Cloud Computing
IIMM 5th ANNUAL SCM AWARDS, PUNE BRANCH

Mr. Amit Borkar Chairman, IIMM Pune Branch welcoming the audience at the 5th Annual SCM Awards

Mr. Jitesh Gupta Vice President IIMM being felicitated by Mr. Shivardhan Gadgil, National Councillor IIMM

Mr. Suhas Gawas Hon. Secretary IIMM Pune Branch felicitating Mr. Jyoti Bhushan Koul CoE Lead Business Continuity - Maersk being felicitated

Mr. Amit Borkar & Mr. K. R. Nair giving away the Award for Best NGO of the year to the Team of BAIF Development Research Foundation.

Mr. Amit Borkar & Mr. K. R. Nair giving away the Award for Outstanding Work in Skill Development in SCM to Ms. Pooja More of Savitribai Phule Pune University.

Mr. Amit Borkar & Mr. K. R. Nair giving away the Award for Unsung Hero in SCM (Institutional) to Chief Engineer of Water Resources Department, Pune & his Team

Mr. Amit Borkar & Mr. K. R. Nair giving away the Award for Unsung Hero in SCM (Individual) to Ms. Pratima Joshi Executive Director of Shelter Associates & her Team.

Mr. Amit Borkar & Mr. K. R. Nair giving away the Lifetime Achievement to The Parakh Family of Parakh Group, Pune

Mr. Hitendra Admuthe, Vice Chairman, Pune Branch felicitating Mileage Logistics, one of the Sponsors of the program.

Group Photo of Award Winners

Group Photograph of the Souvenir Release

A view of audience
Dear Professionals,

Greetings from Your National President!!!

India has recently surpassed France to become the world’s sixth-largest economy and is expected to grow 7.4 per cent in the fiscal year ending in March 2019 and 7.6 per cent in the next financial year.

Coming back to IIMM front, as you all are aware of the recent development regarding Educational Programs i.e. AICTE approval for PGDMM and PGDSCM&L and thereafter removal of territorial jurisdiction clause for standalone institutions. This really has wide opened the opportunities for each branch to attract maximum enrolments.

IIMM Pune had organised its 5th Annual Award Function on 7th July 2018 in a very befitting manner.

IIMM Bangalore is organizing two day Signature Event “SCALE 2018” on 9th & 10th August 2018. I wish them a grand success for the forthcoming event.

IIMM Vizag Branch have hosted the NC meeting at Vishakhapatnam on 28th July 2018 covering vital points concerning growth of the Institute. I must congratulate Chairman IIMM Vizag branch and his team for putting in sincere efforts and making NC Meeting a memorable event.

I once again reiterate to all the branch Chairmen and Course Coordinators to approach potential industries, alumni and colleges to enrol maximum no. of students in PGDMM and PGDSCM&L Programs.

I look forward for your continued and active support for taking the institute much a head.

Yours

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

Dear Members,

Make in India, is an initiative undertaken by Govt. of India to increase the contribution of manufacturing sector in GDP to 25% from current 17% which will create employment and self-employment opportunities for the youth of the country. The Union Cabinet has approved a policy “Public Procurement (Preference to Make in India), Order 2017”, for providing preference to ‘Make in India’ in government procurements.

This policy is issued pursuant to Rule No. 153 (iii) of the General Financial Rules 2017. It will boost domestic manufacturing of Goods and Services, thereby creating huge employment and self-employment. It will not only stimulate the flow of capital but also witness the sea change in technology into domestic manufacturing and services.

Purchase preference however, shall be given to local suppliers in procurements for a value of Rs 50 Lakh or less, provided they meet the quality, minimum local content and specification criteria as laid down by Procuring entity in the bidding document.

If the Lowest Bid L1 is received from a local supplier, then contract for full quantity will be awarded to the contractor with L1 Bid. However, if L1 is not from Local Supplier, then 50% of the order quantity is given to L1 and thereafter, the lowest bidder from local supplier is invited to match the L1 price. Further if such lowest bidder from local supplier fails to match the L1 Price or cannot accept the balance 50% of the quantity, then the next higher local supplier i.e. L2 from local suppliers within the margin of purchase preference i.e. 20%, is invited to match the L1 price for remaining quantity and so on.

For Procurement of goods and services which are not divisible, the bid is evaluated on price alone. If L1 is from the local supplier, the contract will be awarded to L1. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match L1 Price subject to Local Supplier’s quoted price falling in the Margin of Purchase Preference and the contract shall be awarded to such local supplier, subject to matching the L1 Price. In case, local supplier fails to match the L1 price, next higher bidder within the Margin of Purchase preference shall be invited to match the L1 Price and so on till the contract is awarded. If none of the Local supplier matches the L1 price then the contract shall be awarded to Original L1 Bidder.

Minimum Local Content shall be 50% for the goods under procurement, however any change in the local content shall be notified by the Ministry. The Nodal Ministry will annually review the Local Content requirements with a view to increase in the local content, subject to availability of sufficient local competition with adequate quality.

In respect of Government Companies and other procuring entities not governed by General Financial Rules 2017, the administrative Ministry of Department shall issue policy directions for the successful implementation of Public Procurement (Purchase Preference – Make in India, Order).

For India to achieve its stated goal of becoming Manufacturing Hub besides reviving its manufacturing sector and providing jobs to millions of its unemployed youth, it is imperative to get success in Make in India Mission. This will not only enhance growth of manufacturing sector, but also play a vital role in India’s economic growth.

(DR. M.K. BHARDWAJ)
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COMPETITIVE ADVANTAGE THROUGH SUPPLIER VALUE MAPPING

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Competitive advantage is the leverage that a business has over its competitors. It is the ability to stay ahead of present or potential competition. This can be gained by offering clients better and greater value. A competitive advantage may include access to natural resources, such as high-grade ores or a low-cost power source, highly skilled labor, geographic location, high entry barriers, and access to new technology. Target markets recognize these unique products or services. This is the reason behind brand loyalty, or why customers prefer one particular product or service over another.

Value proposition is important when understanding competitive advantage. If the value proposition is effective, that is, that the value proposition offers clients better and greater value, it can produce a competitive advantage in either the product or service. The value proposition can increase customer expectations and choices. Therefore, while discussing Competitive Advantage, Value Mapping is Conjointly done to understand waste in the system and enhance the value thereby achieve value proposition.

Here in this article let us discuss on Supplier Value Mapping and how it enhances the Competitive Advantage for the organization.

Supplier Value Mapping: Supplier Value Mapping allows corporations to analyze processes from origin Sourcing; Supplier Compliance; Value Performance and Standardization. This technique used to document, analyze, design, manage and improve the flow of information or materials required to produce a product or service for a customer. Since supplier is an important link in value chain contributing to value enhancement of any organization, Supplier Value Mapping is done for competitive advantage.

Value Stream Mapping (VSM) is a Toyota lean manufacturing visualization tool for recording all the processes that are required to bring a product to market. An important goal of value stream mapping is to identify processes that do not provide value so they can be improved. It is a method for analyzing the current state and designing a future state for the series of events that take a product or service from its beginning through to the customer with reduced lean wastes as compared to current map.

Ways of Competitive Advantage: Companies develop a competitive advantage when they produce attributes that allow them to outperform their competitors. Here are Eight Ways companies and individuals can create an edge.

Suppliers are often a procurement organization’s backend competitive weapon, their hidden resource, their competitive edge. These competitive gains can manifest themselves in a wide range of areas, from better prices and delivery times to increased opportunities to consider and implement innovative practices, value creation, support in revenue growth, and cost competitiveness. Supplier are catalysts in maximizing company’s product / brand competitiveness in many means, going beyond the narrow focus of cost reduction. Some of these Value Drivers for Competitiveness are discussed here.

Supply Value Drivers: Supply Capabilities are guided by the decisions made regarding the key supply drivers. Each of these drivers can be developed and managed to emphasize responsiveness or efficiency depending on changing business requirements. Several techniques are used by companies to evaluate suppliers and measure performance. The first step in implementing any of the techniques being discussed is to determine the attributes that should be considered. A firm should focus on the attributes that it finds most important. These matrices should be Measurable, Actionable, Trackable over time, Maintained and updated regularly, Tied to business goals. Some attributes are easy to measure while others are not, however some relationship may be established with subjective judgement. Measuring suppliers is a process of combining different measurements of “quality” into one single measurement of overall performance by assigning “weighted” values to each key element (or KPI) performed by the supplier and calculating a weighted score that can be used to track the supplier’s performance.

Some of the attributes are opportunities to improve the supply chain, to reduce stock on hand, speed up deliveries, respond more effectively to queries; opportunities to enhance tangible goods by providing a rich supply of intangible, knowledge-based supplements that might have strong customer appeal; and opportunities to create a uniqueness in the supply arrangement, to differentiate the products and services, through some distinctive combination, that allows your company to enjoy a competitive advantage in the
markets you serve. Some of the metrics that can be considered and opportunities to enhance the range of products and services being offered by the Supplier are:

**Supply Value Drivers**

- **Product Quality**: Opportunities to Improve Performance - quality level, service level, correct quantity; Reliability, Consistency. Some types of Quality Metrics are used to measure performance. Quality metrics are a key component of an effective quality management plan and are the measurements used in ensuring customers receive acceptable products or deliverables. Quality metrics are used to directly translate customer needs into acceptable performance measures in both products and processes.

- **Delivery Performance**: Delivery performance can be defined as the level up to which products and services supplied by an organization meet the customer expectation. It provides an indication of the potentiality of the supply chain in providing products and services to the customer. Examples: Delivery On Time, In Full (OTIF), Flexibility, Accuracy

- **Direct Product Cost**: A direct cost is a price that can be completely attributed to the production of specific goods or services. Opportunities to improve the cost per unit of goods provided, to improve the terms of trading, to improve cash flows etc. which may result in Reduction in Purchasing Price & Continuous Efforts to Reduce Cost.

**Sourcing Process**: A sourcing process is used to select the best product or service for a certain category of expenditure. Lots of these processes are resulting in large saving opportunities, delivery of quality products, or favorable terms, generating value to the business by securing that all goods and services are sourced professionally. Finding good suppliers and maintaining solid relations with them can be an invaluable tool in the quest for business success and expansion and in turn developing sustainable competitive advantage. In fact, a business can only be as good as are the suppliers with whom it works. Building strong and long term partnerships with key suppliers ensures continuous improvement and increase the mutual dialogue, in alignment with the organizational strategy by building an effective Sourcing Network. Some of the Supporting Aspects of suppliers are:

- **Sourcing Support** in terms of Technical support, Product Specifications, Service Quality, Responsiveness, Accuracy of Information etc.

- **Personal Information**: Cordial Working Relations with the suppliers, Problem Solving, Openness proves to be intangible support for competitiveness.

- **Supply Acquisition Costs**: include all costs associated with supplier sourcing, contract tendering, negotiations and finalization, preparing and tracking the purchase orders from various suppliers, etc. Standardization of these processes enhance value proposition. Some of the Cost Factors are: Inventory Costs, Order Handling Costs, Product Inspection Costs. Evaluation of Inventory consideration is dependent somewhat on the supplier’s business - inventory accessibility, avoid stock-outs are factors to look into.

**Logistics/Location Support**: Supplier capabilities in this area include transportation capacity, sourcing capabilities, and ‘just-in-time’ performance.

Reductions in total product cost, either through streamlining of work processes (inventory management, new product design, scheduling, etc.) or replacement of costly components with less expensive— but still effective— ones prove to reduce cost substantially.

**Supplier Competitiveness**: Suppliers can be an important source of information on ways in which both small and large businesses can improve performance and productivity.

- **Supplier Involvement**: Supplier involvement can help buyers compete in the marketplace in many ways – Improvement of products through contributions to product design, technology, or ideas for producing new products. In most such instances, suppliers vie with each other by pointing out ways in which designs can be improved or more desirable materials can be used. Early Involvement in NPD (New Product Design) proves to be very beneficial for the company. Suppliers are often sources of suggestions that allow buyers to hold consistent tolerances in production.

Suppliers are also a good source of Supply Market Knowhow, Finished Goods Market Information, Competitors Strategic Approaches etc. Suppliers with extensive knowledge of market conditions and mastery of contemporary issues impacting your business can be immensely valuable in helping companies chart a course to sustained competitive success. Suppliers Experience is one more asset for developing Company’s Competitive Advantage.

Ability to Provide Technical Assistance—Suppliers with top research and development capacities can be quite valuable to buyers, providing them with significant savings in both price and quality. **Buyer-seller alliances unleash a capacity for innovation that far outweighs the short-term cost savings offered by arm’s-length competitive bidding.**

- **Time to Market**: Improvements in “speed to market” - Businesses’ strategies are predicated on schedules, which in turn are based on Accelerating Design Work, Fast Proto Typing, Fast Testing & Validating, receiving shipments at agreed-upon times etc. are most significant contributions to competitive gains to the company.

- **Operations Costs**: Purchasers need to know a great deal more about suppliers’ capabilities, otherwise that prove to be costly with non-delivery or wrong delivery. The supplier’s capacity for production should be considered, including its ability to integrate design and manufacturing functions, its approach to design changes, and its measurement features. Proper assessing and managing these also lead to Product Cost Reductions, Manufacturing Costs, Tooling & Warranty Costs. These ultimately translate into Improvements in customer satisfaction and competitive advantage.

Since there are innumerable benefits resulting into competitive advantage, Supplier Value Mapping exercise need to be undertaken which provide meaningful inputs into a structured process of methodical assessment of value propositions and innovations for improvements and mutual benefits.
1. Introduction of Goods and Services Tax (GST) across India with effect from 1st of July 2017 is a very significant step in the field of indirect tax reforms in India.

2. For quick and easy movement of goods across India without any hindrance, all the check posts across the country are abolished.

3. The GST system provides a provision of e-Way Bill, a document to be carried by the person in charge of conveyance, generated electronically from the common portal.

4. This document is intended for registered taxpayers under GST and un-registered transporters, who are the main stakeholders of e-Way Bill system under GST.

5. At present, e-way bill is applicable on inter-state and intra-state both transactions.

6. Web site address - http://ewaybillgst.gov.in

PROVISIONS

1. A waybill is a receipt or a document issued by a carrier giving details and instructions relating to:
   a. the shipment of a consignment of goods and
   b. the details include name of consignor, consignee,
   c. the point of origin of the consignment, its destination, and route.

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

3. E-way bill is an electronic document generated on the GST portal evidencing movement of goods.
   - It has two Components:
     Part A: Comprising of details of:
     - GSTIN of recipient,
     - Place of delivery (PIN Code),
     - invoice or challan number and date,
     - value of goods, HSN code,
     - transport document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number) and
     - reasons for transportation; and
     Part B: Comprising of
     - transporter details (Vehicle number)

4. Where handicraft goods are transported from one State to another by a person who has been exempted from the requirement of obtaining registration,
   - the e-way bill shall be generated by the said person irrespective of the value of the consignment.

5. Generation of the e-way bill on the common portal,
   - a unique e-way bill number (EBN) generated by the common portal,
   - shall be made available to the supplier,
   - the recipient and
   - the transporter on the common portal.

6. The details of e-way bill generated shall be made available to the recipient,
   - if registered, on the common portal,
   - who shall communicate his acceptance or rejection of the consignment covered by the e-way bill.
   - In case, the recipient does not communicate his acceptance or rejection within seventy-two hours (i.e. 72 Hrs.) of the details being made available to him on the common portal,
   - it shall be deemed that he has accepted the said details.

7. The validity of e-way bill depends on the distance to be travelled by the goods.
   - For a distance of less than 100 Km the e-way bill will be valid for a day from the relevant date.
   - For every 100 Km thereafter, the validity will be additional one day from the relevant date.
   - The “relevant date” shall mean the date on which the e-way bill has been generated and the period of validity shall be counted from the time at which the e-way bill has been generated.

Note:
- where the goods are transported for a distance of up to ten kilometers within the State or Union territory from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the recipient, or as the case may be, the transporter may not furnish the details of conveyance in Part B of FORM GST EWB-01.

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

9. An e-way bill has to be prepared for every consignment
- where the value of the consignment exceeds Rs.50,000/-,
- Where multiple consignments of varying values (per consignment) are carried in a single vehicle,
- e-way bill needs to be mandatorily generated only for those consignments whose value exceeds Rs.50,000/-.

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

10. The person in charge of a conveyance has to carry:
- the invoice or bill of supply or delivery challan, as the case may be; and
- a copy of the e-way bill or the e-way bill number, either physically or mapped to a Radio Frequency Identification Device embedded on to the conveyance.

However, where circumstances so warrant, the Commissioner may, by notification, require the person-in-charge of the conveyance to carry the following documents instead of the e-way bill:
- (a) Tax invoice or bill of supply or bill of entry;
- (b) A delivery challan, where the goods are transported for reasons other than by way of supply.

11. E-way bill is to be issued irrespective of whether the movement of goods is caused by reasons of supply or otherwise.
- In respect of transportation for reasons other than supply,
- movement could be in view of
- export/import, job-work,
- line sales, sales returns,
- exhibition or fairs, for own use,
- sale on approval basis etc.

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

FORM GST EWB-03

13. A summary report of every inspection of goods in transit shall be recorded online by the proper officer in
- Part A of FORM GST EWB-03 within twenty-four hours (i.e. 24 Hrs.) of inspection and
- the final report in Part B of FORM GST EWB-03 shall be recorded within three days (3 Days) of such inspection.

FORM GST EWB-04

14. Once physical verification of goods being transported on any conveyance has been done during transit
- at one place within the State or
- in any other State,
- no further physical verification of the said conveyance shall be carried out again in the State,
- unless a specific information relating to evasion of tax is made available subsequently.
- Where a vehicle has been intercepted and detained for a period exceeding thirty minutes,
- the transporter may upload the said information in FORM GST EWB-04 on the common portal.

15. No e-way bill is required to be generated in the following case
- a) Transport of goods as specified in Annexure to Rule 138 of the CGST Rules, 2017
- b) goods being transported by a non-motorised conveyance;
- c) goods being transported from –
- the port, airport, air cargo complex and
- land customs station to an inland container depot or
- a container freight station for clearance by Customs;
- d) in respect of movement of goods within such areas as are notified under rule 138(14) (d) of the SGST Rules, 2017 of the concerned State; and
- e) Consignment value less than Rs. 50,000/-

ANNEXURE
(See rule 138 (14))

S.No. Description of Goods
1. Liquefied petroleum gas for supply to household and non domestic exempted category (NDEC) customers
2. Kerosene oil sold under PDS
3. Postal baggage transported by Department of Posts
4. Natural or cultured pearls and precious or semi-
benefits of E-Way Bill

- User Friendly E-Way Bill system.
- Easy and quick generation of E-Way Bill.
- No need for separate transit pass in each state for movements of goods.
- Single E-Way Bill for hassle free movement of goods throughout country.
- Taxpayers/transporters need not visit any tax Office/checkpost for generation of E-Way Bill/movement of goods across states.
- No waiting time at checkpoints and faster movement of goods thereby optimum use of vehicles/resources, since there are no checkposts in GST regime.
- Checks and balances for smooth tax administration and process simplification for easier verification of E-Way Bill by tax officers.

17. Features of the E-Way Bill portal

- User can create masters of his Customers, Suppliers & Products for easy generation of E-Way Bill.
- User can monitor E-Way Bill generated on his account/behalf.
- Multiple modes for E-Way Bills for ease to use.
- User can create sub users and roles on portal for generation of E-Way Bill.
- Alerts will be sent to users via mail and SMS on registered mail id/mobile number.
- Vehicle number can be entered either by the supplier/recipient of goods who generates E-Way Bill or transporter.
- QR code will be printed on each E-Way Bill for ease of seeing details.
- Consolidated E-Way Bill can be generated for vehicle carrying multiple consignments.

18. Modes of generation of E-Way Bill

- Web - online using browser on laptop or desktop or phone etc.
- Tool based bulk generation of E-Way Bill.
- Third party based system of Suvidha Providers.
- Android based Mobile App on mobile phones.
- Via SMS through registered mobile number.
- Via API (Application Program Interface) i.e. integration of IT system of user with E-Way Bill system for generation of E-Way Bill.

