDA)** : In order to encourage exporters to conduct promotional activities for their products, MDA was launched. The Focus export promotion programmes will be organised in specific markets such as Latin American Countries (LAC), Africa and Association of Southeast Asian Nations (ASEAN). The objective of this program administered by E&MDA Division of the Department of Commerce is to develop the already established markets overseas for textile.
7. **Merchandise Exports from India Scheme (MEIS)** : MEIS is aimed at stimulating the growth of textiles exports from India in various traditional and emerging markets. The scheme has been finalised after consulting various stakeholders. The market coverage of MEIS scheme has been extended. USD 3.2 billion has been sanctioned by the government for the MEIS. According to the Ministry of Textiles, the textile sector is one of the biggest beneficiaries the MEIS.¹⁶
8. **Technology Mission for Technical Textiles (TMTT)** : TMTT has two mini missions to create a healthy ecosystem for the production of technical textiles in India. The scheme launched in 2011 for the period of five years has been extended for another two years (2015-17) now. The Mini Mission I of the plan aims at standardisation, creating common testing facilities and several resource centres with IT infrastructure. Under Mini Mission II, support will be provided to create domestic and export markets for the technical textiles. A favourable environment will be created in the technical textiles sector through incubation centres, research and focus product schemes. Northeast India will be given particular attention for the promotion of Agro textiles and Geotextiles.¹⁷
9. **Special package for Textile and Apparel sector** : The government of India plans to generate over 10 million jobs in the textile industry over the period of next three years. The special package will help to achieve this goal by providing incentives to boost exports, labour-friendly policies and scaling up the production. With the implementation of this package, the exports are expected to increase by USD 30 billion over the period of three years. The country will also receive investments worth USD 11 billion. Tax incentives, fixed term employment and Employee Provident Fund scheme reforms will make the industry more competitive. The garment industry, which employs around 70% women workforce, will be largely benefitted by the special package.¹⁸

IMPLICATIONS OF GOODS AND SERVICES TAX (GST) FOR INDIAN TEXTILES SECTOR : GST is termed as the biggest tax reform since India opened its economy in 1991. The

new law regarding indirect taxes will result in 'Fibre-neutrality effect' on the Indian textiles sector, according to the Ministry of Textiles. It means that all man-made and natural fibres will be treated equally from the tax point of view. This will indirectly encourage product diversification in the industry as manufacturers will consider blending synthetic fibres with cotton fibres.¹⁹

The key to restoring the glory of Indian textile industry lies in its productive workforce, safe work environment and the use of latest technology. According to the 'Vision, Strategy and Action Plan for Indian Textile and Apparel Sector', taking all innovative steps in partnership with industry will create additional 35 million jobs in the textile sector by 2024-25.²⁰

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Source: Make in India Website

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WTO UPDATE :

WTO MEMBERS RAISE CONCERNS OVER US TARIFFS ON STEEL AND ALUMINIUM AT GOODS COUNCIL



WTO members expressed concern over the United States' imposition of higher tariffs on steel and aluminium imports and the impact they may have on the global trading system at a meeting of the Council on Trade in Goods on 23 March, the same day the new US measure came into effect. The US responded by saying that the tariffs are necessary to address the threat these imports pose to national security.

Over 40 members - including the 28 members of the European Union - took the floor to warn against measures that have repercussions not only on traders' commercial interests but also on the predictability and stability of the rules-based multilateral trading system following the entry into force of the "Presidential Proclamation on Adjusting Imports of Steel into the United States". The proclamation imposes a 25% ad valorem tariff on imported steel and a 10% tariff on aluminium articles as of 23 March.

The US measure is inconsistent with the General Agreement on Tariffs and Trade (GATT) and the WTO Agreement on Safeguards, said China, which, along with Russia, had requested for this issue to be taken up at the meeting. China was of the view that the US measure did not take into account information demonstrating how steel and aluminium imports would not affect national security. China called on the United States to refrain from taking unilateral measures, follow WTO rules and uphold the multilateral trading system.

The Russian Federation said the new tariffs exceed the bound rates the United States had committed to under WTO rules. It further noted that several WTO members would be exempted from the new US measure and sought further clarification on this exemption and how the measure can be justified under WTO rules. The Russian Federation said it was looking forward to constructive dialogue with the US.

The other members who took the floor to raise issue with the new US measure and call for the upholding of the multilateral trading system were Japan; Venezuela; Brazil; New Zealand; Turkey; Korea; Hong Kong, China; Singapore; Thailand; Pakistan; Norway; Australia; India; El Salvador; Switzerland; Paraguay; Guatemala; and Kazakhstan.

In response, the United States said that its Secretary of Commerce, in its investigations pursuant to Section 232 of the Trade Expansion Act of 1962, had found that quantities of imports and circumstances of global excess capacity for producing steel and aluminium "threaten to impair the national security". Tariffs, as noted in the US President's proclamations, are necessary to address the threat.

The US further noted that the President's proclamations authorized the provision of relief from the new duties on steel or aluminium articles determined not to be produced in the United States in sufficient amounts or of satisfactory quality. The Department of Commerce published requirements and procedures on 19 March for requesting such exclusions and submitting objections to exclusion requests. Moreover, on 22 March, the President issued proclamations removing, for a period of time, the application of additional tariffs with respect to certain countries with which the US has a "security relationship", the US said.

the United States' revised proposal to enhance transparency and strengthen notification requirements. Members had earlier discussed the first version of the proposal at the 10 November meeting of the Goods Council ahead of the 11th Ministerial Conference (MC11) in Buenos Aires; however, no decision was taken at MC11.

The United States, introducing its revised proposal, said it had made changes to reflect that it is no longer seeking a Ministerial outcome but rather a General Council decision. It said it removed explicit provisions pertaining to notifications concerning technical barriers to trade and specific enhancements proposed for fisheries subsidy notifications. The US said, however, that it has maintained the administrative measures it had previously proposed for WTO members that fail to provide a required notification after a certain time.

All members who took the floor reiterated their agreement that enhancing transparency and improving members' compliance with notification requirements were important objectives. Several welcomed the US proposal for reviving a working group dedicated to improving notification compliance and updating the handbook on notification obligations. However, many were of the view that the proposed administrative measures would not necessarily encourage compliance with the notification obligations, particularly when technical capacity to draft these notifications was lacking.

Other agenda items : At the start of the meeting, China requested that the issue of US "Section 301" actions, referring to measures taken in line with the US Trade Representative's investigation of China's intellectual property regime, be included in the meeting agenda along with US measures concerning civil aviation security.

The Council also heard updates from Armenia, the Kyrgyz Republic and the Russian Federation about ongoing negotiations for concessions to compensate interested WTO members following changes to Armenia's and the Kyrgyz Republic's tariff schedules as a result of their application of the EAEU Common External Tariff. Members are continuing to negotiate compensation packages.

The Council also agreed to extend the time period to preserve members' rights to withdraw concessions to the European Union for changes in schedules of commitments stemming from Croatia's accession to the EU. The time-period has been extended to 1 October 2018 pending the entry into force of a compensation agreement the EU struck with New Zealand.