19. Use of e-Way Bill

- e-Way Bill is mandatory for Inter-State / Intra-State movement of goods.
- consignment value exceeding Rs.50,000/- in motorized conveyance.
- Registered GST Taxpayers can register in the e-Way Bill Portal using GSTIN.
- Unregistered Persons/ Transporters can enroll in the e-Way Bill System by providing their PAN and Aadhaar.
- Supplier/ Recipient/ Transporter can generate the e-Way Bill.
- Vehicle number can be entered/updated in PART - B of Form EWB - 01 by those who have generated the e-Way Bill or by the Transporter.
- QR code is provided in the e-Way Bill to facilitate quick verification.
- Certain goods have been exempted from e-Way Bill and the list is available as Annexure to Rule 138 of CGST Rules. e-Way Bill is not required for transport through non-motorized conveyance.

20. Contents, validity of e-Way Bill

- Contents of PART - A of the Form EWB - 01 can’t be edited or modified once generated.
- PART - B can be updated with Vehicle details/ RR/ Airway Bill etc.
- Consolidated e-Way Bill can be generated for vehicle carrying multiple consignments.
- The Validity of e-Way Bill is fixed as one day for every 100 kms or part thereof. The validity can be extended online before the expiry.
- The e-Way Bill with consignment should have the latest vehicle number which is carrying the said consignment.

- The Users can create their own masters like the list of Customers, Suppliers, Products, and HSN etc.

RECENT CIRCULAR

Modifications to the procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances, as clarified in Circular No. 41/15/2018-GST dated 13.04.2018 –reg.

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

Since the requisite FORMS are not available on the common portal currently, it is clarified that the hard copies of the notices/orders issued in the specified FORMS by a tax authority may be shown as proof of initiation of action by a tax authority by the transporter/registered person to another tax authority as and when required.

Further, it is clarified that only such goods and/or conveyances should be detained/confiscated in respect of which there is a violation of the provisions of the GST Act as the rules made thereunder.

Illustration: Where a conveyance carrying twenty-five consignments is intercepted and the person-in-charge of such conveyance produces valid e-way bills and/or other relevant documents in respect of twenty consignments, but is unable to produce the same with respect to the remaining five consignments, detention/confiscation can be made only with respect to the five consignments and the conveyance in respect of which the violation of the Act or the rules made thereunder has been established by the proper officer.
A Glance on Raw Material Sourcing and Process of Paper Industry

The Paper Industry depends on long term and integrated Supply Chain, the key raw material procurement starting from forest harvest areas as trees and ends as multiple paper and paperboard products used in all personal daily uses.

The Paper Industry produces large tonnage of Paper; Paper products for regular customer needs and also, custom based products supply as per customer special requirement/ tailor made products.

Paper Manufacturing Process

The paper products consumption worldwide is for: Printing and Writing; News Papers; Tissue Papers; Packaging Board; Paper Boxes; Paper Bags, Filters, etc.

There is a huge competition in the Industry, due to this an increase in price of raw materials, is always a major concern. Environmental issues associated with it and e-Commerce having its own impact on the Industry. The crucial part of the supply chain is procurement of right quality wood fibres, required for different types final products. The lead time from the first step, ie. harvest areas to finished paper products, is long and involving many steps operated by many companies.

Planning is the main focus area in this Supply Chain.

Paper Industry Supply Chain Planning is very complex.

Papermaking is the art of balancing many different technologies. Change one aspect of the papermaking process and others will have to change to (Rooks).

Procurement involves providing raw materials and other resources as required for production. In this case, the raw material is the Wood.

Production is the next process in the Chain. In this, raw material is converted into the intermediaries or final finished products. Thereafter, the distribution, either to other companies for further processing or to distribution centres and finally to retailers.

The Sales processes involves in demand planning; customer and market selection; price strategy; forecasting and order commitment policies.

Purchasing and planning

The wood supply chain starts from the planning procedures, which include

1) Strategic planning, predicting the demand for the coming year,
2) Tactical planning allocating resources and more detailed
3) Operational planning.
Crucial steps of wood procurement planning: The manager of raw material, sets the need of the raw material and divide it into each procurement region where the field officers of the company are operating. The demand is based on the estimations of coming year production. Each district has its field officer. Some mills only have a few officers whereas larger mills can operate with tens of officers. The allocation is based on the gathered information from the field, including the current supply as well as the information when and how much the farmers are willing to sell. The field data is collected by the field officers with the help of local vendors or, sometimes, village heads. The vendors, also known as contractors, are middle-men who are contacting the farmers, buying the wood from them and delivering the raw material to the market or straight to the mill. Mostly, the field officers cooperate in the field with vendors.

Importance of Software: The important requirement for proper management and planning of supply chain is the information about the current state of the system; anticipated business needs and the opportunities. SAP and Oracle provides a number of Planning and Management solutions for supply chain. There are many other software companies specialised in providing the supply chain optimization solutions. The integration of all the functions is very very important in the production system as the transitional costs are high and cycle times therefore, are very long. Due to this, the tailor made planning and management systems are required and they are also in place in the industry.

Sometimes, the relations with the customers, is based on spot and contracts. The Industry is very capital intensive with very low or small margins. Due to this specific characteristics, it needs different methods of research and planning.

Conclusion: As was mentioned, this is a very special characteristic industry, which requires a tailor made strategic planning to suit the individual organisations. This should be meticulously monitored, improved and implemented. It’s a continuous process and raw material sourcing is important aspect due to environmental impact on deforestation, needs to own the source of plantation by acquiring large land bank or encourage more farmers (especially small) by giving them, technical and financial support to cultivate suitable wood plantations.

Although the industry has developed considerably during the last few decades, there is lot to be done and the task is very challenging. To ensure the availability of raw material in the first place is crucial and it requires a lot of effort and work both from the government and the forest industry sector. Moreover, each stage in the wood procurement is needed to examine closer and all the extra processes should be taken away in order to improve overall efficiency of the system. This needs better communication and first of all, trust amongst the stakeholders.

Worth to consider is that paper industry globally is moving more to the southern hemisphere due to low costs. It could open new possibilities to India. Therefore, India needs to liberalise its economy and be more open to foreign investments.

The available Management literature on the Paper Industry may not be sufficient and it needs more and more research.

Although the system needs a lot of developing, it is good to see how the industry is putting effort to improve the current situation. World-class nurseries and development centres, corporations where farmers can be involved, and companies own software to enhance the planning procedures are good examples which are needed to be recognised. The industry is also investing more and more in the cooperation with farmers where face-to-face meetings and plantations visits are essential parts. These facts prove that the industry is heading to the right direction, and most of all, is motivated to do whatever it takes.

This is only a brief outline understanding of the Paper Industry and its supply chain management. As the readers may be aware that to write an elaborative understanding of the supply chain of Paper Industry, will be very huge and it requires a thorough study of companies’ supply chains.

- A request to the readers of this Article: To please forward your views and suggestions to the Author and Editor of MMR, to improve on the future articles
- Reference: Internet; and Self Experience in Paper Industry.

Bottlenecks in the wood procurement systems amongst the sample mills of the study.

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<td>lack of proper optimization tools/software</td>
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<td>using vendors (+/-)</td>
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### References

- Internet
- Self Experience in Paper Industry
In reform mode, the Ministry of Shipping will soon allow Indian companies or citizens to charter foreign flag ships without any pre-condition. This comes on the heels of the recent relaxation of the Cabotage law allowing foreign flag ships to operate in Indian waters. But the reform has not gone down well with the Indian National Shipowners’ Association (INSA), the local shipowners lobby. It’s a “retrograde move,” said the association’s CEO Anil Devli in an interview. Excerpts:

Why is it a retrograde move?

Indian ship-owners have invested over ₹ 68,000 crore based on the existing policy. The concern is not over losing the privilege of right of first refusal (RoFR), which relates solely to the industry’s growth, but the employees in the industry. Why would a government want a perfectly healthy industry to be set aside and hand over the business to foreign flag ships that have no investment or stake in India?

What’s the impact on Indian ship-owners?

An Indian shipping company will not have the right to match the lowest freight offered by a foreign line. There will be no benefit in bearing the burden of tax, training, employment and other costs towards the exchequer and the economy. Thus, an Indian flag vessel, in order to avoid these costs, may find it attractive to switch to a non-Indian flag and then access Indian cargo.

Relaxing Cabotage and chartering rules, it is said, will reduce the logistics cost ...

It is completely wrong and there is no data to support such a claim. Indian ships only exercise RoFR at the lowest price set by the foreign flag ships. Absence of an Indian flag will embolden foreign flags to quote higher because they now know that there is no Indian flag to match or exercise RoFR.

Data indicates that when an Indian ship is actually available, the freight offered by foreign flags are actually lower. It is incorrect to try and justify the removal of RoFR to lowering of price or increasing ship availability. Nearly 92 per cent of India’s EXIM trade is already being carried by foreign flags. What further increase can this bring?

But the present policy seems to be restrictive...

There is complete freedom to in-charter a foreign flag ship. However, if an Indian ship is available, then it has the right to carry the cargo at the same freight as offered by the foreign ship under the RoFR policy.

INSA’s fleet has been growing steadily over the past few years despite little or no support from any quarter. Indian companies, as I mentioned earlier, have invested in assets under the Indian flag of over ₹ 68,000 crore. In 2017 alone, the investment was around ₹ 4,700 crore in shipping assets.

Published on July 11, 2018- Business Line

CUSTOM EXCHANGE RATES
(All rates per unit) w.e.f. 20th July, 2018

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Source: www.dailyshippingtimes.com/custom-exchange-rates.php
In the context of today’s business environment, ‘Leadership’ is not only about ‘Being in Charge’; Today a Successful Leader is the one, who can influence others and make things happen; someone who is able to set and communicate a persuasive vision that motivates the team to put in their all and achieve it. Today, it is observed that the Successful Leaders are those, who are intuitive, frame strategies and have a comprehensive knowledge of analytical tools and techniques. Such Leaders also have a keen business sense and are able to convert business problems into analytical problems and translate analytic findings into business solutions. Today, the purpose of Procurement Strategy is to state and practise the organization’s intentions and standards in achieving Procurement and Techniques is to enhance efficiency and effectiveness of Procurement process. Negotiation through e-Auction demonstrates crystal transparency to the external world, best financial gain, low cycle time, low recurring cost, customer satisfaction and better governance. Risk mitigation of placing multiple orders on the same vendor must be critically analysed through vendor assessment in terms of present & future commitments, capability and constraints, leverage / over estimation of manufacturing capability, past track records etc. Establishing quality standards for the process and driving implementation & further ensuring process compliance through team.

Today, a Procurement Leader must demonstrate the following strategies and techniques (but not limited to) to achieve excellence in Procurement function:

- ‘Planning & Seamless Execution’ by developing detailed plan of actions including milestones, resources required and timelines, prioritizing tasks for self and team based on criticality and urgency of business situation and further continuously monitoring and reviewing for smooth execution of plans. By taking critical decisions even in the face of inadequate information while anticipating benefits in a timely manner in overall perspective of the organization and by developing requisite processes and control mechanism.

- ‘Emphasised Supply Base Optimization’ by rationalization of supplier base to optimize cost and enhance performance; Providing information to suppliers with accurate forecasts of demand so that supplier can provide the required products and services at appropriate time and at the lowest total cost; Encouraging global sourcing for potential suppliers; Using strategic supplier alliances; considering total cost of ownership for all significant purchases; Hiring those suppliers who practise total quality management; Using integrated supply management as a means of increasing value while reducing cost and complexity of the supply chain. Conducting reverse auction & forward auction to determine price / cost reduction potential; Determining performance objectives for supply chains and developing metrics and measurements to determine how well they are being met.

- ‘Team Building, Motivation and Nurturing Talent’ by understanding team’s strength and aspirations to develop their growth path; by providing clarity on individual responsibilities to take up respective tasks, encouraging team to work collaboratively by demonstrating patience and mutual respect for stakeholders across levels / teams even during pressure situations. Celebrating & acknowledging contributions by demonstrating a sense of pride for one’s work and also for team achievements, standing for each other’s success and motivating them to achieve higher results by providing continuous and constructive feedback and developing & sustaining the feeling of ownership among them. A great procurement team could be created in house and nurtured through various training programmes, brain storming sessions, knowledge sharing sessions, on the job training sessions, visiting other similar organizations & gathering intelligence and by delegating them more authorization.

- ‘Controlled Procurement Execution’, by mapping Procurement Business Processes to have consistency and transparency in systems, procedures and work flows. General principles of Procurement like a) Strategic tie ups b) Basketing of bulk items c) Distribution of orders d) Crash / field purchasing e) Zero deviation bids f) Negotiation through auction should be emphasized to enhance efficiency and effectiveness of procurement process. On the whole, we conclude that an ideal Procurement Leader must believe and hold the strategic procurement position, be in constant communication with cross functional team members, senior management and stake holders of the organization by spending time with them to understand their challenges and priorities and adapting the content strategy of the business to meet their needs in order to deliver values to the company.

On the whole, we conclude that an ideal Procurement Leader must believe and hold the strategic procurement position, be in constant communication with cross functional team members, senior management and stake holders of the organization by spending time with them to understand their challenges and priorities and adapting the content strategy of the business to meet their needs in order to deliver values to the company.
Supply-chain management is a total system approach to managing the entire flow of information, materials, and services from raw-material suppliers through factories and warehouses to the end customer. This sounds more relevant in today’s digitalized information age. In the total system approach of supply chain management, production and consumption are the two crucial end activities at their levels taking place in the entire process. Upstream supply chain is for production to take place i.e. centralized whereas downstream supply chain is for the consumption to take place i.e. decentralized amongst the customers who are at distant places in large numbers. Customers’ expectations, heterogeneous in nature, can be met satisfactorily only with speedy delivery, system efficiency and cost efficiency. In order to gain economies of scale over supply chain resources for ensuring the speed and efficient service delivery of a company, cross docking plays a critical role in the entire supply chain flow from primary market to production facility to the end customers. Keeping this in view, the paper aims at analyzing the role of cross docking as effective tool in a supply chain network poised for meeting the customers’ needs more efficiently and effectively.

Key Words: Cross Docking, Supply Chain Network and Tool

Introduction: Speed and productivity of a supply chain are the important factors of growth for any organization. By reducing dependency on inventory, cross docking promotes a flow through supply chain network. It improves the performance of supply chain. It helps in achieving competitive advantage in a supply chain, if implemented appropriately. Cross docking is basically a logistics operation in which products from a supplier or manufacturing unit are distributed directly to the customers through retail chains. Cross docking, in practice, is a distribution tactic which is not new in India. We can have a better understanding of cross docking from the distribution of newspapers through vendors and hawkers. The following pictures are the better illustrative of cross docking operation.

It is said that supply chain network of print media, in India, is excellently managed with high satisfaction in spite of it being a challenging task. It is challenging in the sense that it is produced every day by midnight and distributed by the dawn latest by 7 a.m. amongst the readers who are scattered over a large geographical area; in the far flung locations, at every nook and corner of urban and rural habitations of the districts across the states and country. It is generally observed that newspapers are highly perishable. Their average life is of 17 minutes only. They hardly have any of their shelf life, except scrap value. In fact, after the newspapers are printed at their respective printing presses, they are to be transported in bulk through depots and agents within two to three hours after midnight to the vendors at their different locations in the cities. The locations are normally the cross roads of the main market of a city. All the dailies in different languages are docked to the same vendors of the city. News papers are then sorted by the beat boys, so called hawkers, to finally deliver them to the readers by early hours in the morning.
failure, each reader gets his or her news paper in the morning every day throughout the country. This is effected by way of cross docking operated at war footing. It is not only the news papers, but other daily round products like the distribution of milk, vegetables, breads, eggs, fruits etc pass through cross docking procedure to the end user.

The term ‘cross docking’ refers to a process of receiving products through an inbound dock and then transferring them across the dock to the outbound transportation dock. It is basically a logistics operation in which products from a supplier or manufacturing unit are distributed directly to the customers through retail chains. Cross docking, as an operation, takes place in a distribution docking terminal; usually consisting of trucks and dock doors on two (inbound and outbound) sides with little storage space.

Cross Docking

However, the practice of cross docking was not confined only in the distribution of goods and services locally, but it has gone beyond the boundaries of its operations in the unorganized local markets out to distribution of products in organized local markets. Its use has been continuously growing with popularity, as it maintains either no inventory or little inventory. It seconds the concepts of Just-In-Time approach.

Cross docking is a technique which may not be suiting to the needs of all types of distribution channels and warehouses. It is therefore imperative to make an informed decision as to whether cross docking will increase the productivity of supply chain resources and customer satisfaction of your specific business. As has been mentioned above that it is in practice since primitive times in India in the distribution of newspapers, milk, vegetables, and fruits and other eatables and delicate items which have their shorter shelf life. Cross docking advances the supply chain for a variety of products. For one, unpreserved or temperature controlled items such as food which need to be transported as quickly as possible can be benefitted by this process. For others, already packaged and sorted products ready for transportation to a particular customer can become a faster and more efficient process through cross docking.

Why of Cross Docking?

In actual practice, cross docking, as a technique, is being successfully implemented to ensure the smooth flow down the stream to the end users of products otherwise having shorter life. The following points are attributed to the importance of cross docking:

- It provides a common location for products to be sorted and bundled for delivering them to multiple destinations in the most productive and fastest method. This can be termed as Hub and Spoke technique. Hub and spoke technique was first used by Wal-Mart. Nutan Mumbai Tiffin Box Supplier, popularly known as “Dabbawala” makes best possible use of cross docking.

- It combines numerous smaller product loads into one method of transport resulting in cutting transportation costs.

- It breaks down large product loads into smaller loads for transportation to create an easier delivery process to the customer.

Types of cross docking

The following are the different types of cross docking –

1- Basic Cross dock: The packages are moved directly from the arriving vehicles to the departing ones. This form of cross docking does not need a warehouse and a simple transfer point is enough.

2- Flow Through Cross Dock: When material arrive and they are in large packages, these packages are opened and broken into smaller quantities, sorted and consolidated to deliver them to different customers and transferred to vehicles.

3- Full pallet load operation: This simplest, and usually least costly, version involves receiving an incoming load that is marked and separated by outgoing orders. The pallet loads are simply sorted and re-routed into outgoing trucks having different destinations. A classic example can be found in a less-than-truckload (LTL) truck terminal, where products never touch the floor, but move directly from one truck to another.

4- Case-load order makeup: In this version merchandise arrives at the dock sorted and marked by stock-keeping units (SKUs). However, the goods must be segregated by customer order, generally requiring that pallet loads be broken down. Cases may then be re-palletized and the new loads delivered to appropriate outbound vehicles.

5- Hybrid cross docking: In some cases materials in storage at the warehouse are blended in with incoming materials, and these newly completed palletized orders are then routed to outbound trucks. Likewise, some of the incoming goods may be routed to temporary storage in the warehouse instead of all being cross docked.
Increasing pressure on supply chain management (SCM) is being observed that market forces are continuously putting pressure on the supply chain in keeping the inventories at its lowest. It is crucial to link the supply and demand side of the market effectively. Cross docking is the key element that links the supply and demand side of the market, coupled, and cross docking replaces inventory buffering as the linking mechanism. Obviously, supply chain reliability is critical when operating with minimal inventory buffers. If product does not arrive from the supplier on time, there is little contingency in the inventory buffers. Therefore, information sharing is crucial.

Cross docking and information technology: Information sharing and collaboration among trading partners are critical for successful cross docking which, in turn, provides the means for supply chain synchronization. At the supplier or manufacturer level, important information technologies (IT) include production scheduling, advance ship notices (ASNs), and transportation management systems (TMS). At the warehouse execution level where cross docking is performed, warehouse management systems (WMS) perform daily planning and execution. This step involves an awareness of future orders, plus knowledge of the destination of an incoming item even before it is received. Also, yard management systems (YMS) may be involved. By providing visibility to all dock and yard storage locations, the YMS paves the way to better, advanced cross docking planning. Finally, at the demand or customer level, point-of-sale (POS) software is an important tool, along with order management systems (OMS) and, in some instances, vendor-managed inventory (VMI) systems. Cross docking has helped Walmart achieve significant reductions in inventory and safety stocks, and therefore in the cost of holding inventory. It has also helped the company achieve purchasing economics by dealing in full truckload quantities. The result has been a significant reduction in the cost of sales.

Conclusion: It has been said that the best warehousing is no warehousing at all. Obviously, that sentiment is impractical, but cross docking is one of the most effective and speedier supply chains. A cost-effective and speedier supply chain is the need of the hour where carrying minimal or zero inventories is taken as the key to succeed in meeting the demands of the customers on supply side. Cross docking is the key element that links the supply and demand side of the supply chain in keeping the inventories at its lowest. It is being observed that market forces are continuously putting pressure on supply chain management (SCM) performance, with requirements for increased throughput with lower inventories, more product lines with lower operational costs, and more value-added services provided to customers. Gone are the days when buffer inventories were used at strategic points within the supply chain to meet the uncertainties occurring between supply and demand. In order to develop a cost-effective and speedier supply chain, the supply and demand chains are to be synchronized to provide flow-through operations that are made possible by cross docking as per given below model. In this model, the chains are coupled, and cross docking replaces inventory buffering as the linking mechanism. Obviously, supply chain reliability is critical when operating with minimal inventory buffers. If products do not arrive from the supplier on time, there is little contingency in the inventory buffers. Therefore, information sharing is crucial.

Synchronized Supply Chain Model

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This will also see the introduction of a new National Permit for both goods and passenger vehicles. After GST, it's now One Nation-One Road Tax that the government is pushing for and will improve the overall movement of vehicles across the state borders.

The government of India led by Ministry of Road Transport and Highways has proposed a road tax structure that is expected to make the current road tax system more organised and uniform across the country. If implemented, this will promote the use of public transport, ease the transfer of vehicles within the states across India and promote the use of electric vehicles. The Group of Ministers (GoM) constituted by the Ministry of Road Transport & Highways has recommended a uniform structure of road tax for vehicles across states. In a meeting held in Guwahati, the GoM observed that a uniform tax structure will put a check on people registering their vehicles in low tax states and running them in other states. This would also bring necessary relief to genuine cases requiring the transfer of vehicles.

This will also see the introduction of a new National Permit for both goods and passenger vehicles. After GST, it’s now One Nation-One Road Tax that the government is pushing for and will improve the overall movement of vehicles across the state borders.

The GoM, headed by Shri Yunus Khan, Minister for Transport, Rajasthan and comprising State Transport Ministers, seeks to find solutions to the various problems plaguing the road transport sector in the country so as to improve road safety and facilitate ease of transport. The meeting held in Guwahati was headed by Assam Chief Minister Sarbananda Sonowal and discussed One Nation- One Tax and One Nation- One Permit proposal.

Further, it was recommended a national bus and taxi permit on lines of such permit for goods transport. Public transport in the country is growing annually at a rate of just about 2 percent, as against a 20 percent annual growth in private transport. A national permit will give the much-needed fillip to public transport and help reduce road congestion and its attendant problems. The introduction of the new National Permit for diesel-powered taxis, buses and other commercial vehicles’ prices going up by 2 percent. However, electric vehicles will attract a lower or no tax at all recommended GoM.

The government has not decided the roll-out date of this new road taxation system and the actual amount of road tax to obtain a National Permit will be announced at a later date.

Source: Express Drives

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*Source: ETIG Database dated 23rd July, 2018*
Digitalization trends are reshaping the business world. Advancement of New technologies and innovations are transforming businesses in numerous ways and creating a whole new business ecosystem. Most often professionals across the globe are talking about terms like digitization, Industry 4.0, Big Data, Blockchain Technologies, Cloud-based Computing, 3D Printing, Machine Learning and automation, Artificial Intelligence (AI), Internet of Things (IoT).

Let us now discuss in this article about Cloud Computing which is fast emerging in to a large scale computing with seamless access to virtually limitless resources.

Server – That was the Past: Back in the days say 20 years ago every company used to have its own server. In computing, a server is a computer program or a device that provides functionality for other programs or devices. A server is basically a very large computer (just like a mainframe) with its own set of hardware which includes a sophisticated processor capable of handling huge workloads from the office clients. On top of these servers the Operating Systems (OS) was installed and then the applications were placed on these OS. The server will contain all the database of that particular organisation and all the concerned in that organisation will have an access to that data stored in that server through WAN (Wide Area Network) or LAN (Local Area Network). The data stored in these servers can be anything ranging from stock records, records of all the transactions or even an application or e-mail service. Typical servers are Database Servers, CatLog Server, File Servers, Communication Server, Computing Server, Mail Servers, Print Servers, Sound Server, Media Server, Proxy Server, Web Servers, Game Servers, Application Servers etc.

Microsoft Exchange Services are a very good example of such a kind of IT service wherein every workplace will have a server with Microsoft Exchange Service pack installed. This server then handles all the outlook e-mail in the workplace. Now all the organisations using outlook mail must install Microsoft servers for handling the e-mail services.

A local server installed by an organisation. As illustrated in the above picture continuous technical supervision is required for maintaining these servers.

For large companies this may not be a big problem but for small scale or mid cap enterprises it is a big deal since installing a server itself requires a lot of capital investment. On top of this a team of IT personnel must be hired for maintenance of these servers and OS licensing must be acquired from vendors (like Microsoft) to run these servers. In short there is a huge influx of capital into IT infrastructure of the company rather than the area where company must focus. For example, a retail company must focus on increasing its sales by investing a part of its profit in advertising and improving its supply chain network. In such a scenario the retail company would never like to invest a huge sum of money in its IT infrastructure (to set up servers and maintaining them), even though it knows that IT backbone is required to maximise its profits and reduce manual work. But out of compulsion it had to set up servers and hire IT personnel.

Cloud Computing – Revolutionising Computing System: Let’s say you’re an executive at a large corporation. Your particular responsibility is to ensure that all of your employees have the right hardware and software they need to do their jobs. Buying computers for everyone isn’t enough — you also have to purchase software or software licenses to give employees the tools they require. Whenever you have a new hire, you have to buy more software or make sure your current software license allows another user. This is a tedious job.

This was the scenario before the advent of cloud computing. Soon, there may be an alternative for executives like you. Instead of installing a suite of software for each computer, you’d only have to load one application. That application would allow workers to log into a Web-based service that hosts all
the programs the user would need for his or her job. Remote machines owned by another company would run everything from e-mail to word processing to complex data analysis programs. It is called cloud computing, and it could change the entire computer industry.

Today cloud computing has revolutionised the way an organisation handles its database. Cloud computing edges past local server based IT infrastructure in various aspects which includes:

- Less capital requirement
- No need to hire professional IT personnel for maintenance of servers.
- No wastage of money on acquiring server OS licensing.
- In local server based organisations, the businesses would come to a halt if the server crashes due to whatever reasons.

This is not the case with cloud computing.

Cloud Computing Characteristics

Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction. This cloud computing model is composed of eight essential characteristics as depicted below:

What is cloud computing?

Cloud computing is the delivery of computing services like cloud based storage, database management, software, analytics and more over the net (or cloud). Cloud Computing is the practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server or a personal computer.

In cloud computing the data is being stored by a network (or cluster) of remote servers hosted on the net by cloud computing providers. In such a kind of infrastructure, there is no need of a local server as a cluster of remote servers, which are run and maintained by cloud providers, does the job of storing the database. So in cloud computing all an organisation needs to do is to sign up to a cloud based service by paying a certain amount of money to cloud providers. In such a computing solution, there is no hassle of maintaining the servers as cloud providers do this.

How Cloud Computing works: In a cloud computing system, there is a significant workload shift. Local computers no longer have to do all the heavy lifting when it comes to running applications. The network of computers that make up the cloud handles them instead. Hardware and software demands on the user’s side decrease. The only thing the user’s computer needs to be able to run is the cloud computing system’s interface software, which can be as simple as a Web browser, and the cloud’s network takes care of the rest.

There is a good chance you’ve already used some form of cloud computing. If you have an e-mail account with a Web-based e-mail service like G-mail, Outlook etc., then you’ve had some experience with cloud computing. Instead of running an e-mail program on your computer, you log in to a Web e-mail account remotely via your web browser. The software and storage for your account...
doesn’t exist on your computer — it is on the service’s computer cloud. This is one kind of cloud computing.

There is a good possibility that due to scarcity of storage space on your hard drive you may have used services like G-Drive, Microsoft drive, Mega drive etc., these are all cloud storage services, which maybe thought as an alternative to local storage. This is another kind of cloud computing where you are storing your data in the cloud (servers of cloud providers instead of storing that data in your server or hard drive). This is what happens in cloud computing wherein all your data or application that you may run is stored in your cloud provider’s server and since there is not a single server rather there is a group of interconnected servers the same data is mirrored in all the servers which makes the data much more secure and safe in case one of the servers go down.

A general figure depicting how cloud computing works

Types of cloud services: IaaS, PaaS, SaaS

Most cloud computing services fall into three broad categories:

- Infrastructure as a Service (IaaS),
- Platform as a Service (PaaS) and
- Software as a Service (SaaS).

These are sometimes called the cloud computing stack, because they build on top of one another.

Software as a Service (SaaS):

SaaS is the most familiar form of cloud service for consumers. SaaS moves the task of managing software and its deployment to third-party services. Among the most familiar SaaS applications for business are customer relationship management applications like Salesforce, productivity software suites like Google Apps, and storage solutions brothers like Box and Dropbox.

Use of SaaS applications tends to reduce the cost of software ownership by removing the need for technical staff to manage install, manage, and upgrade software, as well as reduce the cost of licensing software. SaaS applications are usually provided on a subscription model.

Eg: Google Applications, Salesforce

Platform as a Service (PaaS)

PaaS functions at a lower level than SaaS, typically providing a platform on which software can be developed and deployed. This service is used in developing, testing and maintaining of software. PaaS is same as IaaS but also provides the additional tools like DBMS, BI services etc. PaaS providers abstract much of the work of dealing with servers and give clients an environment in which the operating system and server software, as well as the underlying server hardware and network infrastructure are taken care of, leaving users free to focus on the business side of scalability, and the application development of their product or service.

As with most cloud services, PaaS is built on top of virtualization technology. Businesses can requisition resources as they need them, scaling as demand grows, rather than investing in hardware with redundant resources.

Examples of PaaS providers include Heroku, Google App Engine, and Red Hat’s OpenShift.

Infrastructure as a Service (IaaS):

Moving down the stack, we get to the fundamental building blocks for cloud services. IaaS is comprised of highly automated and scalable compute resources, complemented by cloud storage and network capability which can be self-provisioned, metered, and available on-demand. This service provides the infrastructure like Servers, Operating Systems, Virtual Machines, Networks, and Storage etc on rent basis.

IaaS providers offer these cloud servers and their associated resources via dashboard and/or API. IaaS clients have direct access to their servers and storage, just as they would with traditional servers but gain access to a much higher order of scalability. Users of IaaS can outsource and build a “virtual data center” in the cloud and have access to many of the same technologies and resource capabilities of a traditional data centre without having to invest in capacity planning or the physical maintenance and management of it.

IaaS is the most flexible cloud computing model and allows for automated deployment of servers, processing
power, storage, and networking. IaaS clients have true control over their infrastructure than users of PaaS or SaaS services. The main uses of IaaS include the actual development and deployment of PaaS, SaaS, and web-scale applications.

Eg: Amazon Web Service, Microsoft Azure

Top Cloud Computing Companies:

Below provided some of the Top Cloud Computing Companies:

Advantages of Cloud Computing

Flexibility of Operation:

Cloud computing increases Flexibility and Mobility, as you can access your documents from any device in any part of the world. For businesses, this means that employees can work from home or on business trips, without having to carry around documents. This increases productivity and allows faster exchange of information. Employees can also work on the same document without having to be in the same place. Automatic Updates, which saves time, cost and interference of IT experts.

Reduced Cost:

Cloud computing eliminates the capital expense of buying hardware and software and then setting them up and running on-site datacentres (or local servers). It also eliminates the need for maintenance of local servers.

Cloud provides increased Data Storage Capacity at very affordable cost.

Improved Productivity:

On-site datacentres a lot of work is done to set up the hardware, patch the software and various other jobs, which are time-consuming. Cloud computing removes the need for many of these tasks, so IT teams can spend time on achieving more important business goals.

Reliability & Security of Data:

Cloud computing makes data backup and recovery much easier and less expensive, because data can be mirrored at multiple nodes (servers) of the cloud provider’s network. This is what is called decentralisation of data.

Speed of Operations:

Most cloud computing services are providing self-service and a facility known as service on demand, which means vast amount of computing resources and data can be provisioned in minutes, typically with just a few mouse clicks, giving businesses a lot of flexibility and taking the pressure off capacity planning.

Boost Performance:

The biggest cloud computing services run on a worldwide network of secure datacentres, which are regularly updated to the latest generation of fast and efficient computing hardware. This is not possible with the local data servers that a corporate house or firm may install since those businesses may not have an access to regular software patches and updates.

Cloud Computing also comes with some Risks and Disadvantages like Security, Privacy, Loss of Control, Internet Reliance etc. However, the benefits overshooting the flip side disadvantages we simply can’t ignore the technological advancements to be competitive. To meet the ever-increasing business needs, companies need to invest time and capital to upgrade their IT services.
Abstract: Maritime transport is critical for the economic development of a country. It influences the pace, structure and pattern of development. The Ministry of Shipping, Government of India broadly encompasses within its fold the shipping and port sectors of the country.

India has a vast coastline of over 7500 km with 12 Major Ports and 187 Non-Major Ports that carry nearly 95% of India’s trade volume. It is an important natural resource for the country’s trade. The maritime sector in India comprises of ports, shipping, shipbuilding, ship repair, ship recycling, Inland Water Transport (IWT), dredging and multi-modal logistics.

Realizing the importance of the maritime sector for economic development, Government of India has announced a number of initiatives to facilitate and grow maritime trade.

More than 150+ projects have been identified for strengthening the maritime infrastructure and increasing the total cargo handling capacity of the country both by Greenfield port development and capacity addition to existing ports. Apart from capacity addition, port efficiencies are being improved through mechanization and modernization.

Key Words: (Maritime, Transport, Logistics, Port, Economic)

I. Introduction: Market size: The handling capacity of major ports in India is sufficient to match trade demand. The capacity of all the major ports as on March 31, 2015 was 871.52 MMT, compared with 581.54 MMT in cargo traffic handled through 2014–15. Thus, the capacity utilization through 2014–15 was around 66 per cent. Furthermore, as per internationally-accepted norms, the gap between traffic and capacity is usually around 30 per cent. Additionally, the government has taken several measures to improve operational efficiency through mechanisation, deepening the draft and speedy evacuations.

According to the latest provisional data from Indian Ports Association, the publicly-owned major ports in India reported healthier levels of growth in container throughput in FY 2014–15 than in the previous year. Container-handling in FY 2015 expanded 6.7 per cent year-over-year to 8 million twenty-foot-equivalent units (TEUs) from 7.46 million TEUs through the same period in 2013–14. The data also showed that containerised cargo tonnage grew 4 per cent to 119 million tons.

In FY 2014–15, cargo volumes at the major ports expanded 4.7 per cent year-over-year to 581.3 MMT. In FY15, coal cargo traffic grew 13.4 per cent to 118.1 MMT from 104.2 MMT in FY14. With regard to commodities, fertiliser handling rose 19 per cent to 16.3 MMT in FY15. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, reported that the Indian ports sector received FDI worth US$ 1,637.3 million between April 2000 and September 2015. Currently, there are about 44 ongoing projects undertaken at major ports in India, with total investment of over Rs 25,870 crore (US$ 3.88 billion).
Figures

1. India is one of the fastest growing major economies in the world with an expected GDP growth rate of 7.5% in 2015-16

2. India’s long coastline of 7,517 km and a navigable inland waterways of 14,426 km offers immense potential for development

3. 4th most attractive FDI destination in the World as per UNCTAD

4. Over the last decade, seaborne trade has grown at twice the global growth rate of 3.3%

5. Maritime Container trade has grown at 6.5%, which is higher than the world average of 5.4% over the past 10 years (FY 2005 - 2015)

6. Cargo traffic at Indian ports has doubled to 1 billion tonnes per annum over the last decade (FY 2005 - 2015) and is expected to reach 1.7 billion tonnes per annum by 2022

7. US$ 2.6 Bn invested in Ports and Shipping sector between 2011 and 2014

8. 150 + projects identified in Indian maritime sector offering numerous investment opportunities.

Port Modernization: India has 12 Major Ports, administered by the Central Government, and around 200 notified Non-Major Ports, administered by the State Governments. In 2014-15, out of the 200 Non-Major Ports, 69 ports were reported to have handled cargo traffic.

The infrastructure sector, particularly the Maritime Sector, is expected to grow significantly with the increase in international and domestic trade volumes. Since about 95% of India’s trade by volume is via the maritime route (Source: NTDPC), there is a continuous need to develop India’s ports and trade related infrastructure to accelerate growth in the manufacturing industry and to aid the ‘Make in India’ initiative.

Traffic scenario at Indian ports: The total volume of traffic handled by Indian ports in FY2014–15 was 1052.1 million tons per annum (MTPA), of which 55.25% (581.3 MTPA) of total Traffic, was handled by Major Ports and the remaining 44.75% (470.9 MTPA) of total traffic by Non-Major Ports.

The overall compound annual growth rate (CAGR) of traffic at Indian Ports between FY2005–06 and FY2014–15 was 7.07%, with traffic at Major and Non-Major Ports growing at a CAGR of 3.58% and 13.94%, respectively.

Port Mechanization and Modernization: It is expected that by 2025, the ports will be required to handle a cargo of 2500 MTPA while the current capacity in India is 1500 MTPA. ~100 MTPA of new capacity can come from the modernization of existing ports. Recognizing the same, Indian ports have already embarked on a massive Port Mechanization and Modernization programme in order to become more efficient and remain at par with international benchmarks. Towards this endeavor, there are various investment opportunities to undertake mechanization projects on PPP basis.

Under Sagarmala, three themes have been identified for port modernization:

Mechanisation: Productivity at several berths is held back by the low capacity equipment used. These are mostly old and were designed for the target productivity levels needed at the time of purchase. Most of the old equipment are grossly insufficient to meet the current productivity requirements. In addition, several of these equipment are heavily derated due to lack of proper maintenance. Critical need of higher capacity equipment to replace existing old ones have been identified at several ports including Kandla, Haldia and Tuticorin. Twenty new mobile harbour cranes have been recommended across major ports. Detailed financial analysis reveals that these investments could be beneficial both for the port as well as the stakeholders. Different issues have been identified across the ports for evacuation issues and the solutions have been unique to each port.

Draft Enhancement (Dredging): The drafts at major ports have been historically low in comparison to required draft to match with advancements in size and shapes of the ships. Average draft ranges between 12 and 14 meters, peaking to 18 - 19 meters in some places. Globally, most ports have increased their drafts upto 23 meters to handle new generation container vessels with capacity of more than 15,000 TEUs and super tankers. In order to keep pace with accelerating growth in cargo and container traffic, Indian ports would also increase their drafts to handle supermax vessels.
New Terminal Development – Existing ports are limited by their current infrastructure to handle increased traffic expected to come to Indian shores (Both coastal and EXIM) in the next 10 years. There is a potential to increase the capacity at existing ports by building new terminals and berths. Coastal berth to handle food grains and fertilizers in Kandla is one such example.

Potential Projects:
Mechanization
1. Improvement of gate processing (at Chennai, JNPT)
2. Improvement of rake turnaround time (in KDS)
3. Multiple advanced technology based solutions like RFID and OCR based gate processing, etc. have been recommended across the ports. Of these, implementation of several of initiatives is underway.

Draft enhancement (Dredging): Increasing the draft at Ennore and Paradip from 16 to 18 m

New Terminal Development
1. Edible oil terminal in Kochi
2. Uran multipurpose cargo terminal
3. Nhava creek coastal cargo terminal
4. Ro Ro berths for handling automobile exports at Kandla

Investment Incentives
1. FDI upto 100% under automatic route for port development projects
2. Tax holiday for 10 consecutive assessment years for infrastructure development including ports and inland waterways
3. Reduction in Service tax incidence on coastal shipping from 100% to 30% of the service value
4. Financial assistance like exemption of customs duty and central excise duty on inputs used in ship building and ship repair Viability Gap Funding for PPP projects

Challenges faced In addition to the need to secure substantial investment in port infrastructure, the Indian ports sector will face several other challenges to increasing port capacity and efficiency. Regulatory reform Whilst many of the current policies of the central and state governments of India vis-a-vis the port sector are generally investor friendly, like any system there are ways in which it could be improved.