Furthermore, the Council took note of two regional trade agreements, heard an update from Jordan on its progress in eliminating its export subsidy programme, and considered a report on the status of notifications members are obliged to make under the provisions of WTO agreements. As for the appointment of officers to the subsidiary bodies of the Goods Council, members were informed that further consultations were needed to establish consensus on the slate of names. The full agenda of the meeting is available here. This news item will be updated shortly to reflect further developments in the ongoing meeting.

Source: WTO Website

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US transparency proposal : The Goods Council also considered

ADVICE FOR PROCUREMENT MANAGERS – FOCUS ON SPEED AND AGILITY IN 2018

Procurement managers should heed this piece of advice: Your CEO is worrying about speed and agility in 2018 so you should be worrying about it too.

So says **Guy Strafford**, an executive at procurement technology company Proxima, writing recently on the UK's SupplyManagement.com web site. In fact, Strafford says 2018 will be about something fundamental: how CPOs respond to the desire from the top to move faster.

"Let's face it, speed is not an attribute often associated with our profession," Strafford interestingly writes. "Procurement can be a highly process-oriented, administratively driven opponent to speed because of the perceived need for 'seven stage sourcing' cycles."

But the CEO sees the world through different eyes.

With "Responsible for top-line growth, executing with vigor, reacting to competitive pressures and real-time changes in markets, the chief executive may not always be most concerned with the procurement team's ability to scour the globe for the cheapest possible supplier," Strafford observes.

He says that the CEO's greatest frustration is often watching how long it takes for decisions to convert into delivery. So they will value a procurement team that is agile, nimble and can respond quickly to immediate needs.

"Speed of response is the new competitive edge," Strafford notes.

Given these dynamics, it's fair to question the placement of procurement in today's organizational structures, as senior leadership pulls the procurement function in different directions depending upon whom it reports to.

What's more, because so much of an organization's costs are spent with external suppliers, "the implementation of a CEO's vision or directive at pace is likely to be executed by suppliers anyway. It stands to reason that procurement will have greater engagement with the CEO," Strafford says.

But getting there will require a paradigm shift of sorts, Strafford says.

"Procurement teams will need to demonstrate the ability to respond quickly, react vigorously and shed many of the old stereotypes," he opines. "For example, insight needs to be available all the time, not just after an RFI."

In fact, Strafford says Proxima is seeing tangible evidence that this need for speed is changing the way procurement interacts in the organization and where procurement leaders are teams are positioned in the organizational chart. That includes seeing more examples of CPOs reporting directly to the CEO, even in industries where this reporting structure has rarely been seen.

Perhaps more interesting, Strafford also says that the traditional months-long RFI process is getting either massively shortened or done away with altogether.

Why? The answer by now should be obvious: speed.

"Internal procurement leaders are expected to stay attuned to market trends and opportunities in real time by accessing data and relying more heavily on specialist supplier intelligence," Strafford writes. "There's no time for extended information-gathering projects."

If Strafford is correct, that would be a new paradigm indeed.

He is seeing other important changes. For example, he says that companies across industries are supplier shopping, ready to unseat legacy suppliers in favor of smaller ones who are more nimble and which can meet company needs with greater speed and agility.

"Rather than leave vendor management to haphazard business practices, procurement is going to grab with both hands the opportunity to make suppliers move faster, and thereby also bring transparency to supplier performance and risk across their business," Strafford concludes.

Source : Supply Chain News

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ACHIEVE SUPPLY CHAIN FLEXIBILITY WITH SCENARIO PLANNING

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Scenario Planning is structured program where executives or people working on transactional level are looking at different scenarios in the future based on supply, demand, and inventory. Every business should concentrate on scenario planning, either at very strategic level, or even at the lower levels, while considering factors in the external environment or in the internal environment the winner will be somebody who has done his homework, well in terms of supply chain simulation, agility, and flexibility. Supply chain executives today face tough battle of trying to adhere to the CEO's agenda of sustainable growth, and stakeholder value while dealing with an ever changing supply chain business model. The drivers for success are operational flexibility risk management and continuous innovation and they can only really achieve this by bringing, analytics and optimization together into common platform as also described by AMR (supply chain a leading firm on global supply practicing all supply chain technology) in one of their recent studies.

Yet the risks involved in supply needs attention. For instance Company A recalls 13 million Firestone tyres costing \$3 billion and service brand damage, after learning that design and quality glitches were putting certain tire models at the risk of shedding their treads. Company B was forced to recall 15 million cans and bottles due to contaminated chemicals in a bottling plant. The incident cost the company \$ 60 million. Then Company C was forced to halt production for several months at a cost of \$400 million and a steep loss in share price, triggered by a fire in the production facility of strategic supplier.

Performance enhancement alone may create additional supply chain risk. Hence it becomes

imperative to weigh the supply chain improved performances across a variety of supply chain metrics as compared to the risk management laggard.

Supply chain complexity has significantly increased and it won't get any easier. Higher supply chain complexity significantly increases risk of execution in the following ways:

1. Global manufacturing competitiveness forces companies to continuously improve performances and eliminate waste.
2. Ever increasing quality requirements require additional focus on perfecting manufacturing operations and visibility of partner quality capability.
3. Global sourcing opportunities reduces purchases price but significantly increases supply chain risk.
4. Commodity volatility is causing many companies to re-think networks and transportation strategy.
5. Lean manufacturing pressures entire supply chain and requires increased partner visibility.
6. Terrorism concerns require additional concern for transportation security shipment visibility.
7. New regulatory and environmental concerns require constant attention.
8. Logistic capacity constraints increase pressure for more efficient planning lead time reduction.

Risk is threat of damage, liability loss, or any

negative occurrence that is caused by external or internal vulnerabilities. It may be avoided through pre-emptive action, while we plan for the known risk.

Scenario planning: Why should it be done: The increasing uncertainty, and volatility in supply chain, and demand for the products and flexibility make forecasting challenging: Decision making becomes tougher when planning is not in a continuous process.

A high level of uncertainty is created by new products, which tenders high growth rates combined with traditional long-term planning, which make the forecasting process, even more challenging. A different approach which is based on qualified assumption rather on their historical data. We also should understand what are the causes of uncertainty in a flexible supply chain scenario planning, and causes of risk, where emerging markets and long term supply chain lead time continue to an increasing important factor.

Scenario Planning in a flexible supply chain: Benefits: 1. Risk management becomes the key focus of the decision making process. 2. Improves forecasting in a highly uncertain movement of materials in a supply chain. 3. It shifts focus on the consequences for business purpose, which includes cost, service, and lead time in a flexible supply chain scenario.

Scenario Planning: How do we use it: since working in flexible scenario planning, we focus on risk, and the risk is normally considered to be high, and at times it is also low, in which consequences do not deal from planning perceptive.

Sales and Operative Planning process: achieve flexible scenario planning risks have been increasingly important, and it has become necessary to provide companies with opportunity to have better control: 1. Improve the decision making that take place in sales and operational process. 2. Access and manage risk, uncertain in business where flexible planning is difficult scenario, since good planning can help to improve decision making process ideally work, as

competitive, and advantage with higher efficiency, and lower cost, and an agile supply chain can be supported by well implemented global sales and operation planning process with flexible scenario planning.