There is no doubt that investigating ways in which the approval process can be accelerated would help increase investor confidence (and possibly even appetite), as well as reduce the backlog of projects which are currently putting planning targets at risk. In the longer term, increasing competition with new terminals will help reduce capacity constraints and lead to increased efficiencies at all of the individual terminals. In our experience the Indian legal system is a solid basis upon which to do business and holds no concerns for investors or project financiers (domestic or foreign).

This should not be underestimated in a global market where competition for funding is increasing as liquidity in many key markets still remains scarce. Value added services There is a real need to provide those involved in getting cargo to and from ports with a range of value added services. Many new port developments include plans for facilities such as distriparks, investment in infrastructure to provide better hinterland connectivity and quicker transit routes. Studies also show that each day saved in the custom clearance of cargo saves 0.5% of ad-valorem tariff.

Providing these value added services will attract investment in the Indian ports sector whilst simultaneously improving efficiency and ultimately increasing capacity. Reduction in logistics costs There is also a need for a reduction in logistics costs in the ports sector. Currently, nearly half of India’s cargo is internationally transhipped. Transhipment-related costs add to the already high internal logistics costs, which are currently around 14% of GDP. When compared to logistics costs of 5%-9% of GDP in many developed nations, India’s costs highlight serious inefficiencies. Poor road infrastructure, a disorganised trucking network, low containerisation levels (as compared against the global average) and lengthy customs clearance times all contribute to

Conclusion: India’s high logistics costs and must be addressed in order to increase efficiency. The outlook There are positive signs of progress in India’s ports sector and the potential for growth and development is enormous. India is well-positioned as the world’s second fastest growing major economy, and the country has emerged from the global economic crisis relatively unscathed. Private sector investment and expertise is keen to play its part. However, in order to support its growing economy and to capitalise on its global position, India must continue to address the capacity constraints facing its port industry. Further investment in and development of the ports infrastructure, along with investor-friendly changes to the regulatory regime, will be key to improving the overall performance of India’s ports. Source: jfw.com, google.com
SUPPLY CHAIN INFLATION IS BACK
– WHAT TO DO ABOUT IT

AlixPartners Says CPOs Need a Proactive Strategy
July 12, 2018 SC Digest Editorial Staff

After a decade of mostly flat and often declining prices, inflation is coming back into the supply chain.

Supply Chain Digest Says...“The report concludes by noting that “The reality is, the calm seas we have enjoyed for the past decade are ending.”

For commodities and components have indeed been stable or declining since the start of the Great Recession in 2008, which sent prices tumbling, but with the trend continuing even as recovery began. That can be seen in the graphic below, which chart changes in the Bloomberg Commodity Index over the past decade. The Index tracked an annualized return over the past 10 years of -8.4% for a broad basket of commodities. Why such a benign commodity cost environment even in a recovery, albeit until recently a very modest one? A new report from consulting firm AlixPartners says it has been a combination of force. Those include globalization, technology advancements that have driven productivity, and new procurement tools that allow buyers to better leverage spend with vendors. But the times they are a changing. AlixPartners notes that a variety “factors are shifting the balance of power back to the vendors, and the procurement team must be prepared.” Chief among those factors is much stronger economic growth both in the US and across the globe after years of lukewarm conditions since the recession.

![Commodity Prices 2008 to Present](image)

The positive impact of globalization in keeping prices low may also be waning. Wages are rising rapidly in many low cost countries, noticeably China. As evidence of the changing environment, the Prices Index from the Institute for Supply Management came in at a level of 76.8 in June, far above the 50 mark that indicates about half of the businesses in the monthly survey are seeing higher prices and half are not, and indicating higher raw materials prices for the 28th consecutive month. Those existing upward price pressures are likely to be accelerating in coming months, the result of tariffs the US is placing on a variety of imported goods. One early example can be seen with aluminum, which reached a six-year high on the London Metals Exchange in April 2018, up 20% from the announcement of US sanctions on March 1. So what should procurement executives do in the fact of this new cost landscape? AlixPartners offers some suggestions:

Step 1: Reef the sails:

- Actively communicate with key executives and business owners about potential cost increases that may be coming. Discuss the overall environment and factors which may be driving up costs in the future. A clear and ongoing communication strategy will ensure management is not surprised down the line and allow for more effective risk management. (SCDigest will comment that clearly most executives know things are changing – what they need to better understand is by just how much.)
- With the business owners, consider ways to reduce costs by improving production methodology or by lowering product specifications. Explore strategies, such as cost workshops, zero-based budgeting, and the appointment of a spend czar, to temper demand and consumption of goods and services.
- Engage with the finance team to explore potential hedging techniques through either financial instruments or via customer contracts.
- Work with the warehouse team to employ dynamic inventory management: increase inventory levels for goods as price trends increase, and decrease inventory levels as price trends decrease.
- Proactively reach out to key suppliers to start reinforcing and enhancing the relationships to start the battle for the hearts of suppliers. This is also an ideal time to begin exploring new vendor relationships to find new lower-cost suppliers.

Step 2: Batten down the hatches:

- Begin entering into longer-term contracts with fixed pricing. We have seen vendors reduce prices by 2 to 6% by extending contracts by two to three years.
- Increase two-way communication with suppliers. Explore ways the company can modify its business practices to make things more efficient for the vendor and then share in the cost decrease.
- Institute a price increase approval process with vendors to delay the actual price increase for as long as possible. This process would include written justification, duration of increase, and key performance indicators for price reduction.

Step 3: Run downwind:

- Aggressively trim smaller vendors to consolidate the supplier base by each category in order to increase negotiating leverage and press for lower rates.
• Institute a “champion/challenger” model for all key categories with 70 to 80% of the business going to the champion and the remainder going to a single challenger. This will keep both parties hungry. The champion and challenger should also be rotated periodically, though not too often as business disruption is also costly.

• Search for new suppliers and give new suppliers a chance to prove themselves if the pricing is better than the incumbent. Potentially try a new vendor as the challenger (or as a second challenger) to balance disruption with cost savings.

• Execute a cost-to-price initiative. Assemble a cross functional team to help quickly understand the direct relationship between input-cost inflation and necessary customer price increases to maintain or improve product margins. For global companies, this should be done on a country-by-country basis with key performance indicator heat maps to ensure proper indexing of price inflation.

• Hold a supplier conference in which the suppliers are given indicative cost reduction targets and asked to come and present to the company their ideas. This demonstrates a commitment to the relationship and working together to solve pricing concerns. The report concludes by noting that “The reality is, the calm seas we have enjoyed for the past decade are ending. However, with communication and a proactive and coordinated strategy, the CPO can prepare for the coming instability.”

Source: Supply Chain Digest

AMENDMENTS PROPOSED TO CENTRAL MOTOR VEHICLES RULES FASTAGS AND VEHICLE TRACKING SYSTEM TO BE MADE MANDATORY FOR ALL NATIONAL PERMIT COMMERCIAL VEHICLES DRIVING LICENSE AND OTHER CERTIFICATES TO BE ALLOWED IN DIGITAL FORM NO FITNESS CERTIFICATE REQUIRED FOR REGISTERING NEW VEHICLES

Ministry of Road Transport and Highways has notified draft amendments to the Central Motor Vehicles Rules, making FASTags and Vehicle Tracking System device mandatory for all commercial vehicles obtaining national permit. The front wind screen of the vehicle will have to be affixed with a sticker confirming fitting of the Fastag. The draft amendments also stipulate other additional conditions for obtaining national permit that include display of the words “National Permit or N/P” in the front and rear of the vehicles in bold letters. In case of trailers, the words “N/P” will have to be inscribed on the rear and left side of the vehicle. The body of a tanker carrying dangerous or hazardous goods has to be painted in white colour and display the prescribed class label on both the sides and rear of the tanker. The vehicle will be affixed with reflective tapes at front and rear.

The proposed amendment also provides that no fitness certificate of transport vehicles will be renewed for a period of two years for vehicles up to eight years old and for one year for vehicles older than eight years.

The proposed amendment also provides that Driving License and Pollution Under Control certificates can be carried in physical or digital form.

All goods carriage vehicles will be required to carry goods in a closed body of the vehicle or container. If it is necessary to carry goods in open bodies, goods will be covered by using appropriate cover like tarpaulin or any other suitable material. However, goods of indivisible nature, not capable of being carried in a closed body or being covered, may be carried without cover.

Detailed notification in this regard is available on Ministry of Road Transport and Highways’ website www.morth.nic.in. The Ministry has invited suggestions and objections to the proposed amendments, to be sent to the Joint Secretary (Transport), Ministry of Road Transport and Highways, Transport Bhawan, Parliament Street, New Delhi-110001 or email at js-tpt@gov.in by the 11th of August this year.
INDIA’S FOREIGN TRADE:
JUNE 2018

PRESS INFORMATION BUREAU

**MERCHANDISE TRADE EXPORTS (including re-exports):** Exports during June 2018 were valued at USD 27.70 Billion as compared to USD 23.56 Billion during June 2017 exhibiting a positive growth of 17.57 per cent. In Rupee terms, exports were valued at Rs. 187800.20 crore in June 2018 as compared to Rs. 151844.56 crore during June 2017, registering a positive growth of 23.68 per cent.

During June 2018, major commodity groups of export showing positive growth over the corresponding month of last year are:

- **Engineering Goods (14.19%)**
- **Petroleum Products (52.53%)**
- **Gems & Jewellery (27.12%)**
- **Organic & Inorganic Chemicals (24.28%)**
- **Drugs & Pharmaceuticals (14.71%)**

Cumulative value of exports for the period April-June 2018-19 was USD 82.47 Billion (Rs. 552781.61 crore) as against USD 72.21 Billion (Rs. 465472.04 crore) registering a positive growth of 14.21 per cent in Dollar terms and 18.76 per cent in Rupee terms over the same period last year.

Non-petroleum and Non Gems and Jewellery exports during June 2018 were valued at USD 20.13 Billion (Rs. 134717.96 crore) which was 15.13 per cent higher in Dollar terms and 23.80 per cent higher in Rupee terms compared to USD 17.48 Billion (Rs. 111453.18 crore) in June 2017. Non-oil imports during April-June 2018-19 were valued at USD 59.86 Billion (Rs. 396998.61 crore) which was 15.13 per cent higher in Dollar terms and 23.80 per cent higher in Rupee terms over the same period last year.

Non-Oil and Non-Gold imports in June 2018 valued at USD 29.19 billion has recorded a positive growth of 12.53% as compared to Non-Oil and non-Gold import in June 2017. Non-Oil and Non-Gold imports in April-June 2018 valued at USD 84.33 billion has recorded a positive growth of 8.37% as compared to Non-Oil and Non-Gold import in April-June 2017.

**IMPORTS:** Imports during June 2018 were valued at USD 44.30 Billion (Rs.300351.83 crore) which was 21.31 per cent higher in Dollar terms and 27.61 per cent higher in Rupee terms over the level of imports valued at USD 36.52 Billion (Rs. 235361.85 crore) in June 2017. Cumulative value of imports for the period April-June 2018-19 was USD 127.41 Billion (Rs. 854096.98 crore) as against USD 112.26 Billion (Rs. 723631.11 crore) registering a positive growth of 13.46 per cent in Dollar terms and 18.03 per cent in Rupee terms over the same period last year.

**CRUDE OIL AND NON-OIL IMPORTS:** Oil imports during June 2018 were valued at USD 12.73 Billion (Rs. 86270.79 crore) which was 56.61 per cent higher in Dollar terms and 64.75 per cent higher in Rupee terms compared to USD 8.13 Billion (Rs. 52363.24 crore) in June 2017. Oil imports during April-June 2018-19 were valued at USD 34.64 Billion (Rs. 232269.14 crore) which was 49.44 per cent higher in Dollar terms and 55.47 per cent higher in Rupee terms compared to USD 23.18 Billion (Rs. 149395.90 crore) in the corresponding period last year.

In this connection it is mentioned that the global Brent price ($/bbl) has increased by 60.47% in June 2018 vis-à-vis June 2017 as per data available from US Energy Information Administration (EIA).

Non-oil imports during June 2018 were estimated at USD 31.58 Billion (Rs.214081.04 crore) which was 11.20 per cent higher in Dollar terms and 16.99 per cent higher in Rupee terms compared to USD 28.40 Billion (Rs. 182998.61 crore) in June 2017. Non-oil imports during April-June 2018-19 were valued at USD 92.77 Billion (Rs. 621827.84 crore) which was 4.14 per cent higher in Dollar terms and 8.29 per cent higher in Rupee terms compared to USD 89.09 Billion (Rs. 574235.21 crore) in April-June, 2017-18.
II. TRADE IN SERVICES (for May, 2018, as per the RBI Press Release dated 13th July 2018)

EXPORTS (Receipts) : Exports during May 2018 were valued at US$ 16.17 Billion (Rs. 109231.47 Crore) registering a negative growth of 7.91 per cent in dollar terms as compared to positive growth of 4.33 per cent during April 2018 (as per RBI’s Press Release for the respective months).

IMPORTS (Payments) : Imports during May 2018 were valued at US$ 10.21 Billion (Rs. 68944.22 Crore) registering a negative growth of 6.48 per cent in dollar terms as compared to positive growth of 6.18 per cent during April 2018 (as per RBI’s Press Release for the respective months).

III. TRADE BALANCE

MERCHANDISE: The trade deficit for June 2018 was estimated at US$ 16.60 Billion as against the deficit of US$ 12.96 Billion during June 2017.

SERVICES: As per RBI’s Press Release dated 13th July 2018, the trade balance in Services (i.e. net export of Services) for May, 2018 was estimated at US$ 5.97 Billion.

OVERALL TRADE BALANCE: Taking merchandise and services together, overall trade deficit for April-June 2018-19 is estimated at US$ 32.32 Billion as compared to US$ 28.55 Billion during April-June 2017-18. (Services data pertains to May 2018 as it is the latest data available as per RBI’s Press Release dated 13th July 2018)

<table>
<thead>
<tr>
<th>MERCHANDISE TRADE</th>
<th>EXPORTS &amp; IMPORTS: (US $ Billion)</th>
<th>PROVISIONAL</th>
<th>JUNE</th>
<th>APRIL-JUNE</th>
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<tbody>
<tr>
<td>EXPORTS (including re-exports)</td>
<td></td>
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<td></td>
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<tr>
<td>2017-18</td>
<td>23.56</td>
<td>72.21</td>
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<tr>
<td>2018-19</td>
<td>27.70</td>
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<tr>
<td>%Growth 2018-19/ 2017-18</td>
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<tr>
<td>IMPORTS</td>
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<tr>
<td>2017-18</td>
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<td>2018-19</td>
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<tr>
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<th>EXPORTS &amp; IMPORTS: (Rs. Crore)</th>
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<th>APRIL-JUNE</th>
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<td>EXPORTS (including re-exports)</td>
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<tr>
<td>2017-18</td>
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<td>2018-19</td>
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SERVICES TRADE

<table>
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<th>EXPORTS &amp; IMPORTS (SERVICES): (US $ Billion) (Provisional)</th>
<th>May 2018</th>
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<tr>
<td>EXPORTS (Receipts)</td>
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<td>IMPORTS (Payments)</td>
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<th>EXPORTS &amp; IMPORTS (SERVICES): (Rs. Crore) (Provisional)</th>
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<tbody>
<tr>
<td>EXPORTS (Receipts)</td>
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<td>IMPORTS (Payments)</td>
<td>68944.22</td>
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<tr>
<td>TRADE BALANCE</td>
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Source: RBI Press Release dated 13th July, 2018
To iron out the practical hindrances and issues being faced by the Industry Inc since the implementation of GST, the GST Council on July 9, 2018 had unveiled the draft of 46 proposed changes in GST law as a major step towards facilitating trade and ease of doing business.

After detailed analysis of various amendments, following suggestions were compiled by Mr. Bimal Jain, Chairman, Indirect Tax Committee, PHD Chamber of Commerce which have been submitted to the Government for their kind consideration:

I. Definition of ‘supply’ under GST: The term ‘supply’ is proposed to be amended to exclude activities/transactions listed in Schedule II to ensure that the activities/transactions as per Schedule II is to decide only whether the same is supply of goods or services. Hence, activities/transactions listed in Schedule II (as supply of service or supply of goods) shall be taxed only when they constitute ‘supply’ in accordance with provisions of Section 7(1)(a), (b) and (c) of the CGST Act, 2017 (“the CGST Act”)

Suggestion(s):

- Clarifying the meaning of term ‘immovable property’ under Para 6(a) of Schedule II – Meaning of term ‘immovable property’ must be clarified to avoid disputes whether particular activity is ‘works contract’ or not.

II. Schedule III: The scope of Schedule III is proposed to be expanded to include merchant trading, supply of goods in the course of High Seas Sale and Sale of imported warehoused goods.

Suggestion(s):

- Retrospective effect – Amendments in Schedule III should be made effective retrospectively from 01.07.2017 to provide clarity and avoid any legal dispute/ hardship on the tax payers for the intervening period.
- Refund for tax already paid on such transactions – Relief in the form of possible refunds should be granted for the tax already paid earlier on sale of goods from custom bonded warehouse.
- Inclusion of Inter-Company supply of services – Inter-Company supply of services provided by Head office to branch office/ representative office of the same legal entity having a common PAN located in the taxable territory or vice versa should be included in Schedule III so that the same does not qualify as supply of services liable to GST. Examples of such services are centralized functions of accounting,
legal, HR, Management carried out from the Central Head Office for all branches etc.

- Inclusion of export duty credit scrips in Schedule III – Duty credit scrips viz. MEIS/ SEIS, issued on export of goods/services are presently treated as exempted goods and therefore are subject to reversal of credit provisions of Section 42/Section 43 of the CGST Act on inputs/input services/Capital goods. As an encouragement to exporters, this Duty credit scrips should be included here as neither as supply of goods nor services.

III. Reverse Charge under Section 9(4) of the CGST Act:
GST Council has proposed to omit existing Section 9(4) of the CGST Act and instead, granting an enabling power for the Govt. to notify a class of registered persons who would be liable to pay tax on reverse charge basis in case of receipt of taxable goods or services from an unregistered supplier. The details of such specified persons are to be notified in future.

Suggestion(s):
- Similar changes are also required in Section 5(4) of the IGST Act, 2017. ("the IGST Act").
- Operation of Section 9(4) in its present form, if notified for a particular class of persons is not conducive as the registered recipient requires to raise self-invoice, capturing individual HSN/ SAC codes for procurement of taxable goods or services, which is operationally not easing business and should be done away completely.

IV. Composition Suppliers
The council has proposed to give effect to its earlier decision to increase threshold limit for the composite suppliers from INR 1 crore to 1.5 crores and further to enable registered manufacturers and traders to opt for composition scheme u/s 10(1) of the CGST Act even if they supply services of value not exceeding 10% of the turnover in the preceding FY in a State/Union territory or Rs. 5 lakhs, whichever is higher [Presently, registered persons engaged in the supply of services (other than restaurant services) are not eligible for the composition scheme].

Suggestion(s):
- Uncertainty on inclusion of clause (b) – Draft amendment states “that a person who opts to pay tax under clause (a), clause (b) or clause (c) may supply services of value not exceeding ten percent of turnover in the preceding financial year in a State or Union territory or five lakh rupees, whichever is higher” Clause (b) mentions about composite rate of tax on restaurant service providers. There seems no essence to include this clause while allowing supply of services upto specified amount to manufacturers and traders. Else, it may be clarified that that for clause (b), this limit shall apply for services supplied other than restaurant service providers.
- Restricting value of Rs. 5 Lakh to only taxable supply – It should be clarified that this amount of Rs. 5 Lakhs should only be the taxable value of services – Order no. 01/2017 dated 13.10.2017 already clarifies that person supplying exempt services along with goods or restaurant services are not ineligible for composition levy.
- Clarification is required on nature of supply of services – Whether only Intra-state supply of services or inter-state supply of services are also allowed.
- Clarification on rate of tax on such services – Clarification is required as to what could be the rate of tax on such supply of services up to specified amount i.e. composition rate or actual rate of tax specified in Notification No. 11/2017-CGST (Rate) dated 28.06.2017. If normal rate of tax is applicable, then whether composition supplier would be entitled to claim ITC for such services under composition scheme?
- Providing some ceiling for inter-state outward supplies of goods by a composition supplier – Presently, a person opting for composition scheme is not allowed to make any inter-state outward supply of goods. This is creating a bottle neck for small sector. It is suggested here also that certain percentage of turnover may be allowed for inter-state supply of goods for the benefit of SME/MSME sector in true sense.

V. Input Tax Credit – No interest on reversal of ITC for non-payment to supplier: It is proposed to delete interest applicability when GST ITC is reversed for non-payment of invoice amount after 6 months from date of invoice

Suggestion(s):
- Retrospective effect – This provision should be made applicable retrospectively from 01.07.2017 and payment of interest already made in intervening period should be refunded/ reinstated.

VI. Input Tax Credit – Blocked credit: It is proposed to prune down blocked credit list in Section 17(5) of the CGST Act. ITC shall be available in case of motor vehicles having approved capacity of not more than
Suggestion(s):

- ITC on construction services — Section 17(5) of the CGST Act must be pruned down further. ITC in respect of construction of factory, offices must be allowed as the same are foundation of any business for making outward supply of goods or services and always required in the course or furtherance of business. Without ITC, setting up infrastructure for doing business is turning out to be very expensive, which is contrary to the concept seamless flow of credit and going contrary to the concept of “Make in India” scheme. Thus, clause (c) and (d) may be omitted.

- ITC on ‘free samples’ distributed as a part of sales promotion activity — Word ‘free samples’ must be deleted from clause (h) of Section 17(5) as distributing free samples is an inevitable practice of the trade to induce clients to judge quality and buy the product of the company. This practice is most prevalent in all sectors, in particular pharmaceuticals/ medicinal industries where medicines cannot be sold without providing test samples. Here, the intention of the registered person is to promote their business i.e. it is a promotional or advertising activity. The company itself understand the same and such advertising cost is generally taken into account while finalizing pricing of other items manufactured. Hence, denial of credit on goods supplied as free samples is not justified.

- Clarification that term ‘gift’ shall not include promotional items — It may be clarified that supply of promotional items along with supply of goods as a combo supply (undertaken as a part of business promotional activity), shall not be covered under the ambit of ‘gift’ for reversal of ITC.

- Allow ITC on ‘gifts’ when tax is paid on outward supply — In terms of Para 2 of Schedule I, supply of goods and services between related persons, shall be treated as supply even if made without consideration. However, gifts not exceeding INR 50,000/- in value in a financial year by an employer to an employee shall not be treated as supply of goods or services. Thus, even though such gifts exceeding INR 50,000/- in value in a financial year is taxable in the hands of employer, ITC of GST paid on procurement of such gifts shall not be available to him under Section 17(5)(h) of the CGST Act. This aspect of double taxation is required to be dealt with properly in the law.

- No denial of ITC on goods confiscated or detained — Clause (i) of Section 17(5) of CGST Act provides that input tax credit shall not be available in respect of the any tax paid in terms of section 74, 129 or 130 dealing with confiscation and detainment of goods. But when the confiscated goods are released and sold, it will be subject to tax. It is suggested that there would be no denial of ITC on goods confiscated or detained. Interest & penalty may be charged but denial of credit lead to cascading and multipoint tax philosophy and going contrary to the concept of seamless flow of credit.

- Any other civil structure not to be excluded from Plant and machinery — Explanation in Section 17 for the purposes of Chapter V (Input Tax Credit) and Chapter VI (Registration) provides that the ‘Plant and Machinery’ means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes —

  (i) land, building or any other civil structures;
  (ii) telecommunication towers; and
  (iii) pipelines laid outside the factory premises

  It is therefore suggested that the words “other civil structures” be removed from the said Explanation. Inclusion of the term “Other civil structures” may lead to numerous disputes on the eligibility of credit on various plant and machineries as various plant and machineries require civil works to support their operation.

- Pipe line used outside the factory should be covered under the definition of Plant and Machinery — Pipeline which are established outside business premises which is serving the purpose of providing Water/Gas, etc. used in manufacturing of the product taxable under GST should be covered under the definition of Plant and Machinery so that input of the same will be available to the assessee.

VII. Input Tax Credit — Value of exempt supply for reversal of ITC

It is proposed that no reversal of common ITC shall be required on activities or transactions specified
in Schedule III (other than sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building) by excluding it from the ambit of ‘exempt supply’ for the purpose of reversal.

**Suggestion(s):**

- Non-GST supply Vs. Non-taxable supply – Form GSTR-3B has used the term Non-GST supply which is nowhere defined in GST law. GST law only discussed the term ‘non-taxable supply’ to mean a supply of goods or services or both which is not leviable to tax under GST Act [Section 2(78) of the CGST Act]. Like, supply of five specified petroleum products and alcoholic liquor for human consumption may be termed as non-taxable supply. Then, what constitutes non-GST supply? Whether Schedule III items are being taken as non-GST supply? Clarity in this regard is required.

- Clarification on meaning of ‘non-taxable supply’ – A concrete list of activities constituting non-taxable supplies in GST be provided to avoid any confusion as to its inclusion in aggregate turnover and reversal of common credit.

**VIII. Registration**

- It is proposed to insert the provisions of separate registration for multiple units in an SEZ.

  **Suggestion:** Word ‘shall’ be replaced with ‘may’ – It should not be made mandatory for the existing SEZ units which is having a single registration if located in the same SEZ. This will create confusion and additional work for the existing units. This should be an optional facility only.

- Further, the proposed amendment in Section 25(2) of the CGST Act allows multiple places of business of the taxpayers to be registered separately in addition to the different business verticals within the state.

  **Suggestion:** Suitable mechanism be provided for transfer of credit between different registrations held in common e-credit ledger of a particular State – With facility to take separate registration for different place of businesses, suitable guidelines also be provided for transferring credits pertaining to different place of business in a State which as on the date of taking separate registration will be lying in the common e-credit ledger of that State.

**IX. Simplification of Returns**

- A new provision is being introduced by inserting section 43A, to enable the new return filing procedure as proposed by the GST Returns Committee and approved by the GST Council. However, the detailed mechanism of giving effect to the above proposal is awaited.

  **Suggestion(s):**

- Payment of tax should be made prime responsibility of the supplier – Clause (v) of proposed Section 43A makes supplier and the recipient jointly and severally liable to pay tax or to reverse the input tax credit availed against such tax, for which the details have been furnished by the supplier but the return in respect thereof has not been furnished and tax has not been paid.

  It is advisable that the supplier shall be made primarily responsible to pay taxes and the recipient shall not be made liable to reverse ITC availed against such taxes already paid by the recipient to the supplier. Only on failure of recovery of taxes from supplier under exceptional circumstances, as affirmed by the GST Council in their 27th GST Council meeting, the recipient could be approached for discharge of liability or reversal of ITC, as the case may be. In this regard, strict safeguards must be ensured so that GST authorities cannot deny ITC if the supplier has not paid the taxes as a first recourse. Further, appropriate provisions must be inserted/amended in the GST ITC provisions also under Chapter V of the CGST Act.

**X. Debit and Credit Notes**

- The amendment seeks to permit a registered person to issue consolidated credit / debit notes as prescribed under Section 34 of the CGST Act in respect of multiple invoices issued in a Financial Year without linking the same to individual invoices.

  **Suggestion(s):**

- Issuance of debit note/credit note should be allowed for multiple purposes – Provisions for issue of debit note/credit note are restrictive and meant for specified conditions in the GST Law whereas the taxpayers should be allowed to issue debit/credit notes for multiple purposes as long as they contain the prescribed particulars as required under the GST rules and the same are disclosed in the Returns to be filed under Section 39 and further, time period prescribed as date but not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed, should be done away as there are lot many situation viz. quantity discounts/ trade discounts, etc., when DN/CN to be issued nearly at the end of next FY, following the end of relevant
financial year in which such supply was made

- Issuance of DN/CN without GST may also be allowed as an option to deal with financial adjustments wherein no adjustment of the tax liability is required in the hands of the supplier and corresponding reversal of ITC in the hands of recipient.

**XI. GST Refund** : Amendments are proposed under Section 54(3) of the CGST Act to file refund claim for the unutilized ITC on Inputs & Input Services by due date for furnishing of returns under Section 39 for the period for which the claim for refund of ITC arises, which is presently the end of the financial year.

**Suggestion(s):**

- Facility on GSTN portal should be enabled to allow monthly and/or quarterly refund – As of now Form RFD – 01A allows only monthly claim of refunds. Thus, proper GSTN functionality must be ensured for proper execution of proposed change.

- Removing anomaly of no refund on unutilized ITC on capital goods as against Rebate Mechanism of export made on payment of IGST – The CGST Rules do not allow refund of ITC on capital goods when zero-rated supplies are made against LUT without payment of IGST, but in case of supplies made on payment of IGST, refund of ITC on capital goods is allowed. It is suggested that such anomaly must be removed for creating par situations for both rebate and refund mechanisms.

**XII. Pre-deposits for filing an appeal to Appellate Authority and Appellate Tribunal** : It is proposed under Section 107(6) of the CGST Act to put a ceiling on the limit of the amount to be deposited before filing an appeal to the appellate authorities which is 10% of the disputed tax amount subject to maximum limit of Rs.25 crores. Further, it is also proposed under Section 112(8) of the CGST Act, the maximum amount to be deposited to file appeal from the appellate authority to appellate tribunal is 20% of the disputed tax amount along with the amount deposited u/s 107(6) subject to maximum of Rs. 50 crores.

**Suggestion(s):**

- Maximum ceiling should be 10 crores – Under Excise and Service tax, pre-deposit @ 7.5% of tax in dispute at first level and 2.5% at second level was applicable subject to maximum of Rs. 10 Crores. Keeping such high pre-deposit amount of 10%/20% with maximum ceiling as high as Rs. 25 crores/ 50 crores will cause undue hardship on innocent assesses having genuine case and not easing business for SME/ MSME Sectors.

It is suggested that, pre-deposit amount under GST also should be 7.5% at first level of appeal and 2.5% at second level, totalling together 10% of disputed tax amount subject to maximum of Rs. 10 Crores.

**XIII. Recovery of Tax** : It is proposed to provide that recovery may be made from distinct persons present in different States / UTs in order to ensure speedy recovery from other establishments of the registered person.

**Suggestion(s):**

- Adverse impact on Industry – The proposed amendment is anti-industry and will be retrograde in nature. Operation of units in other states should not be affected if there are disputes in one state and a consequent recovery. The proposed amendment should therefore be dropped in the interest of industry.

**XIV. Transitional Provisions** : It is proposed to clarify that eligible duties under transitional credit do not include the additional duty of excise leviable under section 3 of the Additional Duties of Excise (Textile and Textile Articles) Act, 1978.

**Suggestion(s):**

- Allowing time period for reversal of credit on cesses availed – Since the law was not clear, many companies have gone ahead and availed the credit on cesses, provision should be amended in such a way that companies which have availed credit of the cesses should be allowed time to reverse the credit within 30 days from the date of the enactment without interest or penalty implication.

**Other changes to be considered:**

1. **Definition of ‘composite supply’** : Section 2(30) of the CGST Act defines Composite supply as a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

**Suggestion(s):**

- Clarification as to separate consideration – It is suggested that suitable clarification be provided that if separate considerations are charged for various goods and services supplied in conjunction with each other in ordinary course of business, the same
shall also amount to composite supply.

- Suitable clarification be issued to provide certainty for determining whether a bundle of supply is a composite supply and also to determine principal supply therein.

II. Time of supply: Section 14 of the CGST Act indicates the provisions for determining the time of supply in case where there is a change in the rate of tax in respect of supply of goods or services.

Suggestion(s):

- Clarification in case of change in rate of tax w.r.t continuous supply of services – In order to avoid possible litigation, it must be suitably clarified regarding time of supply in case of change in rate of tax w.r.t continuous supply of services/goods.

- Time of supply provisions in case of new goods or services become taxable for first time – Like Rule 5 of the Point of Taxation Rules in erstwhile Service tax era, proper provisions be suitably provided to determine time of supply in case of new goods or services becoming taxable for the first time.

III. Supply of ITC availed Capital Goods: Section 18(6) of CGST Act provides that in case of supply of capital goods or plant and machinery, on which ITC has been taken, the registered person shall pay an amount equal to the ITC taken on the said capital goods or plant and machinery reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery determined under section 15, whichever is higher:

Provided that where refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person may pay tax on the transaction value of such goods determined under section 15.

Suggestion(s):

- Words ‘plant and machinery’ be deleted – The use of word plant and machinery is not required as they are already covered under the meaning of capital goods.

- Clarification on no reversal of ITC in case of renting of capital goods – Section 18(6) uses the term ‘supply’ which includes even renting of those capital goods or plant and machinery, on which ITC has been taken i.e. to say in case such capital goods/plant or machinery are rented out, Section 18(6) triggers and there would be reversal of ITC which is not the intention. Suitable proviso be inserted accordingly.

- Transaction value concept be applicable for all capital goods supplied as scrap – Like Rule 3(5A)(b) of the Cenvat Credit Rules, 2004, if the capital goods are cleared as waste and scrap, payment of tax on the transaction value be allowed. It is suggested to make the proviso general rather than restricting to only specified items viz. refractory bricks, moulds and dies, jigs and fixtures.

IV. GST Audit: Section 35(5) of CGST Act provides that every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant. In this regard, Rule 80(3) of the CGST Rules states that every registered person whose aggregate turnover during a financial year exceeds two crore rupees shall get his accounts audited as specified under sub-section (5) of section 35 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in FORM GSTR-9C.

Suggestion(s):

- Two crores limit must be computed per registration wise – Anomaly of word ‘turnover’ in Section 35(5) viz-a-viz word ‘aggregate turnover’ in Rule 80(3) be removed. Further, clarity must be provided that two crores limit for GST audit shall be determined per State wise turnover rather than taking aggregate turnover on PAN India basis of an assessee. Considering aggregate turnover of an assessee will create a situation where one unit of such assessee having only Rs. 1,00,000 (assumed) turnover shall be required to conduct GST Audit just because its other units are crossing two crore limit.

V. Centralised Authority for Advance Ruling: Considering the contrary rulings coming from different States’ Advance Ruling Authorities, necessary provision for establishing centralised Authority for Advance Ruling or Appellate Authority for Advance Ruling be inserted. The issue has been identified as a concern by the GST Council also and hence necessary amendments in this regard be initiated accordingly.

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The world celebrated UN Micro, Small, and Medium Enterprises (MSME) day for the first time to pay its respects to the small companies that are the backbone of most economies worldwide, especially in the developing world. On the occasion, the international body identified access to finance as one of the primary obstacles to MSME growth. Of the 200 to 245 million informal enterprises that need credit but can’t avail it, more than 90% are MSMEs. Many of these MSMEs are likely to be Indian, given that India’s 51 million MSMEs are facing a credit shortfall of an astonishing $400 billion.

The Indian government has been trying hard to mobilize credit and funding for this critical sector of the nation’s economy, but has found conventional and legacy banks to not be up to the task. Today, India’s MSMEs and their business owners are finding new-age digital startups and alternate lending platforms to be the most effective institution to disperse credit.

MSMEs having access to credit through these startups is an extremely important development, especially in the context of how the Indian economy is engaging with the e-commerce opportunity.

India’s MSMEs have had their potential curtailed in the past as they had limited access to the finances required to fuel their growth. This is because traditional lenders found it difficult to direct their funds to this sector for a variety of reasons. The two biggest reasons for the financial exclusion of MSMEs were their lack of a comprehensive credit score, and the long-winded and difficult application process to get a loan.

Most MSMEs in India were and continue to be run primarily through cash. Legacy lenders in India use credit ratings to determine a loan applicant’s creditworthiness, and most MSMEs would find themselves disqualified for lacking extensive transactional history.

Even those MSMEs that happen to have a good credit score would still find getting a loan daunting due to the extensive documentation requirement, repeated hassle of visiting bank offices, filling up forms, and dealing with the paperwork and long waiting periods. For most banks, MSMEs were a bad customer to lend to because the transaction size would be small, and they perceived the risk to be substantially higher for MSMEs than for larger corporates. Left with no recourse, Indian MSMEs were either resigned to stagnating, or reaching out to unscrupulous moneylenders who imposed punishing interest rates.

Alternate lending platforms to the rescue: Nimble new-age startups saw the existing gap in the market, and evolved a technology-driven solution which has helped India’s MSMEs access legitimate credit easily. Today, several MSME founders and owners are leaning on these platforms for credit, with NBFCs already accounting for more than 16% of the credit extended to MSMEs. According to the ICRA, the share of lending by NBFCs to MSMEs is projected to rise to 22-23% by March 2022. Thanks to these startups, the amount of credit being disbursed to MSMEs in India is seeing an increase - even though public sector banks have provided 7% less credit to them between March 2017 and March 2018.

These companies have managed to overcome the credit gap because instead of a bureau and bank account-based credit score, they collect data from other sources and use cutting-edge AI-driven algorithms to create a credit score for applicants. These credit scores are more holistic, provide a more detailed perspective, and are likely to be substantially more accurate than existing credit scores. These new-age lenders have also made great use of regulatory developments such as Aadhaar and India Stack, deploying e-KYC to make application and approval a process that is quick and convenient.

The benefits of financial inclusion for India’s MSMEs: MSMEs having access to credit through these startups is an extremely important development, especially in the context of how the Indian economy is engaging with the e-commerce opportunity. According to a Morgan Stanley report, India’s e-commerce market is set to hit $200 billion by 2026, growing at 30% annually. In large part, this amazing growth is attributed to the greater adoption of technology by consumers in India’s tier 2 and tier 3 cities. Further, a BCG report projected that by 2025, these cities will account for 45% of India’s consumption. For India’s MSMEs, this is a fantastic opportunity for them to grow and capture larger portions of the consumer market.

However, to sell effectively to this new customer base, these companies need capital to increase capacity, geographical reach, and make the transition to the world of online commerce.

The UN General Assembly declared June 27th as MSME day in its 74th Plenary to recognize the importance of MSMEs in achieving sustainable development goals, promoting innovation, creativity, and sustainable work for all. With India’s alternate lending platforms providing the financial capital needed to help India’s MSMEs digitize and get ready for the future, they certainly hold the key to the country’s bright economic future.
The desire to avoid data falling into wrong hands is of vulnerability. Information leakage, and other data security concerns are growing in the extended supply chain, and openly sharing information with partners thrives in a demand driven supply chain.

The risk of information sharing in demand driven supply chain can be mitigated to a certain extent, but it cannot be completely eliminated. The risk attached to demand driven supply chain can be managed and minimized, just like any other type of strategy. The important consideration to be taken in mitigating demand driven supply chain risk is to make it proactive rather than reactive. The demand driven supply chain is based largely on responding to demand signals, and companies are concerned with reaching to short tendences that fluctuate, and which lose focus, and ultimately increase cost.

To maintain control, it is critical that operational product and marketing strategies are very clearly set out, with well defined priorities to guide decisions in supply chain, since process will probably need to be redesigned with agility at the top of the agenda, to enable an approach that is more reactive perhaps that forecast based management. It is important that the traditional forecast driven operations, inaccurate forecasts commonly create, reactive situation that the supply chain is not prepared for the consequence in supply chain. The companies enjoying success with derived demand in supply chain, do not place their resources entirely at the mercy of the market forces, instead they create a collaborative environment in which supply chain, functions and partners bring a shape to demand derived, and to reduce visibility, as this means the marketing campaign planning involves manufacturing and procurement functions to ensure, and be prepared for a product demand for the product in supply chain.

The risk of information sharing, and dimensions drawn by demand driven supply chain can only work, in which all partners of the organization, thrive in the extended supply chain, and openly share the information, with one another, which fear the confident of interest, information leakage, and other data security vulnerability.