Scenario planning may involve aspects of system thinking. Scenario planning starts dividing knowledge in two broad domains in a flexible scenario planning: 1. Things we believe which we know something about. 2. Elements we consider uncertain or unknowable.

Key supply chain parameters such as forecast, lead time, and service can be altered and simulations in key elements can bring the items, and group's level of items giving users complete flexibility in supply chain with scenario planning. The solution includes ability to: 1. Bring in after planning, rules, and the dates of service, levels, targets, lead time forecast or demand on data become flexibility in scenario planning methods. 2. Access scenario planning and to be flexible to supply chain nodes and procedures. 3. Analyze key priorities in the flexibility of supply chain in scenario planning, which can also be used to provide forecast to suppliers and supply chain parties. 3. Link supplementary items to supply to supply chain flexibility in the scenario planning, inventory target at supplier location or the material availability with supplier. 4. Allow vendor managed inventory to be managed separately from a standard production to finished goods in flexibility scenario planning in supply chain system.

Forward simulation or checking can be conducted daily or monthly to help, and develop, and find out if inventory system rules are in place. Research has shown that various aspects of supply chain flexibility have considerable impact on business performance, which affects scenario planning. Outsourcing to implement flexibility scenario in planning: in order to consider any alternative in network design firm which should need to invoke network optimization, and simulation tools in line with transportation model, or inventory optimization to be created which optimizes scenario in planning.



REPORT ON SPECTRUM 2018

ANNUAL MEGA EVENT

COMPILED BY MR. V. RAMACHANDRAN
EC MEMBER, IIMM CHENNAI BRANCH

The annual Mega event of IIMM Chennai branch was conducted at Hotel Regenta Central Deccan on 22 and 23 Feb 2018, with inauguration on Thursday the 22nd. More than 100 delegates representing industry, media and IIMM office bearers participated in the knowledge-driven event with theme focus of “Customer **value Enhancement through digital Supply Chain**”. The key topics of deliberation in Spectrum 2018 were

- Digitalization of SCM
- SCM in manufacturing- Oil and gas, hospitality, Food chain and infrastructure
- Horizontal SCM like logistics, e-business and Skill Development
- GST Implementation experience

The event focused on addressing the challenges posed due to digitalization and process changes across the industry. At the end of the two day deliberations, the participants, gave unanimous feedback on the clarity and commitment with which each session had been facilitated enabling a wide range of cross-learning from expertise and experience shared by the different industry vertical experiences.

The event began with invocation song rendered by Ms. Priya Jeyaram from Cognizant Technology and well trained in Carnatic music. Traditional lighting of the lamp was carried out by Mr Harish Lakshman Chief Guest and Vice Chairman of Rane Group, Mr.G.K.Singh National president, Branch chairman Mr.N.Swayambhu, Spectrum Event Chairman Mr. P.Y.Venkateswaran and key note speaker Dr. Vaidyanathan Jayaraman, Principal of Great lakes Institute of Management & Associate Dean & Distinguished professor Supply chain operations Welcoming all delegates to the event, the branch chairman Mr. Swayambhu briefly highlighted the achievements of Chennai branch during the current year. A brief introduction to the event was provided by the Spectrum 2018 event chairman Mr. P.Y.Venkateswaran. An overview on what the participants can expect and a summary of the prior arrangements made by the organizers was also highlighted. About the theme Mr. S Subramanian – SUBBU, Chairman, Spectrum, narrated the choice and

relevance of same to the current business environment

The programme had Mr Harish Lakshman the Vice Chairman of Rane Group providing the address as Chief Guest. Sharing his views based on his experience, he focused on the disruption of many business models and blurring of the lines across the industries. He stressed on the need to ensure that customers are delivered significant value as the key challenge. He highlighted the following 4 aspects, in managing the supply chain

- Cost optimization
- New product development
- Role of technology
- Globalization of supply chain

He shared his group's experience in reducing cost of imports from 13% few years back to 9% now. Value engineering by way of weight reduction and use of data analytics using big data concepts were highlighted as opportunity areas for cost reduction. He further shared his experience in sourcing on the Ariba platform and informed the audience that 40% of the indirect spend had been through this process in the preceding year, for his group.

In New product development, process controls such as APQP, PPAP have brought down the cost of NPD by 60%. He further stressed that PLM was implemented as part of digital transformation, which had helped in

- Optimizing automated workflow across locations
- Increased accountability through tracing
- Updated information across teams to avoid version control issues.

On the role of technology, he presented the need for software tools to improve efficiencies in line with global and local trends to predict demand and engage with suppliers.

While narrating the globalization of supply chain, the nuanced differences such as in aesthetics, even within the same OEM servicing in multiple regions were illustrated.

He concluded with remarks on TQM and SCM as the guiding principles for future business. He ended with the note that digitization will continue to evolve in the coming decade and will revolutionize business further. Industries and companies will have to learn quickly to ride this wave.

The keynote speaker Dr. Vaidyanathan Jayaraman , Principal of Great lakes Institute of Management & Associate Dean & Distinguished professor Supply chain operations summarized in one slide of

- Power shifting to the shopper.
- Amazon seizing “center store”. (Internal code name for its India grocery operation – Project Everest)
- Omni channel expectations growing.
- Supply chains moving from near real-time to real-time data and from inside-out to outside-in processes.
- More and more costs are being pushed backwards in the supply chain.
- A time for disintermediation?

He quoted the examples of BLOCKBUSTER, NOKIA, KODAK and BRITTANICA as examples of yesterday’s winners giving way to current winners like NETFLIX, APPLE/GOOGLE, CANNON/FLICKR and WIKIPEDIA. He further presented that we need to go digital by default and data is the king in end to end supply chain. The ability to anticipate, respond to and sometimes create demand were highlighted as key determinants of supply chain success. Also he pointed to the need for new score cards for everyone throughout supply chain which have to be customer driven as the way to future.

Shifting from customer centric to consumer centric approach was presented as the need of the hour. He also added that more than a market driven approach a marketing driven approach is more relevant.

New information types and resources and building analytic capabilities were highlighted as the emerging trends.

During the inauguration, the SCM corporate award for year 2018 was announced by Mr. M. Sundaram, Executive Director – Super Auto Forge & Advisor - Spectrum 2018. The winner is Krishnapatnam Port container Terminal KPCTL. Mr Vivek Nair, General Manager, KPCTL received the award from chief guest Mr. Harish Lakshman. He made a brief award acceptance speech. The inaugural session ended with a vote of thanks by Mr. J Ravishankar, Vice Chairman

of IIMM Chennai branch

The Technical session– 1 had the topic on “ Using Supply Chain Analytics to Transform business operations – Auto “. The session was rendered by M.A.Sanjeev, Vice President – Asia Pacific SCM Ford India Ltd under the Session chairmanship of Mr. M. Sundaram Chairman Corporate Training IIMM Mr. M.A.Sanjeev handles Asia Pacific - Material Planning & Logistics at Global Business Centre of Ford Motor Private Ltd, Chennai. The session focused on ROBOTIC PROCESS AUTOMATION (Software Robots = BOTS). The presentation highlighted under Industry 4.0, a SMART factory with three faces of

- Synchronous material and replenishment
- Digital factory-Dynamic factory validation, virtual commissioning, 3D simulation
- Material Flow Planner –Ergo assessments, Tugger Analysis

He highlighted that the performance is dependent upon the successful interaction across a very complex ecosystem. He presented an End to End Supply Chain Value Stream Mapping. He suggested the use of Supplier performance management tools using predictive analysis to reduce supply risks

In the important area of logistics, the role of centralized consolidation and cross-docking was stressed to optimize freight costs. He made a case for the total cost as the sum of design, material, packing, freight and handling. He also added that technologies like RFID assisted dunnage tracking builds robust controls.