The desire to avoid data falling into wrong hands is of course is understandable, but digital security measures are improving all the time, if care is taken to secure trustworthy data storage solution developed by robust policies, confidential agreements, and contracts, and use of authorized mechanism to restrict data access in a risk demand driven supply chain.

The risk of information sharing in demand driven supply chain, can only work when all partners in the organization, including those in extended supply chain, openly admit and share information with one another, in the necessity that is concerning for some company leaders, who fear conflict of interest, information leaking, and other security data being vulnerable.

It is important, to understand that a modern demand driven supply chain strategy, does not pursue, specific lean management, instead it is all about the right size of inventory, and placing it in strategically advantageous location, and indeed buffer inventory plays an important role in the demand driven supply chain, managed by independent buffer inventory, and are established serving as de-coupling points, and this helps to prevent a natural process variability, and this being identified through demand driven supply chain.

The inventory buffer levels are maintained in accordance with typical demand, and known visibility, and each stock location, are replenished according to an optimized life cycle operation, and consequently corresponding with mounting consumption, and exceptional stock levels, thus building buffer inventory in location, which cover seasonal peaks, marketing campaigns, period of planned manufacturing location, and as per the requirement of planned events. If buffer inventory is managed correctly, with the supply chain is lean management to cope with demand, but however not the only way to buffer the supply chain, and reduce risk capacity, and the buffer stock also play a total role in demand driven supply chain returns.

Meeting demands without over inventory in safety stock can be real balancing act. Risk mitigating strategy protects shippers from landing hard when supply chain disruptions occur. Companies have been optimizing, their supply chain, offshore for cost purposes, and keeping inventories low, for just in time purpose of material inflow.

Physical mitigation: Safety stock, multiple suppliers, excess capacity, is the main concepts of mitigating derived demand in supply chain.

Analytical mitigation: Sales and operation planning, forecasting, and collaboration, and it places emphasis...
on control, and real time visibility of transporting of goods, and material movement as this is widely used but less with physical risk management.

Financial mitigation: This approach is normally by smaller companies and deals with supply chain risk from a complete different manner, and it addresses financial risk problems as opposed to disruption or physical flow of materials.

In a supply chain mitigation risk is demand driven, suppliers are buying to drive more efficiency in the supply chain, and they expand their sourcing, manufacturing and distribution, which created a fragmented supply chain, and shipping has expanded, with more rationalized network to be more efficient, drive velocity reduce cost, improve service quality, and with organization, which play major role in supply chain both as a supplier of parts or components, and also as a producer of final products, with edge of just-in-time production process, with even a small disruption in the provision of single component can create an havoc in the production in order to mitigate risk in demand driven supplier chain.

Shippers may maintain dual sourcing of supply, and they also need to consider the robustness, of their transportation network, and ability to leverage multimodal alternatives like physical movements, air, ocean, road, as well as routing operation in mitigating risk in a demand driven supply chain.

Inventory supply chain operates under tremendous risk, and any kind of disruption, unseen threats which if left unchallenged and untreated in any manufacturing organization would cripple business operations, and lead to financial loss challenges, which may include supply chain delay activities, demand forecasting, in accuracies and even breakdown in communication, damaging facilities and inventory through environmental disaster or criminal activity, currency fluctuation as well as overall inefficient inventory management, and overstock and under stock issues thus mitigating risk in a demand driven supply chain.

To avoid and managing mitigating these risk can be highly challenging, and complex, lastly as business is looking for optimal strategy to manage its inventory supply chain, which would will be advised to identify and implement some of the key strategies employed by successful inventory driven by operation in supply chain.

Implementing a strategic and a system centre solution to mitigate risk in demand driven supply chain is by pooling inventory in few location as necessary to ensure lower inventory levels, and more accurate forecasting, and it becomes easier to manage, and control, and another valued risk managed is by involving excess inventory amongst components or products that are required in the organization.

Supplier selection is another key variable to mitigate risk in a demand driven supply chain, and ideally the supplier should be highly responsive, and adaptable to products in demand.

Order fulfillment: strategy: of postponement in supply chain strategy is nothing but fulfillment of order strategy, and one that reduce risk by making the company which manufactures the components, and ships to the customer of only what is required, and ultimately it follows to deliver the customer’s product by offering a good possible service.

The key is to manufacture, pack the product entirely to the satisfaction of the customer, until the customer decides upon the final requirement, and option that the requirement is as per the order fulfillment. This makes the company which manufactures most of the finished goods, and waits for the customer to decide upon, if the requirement of the decision upon if there is any modification for the product in the risk demand derived supply chain.

Reducing risk by postponement strategy as this includes reducing on better management of a portion of company’s labor, cost for each product unit manufactured, and secondly retaining semi-finished goods in relation to the gross profit generated in sales, including semi-finished goods, are not an impact for profit on sales, since profit margin are an important aspect in order fulfillment strategy.

Labor cost: as companies reduce a portion of the labor cost, by not completing finished goods until the customer who has placed the order fully, and only manufacturing the product when the customer requirement to decide on the final version, as this saves the labor cost, for each unit manufactured, and if the company holds semi-finished goods for too long then risk of inventory obsolescence, in risk demand derived supply chain.

Vendor management in any postponement strategy is that the relationship with the vendor must be strong, and each vendor is able or willing to respond to any critical part requirement, and of timely requirement, as this should support of vendor and the ability to match cyclical demand of the product.

Supply contracts should have strong supply contracts in a risk demand driven supply chain, as the cost of retaining inventory, and vendors are required to hold the inventory, until demand is confirmed, as this means that they must incur their own costs to retain inventory in the warehouse, as supply contract that doesn’t recognize these vendor costs, and the vendor does not succeed they will be forced to abandon the risk to mitigate derived demand in supply chain.

Defined delivery terms are an important aspect in a risk mitigating supply chain driven demand, as it is easier to maintain good delivery times, when vendors are in close proximity with organization, and to maintain this, it is essential to align in line with the critical parts and raw materials by vendors who are close to the organization, and ensure that delay is minimized and often require multiple agreements with multiple vendors in order to compensate for any delay in incoming materials.

Lead time for Vendors is an important in a risk demand driven supply chain, as that are needed to move semi-finished goods to finished goods, which have multiple agreements with multiple vendors in order to compensate delay in incoming shipments.
**Lean Manufacturing**

Lean manufacturing is otherwise called as lean production and it is a systematic approach to achieving highly efficient factory or plant operations through eliminating waste. The original seven types of waste are defined as:

- **Transport** (moving products that are not actually required to perform the processing)
- **Inventory** (all components, work in process, and finished product not being processed)
- **Motion** (people or equipment moving or walking more than is required to perform the processing)
- **Waiting** (waiting for the next production step, interruptions of production during shift change)
- **Overproduction** (production ahead of demand)
- **Over Processing** (resulting from poor tool or product design creating activity)
- **Defects** (the effort involved in inspecting for and fixing defects)

This strategy, which was borne of the Japanese Toyota Production System, requires a continuous pursuit of performance improvement by defining “value” as any action or process that a customer is willing to pay for. Operational and cost efficiency can be achieved through several means:

- Eliminating unnecessary waste, including but not limited to time loss, excessive raw material inputs and preventable defects
- Reducing lead and cycle times
- Reducing inventory levels at every stage of production
- Improving workforce productivity
- Optimizing use of equipment and space

The goal is to improve plant or factory systems by eliminating manufacturing waste and inefficiency.

**Introduction of 5S**

5S method was created and developed in Japan, as an important part of the Toyota Production System (TPS). This system was promoted by two Japanese experts, Osada and Hirano, as a way to keep the workspace clean, tidy and accessible, influencing self-esteem and morale. Hiroyuki Hirano, in a case study on manufacturing systems, had firstly integrated production data and many western managers have considered that the phenomenon belongs to rational knowledge. In practice, the management is always based on the development of production and best practice elements and Hirano developed a structure for improving, a knowledge based production development management system. He pointed out a number of steps that can be identified, each being based on the previous one. Quality starts with you” is the motto and as far as we know, the proper functioning bases of a company are the trust and the climate of the working disorganization. The confidence is developing if each employee carries out correctly his duties and respects the existing rules. If there is certainty that each individual will do the right thing, the next step of the analysis is done more efficiently and with confidence. Quality begins with people and therefore, with order and cleanliness, that one can use the 5S methodologies to reach a high quality level. 5S is a fundamental tool to promote continuous improvement process in organizations and represents a transformation in 5 steps of a job, which is characterized by maximum efficiency at the micro level and minimum loss. The system creates an environment where all objects are easier to find and any deviation from the normal situation becomes apparent by visual management methods. In the same time, a 5S technique maintains quality, promotes a significant costs reduction by eliminating the losses and provides the best framework for progress throughout the organization.

**Basic Concepts for 5S Implementation in Apparel industry**

**Sort (Seiri)**

5S start with sort. Sort means to sort out unnecessary items and use all machine, tools, equipment for regular use. Define daily required items, weekly necessary items, and monthly essential items and keeping separate. Broken, unusable or occasionally used items also should be defined and store in a proper place. They should maintain records for eliminating unnecessary items existing ones and new items. Each and every section of garments you may find many things they all kept in a disorganized way. To eliminate this we need to follow first S from the 5S, i.e Sort.

**Set in Order – SEITON**

Setting order is important for 5S. All items, section, and area (In, exist) are clearly identified by a label and everything should be well organized. Never mix/store two category items in one place. Dividing lines, aisle mark, Stairway is clearly identified and cleans as per standard. Confirm that, where necessary, the emergency exit doors have no panic hardware or lever style (one hand, one
motion door openers). If you keep all of your store materials in your garments warehouse in a planned order basis, then whenever required that materials you can easily find out and get those materials. That’s why all materials should be kept in accordance with set in order.

Source: ordnur.com/textile/implementation-of-5s-in-apparel-industry/

Shining – SEISO : The third S from 5S is Shine, actually mean cleanliness. All items/place of workplace Floors, walls, stairs, ceilings, pipe work, Racks, cabinets, shelves, Machines, equipment, tools, Stored items, materials, products and lighting everything required to be kept clean. All cleaning tools and materials are easily accessible. Cleaning assignments are defined and are being followed by checklist and hang checklist on visible board. Do periodical pest control to make sure there is no insect. Cleanliness is not only the compliance issue but also this increase the healthy working environment in garments factory or office.

Standardize – SEIKETSU : First three steps of 5S are the key to implement 5S in the workplace. This section is about visualization by Information displays, related SOPs, signs, colour coding and other markings are established everywhere of the factory also included procedures for maintaining the first three S’s are being displayed. Do regular 5’s audit using a checklist, give & post rating to each area. Need formal training, keep training records to approach towards improvement. These standardizations increase the operating efficiency of the apparel industry.

Source: ordnur.com/textile/implementation-of-5s-in-apparel-industry/

Sustain – SHITSUKE : This section is to sustain 5S in the textile and garments factory to be the way of life rather than just a routine. Success stories are being displayed (i.e. before and after pictures) in every section of the 5S board. Give rewards and recognition is part of the 5S system to sustain 5S.

Advantages of 5S for Garments : If you properly follow 5S for your textile and garments industry, then you will get following benefits:

- Health and Safety is ensured
- Base of implementation of quality improvement
- Productivity Increase
- Save time, cost and storage space
- Minimization of accidents & mistakes
- Increases efficiency
- Creates workplace ownership
- First step for Lean procedures
- Increase customer satisfaction
- Reduce inventory time
- Reduce downtime, wastage
- Good working environment
- Visualization and labelling
- Boost morale
- Improve company image
- Optimize organization and workplace as per requirement
- Routine wise work schedule and visual Standard Operating Procedure (SOP) everywhere
- Everybody knows their working responsibility where and when
- Disciplined housekeeping

Conclusion: A 5S program cannot be implemented without the commitment and responsibility of employers and employees. There are conditions necessary but not sufficient to be provided, such as: The employee must respect the following rules: compliance with personal hygiene, maintaining adequately the equipment and cleaning, not using alcohol, tobacco or similar substances, supply a correct hygienic environment, use an appropriate behaviour in the workplace, benefit from adequate rest and sleep, positive attitude, compliance with regular medical examination, maintain a healthy life, recreation etc. and compliance with safety. The company must provide suitable working conditions and maintaining cleanliness in appropriate conditions of a healthy environment: cleaning facilities, adequate lighting, eliminating excessive and harmful noise, subdivision of excessive noise areas, removing unwanted and toxic odours (smoke and dust), removing unwanted vibrations, and maintaining a pleasant working environment.

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(Footnotes)
As India is stepping up its efforts to mitigate the auto industry’s impact on environment, the often ignored tyre industry has to shoulder a profound responsibility. ETAuto digs deep into the changing trends and opportunities in the tyre industry which contributes about 3 per cent to country’s manufacturing Gross Domestic Product (GDP).

With the growing insistence to lower emission levels and enhance fuel efficiency in vehicles, besides reducing weight, the Indian tyre industry is embracing new trends in the manufacturing process to meet the changing market dynamics and cater to the latest demands of the OEMs (Original Equipment Manufacturers).

The heavy investment driven tyre industry contributes 3 per cent of the manufacturing GDP when the entire automotive sector accounts for 7.1 per cent of the GDP and almost 49 per cent to the nation’s manufacturing GDP (FY 2015-16).

The tyre makers in India are gearing up to intensify their role in the modernization phase, largely driven by demand and supply conditions as also directly proportional to automobile sales to some extent.

Besides, with increasing focus on corporate average fuel efficiency (CAFE) norms to curb the alarming levels of pollution, companies have immense pressure to build products which have minimal friction and offers higher fuel efficiency.

In this direction, the tyre manufacturers have been grappling to alter manufacturing mechanisms to meet changing trends and demands.

Latest trends in the industry include finer tolerances in the manufacturing process, inclusion of more radials which consume less fuel, low rolling resistance and focus on better traction and on road performance which increases fuel efficiency.

A radial tyre allows the sidewall and the tread to function as two independent features of the tyre. A bias tyre consists of multiple rubber plies over lapping each other. The crown and sidewalls are interdependent.

The companies are stepping up the manufacturing facilities with technologies that improve heat development in tyres with effort towards less usage of carbon black, which in turn contributes in lowering emissions.

Other impactful trend in the manufacturing of tyres include usage of higher component of ‘silica’ which helps in the manufacturing process and in improving tyre performance by lowering the rolling resistance as well as improving cut and chip resistance.

“Tyre manufacturing and tyre performance are directly linked to the emission levels. In our tires we promote radials which consume an average 8-10 per cent lesser fuel while working and hence thereby lesser pollution,” said Vidit Jain, Chief - Technology and R&D, Alliance Tire Group (ATG).

The passenger car tyre segment has radialisation of over 98 per cent, while its only 35 per cent in truck and bus segment and 40 per cent in light commercial vehicles tyres.

(Usage of Radials in various segment)

Latest trends in the tyre industry include inclusion of more radials which consume less fuel.

He further said the company is ensuring that its tyres provide the best traction and on road performance which in turn increases fuel efficiency and low rolling resistance in the tire and lightweight also ensures that lesser fuel is consumed by the vehicle.

ATG is a fully owned subsidiary of The Yokohama Rubber Company (YRC), Japan.

With regard to usage of silica, he said, “Silica helps in manufacturing processes as well as in improving tyre performance by lowering the rolling resistance as well as improving cut and chip resistance. We use many grades of Silica in most of our tires.”

Echoing similar sentiments, Pirelli Tyres Commercial Director Akash Singh Rathore said, the company is adopting the latest trend which calls for lower usage of
carbon black and more silica content do increase the fuel efficiency and reduce pollution.

“Over the years, in our manufacturing plants, the usage of carbon black has significantly gone down in the tyres that are made for passenger vehicles,” he told ETAuto at the Tyre Expo here. “For commercial vehicles, we need the right amount of carbon black as those tyres need to manage the pressure of the heavily loaded vehicles,” he added.

Also Read: ‘Auto component industry to grow at 10-12% CAGR in long term’

Industry analyst are of the view that the tyres made for passenger vehicles, two and three-wheelers need not have too much of carbon black as they do not have the bear the load as much as a commercial vehicle needs to.

Since these segments form a majority of the automobile sales, higher usage of less harmful raw materials such as silica can tremendously help in lowering pollution levels.

Tyre dealers in the NCR said there has been a massive change in the design and weight of the tyres now made by the manufacturers as compared to five to seven years back.

“For a tyre made for and ideal sedan, the weight has gone down by about 2-3 kgs than those made during 2012-13 and similar is the case with two and three-wheelers,” said one of the dealers.

However, in the commercial vehicle space, particularly in the Medium & Heavy Commercial Vehicle (M&HCV) segment, the hasn’t been much change in the last few years.

Another dealer of commercial vehicle tyres said, “In this area, no major transformation can happen in terms of lightweighting as the requirements of those vehicles are such that the tyres have to be heavy to sustain on Indian roads and travel long distances”.

Market Dynamics: Tyre demand originates from two end-user categories — OEMs and the replacement segment. T&B (Trucks & Buses) dominates overall commercial usage segment with followed by LCV segment. Tractor front and rear tyre segment constitute the remaining.

Top 10 companies account for about 80 per cent of the market share. Top three companies — MRF, Apollo Tyres and JK Tyres — have 55 per cent of the market share of the Indian tyre industry and figure among the top 25 global companies in terms of revenue.

Raw Material: The tyre is an assembly of numerous components that are built up on a drum and then cured in a press under heat and pressure.

Raw material cost forms the largest cost head in the tyre industry accounting for about 65-70 per cent of the total. The main raw materials used to manufacture tyres are natural rubber, poly butadiene rubber (PBR), styrene butadiene rubber (SBR) and nylon tyre cord fabric.

Rubber is a major component in manufacturing of a tyre. There are three categories of rubber used in the manufacturing process viz natural rubber (NR), styrene butadiene rubber (SBR) and poly butadiene rubber (PBR).

Rubber including (natural and synthetic), nylon tyre cord fabric (NTC) and carbon black constitute a significant portion i.e. 60-65 per cent of the overall raw material cost of the industry, Care Ratings said, adding hence any change in the prices of these materials impact the overall industry’s profitability.

Tyre demand originates from two end-user categories — OEMs and the replacement segment.
Rubber is a major component in manufacturing of a tyre. The price of rubber is prone to fluctuations and in the previous fiscal year, domestic and international rubber prices increased by about 28 per cent. It had declined by 24 per cent and 15 per cent y-o-y for previous two consecutive years.

The reason for high natural rubber price in the domestic market is due to the demand-supply gap in production and consumption of rubber in the country. Competitive prices in the international market also leads to high imports.

Exports: Tyre exports are estimated to grow by 8-10 per cent over the next three years led by stable demand and increased acceptance of Indian tyres in overseas markets, both in terms of quality and pricing. It was around 9 per cent in FY 2018.

However, with rising penetration of low cost Chinese tyres in overseas markets, especially post the removal of anti-dumping duty (ADD) by the US on the Chinese tyres in February 2017, competition from China (both in terms of volumes and pricing) will remain a key challenge, as per and ICRA note.

For FY 2019, the unit and tonnage growth is pegged at 8-8.5 per cent and 6.5-7 per cent, respectively.

Currently, India’s contribution to the global tyre trade is USD 1.5 billion (1.72 per cent) out of the $80 billion market. ATMA expects export sahre to increase to about 5 per cent given that the industry is highly competitive and there is a headroom for tyre exports.

Top destinations for exports include US, Germany, France, UK, Italy, Spain, Turkey, Netherlands, UAE, Brazil and Australia.

The US and EU countries are the top potential markets for exports, and the driving factor would be the Government signing trade agreements with these countries which can provide concessional tariff for tyres.

Challenges: A DIPP report highlights that rubber (tyres) is one manufacturing industry that has been affected by large imports from China. Due to a slowdown in the Chinese economy, their tyre manufacturers often dump their products in the Indian market which affects the domestic industry.

Although the government has imposed anti-dumping duty, but that is based on loss of profit and is not a deterrent.

Besides, reports suggest that illegal or illicit imports are also a cause for concern.

The share of imports from China has gone up to over 50 per cent from just about 20 per cent in the last five years, as per the data available with Automotive Tyre Manufacturers Association (ATMA).

Due to rising imports, the domestic industry has been lingering with decline in production and the capacity utilisation of plants has remain subdued.

Other challenge in India is the inverted duty structure for the tyre industry which adds pressure to the players. Analyst said the duty structure needs to be corrected by increasing the customs duty on tyres to keep it at par with the duty attracted by natural rubber, which will help the domestic industry to be competitive.

Inverted duty structure is where the key raw material attracts higher customs duty than the finished product. In this case natural rubber attracts more customs duty than the completely built tyres.

Also, import of natural rubber needs a prior license and declaration, which increases holding costs making the tyre industry non-competitive.

Furthermore, trade agreements have affected the domestic industry as concessions are provided on customs duty on finished tyres from countries with which India has an FTA (Free Trade Agreement) but not on natural rubber. Natural rubber falls under the negative list and therefore it increase the cost of tyres made in the domestic market.

Besides, the corporate income tax in India is higher than many other countries, which reduces competitiveness in the Indian tyre industry.

In terms of raw material, both natural rubber and crude are controlled by the external environment and little can be done to control the raw material price movement.

Company Financials: Even after the challenges mentioned above, the tyre companies have managed to remain profitable in the Indian market. However, the potential of growth is almost two times than what it is now if the hurdles are taken care off.

1> Top in the chart is MRF Ltd. The company’s total income (net of excise duty) was Rs 15,104.40 crores for the year ended 31st March 2018, an increase of 11.22 per cent as compared to Rs 13,580.83 crore in the previous year. The Profit before tax stood at Rs 1,601.91 crore for the year ended 31st March 2018, as against Rs 2,066.37 crore for the previous financial year.

After making provision for income-tax, the net profit for the year ended 31st March 2018 was Rs 1,092.28 crore as against Rs 1,451.08 crore for the previous financial year.

The company’s export for the year ended 31st March 2018, was Rs 1,353 crore as against Rs 1,316 crore for the previous year ended 31st March 2017.

2> Apollo Tyres Ltd — The company’s net sales for the
full year witnessed a growth of 12 per cent, as compared to the last fiscal, to close at Rs 14,674 crore. Net profit reported for the full year of FY 2018 was Rs 724 crore.

Both, Indian and European Operations, continued with their growth momentum and registered a revenue growth led by a strong performance in the commercial vehicle segment, especially truck radials, in India, and passenger vehicle category in Europe. Apollo Tyres Ltd operating profit for the financial year 2017-18 stood at Rs 1,768 crore.

3> JK Tyre & Industries Ltd — The company’s net revenue for the year was Rs 8,272 crore, an increase of 8 per cent. Operating Profit for the year was Rs 883 crore and Profit Before Tax (PBT) for the year was Rs 107 crore on consolidated basis.

In the year 2017-18, the sales volumes at JK Tyre grew by 11 per cent. On standalone basis, the total income during the previous financial year stood at Rs 6,510.95 crore. Truck/Bus radialisation which JK Tyre had pioneered, further accelerated to 47 per cent during the year.

JK Tyre has global presence in 100 countries across six continents, backed by production support from 12 plants - 9 in India and 3 in Mexico.

4> CEAT Ltd: The company’s consolidated profit during the 2017-18 financial year stood at Rs 233.29 crore. Total income during the last financial year was Rs 6,429.14 crore.

Profit Before Tax (PBT) was reported at Rs 367.32 crore in the fiscal 2017-18. The company has total assets worth Rs 5,160.99 crore as on March 31, 2018.

**Outlook:** As per reports, Tyre OEM segment is expected to witness higher growth in the next two fiscals fuelled by robust automobile sales.

The fuel prices were on the rise for quite sometime now but have been on a decline for the past two years. Therefore, with expectations that the price will go down besides lower cost of ownership of vehicles, push on manufacturing and higher infrastructure spend is expected to result in further growth of the automobile sector.

With stable automobile sales, the tyre industry is set to gain in the OEM space.

A Care Ratings report said tyre manufacturers supplying to Commercial Vehicle, Passenger Vehicle, and Tractors segment are expected to benefit the most in the near term as the outlook for these auto segment in the Indian Market is relatively more positive.

With stable automobile sales, the tyre industry is set to gain in the OEM space.

On the other hand, the report suggested by FY 2019, about Rs 70 billion worth projects are to be completed adding another 12 million unit capacity to the industry. Going forward, significant capex will put pressure on the utilisation levels and hamper the operational margins of the players.

Analyst said sales are expected to grow about 10 per annum and domestic and export demand for tyres is expected to remain robust during this period on the back of strong growth prospects for Auto OEMs as well as the stable replacement market.

ATMA said the tyre industry being an integral part of the automotive industry is likely to reach levels of Rs 2,074-2,423 billion by 2026.

The Government of India and Indian Automotive Industry has developed a collective vision plan referred to as ‘Automotive Mission Plan 2016-26—AMP 2026’.

The AMP 2026 aims to propel the Indian Automotive Industry to be the ‘Engine of the Make in India Programme’.

The objective of AMP 2026 is “where the vehicles, auto components and tractor industry should reach over next ten years in terms of size, contribution to India’s development, global footprint, technological maturity, competitiveness and institutional structure and capabilities”.

**Employment:** The Annual Survey of Industry (ASI), MOSPI data reveals that the tyre industry provides direct employment to more than 0.15 million people, which is about 0.12 million in the organised sector. It also provides livelihood to over 1 million people such as retreaders, dealers and repairers directly and indirectly associated with the industry.

Further, employment generated by the industry in services such as tyre repairing, air filling, etc is also very significant.

(Source: Care Ratings, ATMA) – The Economic Times
Examining the impact of GST on the road logistics sector, the following key changes are noticeable. So far there has been about 18-20% improvement in trucks TAT because of GST.

It has been one year, since the Goods and Services Tax (GST) was implemented on July 1, 2017. The new unified tax regime is having a far-reaching effect on different industries, more so on the roads logistics sector, which is in focus. As had been expected, GST has resulted in the abolition of state-level VAT check-posts which in turn has reduced truck turnaround time (TAT).

Earlier trucks used to get stuck for days together at the check posts, but now it is not the case.

Another benefit that was expected from the implementation of GST on the sector due to increased compliance was a gradual shift towards organised players from small and fragmented transporters. There was also a likelihood of companies consolidating their warehousing network thereby bringing in efficiencies in overall supply chain management.

Examining the impact of GST on the road logistics sector, the following key changes are noticeable. So far there has been about 18-20% improvement in trucks TAT because of GST.

The removal of inter-state check-posts has led to significant reduction in waiting/idle time for trucks, thereby improving their TAT and efficiencies. In a recent survey, this was confirmed by 60% of transporters. The TAT reduction is more noticeable in states previously having a bad reputation of high waiting time spent at their inter-state borders – such as Kerala, West Bengal, Maharashtra, Madhya Pradesh and Bihar.

Similarly, since the GST came into force, companies are evaluating revamping their supply-chain networks and consolidating their warehousing network. GST was expected to spur consolidation of warehouses as need for tax-based warehouses got eliminated. However, consolidation has been restricted and has varied from sector to sector and; company to company.

The trend so far has been mixed – industries where it is possible to do so, have already implemented whereas in industries where there are logistic complexities to be considered, are somewhat slow. Logistics efficiency is one of the most significant factors influencing the location of warehouses, plus there are sector-specific factors that have also influenced the extent and pace of consolidation in each sector.

Industries like cement and tile manufacturing which have a more predictable demand that can be catered to from a centralized location, are quick.

One of the leading tile producers has already consolidated its warehouses, from 16-17 depots pan India to 2 post-GST and; is supplying directly to dealers, resulting in reduction in storage costs.

Also in this industry, logistics costs as a percentage of sales are significant at 20-30%. Hence, companies have strong focus on reducing their logistics costs, through measures including reducing warehousing costs.

On the other hand, an FMCG company had consolidated less than 10% of depots. In the case of consumer durables and some other sectors, maintenance of de-centralized warehouses remains necessary.

While for finished goods, the depots maintained for stock transfer can be reduced and direct billing from factories to dealers can be done, for spare parts, companies normally prefer to maintain some de-centralized warehouses so as to ensure part availability and timely customer servicing.

Close to 50% of the consumer-oriented companies are yet to consolidate their warehouses or are in process. Many companies are interacting with supply chain management companies who would help them redesign and revamp their networks going forward.

Consolidation of warehouses has mandated use of bigger trucks to move larger consignments to the bigger warehouse. However, the impact is yet to be seen as so far, the demand for big trucks has been driven primarily by stricter implementation of overloading restrictions in the last one year.

Nevertheless, many companies have reported increased demand for big trucks because of the need to expand operations due to increased demand for GST-compliant transporters.

Currently logistics costs average 13-14% of GDP and bringing the same down is one of Government’s key focus area. The implementation of GST and the full benefits of the same are bound to reduce long term costs due to reduced transportation costs, savings on warehousing costs and the associated efficiencies. Currently, only a small fraction of the companies surveyed have indicated cost reduction while others reported that costs are increasing.

Higher compliance costs related to GST due to technological upgradation, up-skilling of workers, penalty charges etc. have added to the cost-burden of transporters, which coupled with the increasing diesel prices, have taken a toll on their profitability.
These are short-term pains as reduction in truck TAT and setup of efficient warehousing networks would improve the overall efficiency in the system and bring about a reduction in logistics costs, over a longer period.

The implementation of the E-way bill from April 2018 is also favourable for the longer-term. A lot of transport companies have said their operations have become more systematic, and there is considerable time savings and paperwork reduction due to the digitization of processes. Although few companies faced difficulties due to teething problems like technical glitches, limited awareness etc., the overall response to E-way bill has been positive.

In conclusion, it can be said that the overall impact of GST has been positive on the Indian road logistics sector. Reduction in turnaround time, companies gradually moving towards the hub and spoke model of transportation, with warehouses being setup with logistics efficiencies in mind rather than tax savings augers well.

Although costs have increased over the near term, over the long-term, logistics efficiencies due to GST implementation would lead to reduction in costs. Additionally, implementation of E-way bill also will have an overall positive impact on the Indian road logistics sector going forward.

(The author is Vice President & Sector Head - Corporate Ratings, ICRA Ltd)

DISCLAIMER: The views expressed are solely of the authors and ETAuto.com does not necessarily subscribe to it. ETAuto.com shall not be responsible for any damage caused to any person/organisation directly or indirectly.

Source: Economic Times, 17th July 2018

GOVERNMENT RAISES LOAD CAPACITY FOR HEAVY VEHICLES BY 20-25 PER CENT

ET BUREAU

The Centre has increased the official maximum load carrying capacity of heavy vehicles, including trucks, by 20-25% besides scrapping the mandatory annual renewal of fitness certificates for freight carriers.

Stocks of truck makers have corrected in recent days on concerns that higher load capacity would hurt demand for new vehicles, something the government argues would not happen as the norms apply to new vehicles and not the existing fleet. Fitness certificates for trucks would now be renewed every two years.

“Now, we’re on a par with the international freight carrying norms for transport vehicles. It will also bring down overloading,” a senior government official said.

“The new norms will be applicable to the vehicles that would be manufactured after the statutory order comes into effect. Heavy vehicle manufacturers will be given time to meet the standards of the new norms.”

The gross vehicle weight of a two-axle truck (two wheels in the front axle and four wheels in the rear) has been increased to 18.5 tonne from the existing 16.2 tonnes, increasing the load carrying capacity by just over 20%. Similarly, the gross vehicle weight for a three-axle truck has been increased to 28.5 tonne from 25 tonne: For a five-axle truck, the vehicle weight has been increased from 37 tonne to 43.5 tonne, increasing the load carrying capacity by more than 25%. The load carrying capacity for other categories of multi-axle trucks has also been increased. For tractor trailers, the limit has been raised 36%.

The statutory order was issued by the road transport and highways ministry late on Monday. The norms were last updated in 1988. The official said that the move would not hit demand of commercial vehicles as the norms would be applicable only to vehicles made after the statutory order is implemented. “The vehicles that have been registered as per the earlier norms would continue to carry load in accordance with the earlier limit,” he said.

The official said that road transport and highways minister Nitin Gadkari had recently held a meeting with top officials and highway developers on whether the Indian highways were fit for additional loading. “As per our survey, there’s overloading of at least 50% by the trucks currently plying on highways. The trucks that will have more load carrying capacity will bring down overloading. It will be beneficial for the logistics industry and transport industry as they’ll be able to carry more freight legally. The road construction quality is good enough to handle the additional load,” the official added.
Vehicle tracking systems and FASTags for electronic toll collection will be made mandatory for all commercial vehicles obtaining national permit, the government today said as it came out with draft amendments in this connection.

Vehicle tracking systems and FASTags for electronic toll collection will be made mandatory for all commercial vehicles obtaining national permit, the government today said as it came out with draft amendments in this connection.

The proposed amendment also provides that driving licence and pollution control certificates can be carried in physical or digital form besides doing away with the fitness certification requirement at the time of registration for new transport vehicles.

“Ministry of Road Transport and Highways (MoRTH) has notified draft amendments to the Central Motor Vehicles Rules, making FASTags and vehicle tracking system device mandatory for all commercial vehicles (CVs) obtaining national permit,” MoRTH said in a statement today.

A sticker confirming fitting of the FASTags will be mandatory on the front wind screen of the vehicle, it said.

The draft amendments also stipulate other additional conditions for obtaining national permit that include display of the words “National Permit or N/P” in the front and rear of the vehicles in bold letters.

In case of trailers, the letters “N/P” will have to be inscribed on the rear and left side of the vehicle while the body of a tanker carrying dangerous or hazardous goods has to be painted in white colour and display the prescribed class label on both the sides and rear of the tanker. The vehicle will be affixed with reflective tapes at front and rear.

“The proposed amendment also provides that no fitness certification shall be required at the time of registration for new transport vehicles sold as fully built vehicles. Such vehicles will be deemed to be having certificate of fitness for a period of two years from the date of registration,” the statement said.

It has also been proposed that fitness certificate of transport vehicles will be renewed for a period of two years for up to eight-year-old vehicles, and for one year for vehicles older than eight years.

Centre notifies draft changes to motor vehicle rules, invites suggestions

“All goods carriage vehicles will be required to carry goods in a closed body of the vehicle or container, it said adding, if it is necessary to carry goods in open bodies, goods will be covered by using appropriate cover like tarpaulin or any other suitable material.

However, goods of indivisible nature, not capable of being carried in a closed body or being covered, may be carried without cover.

Source: PTI, 17th July, 2018
The WTO’s nineteenth monitoring report on Group of 20 (G20) trade measures covering the period from mid-October 2017 to mid-May 2018, issued on 4 July, shows that new trade-restrictive measures from G20 economies have doubled compared to the previous review period. The report also shows that G20 economies continue to implement trade-facilitating measures, with the rate increasing slightly. The report’s findings should be of ‘real concern’ to the international community, according to Director-General Roberto Azevêdo.

A total of 39 new trade-restrictive measures were applied by G20 economies during the review period, including tariff increases, stricter customs procedures, imposition of taxes and export duties. This equates to an average of almost six restrictive measures per month, which is significantly higher than the three measures recorded during the previous review period.

G20 economies also implemented 47 measures aimed at facilitating trade during the review period, including eliminated or reduced tariffs, simplified import and export customs procedures and reduction of import taxes. At an average of almost seven trade-facilitating measures per month, this is marginally higher than the six measures recorded in the previous reporting period (mid-May to mid-October 2017).

It is notable that the estimated trade coverage of trade-facilitating measures implemented by G20 economies (US$82.7 billion) exceeded the estimated trade coverage of import-restrictive measures (US$74.1 billion), but is approximately half the trade coverage reported for these measures during the same period in 2016-17. The trade coverage of import-restrictive measures is more than one-and-a-half times larger than that during the same period in 2016-17.

Commenting on the report, Director-General Roberto Azevêdo said:

“The marked increase in new trade restrictive measures among G20 economies should be of real concern to the international community. Additional trade-restrictive measures have been announced in the weeks since this reporting period and therefore the deterioration in trade relations may be even worse than that recorded here. This continued escalation poses a serious threat to growth and recovery in all countries, and we are beginning to see this reflected in some forward-looking indicators. I urge G20 leaders to show restraint in applying new measures and to urgently de-escalate the situation. I will continue working with the G20 governments and all WTO members to this end.”

On trade remedy measures and compared to the previous period, the review period saw a slight increase in initiations of investigations by G20 economies and a significant increase of terminations of trade remedy actions. Initiations of trade remedy investigations represented about half (49%) of trade measures recorded, with anti-dumping (AD) investigations accounting for almost 80% of all trade remedy initiations. The amount of trade covered by these is estimated at US$52.3 billion and is significantly higher than in the two previous G20 reports. The trade coverage of trade remedy initiations recorded in the review period is estimated at US$6.2 billion. These measures are not classified as either trade-restrictive or trade-facilitating by this report.

The main sectors affected by trade remedy initiations during the review period were iron and steel, plastics and articles thereof, vehicles, parts and accessories thereof and products of iron and steel.

The G20 economies are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Republic of Korea, Japan, Mexico, the Russian Federation, Saudi Arabia, South Africa, Turkey, the United Kingdom and the United States, as well as the European Union.

Key Findings

- This Report covers new trade and trade-related measures implemented by G20 economies between 16 October 2017 and 15 May 2018. It reveals a number of important trends in global trade policy-making. While G20 economies continue to implement trade-facilitating measures, the more worrying trend during this period is the increase in trade-restrictive measures which has come at a time of increasing trade tensions and associated rhetoric. This should be of real concern to the international community.

- G20 economies applied 39 new trade-restrictive measures during the review period, including
tariff increases, stricter customs procedures, imposition of taxes and export duties. This equates to an average of almost six restrictive measures per month, which is significantly higher than the three measures recorded during the previous review period.

- G20 economies also implemented 47 measures aimed at facilitating trade during the review period, including eliminated or reduced tariffs, simplified import and export customs procedures and reduction of import taxes. At almost seven trade-facilitating measures per month, this is marginally higher than the six measures recorded in the previous period.

- The estimated trade coverage of import-facilitating measures (US$82.7 billion) is higher than that of import-restrictive measures (US$74.1 billion) during the review period, but is approximately half the trade coverage reported for these measures during the same period in 2016-17. Moreover, the trade coverage of import-restrictive measures is more than one-and-a-half times larger than that during the same period in 2016-17.

- On trade remedy measures, the review period saw a slight increase in initiations of investigations by G20 economies and a significant increase of terminations, compared to the previous period. Initiations of trade remedy investigations represent almost half (49%) of all trade measures recorded during the review period. The trade coverage of trade remedy initiations recorded in this Report is estimated at US$52.3 billion and is significantly higher than in the two previous G20 Reports. The trade coverage of trade remedy terminations recorded in the review period is estimated at US$6.2 billion.

- At a juncture where the global economy is finally beginning to generate sustained economic momentum following the global financial crisis, the uncertainty created by a proliferation of trade restrictive actions could place economic recovery in jeopardy. The multilateral trading system was built to resolve such problems and it has the tools to do so again. However, further escalation could carry potentially large risks for the system itself. Its resilience and functionality in the face of these challenges will depend on each and every one of its Members. The G20 economies must use all means at their disposal to de-escalate the situation and promote further trade recovery.

Source: WTO Website
ALWAR BRANCH

Indian institute of Materials Management Alwar Branch organized an In-house Training program on “ Stores and Inventory management” for a local pharma Industry. There were about 25 participants from Stores, purchase, Production, Production Planning, Maintenance and cost accounting division of the Industry.

Mr. Lalit Raj Meena founder Chairman and NST IIMM, was the faculty for the programme. During the two days program talks were delivered about requirements of stores, importance of Inventory and it’s effects on the profitability of an Industry. The procurement cost, Inventory carrying cost, stock out cost, the effects of stock out cost for Industry, effect of over stockings, ABC, VED, FSN, GOLF analysis, it’s importance and effects on the profitability of Industry were deliberated.

The programme was well appreciated by the management and the participants.