The Technical session– 2 had the topic on “Food Supply Chain Management” which was delivered by Mr T D Mohan Joint Managing Director Cavinkare. The session was anchored by the current branch chairman Mr. N Swayambhu. Mr Mohan presented the Centralized Supply Chain at Cavinkare. He narrated the the supply chain issues in seasonal agriculture commodities, which are available once or twice in a year and the agricultural produce which is price sensitive, though available throughout the year. The challenges in procuring edible oil/Fresh vegetables/ Spices/ Pulses and cold chain ingredients, such as milk etc. were explained in detail. Further he added the specific issues the food industry faces in packaging materials procurement. As an example, he explained entire supply chain process involving 14,000 farmers, for the complexity issues. Specific issues on Social responsibility, demand flow, FSSAI and statutory compliance were added as industry-specific variables in the supply chain practice. He concluded with the summary on the following 6 aspects as the profit

generator

- Fill Rate.
- Working capital management.
- Purchase effectiveness.
- CFT initiatives (Squeeze)
- Improving efficiency in manufacturing.
- Supplier Collaboration in developing unique products.

Technical Session- 3 had the topic on “Strengthening Health care / Hospital Supply chain delivered by Dr. K. Ganapathy, Director Apollo Tele Health Services. This session on Hospitals sector was chaired by Mr. K Nagappan, a former Head of Supply Chain from Apollo Hospitals. He started with a holistic approach on Health as a subject comprising a number of stakeholders and related issues. He introduced the digital technology in the four areas of

- Wellness
- Prevention
- Diagnosis
- Treatment

He pictured the traditional healthcare model wherein the patient community is at the bottom of the pile to the Future Health system transformation wherein Citizens will be an informed and wired up community. He stressed that healthcare will move out of hospitals to home, car and office. He gave a full picture of digital healthcare ecosystem. He summed up the core theme of “Telemedicine as the delivery of healthcare services, where distance is a critical factor, by all healthcare professionals using information and communication technologies for the exchange of valid information for diagnosis, treatment and prevention of disease and injuries, research and evaluation, and for continuing education of healthcare providers, all in the interests of advancing the health of individuals and their communities” – as defined by the world health organization -WHO

The Technical Session- 4 had topic on “ Personal Growth and Development in Supply Chain Industry “ rendered by Mr. R Sridhar, former Sr. VP M&M, Automotive & Farm Equipment sector. This session was chaired by Mr. N Sivaramakrishnan, former IIMM Chennai branch chairman. He began with VUCA world acronym of volatility, Uncertainty, Complexity and Ambiguity. He added that threat needs to be converted into opportunity. He suggested that disruptive innovation as one of the keys to success.

Among the key competencies he stressed on the elements of culture of discipline and attitude

On leadership role he emphasized on passion, quality of work, planning and sense of ownership, pride, motivation, multi-tasking, teaming and managing change. He gave illustrations on successful people who have managed change. He ended with a note that the future ready supplier base needs to be resilient for Reliability, vulnerability and capability.

With this the first day interactions were completed and a brief note of summary was made by the Content Chairman Mr Subramanian

The second day began with Technical Session -5 which had topic on “ Improving Customer Experience through the optimised supply chain in e-business “ that was rendered by Dr. Chandrasekar, professor of Supply Chain Management from LIBA. This session was chaired by Mr. Subbu, the content expert. He defined e business as E-business (electronic business) is the conduct of business processes on the Internet. He briefly explained the B2B, B2C, C2C and Government services which is G2C processes. Further insights into e-business models of Alibaba, Ebay, Amazon, Metal junction and Matrimony were illustrated. The need to reposition traditional businesses was stressed by him. The important aspect of fulfilment particularly e-fulfilment was explained with examples. Capturing customers experiences and managing demand were taken up for detailed analysis. Changing role of e-business companies with respect to supply chain practices was analyzed. He stressed on the following as an overall marketing strategy

- Using balanced score card for managing performance of e-supply chain
- Vision must be competitive advantage leading to unique positioning
- Strategy : synchronized supply chain as a driver with technology, process and people competency
- Target – matured positioning and normal profit with huge market share

He concluded that the following steps would enable that

- Customer perspective to be public
 - Measure/s
 - Unit of measure
 - Target
 - Actions
- Just not KYC but KYSL (Know your service level) and CSI (Customer satisfaction Index) would help
- Try for allowing customer to use data and tools to understand that the price he has paid has helped normal profit and fair appropriation and it's going to be his life time brand

He circulated an E-supply questionnaire to be filled in by participants to elicit an instant feedback.

Technical Session 6 had topic on “Supply chain as a service in infrastructure projects” rendered by Mr. N S Sivaraman, former Vice President of L & T-Shipping at Kattupalli, Chennai. The session was chaired Chennai T N Srinivasan, former branch chairman IIMM Chennai branch.

The session started with a brief overview on construction industry. Issues on project size, manpower and social and political issues were highlighted. The physical aspects of construction industry were summarized. The example of Ship yard cum Port project at Kattupalli was taken up as illustration of a large construction project.

One major issue of availability of river sand as part of volume flexibility was narrated, requiring innovative management. Replacing sand with flyash, in light uncertainties in river sand availability, was taken for case study. Issues on variety offering, velocity and case for variety reduction and value enhancement were taken up for highlighting the supply chain complexities of the construction industry sector. How to benchmark in terms of asset metrics and developing of best practices was also explained. He also shared a video on “Waves of Change at Kattupalli”, the project location

Technical Session 7 had topic on “Intelligent Supply chain Management - Oil & Gas” rendered by S. Murali, EX-GM- Engg and Port Development Shell Hazira India. This session was chaired by Mr. P Y Venkateswaran, current Spectrum 2018 event Chairman.

The speaker started with emphasis on HSSE in Oil and Gas-Health Safety, Security and Environment, as the most important aspect. He provided a brief review of oil and gas industry. Supply chain processes for all key products like gasoline, diesel, liquefied petroleum gas, aviation fuel, kerosene, fuel oil and naphtha were provided. The vital aspect of Intelligent Pigging survey for pipelines was clarified. He stressed on the necessity to ensure Asset Integrity of the pipelines.

An important aspect of heavy lifting common to optimize costs and hydrocarbon management were highlighted. He further narrated the process of natural gas supply chain and intelligent supply chain practices needed for oil and gas industry.