IIMM Alwar Branch is organising two days training program on “ Stores and Inventory management”. The training is scheduled for August,24-25,2018 at hotel Moti Dungri place Alwar. The delegate fee for the programme is, Rs.4000.00 + GST for non members, Rs.3509.00 +GST for IIMM Members. For residential delegates the fee is Rs.6500.00 + GST. Contact L R Meena mobile. 9731245655. Email iimmalw@gmail.com.

HYDERABAD BRANCH

IIMM HYDERABAD – GOING FORWARD:

01. We thank Chief Editor and Publisher (and connected team) for accepting our request and publishing our previous branch news in June 2018 MMR, covering the activities/news up to May 2018.

02. We have showcased a “Happenings” board at Institute, displaying the activities and other information on Education, specially to take care the need of our Students.

03. At the outset, while congratulating the NHQ team for obtaining AICTE approval for two PGDMM Courses with Two years duration, IIMM Hyderabad branch, is putting in special efforts in line with the directions provided by our National President, Chairman Board of Studies and with the support of our VP (South), going ahead in a befitting manner to get more number of students admitted into our courses (July 2018 Admissions as of now).  

04. Till 15th July, We have conducted our further EC Meetings, with updates from VP(South), deliberating the important issues dealt in last NC meeting at Udaipur with specific focus to Education. We have conducted in June 2018, our 11th EC Meeting, under GREENS coinciding with the celebrations of WED (World Environmental Day), A special mention need to be made for the efforts put in by our EC member, Mr. CHLV Prasad for organizing the Meeting at his project Advait Retirement Homes, Medchal, in full GREEN environment and under the blessings of Sri Prasanna Venkateshwara Swamy Devasthanam - Temple there. Our Executive Committee are privileged to receive Temple honours there.
The EC Meeting was followed by industry visit (Gubba Cold Storage), organized by our NC Member Shri. D. Dasaradha Reddy, to promote our activities like future Executive Development Programs, Student Enrollment, Membership drive, etc. The committee had detail deliberations with the Executives of Gubba Cold Storage.

05. We have successfully conducted revision classes to students (GDMM/PGDMM Distance Mode) of Jan 2018 Batch, who wrote exams in June 2018. We would like to keep on record for the good support given by our Faculty (Dr. Aruna, Dr. Ammani, Prof. G. Srinivasa rao and Shri. Kuldip Rai). We thank them through this platform (MMR) also.

06. IIMM Hyderabad Branch proudly place on record by conveying congratulations:

6.1: to our Branch Chairman Shri A. Preetam Kumar, now promoted as “General Manager (Materials Management)”, NMDC Ltd – a Maharatna PSU.

Under the background of his experience in MM, he was deputed to “Master Class for Directors” conducted by Institute of Directors. (Meant to groom managers for taking up the role of Director of an organization detailing the roles and responsibilities of the Director in changed business environment)

In addition, as main spokesman, with his vast experience in Materials Management – Vendor Development, he conducted various vendor development programs by way of Vendor Meets and Exhibitions for enrollment of new Vendors with special emphasis on MSEs and SC/ST promoted MSEs, giving benefits as directed by Government of India.

6.2: to our NC Member Dr. M.M. Rao, (Senior Vice President – Procure & Contracts, GREENKO Group), for his professional excellence in achieving a unique Hat-trick Awards:

i. For the Year 2016— from the Prime Minister’s Program NATCOM for the Excellence in Supply Chain Management.

ii. For the Year 2017—Leadership Award under Professional Excellence in Sourcing & Procurement category from CE World Wide.

iii. In the Year 2018, Award on Individual basis for the Procurement and Supply chain Professional of the year 2018 by CIPS (Chartered Institute of Procurement & Supply) SUPPLY MANAGEMENT AWARDS 2018 ASIA in Association with Procure Con Asia based at UK. This selection of Award is for the achievers of entire Asia Pacific.

6.3: to our NC Member Shri D. Dasaradha Reddy to get promoted as “General Manager – Warehouse”, M/s. Aurobindo Pharma Ltd.

Another important news is that, his views on Supply Chain Process, Investments, Warehouse and Logistics were published in a vital magazine – Cargo Connect (Connecting Cargo Professionals) recently.

6.4: to our Branch Hony. Secretary & Course Coordinator, Shri Md. Ziauddin, who attended, as a special invitee at BNI Universal chapter inauguration program involving many industry oriented Vendors.

He has also made his presence as a Delegate in Indo-French Industries Meet 2018 (in Hyderabad in June 2018).

In both the above meets he has put in desirable efforts to promote IIMM activities and invited young SCM Professionals to join IIMM Courses to upgrade their career.
6.5: to our EC Member Ms. S. Suvarna, as her articles published in MMR of May 2018 and June 2018.

07. IIMM Hyderabad Branch, continues to uplift the SCM Professionals by way of organizing Executive Development Programs/ Training programs.

And our thoughts are “on Board” to enter into SCM consultancy activities to the needy industry to provide them packages on updated SCM practices, Inventory Management, SCM Manuals, keeping in view the support we get from our experienced EC Committee Members/IIMMians of Hyderabad Branch/ Our Distinguished high profiled Faculty.

NEW DELHI BRANCH

An in-house programme was organised by Delhi Branch for Sher Khan Institute of Medical Sciences (SKIMS) Srinagar J&K on 14th of July 2018 on effective Supply Chain which was attended by more than 90 participants from all discipline and levels including Ex Officio Secretary to Govt of J&K and MS Bessie’s various HODs.

Programme was conducted by our former President Mr V K Jain who talked of vast area including upcoming trends and effective and efficient procurement in respect of Govt. Policies for Public procurement besides inventory control.

PUNE BRANCH

IIMM’5th Annual SCM Awards, 2018: This Award program was instituted by Indian Institute of Materials Management Pune to recognize Best Practices in Supply Chain Management in Manufacturing and Service Sector in and around Pune for which they received a large number of Nominations. The Panel of jury members comprised of eminent seniors from the industry and business sector.

The glittering Award program took place at Hotel Sheraton Grand, Pune on the eve of 7th July, 2018 & was attended by around 250 luminaries. The special guest at this program-Mr. Jyoti Bhushan Kou, CoE Lead for Business Continuity Management in Maersk Global Service Centres, Mr Abhay Vaidya, Resident Editor of Hindustan Times, Ms. Pragya Kalia, Vice President

Warehousing, Provisioning, Legal aspects etc. etc. Programme highlight included Panel discussion. SKIMS thanked IIMM for such an useful activity and presented a memento too.
Hindustan Times, Mr. Jitesh Gupta, Vice President IIMM & Mr. O.P. Longia, immediate Past National President, IIMM gave away the Award trophies to winners.

Mr. G.K. Singh, National President IIMM was also invited as a special guest but he was unable to attend the program due to heavy floods in Nagpur.

Mr. Amit Borkar, Chairman IIMM Pune Branch welcoming the audience at the 5th Annual SCM Awards

Mr. Uday Bhanu, Chairman IIMM Visakhapatnam Branch & Mr. Rabinarayan Padhi, IIMM, National Councillor also attended the program.

The special edition souvenir of IIMM Pune Branch was released at the hands of these eminent guests, the chairman, Mr. Amit Borkar, the program convener, Mr. K R Nair, the Master of Ceremonies, Mr. Mohan Nair and the entire executive committee.

The Award Winners are:

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<tr>
<th>S.No</th>
<th>Names / Category</th>
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<tr>
<td>1</td>
<td>Suprabha Protective Products Pvt. Ltd.</td>
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<td>Manufacturing Sector - Large Scale</td>
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<td>Emerson Process Management (I) Pvt. Ltd.</td>
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<td>Manufacturing Sector - Large Scale</td>
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<td>Bakelite Food Processing Pvt. Ltd.</td>
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<td>Manufacturing Sector - Medium Scale</td>
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<td>Helvoet Rubber &amp; Plastics Technologies India Pvt. Ltd.</td>
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<td>Manufacturing Sector - Medium Scale</td>
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<td>5</td>
<td>Tigertech Smart Living (P) Ltd.</td>
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<td>Best Technology Startup venture in SCM</td>
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<td>6</td>
<td>Avancer Technology Solutions Pvt. Ltd.</td>
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<td>Best Technology Startup venture in SCM</td>
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<td>Avinash Cargo Pvt. Ltd.</td>
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<td>Service Sector - Large Scale</td>
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<td>8</td>
<td>KSH Logistics Pvt. Ltd.</td>
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<td>Service Sector - Medium Scale</td>
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<td>FEI Cargo Limited</td>
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<td>Logistics Company of the Year</td>
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<td>Grant Medical Foundation, Ruby Hall</td>
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<td>Best Hospital in SCM Practices</td>
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<td>11</td>
<td>Savitribai Phule Pune University</td>
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<td>Outstanding Work in Skill Development in SCM</td>
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<td>12</td>
<td>BAIF Development Research Foundation</td>
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<td>Best NGO of the Year</td>
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<td>Parakh Group</td>
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<td>Lifetime Achievement Award</td>
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<td>Government of Maharashtra,</td>
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<td>Water Resources Department, Pune</td>
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VADODARA BRANCH

Training Prog. for Participants from HUNTSMAN INTERNATIONAL (INDIA) PVT. LTD. in JUN’18: One day in-house training programme on ‘Warehouse Management’ topic was organised on 22nd Jun’18 at Plant premises of HUNTSMAN INTERNATIONAL (INDIA) PVT. LTD. in Vill. Umraya, Tal. Padra, Dist. Vadodara for 16 Nos. of participants from Purchase, Warehouse, Supply Chain Dept. wherein faculty Mr. L. L. Notani conducted the training programme. The Talent Dev. Mngr., Ms. Krishna Shah had sent mail to us in May’18 regarding training need for their personnel wherein points to be covered in above topic had been planned & sent for their approval. Thereafter, commercial aspect alongwith schedule was finalized & forwarded to them for confirmation. The Presentation & Exercises for participants had been sent by Faculty for Ref. Mtrl. booklet preparation by us. The training programme was successfully completed with Excellent feedback received from participants who assured to attend our future training programmes as some students had done GDMM-R & DSM courses from our branch. Mr. Manoj Patel, Hon. Secretary had joined during visit to their site.

The Participation Certificates were distributed to participants by Mr. Notani, Mr. Manoj Patel and Ms. Krishna Shah with following photos depicting highlights of training programme –

The faculty, Mr. Notani delivering lecture during Trng. Prog.
Evening Talk held on 22\textsuperscript{nd} JUN’18: An Evening Talk with ‘Block-Chain’ topic by Mr. Jeegar Desai was held on 22/6/18 which was attended by about 35 persons comprising of members & students. He being an Entrepreneur & Mentor, is the Founder, CEO of Anant Soft Computing, Aaditya Academy, Gastronome Hospitality & Quantum Technologies. He has mentored more than 20 startups which are successfully running & scaling. He is Computer Scientist, Entrepreneur, Block-Chain Developer & Consultant. He has worked most of his life in the field of Computer Science & dedicated himself in developing the field of Artificial Intelligence & Research Eco-system in India. He has done M.Sc.Intelligent System from University of Sussex, Brighton, UK, MBA-International Business from Gladey Beacon Business School, Delaware, BCA from SPU, Dip. in Entrepreneurship from EDII. He is pursuing PhD in Digital Marketing from MSU. He is Google Analytics Certified for Google Adwords & Certified Intellectual Property Specialist from World Intellectual Property Rights Organisation. He has been Design Engineer at Design Initiative,Brighton,UK, Web Portal Developer at Core Tech, SF,USA, System Architect at PG&E,SF,California, Tech Lead at 3G-Wireless,T-Mobile,New York & Entrepreneurship Development Cell Head at Parul University. The Talk focused on Internet & Softwares which have made transaction of money convenient. One can easily make online purchases & trade securities. But the financial assets being transferred, move through antiquated systems connecting clearing houses, correspondent banks and central depositories. Sometimes this takes many days for funds to reach an account or a stock trade to settle. Not only these systems are slow, but they are expensive & insecure. Blockchain tries to solve this problem by restructuring fundamental business transactions including monetary ones and introduces new forms of digital interactions. Blockchain is popularly known as the underlying technology behind Bitcoin. It uses a peer-to-peer network of computers to validate transactions. Blockchain is a data structure to create and share distributed ledger of transactions among a network of computers. It allows users to make and verify transactions immediately without a central authority.

The Talk was very much appreciated by audience as they got involved in interesting findings about Crypto Currency & Blockchain Technology. Also, the High Tea offered to members was liked by them.

The Event memories have been shared in photos given below -

- Mr. Manoj Patel - Hon. Secretary handing over Certificate to Participant.
- Group Photo of Participants with their Certificates.
- Mr. Lalbhai Patel - Director, IFPSM welcoming Mr. Jeegar Desai with Flower Bouquet.
- Mr. Devanand Trivedi - NC Member felicitating the Speaker with Memento.
- Mr. Devendra Zope completed 37 years of service at Vadodara branch on 12/07/18 and was felicitated with Token of Appreciation for his long service. During his tenure, he had been sincere, hard working and ready to help as & when required. The Committee Members alongwith other Staff Members joined together at Lunch & expressed best wishes for his future endeavours.
MEMBERSHIP FORM

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

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Name of Organisation: __________________________

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Telephone/s __________________ Fax __________________ E-mail __________________

Home Address: __________________________

Telephone/s __________________________ E-mail __________________

Educational Qualification: __________________________

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

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Membership of any other Professional Organisation __________________________

Your Date of Birth __________________________

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

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

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EXECUTIVE HEALTH
THE WAY TO HELP YOUR HEART IS DEFINITELY THROUGH YOUR STOMACH
JOEL FUHRMAN, M.D., Family physician, New York Times
Internationally recognized expert on nutrition and natural healing

If you are concerned about your cholesterol you are not alone. Nearly 50 percent of adult Americans have total cholesterol levels above 200 mg/dl. This places them at risk for developing cardiovascular disease. Elevated cholesterol is one of the most important risk factors for heart disease.1 This is well-known. What isn’t as widely known, is that most people can normalize their high cholesterol levels and dramatically reduce heart disease risk without medication.

The most effective way to lower cholesterol, without the side effects of medication, is through dietary intervention. How effective? My recent study, published in the American Journal of Lifestyle Medicine, illustrates the power of the right diet in lowering cholesterol and reducing the risk of other types of cardiovascular problems. The study showed dramatic reductions in weight, cholesterol and blood pressure, in addition to offering numerous case studies demonstrating reversal of heart disease. The survey respondents who started out obese experienced an average sustained weight loss of more than 50 pounds in the two years since they switched to a Nutritarian diet. Respondents who were not taking cholesterol-lowering medication also experienced an average 42 mg/dl decrease in LDL cholesterol.2

The Nutritarian diet is a high-nutrient, plant-rich diet featuring lots of raw and cooked vegetables. It is the safest and healthiest strategy for reducing cholesterol and preventing future heart attacks and other heart disease. A study of the Nutritarian diet found that LDL cholesterol was reduced 33 percent in just two weeks, a greater reduction compared to the low-fat and starch-based diets also studied.3 Similar interventions using low-fat vegetarian, Mediterranean, or other diets have not been nearly as effective.4-7

Cholesterol-lowering medicines (statins) are effective for reducing cholesterol, but keep in mind statins are associated with a host of side effects: liver dysfunction, acute renal failure, cataracts, increased diabetes risk, and impaired muscle function.8-10 Plus, an excellent diet coupled with exercise does much more than reduce cholesterol; a healthy lifestyle will also decrease heart disease risk by improving other important factors such as glucose levels, blood pressure, inflammation, and body weight.

To protect against heart disease and to lower and maintain a healthy cholesterol level, I recommend these eight simple rules:

1. **Eat at least one cup of beans every day.** A pooled analysis of 10 trials found that consuming beans regularly significantly reduces total and LDL cholesterol.11 Plus, a 19-year study found that people who eat beans at least four times a week have a 22 percent lower risk of heart disease than those who eat them less than once a week.12

2. **Eat at least one ounce of raw nuts and seeds daily.** Nuts not only reduce total and LDL cholesterol, but also aid in weight control, reduce the glycemic load of the diet, and reduce heart disease risk by 35 percent when eaten regularly.13, 14

3. **Eat one large green salad each day, and include raw onion.** Higher leafy green and cruciferous vegetable consumption is linked to lower risk of heart disease.15, 16

4. **Include berries and/or pomegranate in your diet daily.** The antioxidants in berries and pomegranates, such as anthocyanins and punicalagin, are especially effective in improving both LDL and HDL cholesterol.17, 18

5. **Have 1 Tbsp. of ground flax or chia seeds plus a DHA supplement each day.** Clinical trials show that daily flaxseed consumption reduces total cholesterol by 6-11 percent.19

6. **Use tomatoes and (no salt added) tomato sauces and dips regularly.** Many observational studies have made a connection between higher blood lycopene (the signature carotenoid of the tomato) and lower risk of heart attack.20-22

7. **Avoid refined carbohydrates and added oils.** Processed foods are full of calorie-dense, nutrient-poor ingredients that promote weight gain and increase heart disease risk.23-25

8. **Minimize animal products to less than 10 percent of total calories for the week.** If you have heart disease or significantly high cholesterol, limit below 5 percent or eliminate them. Higher animal product consumption is linked to increased heart disease risk.26

Download a printable PDF version of my eight simple ways to lower your cholesterol [https://www.drfuhrman-test.com/library/Lower_Cholesterol_Graphic.pdf](https://www.drfuhrman-test.com/library/Lower_Cholesterol_Graphic.pdf) and read more about how heart disease can be prevented or reversed in my most recent book, The End of Heart Disease.


Source: Wellness.com
**Enrol in Centre for Research in Materials Management (CRIMM)**

**IIMM** has set up **CRIMM** in Kolkata jointly with the Techno India University, West Bengal, a leading Private University, with an aim to promote research and consultancy in Materials Management discipline.

Applications are invited from intending candidates across the country to enrol for the research programme leading to certificate of fellowship.

The candidate should possess:

- Graduation in any discipline with minimum 50% marks, and
- GDMM/PGDMM/PGDSCM&L from IIMM with at least 55% marks, or
- Masters degree in any discipline or equivalent post graduate professional qualification with 50% marks.
- Experience in working in Materials Management or allied area in any industry/organization.

In case of highly experienced candidates in the field of Materials Management with graduation in any discipline OR in case of graduates in Engineering, need of the masters degree may be waived with discretion of CRIMM authorities.

There is no age limit for registration.

Successful Research Associates from CRIMM shall have the unique opportunity to pursue PhD in Techno India University, West Bengal with condensed course work.

*For enrolment and further details, please contact:*

Ms Paramita Sen (M : 9433530975) / Mr. Partha Sen (M : 9674794042)

or visit Vice Chancellor's office at Salt Lake campus of Techno India University, Kolkata.
# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

## ADMISSIONS OPEN

### AICTE APPROVED COURSES

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<td>1</td>
<td>Post Graduate Diploma in Materials Management</td>
<td>AICTE</td>
<td>Graduate in any discipline from any Recognized Univ.</td>
<td>2 Years</td>
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<td>Post Graduate Diploma in SCM &amp; Logistics</td>
<td>AICTE</td>
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### IFPMS & WORLD BANK APPROVED COURSES

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<tr>
<td>3</td>
<td>Graduate Diploma in Materials Management</td>
<td>IFPMS</td>
<td>Graduate or Diploma in Engg. Pharmacy/Hospital + 2/3 Yrs Exp.</td>
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<td>Professional Diploma in Public Procurement</td>
<td>World Bank</td>
<td>Graduate in any Discipline or Diploma Holders</td>
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### INTERNATIONAL COURSES

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<td>5</td>
<td>Certified Purchase &amp; Supply Manager (CPSM)</td>
<td>ISM - USA</td>
<td>4 years degree + 3 years of Relevant experience or 3 years Degree + 5 years of Relevant experience</td>
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<td>International Purchasing &amp; Supply Chain Management</td>
<td>ICC - Geneva</td>
<td>3 Year Degree + 2 Years of Relevant Experience</td>
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### IIMM SKILL DEVELOPMENT CERTIFICATE COURSES

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<td>Certificate in Contract Management</td>
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<td>9</td>
<td>Certificate in Logistics &amp; warehouse Mgmt.</td>
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### IIMM PROFESSIONAL COURSES

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<td>11</td>
<td>Professional Diploma in International Trade</td>
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