The Technical Session 8 had topic on “Trends shaping logistics of future” rendered by Ms. Vinita Venkatesh, Director, Krishnapatnam Port - Session chairman. This session was anchored by Mr. D Ramesh of SCM Head of Toll Logistics. She started with a overview of

shipping lines consolidation, container ship sizes, trade policies, Uberization of trucking, reverse logistics, big data analysis, internet of things, block train technology, internet of things and 3D printing technology.

She summed up on the three dimensions of people, place and technology in the new world of work. Employees in the world have capabilities to work flexibly and productively with digital technologies. People can also work anywhere anytime in a collaborative mode. Employees will need to be enabled with technologies to work in new environments.

The last Technical Session 9 of the programme had topic on “National Information Utility - (GSTN) Benefits to Government & Business” rendered jointly by Mr. Lodha, CAMSONLINE and Mr Rajendra Kumar, The institute Chartered Accountants of India.

The session was chaired by Mr. TAB Barathi, Director education and Spectrum 2018 advisor. Mr Rohit Lodha began with GSTN-Benefits to Govt and business. He narrated the GST workflow in terms of seller return and buyer return. He also stressed on the proposed model by Mr.Nandan Nilakeni on Compliance simplification. Highlights of GSTR-1 And GSTR-2 were summed up. He ended with note on data security with GSTN

Mr C.Rajendra Kumar an acknowledged expert on indirect taxes and more so on GST started from the foundation of GST framework as a value added tax beginning from the OECD model towards a single global tax structure.

He outlined the history of the tax, the efforts and pains undergone by the various stakeholders to bring it into a unitary framework across the country as a single tax i.e one tax across whole India for any product or a service. He answered each and every query, related to the tax modality, rate applicability, schedules, interstate issues, arbitration, principles behind the rates and the emerging directions for SCM professionals. Mr T.A.B.Barathi in his concluding remark ended that all these efforts should lead more towards “make in India” benefitting all.

Mr N.Sivaraman, past chairman of IIMM Chennai branch, provided for the entire programme through his wit and time commitment as Master of Ceremony and provided interesting interludes to keep all sessions lively.

B.Ramesh Hon Secretary IIMM Chennai branch provided the vote of thanks and concluded the event .



BRANCH NEWS

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AHMEDABAD BRANCH

Report on 10th March 2018 Evening Lecture : Ahmedabad Branch organized a talk on “**Procurement Outsourcing**” by **Mr. Jigar Pandya** Director PRAME SOURCING PVT LTD on 10th March 2018 at **Ahmedabad Management Association**, Vastrapur, Ahmedabad, under its Knowledge Augmenting Series. Audience consisted of 40 hard-core professionals who enjoyed the talk thoroughly.



Members Enjoying the talk

Branch Chairman Mr. Pankaj Panchbhai mentioned in his inaugural talk: Dear Co Members, Invited Guests and Speaker of evening Mr.Jigar Pandya. We are proud to have Mr.Jigar Pandya an eminent Procurement Specialist. He will talk to us on “Procurement Outsourcing” a subject of interest to materials management professionals across the industry



Memento awarded to Speaker at the hands of Mr. purvish Patel

I am happy practicing MM professionals on their own are seeking membership of your institution. We are in the process of inducting more members and achieve the

task of crossing 500 + membership mark in following months. I sincerely appreciate Shri Goswamy, who has kept flag of IIMM afloat by organizing programs relentlessly, which has brought us, closer to industry and fraternity of Material Management Professionals.

We are proud to announce that we are launching IIMM mobile application available in play store now, which will add one more feature in technical development of Branch after launching IIMM Ahmedabad website recently.

Project IIMM mobile application was taken up and completed by Shri **D K Goswamy**. He then honored by standing ovation by the gathering. Admission process and exams are on. We should spread message around in industry so that more and more MM Professionals can improve their employability post going through these courses.

We do currently invite guests to attend these programs to have the feel of the Institution. I suggest those of you have not become members may do so. Membership forms are available at registration desk. “This helps us in organizing quality programs for our members and takes our institution forward.

He then read out **Mission Statement** of institution and exhorted members to follow it in letter and spirit. **“To promote professional excellence in Materials Management towards national Prosperity through sustainable development.”**

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

Mr. D K Goswamy Program Coordinator introduced Speaker and Subject:

About the speaker: Mr. Jigar Pandya is an acclaimed Corporate Trainer, Advisor & Mentor to many organizations. He has nearly 2 decades of top-management functional experience working in International & Family Owned Large Business houses. He is an Ex-CEO of an African MNC – heading Asia Pacific Sourcing Operations from India. He has extensive experience in International Sourcing, SCM, and purchase optimization.

Presently, he is working as a Director with PRAME

SOURCING PVT LTD – an International Sourcing company-specializing in procurement outsourcing. He helps Organizations plan & develop business, build systems, structures and train employees in functional skills. He has delivered many successful workshops at AMA, GCCI pertaining to management functional training. He has been instrumental in turn-around of his client organizations.

About the topic: Procurement Outsourcing is a globally successfully phenomenon, yet to be explored systematically in India! It has tremendous potential to add to a company's base line profits, be an able partner in the procurement supply chain! This is most sought after topic for all Materials Management professionals and should not be missed by anyone connected with the field of Procurement. **Mr. Jigar Pandya's** Session followed by good question answer session. Many participants asked practical solution to day-to-day difficulties faced by them with co-workers.

Mr. Sudhir Shah IIMM Distinguished member and Convener Membership committee brought pride to members present by informing that, as on date we are @381 IIMM'ites in Ahmedabad. He elaborated on Road Map for further improving membership strength leading to 400 marks by end of financial year. He introduces new life member Mr. Mrinal Kukreti. Mr. Mrinal was recognized on their joining as Life Member of IIMM by presenting welcome memento at the hands of Mr. Manoj Pandey Vice Chairman of Branch.

Mr. Purvish Patel one of most active EC member Presented Memento to **Mr. Jigar Pandya** with his better half.

Mr. Rakesh Gupta, Hon. Secretary in his wrapping up remarks said: " Speaker of the evening Shri Jigar Pandya, Branch Chairman Shri Pankaj Panchbhai, Fellow IIMM Members and Invited Guests, We thank Shri D.K. Goswamy for introducing Shri Jigar Pandya, today's enlightened speaker, who is Director with PRAME SOURCING PVT LTD Mr. Pandya has a long experience in handling Family owned large business houses and an acclaimed trainer, advisor and mentor to many organizations. We have heard of out sourcing in many areas like staffing, pay-roll, accounting entries, job works and what not. Like many new trends in the market, this new trend is picking up "Procurement Outsourcing". We have here Mr. Jigar Pandya, who is not only practicing it; but also helping organizations in international sourcing. He has made today's topic very easy to understand by sharing his experience in this evolving field. Sir, we are lucky to have you as our speaker today as we are going back with **new** useful take-always.

We would like all these lectures to be sponsored, so that we have not to draw from our savings for these programs. We look forward to hear from some of you on the sponsorship front soon. I request the guests today to kindly collect the membership form and submit the same at the earliest to avail of IIMM facilities regularly. Please return the feedback forms duly filled to any of our volunteers. The same will help us in improving our activities in future". Members dispersed with fond hope

of meeting soon for another interesting presentation.

ALWAR BRANCH

Indian institute of Materials Management Alwar Branch Organised a Family get together on 26/3/2018 at Hotel Motidoongri Palace Alwar. About 50 Members of family gathering enjoyed the songs and dance of the childrens. The family members were introduced to each other during the program.



The dinner was sponsored by Mr. L R Meena, NST IIMM NHQ.

BANGALORE BRANCH

22nd December 2017 – Evening Lecture Program : IIMM Bangalore Branch organised an evening lecture program on 22.12.2017 on "**Disputes in Commercial & Construction Contracts - A case study of Conciliation as Cost effective Alternative**" at Woodlands Hotel, Bangalore by speaker Mr. K R Ajaya Kumar, former Group General Manager (Legal) of MRPL -ONGC group.



A view of Participants on 17.12.2017 -Lecture Program



Lecture Program on 17.12.2017 L-R Mr. P.M. Biddappa, N.C. Member, Mr. K.R. Ajay Kumar, Speaker and Mr. M.S. Shankar Narayanan, NC Members on the dias



Case studies discussion and presentation by Participants, Mr Ramasubbu, Sr. Faculty interacting with the participants

He also covered case study of Corporate who adapted Conciliation for resolving contractual disputes effectively. Mr. Mahesh Kulkarni, Hon. Treasurer, welcomed the gathering. Mr. P.M. Biddappa welcomed and introduced the speaker to the august gathering by presenting a flower bouquet. The session got extended by an hour beyond the time limits as it was very interesting and knowledge oriented and absorbing for the members. Members more interacted with the speaker and exchange their views.

10th February 2018- Consultancy Meet : A consultancy meet was 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.

15th and 16th February 2018- Two days workshop : Two days workshop on **“Warehouse, Stores and Inventory Management”** was held on 15th and 16th February 2018 at Hotel Royal Orchid Central, Dickenson Road, Bangalore. Senior faculty of IIMM handled the session. There were 18 participants. The Program was well appreciated by the attendees.

22nd February 2018 – Lecture Program : Indian Institute of Materials Management, Bangalore organized an Evening open house / Lecture Program on **“Impact of Union Budget 2018 on Customs and General Issues on GST Law”**

In order to understand the finer aspects of the budget and for a detailed analysis on the impact on trade & industry this program was organised for members and students of IIMM Bangalore Branch at Woodlands Hotel Bangalore. Speaker was Mr. H.R. Gowri Shankar, Advocate and Tax Consultant.

Mr. Mahesh Kulkarni, Hon. Treasurer, welcomed the gathering and also welcomed speaker by presenting a flower bouquet and introduced the Speaker. The session extended beyond the time limits as it was very interesting, lot of budget points on Customs and General issue of GST was clarified. Members more interacted with the speaker and exchange their views. Mr. Akash Gupta, EC Member proposed vote of Thanks.

16th March 2018 – Lecture Program: Indian Institute of Materials Management, Bangalore organized an Evening Lecture Program on **“Supply Chain Management in Healthcare Industry”** by Mr. Venkatesan N, Sr. General Manager – Supply Chain Management, Healthcare Global Enterprise Limited. Mr. C.S. Subash, welcomed the gathering and Introduced the Speaker. Mr. M.R. Achuth Rao, EC Member and Course Co-ordinator welcomed Speaker by presenting a flower bouquet. Dr. C. Subbakrishna, Past National President, handed over a memento to the speaker. Mr Achyuth Rao, proposed vote of thanks. Received Good Feed back and very much appreciated by the members participated.



Mr. C.S. Subash, EC Member, welcoming gathering on 16.03.2018



Mr. M.S. Shankar Narayanan, Immediate Past Chairman and N.C. Member proposing vote of thanks



Mr. N. Venkatesan, Sr. General Manager handling session on SCM in Health Care on 16.03.2018



Mr. PM Biddappa, N.C. Member Introducing Speaker - Lecture Program on 17.12.2017



Mr. S. Krishnamurthy, Sr. Member handing over a memento to Speaker Mr. Ajaay Kumar



Mr. T.K. Ramasubbu, Sr. Faculty handling session on Sourcing on 19.01.2018

IIMM NHQ-MUMBAI

National Headquarters, Mumbai conducted a two days (09th and 12th Feb, 2018) in-house training program on Materials Management and soft skills at **Materials Organization, Indian Navy, Mumbai**. The program was fully coordinated by **Mr. L S Bisht**, an Ex-Controller Warehousing, Indian Navy & Senior Faculty (MM) at National Headquarters, Mumbai. Around 40 in number trainees working in the various fields of Materials Management participated in the program. **Dr.S.Rajagopalan** an Ex- Director General, Ordnance Factories Organization & Director, IIMM Mumbai branch and **Prof. Sunita Bandekar** were the co-trainers for the **need based training program**.

Director and Controller Warehousing, Mr. Rama Krishna Material Organization, Mumbai along with Joint Controller Warehousing (Training) & other senior Officers welcomed the trainers from IIMM. The warm welcome given by the service organization was really commendable. & very creditable.

The training program was supplemented with a number of relevant case studies & also augmented by soft skill modules nicely delivered by Prof. Sunita Bandekar. Training course material & the certificates were distributed to the trainees at the end of the sessions. The training program was very successful and the feedback received from the participants was very excellent and encouraging.



JAIPUR BRANCH

Seminar on “Impact of E-way bill & GST on Supply Chain” : As part of regular program branch has conducted seminar on “Impact of E-way bill & GST on Supply Chain”. It was organized at Hotel Park INN, Jaipur on

17.03.2018 lectured by Mr. Pulkit Khandelwal, CA, GST expert. Program was sponsored by **DGS Translogistics Pvt Ltd.**

Mr. P. Khandelwal, National Councilor, Jaipur branch welcomed guests & delegates from different industries of Jaipur. Chief guest Mr. Sourabh Khandelwal, Founder DGS Translogistics presented about how supply chain plays vital role in Indian Economy. Indian Govt. is keen to develop vast road structure to satisfy international standards to ensure seamless transportation of goods.

In addition to this, Mr. Pulkit thrown light on e-way bill requirement & why e-way bill was considered by GST council as important document for transportation of goods over 10 Km distance. It is an initiative of Govt. of India towards "ease of doing business". With this document, service provider can transport any goods hassle free from one part of India to another part of India.

Speaker Mr. Pulkit Khandelwal imparted immense knowledge on the E-way bill & GST. He put a light on Scope of E-way bill, GST rules & its requirement to accelerating Indian economy. The topics E-way bill requirement, Analogy in E-way bill & GST, Market factors for E-way bills & GST were mainly appreciated by participants. He explained numerous example related to the topic. Live interaction of participants with Mr. Pulkit was really appreciated by everyone who were present in the seminar hall. Participants interacted him in the depth of their doubts.

The Program concluded with vote of thanks by Mr. A.K. Goyal, Chairman. He expressed his gratitude to the Chief guest Mr. Sourabh Khandelwal, Founder DGS Translogistics, eminent speaker Mr. Pulkit Khandelwal & delegates from different industries of Jaipur. He then added that E- way bill will definitely strengthen Indian economy & has significant role in the rapid changing and challenging world.

LUCKNOW BRANCH

Report on the Evening Lectures held on 18th and 19th February 2018



Shri Manoj Rastogi Chairman presenting Bouque to Dr. A.K. Jha.

IIMM Lucknow Branch arranged 2 days Lecture Programme at their Premises in Lekh Raj Doller and Royal Cafe respectively.



Shri Rakesh Shukla FGM, PNB Lighting the Lamp.

The programme was restricted to senior Members of 60 and above. This was due to the fact was a talk by Dr AKJha, Senior Cardiologist who has performed appx.5000 Open Heart Surgeries all over the world. He has visited USA,UK, Sweden, China, Japan etc. In his address he spoke about the Present Life Style which leads to many diseases including the heart Attack. He has presented many papers in the International conferences. He has delivered many lectures on the following subjects:

1. Spirituality in medical practices
2. Death in Scientific and philosophical perspective
3. Yagna and Agnihotra Does it have scientific Basis
4. Exhorting youth to take Social responsibility
5. Practicing Spirituality at work place.



Shri S.K.Jha, Former MD HAL Lighting the Lamp.



Shri Mishra, Chief Vigilance Officer HAL Lighting the Lamp



*Shri R.B.Sharma, GM (HR) Retired HAL,
Lighting the Lamp.*

During his lecture he touched upon all the subjects briefly.

On 19th Feb 2018 Shri S.K.Jha, Former MD (HAL) spoke about his experience and status of Aeronautical Industry in the present scenario with Private Partners entering the arena.

Since the participants included dignitaries like Shri Rakesh Shukla, Field General Manager, PNB, Shri R.B.Sharma, Former GM (HR), HAL, Shri Lakshmi Narayan, Former AGM(P), HAL, Shri Ashvini Kumar, Chief manager, PNB, HAL, Dr.K.K.Mishra, Director, Institute International Studies, appreciated and enjoyed a different type of Programme.

We are very happy to intimate here that after his retirement from HAL Shri S.K.Jha has been appointed as an independent Director in Indian Bank by Ministry of Finance in addition he has also been appointed as independent Monitor in Oriental Bank of Commerce by the Central Vigilance Commission.

The meeting condoled the untimely demise of the following:

1. Shri S.K.Chopra, VP(N)
2. Shri Shivshankar, Faculty and life Member
3. Shri G. Mukhopadhyay, life Member,
4. Smt Aruna Bhute, W/o Shri A.R.Bhute Life member and Course Coordinator
5. Smt Siddiqui, W/o Shri M.D. Siddiqui, life member
6. Smt. Manorama Bajpai, M/o Shri P.K.Bajpai, treasurer and life member.

At this juncture the lecture was concluded.

NEW DELHI BRANCH

Delhi Branch of IIMM organized an Evening talk on “Sustainable Procurement” at Chelmsford Club, New Delhi on March 10, 2018. Mr. Sudhir Kumar Sharma, GGM / Strategic Plg. & CPRO, NCR Transport Corporation, Invitee of Sustainable Procurement was invited to give a talk on the above subject. His varied experience and efforts in the field of Procurement 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.



Mr. Sudhir K Sharma



Dr. M K Bhardwaj, Mr. G.Ajay Kumar, Mr. Suresh Kumar Sharma and Mr. R.K.Tandon presented the IIMM Kit and flowers to Mr. Sudhir K Sharma



Group Photo



Mr. Sudhir K. Sharma delivering lecture on Sustainable Procurement and Its implications

Dr. M K Bhardwaj welcomed Mr. Sudhir K Sharma & Mr. G Ajay Kumar & Mr. Babu PS gave introduction of the speaker and welcomed him with flowers. Mr. Sudhir K Sharma talk has given thorough knowledge about the Sustainable Procurement and its implications. The lecture was followed by an interactive session which was quite lively. On conclusion, Dr. M K Bhardwaj, Mr. G Ajay

Kumar & Mr. Suresh Kumar & Mr. R K Tandon presented the IIMM kit to Mr. Sudhir K Sharma as token of regard from Delhi Branch of IIMM. The vote of thanks was proposed by Mr. Babu PS, Hony. Secretary of IIMM Delhi Branch.

NASIK BRANCH

Nasik Branch organized an evening Seminar on “**GST E-Way Bill**” on 20th March 2018 at Lions Club Hall, Nasik. Eminent speaker **Mr. P K Jaishankar Iyer, Superintendent (IT Systems) Central Excise and GST Cell, Nashik**, was invited to share the first hand knowledge on this important topic, which is going to affect SCM professional after planned implementation on 1st April 2018.

Mr. S.V.Kogekar, Branch Chairman, welcomed the Speaker Mr. P.K. Jaishankar Iyer by presenting a bouquet. Mr Laxmikant Dashpute, Past Chairman & N.C. Member welcomed Chief Guest Mr. Motilal Chanda of M/s Super Haryana Roadways who is also President of Nashik Goods Transport Association, Nashik. Mr. Laxmikant Dashpute then introduced the speaker to the audience.



Eway bill seminar Nashik - Audiance



Eway bill seminar Nashik - Mr. Dashpute introducing speaker



Eway bill seminar Nashik - Mr. Iyer delivering speech

The session started with a detailed presentation by the speaker on e-way generation requirements, procedure and relevant rule 138. Mr. Iyer explained in details the rationale behind the e-way bill and how it will help effective implementation of GST and to curb tax evasion. User registration, e-way bill generation and other procedures were explained with help of live examples and screen shots. Futuristic technologies like RFID tracking, e-way bill generation and modification by SMS etc was also explained. The session was made interactive by users posing their apprehensions about e-way bill implementation which were squarely responded by the learned speaker.

Mr. D.R.Ratnaprkhi was the program co-ordinator and the session was concluded with a vote of thanks by Mr. Vaibhav Deo. The program was attended by 60 delegates from various industries.

PUNE BRANCH

IIMM, Pune Branch organized a lecture on 3D Printing which was held on Friday, 16th March, 2018 at the Branch Office. The Lecture was delivered by Mr. Shaneel Karia and Vaibhav Jain from 3DEOMETRY INNOVATIONS.

3D printing or additive manufacturing is a process of making three dimensional solid objects from a digital file. The creation of a 3D printed object is achieved using additive processes. In an additive process an object is created by laying down successive layers of material until the object is created. 3D printing is the opposite of subtractive manufacturing which is cutting out / hollowing out a piece of metal or plastic with for instance a milling machine.

3D printing makes it possible to produce complex (functional) shapes using less material than traditional manufacturing methods. Both of them explained the process and various applications like Rapid prototyping, Reverse Engineering, Patterns, Rapid Manufacturing in Batch production, Conceptualization, Miniature models for Exhibition (as Marketing tool).

This process has variety of applications in various fields like Healthcare, Automotive, Aerospace, Defence, Jewellery, Consumer Electronics, Architecture, Gifts and toys and Education.



They also explained the currently available technologies viz. Fused Filament Fabrication (FFF), Direct Metal Laser

Sintering (DMLS), Sterolithography Apparatus (SLA) and Selective Laser Sintering (SLS).

They also demonstrated the process on a machine using FFF technology and answered various queries from the participants. The program was attended by more than 40 members at the Branch Office. Mr. Shaneel Karia was honored for this informative knowledge sharing and given a memento by the Chairman, Mr. Amit Borkar. Mr. Shashikant Kulkarni proposed the vote of thanks.



AUTO EXPO 2018 : IIMM, Pune Branch, participated in the Auto Expo 2018 held at the Ganesh kala Krida Manch, Pune from 8th of March to 11th of March.

The Inaugural and the Introductory session on the 8th of March 2018 was attended by our Hon. Chairman Mr. Amit Borkar, Hon. Treasurer Mr. Shashikant Kulkarni and our Committee Member Mr. Narhari Wagh.

Our Chairman Mr. Amit Borkar, was on the stage with the other dignitaries on that day. He shared his thoughts about the Auto Expo and the overall scenario and importance of Supply Chain Management (SCM) in today's world. He also explained IIMM's role in educating and training the new generation for the same.



Mr. Yagnesh Nair, Manager - Pune Branch, was present at the exhibition for all four days to introduce IIMM to the visitors.

The exhibition received a good response and succeeded in generating lot of enquires from the students as well as working professionals.

VAPI BRANCH

Indian Institute of Materials Management, Vapi Branch have conducted evening training program on ,” **Supply chain Leadership** “ at VIA House, Vapi. External Faculty was Mr. Tanveer Siddiqui – Co founder of hummingbirds consultancy.

Overview of supply chain & best practises in implementing strategic sourcing with the real examples of amazon & apple-the global giant were nicely explained by faculty with his real experiences. 65 participants of Zobe Group, Pidilite Bayer, Kabra, UPL, Welspun, Tushaco Pumps, Blue star, Huber, Parkson, Corob India, Merilife science, supreme Treon and from all over Vapi, Silvassa & Daman industries.

During the program, Chairman Mr. Parthiv Mehta brief about IIMM Activity and appealed to become IIMM Member and explained the benefits of the same. Mr. Rakesh Nandre (IIMM, Secretary) has done proceedings of this program. Along with Chairman Mr. Parthiv Mehta and Vice Chairman Mr. A.R. Kapadia, National council members Mr. J.R. Shah, Mr. Manish Doshi and all Executive Committee Members- Mr. Santosh Sahoo, Mr. Mukesh Patel & Mr. Sharad Chitodkar took efforts to make this event successful.



IIMM Vapi Branch - Executive Committee Team. Left to Right – Mr. Manish Doshi (N.C), Mr. Santosh Sahoo (Course Coordinator), Mr. J.R. Shah (N.C), Mr. Parthiv Mehta (Chairman), Mr. Rakesh Nandre (Secretary), Mr. Sharad Chotodkar (EC Member), Mr. Anant Kapadia (Vice-Chairman)



The Feedback Report from participants about Training Programme and Faculties was Excellent & very much Satisfactory. Hi-Tea & dinner was arranged on this occasion. Program was concluded by vote of thanks by Vice-Chairman.



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EXECUTIVE HEALTH

THE IMPORTANCE OF PHYSICAL FITNESS

Nutrition may help overcome genetic risk of diabetes: **study** : Indian scientists find, good nutrition – in the form of B12 and folic acid supplements – has a beneficial impact on genes associated with Type 2 diabetes. The study at the Hyderabad-based Centre for Cellular and Molecular Biology (CCMB), found Vitamins B12 and folate play an important role in DNA methylation – a process that regulates various function of genes without altering the sequence.

Hyderabad (ISW) - For years, scientists have been engaged in finding human genes associated with lifestyle diseases like diabetes and heart disease to know if certain population groups are prone to these disorders. Now Indian scientists have found that good nutrition can actually modify the risk of diabetes posed by presence of certain faulty genes.

New research has revealed that good nutrition – in the form of B12 and folic acid supplements – has a beneficial impact on genes associated with Type 2 diabetes. The study has been led by scientists at the Hyderabad-based Centre for Cellular and Molecular Biology (CCMB), a laboratory of the Council of Scientific and Industrial Research (CSIR).

Vitamins B12 and folate play an important role in DNA methylation – a process that regulates various function of genes without altering the sequence. In DNA methylation, basically methyl group is added to DNA which can result in change in its activity. Researchers provided Vitamin B12 and folic acid to a group of children for one year and examined the DNA methylation status by analysing their blood samples. They found that only vitamin B12 and not folic acid influences regulation of several Type 2 Diabetes associated genes through methylation of a specific microRNA. “This assumes significance in the light of our earlier observations that maternal homocysteine levels due to vitamin B12 deficiency are predictive of the future risk of cardio-metabolic risk in their children. Hence, this study provides a novel epigenetic explanation for the association between disordered one-carbon metabolism and risk of adiposity, insulin resistance and diabetes and has translational potential,” said Dr. Giriraj R Chandak of CCMB.

To understand the programming of complex diseases in more detail, the group is currently working a group of mothers who were given micronutrients, to see the effect of supplementation in their offspring. This work is being done in collaboration with Dr C S Yajnik at KEM Hospital and Research Centre (KEMHRC), Pune. In order to understand molecular mechanism of programming in more

details, similar conditions have been generated in animal models and effects are being analyzed in their cells, tissues and organs. “Finding of this study will enrich our understanding of the molecular mechanism of foetal programming, cause, and development of complex diseases. These studies will have potential public health significance and help in designing prevention policies,” added Dr. Chandak.

Source: India Science Wire

International Day Of Happiness: Things you can do to stay happy

Since 2013, March 20 marks the International Day of Happiness, started by the United Nations to recognise the importance of happiness in the lives of people around the world.

Happiness is one of the most important things in life. But nowadays, people worry and overthink a lot which can lead to depression. Being depressed not only harms mental health but also physical well-being.

Since 2013, March 20 marks the International Day of Happiness, started by the United Nations to recognise the importance of happiness in the lives of people around the world.

Meditation : One must practice meditation regularly because it can help relieve the symptoms of stress and anxiety and boosts your mental health.

Exercise: Exercise is very important if you want to lead a healthy lifestyle. It not only keeps you physically fit but also improves your mental health and mood.

Be positive: Optimism is a key ingredient to happiness. One should try to develop a positive attitude even when things go wrong.

Gratefulness: Always show appreciation and gratitude for the people in your life. Doing this will help improve the quality of your life. Gratitude is strongly and consistently associated with greater happiness.

Eat healthy foods: Eating a nutrient-rich food not only keeps you in healthy, but also boosts your happiness and fights symptoms of depression, anxiety and other mental health issues.

Source: By Zee Media Bureau | Updated: Mar 19, 2018, 17:16 PM IS

●●●

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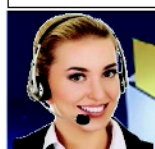
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